



**The Wellness Company**

**REPORT ON CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURE  
PURSUANT TO ART. 123-BIS OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY  
1998**

(Traditional Administration and Control Model)

Issuer: **Technogym S.p.A.**

Website: *www.technogym.com*

Year the Report refers to: **2019**

Date of approval of the Report: **17 March 2020**

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## GLOSSARY AND DEFINITIONS

<b>Shareholders' Meeting:</b>	meeting of the shareholders of the Issuer.
<b>Director in charge of the Internal Control System:</b>	the Director in charge of the company Internal Control and Risk Management System, appointed on 15 May 2018 pursuant to Standard 7.P.3(a)(i) of the Corporate Governance Code.
<b>Judicial authority:</b>	any judicial, administrative, tax, ordinary and special authority in any procedure, at any level and in any court.
<b>Borsa Italiana:</b>	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari No. 6.
<b>Chapter:</b>	each chapter of this Report.
<b>Code/Corporate Governance Code:</b>	the Corporate Governance Code for Listed Companies approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, amended in July 2018.
<b>Civil Code:</b>	Italian Civil Code.
<b>Board of Statutory Auditors:</b>	the Board of Statutory Auditors of the Issuer.
<b>Control and Risk Committee:</b>	the internal committee within the Board of Directors established in compliance with Standard 7.P.4 of the Corporate Governance Code.
<b>Committee for Transactions with Related Parties:</b>	the Committee for Transactions with Related Parties, established within the Board of Directors pursuant to the Related Party Regulations.
<b>Nomination and Remuneration Committee:</b>	the internal committee within the Board of Directors, established in compliance with Art. 6.P.3 of the Corporate Governance Code.
<b>Board of Directors:</b>	the Board of Directors of the Issuer.
<b>CONSOB:</b>	Commissione Nazionale per le Società e la Borsa (National Commission for Companies and the Stock Exchange) with registered office in Rome, Via G.B. Martini No. 3.
<b>Subsidiaries:</b>	the companies directly and indirectly controlled by the Issuer pursuant to Art. 2359 of the Civil Code and Art. 93 of the Consolidated Finance Law.

<b>Date of Admission to Trading or Trading Start Date:</b>	first day of trading of Shares on MTA, i.e., 3 May 2016.
<b>Delegation for the 2017-2019 Performance Shares Plan:</b>	the delegation conferred on 21 April 2017, by the Extraordinary Shareholders' Meeting to the Board of Directors, pursuant to Art. 2443 of the Civil Code, regarding the right to increase the share capital, for a period equal to five years from 21 April 2017, up to a maximum amount of Euro 55,000, in one or more tranches, through the issuing of up to 1,100,000 ordinary shares with no indication of nominal value, with the same characteristics as those outstanding, with regular dividend entitlement, at an issue value equal to the book value of the Company shares at the date of execution of the delegation by allocating the corresponding maximum amount of profits (or profit reserves) pursuant to Art. 2349 of the Civil Code, with the issuing shares of the Company to the employees of the Company or its Subsidiaries, as part of the 2017-2019 Performance Shares Plan.
<b>Delegation for the 2018-2020 Performance Shares Plan:</b>	the delegation conferred on 8 May 2018 by the Extraordinary Shareholders' Meeting of the Company to the Board of Directors, pursuant to Art. 2443 of the Civil Code, concerning the power to increase, for a period equal to five years from 8 May 2018, the share capital, without consideration, also in multiple tranches, pursuant to Art. 2349 of the Civil Code, for a maximum of Euro 30,000 (thirty thousand/00) by issuing of up to 600,000 (six hundred thousand/00) ordinary shares, with no indication of nominal value, with the same characteristics of those outstanding, with issue price equal to the book value of the Technogym shares at the time of execution, to be fully recognized as an equity item, to be assigned to the employees of Technogym S.p.A. and its Subsidiaries who are beneficiaries of the plan for the free allocation of rights to receive ordinary Technogym S.p.A. shares, known as the 2018-2020 Performance Shares Plan.
<b>Delegation for the 2019-2021 Performance Shares Plan:</b>	the delegation conferred on 8 May 2019 by the Extraordinary Shareholders' Meeting of the Company to the Board of Directors, pursuant to Art. 2443 of the Civil Code, concerning the power to increase, for a period equal to five years from 8 May 2019, the share capital, without consideration, also in multiple tranches, pursuant to Art. 2349 of the Civil Code, for a maximum of Euro 30,000 (thirty thousand/00) by issuing of up to 600,000 (six hundred thousand/00) ordinary shares, with no indication of nominal value, with the same characteristics of those outstanding, with issue price equal to the book value of the Technogym shares at the time of execution, to be fully recognized as an equity item, to be assigned to the employees of Technogym S.p.A. and its Subsidiaries who are beneficiaries of the plan for the free allocation of rights to receive ordinary Technogym S.p.A. shares, known as the 2019-2021 Performance Shares Plan.

