

**Corporate governance and ownership structure report - FY 2018**

**In accordance with Article 123-*bis* of the CFA  
Traditional Administration and Control Model**



**Approved by the Board of Directors on March 14, 2019**

**Issuer: Aeroporto Guglielmo Marconi di Bologna S.p.A.**  
Website: [www.airport-bologna.it](http://www.airport-bologna.it)

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## GLOSSARY

**Aeroporto di Bologna** or **AdB** or the **Issuer** or the **Company**: Aeroporto Guglielmo Marconi di Bologna S.p.A., with registered office in Bologna, Via Triumvirato 84.

**Code/Self-Governance Code**: the Self-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.

**Civil Code/C.C.**: the Civil Code

**Board** or the **Board of Directors**: the Board of Directors of the Issuer.

**Year**: the financial year to which the Report refers.

**Group**: collectively, the Issuer and the subsidiaries as per Article 93 of the Consolidated Finance Act.

**MTA**: Mercato Telematico Azionario (Italian Stock Exchange) organised and managed by Borsa Italiana S.p.A.

**Consob Issuers' Regulation**: the Regulation issued by Consob with motion No. 11971 of 1999 (as subsequently amended) regarding issuers.

**Consob Market Regulation**: the Market Regulations issued by Consob Resolution No. 20249 of 2017.

**Consob Related Parties Regulation**: the Regulation issued by Consob with motion No. 17221 of March 12, 2012 (as subsequently amended) regarding related party transactions.

**Report**: the present corporate governance and ownership structure report which the company must prepare as per Art. 123-bis CFA.

**CFA** or **Consolidated Finance Act**: Legislative Decree No. 58 of February 24, 1998 and subsequent amendments and supplements.

## INTRODUCTION

This Report, comparing the Issuers' corporate governance system against the recommendations of the Self-Governance Code for Listed companies, was drawn up as per article IA.1.1.1.11 of the Instructions to the Regulation for the markets organised and managed by Borsa Italiana S.p.A., according to the corporate governance and ownership structure report format required of issuers listed on regulated markets as per Article 123-*bis* of the CFA, in Borsa Italiana S.p.A.'s edition published in January 2019 (VIII edition).

This Report reflects the corporate governance and ownership structure system of the Issuer as at **December 31, 2018**, referring also to subsequent events until the approval date.

## 1. ISSUER PROFILE

### a) Activities

Aeroporto di Bologna is the full manager under the forty-year concession governed by Convention No. 98 of July 12, 2004 and subsequent additional instruments between ENAC and the company, all approved with effect from December 28, 2004 through inter-ministerial decree of the Ministry for Infrastructure and Transport and the Ministry for the Economy and Finance of March 15, 2006.

Aeroporto Guglielmo Marconi di Bologna is, at the preparation date of this Report, the eighth largest Italian airport in terms of passenger traffic and the fifth in terms of cargo traffic and is considered under Article 1, paragraph 2 of Presidential Decree No. 201 of September 17, 2015 ("**National Airports Plan**") as a strategic airport for the Central-North region, together with the Florence-Pisa airport system.

The airport, with airport infrastructure serving short, medium and long-haul flights on a 24/7 basis and a recently upgraded passenger terminal and cutting-edge security and environmental protection technology, provides passengers with a welcoming and stimulating environment, improving their travel experience and opening up an extensive connection network, while creating value for the country's economy and facilitating the international expansion of businesses within the user basin and, at the same time, providing access to the region from most countries in Europe and across the world to the collective benefit of all.

Group operations break down into two main areas: (i) the management, development and maintenance of airport infrastructure for aviation operations and the provision of services to passengers and users and airport operators (aviation operations); and (ii) the management and development of Group commercial areas and activities at the airport (commercial areas, offices, operating bases, parking, ticketing, advertising spaces) and the provision of commercial services to passengers and airport users (non-aviation operations).

For aviation operations, the Group has adopted a multiservice business model, serving both traditional airlines (legacy carriers) and low cost and charter airlines, exploiting the integrated development opportunities provided by the range of business and leisure clientele of these types of carriers. Bologna's Guglielmo Marconi Airport in 2018 served 114 domestic and international destinations, operated by some of Europe's and the Mediterranean basin's major legacy carriers, such as Aeroflot, Emirates Airlines, Alitalia, Air France/KLM, Royal Air Maroc, Austrian Airlines, British Airways, Brussels Airlines, Lufthansa, Air Nostrum, TAP, Tarom, Tunisair, Turkish Airlines and SAS, connecting also with the main hubs served by these airlines.

The airport is also one of Ryanair's main Italian bases, with approx. 3.8 million passengers in 2018, while also hosting a large number of flights by other low-cost airlines, such as easyJet, Eurowings and Wizz Air.

In terms of non-aviation operations, the Group manages a commercial area of approx. 4,500 square meters at the passenger terminal, with (in 2018) 43 duty free, food & beverage and retail sales points, featuring internationally recognised and regional brands and some of the leading retail and local, national and international catering options. Approx. 5,400 parking spaces are also available at the airport, with the Group managing - both directly and through a concession holder - the sale of inside and outside advertising space. The Group's non-aviation operations also include the management of the "Marconi Business Lounge" VIP lounge, the provision of premium services to top flyer and business passengers and the sub-concession of offices, warehouses, technical service spaces and hangars, covering a total area of approx. 90,000 meters.

The Group, in view of the particular characteristics of the individual business areas, has drawn up the following strategies:

- incremental development of the destinations network and traffic volumes, and improvement to the airport's accessibility through the development of ground connections and the expansion of its catchment area;
- infrastructural development and expansion of the non-aviation business;
- constant improvement of the services offered to airport users, while also constantly improving its standards of security, quality and respect for the environment;
- commitment to all aspects of sustainability, ranging from those of an environmental nature to compliance with ethical and social principles, in view of the important role which Bologna airport plays as a vital hub for the region. The Group also strives to develop those who work at the Airport and build an organisation which responds to the evolving demands of the market and which supports the individual in their work.

- focused on consistently improving the financial performance and on ensuring an adequate return for shareholders.
- seeks to improve the efficiency and efficacy of its processes and company organisation, through projects which increasingly involve the interested parties to improve business performances.

Finally, the company may consider - where appropriate opportunities in line with its strategy present - possible acquisition-led growth or strategic agreements.

#### **b) Corporate governance system**

The motions of the Shareholders' Meeting, legally constituted and representing the will of shareholders, taken in compliance with law and the By-Laws, bind all Shareholders, even those absent or dissenting. Both the Ordinary and Extraordinary Shareholders' Meetings are validly constituted and decide by the legally-established majorities and other requirements. The Extraordinary Shareholders' Meeting motions concerning share capital increases and any other By-Law changes are adopted by a majority of at least two-thirds of the share capital, both in first and second call.

The company has adopted a traditional administration and control model, comprising the Board of Directors, the Board of Statutory Auditors and an auditor or an auditing firm.

The Board of Directors is invested with all powers of ordinary and extraordinary administration and therefore plays a central governance system role.

The Board of Statutory Auditors supervises compliance with law and the By-Laws and oversees management control.

Accounting control is assigned to an auditing firm elected by the Shareholders' Meeting.

The following report explores the main aspects of the functioning, composition and duties of the afore-mentioned corporate boards.

#### **c) Information on the acquisition and retention of the SME status**

The Issuer is defined as an SME pursuant to Article 1, paragraph 1, letter w-quater.1) of the CFA and Article 2-ter of the Consob Issuers' Regulation. On December 21, 2018, the company provided information on the SME status to Consob, indicating the capitalisation and revenue figures, as prescribed by Resolution No. 20621 of October 10, 2018.

	Average capitalisation	Revenues
2015	213,767,444	76,522,821
2016	297,527,554	84,443,373
2017	539,829,851	92,410,955



## 2. OWNERSHIP STRUCTURE

### d) Share capital structure

At the Reporting date, the share capital amounted to Euro 90,314,162 and was fully paid-in, representing 36,125,665 ordinary shares without nominal value.

<b>SHARE CAPITAL STRUCTURE</b>				
	<b>No. of shares</b>	<b>% of share capital</b>	<b>Listed/Non-Listed</b>	<b>Rights and obligations</b>
Ordinary shares	36,125,665	100%	Listed	The shares are to bearer, with one vote at the ordinary and extraordinary shareholders' meetings of the Company attached according to law and the by-laws, in addition to further statutory administrative and equity rights for shares with voting rights.

The Issuer has not issued other share categories at the Reporting date, nor convertible financial instruments exchangeable for shares. The Company has not undertaken share capital increases in service of share-based incentive plans.

### e) Restrictions on the transfer of securities

The By-Laws in force at the Reporting date do not stipulate restrictions on the transfer of the shares or of other property rights upon them.

### f) Significant shareholdings

At December 31, 2018, the shareholders possessing more than 5% of the subscribed share capital, represented by shares with voting rights, according to the shareholders' register and other available information, are presented in the following table:

<b>SIGNIFICANT SHAREHOLDINGS</b>				
<b>Shareholder</b>	<b>Direct shareholder</b>	<b>Number of Shares</b>	<b>% of ordinary share capital</b>	<b>% of voting share capital</b>
Bologna Chamber of Commerce	Bologna Chamber of Commerce	13,558,877	37.53%	37.53%
Edizione S.r.l.	Atlantia S.p.A.	10,613,628	29.38%	29.38%
F2I Fondi Italiani per le Infrastrutture SGR S.p.A.	Aeroporti Holding S.r.l.	2,134,614	5.91%	5.91%
	2I Aeroporti S.p.A.	1,474,729	4.08%	4.08%

**g) Securities granting special rights**

The Issuer has not issued shares which confer special controlling rights. The By-Laws do not provide for shares with the right to more than one vote.

**h) Employee share schemes: voting rights mechanism.**

The Issuer has not adopted any employee share ownership scheme.

**i) Restrictions on voting rights**

There are no restrictions on ordinary share voting rights. The Issuer has exclusively issued ordinary shares.

**j) Agreements between shareholders**

**Agreement of June 5, 2018**

On June 5, 2018, a shareholder agreement was signed between the Bologna Chamber of Commerce (the **"Bologna Chamber of Commerce"**), the Municipality of Bologna, the Metropolitan City of Bologna, the Region of Emilia-Romagna, the Modena Chamber of Commerce (the **"Modena Chamber of Commerce"**), the Ferrara Chamber of Commerce (the **"Ferrara Chamber of Commerce"**), the Reggio Emilia Chamber of Commerce (the **"Reggio Emilia Chamber of Commerce"**) and the Parma Chamber of Commerce (the **"Parma Chamber of Commerce"**) (collectively the **"Public Shareholders"**), as shareholders of the Issuer (the **"Shareholder Agreement"**). This Shareholder Agreement is a relevant agreement as per Article 122 of the CFA, became effective on the same date, or rather on June 5, 2018 and was published on June 9, 2018.

The objective of the Shareholder Agreement, subject to compliance with the provisions of the 2015 Stability Law concerning the restructuring of the companies and shareholdings of public bodies, is to ensure, on the one hand, the maintenance of the minimum holding of public shareholders of 20%, as established by the Company's By-Laws in compliance with Article 4 of Ministerial Decree No. 521 of November 12, 1997, and, on the other, to guarantee, through the Bologna Chamber of Commerce, the strategic focus and stability of the Company.

In particular, with the Shareholders' Agreement, the Public Shareholders:

- (a) are required to vote with regards to all Shares held by each for the duration of the Shareholders' Agreement according to the rules of the Shareholders' Agreement (as outlined below). The table below presents the percentage holding of each Public Shareholder at the Reporting date and the number of voting rights related to the shares corresponding to the share capital percentage, as updated following the

issue and allocation on September 9, 2016 of the bonus shares on IPO (as announced by the Company on January 3, 2017);

<b>Public Shareholders</b>	<b>No. of votes conferred to Voting Block</b>	<b>% share capital of AdB</b>
Bologna Chamber of Commerce	13,558,877	37.53%
Municipality of Bologna	1,400,590	3.88%
Metropolitan City of Bologna	836,201	2.31%
Region of Emilia-Romagna	735,655	2.04%
Modena Chamber of Commerce	107,637	0.30%
Ferrara Chamber of Commerce	80,827	0.22%
Reggio Emilia Chamber of Commerce	55,115	0.15%
Parma Chamber of Commerce	40,568	0.11%
<b>Total</b>	<b>16,815,470</b>	<b>46.54%</b>

(b) have committed to refrain from transferring the shares corresponding to the share capital percentages indicated below, as updated following the issue and allocation on September 9, 2016 of the bonus shares on IPO (as announced by the Company on January 3, 2017) (the “**Blocked Shares**”):

<b>Public Shareholders</b>	<b>No. of voting rights conferred to the Blocking Agreement</b>	<b>% share capital of the company</b>
Bologna Chamber of Commerce	13,558,877	37.53%
Municipality of Bologna	1,389,046	3.85%
Metropolitan City of Bologna	829,309	2.30%
Region of Emilia-Romagna	729,592	2.02%
Modena Chamber of Commerce	30,157	0.08%
Ferrara Chamber of Commerce	22,645	0.06%
Reggio Emilia Chamber of Commerce	15,442	0.04%
Parma Chamber of Commerce	11,366	0.03%
<b>Total</b>	<b>16,586,434</b>	<b>45.91%</b>

The Public Shareholders have committed to communicate to the chairman of the Shareholder Agreement within 45 days from the Initial Date of Trading, the number of Shares effectively subject to the sale blocking commitment and are required to extend this

restriction to all shares or other rights which each may come to hold following the exercise of the rights attached to the restricted Shares.

The Shareholder Agreement establishes, in addition, an Agreement Committee undertaking the following functions: (a) the drawing up of the slates for the appointment of the Board of Directors and/or of the Board of Statutory Auditors in accordance with the Shareholder Agreement; (b) deciding on how to vote on motions at the Extraordinary Shareholders' Meeting of the company regarding the following matters: (i) By-Law amendments, (ii) share capital increases and (iii) mergers and/or spin-offs; and (c) consultation on possible By-Law changes in adjustment to regulatory requirements.

The Committee comprises the following 5 members: (i) the *pro tempore* legal representative of the Bologna Chamber of Commerce, assigned 6 votes; (ii) the *pro tempore* legal representative of the Municipality of Bologna, assigned 2 votes; (iii) the *pro tempore* legal representative of the Metropolitan City of Bologna, assigned 1 vote; (iv) the *pro tempore* legal representative of the Region of Emilia-Romagna, assigned 1 vote; and (v) a party jointly appointed by the Modena Chamber of Commerce, the Ferrara Chamber of Commerce, the Reggio Emilia Chamber of Commerce and by the Parma Chamber of Commerce, assigned 1 vote. The Committee remains in office for the full duration of the Shareholder Agreement.

The Committee meets at least seven days before (a) the deadline for the presentation of slates for the appointment of the Board of Directors and/or the Board of Statutory Auditors of the company; and (b) the call date of each Extraordinary Shareholders' Meeting of the company concerning any of the following matters: (i) By-Law amendments, (ii) share capital increases and (iii) mergers and/or spin-offs. The Committee in addition meets whenever one or more members requests such.

The Committee is chaired by a Chairman or, in his/her absence, the eldest member of the Committee. The *pro tempore* legal representative of the Bologna Chamber of Commerce acts as Chairperson. The Chairperson has the following duties: (a) the calling and chairing of the Committee, proposing the agenda; (b) presenting to the company the slates for the election of members of the Board of Directors and/or of the Board of Statutory Auditors; (c) completing the documentation for the Shares conferred to the Shareholder Agreement and any updating and amendments; and (d) all activities assigned to him/her by the Committee and by the Shareholder Agreement.

The head of the company's legal offices is appointed as the Agreement's secretary, undertaking the operational-executive duties required for the correct functioning of the voting agreement.

With regards to the content of the voting obligations:

- a) for the full duration of the Shareholders' Agreement the Public Shareholders have committed to appoint the members of the Board of Directors of the company - comprising 9 directors - as follows (i) 4 directors designated by the Bologna Chamber of Commerce, to be presented in the slate for the election of the Board of Directors with numbers 1, 2, 5 and 6, (ii) 1 director designated jointly by the Municipality of Bologna and the Metropolitan City of Bologna, to be presented in the slate at number 3 and (iii) 1 director designated by the Region of Emilia-Romagna, to be presented in the slate at number 4. The remaining 3 directors are elected by the minority in accordance with the By-Laws. For these purposes, the candidates

are designated by the Committee at least 7 days before the deadline for the presentation of slates for the appointment of the Board of Directors, in compliance with the applicable regulations regarding independence and gender balance. The slate shall be presented to the company by the Chairperson, in the name of and in behalf of all the Public Shareholders;

- b) for the full duration of the Shareholder Agreement, the Public Shareholders have committed to designate one candidate for the position of alternate auditor, to be expressed by the Bologna Chamber of Commerce. For these purposes, the candidate is designated by the Committee at least 7 days before the deadline for the presentation of slates for the appointment of the Board of Directors, in compliance with the applicable regulations regarding independence and gender balance. The slate shall be presented to the company by the Chairperson, in the name of and in behalf of all the Public Shareholders;
- c) the Public Shareholders have committed to consider the appointment of the chairperson of the Board of Directors at the Shareholders' Meeting, nominating the candidate on the slate presented at number 1, and to ensure as far as possible that the respectively designated directors propose and vote jointly on the Board of Directors of the company for the position of Chief Executive Officer for the candidate on the slate presented at number 2;
- d) where, for any reason, before the natural conclusion of mandate, one or more members of the Board of Directors and/or the alternate auditor need to be replaced, the Public Shareholders jointly propose and vote at the Shareholders' Meeting for the replacement candidate indicated on the proposal of the Public Shareholders who have designated the departing director and/or alternate auditor;
- e) the Public Shareholders are in addition required to align their votes at the Extraordinary Shareholders' Meetings concerning any of the following matters: (i) By-Law amendments, (ii) share capital increases and (iii) mergers and/or spin-offs with that decided by the Committee. For these purposes, at least 7 days before the call date of each Extraordinary Shareholders' Meeting of the company regarding any of the matters stated above, the Committee shall decide with the favourable vote of at least eight-elevenths of the votes assigned to the members of the Committee present. Where the Committee does not achieve the above-indicated approval quorum, the Public Shareholders should attend the relative Shareholders' Meeting and express their opposing vote to the relative motion. As amending the By-Laws to regulatory provisions is within the remit of the Board of Directors, the Public Shareholders commit to undertake all possible to ensure that the directors respectively designated provide adequate and timely disclosure to the former regarding amendments of this nature so as to allow prior consultation regarding the relative motion to be considered.

With regards to the content of the refrain from sale obligation, the Public Shareholders have committed to (the “**Non-transferability Restriction**”):

- a) to not undertake sale or placement transactions or any other disposals, under any guise and in any form, (including, entirely for example purposes and not to be considered exhaustive, donations, conferments to companies) concerning or resulting in, directly or indirectly, the assignment or transfer to third parties (including the placing in trust or the conferment of a trustee mandate) of the

Blocked Shares or of other financial instruments, including equity instruments, assigning the right to purchase, subscribe, convert into, or exchange with, Blocked Shares;

- b) to not grant options, rights or warrants for the purchase, subscription, conversion or exchange of Blocked Shares or other financial instruments, including equity instruments, which assign rights or similar to the shares or financial instruments;
- c) to not stipulate or however conclude swap or other derivative contracts, which in effect transfer all or part of any rights concerning the Blocked Shares;
- d) to not establish, or permit the establishment of, or grant any rights, charge or encumbrance - including, for example purposes only and not to be considered exhaustive, liens or usufruct rights on the Blocked Shares and on the relative rights, including the voting rights.

The Non-transferability Restriction may be lifted only where one of the transactions indicated above is undertaken between Public Shareholders or in favour of other public entities or consortiums established by public entities or private companies, also as consortiums, controlled, including those jointly constituted, by public entities. Transfers of the Blocked Shares, undertaken in any form, shall be permitted only on the condition that the assignee, by the date of the transfer made in its favour, has joined this Shareholder Agreement, accepting it in written form and committing the Blocked Shares to the Blocking Agreement. The Non-transferability Restriction may be also lifted where concerning rights as per Article 2441 of the Civil Code which the Public Shareholders do not intend to exercise, subject to the condition that, in any case, the total number of Blocked Shares may not be less than 20% of the company's share capital.

The Public Shareholders in violation of the Non-transferability Restriction on the Blocked Shares are also held to pay, in the form of penalty, an amount equating to double the value of the deal executed. The amounts paid as penalty shall be broken down among the non-compliant Public Shareholders in proportion to the number of Blocked Shares held by each. Furthermore, each of the compliant Public Shareholders shall have the right to request the resolution of the Shareholders' Agreement against those not in compliance.

The Shareholder Agreement runs from the last date of the Parties' subscription, or June 5, 2018, up to its third anniversary and is governed by Italian law. All commitments under the Shareholder' Agreement are undertaken by the Public Shareholders separately and without joint liability. Any disputes are handled in accordance with the Civil Code and assigned to a designated arbitrator, on the application of the most diligent Public Shareholder, by the President of the Bologna Court. Arbitration proceedings shall be held in Bologna. For those matters which may not be dealt with in arbitration, the Bologna Court shall have exclusive jurisdiction.

#### **k) Change of control clauses and statutory provisions concerning takeover bids**

The Issuer and its subsidiaries have not signed significant agreements that are effective, or could be modified or void in the case of a change in control of the contracting company.

The company By-Laws in force at the Reporting date do not provide for exceptions to the applicability of Article 104, paragraphs 1 and 1-*bis* of the CFA, nor the application of the neutralisation rules under Article 104-*bis*, paragraphs 2 and 3 of the CFA.

#### **l) Powers to increase share capital and authorisation to purchase treasury shares**

The Board of Directors has not been granted powers to increase the share capital in accordance with Article 2443 of the Civil Code, nor to issue equity financial instruments.

The Shareholders' Meeting of the company has not authorised the acquisition of treasury shares in accordance with Articles 2357 and subsequent of the Civil Code.

#### **m) Management and co-ordination**

The company is not subject to management and co-ordination pursuant to Article 2497 and subsequent of the Civil Code.

In accordance with Article 2497 *bis* of the Civil Code, the direct Italian subsidiaries of the Issuer (TAG Bologna S.r.l. and Fast Freight Marconi S.p.A.) have identified the latter as the party exercising management and co-ordination over their activities.

#### **n) Indemnity in the case of resignation or dismissal**

The Issuer has concluded agreements with the sole Chief Executive Officer and the General Manager Nazareno Ventola providing for indemnity in the case of dismissal without just cause or the termination of employment following a public purchase offer. In particular, this indemnity arises in the case of the early conclusion of employment as General Manager and is equal to two years gross annual salary, each calculated as the Gross Annual Remuneration at the date of resolution of employment, plus one-half of the last three-year period (or the period available from July 15, 2015) as the annual variable bonus and long-term incentive. The awarding of the indemnity is not linked to performance parameters. The right to the indemnity matures where employment is resolved by the company - also as part of a collective dismissal - for objective reasons, or technical, organisational and productive reasons, including restructurings, reorganisations, reconversions, also in the case of crisis or admission to examinership proceedings, the discontinuation of the role of General Manager or for reasons or fault owing to the General Manager not qualifying as a just cause for the conclusion of employment with immediate effect, and independently of whether there exists just cause or otherwise.

The information required by Article 123 *bis*, paragraph 1, letter l) is provided in the section of this Report covering the appointment and replacement of directors (Section 4.1).

### 3. COMPLIANCE

The company has aligned its corporate governance system with the Consolidated Finance Act and the Self-Governance Code, available to the public on the website of the Corporate Governance Committee at <https://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2018clean.pdf>. In particular, the Issuer intends to implement Article 1 and the relative Application Criteria of the Self-Governance Code. At the Board of Directors meeting of May 15, 2015, it was not considered necessary to appoint the Appointments Committee provided for in Article 5 of the Self-Governance Code, in view of the slate voting mechanism established by the By-Laws which leaves the proposal of candidates for the Board of Directors to shareholders. Where appropriate, additional differences from the Code's recommendations are indicated below.

With regards to the adoption of the Self-Governance Code, the company's By-Laws:

- (i) incorporate the provisions of Legislative Decree 27/2010 implementing Directive 2007/36/EC, of Legislative Decree 91/2012, which supplemented and amended Legislative Decree 27/2010 and Legislative Decree 25/2016 implemented by Directive 2013/50/EU, laying down the rules for the exercise of certain rights of shareholders of listed companies;
- (ii) establish the "slate voting" mechanism for the appointment of the Board of Directors, in line with Article 147-*ter* of the Consolidated Act;
- (iii) establish the "slate voting" mechanism for the appointment of the Board of Statutory Auditors, in accordance with Article 148 of the Consolidated Act, subject to Article 4 of Law No. 420 of May 8, 1971 and Article 11 of Ministerial Decree No. 521 of November 12, 1997, as outlined in the following paragraph;
- (iv) provide for the appointment of an executive in charge of preparing the corporate accounting documents and the execution of the duties established by the stated Article 154-*bis* of the Consolidated Act;
- (v) establish that the membership of the Board of Directors and of the Board of Statutory Auditors to be elected is based on a parameter ensuring gender balance, in line with Articles 147-*ter* and 148 of the CFA.

With regards to the slate voting mechanism for the election of statutory auditors:

- a) Article 24 of the Issuers' By-Laws establishes that the Ministry for Infrastructure and Transport ("**MIT**") and the Ministry for the Economy and Finance ("**MEF**") have the right to each appoint a statutory auditor, and that the statutory auditor appointed by the MEF assumes the role of Chairperson of the Board of Statutory Auditors. This clause reflects Article 4 of Law No. 420 of May 8, 1971 and Article 11 of Ministerial Decree No. 521 of November 12, 1997 which covers the oversight of airport management companies. Article 148, paragraph 2-*bis* of the CFA establishes, however, that for Italian companies with shares traded on regulated markets, the Chairperson of the Board of Statutory Auditors should be chosen from among the statutory auditors elected by the minority. The company considers, also in consideration of the interpretation and practices followed by other full airport managers with MTA listed shares, the prevalence of the rules indicated in the above-stated special provisions over Article 148, paragraph 2 *bis*, of the CFA, on the basis of (i) the public nature of the interests covered by the above-stated rules, which provides for the appointment of two statutory auditors by the State and the



consequent assumption of the role of the Chairperson of the Board of Statutory Auditors by the statutory auditor appointed by the MEF and (ii) in consideration that, as the Chairperson of the Board of Statutory Auditors is a ministerial appointment, such, by its very nature, may not reflect the will of the majority shareholders, with the consequence that the provisions set out in the Ministerial Decree, *mutatis mutandis*, would in any case be consistent with the purposes of the aforementioned Article 148, paragraph 2-*bis*, of the CFA to guarantee, through the By-Laws, that the Chairperson of the control body is not a reflection of the majority;

- b) in accordance with Legislative Decree No. 293 of May 16, 1994 (the renewal of members of prevalently publicly controlled company corporate boards), the By-Laws of the Issuer establish that the mandate of the Board of Directors leaving office may not extend beyond forty-five days from the date of the Shareholders' Meeting for the approval of the financial statements indicating the conclusion of mandate. In this period, the activities of the Board are limited to ordinary administration and urgent and non-deferrable acts.

In addition, the Board of Directors on May 15, 2015 appointed the Chief Financial Officer Patrizia Muffato as Officer in charge as per Article 154-*bis* of the CFA and the Shareholders' Meeting of May 20, 2015 in addition approved the Shareholders' Meeting Regulation.

The key corporate governance documents of the Issuer are:

- By-Laws;
- The Internal Dealing Policy, latterly updated by the Board of Directors on December 21, 2017 in view of regulatory developments in 2017
- The Organisational Model, including the Conduct Code as per Legislative Decree No. 231 of June 8, 2001, integrated with an Anti-corruption Policy which, based on the general methodology of the National Anti-corruption Plan as per Law 190/12, contains organisation and management measures to prevent corruption and mismanagement damaging to the company, as well as a Whistleblowing Policy, which provides an internal reporting policy, managed through an IT platform, and guarantees the confidentiality and adequate protection of employees who report unlawful conduct;
- Related Party Transactions Policy, according to the Regulation adopted by CONSOB with the stated motion No. 17221 of March 12, 2010 and subsequent amendments;
- Inside information management policy, latterly updated by the Board of Directors on December 21, 2017 in view of Consob's Guidelines of October 13, 2017;
- The Regulation for shareholders' access to the "Shareholders' Register" and to the "Register of Meetings and Motions of the Shareholders' Meetings" approved by the Board of Directors on November 14, 2018;
- The Regulation on the functioning of the Board of Directors of the Aeroporto Guglielmo Marconi di Bologna approved on February 21, 2018.

The Issuer and its strategic subsidiaries are not subject to laws in force outside Italy which affect the corporate governance structures of the Issuer.

## **4. BOARD OF DIRECTORS**

### **4.1 Appointment and replacement**

The provisions regarding the composition and appointment of the Board of Directors are contained in Article 13 of the By-Laws.

The company is administrated by a Board of Directors comprising nine members, remaining in office for three financial years and may be re-elected.

The directors are appointed by the Shareholders' Meeting on the basis of slates presented by shareholders in which the candidates are listed by means of progressive numbering not exceeding the number of members to be elected.

Each slate may include at least three candidates considered independent in accordance with law, separately indicating these candidates.

The slates presenting a number of candidates equal to or greater than three should in addition include candidates of each gender, according to that indicated in the Shareholders' Meeting call notice, in order to ensure a Board of Directors composition which complies with the applicable gender equality regulation.

The slates should be filed at the registered office and published in accordance with the applicable regulation. Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate at the risk of ineligibility. Only shareholders who, individually or together with other shareholders, possess the minimum holding established by Consob (for 2019 equal to 2.5% - Consob Motion 13 of January 24, 2019) have the right to present slates. The declarations of the individual candidates, in which they accept their candidacies and certify, in good faith, the inexistence of any cause of ineligibility or incompatibility, as well as the satisfaction of the requirements prescribed by applicable law and the by-laws for their respective offices, must be lodged together with each slate. The appointed directors should communicate without delay to the Board of Directors where no longer meeting the above requirements, in addition to the arising of reasons for ineligibility or incompatibility. Those with voting rights may vote on only one slate.

The procedure for electing the directors shall be as follows:

- (a) from the slate obtaining the highest number of votes, based on the progressive numbering of the slate, six Directors;
- (b) the remaining Directors will be drawn from the other slates according to the numbering presented; for this purpose, the votes obtained by these slates will be divided successively by one, two, three and so forth according to the numbers of Directors to be elected. The numbers obtained in this way are attributed to the candidates of such slates, in the order in which they rank in the slate. The numbers thus attributed to the candidates of the various slates are arranged in decreasing order in a single ranking. The candidates who obtain the highest numbers will become Directors. In the event that more than one candidate has obtained the same number of votes, the candidate of the slate that has not yet elected a director or that has elected the fewest directors will be appointed director. In the event that no director has been elected yet from any of these slates or that the same number of directors has been elected from each slate, the candidate of the slate that has obtained the most votes will be appointed director. Should two slates receive the

same number of votes, a second vote of the entire Shareholders' Meeting shall decide with the candidate being elected by means of a simple majority of the votes;

- (c) for the directors to be elected, account is not taken of the candidates indicated on the slates which have received less than half of the votes required for the presentation of the slate;
- (d) where, on the outcome of the voting and the operations outlined above, the applicable gender equality rules are not complied with, the candidates which would have been elected from the various slates are listed according to a single decreasing ranking, drawn up according to the quota system indicated at letter (b) above. The candidate of the overrepresented gender with the lowest ranking is therefore replaced with the first candidate of the underrepresented gender who would have been unelected and belonging to the same slate. Where this slate does not contain other candidates, the above replacement is made by the Shareholders' Meeting through statutory majority according to point (f) above and in compliance with the principle of the proportional representation of minorities on the Board of Directors. In the case of equal numbers, the candidate from the slate receiving the highest number of votes qualifies as the replacement. If the replacement of the candidate of the over-represented gender with the lower number of votes on the slate does not allow the reaching of the minimum threshold established by the gender balance regulation, the replacement operation indicated above is carried out also in relation to the candidate of the over-represented gender with the penultimate number of votes and thereafter proceeding, where necessary, to the candidate above.
- (e) on conclusion of the operations indicated above, the chairperson makes a declaration of the elected parties;
- (f) for the appointment of directors, which for any reason are not elected in accordance with the above procedure, the Shareholders' Meeting decides by statutory majority in order to ensure the presence of the necessary number of directors considered independent in accordance with law, in addition to compliance with the gender balance regulation.

Slate voting is applied only in the case of the renewal of the entire Board of Directors.

Should one or more directors resign during the year, they shall be replaced in accordance with article 2386 of the Civil Code. If one or more of the Directors leaving their offices vacant were drawn from a slate also containing unelected candidates, they shall be replaced by appointing, in progressive order, persons drawn from the slate to which the Director in question belonged, provided that said persons are still eligible and willing to accept the directorship. In any case, the replacement of departing directors is made by the Board of Directors, ensuring the presence of the necessary number of directors considered independent in accordance with law, while guaranteeing compliance with the gender equality regulation.

As per Article 14 of the By-Laws, the Board of Directors, where not undertaken by the shareholders' meeting, shall elect one of its members as chairperson. It may elect a vice chairperson, who shall stand in for the chairperson in the event of his or her unavailability.

The Directors are elected for a period of not greater than three financial years and until the date of the Shareholders' Meeting for the approval of the financial statements for the last year of their appointment.

In accordance with Legislative Decree No. 293 of May 16, 1994, converted into law with modifications by Article 1, paragraph 1, Law No. 444 of July 15, 1994, where the Board of Directors is not renewed at the above-indicated conclusion of office, the mandate of the Board of Directors is considered as extended for not more than forty-five days, from the date of the Shareholders' Meeting called to approve the Financial Statements. For the entirety of the extension period, the Board of Directors may exclusively execute acts of ordinary administration, in addition to urgent and non-deferrable acts, with specific indication of the reasons of urgency and non-deferability.

Directors shall be eligible for re-election. Where a majority of the Board of Directors are no longer in office, the entire Board is considered as lapsed and the Shareholders' Meeting should be called without delay by the directors remaining in office for its reconstitution, in accordance with Article 2386 of the Civil Code.

Article 20 of the By-Laws establishes that the Board of Directors may assign, within the limits set out at Article 2381 of the Civil Code and as per Article 20.4 of the By-Laws, its powers to one or more of its members and/or to an executive committee, establishing the content, limits and any means for the exercise of such powers. Upon proposal by the chairperson and in agreement with the Chief Executive Officer, the Board may delegate powers to others among its members for single acts or classes of acts. Within the limits of the authority conferred, the delegated boards shall have the power to delegate single acts or classes of acts to employees of the company or to third parties, authorising sub-delegation. The Board of Directors may in addition appoint a general manager, establishing his/her duties and powers. In any case, motions concerning the following matters, in addition to the legally reserved decisions, are within the exclusive scope of the Board of Directors: (i) the acquisition and disposal of equity investments for an amount in excess of Euro 500,000; (ii) the purchase and/or sale of property and/or businesses and/or business units for an amount in excess of Euro 500,000 (iii) the issue of mortgages, liens, sureties and/or other secured or unsecured guarantees for an amount in excess of Euro 500,000; (iv) the appointment of directors of subsidiaries and/or investees; (v) participation in tenders and/or public procedures requiring the undertaking of contractual obligations in excess of Euro 5,000,000.

### ***Succession plans***

The Board of Directors in office at the reporting date assessed at the meeting of February 20, 2017 whether to adopt a succession plan, deciding to request the Control and Risks Committee to carry out investigative work for the drawing up of a procedural proposal in this regard, having met also with expert consultants and reserving within its scope the adoption of the relative motions. On March 12, 2018, the Control and Risks Committee assessed the matter and submitted to the Board of Directors, which approved such on March 15, 2018, the following guidelines:

#### ***Guidelines for the succession plan of the Chief Executive Officer and Strategic Executive***

*In cases of urgency (i.e. where the CEO is for any reason not in a position to act), the Board of Directors establishes the powers and duties to ensure ordinary and extraordinary management during the transition period. In particular, the Board of Directors:*

*(i) meets urgently for the internal appointment of an Executive Committee, comprising the Chairman and two members of the Board with consolidated operating and business experience; this Executive Committee is called on the one hand to carry out a proposal and management role regarding any corporate transactions which may not be postponed and, on the other, to guarantee the ordinary management and the operating decision-making normally within the scope of the CEO. The Executive Committee is assigned by the Board the same powers exercised by the CEO;*

*(ii) identifies within the Executive Committee a director to undertake a liaison role between the Committee and company structures and to manage external and internal communication, fulfilling also the role of FGIP in accordance with the regulation for the purposes of the inside information processing and circulation regulation; the Board may decide to assign a member of management to support this director in this role;*

*(iii) establishes whether to assign to operating management a temporary extension of ordinary operating powers, within the limits of the approved budget and according to company policies.*

*The Executive Committee as appointed above, with the support of a specialised consultancy firm designated by the former and, therefore, by the Remuneration Committee, assesses the candidatures (internal and external) and shall submit to the Board of Directors a restricted number of candidates for the final decision.*

*The Board of Directors, on conclusion of the process, shall co-opt in accordance with law the candidate considered most appropriate and shall approve the appointment and contractual and financial conditions in line with the immediate market, assigning adequate powers and operating duties.*

## **4.2 Composition**

In accordance with Article 13.1 of the By-Laws, the company is governed by a Board of Directors comprising nine members. In accordance with Article 13.2 of the By-Laws, the directors are appointed for a period of up to three financial years; the members of the Board of Directors may be re-elected.

The Board of Directors of the Issuer was appointed by the Shareholders' Meeting of the Issuer of April 27, 2016, with effect until the approval of the financial statements as at December 31, 2018 and was originally composed as follows:

<b>Name</b>	<b>Office</b>	<b>Place and date of birth</b>	<b>Executive/Non-Executive Director</b>
Enrico Postacchini	Chairman	Bologna, July 17, 1958	Non-Executive
Nazareno Ventola	Chief Executive Officer	Rome, June 13, 1966	Executive
Giada Grandi	Director	Bologna, October 20, 1960	Non-Executive
Giorgio Tabellini	Director	San Giovanni in Persiceto (BO), January 31, 1944	Non-Executive
Sonia Bonfiglioli	Director	Bologna, November 25, 1963	Non-Executive and

Luca Mantecchini	Director	Bologna, November 14, 1975	Independent Non-Executive and Independent
Arturo Albano	Director	Grosseto, October 28, 1974	Non-Executive and Independent
Gabriele del Torchio	Director	Caravate (VA), February 5, 1951	Non-Executive and Independent
Laura Pascotto	Director	Cosenza, July 4, 1972	Non-Executive and Independent

The composition of the Board of Directors complies with the regulatory provisions concerning listed companies in terms of the number of independent directors required as per Articles 147-ter, paragraph 4, and 148, paragraph 3 of the CFA.

For the renewal of the Board of Directors, 2 slates were presented to the Shareholders' Meeting of April 27, 2016: the first, presented by the shareholders belonging to the shareholder agreement at Paragraph 2 (g) above and represented at the time by 46.58% of the share capital, comprise 7 candidates in the following order: Enrico POSTACCHINI, Nazareno VENTOLA, Giorgio TABELLINI, Sonia BONFIGLIOLI, Giada GRANDI, Luca MANTECCHINI and Maria Bernardetta CHIUSOLI.

The second slate, presented by the shareholders Amber Capital UK LLP, Amber Capital Italia SGR, Italian Airports S.a r.l., Aeroporti Holding S.r.l. and 2i Aeroporti S.p.A. and representing, on presentation of the slate, 39.35% of the share capital, comprising however three candidates, as follows: Arturo ALBANO, Gabriele DEL TORCHIO and Laura PASCOTTO.

The first slate was approved by 55.65% of the share capital attending the Shareholders' Meeting, while the second slate was approved by 44.34% of the share capital attending the Shareholders' Meeting. Therefore, in accordance with the By-Laws, the initial six candidates from the first slate and the three candidates presented on the second slate were appointed.

All members of the Board of Directors elected as domicile the registered office of the Issuer.

On September 4, 2017, the non-executive and independent director Gabriele Del Torchio resigned. On October 30, 2017, the Board of Directors replaced through co-option the resigning director with the new non-executive and independent director Domenico Livio Trombone.

On October 30, 2017, the non-executive and independent director Arturo Albano resigned.

Therefore, at December 31, 2017, the Board of Directors was comprised as follows:

<b>Name</b>	<b>Office</b>	<b>Place and date of birth</b>	<b>Executive/Non-Executive Director</b>
Enrico Postacchini	Chairman	Bologna, July 17, 1958	Non-Executive
Nazareno Ventola	Chief Executive Officer	Rome, June 13, 1966	Executive
Giada Grandi	Director	Bologna, October 20, 1960	Non-Executive
Giorgio Tabellini	Director	San Giovanni in Persiceto (BO), January 31, 1944	Non-Executive
Sonia Bonfiglioli	Director	Bologna, November 25, 1963	Non-Executive and Independent
Luca Mantecchini	Director	Bologna, November 14,	Non-Executive and

		1975	Independent
Domenico Livio Trombone	Director	Potenza, August 31, 1960	Non-Executive and Independent
Laura Pascotto	Director	Cosenza, July 4, 1972	Non-Executive and Independent

On January 29, 2018, the Board of Directors replaced through co-option the resigning director Arturo Albano with the new non-executive and independent director Livio Fenati. On September 20, 2018 (effective from September 26, 2018), the co-opted director Livio Fenati resigned and the Board of Directors replaced him by co-option on November 14, 2018, with the new director Marco Troncone.

Therefore, the statutory composition of the Board of Directors was re-established and, at December 31, 2018, the Board of Directors was comprised as follows:

<b>Name</b>	<b>Office</b>	<b>Place and date of birth</b>	<b>Executive/Non-Executive Director</b>
Enrico Postacchini	Chairman	Bologna, July 17, 1958	Non-Executive
Nazareno Ventola	Chief Executive Officer	Rome, June 13, 1966	Executive
Giada Grandi	Director	Bologna, October 20, 1960	Non-Executive
Giorgio Tabellini	Director	San Giovanni in Persiceto (BO), January 31, 1944	Non-Executive
Sonia Bonfiglioli	Director	Bologna, November 25, 1963	Non-Executive and Independent
Luca Mantecchini	Director	Bologna, November 14, 1975	Non-Executive and Independent
Domenico Livio Trombone	Director	Potenza, August 31, 1960	Non-Executive and Independent
Marco Troncone	Director	Naples, January 1, 1971	Non-Executive and Independent
Laura Pascotto	Director	Cosenza, July 4, 1972	Non-Executive and Independent

A short curriculum vitae of each director on the Board of Directors is presented below, including that of the co-opted director Marco Troncone, who was co-opted in 2018 to re-integrate the board, following the resignation of director Fenati. These curriculum vitae indicate the expertise and experience developed by board members in the areas of business management and/or with regard to the sector in which the Issuer operates.

*Enrico Postacchini:* born in Bologna on July 17, 1958, graduating from the International Languages High School of Bologna and subsequently receiving a diploma from the Interpreters and Translators School; he is the Chief Executive Officer of Postacchini S.r.l.

and was, among other roles, the Chairman of Confcommercio Ascom Bologna (from April 3, 2008), Chairman of Iscom Bologna (from June 2008), Chairman of Cedascom S.p.A. (from April 29, 2009), Chairman of Bologna Incoming S.r.l. (from 2010), Vice Chairman of BolognaFiere S.p.A. (from September 2011), Member of the Executive Committee of 50&Più Enasco (from April 2010), Member of the Board of Directors of Lineapelle S.p.A. (from June 2010) and Chairman of Cofiter Confidi Terziario Emilia Romagna Soc. Coop (from July 2010 to May 2013).

*Giada Grandi*: born in Bologna on October 20, 1960, graduating in Law in 1986 from the University of Bologna; she specialised in Administrative Law and Administration Science - Three-Year Specialist Course completed in 1989 and in Tax Law, graduating in 1993 from the Bologna University Legal Faculty Training Body. She is currently, among other roles, the General Secretary of the Bologna Chamber of Commerce, the Vice Chair of BolognaFiere S.p.A. and a Director of Bologna Welcome S.r.l. and of Infocamere S.c.p.a. – Società consortile informatica delle Camere di commercio Italiane. She is also a Director of Tinexta and Chairperson of its Remuneration Committee, while in addition a Director of Borsa Merci Telematica Italiana S.c.p.a.

Previously, among other roles, she was a member of the General Council Ente Autonomo Fiere Internazionali di Bologna, a Director of Promobologna S.c.a.r.l., Vice Chairperson of Centro Divulgazione Agricola, a Director of Tecnoinvestimenti S.r.l. (now Tinexta), at which she also chairs the Risks Committee; she was Vice Director (from March 1, 1990 to May 31, 1997) of the Social Security Authority of the Council of Ministers - Regional Administrative Court Emilia-Romagna, Bologna Office and Executive Member (from June 1, 1997 to April 2010) of the Bologna Chamber of Commerce.

*Luca Mantecchini*: born in Bologna on November 14, 1975 and resident in Bologna. Graduating in Civil Transport Engineering in 2000 from the University of Bologna, in 2004 he was awarded a Doctorate in Transport Engineering from the same university. He has been a researcher and lecturer in transport engineering at the University of Bologna since 2005, and has carried out significant and in-depth research essentially in two macro-areas: air transport and transport sustainability. He is the author of over seventy scientific works published on journals and internal seminar documents and participated in numerous European and national research projects.

*Giorgio Tabellini*: born in San Giovanni in Persiceto (BO), on January 31, 1944. Accountancy Graduate. He joined as a partner of FRB S.r.l., founded PEI S.r.l., subsequently developing also on the overseas markets, investing in the research of differentiated solutions and the creation of a number of patents. He is currently the Chairperson and the majority shareholder of the PEI Group. He has in addition sat on a number of Boards of Directors, including CNA Servizi Bologna scarl, BolognaFiere S.p.A., Aeroporto di Bologna and CNA Immobiliare and in 2013 was elected as the Chairperson of the Bologna Chamber of Commerce.

*Sonia Bonfiglioli*: born in Bologna in 1963, she is a graduate in Mechanical Engineering from the University of Bologna and achieved a Master in Business Administration at the Profingest/Alma. She is currently a partner and Chairperson of the Bonfiglioli Group, having led a major international expansion, promoting investments in the alternative energy sector. Among others, she is also a member of the Management Committee Confindustria Emilia Centro and Member of several boards of directors including IMA S.p.A. and Panariagroup Industrie Ceramiche S.p.A.

*Nazareno Ventola* - born in Rome on June 13, 1966. He graduated with honors in Chemical Engineering from the University of Trieste; he has undertaken specific training courses at



the SDA Bocconi, MIT (Boston), London Business School and the University of Cranfield. He was appointed General Manager and Accountable Manager of the Issuer in May 2013; previously, after acting as Planning and Control Manager, he held the position of Strategy and Corporate Performance Management Director of the company, with involvement in the market strategy, quality, budgeting and planning and control. Before joining the Group, in 2000, he was a strategic planning analyst for Enitecnologie (ENI Group), in addition to the Chairman of ACI Europe Economics Committee for the 2012-2013 two-year period. Mr. Ventola is currently a member of the Board of CI Europe for the 2014-2017 three-year period.

*Laura Pascotto* - born on July 4, 1972 in Cosenza. She graduated with honours in Economics and Commerce from the LUISS Guido Carli University of Rome in 2002. Since 2007, she has been a Partner at Team Investimenti di F2i – Fondi Italiani per le Infrastrutture - SGR, focusing in particular on the airport sector. Today, she is also a member of the Board of Directors of GESAC (Naples airport), SACBO (Bergamo airport), SAGAT (Turin airport) and Software Design, Chairperson of the holding 2i Aeroporti and was a director of the Florence Airport and other F2i portfolio companies. Previously, she worked in the investment banking sector, initially with Lehman Brothers and thereafter at Mediocredito Centrale / Capitalia, undertaking M&A's, financial restructurings and share placements (among others the privatisation of Rome Airports).

*Domenico Livio Trombone* - born in Potenza in 1960, he has been a Director of Eni since April 2017. Graduating in Economics and Commerce from the University of Modena, he is Accountant and Auditor and a partner at Studio Trombone Dottori Commercialisti e Associati. He is currently the Chairman of the Board of Directors of Consorzio Cooperative Costruzioni – CCC, of Focus Investments SpA and of Società Gestione Crediti Delta SpA. He is also the Chairperson of the Board of Statutory Auditors of Associazione Costruttori Italiani Macchine Attrezzature per Ceramica (Acimac), of Coop Alleanza 3.0 Sc and of Unipol Banca SpA. He is a Statutory Auditor of: Arca Assicurazioni SpA, Arca Vita SpA, CCFS Soc. Coop, Cooperare SpA, Unisalute SpA, Unipol Finance Srl and Unipol Investment SpA. He is the Liquidator of Italcarni Sc and of Open.Co S.c. and a technical consultant in legal hearings, liquidator, bankruptcy practitioner and a legal commissioner. Over the years, he has held positions at banking companies and fund management and insurance companies. In particular, he was a statutory auditor at Carimonte Holding SpA, Unicredit Servizi Informativi SpA, Immobiliare Nettuno Srl and Gespro SpA. Between April 2006 and March 2007, he was a director at Aurora Assicurazioni SpA. From October 2007 until the merger by incorporation of the company into FonSai SpA, he was Chairperson of the Board of the Statutory Auditors of Unipol Assicurazioni SpA. Until December 2008, he was a Director at Banca Popolare del Materano SpA and BNTConsulting SpA. Between April 2010 and October 2011, he was Chairperson of the Board of Directors of BAC Fiduciaria SpA. Between April 2009 and December 2011, he was Chairperson of the Board of Statutory Auditors of Arca Impresa Gestioni SGR SpA. Between April 2007 and April 2012, he was Chairperson of the Board of Statutory Auditors of Cassa di Risparmio di Cento SpA. Between April 2010 and May 2016, he was the Chief Executive Officer of Carimonte Holding SpA and later, Chairman until 2018. Between December 2011 and December 2012, he was an Independent Director at Serenissima SGR SpA. Between December 2011 and April 2016, he was a Director and Vice Chairperson of Gradiente SGR SpA. Between April 2007 and April 2016, he was a Statutory Auditor at Unipol Gruppo Finanziario SpA.

For completeness, on January 29, 2018, the Board of Directors replaced through co-option the resigning director Arturo Albano with the new non-executive and independent director Livio Fenati, whose curriculum vitae is presented below: *Livio Fenati* - born in Rome on February 6, 1970, graduated in Economics and Commerce from the University of Rome Tor Vergata and attended, over the years, the “Investment Strategies and Portofolio Management” programme at Wharton University and an executive course in “Alternative Investment” at the Yale School of Management-EDHEC. He began his career in 1994 as a consultant at Accenture and, subsequently, held a range of positions at Banca IMI, Société Générale and at Babcock&Brown, developing extensive experience in the infrastructure sector, corporate finance and M&A advisory. Finally, before joining the Atlantia Group, he was a Partner at Arcus Infrastructure Partners. Currently, he also holds the following positions: Chairperson of Telepass s.p.a., Chairperson and CEO of Azzurra Aeroporti s.p.a., Member of the Oversight Committee of Aeroports de la Cote d’Azur and Director at Autostrade dell’Atlantico s.r.l..

As discussed, following the resignation of the co-opted director Livio Fenati, the Board of Directors replaced him with the non-executive and independent director Marco Troncone, whose curriculum vitae is presented below and who, like his predecessor, is known for the expertise and experience developed in the areas of business management and/or in the sector in which the Issuer operates.

*Marco Troncone* - born in Naples in 1971, graduated in Chemical Engineering from the Federico II University of Naples and obtained a Master in Business Administration from the SDA Bocconi. In 2011, he was in Aeroporti di Roma as Strategic Planning and Relations Director with the BoD where, in 2013, he became Planning, Financial and Control Director of Aeroporti di Roma. He has been Airport Sector Coordinations Director of Atlantia SpA since 2018. He is also a Director in certain companies of the Group including Airport Cleaning Srl, ADR Tel SpA and Pavimental SpA, as well as on the board of Aeroports de la Cote d’Azur s.a. and of its parent company Azzurra Aeroporti.

He previously covered professional roles, in Italy and abroad, in Sintonia S.A., A.T. Kearney and Technip Italy, gaining extensive experience in the area of strategy, corporate finance and infrastructures, with particular focus on airports.

For all members of the Board of Directors in office at December 31, 2018, the required verifications of good standing and professionalism under the applicable regulation were made. In particular, the members of the Board of Directors were in possession of the standing requirements<sup>1</sup> under Article 148, paragraph 4 of the CFA and the Regulation adopted through decree of the Ministry of Justice No. 162 of March 30, 2000. The continued holding of the good standing requirements and the absence of reasons for incompatibility and ineligibility of all directors was verified - in 2018 - at the Board meeting of June 11, 2018.

At the same meeting, on the basis of the application parameters and criteria recommended by the Self-Governance Code, the Board of Directors verified that Directors Sonia

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<sup>1</sup> Article 2 of the Decree of the Ministry of Justice No. 162 of March 30, 2000: 1. The office of statutory auditor of the companies identified by Article 1, paragraph 1 may not be held by those who: a) have been subject to the prevention measures imposed by the legal authorities as per Law No. 1423 of December 27, 1956, or by Law No. 575 of May 31, 1965 and subsequent amendments and supplements, except where discharged; b) have been convicted at the court of last instance, except where discharged: 1) involving imprisonment for one of the offenses under the rules governing banking, financial and insurance activities and the rules covering markets and financial instruments, tax affairs and payment instruments; 2) involving imprisonment for one of the offenses under section No. XI of book V of the Civil Code and royal Decree of March 16, 1942, No. 267; 3) involving imprisonment for a period of not less than six months for an offense against the public sector, public confidence, heritage, public order and public finances; 4) involving imprisonment for a period of not less than one year for any offense with criminal intent. 2. The position of statutory auditor at companies identified in Article 1, paragraph 1, may not be held by any persons upon which the penalties set out by paragraph 1, letter b) have been applied at the request of the parties, except in the case of the quashing of the offense.

Bonfiglioli, Livio Fenati, Luca Mantecchini, Laura Pascotto and Domenico Livio Trombone may be considered independent as per Article 147-ter, paragraph 4 of the CFA and by the Self-Governance Code.

For the co-opted Director Marco Trombone, the Board of Directors verified the standing requirements and the absence of causes of incompatibility and ineligibility and, furthermore, the satisfaction of the independence requirements of Article 147-ter, paragraph 4 of the CFA and under the Self-Governance Code, at the meeting of November 14, 2018.

None of the members of the Board of Directors are related as per Book I, Section V of the Civil Code with other members of the Board of Directors, nor with members of the Board of Statutory Auditors of the Issuer or executives and other parties holding strategic roles.

### ***Diversity criteria and policies***

With reference to the composition of the Board of Directors in office at 31.12.2018, the Issuer confirms the board composition's compliance with the provisions of Article 147-ter of the CFA, as well as with Article 2.P.4 and Criterion 2.C.3, recently included in the Self-Governance Code. Gender-balancing was successfully pursued, as well as the diversification of managerial and professional expertise, including of an international nature.

In order to align the composition of the Board of Directors with the provisions of the Self-Governance Code, in Article 13.3 of its By-Laws, the Issuer expressly provided that "Slates...omissis...must also include candidates of a different gender, as indicated in the Shareholders' Meeting call notice, in order to ensure a Board of Directors composition which complies with the applicable gender equality regulation.

With reference to expertise and age groups, despite the absence of specific policies, there is still a good balance which is reflected in the positive outcome of the assessment on the Board's functioning which commenced on October 1 and ended on December 17, 2018 - an improvement compared to the previous year's result.

In 2018, the Issuer was included in the EG Index 2018 and, in continuity with the past, the Aeroporto di Bologna ranks in the Top 5 in the "Board of Directors composition" area, among leading industrial companies in the MID CAP segment of Borsa Italiana.

The Board of Directors' mandate will conclude in 2019 and preparatory discussions and meetings have already started with the Agreement's Public Shareholders for the composition of slates containing the measures recently introduced by the Self-Governance Code, with particular focus on the criteria of diversity and gender, to ensure suitable expertise and professionalism. Finally, as mentioned in the following point 4.6, due attention was given to the correct assessment of the independence criterion for candidates.

### ***Maximum number of offices held in other companies***

The Board of Directors has not defined the general criteria relating to the maximum number of offices of administration and control in other companies that may be considered compatible with the proper carrying out of their duties as directors of the company. However, the Board, where appropriate (including on the basis of self-assessment processes carried out annually) and on the basis of information received from the

directors, carries out this verification mainly by using the following assessment criteria: (i) the role of the Director within the company (executive, non-executive, independent, member of one or more committees); (ii) the nature and size of entities in which offices are held and the office of the Director within such entities (where, among others, concerning the corporate scope of the entity, the governance structure, the number of meetings that the director is required to attend on the basis of the role held at the entity, the duties assigned to the directors and any powers); (iii) whether such entities are part of the Group of the Issuer.

This position was confirmed by the Board of Directors after specific in-depth discussion in the meeting of December 17, 2018 during which it was highlighted that, no particular critical issues emerged from the outcome of the self-assessments carried out in 2017 and 2018 with regard to the maximum accumulation of offices, since the Board has always operated with high attendance ratios and by being fully informed when taking decisions.

### ***Induction programme***

The Board of Directors on a regular basis holds informative sessions for the directors and statutory auditors on the main legal and regulatory provisions applicable to listed companies and on the obligations and responsibilities associated with listing on the stock exchange, in addition to specific regulatory issues, particularly the management of inside information. These sessions are undertaken on the assumption of office and following significant legislative changes. The Board generally in addition undertakes specific informative sessions regarding corporate projects.

The Board does not consider it necessary to undertake programmes to provide the directors with knowledge upon the sector in which the Issuer operates, company dynamics and developments and company risks, as all Board members have gained considerable experience in the industrial and financial areas or in the segment of activity of the Issuer during the course of their professional activities, or have held long-term positions on the Board of Directors or the management team.

In 2018; and specifically on February 21, 2018; an induction session was held, principally concerning (i) the management of Inside Information and (ii) the non-financial information report, in the presence also of two new directors; at the same meeting, directors and statutory auditors were provided with, by the company's legal consultants, an extensive and structured memorandum concerning "Responsibilities and obligations deriving from the rules applicable to companies with shares listed on the main segment of the Italian Stock Exchange", with availability for further updates on the request of the members of the Corporate Boards regarding specific additional issues.

On December 17, 2018, an additional induction programme assessment was held on the basis of which the Board of Directors, while not considering further sessions necessary for the exiting Board, expressed its appreciation for the work carried out during the mandate, confirming the opportunity provided by current practices to hold informative sessions for the directors and statutory auditors on the main legal and regulatory provisions applicable to listed companies and on the obligations and responsibilities associated with listing on the stock exchange, in addition to further insight on specific regulatory issues.

### **4.3 Role of the Board of Directors**

In accordance of Article 15 of the By-Laws, the Board of Directors meets at the place indicated in the call notice whenever the Chairperson or, in the case of his/her absence or impediment, the Vice Chairperson consider such necessary. The Board of Directors should also be called where written request is made by at least two directors to consider a specific matter considered of particular importance, concerning operations and which should be indicated in the request. Board meetings may also be held by means of telecommunication systems, provided that all participants can be identified and such identification is acknowledged in the minutes of the meeting, and that they are allowed to follow and participate in real time in the discussion of the matters considered and, if applicable, to exchange documents; in such case, the Board of Directors shall be deemed held in the place where the Chairman is and where the Secretary must also be in order to allow the related minutes to be drawn up and signed. The Board shall normally be called at least five days before the date on which the meeting is to be held. In cases of urgency, this period may be shorter. The Board of Directors shall decide the procedures for convening its own meetings.

On February 21, 2018, on the results of the self-assessment carried out in 2017, which indicated the implementation of Regulations containing the Board of Director's essential operating rules as an area for improvement, the Board of Directors unanimously approved the "Regulations on the functioning of the Board of Directors" which reflects, harmonises and integrates what is already set out in the By-Laws.

As per Article 16 of the By-Laws, the meetings of the Board of Directors are chaired by the chairperson or, in his/her absence or impediment, the vice chairperson, where appointed. If the latter is also absent, they shall be chaired by the eldest Director.

In accordance of Article 17 of the By-Laws, for the validity of the meetings of the Board of Directors a majority of its members in office are required to be present. Motions are adopted by an absolute majority of those present; in the case of a tie, the vote of the chair shall be decisive. The Board of Directors, in addition, approves the following matters with the favourable vote of two-thirds of Board members:

- (a) acquisition and/or sale of property and/or of businesses and/or of business units and/or of equity investments of a value greater than Euro 5,000,000;
- (b) merger and/or spin-off proposals;
- (c) proposal to increase the paid-in share capital

As per Article 19 of the By-Laws, the company is exclusively managed by the Directors, who carry out the necessary operations to achieve the corporate objects. In addition to exercising the powers assigned by law, the Board of Directors is also authorised to decide on: a) the opening and closing of secondary offices; (b) the indication of directors with representative powers; (c) the reduction of the share capital in the case of the withdrawal of one or more shareholders; (d) the amendment of the By-Laws in line with regulatory changes The delegated boards report in a prompt manner to the Board of Directors or to the Board of Statutory Auditors - or, in the absence of the delegated boards, the Directors report in a prompt manner to the Board of Statutory Auditors - at least quarterly and in any case at the Board meetings, on the activities undertaken, on the performance of the company and its prospects and on the main economic, financial and equity transactions, or the main transactions in terms of their size and significance, undertaken by the company and its subsidiaries; in particular, such persons report any transactions in which they have an interest, on their own account or on behalf of third parties, or that are influenced by the

person, if any, who performs management and co-ordination activities, where existing. The Board of Directors appoints and withdraws the appointment of the officer in charge of preparing the corporate accounting documents, following consultation with the Board of Statutory Auditors. The officer in charge of preparing the corporate accounting documents should have comprehensive experience of at least three years in the exercise of: (a) management functions regarding the preparation and/or analysis and/or assessment and/or verification of corporate documents which present comparable accounting complexity as the company accounting documents; or (b) the auditing of accounts at companies with shares listed on Italian regulated markets or on those of other European Union countries.

Article 20 of the By-Laws establishes that the Board of Directors may assign, within the limits set out at Article 2381 of the Civil Code and as per Article 20.4 of the By-Laws, its powers to one or more of its members and/or to an executive committee, establishing the content, limits and any means for the exercise of such powers. Upon the proposal of the Chairperson and in agreement with the Chief Executive Officer, the Board may delegate powers to its members for single acts or classes of acts. Within the limits of the authority conferred, the delegated boards shall have the power to delegate single acts or classes of acts to employees of the company or to third parties, authorising sub-delegation. The Board of Directors may in addition appoint a general manager, establishing his/her duties and powers. In any case, motions concerning the following matters, in addition to the legally reserved decisions, are within the exclusive scope of the Board of Directors: (i) the acquisition and disposal of equity investments for an amount in excess of Euro 500,000; (ii) the purchase and/or sale of property and/or businesses and/or business units for an amount in excess of Euro 500,000 (iii) the issue of mortgages, liens, sureties and/or other secured or unsecured guarantees for an amount in excess of Euro 500,000; (iv) the appointment of directors of subsidiaries and/or investees; (v) participation in tenders and/or public procedures requiring the undertaking of contractual obligations in excess of Euro 5,000,000.

In accordance with Article 22 of the By-Laws, the members of the Board of Directors receive remuneration as decided by the Shareholders' Meeting. Once adopted, the motion shall apply during subsequent accounting periods until a shareholders' meeting determines otherwise. Remuneration paid to Directors to whom specific roles are allocated as per the By-Laws is fixed by the Board of Directors after consultation with the Board of Statutory Auditors.

Pursuant to Article 23 of the By-Laws, the Chairman of the Board of Directors is vested with the following powers: (i) powers to represent the company as per Article 21.1 of the By-Laws; (ii) the chairing of the Shareholders' Meeting in accordance with Article 11.1 of the By-Laws; (iii) the calling and chairing of the Board of Directors in accordance with Articles 15 and 16.1 of the By-Laws; he/she establishes the agenda, coordinates business and ensures that adequate information is provided on the matters on the agenda to all directors; (iv) verifies the implementation of the Board's motions.

With regards to the prior approval, by the Board, of transactions with related parties and/or transactions in which one or more directors have a personal or third-party interest, reference should be made to Paragraph 11 below.

The Board of Directors in 2018 met on 11 occasions, with an average meeting duration of approx. 02:22 hours. The attendance of each Director at the Board of Directors' meetings was as follows:

<b>Name</b>	<b>Office</b>	<b>% attendance at Board of Directors' meetings</b>
Enrico Postacchini	Chairman	100%
Nazareno Ventola	Chief Executive Officer	100%
Giada Grandi	Director	82%
Giorgio Tabellini	Director	82%
Sonia Bonfiglioli	Director	82%
Luca Mantecchini	Director	91%
Laura Pascotto	Director	100%
Domenico Livio Trombone	Director	91%
Livio Fenati	Director (co-opted on 29/01/18 and resigned on 26/09/18)	55%*
Marco Troncone	Director (co-opted on 14/11/18)	9%**

*\* Dr Fenati attended 86% of Board meetings held during his period in office*

*\*\* Dr Troncone attended 100% of Board meetings held during his period in office*

The assessment upon the professionalism, standing and independence requirements of the members of the Board of Directors and of the Committees was carried out by the Board of Directors on June 11, 2018 (and November 14, 2018 for the co-opted Director Marco Troncone). This assessment was positive and on the same date a press release regarding this matter was issued.

The Board of Directors began on October 1, 2018 and completed on December 17, 2018 its assessment on its functioning and upon the functioning of its Committees, considering also elements such as professional characteristics, experience, including managerial, and in general of its members, in addition to their seniority, taking account of mandate experience of less than one year. The self-assessment activities were carried out through the filling out of a comprehensive questionnaire, followed by a Board meeting concerning the outcome of the self-assessment process. The Board of Directors, as a result of the slight improvement in the annual self-assessment on the previous year, unanimously confirmed a very positive assessment of the functioning of the Board.

For Board meetings, the directors are provided three days in advance of the date fixed for the meeting with the documentation and information necessary to consider the matters submitted for consideration. The documentation, where particularly extensive and complex, is accompanied by an executive summary and is always outlined in great depth with regards to the most complex issues, during Board meetings. The pre-board disclosure is managed by the Chairman of the Board of Directors with the support of the Secretary of the Board of Directors, Ms. Silvia Piccorossi (appointed on August 27, 2015), in addition to the Chair's Secretary and Company Secretary, with the making available on a dedicated site and appropriately protecting the documentation supporting the Directors and the

disclosure sessions, where considered appropriate, while complying with the regulation on insider information circulation.

The Chairperson of the Board of Directors, together with the Chief Executive Officer, usually ensures the effective presence of executives of the Issuer and the heads of the competent company departments regarding the matters considered, who attend Board meetings to provide appropriate details on the matters on the agenda. In particular, during 2018, the Legal and Corporate Affairs Director attended all board meetings. In addition to the Internal Audit Manager, other senior managers attended in 2018, as follows: Mr. Bonolis, Business Aviation and Communications Director, 1 attendance; Mr. Guarrera, Infrastructures Director, 2 attendances; Ms. Franco, 7 attendances; Strategic Planning and Investor Relations Director, 7 attendances; Ms. Muffato 7, Administration and Finance Director, 7 attendances; Ms. Giannone, Internal Auditor, 1 attendance.

Article 20 of the By-Laws identifies transactions of the Issuer considered as of strategic, economic, equity or financial significance for the Issuer, with decisions upon these transactions reserved to the Board of Directors. In addition, Article 17 of the By-Laws establishes qualified quorums for the approval of certain corporate transactions.

At least 5 Board of Directors' meetings are scheduled for the year ending December 31, 2019 and at the date of this report, 2 additional meetings were already held on January 28, 2019 and February 21, 2019.

The Board, assessed the adequacy of the organisational, administrative and accounting structure of the Issuer prepared by the Chief Executive Officer, with particular regard to the internal control and risk management system, at the meeting of March 15, 2018, as well as on March 14, 2019 reconfirming the positive assessment.

The review and approval of the strategic, industrial and financial plans of the Issuer and of the Group, in addition to the periodic monitoring of their implementation, is reserved to the Board of Directors. The corporate governance system of the company is set out by the company By-Laws and the Board of Directors does not have powers in this regard, except concerning the assignment of powers to directors.

The Board of Directors did not assess the adequacy of the organisational, administrative and accounting structure of the subsidiaries, as none carry out strategic operations for the Group headed by the Issuer. The Shareholders' Meeting has not authorised in advance exceptions to the non-competition prohibitions as per Article 2390 of the Civil Code.

As previously indicated in the section "Diversity Criteria and Policies", the board of directors' mandate will conclude in 2019 and meetings with the Agreement's Public Shareholders were held in order to highlight, while the slates are in the process of being composed, the issues of due attention to the balancing of expertise and professionalism and the presence of the under-represented gender, as recommended by the Self-Governance Code.

#### **4.4 Executive Boards**

##### **Chairperson of the Board of Directors**



Pursuant to Article 23 of the By-Laws, the Chairman of the Board of Directors is vested with the following powers: i) powers to represent the company as per Article 21.1 of the By-Laws; (ii) the chairing of the Shareholders' Meeting in accordance with Article 11.1 of the By-Laws; (iii) the calling and chairing of the Board of Directors in accordance with Articles 15 and 16.1 of the By-Laws; he/she establishes the agenda, coordinates business and ensures that adequate information is provided on the matters on the agenda to all directors; (iv) verifies the implementation of the Board's motions.

The Board of Directors on May 9, 2016 in addition assigned to the Chairperson of the Board of Directors Enrico Postacchini all necessary powers for the full and correct exercise of its institutional prerogatives. The Chairperson, granted the power to coordinate the circulation of information to the other Directors, so as to ensure that they are informed upon company matters and may effectively contribute to the Board meetings, is assigned, together with the Chief Executive Officer, the prior review of the information and/or the documentation concerning all matters to be submitted to the Board of Directors. With regards to the above-indicated prerogatives, the following powers are expressly assigned to the Chairperson of the Board of Directors Enrico Postacchini:

- a) the signing of institutional correspondence;
- b) legal representation of the company, as also established by the By-Laws at Article 21.1;
- c) the calling of the meetings of the Board of Directors, the sending to the directors and the statutory auditors, appropriately in advance, of the documentation considered most appropriate to permit effective participation at the Board meetings and the leading of meeting business;
- d) the oversight of corporate affairs development and the correct implementation of Board motions;
- e) proposing to the Board of Directors of the representatives to be appointed at the investee companies, together with the Chief Executive Officer;
- f) assurance of adequate information between company Boards and Committees, including the Supervisory Board as per Legislative Decree 231/2001, guaranteeing the consistency of decisions and positions of the Board of Directors of the company;
- g) the oversight of institutional relations of the company and of the investees, including the undertaking, with the prior discussion and coordination with the Investor Relations function and the Chief Executive Officer, of any initiatives regarding the press with regards to institutional relations.

The Chairperson of the Board of Directors Enrico Postacchini has not been granted operating powers, nor undertakes a specific role with regards to the drawing up of company strategies. He does not undertake the role of chief executive officer, nor is he a controlling shareholder of the company.

### **Chief Executive Officers**

The Board of Directors on May 9, 2016 appointed Director Nazareno Ventola as the Chief Executive Officer of the company, assigning separate powers of the company's general representation, and in particular permitting him to:

- a) sign all correspondence and any internal and outgoing company documents and

communication relevant to the business and referring to the functions of legal representation and administration entrusted to him;

- b) ensure the update of Regulations and Business Policies with respect to legal and regulatory developments, including implementing corresponding changes to the corporate organisation. To also ensure alignment and compliance within interpretive limits applicable on the basis of the different matters and sectors subject to regulation that concern and pertain to the airport management company. In this respect, to possibly acquire appropriate consultant/expert opinions and evaluate sector benchmarks;
- c) represent the company before public or private administrations in all matters concerning its assets, real estate and land in order to obtain concessions, authorisations, licences and extensions;
- d) represent the company before any ordinary or special, civil or criminal, administrative, tax or auditors' court and in any case as the plaintiff and the defendant, as well as in any proceedings before any conciliation and/or arbitral, judicial and administrative authority and in any place and instance and thus, including in opposition, revocation and cassation proceedings;
- e) file complaints or lawsuits with any judicial or police authority against any party; to bring civil action in any criminal proceedings in the name of the company; to enforce judgments; to conduct interrogations and take oaths and to file garnishee's statements, also by means of third-party delegation;
- f) represent the company before the Tax Agency's offices and any of its branches, before Commissions of offices appointed in relation to different taxes at any level and before any office, institution and/or jurisdictional administrative authority, and in any litigation before Tax Commissions or other jurisdictions for tax and administrative matters;
- g) file petitions, complaints, appeals and statements of defence, sign agreements, apply for licences, permits, authorisations and administrative concessions of any kind; to sign relevant documents to facilitate and settle any disputes;
- h) represent the company in any trade union proceeding or dispute before Labour Offices and any other related institution, office and authority; to bring trade union disputes to a conclusion and sign the related minutes and documents;
- i) represent the company in any proceeding and dispute in respect of Social Security and Welfare Institutions and any other institution or insurance company;
- j) in the name of the company, to fulfil all acts necessary and howsoever related to the establishment of arbitration proceedings, as well as to issue associated mandates; to appoint experts and arbitrators including out-of-court mediators and to assist in experts' work and mediations or confer - for this purpose - appropriate mandates to third parties;
- k) settle and reconcile any litigation and dispute having a total value of less than Euro 500,000.00 (five hundred thousand) or withdraw it, including by signing waivers;
- l) acquire and divest share capital of a value less than Euro 500,000.00 (five hundred thousand);
- m) purchase and/or sell real estate and/or companies and/or business branches for a value less than Euro 500,000.00 (five hundred thousand);
- n) grant mortgages, liens, guarantees and/or other potential or collateral securities for

a value less than Euro 500,000.00 (five hundred thousand);

- o) rescind contracts of any nature or value in the event of the counterparty/counterparties' default and to also rescind, including by mutual agreement, contracts for a value of less than Euro 500,000.00 (five hundred thousand);
- p) delegate the execution of tasks under his remit to attorneys-in-fact (general and/or ad acta) and executives - except for AEROPORTO GUGLIELMO MARCONI DI BOLOGNA S.P.A.'s role of General Manager - and company employees, determining the forms and limits of responsibilities and powers; to revoke the aforesaid duties and powers of attorney wherever appropriate or necessary.

The above limits represent the internal limits of the relationship between the delegating board and the Chief Executive Officer and do not affect the generality of the legal representation conferred to the Chief Executive Officer, appointed as above, and the Chairperson, pursuant to and in accordance with Art. 21.1 of the By-Laws.

Director Nazareno Ventola was also appointed as "director in charge of the internal control and risk management system" in the board meeting of May 9, 2016. Duties are envisaged by Rule 7.C.4 of the Self-Governance Code of listed companies (as amended from time to time) and the provisions in the Regulation of the Control and Risks Committee adopted by the company. For this purpose, the broadest powers were granted to carry out the mandate conferred and to also ensure the independence of the Internal Audit function, the appropriate allocation of this function's expertise and knowledge, and his suitable access to data, information, systems and corporate assets, without restrictions of any kind.

In the board meeting of May 9, 2016, the following duties and powers concerning safety and the environment were, therefore, conferred to the Chief Executive Officer Nazareno Ventola pursuant to Legislative Decree 81 of 2008 and Legislative Decree 152 of 2006, as amended and supplemented, by granting him the status of ENTREPRENEUR AND EMPLOYER. Thus, in the name and on behalf of the company, he may do everything relevant, possible and necessary to execute his mandate and, in particular to:

- Handle and ensure compliance with all applicable regulations and future regulations concerning the prevention of accidents, safety, workers' health and hygiene at work; in particular, he is to ensure compliance with all relevant provisions by the company, its executives, employees and any other employed person, even if not formally placed in the corporate structure. This is also in accordance with any other rule of prudence and diligence which eliminates risks and prevents the consequences of physical harm to people;
- Handle and ensure compliance by the company, its executives, employees and any other employed person, even if not formally placed in the corporate structure, with all applicable regulations and future regulations concerning environmental protection, pollution of the air, soil, subsoil, waters, noise pollution and all regulations concerning waste. This is also in accordance with what is envisaged and descending from any type of order given by the competent Authorities, specific technical experience and, in general, from any other rule of prudence and diligence in the exercise of the airport operator's activities that may eliminate risks of injury and prevent the consequences of physical harm to people or damage to property.

Chief Executive Officer Nazareno Ventola also received the express power to do all that is necessary, possible and appropriate with reference to all the obligations imposed directly on the entrepreneur and employer in matters under this delegation of duties. In any case, to also implement any action (even if not required by law) for the achievement of the proposed objective of safeguarding workers' health and safety at the workplace and regulations concerning environmental protection in its various areas (air quality and air pollution, water protection, waste, hazardous waste and industrial waste disposal, and prevention and reduction of pollution), even if not expressly mentioned herein. For this purpose, the broadest powers of intervention and autonomy in decision-making are granted to the director, including under the economic profile.

Insofar as necessary, the Chief Executive Officer Nazareno Ventola was expressly granted the power to sub-delegate the duties and powers entrusted to him, by conferring them, through an approved special notarised power of attorney, to executives - except for the role of the company's General Manager - and to Sector/Area Managers. In so doing, he is to determine the areas of individual responsibilities and powers of intervention and decision-making autonomy, including under the economic profile.

Chief Executive Officer Nazareno Ventola was therefore delegated to do all that he considers useful or necessary in the interests of the mandating company in relation to the foregoing, without any exception, so that under no circumstances can insufficiency of powers be contested.

On the basis of all duties and responsibilities as delegated above, Nazareno Ventola is required to periodically report to the Chairperson and the Board of Directors on the progress of activities performed by submitting a quarterly written report to enable a suitable assessment of his work.

It should also be noted that the Chief Executive Officer Nazareno Ventola also covers the role of Issuer's GENERAL MANAGER and that, in this capacity and in that of ACCOUNTABLE MANAGER (as defined below), the following powers were granted to him by special power of attorney following the Board of Director's decision of August 27, 2015:

In his capacity of GENERAL MANAGER, Mr. Nazareno Ventola will have the power to:

- a) Sign all correspondence and documentation of corporate interest associated with the entrusted duties of General Manager;
- b) Provide for the allocation, management and administration of all necessary human resources by setting-up, amending and terminating employment contracts on a fixed and indefinite term for blue collar workers, white collar workers and managers and, by means of a proposal to the Board of Directors to contractually recruit, appoint, suspend, dismiss and terminate corporate staff with the title of Executive - except for the role of Issuer's General Manager. All the above is to be carried out in compliance with applicable legal provisions and on the basis of relevant well-established case-law;
- c) Provide for the structuring of suitable performance assessment methodologies for corporate staff and the definition of remuneration policies aligned to industry best practices and their application, including for executive staff. The role of Issuer's General Manager and other strategic executives are excluded;

- d) Enter into contracts for the sale of goods and services distributed by the company involving contractual obligations not exceeding Euro 5,000,000;
- e) Enter into incentive and/or marketing support contracts of an estimated value not exceeding Euro 500,000, in line with applicable corporate policies concerning traffic development;
- f) Authorise the activation of any investment or operating expenditure included under the plans and budgets approved by the company Board of Directors and also authorise any out of budget investment or operating expenditure up to a maximum of Euro 500,000 and Euro 200,000, respectively; to enter into associated contracts;
- g) Authorise and enter into consultancy appointments which are included in the plans and budgets approved by the company Board of Directors up to a maximum of Euro 300,000, also authorising any out of budget consultancies up to a maximum of Euro 50,000; to enter into associated contracts;
- h) In the context of instrumental and non-instrumental procurement contracts of any nature and amount in the company's interest and responsibility: to authorise the commencement of procurement procedures and to sign calls for tender and specifications and/or letters of invitation; to appoint the Tendering Authority and Selection Boards, also approving associated reports; to definitively award procedures; to sign contracts and authorise and formalise any, necessary and legitimate variation in the limits of plans and budgets/economic frameworks approved periodically by the Board of Directors; to terminate for any cause and withdraw from these procurement contracts;
- i) Enter into contracts for the purchase and sale of registered and non-registered vehicles and machinery, plant and equipment, as well as to dissolve and withdraw from such contracts; to enter into transport contracts, as well as to dissolve and withdraw from such contracts; to enter into insurance contracts, real estate lease contracts also for a period exceeding nine years and leasing contracts, and to terminate and withdraw from these contracts;
- j) Administer the company's real estate and property, conclude the lease of real estate also for a period exceeding nine years, rental and sub-concession and leasing contracts, and to terminate and withdraw from these contracts;
- k) Enter into transport contracts, as well as to dissolve and withdraw from these contracts;
- l) Enter into insurance contracts and to terminate and withdraw from these contracts;
- m) Demand and collect receivables, sums and any other dues to the company from any party and for any amount, issue receipts and releases in the forms required, collect postal and telegraphic money orders, bills and cheques of any kind and for any amount; to proceed to conservatory and enforcement measures; to notify protests; to file applications for a declaration of bankruptcy and lodge claims in insolvency proceedings; to propose actions to claim goods subject to bankruptcy activities; to participate, with a free and discretionary right to vote, in shareholders' meetings and meetings of creditors in bankruptcy, in pre-bankruptcy composition or under receivership; to accept compositions, including out-of-court settlements and allotments;
- n) Fulfil formalities and the payment of dues as a result of contractual obligations and all the obligations in general assumed by the company in compliance with the by-

laws and board motions, irrespective of their juridical source, type and amount. These expressly include payments determined by law and imposed on the company, such as, duties, taxes and concession fees and, to this end, to undertake all banking transactions connected to the current account's management, including the signing of cheques and bank transfers, and electronically by means of home banking;

- o) Open and close bank and/or postal accounts, deposit sums and securities in the company's current accounts, also signing for the withdrawal of bankers' drafts at these banks; to endorse cheques, order instruments, deposit and withdraw securities at credit institutions and post office banks, and to make transfers between the company's current accounts;
- p) Collect postal and telegraphic money orders, warrants and cheques of any kind, and issue receipts, discharges and releases;
- q) Open and close safe-deposit boxes; open bank giro accounts, other separate or special accounts and, where permitted, also foreign currency accounts; to request bank overdraft facilities and credit advances in general; to issue instructions and make withdrawals from these accounts, also by means of bank cheques to the order of third parties to be financed through liquid assets and the granting of loans; to endorse bills of exchange, cheques, promissory notes and bills for discount and for collection; to set up guarantee deposits and issue sureties; to enter into contracts for the lease and use of safe-deposit boxes, cabinets and compartments and to dissolve and withdraw from those contracts; to draw drafts on customers in response to sales made; to set up and withdraw deposits in cash and securities from the *Cassa Depositi e Prestiti* (Deposit and Loan Bank) (and possibly from the relevant temporary deposits of the Director General of the Treasury), collect the accrued interest on company deposits at any *Cassa Depositi e Prestiti* establishment and issue receipts on the company's behalf and carry out any transaction that may be necessary, with promise of full ratification and approval and without any liability to the Bank; to request the opening of current account credit facilities or loans in general, also in the form of loans on securities, including: the transfer of guaranteed or non-guaranteed loans in respect of banks, institutions and persons; the assumption of all associated obligations and commitments; to notify banks or other institutions of the total or partial economic and financial situations or of details pertaining to the company; to proceed with the sale of loans; to request and conclude bank endorsements;
- r) Execute any transaction at the Public Debt, *Cassa Depositi e Prestiti*, the Tax Agency, Post and Telegraph Offices, treasuries, customs, state and private railway operators, airlines, shipping and insurance companies and any public office in Italy or abroad, as well as any other entity or institution if this is assimilated to State Administrations, has parastatal characteristics or has specific guidelines;
- s) Delegate the execution of tasks under his remit to attorneys-in-fact (general and/or *ad acta*), executives and company employees, determining the forms and limits of responsibilities and powers; to revoke the aforesaid duties and powers wherever appropriate or necessary.
- t) With the joint signature of the Chief Financial Officer, to invest the company's temporary liquidity by ordering the purchase or sale of public debt securities or transferable securities and financial instruments generally present on regulated markets, as well as their custodial deposit or administration at credit institutions;

- u) For motions within the scope of the Board of Directors, to propose the appointment and dismissal of the parent company's representatives in Group companies' administrative bodies for the best management and administration of these companies.

The General Manager is required to report to the Board of Directors on a quarterly basis on the use of powers conferred through a report on the company's general performance and through a quarterly report on concluded transactions that entail expenditure commitments for the company of a value equal to or greater than Euro 250,000.

Chief Executive Officer Nazareno Ventola was delegated to do all that he considers useful or necessary in the interests of the mandating company in relation to the foregoing, without any exception, so that under no circumstances can insufficiency of powers be contested. With promise of full ratification and approval.

With regard to the power of attorney already conferred on September 28, 2015, Mr. Ventola (File 39976, Volume 22391), on May 9, 2016, the Board of Directors, having heard the opinion of the Board of Statutory Auditors in this regard, clarified and decided that its use by Mr. Ventola is not to exceed the value of Euro 500,000 for transactions related to the issue of sureties and guarantees in general and this, with utmost and substantive conformity to the provisions (Article 20.4[c]) of the current By-Laws.

Nazareno Ventola was also appointed ACCOUNTABLE MANAGER or Executive Officer for Aspects Relating to the Certification of Airport Operations as a result of a board motion of August 27, 2015 and by means of an *ad hoc* power of attorney, pursuant to the Regulation for Airport Construction and Operation, Edition 2 of October 21, 2003 and other applicable laws. In this capacity, Ventola was granted the following powers:

A) In general, to:

- Provide for the corporate allocation, management and administration of all necessary human resources by setting-up, amending and terminating employment contracts on a fixed and indefinite term for blue collar workers, white-collar workers and managers and, by means of a proposal to the Board of Directors to appoint and dismiss executive staff; all the above is to be carried out in compliance with applicable legal provisions and on the basis of relevant well-established case-law;
- Decide on the corporate organisation, with general reference to organisational structures, personnel restructuring, flows/areas of responsibility, approving every organisational act required and/or corporate policy to such pertaining aspects and with particular reference to the aforesaid corporate organisation necessary for the purposes of maintaining airport certification in compliance with the Regulation for Airport Construction and Operation and its subsequent amendments and supplements. This expressly includes the proposal to appoint, revoke and replace Post Holders-Managers of the different areas of activity of Bologna airport's airport operator;
- Submit applications to ENAC for the issue, renewal, modification or cancellation of the Airport Certification and any necessary revision of the Airport Manual;
- Undertake any act necessary to ensure the highest levels of safety possible in the course of airport operations and any other activity of the airport operator;
- Submit an annual expenditure budget to the Board of Directors (within the aggregate annual budget's preparation period), drawn up with the qualified

contribution of all the Post Holders, segregated into the operator's relevant areas of activity, setting out the plan of measures to be adopted and with an estimate of the expenditure and investment amount to be made in each different sector.

Within the scope of its powers and budget as defined above and approved by the Board of Directors, the Accountable Manager is required to guarantee the necessary and respective resources to the various Post Holders and, for this purpose, can execute and enter into any necessary deed or contract in compliance with corporate policies and applicable laws and regulations. This is without expenditure limits per transaction and with the authority, where necessary, to request integration into the aforesaid annual budget;

B) For cases involving urgent and immediate unforeseen intervention requirements to ensure the highest levels of safety possible in the area of airport operations and other activities falling under the remit of Bologna Airport's airport operator, the Accountable Manager is required to adopt the most appropriate intervention measures, even beyond the above budget limits. This is subject to the obligation of suitable written justification and prompt communication to the Chairperson and the Board of Directors;

C) On the basis of the duties and responsibilities as delegated above, the Accountable Manager is required to periodically report to the Chairperson and the Board of Directors on the progress of activities performed by submitting a quarterly written report to enable them to undertake appropriate updates and controls.

Accountable Manager Nazareno Ventola was delegated to do all that he considers useful or necessary in the interests of the mandating company in relation to the foregoing, without any exception, so that under no circumstances can insufficiency of powers be contested, and with promise of full ratification and approval. This is subject to the obligation of aligning organisational choices and corporate operations to the strategic guidelines and directives defined by the Board of Directors, including in the exercise of delegated powers.

Chief Executive Officer and General Manager Nazareno Ventola is considered to be the main person responsible for the company's management (chief executive officer) and has not undertaken any directorships in other listed issuers (interlocking directorate).

### **Reporting to the Board**

At the meetings of the Board of Directors dedicated to the approval of the 2018 interim financial results (May 14, September 3 and November 14, 2018), the Board of Directors assessed the general performance, taking into account the information received from the delegated boards, while also comparing the results with the original forecasts.

Reporting is to take place on a quarterly basis.

### **4.5 Other executive directors**

At the date of this report, no other executive-level Directors were present in addition to the Chief Executive Officer Nazareno Ventola.



#### 4.6 Independent Directors

At December 31, 2018 and at the date of this report, there were five non-executive and independent directors, specifically: Sonia Bonfiglioli, Luca Mantecchini, Laura Pascotto, Domenico Livio Trombone and Marco Troncone. In 2018 and prior to his resignation, Livio Fenati also held the role of non-executive and independent director.

They are independent directors in accordance with the CFA and the Code's provisions, since they:

- do not fall under the conditions envisaged by Article 148, paragraph 3 of the CFA;
- do not control the Issuer directly or indirectly, nor through subsidiaries, trustees or nominees, and neither are they able to exert significant influence over the Issuer or participate in a shareholders' agreement through which one or more persons may exercise control or significant influence over the Issuer; in the previous three years, they are not and were not significant representatives of the Issuer, of one of its subsidiaries having strategic importance or of a company subject to joint control with the Issuer or a company or entity which, together with other parties through a shareholders' agreement, controls the Issuer or is able to exert significant influence over it. It should be pointed out that Luca Mantecchini held the role of Chairman of the Board of Directors of the non-significant subsidiary TAG Bologna S.r.l. following the shareholders' meeting motion of May 3, 2013, up to the date of his resignation - for personal reasons - which occurred on June 25, 2014;
- do not have and nor have they had a direct or indirect significant commercial financial or professional relationship in the previous year: (i) with the Issuer, one of its subsidiaries, or with any of their significant representatives; (ii) with a person who, together with other parties through a shareholders' agreement, controls the Issuer, or - as a company or entity - with their significant representatives; nor were they employees of one of the aforesaid parties during the previous three years;
- are not receiving nor have they received significant additional remuneration during the previous three years from the Issuer, from one of its subsidiaries or holding company with respect to the "fixed" emolument for the Issuer's non-executive directors, including from participation in incentive plans linked to business performance and even stock option plans;
- have not been the Issuer's directors for more than nine years over the past ten years;
- do not hold directorships in another company in which an executive director of the Issuer holds a directorship;
- are not shareholders or directors of a company or entity belonging to the network of the company responsible for the Issuer's audit;
- are not connected family members of a person in one of the situations referred to in the previous points.

The independence of each independent director was assessed in accordance with all criteria envisaged by the Code. During the Board meeting of June 11, 2018 (and for the co-opted Director Marco Troncone on November 14, 2018) the assessment's outcome was communicated to the market through a press release. The Board of Statutory Auditors has positively assessed the applied criteria and fact-finding procedures adopted by the Board.

The number and authoritativeness of independent directors are such to ensure that their judgment can have a significant weight in the decision-making of the Issuer's Board, in view of the size and the organisational structure of the Board in office at the date of this report. Independent directors are not expressly committed to retain independence during the mandate's duration and, if appropriate, to tender their resignation.

Independent Directors held a separate meeting on November 14, 2018, in the absence of other directors, during which they examined the work of the Board and of the Committees in the initial months of their mandate.

#### **4.7 Lead independent director**

As Criterion 2.C.4 of the Code is not satisfied, a Lead Independent Director is not appointed. Moreover, the need to appoint one on a voluntary basis did not emerge from the Board's 2017 and 2018 self-assessment processes.

### **5. PROCESSING OF CORPORATE INFORMATION**

#### ***Inside Information Disclosure Policy***

The Board of Directors on July 4, 2016 assigned the update to the inside information disclosure policy to the Chief Executive Officer in light of the entry into force of the MAR. This policy was reviewed on July 11, 2016 and thereafter further updated with Board motion of December 21, 2017, following the adoption - on October 13, 2017 - by Consob of the "Inside information management guidelines" and provides also for the setting up of the Relevant Information Register and of the Register of Persons with access to inside information (RAP). On the same date, the Board of Directors appointed the General Manager and Chief Executive Officer Nazareno Ventola for the Inside Information Management Function (IIMF). This policy is available on the company website, on the "Corporate Governance" page of the Investor Relator section.

In the meeting of December 17, 2018, one year after the implementation of the above policy, the Chief Executive Officer Nazareno Ventola in the capacity of IIMF, prepared and presented the "Annual Report" to the Board of Directors.

#### ***Internal Dealing Code of Conduct***

On July 4, 2016, the Board of Directors assigned to the Chief Executive Officer the duty to update the company Internal Dealing regulation, in view of the entry into force of the MAR. This policy was reviewed on July 11, 2016 and was thereafter further updated with motion of December 21, 2017 and is available on the company website, at the "Corporate Governance" page of the Investor Relator section.

### **6. INTERNAL COMMITTEES**

In order to align its corporate governance model the provisions of Art. 6, Rule 6.P.3 and Art. 7, Rule 7.P.3(a)(ii) of the Self-Governance Code, and Art. 2.2.3 of the Stock Exchange Instruction Regulation for the retention of its STAR listing, on May 9, 2016, the Board of Directors in office at the date of the Registration Document appointed, with effect from the appointment date, the remuneration committee ("**Remuneration Committee**") and the control and risks committee ("**Control and Risks Committee**") as internal committees to the Board. Internal regulations for the functioning of the above committees were approved

by the Board of Directors on May 15, 2015 and may be viewed on the company's website under "Corporate Governance" in the Investor Relations section. Regulations provide that the aforesaid committees are composed of at least a number of non-executive and independent directors so as to comply with, in terms of the Board of Directors' composition, the requirements of the Stock Exchange Instruction Regulation (namely, at least two independent directors if the Board is composed of up to eight members, three independent directors if the Board has between nine and fourteen members and at least 4 independent directors for boards composed of more than fourteen members).

The duration in office for members of the Remuneration Committee and the Control and Risks Committee is deemed equivalent to that of the Board of Directors. No additional internal committees to the Board of Directors are envisaged.

In carrying out their duties, the aforesaid committees shall have the authority to access the information and corporate departments necessary for the performance of their activities, availing themselves of the company's resources and corporate structures, as envisaged by Criterion 4.C.1, letter e) and their appropriate budget is assured to acquire any expert consultancy advice in the committees' different areas of activities and competence.

## **7. APPOINTMENTS COMMITTEE**

At the Board of Directors' meeting of May 9, 2016 (in the first meeting since the appointment of the new Board), the Chairperson of the Board of Directors raised the matter of the appointment of the appointments committee as envisaged by Art. 5 of the Self-Governance Code. This was not considered necessary in view of the slate voting mechanism set out in the By-Laws, which leaves the decision to shareholders as regards candidates to be proposed for the administrative body.

## **8. REMUNERATION COMMITTEE**

The Remuneration Committee is a body that provides consultation and recommendations with the main aim of formulating proposals to the Board of Directors for the definition of the remuneration policy for Directors and Senior Executives.

The duties referred to in Art. 6 of the Self-Governance Code are within the remit of the Remuneration Committee and, in particular, it:

- a) Proposes the adoption of the remuneration policy for directors and strategic executives to the Board of Directors;
- b) Periodically assesses the suitability, overall consistency and tangible application of the remuneration policy for directors and senior executives. In the latter regard, it makes use of information provided by the Chief Executive Officers; it formulates proposals to the Board of Directors in this area;
- c) Presents proposals or expresses opinions to the Board of Directors on the remuneration of Executive Directors and other Senior Directors, as well as on the setting of performance objectives linked to this remuneration's variable component; it monitors the application of decisions adopted by the Board and checks, in particular, the actual achievement of performance objectives.

In line with the provisions of Art. 4, application criterion 4.C.1(e) of the Self-Governance Code, the Remuneration Committee is authorised to access the information and corporate departments necessary for the performance of its duties, including the use of outside consultants.

Directors do not participate in Remuneration Committee meetings in which proposals concerning their remuneration are drawn up for the Board of Directors.

On May 9, 2016, the Board of Directors of the Issuer appointed the non-executive and independent directors Sonia Bonfiglioli, Gabriele del Torchio and Luca Mantecchini to the Remuneration Committee, appointing the latter as the Committee's Chairperson. Following the resignation of Gabriele del Torchio, the Committee was supplemented on December 21, 2017, with the appointment of the non-executive and independent director Laura Pascotto.

In the Issuer's opinion, at the date of appointment and in accordance with Article 6.P.3 of the Self-Governance Code, all members of the Remuneration Committee possess appropriate knowledge and experience in the field of finance.

With regards to the adjustment of Article 6 of the Self-Governance Code regarding the remuneration of directors and of strategic executives (as defined by Annex 1 of the Related Parties Regulation), including the General Manager (where appointed), the company expects to adopt the relative remuneration policy motions as per Article 123-ter, paragraph 3, letter a) of the CFA, at the Shareholders' Meeting which will approve the financial statements as at December 31, 2018. The relative information shall be provided in the remuneration report to be presented in accordance with the above-stated Article 123-ter of the CFA to the Shareholders' Meeting called to approve the financial statements as at December 31, 2018.

In addition, the company - as per Article 123-ter of the CFA and Article 84-quater of the Issuers' Regulation, is required to annually prepare a remuneration report. The first section of the remuneration report should be submitted to the Shareholders' Meeting, for a non-binding vote, which shall be called to approve the financial statements as at December 31, 2018.

In 2018, the Remuneration Committee held three meetings. The average duration of the meetings of this Committee was one hour and fifty-one minutes, with the attendance of members at the meetings reported in the following table:

<b>Name</b>	<b>Office</b>	<b>% attendance of members of the Board of Directors at Remuneration Committee meetings</b>
Mantecchini Luca	Chairman	100%
Sonia Bonfiglioli	Member	100%
Laura Pascotto	Member	100%

The meetings were appropriately minuted.

At the meetings of the Remuneration Committee, on the invitation of the Committee's Chairperson, non-members, company executives and, as established by the Committee Regulation, the Chairperson of the Board of Statutory Auditors, or his/her replacement or a differing member of the Board of Statutory Auditors, attended. The Committee, on the proposal of the Committee's Chairperson, appointed as Secretary the Legal and Corporate Affairs Manager Silvia Piccorossi, who was assigned the duty to assist the Committee in the undertaking of its activities.

In executing its functions, the Remuneration Committee availed itself of the documentation prepared during the financial year 2015 by the independent remuneration expert Korn Ferry (formerly, HayGroup) and in this regard, requested a suitable update on the matter from the consultant Korn Ferry, together with an updated industry benchmark. Representatives of the specialist company Korn Ferry presented the results of their assessment and their valuations in the Remuneration Committee meetings of October 29, 2018 and November 14, 2018.

During 2018, the Committee had access to the information and departments required for the undertaking of their duties, as well as documentation provided by outside consultants. The Remuneration Committee principally drafted annual and medium/long-term incentive plans for the executive directors and strategic executives, in addition to verifying and implementing the company's remuneration policy. The Committee also submitted the company's remuneration policy for assessment, with the assistance of the company Korn Ferry, expressing a positive opinion in this regard, and submitted the remuneration policy for the approval of the Shareholders' Meeting in accordance with Article 123-ter of the CFA. Adequate resources were made available to the Remuneration Committee to undertake its duties. The Chairman of the Committee reported to the Board on the activities carried out by the Committee at the next appropriate meeting.

## **9. REMUNERATION OF GROUP DIRECTORS AND SENIOR MANAGEMENT**

The Board of Directors on June 11, 2015 approved the remuneration policy of directors and of senior management, in accordance with Article 6 of the Self-Governance Code and the relative application criterion 6.C4, 6.C.5 and 6.C.6, also for the purposes of compliance with Article 2.2.3, paragraph 3, letter (n) of the Stock Exchange Regulation to obtain STAR listing.

On the proposal of the Remuneration Committee, the Board of Directors of the company reconfirmed on February 15, 2016 the same Remuneration Policy which was submitted in accordance with Article 123-ter of the CFA for the approval of the Shareholders' Meeting called to approve the financial statements as at December 31, 2016. This Remuneration

Policy has remained unchanged from the previously approved version, following the positive opinion expressed upon it, at the meetings of January 20, 2017 and January 29, 2018, by the Remuneration Committee. In the meeting of February 21, 2019, the Committee approved a proposal, on the recommendation of Korn Ferry, to broaden economic objectives for which variable remuneration is paid on their achievement. This change was approved by the Board of Directors on March 14, 2019 and shall be submitted for the confirmation of the Shareholders' Meeting called to approve the financial statements at December 31, 2018.

For the remuneration settled by the Issuer of any type and in any form with members of the Board of Directors, in addition to additional information on the remuneration policy, on the remuneration of executive, non-executive and independent directors and of strategic executives, on other incentive mechanisms provided for by the company, in addition to indemnities in the case of resignation, dismissal or conclusion of employment following a public purchase offer, reference should be made to the relative report drawn up as per Article 123-ter of the CFA which shall be published, in accordance with law, for the next Shareholders' Meeting called to approve the financial statements as at December 31, 2018.

## **10. CONTROL AND RISKS COMMITTEE**

The Control and Risks Committee has consultative and proposal functions, with, according to Article 7, principle 7.P.3, letter (a), sub (ii) of the Self-Governance Code, the duty to support, through appropriate investigative activity, the assessments and decisions of the Board of Directors regarding the internal control and risk management system, in addition to the relative approval of the periodic financial reports and the management of risks from prejudicial events of which the Board has become aware.

In particular, the Control and Risks Committee, in accordance with Article 7, application criterion 7.C.2, of the Self-Governance Code, in supporting the Board of Directors:

- a) evaluates, together with the Executive Responsible for the preparation of corporate accounting documents, following consultation with the auditing firm and the Board of Statutory Auditors, the correct application of the accounting policies and, in the case of groups, their uniformity in the preparation of the consolidated financial statements;
- b) expresses opinions on specific aspects concerning the identification of the main corporate risks;
- c) examines the periodic reports, concerning the evaluation of the internal control and management of risks system, and those of particular size, prepared by the Internal Audit department;
- d) monitors the independence, adequacy, efficacy and efficiency of the Internal Audit department;
- e) may request the Internal Audit department to carry out verifications on specific operational areas, simultaneously communicating such to the Chairperson of the Board of Statutory Auditors;
- f) reports, at least every six months, on the approval of the annual and half-year accounts, to the Board of Directors on the work carried out and on the adequacy of the internal control and risk management system;

- g) supports, with appropriate investigative activities, the evaluations and decisions of the Board of Directors concerning the management of risks from events which the Board of Directors becomes aware.

The Control and Risks Committee expresses, according to Article 7, application criterion 7.C.1 of the Self-Governance Code, its opinion to the Board of Directors regarding:

- a) the definition (by the Board of Directors) of the guidelines of the internal control and risk management system, so that the main risks connected to the Issuer and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, in addition to determining the criteria of compatibility of these risks in line with the strategic objectives of the company;
- b) the periodic evaluation (by the Board of Directors), at least annually, of the adequacy of the internal control and risk management system with the particular characteristics of the company and the risk profile assumed, as well as its efficacy;
- c) the approval (by the Board of Directors), at least on an annual basis, of the work plan drawn up by the Internal Audit Manager, after consultation with the Board of Statutory Auditors and the Director in charge of the internal control and risk management system;
- d) the description (by the Board of Directors), in the corporate governance report, of the main features of the internal control and risk management system, expressing its assessment on its overall adequacy;
- e) the evaluation (by the Board of Directors), after consultation with the Board of Statutory Auditors, of the results of the auditing firm's letter of recommendations and of the report on fundamental questions arising during the audit of the accounts;
- f) appoints and revokes (by the Board of Directors) the Internal Audit manager; ensures adequate resources for the Internal Audit department in relation to the responsibilities defined (by the Board of Directors) and determines the remuneration of the Internal Audit manager in line with the company's policies.

In line with the provisions of Art. 4, application criterion 4.C.1(e) of the Self-Governance Code, the Control and Risks Committee is authorised to access the information and corporate departments necessary for the performance of its duties, including the use of outside consultants.

On May 9, 2016, the Board of Directors of the Issuer appointed to the Control and Risks Committee the independent directors Arturo Albano, Laura Pascotto and Sonia Bonfiglioli, appointing the latter as the Committee's Chairperson. Following the resignation of Arturo Albano, the Committee was supplemented on November 13, 2017 with the appointment of the non-executive and independent director Domenico Livio Trombone.

In the Issuer's opinion, at the date of appointment and in accordance with Article 7.P.4 of the Self-Governance Code, all members of the Control and Risks Committee possess appropriate knowledge and experience in the field of accounting and finance.

In 2018, the Control and Risks Committee met on 4 occasions. The average duration of the meetings of this Committee was one hour and fifty-eight minutes, with the attendance of members at the meetings reported in the following table:

Name	Office	% attendance of members of the Board of Directors at Control and Risks Committee meetings
Sonia Bonfiglioli	Chairperson	100%
Laura Pascotto	Member	100%
Domenico Livio Trombone	Member	100%

The meetings were appropriately minuted.

At the meetings of the Control and Risks Committee, on the invitation of the Chairperson, non-members, including the Internal Audit Manager and some company Executives and the Officer in charge and the Director in charge of the internal control and risks system and, therefore, the Chairperson of the Board of Statutory Auditors, or his/her replacement or a differing member of the Board of Statutory Auditors, attended. The Committee, on the proposal of the Committee's Chairperson, appointed as Secretary the Legal and Corporate Affairs Manager Silvia Piccorossi, who was assigned the duty to assist the Committee in the undertaking of its activities.

In 2018, the Control and Risks Committee mainly undertook the following activities: assessment of the documentation concerning the principal risks of the Issuer, in addition to overseeing a project to improve the practice adopted on Enterprise Risk Management (ERM), which led to the valuation of the company risk profile connected to strategic objectives; assessment of the accounting policies applied to the financial reports; review of the periodic reports of the Internal Audit department, in addition to monitoring its activities, independence and adequacy. The Committee had access to the information and departments required for the undertaking of their duties. For the undertaking of its functions, adequate resources were made available to the Control and Risks Committee. The Chairperson of the Committee reported to the Board on the activities carried out by the Committee at the next appropriate meeting.

## 11.INTERNAL CONTROL SYSTEM

The internal control and risk management system adopted by Aeroporto di Bologna concerns the set of rules, procedures and organisational structures which enable the identification, management and monitoring of the main risks. An effective internal control and risk management system ensures, *inter alia*, the reliability of all information (not just of a financial nature) provided to the corporate boards and to the market.

In accordance with the Self-Governance Code, the internal control and risk management system adopted by Aeroporto di Bologna involves, each within their own scope, the following main contributors:



(i) the Board of Directors which carries out a directive role and evaluates the adequacy of the internal control and risk management system (see paragraph 4.3);

(ii) a Director appointed by the Board of Directors for the setting up and maintenance of an effective Internal Control and Risk Management System (see paragraph 11.4 below);

(iii) the Control and Risks Committee, appointed by the Board of Directors, which - among others - has a duty to support, with appropriate investigative activities, the evaluations and decisions of the Board of Directors concerning the internal control and risk management system, in addition to those concerning the approval of the relative periodic financial reports (see paragraph 10 above);

(iv) the Board of Statutory Auditors, which oversees the efficacy of the internal control and risk management system.

Specific tasks and functions are then assigned to the Internal Audit Manager, responsible for verifying that the internal control and risk management system is functional and adequate (see paragraph 11.5), together with other corporate roles and functions, also in relation to the company's size, complexity and risk profile (e.g. the Officer in charge of preparing the corporate accounting documents - see paragraph 11.8, the Legal and Corporate Affairs Department, with particular regards to the oversight of legal risks).

The Board has a key role in assessing the effective functioning of the internal control and risk management system, which may take on particular importance with regards to the sustainability of the issuer's operations over the medium/long-term. Amid particular circumstances, the Board acquires the information necessary and adopts all required measures for the protection of the company and market disclosure.

The company internal control and risk management system includes and integrates the Organisation, Management and Control Model as per Legislative Decree 231/2001, recently updated in December 2018 with a motion of the Board of Directors of December 17, 2018 (see paragraph 11.6 below).

### **Main features of the risk management and internal control system**

The company considers the Internal control and risk management system as the set of means adopted to mitigate the risks related to events which may potentially impact the company's performance and objectives negatively, in particular with regards to the following:

- 1) implementation of the model and of the company strategy
- 2) the effective and efficient use of resources
- 3) reliable, accurate and timely financial disclosure;
- 4) compliance with law and regulations in force
- 5) safeguarding of company assets.

The methodological approach followed in the design, construction and maintenance of the control model is based on the Co.So Report model - the accepted international standard.

AdB has structured its internal control and risk management system on this basis, assigning responsibilities in line with applicable rules and regulations and considering the

principle of separate levels of control governing the system in its various components, under the supervision of Senior Management and the Board of Directors:

- a) risk control and management duties regarding each company process and subject to the responsibility of the line management and functions;
- b) duties for the management of specific risks under the responsibility of specific competent functions;
- c) duties of assurance assigned to the Internal Audit function.

AdB has introduced various controls for the management of specific risks, such as airport security and safety, the quality of passenger services, the protection of the workplace environment, health and security, contractual compliance and finally, although not lastly, those regarding the management of financial risks and the correctness and completeness of corporate, accounting and financial statement disclosure.

The risk management process ("ERM process") comprises various risk management controls, as indicated at points a), b) and c) above and is supported:

- by processes addressing risk management in terms of the range of company processes
- the risk management organisational structure, with the setting out of risk management duties and responsibilities within the organisation.

The ERM process in addition includes the following key elements:

- risk model: chart covering the risk categories and the specific risks subject to risk assessment;
- metrics system for risks analysis: risk quantification model for the assessment of the critical risk profiles, in a standard format for all parties involved in risk control activities;
- review and periodic updating of the risk model: for a continually updated representation of the profile of main company risks;
- focus on the main risks and the setting out of a process for the measurement, management and monitoring, for the benefit of Senior Management, of the Control and Risks Committee and of the Board of Directors.

### **Main features and phases of the risk management and internal control system in relation to financial disclosure**

The Board of the Issuer is aware that the risk management system should be considered jointly with the internal control system in terms of the financial disclosure process. The internal control system regarding financial disclosure has the objective of providing reasonable certainty on the reliability, accuracy, correctness and timeliness of the financial reporting and the capacity of the process to prepare the financial statements in accordance with generally accepted international accounting standards.

## **Phases of risk management and internal control in relation to financial disclosure**

The design, setting up and maintenance of the financial disclosure control system is ensured by a structured process, which includes the risk assessment phases, the identification of risk controls, the assessment of the controls and the relative reporting.

The model therefore provides for the identification of the risks which may affect the reliability of financial statement disclosure and compliance with the applicable rules and regulations and the identification (and testing) of controls to mitigate these risks. In particular, "risk assessment" includes the identification of the key processes underlying a quantitative factor analysis (processes required for the compilation of the financial statements accounts involving amounts greater than a set percentage of the pre-tax profit) and of qualitative factors (e.g.: the complexity of the accounting treatment of the account; assessment and estimate processes; new issues or significant changes concerning business conditions). With regards to the significant processes, the risks or potential events which may compromise the achievement of the financial disclosure control objectives, such as the following financial statement declarations, were identified:

- Existence: the company's assets and liabilities exist at a particular date. All recorded transactions are verified in the period.
- Completeness: all transactions and all accounts which should be included in the financial statements have been included
- Rights and Obligations: the assets are company rights and the liabilities are company obligations at a particular date
- Accuracy and Validity: assets, liabilities, revenues and costs have been included in the financial statements at the correct amounts and in the appropriate accounts
- Presentation and Disclosure: the information reported in the financial statements has been correctly categorised and described.

Against the risks identified within the relevant processes, a control system has therefore been designed to mitigate such to an acceptable level through the identification of specific controls within the company's set of procedures.

The relevant processes and related controls based on risks concerning the financial statement declarations are documented through the use of risk matrixes/controls, annexed to the company procedures. The company processes, and therefore the relative risk/control matrixes, in particular, identify the so-called "key controls" among the specific controls, whose absence or failure to implement raise the risk of significant error/fraud in the financial statements which may not be intercepted by other controls.

The model provides for the verification, through the ongoing execution over the financial year of specific tests, of the effective application of the above-mentioned control procedures by all parties involved (so called "monitoring activities"). The model stipulates the drafting of reporting between the various parties involved in the internal control system through the preparation of a results summary of the monitoring activities carried out during the financial year and the actions proposed to remedy any gaps identified.

## **Roles and functions involved in the financial disclosure process**

The financial disclosure management and control system is overseen by the director in charge of the preparation of the corporate accounting documents, who coordinates the various phases, such as its design, implementation, monitoring and updating over time. In particular, the role and the responsibilities of the Officer in charge include the internal checking of the correct functioning of the accounting processes/flows within the management responsibility of the Executive Officer, the completeness and reliability of information flows, in addition to the adequacy and effective application of the controls; the Officer in charge undertakes verifications on the set of documents and summary accounting data concerning the equity, economic and financial position. The Officer in charge has the duty to periodically report to the Risk Control Committee, to the Board of Statutory Auditors and to the Supervisory Board concerning the means to undertake the internal control system assessment process, and also regarding the results of the assessments carried out in support of the declarations issued. In particular, the Officer in charge exchanges information, also of an informal nature, with the Risk Controls Committee and the Supervisory Board.

### **Assessment of the adequacy of the internal control and risk management system**

The internal control and risk management system guidelines are established while taking account of the risk profile, set by the Board in line with the company's strategic objectives. It is the duty of the Board of Directors therefore to define the risk profile of the organisation and assess its consistency with the strategy. The Internal Control and Risk Management System therefore verifies that the risk profile is in line with the pre-established objectives. The assessment of the SCIGR is therefore a function of an assessment of the company's characteristics and the assumed risk profile.

### **Roles, responsibilities and reporting flows in support of Board of Directors' assessments**

Assessment by the Board of Directors of the SCIGR is supported by the various actors within the organisation, each with established competencies and responsibilities. As indicated at paragraph 11, the actors involved in the SCIGR, in addition to the Board of Directors, are the Control and Risks Committee, the Board of Statutory Auditors, the Officer in charge of preparing the corporate accounting documents, the Director in charge of the Internal Control and Risk Management System, the Internal Audit Manager, and other company roles and functions with specific duties regarding internal control and risk management (e.g. the legal function and others).

The Board of Directors, in order to express its assessment on the adequacy of the SCIGR and the administrative and accounting organisation, has set up a Control and Risks Committee with the duty to support through appropriate investigative activity the assessment of the Board of Directors, assisting it and providing opinions, not just on the adequacy of the SCIGR, but also concerning the drawing up of the system guidelines.

The investigative activities of the Control and Risks Committee are carried out on the basis also of the control activities and the relative assessments by other actors involved in the system, acting as a collator of reporting flows from the three control levels. The analysis of the correct design and implementation of the SCIGR is in fact undertaken by the Committee through dedicated meetings with the actors focused on control, in order to understand and assess the risk management controls put in place, and through analysis of the periodic reports issued in particular by the Executive Officer, by the Supervisory Board and by the Internal Audit Manager, in addition to the auditing firm.

The Executive Officer, in accordance with Article 154-*bis* of the CFA, issues a declaration, accompanied by acts and communications to the market of the companies, declaring, among other issues, the adequacy and effective application of the above-mentioned administrative/accounting procedures, in addition to the consistency of the documents to the accounting records and their suitability in providing a true and fair view of the equity, economic and financial position. The analysis identifies any corrective actions and improvement plans to be submitted for the Boards' assessment.

The Supervisory Board, identifiable also as part of the second control level, as a body assigned the duty to oversee the compliance with and functioning of the Organisation, Management and Control Model as per Legislative Decree 231/2001, periodically prepares a report on activities carried out, the functioning and compliance with the model, any criticalities emerging, in addition to the need to undertake particular actions.

The actors with specific roles in monitoring company risks undertake specific risks assessments and are periodically called by the Control and Risks Committee to present the results of these activities.

The Internal Audit manager, appointed to undertake third level controls, verifies, on an ongoing basis and in relation to specific needs, the operation and suitability of the internal control and risk management system through an audit plan, approved by the Board of Directors, based on a structured process for the analysis and prioritisation of principal risks. The Internal Audit Manager, in addition, draws up periodic reports on the verification activities undertaken, the relative results and the containment actions undertaken. The periodic reports, finally, contain “an evaluation of the suitability of the internal control and risks management system”; The periodic assessment of the SCIGR is carried out by taking into account the results of the activities carried out by the other first and second level control functions on the specific aspects of the system, whose results are communicated to the governance bodies. It is also stipulated that Internal Audit carries out checks on the reliability of the reporting systems utilised by the company, including the accounting systems.

### **The assessment process**

The disclosure process underlies the expression of the opinion upon the adequacy of the organisational, administrative and accounting system of the company by the Board of Directors, also through the Control and Risks Committee.

The actors involved report not only a summary opinion of the Internal Control System, but also report upon any gaps emerging, providing an assessment upon their relevance, the impact on the company, in addition to any mitigation actions to be implemented.

The Board of Directors carries out its assessments on the basis of the information flows and reporting outlined above, filtered also through the investigative activities of the CRC. In particular, the CRC receives information flows from the functions in charge of the level II controls (e.g. Officer in charge report, Supervisory Board report, etc.), in addition to the assessments on the appropriateness and adequacy of the SCIGR of the Internal Audit Manager, assigned the third level controls.

The Board, with the duty to provide an opinion on the SCIGR, independently assesses on the basis of a set assessment process, whether the gaps encountered are considered significant and of such an extent as to affect the adequacy of the overall Internal Control and Risk Management System.

## **Adequacy opinion**

The Board of Directors, latterly at the meeting of March 14, 2019, undertook an assessment upon the adequacy, efficacy and effective functioning of the internal control and risk management system of the company in view of the characteristics of the company and the assumed risk profile.

Following these assessments by the Board, on the basis of the results and assessments concerning the internal control and risk management system of the company, the means by which operational risks are managed, the investigative work carried out by the Control and Risks Committee and from the reports received from the Internal Audit Manager, the Executive Officer, the Supervisory Board and the auditing firm assessed the internal control and risk management system of AdB as adequate overall and effective in terms of the company's characteristics and the risk profile assumed.

### **1.1 Executive director in charge of the internal control and risk management system**

On May 9, 2016, the Board of Directors of the Issuer appointed the Chief Executive Officer Nazareno Ventola as the director in charge of the internal control and risk management system, assigning the functions set out under Principle 7.C.4 of the Code.

In this role, the Chief Executive Officer, Nazareno Ventola, assessed the Control and Management System approved on April 13, 2015 by the Board of Directors, as summarised in the Memorandum prepared in line with the Integrated Framework issued by C.O.S.O. in 1992, the Enterprise Risk Management - Integrated Framework issued by C.O.S.O. in 2004 and the "Turnbull guidance" issued by the Financial Reporting Council in 2005 as applicable to the SCG, verifying its adequacy and efficacy, and in addition - within the scope of its assigned duties - oversaw, together and in collaboration with the Control and Risks Committee, the updating of the main company risks (strategic, operative, financial and compliance), through the company Control Risk Self-Assessment (CRSA) project, considering the nature of the Issuer's operations.

In 2018, the Director in charge implemented the guidelines defined by the Board, and supervises the planning, realisation and management of the internal control and risk management system, constantly verifying its adequacy and efficiency and, in addition, adapting it to the operating conditions and the legislative and regulatory framework.

In 2018, the Director in charge initiated a project for the improvement of the practice adopted in terms of ERM, with the objective of strengthening the link between strategic objectives and the main business risks, identified for the Strategic Plan's implementation period and, at the same time, contributing to the dissemination of the risk culture within the organisation.

The revised ERM methodology also took account of an improvement in the metric used, since risks were assessed from different angles, in terms of impact, although still applicable to the specific case: economic-financial, operational, reputational and sustainability.

The principal risks that emerged are essentially due to the CONNECT and DEVELOP strategic pillars.

During the meeting of the Board of Directors of December 17, 2018, the review of the implemented ERM model was presented and discussed. The Board of Directors, having assessed the updating of the project for the identification and analysis of the company's

principal risks and guidelines for the internal control and risk management system, proposed by the Chief Executive Officer “in charge of the internal control and risk management system” and having obtained, in this regard, the positive opinion of the Control and Risks Committee and of the Board of Statutory Auditors, approved the updated ERM of the Issuer AdB, including the identification of the company’s principal risks.

As part of this role, the Chief Executive Officer Nazareno Ventola was also assigned broad powers to ensure the independence of the Internal Auditing function, the adequate provision of resources, competencies and know-how to this function and its adequate access to data, information and company systems and assets, without any restrictions; this combines with the power to request the Internal Auditing function to carry out verifications on specific operating areas and on compliance with internal rules and procedures in executing company operations, while at the same time reporting to the Chairperson of the Board of Directors, to the Chairperson of the Control and Risks Committee and to the Chairperson of the Board of Statutory Auditors.

The Chief Executive Officer Nazareno Ventola in 2018 and until the date of this report in a timely manner reported to the Board of Directors regarding problems and issues arising in the undertaking of their activities so as to ensure that the Board of Directors may take appropriate initiatives. The activities of the director in charge of the internal control and risk management system were overseen in 2018 by the Control and Risks Committee and by the Board of Directors, which monitored the controls proposed to manage company risks, considering in particular (i) whether the main risks for the organisation have been adequately identified; (ii) whether these risks have been properly assessed (in terms of impacts); (iii) how these risks are managed or mitigated; (iv) whether timely appropriate remedial actions have been taken regarding the failures and gaps.

The main company risks are consistently monitored and the Director in charge periodically submits them for the review of the Control and Risks Committee and the Board of Directors.

## **11.2 Internal audit manager**

The Board of Directors, at the meeting of December 22, 2015, confirmed the appointment of Sonia Giannone as the internal audit manager. This appointment was made on the proposal of the director in charge of the internal control and risk management system, following approval by the control and risks committee and the chairperson of the Board of Directors, having consulted the Board of Statutory Auditors (Application criterion 7.C.1.) The Control and Risks Committee, at the meeting of March 12, 2018, confirmed the positive assessment of the standing, professionalism, competence and experience of the Internal Audit Manager.

The Board of Directors, having received the positive opinion of the Control and Risks Committee and having consulted the Director in charge of the internal control and risk management system and the Board of Statutory Auditors, approved on December 17, 2018 the updated Mandate of the internal audit function, which defined its powers and purposes and the function's responsibilities.

The Control and Risks Committee monitors the independence, adequacy, efficacy and efficiency of the internal audit function (Application criterion 7.C.2.d) and oversees its operations, in relation to the duties of the Board in this regard, so that such are carried out so as to ensure the maintenance of the necessary independence and the due objectivity, competence and professional diligence required, in compliance with the Internal Auditing international standards.

The Board, on the proposal of the director in charge of the internal control and risk management system, having received the favourable opinion of the Control and Risks Committee and having consulted the Board of Statutory Auditors, set the remuneration and incentives for the internal audit function, in line with company policies, at the meeting of July 7, 2018.

The internal audit function in 2018 exclusively comprised its manager.

The Board of Directors assigned the internal audit function with a 2018 budget for the execution of its duties of Euro 50,000 annually, and at the meeting of March 15, 2018, on the proposal of the director in charge of the internal control and risk management system and having received the favourable opinion of the Control and Risks Committee and of the Chairperson of the Board of Directors, while also having consulted the Board of Statutory Auditors, assessed the adequacy of the resources assigned to the function to undertake its responsibilities.

The internal audit function carries out its activities in compliance with the function's Mandate, with the company's governance system, with the Self-Governance Code (Article 7) and; as far as possible, with the Internal Auditing International Standards.

Aeroporto di Bologna's internal audit function is tasked with verifying that the internal control and risk management system is functioning and adequate (Principle 7.P.3, letter b), with particular regard to: *(i)* the safeguarding of company assets; *(ii)* the efficiency and efficacy of company processes; *(iii)* the reliability of the information provided to the corporate boards and to the markets; *(iv)* compliance with laws and regulation, in addition to the By-Laws and the internal procedures; *(v)* the reliability of the information system, including the accounting systems.

Generally, all activities, operations and processes carried out by the Airport are subject to internal review by the internal audit function.

The internal audit function is not responsible, nor participates in the management of any of the operating areas, reporting hierarchically to the Board of Directors (Application criterion 7.C.5, letter b), while functionally reporting to the Control and Risks Committee and administratively to the Director in charge, while interacting with the Board of Statutory Auditors.

The internal audit function has direct, complete and unconditional access to company personnel, archives, information, systems and assets, without any restrictions, where considered necessary to undertake its functions (Application criterion 7.C.5, letter c).



The internal audit manager of the Airport targets the function's objectives principally through: *(i)* the drafting of the internal audit plan, on the basis of a structured analysis and the prioritisation of the main risks process; the plan is submitted to the Board of Directors for its approval, having received the approval of the Control and Risks Committee and having consulted the Board of Statutory Auditors and the Director in charge and is thereafter communicated to company management; *(ii)* the implementation of the company's internal audit plan; for these purposes, it plans and undertakes review, certification and consultancy activities; *(iii)* the execution of extraordinary checks, i.e. not established within the plan, on the request of the Board of Directors, the Control and Risks Committee, the Director in charge and the Board of Statutory Auditors, according to the means set out under the Self-Governance Code; *(iv)* the preparation and sending, usually contemporaneously, to the Chairpersons of the Board of Statutory Auditors, the Control and Risks Committee and the Board of Directors, in addition to the Director in charge, of: *(a)* periodic reports, on at least on an annual basis, containing adequate information on its activities, the means by which risk management has been conducted, in addition to the proper execution of the risk containment plans. The periodic reports contain an evaluation of the suitability of the internal control and risks management system; *(b)* timely reports on events of particular importance.

In addition, the internal audit function works with the Supervisory Board in the execution of its assigned duties and functions, in particular supporting the Supervisory Board in the maintenance and effective application of the Organisation, Management and Control Model as per Legislative Decree 231/01. The internal audit manager also undertakes secretarial duties, with minuting functions, for the Supervisory Board.

In 2018, the internal audit manager undertook the following main activities: *(i)* execution of the activities set out in the annual audit plan, also in support of the Supervisory Board's activities as per Legislative Decree 231/2001: the plan was not completed as a number of extraordinary assignments were undertaken; *(iii)* support in the maintenance of the Organisation, Management and Control Model as per Legislative Decree 231/01; *(iii)* updating and review of the Enterprise Risk Assessment project.

In 2018, the internal audit function did not execute specific checks on the reliability of the IT systems. These checks are expected to be included in the future activity plans of the function.

In addition, operating segments of the internal audit function were not systematically assigned to outsourcers, although having utilised in 2018 the financial resources available for the assigning of certain audit appointments to qualified outsourcers, under the supervision of the internal audit manager. The appointed outsourcers, meeting adequate professional standing, independence and organisational standards, in 2018 included:

- RC Advisory S.r.l
- New Forum S.a.S.
- PwC Advisory S.p.A.
- Karalis Consulting S.r.l.
- Protiviti S.r.l.

The internal audit manager assessed the knowledge, capacity and skills necessary for the undertaking of the appointment, principally considering the reputation of the supplier, in particular for the companies PwC Advisory and Protiviti , in addition to experience, for the

company RC Advisory, ascertained by the satisfactory undertaking on behalf of AdB of previous internal control and compliance projects, and also for the companies New Forum S.a.S. and Karalis Consulting S.r.l, on the basis of curricular experience in line with the assigned activities.

### **11.3 Organisational Model as per Legislative Decree 231/2001 and the conduct code**

The Board of Directors, with motion of November 28, 2008, adopted an Organisation, Management and Control Model as per Legislative Decree 231/2001, subsequently updated on a number of occasions following legislative and organisational changes and latterly with Board motion of December 17, 2018.

This organisational model comprises a general section, including a number of annexes, and a special section. With regards to the general section of the organisational model of the company, this section, in addition to setting out the impact and content of Legislative Decree 231/2001 for the company, contains: *(i)* the objectives and means for the verification and updating of the model; *(ii)* the organisation and the functioning of the Supervisory Board; *(iii)* the communication and training processes introduced by the company; *(iv)* the functioning of the penalty system; *(v)* the Ethics Code (Annex 1 of the Model); *(vi)* the description of the offenses and administrative infringements as per Legislative Decree 231/2001 (Annex 2 of the Model); *(vii)* an Anti-corruption Policy (Annex 3 of the Model), updated on December 21, 2017; *(viii)* a Whistleblowing Policy (Annex 4 of the Model).

The special section identifies the at-risk areas, setting general rules and containing a set of conduct principles and rules, control instruments and direct organisational procedures to ensure, as far as possible, the prevention of the committal of offenses.

The principles adopted by the company to prepare and update company protocols/procedures are as follows: *(i)* the formal assignment of responsibilities; *(ii)* signatory powers and internal authorisation powers: these should be assigned on the basis of formalised rules, together with the organisational and management responsibilities and with a clear indication of spending limits; *(iii)* separation of duties and functions: the parties authorising the operation, undertaking the operation and reporting and controlling upon it should be separate; *(iv)* traceability: the acts and the information/documentary sources utilised in support of the activity carried out should be re-constructible, guaranteeing the transparency of the decisions made; all operations should be documented during all phases so that verification and control is always possible. Verification and control should in turn be documented through the preparation of minutes; *(v)* archiving/maintenance of documents: the documents concerning the risk area activities should be archived and maintained by the relevant Department/Function Manager or by a delegate, in a manner which ensures that access to third parties without express authorisation is not permitted. The documents officially approved by the corporate boards and by the parties authorised to represent the company in dealings with third parties may not be amended where not falling within the cases indicated in the procedures and however in a manner which ensures that any amendments may always be tracked; *(v)* confidentiality: access to archived documents is permitted for the Department/Function Manager and delegates thereof. Members of the Supervisory Board, of the Board of Directors, of the Board of Statutory Auditors and of the auditing firm and the Ethics and Anti-corruption Committee also have approval in this regard.

Annex 2 of the Model contains a description of potential offenses, including the following categories: (i) against the Public Sector; (ii) IT and the unlawful processing of data; (iii) organised criminality; (iv) counterfeiting of coinage, legal tender, duty stamps and means or tokens of identification; (v) against industry and commerce; (vi) corporate crimes ; (vii) with the purposes of terrorism or subversion of the democratic order; (viii) female genital organ mutilation; (ix) defamation; (x) market abuse; (xi) culpable homicide and serious or very serious injury committed in violation of the injury prevention and hygiene and workplace safety protection rules; (xii) money laundering and the receipt and use of money, property or assets of criminal origin and self-laundering; (xiii) copyright violation; (xiv) inducements to not provide accounts or to provide false accounts to the authorities; (xv) environmental offenses; (xvi) the employment of illegal aliens; (xvii) crimes of racism and xenophobia; (xviii) transnational offenses.

The Organisation, Management and Control Model as per Legislative Decree 231/2001 is available on the company website at:

<http://www.bologna-airport.it/it/la-societa/profilo-aziendale/amministrazione-trasparente/modello-di-orgne-231-e-codice-etico.aspx?idC=61878&LN=it-IT>.

With the motion of the Board of Directors of December 17, 2018, effective from the date of appointment of January 1, 2019, the new Supervisory Board was therefore appointed with three members in the persons of (i) Mr. Massimo Masotti, as Chairman; (ii) Ms. Maria Isabella De Luca, as member; (iii) Mr. Maurizio Ragno, as member. The Supervisory Board has independent powers of initiative and control, as set out by Article 6 of Legislative Decree 231/2001.

The Internal Audit Manager permanently performs the activity of secretary of the Board, also with minuting functions.

The Ethics Code of the company, annexed to the Organisation, Management and Control Model as per Legislative Decree 231/2001, was latterly reviewed on April 24, 2018.

From 2014 the company decided to apply to its internal control systems a number of principles set out in Law 190/2012, including them in the Organisation, Model and Control Model as per Legislative Decree 231/2001.

With regards to "anti-corruption" risks, in its active/passive and public/private forms, potentially impacting the operations of the Issuer and although public control is no longer exercised over AdB following the Issuer's stock market listing of July 14, 2015, the BoD of AdB confirmed, in terms of voluntary compliance, its ongoing commitment to the Model 231/2001 based anti-corruption system.

With the new Anti-corruption Policy (approved on December 21, 2017 and included in the Organisation Model, updating and replacing the previous 2014-2017 Anti-corruption Model), the Board of Directors, on the proposal of the departed Transparency and Anti-corruption Manager, has continued to place a high priority on the prevention of all offenses covered by Law 190/2012, extending its prevention of corruption activities to public and private parties, with regards to active and passive violation, concerning the range of activities carried out and focusing on:

- conduct which may give rise to an abuse of powers/functions assigned to employees to gain a private advantage;
- the conduct of employees, where the risk of corruption of a public or private third party may arise, in terms of generating an unlawful interest or advantage for the company.

The *pro-tempore* role of Transparency and Anti-corruption Manager held by Ms. Silvia Piccorossi, Legal and Corporate Affairs Director up to December 31, 2017 was therefore, following the conclusion of the office assigned for two biennial mandates, replaced by the Ethics and Anti-corruption Committee, the body which, appointed on December 21, 2017 by the BoD, with beginning of mandate on January 1, 2018, has the duty to monitor and verify the effective implementation of the Anti-corruption Policy and its appropriateness, particularly with regards to the responsibility of:

- verifying the effective implementation of the policy and its appropriateness;
- defining appropriate procedures to hire and train employees operating in sectors particularly exposed to corruption;
- proposing amendments to the policy in the case of major violations or changes to the organisation;
- promoting internal mobility or alternative measures for positions in which the risk of the committal of corruption offenses is greatest; identifying personnel to undergo training courses on the issues of ethics and legality;
- identifying personnel to undergo training courses on the issues of ethics and legality;
- overseeing the publication obligations upon the company, also with regards to declaring their satisfaction;
- managing reports under its remit on unlawful conduct and protecting confidentiality of the data of the person filing the report in compliance with the Whistleblowing Policy.

For the 2018-2020 three-year period, the Anti-corruption and Ethics Committee is composed of Ms. Silvia Piccorossi, Corporate and Legal Affairs Director, as Chairperson, Marco Verga, Organisation and People Development Director, as member and Sonia Giannone, Internal Audit Manager, as member.

It should also be noted that since 2016 the company has considered it advisable to set up an internal employee reporting system for any irregularities or violations of applicable law and internal policies (whistleblowing system). This ensures a specific and confidential information channel, as well anonymity for the person filing the report. This system has been integrated (attachment 4) in the Organisation Model pursuant to Legislative Decree 231/2001 since April 2018.

In the meeting of December 17, 2018, at the close of the first year of the board's appointment, the members of the Anti-corruption and Ethics Committee prepared and presented its "Annual Report" to the Board of Directors.

#### **11.4 Independent Audit Firm**

The Shareholders' Meeting of Aeroporto di Bologna on May 20, 2015 appointed the company Reconta Ernst Young S.p.A. to audit the Annual Accounts for the financial years 2015-2023 in accordance with Article 17 of Legislative Decree 39/2010, establishing the relative remuneration, in addition to the criteria for its adjustment during the appointment.

#### **11.5 Officer in charge of preparing the corporate accounting documents**

The Board of Directors at the meeting of May 15, 2015 appointed, following the approval of the Board of Statutory Auditors, with effect from the initial date of trading, the Administration and Finance and IT Manager Patrizia Muffato as Officer in charge of

preparing the corporate accounting documents in accordance with Article 154-*bis* of the CFA, having ascertained her fulfilment of the statutory standing requirements for Directors and of the professionalism requirements of Article 19.4 of the By-Laws, having more than three years management experience in the preparation and/or analysis and/or assessment and/or verification of accounting documents of similar complexity to those of the company. The company has also adopted - with Board of Directors' motion of August 27, 2015 - an Internal Regulation, "Guidelines for the activities of the Officer in charge of preparing the corporate accounting documents", which sets out in detail the functions, means and powers of the Officer in charge, in addition to his/her relations with the other company bodies. The Officer in charge has the following powers and means for the execution of his/her duties:

- access to the information necessary to undertake his/her duties, both at Aeroporto Guglielmo Marconi di Bologna S.p.A. and at Group companies, in compliance with the company procedures established for this purpose;
- reliance on an efficient IT system to access an accounting system which can ensure the adequacy of procedures and controls; monitors any functioning issues which may emerge during the activities, while also supervising the design of the IT systems with impact on the financial statements, on the condensed half-year financial statements, on the consolidated financial statements and on the documents subject to certification;
- in line with the process for the setting of the company budget, on an annual basis draws up the activity plan, setting, in agreement with the Chief Executive Officer, the budget for personnel and the financial resources considered necessary to undertake the appointment;
- collaborates, where considered necessary and/or beneficial for the execution of mandate, with other company functions, according to that agreed in advance with the Chief Executive Officer;
- has the power to send to the subsidiaries, for the purposes of and according to the means identified in these Guidelines, within the limits established by the corporate boards and to the extent of the responsibilities within the remit of each subsidiary, instructions and procedures considered appropriate to permit the Officer in charge to satisfy the obligations set out by Law 262/2005.

The Officer in charge, in line with regulatory and statutory provisions, is responsible for:

1. declaring in writing that the documents and communications of the company announced to the market concerning accounting disclosure, including interim disclosure, correspond to the underlying accounting documents and records (Article 154-*bis* paragraph 2 of the CFA);
2. preparing appropriate administrative and accounting procedures for the preparation of the separate financial statements and the consolidated financial statements, in addition to any other financial communication or act (Article 154-*bis*, paragraph 3 of the CFA);
3. declaring, jointly with the appointed delegated boards, through a specific report attached to the separate financial statements, the condensed half-year financial statements and the consolidated financial statements (Article 154-*bis*, paragraph 5 of the CFA):

- the adequacy and effective application of the administrative and accounting procedures prepared by it, during the period to which the documents refer;
  - the compliance of the documents with international accounting standards, recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
  - the consistency of the documents to which the report is annexed to the accounting records, in addition to their suitability to provide a true and fair view of the financial position, financial performance and cash flows of the issuer and of the other companies in the consolidation scope.
  - for the separate and consolidated financial statements, that the Directors' Report includes a reliable analysis on the performance and operating result as well as on the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed;
  - for the condensed half-year financial statements, that the interim directors' report includes a reliable analysis of the disclosure required by paragraph 4 of Article 154-ter of the CFA.
4. undertaking the duties set out under sub 1), 2) and 3), ensuring maximum professional diligence and referring to the commonly-accepted best practice internal control principles;
  5. attending, where required, the meetings of the Board of Directors concerning the approval of the quarterly reports, the half-year financial report and the annual financial report, and the approval of motions requiring the issue of a certification by the Executive Officer, in addition to whoever considered appropriate by the Chairperson of the Board of Directors, also on the proposal of the Chief Executive Officer, in consideration of the presence on the agenda of the Board of Directors of matters which may have an impact on the accounting disclosure of the company and of the Group which it heads;
  6. informing the Board of Directors, on at least a half-yearly basis, on the undertaking of the activities which it is assigned in accordance with the above regulation, highlighting any critical issues emerging during the period and the actions undertaken or prepared to remedy them, coordinating with the Chief Executive Officer;
  7. informing the Chairperson of the Board of Directors, having consulted the Chief Executive Officer of facts which, on the basis of their critical nature or severity, may acquire the undertaking of urgent decisions by the Board of Directors;
  8. ensuring an appropriate flow of information regarding its activities to the Control and Risks Committee, to the Board of Statutory Auditors, to the auditing firm and to the Supervisory Board, as required by Legislative Decree No. 231/01.

The Officer in charge of preparing the corporate accounting documents has appropriate means for the correct and efficient execution of his/her duties, with reference to, among other matters, the available budget.

#### **11.6 Co-ordination of the parties involved in the internal control and risk management system**

The internal control and risk management system adopted by Aeroporto di Bologna is outlined in the preceding paragraphs (see paragraph 11), to which reference should be made to identify the principal actors involved and the main modes applied for their co-ordination.

It is underlined, in addition, that the internal rules approved by the Board of Directors of the company to set out the functioning of some of the functions related to the internal control system (Control and Risks Committee, Internal Audit, Officer in charge of preparing the corporate accounting documents) establish the main information flows and coordination mechanisms.

Considering the Board of Statutory Auditors position at the top of the supervisory hierarchy of the Issuer, in particular, the coordination practices between the actors involved in the internal control and risk management system permit the constant participation of the Chairperson of the Board of Statutory Auditors, or a delegate thereof, in the works of the Control and Risks Committee and in the establishment of an information flow by the Control and Risks Committee with the Board of Statutory Auditors for the timely exchange of relevant information for the execution of their respective duties and for the co-ordination of activities within their common scope.

## **12. DIRECTORS INTERESTS AND RELATED PARTY TRANSACTIONS**

The Board of Directors of the Issuer on April 13, 2015 approved a related parties transactions policy (the "**Related Parties Policy**"), on the basis of the regulation approved with Consob motion 17221/2010 ("**RPT Regulation**") and Article 2391-bis of the Civil Code. This Policy entered into force on July 14, 2015, the initial date of trading of company shares on the Italian Stock Exchange and governs the related party transactions undertaken by the company, including through subsidiaries, in accordance with Article 2359 of the Civil Code or companies however subject to its management and co-ordination, in order to ensure their substantial and procedural correctness, in addition to correct market disclosure.

The Issuer has identified the Control and Risks Committee as the body responsible for related party transactions, which as per the Related Parties Policy assumes the role of Related Parties Committee. In accordance with the Related Parties Policy, where two independent directors are not present, or where, in relation to a particular related party transaction, one or more members of the Related Parties Committee declare themselves as related with regards to a specific transaction, in protection of the substantial correctness of the transaction, the related party transactions are approved following the definition, by the Board of Directors, of equivalent controls to those outlined above for the protection of the substantial correctness of the transaction, including recourse, for the expression of the opinion, to the Board of Statutory Auditors or of an independent expert. Where the Board of Directors requests the opinion of the Board of Statutory Auditors, the members of the latter, where they have an interest, on their own behalf or on behalf of third parties, in the transaction, provide notice of such to the other Statutory Auditors, stating the nature, conditions, origin and extent of the interest.

Where the nature, size and characteristics of the transaction requires, the Related Parties Committee, or where applicable, the parties replacing them, may appoint at the expense of the company, one or more independent experts of their own choice, in order to obtain specific expert reports and/or fairness and/or legal opinions.

The Issuer, as a recently listed company as well as a smaller-sized company as per Article 10 of the RPT Regulation, applies to the related party transactions, including significant transactions (as identified as per Annex 3 of the RPT Regulation), as an exemption to Article 8 of the Regulation, a procedure identified as per the principles and rules of Article 7 of the same Regulation. These are subject to the provisions of Article 5 of the RPT Regulation ("Disclosures to the public on related party transactions"). Subject to the annual

assessment of the Related Parties Policy, on the approval of the financial statements concerning the second year subsequent to listing, the Issuer shall assess, in accordance with Article 3, paragraph 1, letter g) of the RPT Regulation, the necessary amendments to the Related Parties Policy.

In accordance with the Related Parties Policy, the Related Parties Committee is called to review in advance and issue an opinion on the various types of related party transactions, with the exception of those transactions which under the Related Parties Policy are excluded from the application of the stated procedures (see herein).

In particular, related party transactions not within the scope of the shareholders' meeting are approved and/or executed by the officer responsible for their approval and/or execution as per the company's governance rules, having received the non-binding reasoned opinion of the Related Parties Committee. Therefore, having ascertained the significance of the transaction as per the RPT Regulation, the department responsible communicates such in a timely manner to the competent party for the approval and/or execution of the transaction; this latter, having positively assessed the transaction's viability, informs in writing and without delay - through the responsible department - the members of the Related Parties Committee so that they may declare in writing the absence of connections with regard to the specific transaction. The Related Parties Committee meets on a timely basis in view of the date expected for the approval and/or execution of the transaction. The meetings, to which the Board of Statutory Auditors are invited, are attended, where requested, by the senior directors or executives (including executives appointed to undertake the negotiations or preparatory work) of the company or of any subsidiaries, as well as other parties indicated by the Related Parties Committee. The Related Parties Committee, in the formulation of its opinion, also evaluates the interests of the company in the transaction, as well as of the benefits and substantial correctness of the relative conditions.

Where a transaction is within the remit of the Shareholders' Meeting or must be authorised by it, for the approval of the proposal by the Board of Directors, to be presented to the Shareholders' Meeting, the above provisions *mutatis mutandis* are applicable.

The Related Parties Policy establishes that it is not applicable to:

- financial instrument-based remuneration plans approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the CFA and the relative executory operations;
- the motions of the Board of Directors concerning the remuneration of senior directors – other than those motions undertaken within the limits set in advance by the Shareholders' Meeting as per Article 2389, paragraph 3 of the Civil Code - in addition to Strategic Executives, where the conditions at Article 13, paragraph 3, letter b) of the RPT Regulation are fulfilled, on condition that (1) the company has drawn up a remuneration policy, with approval involving the Remuneration Committee; (2) Section I of the remuneration report has been submitted for the consultative vote of the Shareholders' Meeting as per Article 123-*ter* of the CFA and (3) the assigned remuneration is in line with the policy at number (1) above;
- regular transactions completed in market-equivalent or standard terms;



- urgent transactions not within the scope of the Shareholders' Meeting and not requiring its authorisation;
- transactions with or between subsidiaries and transactions with associates, where interests qualifying as "significant" according to the general principles and criteria indicated in CONSOB communication No. DEM/10078683, published on September 24, 2010, containing "Instructions and guidelines for the application of the Regulation on Related Party Transactions adopted by motion No. 17221 of March 12, 2010 as subsequently amended" do not exist.

In applying the above exemptions, the Related Parties Policy requires that due account is taken of CONSOB Communication No. 10078683 of September 24, 2010.

The Related Parties Policy in addition categorises minor transactions, with regards to which - in compliance with the faculty established by the RPT Regulation, the Related Parties Policy is not applied, as is the case for related party transactions whose value does not exceed Euro 250,000.00. This exclusion does not apply in the case of several similar minor transactions or undertaken for common purpose, concluded with the same related party or with parties related to this latter and with the company, which, cumulatively considered, exceed the amount indicated above.

The Related Parties Policy - with the company having availed of the exceptions respectively established by Article 11, paragraph 5 and Article 13, paragraph 6 of the RPT Regulation - provides for the exclusion from its scope of urgent transactions, also within the remit of the Shareholders' Meeting, carried out by the company directly or through subsidiaries, within the limits of and in compliance with the conditions established by the applicable statutory provisions or by the RPT Regulation.

Finally, in relation to significant transactions, realised also through any subsidiaries, the company prepares, pursuant to Article 114, paragraph 5 of the CFA, an information document in accordance with the terms and procedures indicated in Article 5 of the RPT Regulation and in compliance with that contained in Annex 4 of the Regulation.

"Significant transactions" are those with related parties undertaken by the company directly or through subsidiaries, where the following 5% thresholds (all described in greater detail in Annex 3 to the Regulation and in CONSOB Communication No. 10078683 of September 24, 2010, to which reference should be made) are exceeded:

- the value threshold, i.e. the ratio between the value of the transaction and the net equity of the company or, if higher, the capitalisation of the company on the last trading day of the most recent published periodic accounts; or
- the asset threshold, i.e. the ratio between the total assets of the counterparty to the transaction and the total assets of the company; or
- the liability threshold, i.e. the ratio between the total liabilities of the company involved in the transaction and the total assets of the company.

The Related party transactions regulation adopted by the company is available on the company website, on the "Corporate Governance" page of the Investor Relator section.

### **13. APPOINTMENT OF STATUTORY AUDITORS**

With regards to the method to appoint the Board of Statutory Auditors, the Shareholders' Meeting appoints a statutory auditor and two alternate auditors - these latter from each gender - of the Board of Statutory Auditors and establishes - for the duration of the appointment - its remuneration. In accordance with Article 11, paragraphs 2 and 3, of the Decree of the MIT of November 12, 1997 No. 521, the appointment of the Chairperson of the Board of Statutory Auditors is reserved to the MEF and the appointment of a Statutory Auditor is reserved to the MIT. The efficacy of the above ministerial appointments, where undertaken in a timely manner and, therefore, in advance of the Shareholders' Meeting called for the appointment of the corporate boards, runs from the date of this Shareholders' Meeting.

The composition of the Board of Statutory Auditors, following co-ordination with the competent Ministries, should ensure compliance with Article 2397 of the Civil Code, in addition to gender equality in accordance with the applicable statutory and regulatory provisions.

In accordance with legal provisions, pursuant to Article 148, paragraph 1-bis of the CFA and Criterion 8.C.3 of the Self-Governance Code, the Issuer confirms that at least a third of the members of the Board of Statutory Auditors belong to the under-represented gender. The mandate of the Board of Directors currently in office will conclude on the approval of the financial statements at 31.12.2018; contacts with the competent ministries have already commenced for the new appointments.

Where during its mandate one or more statutory auditors are no longer present, the alternate auditors supplement the Board in order of seniority, subject to the fact that the gender balance conditions continue to be met, with supplementation therefore taking place in a manner which ensures that the gender balance requirements for the control boards are met.

For the duration of mandate, the Statutory Auditors should meet the requirements as per Article 2399 of the Civil Code and the other applicable provisions.

The loss of these requirements results in the immediate departure of the Statutory Auditor and his/her replacement by the eldest alternate auditor by seniority, and however so as to ensure the satisfaction of the gender balance rules.

The office expires at the date of the shareholders' meeting called for the approval of the financial statements relating to the third year of the office held. The termination of the appointment is effective from the moment the new Board is reconstituted, subject to the application of Legislative Decree No. 293 of May 16, 1994, converted into law with amendments by Article 1, paragraph 1, Law No. 444 of July 15, 1994.

In accordance with Consob Executive Motion No. 13 of January 24, 2019, the percentage required for the presentation of slates for the appointment of the above-mentioned statutory auditors is 2.5% for 2019.

### **14. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS**

As per Article 25 of the By-Laws, at the reporting date, the Board of Statutory Auditors consists of three statutory auditors and two alternate auditors. The Board of Statutory Auditors in office was appointed by the Shareholders' Meeting of April 27, 2016 (on the

basis of the slate voting by-law provisions) and shall remain in office until the date of the Shareholders' Meeting called to approve the financial statements as at December 31, 2018.

At the reporting date, the Board of Statutory Auditors was comprised as per the following table.

<b>Name</b>	<b>Office</b>	<b>Place and date of birth</b>
Pietro Floriddia	Chairman	Ispica, July 26, 1962
Anna Maria Fellegara	Statutory Auditor	Borgonovo Val Tidone (PC), January 18, 1958
Matteo Tiezzi	Statutory Auditor	Vignola (MO), May 10, 1966
Carla Gatti	Alternate Auditor	Bologna, November 8, 1958
Giovanna Conca	Alternate Auditor	Sondrio, June 15, 1958

The members of the Board of Statutory Auditors are all domiciled for the purposes of office at the Issuer's registered office.

A short curriculum vitae of each Statutory Auditor in office at the reporting date, detailing the relevant business management skills and experience, is provided below.

**Pietro Floriddia** -born in Ispica (RG) on July 26, 1962; graduating in Economics and Commerce in 1987 from the University of Catania, in 1989 he qualified as an accountant and is enrolled in the auditor's register. From 2005 to 2007, he was a Public Finance Inspection Service (S.I.Fi.P.) Executive with the State General Accounting Office's General Inspectorate of Finance where he carried out audits at Municipalities, Provinces and Judicial Offices. From 2015, he managed the Office of the State General Accounting Office's General Inspectorate of Finance where he was responsible for the coordination of supervision on public entities and bodies, including those operating in the sphere of competence of the Ministry of Infrastructures and Transport.

**Anna Maria Fellegara** - born in Borgonovo (PC) on January 18, 1958, is a Full Professor of Business Economics. She has been enrolled in the Register of Certified Public Accountants of Piacenza since 1982 and in the Register of Statutory Auditors since it was first established (Ministerial Decree April 12, 1995 OJ 31/*bis*). She is a Full Professor at AIDEA - Italian Academy of Business Economics and Vice President of the Italian Society of Accounting and Business Economics. Since 2012, she has been the Dean of the Faculty of Economics and Law at the Catholic University and President of Bachelor degree courses in Economics at the Piacenza and Cremona campuses. Statutory and Consolidated Financial Statements, the application of National and International Accounting Standards and control, including financial audits, are topics on which she carries out teaching and research activities. She currently holds office, among others, as a Statutory Auditor of Servizi Italia S.p.A., listed on the Italian Stock Exchange.

**Matteo Tiezzi** - born in Vignola (MO) on May 10, 1966, he graduated in Economics and Commerce from the University of Bologna. He has been enrolled in the Register of Certified Public Accountants since 1994 and in the Auditors' Register since 1999. He is a partner in the firm RTZ, with offices in Bologna, Modena and Reggio Emilia. In his professional career, he has provided consultancy in corporate operations, in the definition of strategies and

corporate governance models and in LBO transactions. Over the years, he held offices in various companies and entities; in particular, he was the chairman of the board of auditors of Fondazione Cassa Risparmio di Modena and statutory auditor of Banca Interprovinciale Spa (now Illimity Spa). He is currently the chairman of the board of statutory auditors of Caltagirone Editore SpA, chairman of the board of statutory auditors and of the supervisory board of Amber Capital Italia SGR Spa, statutory auditor of Carimonte Holding Spa, in addition to holding office as statutory auditor and director in various companies.

None of the members of the Board of Statutory Auditors are related as per Book I, Section V of the Civil Code with other members of the Board of Statutory Auditors, nor with members of the Board of Directors of the Issuer or executives and other parties holding strategic roles at the Group.

In addition, none of the members of the Board of Statutory Auditors hold positions or carry out on a continual basis activities, or provide services of a professional nature (directly or indirectly), to the Issuer or Group companies. All members of the Board of Statutory Auditors are considered independent in accordance with Article 148, paragraph 3 of the CFA and the Self-Governance Code, while also meeting the professionalism and standing requirements under the Regulation adopted with Ministry of Justice Decree No. 162 of March 30, 2000.

With regards to the standing requirements, none of the members of the Board of Statutory Auditors fall within the exclusions as per Article 2 of the Ministry of Justice Decree No. 162 of March 30, 2000.

Statutory auditors with personal or third-party interests in a motion should inform in a timely and exhaustive manner the chairperson of the Board of Statutory Auditors and the other members.

### **Diversity criteria and policies**

As expected, in accordance with legal provisions and pursuant to Art. 148, paragraph 1-bis of the CFA and Criterion 8.C.3 of the Self-Governance Code, at least a third of the members of the Board of Statutory Auditors belong to the under-represented gender. The Board of Statutory Auditors will remain in office until the approval of the financial statements for the year 2018.

With reference to the composition of the Board in office at December 31, 2018, the Issuer did not consider it appropriate to adopt additional diversity policies relating to gender composition aspects as the ministerial appointments are already aligned with legal requirements: a selection with agreement between ministries will already be able to ensure the gender diversity envisaged by law.

As regards the requirements of professionalism, these are already envisaged by applicable legislative and regulatory provisions.

The Board of Statutory Auditors in undertaking its duties reviewed the independence of the audit firm, ensuring compliance with regulatory provisions and the nature and extent of the various services provided to the Company and its subsidiaries by the audit firm.

The Board of Statutory Auditors meets at least every ninety days on the initiative of one of the members. The Board is validly constituted with the presence of a majority of the Statutory Auditors and passes motions with the approval of a majority of Statutory Auditors.

During the financial year to December 31, 2018, the Board of Statutory Auditors met on 7 occasions (with an average meeting duration of approx. one hours and forty-two minutes). The percentage participation of each statutory auditors at the Board's meetings is presented below:

<b>Name</b>	<b>Office</b>	<b>% attendance of the members of the Board of Statutory Auditors</b>
Pietro Floriddia	Chairman	100%
Anna Maria Fellegara	Statutory Auditor	100%
Matteo Tiezzi	Statutory Auditor	100%

The Shareholders' Meeting of April 27, 2016 assigned to each of the members of the Board of Statutory Auditors, in addition to the reimbursement of documented travel and lodging expenses incurred for the execution of office, the following pre-established remuneration, including also "reimbursement for general research expenses and for indemnities incurred to travel outside the Municipality where the workplace of the Statutory Auditor is located" and remuneration for any opinion on the motion of the Board of Directors fixing the remuneration of the Senior Directors, as per Article 2389, paragraph 3 of the Civil Code; this remuneration is to be settled quarterly:

- (i) Euro 4,480 for the periodic meetings for the activities carried out as per Article 2403, paragraph 1 and Article 2404 of the Civil Code. In the case of appointment or replacement during the year, the fee is proportional to the effective period in office;
- (ii) Euro 16,140 for the preparation of the report to the financial statements for the previous year, as per Article 2429 of the Civil Code. The Chairperson of the Board of Statutory Auditors is recognised a 50% increase on the remuneration at points (i) and (ii) above;
- (iii) Euro 8,070 for specific services other than those indicated at points (i) and (ii) above, where the Board of Statutory Auditors is called, on the basis of statutory provisions, to issue assessments, opinions or reports;
- (iv) Euro 372 for each hour or a fraction of an hour, for participation at each meeting of the Board of Directors or the Shareholders' Meeting and each meeting of the Board of Statutory Auditors, other than the periodic meetings at point 1. This remuneration matures also in the case of audio, video and teleconferences;
- (v) Euro 74.00 per hour for transfer times, recognised for journeys outside of the Municipality in which the office of the Statutory Auditor is located and up to a maximum of four hours. This remuneration applies, in addition to the reimbursement of expenses, to all types of attendance.

The remuneration of the Statutory Auditors is commensurate with the commitment required, the importance of the role covered, in addition to the size and sector of the company, as envisaged by Criterion 8.C.4.

The Board of Statutory Auditors verifies the independence of its members on its appointment in accordance with the Code and such has been communicated to the market.

It was not considered necessary in 2018 for the members of the Board of Statutory Auditors to participate in initiatives centred on the provision of appropriate knowledge on the segment in which the Issuer operates, on company dynamics and on their development, in addition to the regulatory and self-regulatory framework, as its members are already considered appropriately informed on the basis of positions previously held at the company and as updated during the listing process.

Specific procedures are in place to ensure that statutory auditors who, on his/her own behalf or that of third parties, have an interest in a certain transaction of the issuer, inform the other statutory auditors and the Chairperson of the Board of Statutory Auditors in a timely and comprehensive manner, regarding the nature, terms and extent of his/her interest, as per Criterion 8.C.5.

In executing its duties, the Board of Statutory Auditors co-ordinates with the internal audit function and with the Control and Risks Committee through attendance at meetings of this Committee of the Chairperson of the Board of Statutory Auditors or an appointee thereof, and of the Internal Auditor, on the invitation of the Chairperson of the Committee, in application of Criteria 8.C.6 and 8.C.7.

## **15. RELATIONS WITH SHAREHOLDERS**

Financial communication for Aeroporto di Bologna plays a key role in the creation of value for the Group: the Issuer is therefore open to continual dialogue with the institutional investors, with the shareholders and with the market in compliance with the procedures adopted for the outside communication of documents and inside information. A specific "Investor Relations" function has therefore been set up, collaborating with the Chief Executive Officer and the Board of Directors to ensure the consistent circulation of exhaustive and timely disclosure through press releases, meetings with the financial community and periodic updates on the company website ([www.airport-bologna.it](http://www.airport-bologna.it)). An easily identifiable and accessible to shareholders "Investor Relations" section is available on the website, allowing them to knowledgeably exercise their rights.

The Board of Directors of April 13, 2015 appointed Nazzarena Franco, already the Strategic and Planning Director, as investor relator. At 31.12.2018, the role of investor relator was held by Ms. Franco.

At the date of this report, however, following Ms. Franco's recent resignation, the investor relator of the company is Patrizia Muffato, Administration and Finance Director, as per the board motion of March 14, 2019.

The function ensures that institutional investors and analysts are kept up-to-date on the strategies pursued, the short and medium-term objectives and on the results achieved.

Investor Relations are developed externally through continual contact with investors, analysts and the financial institutions, and internally through collaboration with other company functions in order to make available Group information and so better interact with the financial community.

This information, which complies with regulatory obligations - the corporate accounting documents, the financial press releases, policies and codes - or that prepared voluntarily to ensure transparent and timely communication, is published on the company website.

The main Investor Relations activities carried out by the Group in 2018 included:

- 3 conference calls for the publication of the Q1 and Q3 and H1 2018 results;
- participation in 3 conferences regarding the sector or dedicated to companies listing in Italy, organised by financial institutions or intermediaries;
- meetings with Investors, principally at the Milan and London stock exchanges and at the registered office of the company, the communication of information as required by applicable regulations;
- dialogue with specialist media for the prompt communication of company information.

## **16. SHAREHOLDER MEETINGS**

In accordance with the By-Laws, the Shareholders' Meeting was called, in accordance with law, by means of the notice published on the company website and according to the other means set out by the applicable rules and regulations.

The Ordinary and Extraordinary Shareholders' Meetings are usually held in single call, in accordance with Article 2369, paragraph 1 of the Civil Code. The Board of Directors may also stipulate that the Shareholders' Meeting is held through a number of calls, in accordance with law. The Board of Directors has the right to call the Shareholders' Meeting, subject to the power of the Board of Statutory Auditors, or of at least two of its members, to call the meeting, as per Article 151 of the CFA and the other applicable rules and regulations.

In accordance with Articles 9 and 10 of the By-Laws, the right to attend the Shareholders' Meeting is governed by the applicable regulation. Those with the right to attend the Shareholders' Meeting may be represented by a proxy in accordance with law. Electronic notification of proxy may be made, in the manner indicated in the call notice, by sending a message on the appropriate section of the Issuer's website (as advised in the notice). The call notice may also indicate, in accordance with applicable legislation, additional methods of electronic notification of proxy that may be used for the specific Shareholders' Meeting to which the call notice refers.

The Board of Directors may stipulate, in relation to individual Shareholders' Meetings, that those with the right to attend the Shareholders' Meeting and exercise voting rights participate at the Shareholders' Meeting electronically. In this case, the call notice shall specify, also by means of indication on the company website, the established means for participation.

Multiple vote or loyalty shares are not provided for.

In accordance with Article 11 of the By-Laws, the Shareholders' Meeting is chaired by the chairperson of the Board of Directors. In his/her absence or impediment, the Shareholders' Meeting is chaired by the Vice Chairperson, where appointed, or, in the case of his/her absence or impediment, by a person nominated by the meeting itself. The chairperson of a shareholders' meeting shall be assisted by a secretary (who need not be a shareholder) designated by the attendees, who may appoint one or more tellers.

In accordance with Article 12 of the By-Laws, the Shareholders' Meeting decides both in ordinary and extraordinary session on the matters reserved to it under law or as per the

By-Laws and according to statutory majority. In accordance with the By-Laws, decisions concerning: (a) the setting up and closing of secondary offices; (b) the appointment of directors as company representatives; (c) the reduction of the share capital in the case of withdrawal of one or more shareholders; (d) the adjustment of the By-Laws in line with regulations, are within the scope of the Board of Directors.

The company adopted a Shareholders' Meeting regulation at the Shareholders' Meeting of May 20, 2015. This regulation is available on the company website, on the "Corporate Governance" page of the Investor Relator section. It governs and guarantees the right of each shareholder to take the floor regarding matters on the agenda under discussion.

In 2018, the Shareholders' Meeting met once (April 24, 2018), with the Board reporting to the meeting on the activities carried out and scheduled, seeking to ensure that shareholders have adequate information regarding the necessary elements, so that they could take knowledgeably consider the decisions within their scope. At this Shareholders' Meeting, the directors Enrico Postacchini, Nazareno Ventola, Luca Mantecchini and Giorgio Tabellini and Domenico Livio Trombone contributed.

In 2018, proposals were not made to the Shareholders' Meeting by the majority shareholders of the company or those exercising significant influence, other than those put forward by the Board of Directors.

The Board, through the Chairperson, reported to the Shareholders' Meeting on the activities carried out and those scheduled. The Board of Directors reported on the activities carried out and endeavoured to ensure that shareholders had all necessary information so that they could take, with sufficient knowledge, the decisions within the authority of a Shareholders' Meeting.

No significant changes took place in 2018 to the capitalisation and the ownership structure so as to require the Board to propose By-Law amendments with regards to the percentages established for the exercise of the shares and the prerogatives in defence of minorities, other than those established by law or applicable regulations for companies listed on the Italian Stock Exchange.

## **17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES**

No additional corporate governance practices than those outlined above are indicated.

## **18. CHANGES SUBSEQUENT TO THE YEAR-END**

No changes took place subsequent to December 31, 2018 other than those indicated previously in this report.

## **19. CONSIDERATIONS ON THE LETTER OF DECEMBER 21, 2018 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**



The letter of December 21, 2018 signed by the Chairman of the Corporate Governance Committee was raised and discussed during the Board of Directors meeting of January 29, 2019, also in the presence of the members of the Board of Statutory Auditors.

More specifically, with reference to the letter and recommendations included therein, it should be noted that:

- the assessment concerning the suitability of pre-board disclosure: to this end, the issuer AdB recently implemented an upgrade of the Virtual Data Room (VDR) and, during the meeting of December 17, 2018, the Board positively assessed the system used and the timely manner with which documents are made available;
- the greater rigour applied to the assessment of independence criteria: action to raise awareness among Public Shareholders participating in the Agreement was undertaken in view of the preparation of slates for appointments to the board of directors, due to be concluded in April 2019.
- the call for greater transparency in board review procedures: the process was, until now, overseen by the Chairman, appropriately assisted by the company's Secretariat and the outcome of the self-assessment was shared during the Board and, furthermore, independent directors were called upon to propose suggestions for further improvement of the Board's activities;
- the invitation to the BoD and the Remuneration Committee to assess the suitability of remuneration policies against the company's medium-long term sustainability objectives: AdB has a dedicated policy for the remuneration of executive directors and senior executives which is periodically reviewed and which is based on awards (annual and medium-long term) linked to the achievement of pre-set objectives aligned to the business strategy.

## **SUMMARY TABLES**

Summaries on the composition of the Board of Directors and the Board of Statutory Auditors in office at the date of this report are provided as an annex.

A list of any positions held by each director of the Issuer in companies listed on regulated markets, including overseas, in financial, banking and insurance companies or of a significant size are annexed to this report.

## 19.1 TABLE 1 INFORMATION ON THE OWNERSHIP STRUCTURE

<i>SHARE CAPITAL STRUCTURE</i>				
	No. shares	% of share capital	Listed (indicate market)/not listed	Rights and obligations
Ordinary shares	36,125,665	100%	Free float on MTA	The shares are to bearer, indivisible and with one vote at the ordinary and extraordinary shareholders' meetings of the company attached according to law and the by-laws, in addition to further statutory administrative and equity rights for shares with voting rights.
Shares with limited voting rights	/	/	/	/
Shares without voting rights	/	/	/	/
<i>OTHER FINANCIAL INSTRUMENTS (attributed the right to subscribe to new share issues)</i>				
	Listed (indicate market)/not listed	No. of instruments outstanding	Class of shares for conversion/exercise	No. of shares for conversion/exercise
Convertible bonds	/	/	/	/

<i>SIGNIFICANT SHAREHOLDINGS</i>			
Shareholder	Number of Shares	% of ordinary share capital	% of voting share capital
Bologna Chamber of Commerce	13,558,877	37.53%	37.53%
Atlantia S.p.A.	10.613.6285	29.38%	29.38%
F2I Fondi Italiani per le Infrastrutture SGR S.p.A.	3,609,343	9.99%	9.99%

## 19.2 TABLE 2 STRUCTURE OF THE BOARD OF DIRECTORS AND OF THE COMMITTEES AT DECEMBER 31, 2018

													Control and Risks Committee (CRC)		Remuneration Committee (RC)		Possible Appointment s Committee		Possible Executive Committee		Related Parties Committee (RPC)	
Office	Members	Date of birth	Date of initial appointment*	In office from	In office until	Slate (M/m) **	Exec.	Non-Exec.	Ind. as per Code	Ind. as per CFA	(*)	No. of other offices (*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chair	Enrico Postacchini	1958	22.06.2014	27.4.2016	App. Accounts 2018	M		X			11/11	NA					NA	NA	NA	NA	NA	NA
Chief Executive Officer • ◇	Nazareno Ventola	1966	14.7.2015	27.4.2016	App. Accounts 2018	M	X				11/11	NA					NA	NA	NA	NA	NA	NA
Director	Giada Grandi	1960	22.7.2011	27.4.2016	App. Accounts 2018	M		X			9/11	1					NA	NA	NA	NA	NA	NA
Director	Giorgio Tabellini	1944	16.7.2004	27.4.2016	App. Accounts 2018	M		X			9/11	1					NA	NA	NA	NA	NA	NA
Director	Sonia Bonfiglioli	1963	22.6.2014	27.4.2016	App. Accounts 2018	M		X	X	X	9/11	NA	4/4	P	5/5	M	NA	NA	NA	NA	X	NA
Director	Laura Pascotto	1972	27.4.2016	27.4.2016	App. Accounts 2018	m		X	X	X	11/11	NA	4/4	M	5/5	M	NA	NA	NA	NA	X	NA
Director	Domenico Livio Trombone	1960	30.10.2017	30.10.2017	App. Accounts 2018	m		X	X	X	10/11	1	4/4	M			NA	NA	NA	NA	NA	NA
Director	Luca Mantecchini	1975	22.7.2011	27.4.2016	App. Accounts 2018	M		X	X	X	10/11	NA			5/5	P	NA	NA	NA	NA	NA	NA
Director	Livio Fenati	1970	29.01.2018	29.01.2018	Resigned on 26.09.18	m		X	X	X	6/7	NA					NA	NA	NA	NA	NA	NA
Director	Marco Troncone	1971	14.11.2018	14.11.2018	App. Accounts 2018	m		X	X	X	1/1	NA					NA	NA	NA	NA	NA	NA
Indicate the quorum required for the submission of slates by minority shareholders for the election of one or more members: 2.5%																						
Number of meetings held in the year:								BOARD OF DIRECTORS 11			CRC: 4		RC: 5		AC: NA		EC: NA		CPC: NA			

### NOTE

- This symbol indicates the director responsible for the internal control and risk management system.
- ◇ This symbol indicates the person responsible for the Issuer's operative management (CEO).
- This symbol indicates the Lead Independent Director (LID).
- \* The first appointment of each Director refers to the date on which the Director was appointed for the first time to the Board of Directors of the issuer.
- \*\* This column indicates the slate from which each Director originated (M: majority slate; m: minority slate; BoD: slate presented by the BoD).
- \*\*\* This column indicates the number of offices a Director or Statutory Auditor holds in other companies listed on regulated markets, including foreign markets, in holding, banking, insurance or large enterprises. The report on corporate governance indicates all offices held.
- (\*) This column indicates the percentage of attendance of Directors in relation to the number of BoD and Committee meetings (indicates the number of meetings attended compared to the amount they could have attended e.g. 6/8; 8/8).
- (\*\*) This column indicates the position of the Director on the Committee: C: Chairman; M: Member.

### 19.3 TABLE 3 STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Office	Members	Date of birth	In office from	In office until	Slate (M/m) **	Ind. as per Code	Attendance ***	Number of other offices ****
<b>Chairman</b>	Pietro Floriddia	1962	27.5.13	App. Accounts 2018	NA1	X	7/7	0
<b>Statutory Auditor</b>	Anna Maria Fellegara	1958	27.4.16	App. Accounts 2018	NA1	X	7/7	1
<b>Statutory Auditor</b>	Matteo Tiezzi	1966	27.4.16	App. Accounts 2018	m	X	7/7	1
<b>Alternate Auditor</b>	Carla Gatti	1958	27.4.16	App. Accounts 2018	M	X	/	-
<b>Alternate Auditor</b>	Giovanna Conca	1958	27.4.16	App. Accounts 2018	m	X	/	-

#### NOTE

- \* The first appointment of each Statutory Auditor refers to the date on which the Statutory Auditor was appointed for the first time to the Board of Statutory Auditors of the issuer
- \*\* In this column M/m is indicated according to whether the member was elected by the majority (M) or minority (m) slate.
- \*\*\* This column indicates statutory auditors' participation in meetings of the Board of Statutory Auditors (no. of attendances/no. of meetings held during the effective period of office).
- \*\*\*\* This column indicates the number of offices of director or statutory auditor in accordance with Article 148 bis of the CFA.
- (1) Ministerial appointment statutory auditor.