<b>Recipients:</b>	all those who have access to Confidential or Insider Information as defined in Chapter 5 of this Report.
<b>Information Document:</b>	information document drafted pursuant to Art. 84-bis of the Issuers' Regulations and in compliance with Scheme No. 7 of Annex 3A to the same Issuers' Regulation.
<b>Head of the Internal Audit function:</b>	person in charge of the Internal Audit function of the Company, appointed on 11 May 2016 pursuant to Application Criterion 7.C.5 of the Corporate Governance Code.
<b>Financial Reporting Manager:</b>	executive in charge of drafting the financial reports of the Company, appointed last by the Board of Directors on 27 March 2019 in compliance with Art. 154-bis of the Consolidated Finance Law and Art. 18 of the Articles of Association.
<b>Qualifying Right in Rem:</b>	right in rem entitling to the vote (full ownership with voting rights, ownership without usufruct with voting rights, or usufruct with voting rights).
<b>Legislative Decree 231/2001:</b>	Italian Legislative Decree of 8 June 2001 No. 231, as amended, containing " <i>Regulations governing the administrative liability of legal entities, companies and associations with or without legal status, pursuant to Art. 11 of Italian Law No. 300 of 29 September 2000</i> ".
<b>Special List:</b>	special list established and regulated by Art. 7 of the Articles of Association.
<b>Issuer:</b>	Technogym S.p.A.
<b>Financial year:</b>	the company year ended as at 31 December 2019.
<b>Flag Holding LLC:</b>	Flag Holding LLC, with registered office in PO Box 43399, Abu Dhabi, UAE.
<b>FTSE-MIB:</b>	index that measures the performance of 40 Italian stocks and seeks to replicate the broad sector weights of the Italian equity market and is obtained from the universe of trading of securities on the main equity market of Borsa Italiana.
<b>Group or Technogym Group:</b>	jointly, the Company and the companies at the time, directly or indirectly, controlled by this pursuant to Art. 2359 of the Civil Code and Art. 93 of the Consolidated Finance Law.
<b>Investor Relator:</b>	person managing and coordinating the relations with the shareholders.

<b>Directions on Borsa Italiana Regulations:</b>	directions on the regulations of the markets organized and managed by Borsa Italiana in force at the date of this Report.
<b>Model:</b>	Model of Organization, Management and Control as set forth in Legislative Decree 231/2001, adopted by the Board of Directors.
<b>MTA:</b>	Mercato Telematico Azionario (Electronic Stock Exchange), organized and managed by Borsa Italiana.
<b>Supervisory Board:</b>	supervisory board established to monitor the operation and compliance of the Model, established by the Board of Directors pursuant to Legislative Decree 231/2001.
<b>Relevant Transactions:</b>	transactions defined as such in Chapter 5 of this Report.
<b>Paragraph:</b>	each paragraph of this Report.
<b>Relevant Period:</b>	period of 24 months from inclusion in the Special List.
<b>2017-2019 Performance Shares Plan:</b>	the 2017-2019 Performance Shares Plan, approved on 6 March 2017 by the Board of Directors and the Shareholders' Meeting on 21 April 2017.
<b>2018-2020 Performance Shares Plan:</b>	2018-2020 Performance Shares Plan which, on 28 March 2018, the Board of Directors resolved to propose to the Shareholders' Meeting called for 8 May 2018.
<b>2019-2021 Performance Shares Plan:</b>	2019-2021 Performance Shares Plan which, on 27 March 2019, the Board of Directors resolved to propose to the Shareholders' Meeting called for 8 May 2019.
<b>2020-2022 Performance Shares Plan:</b>	2020-2022 Performance Shares Plan, approved on 17 March 2020 by the Board of Directors, to be presented to the Shareholders' Meeting called for 23 April 2020.
<b>Procedure:</b>	procedure regulating the internal management and external communication of documents and information on the Company, approved by the Board of Directors and in force at the time.
<b>Internal Dealing Procedure:</b>	procedure on internal dealing adopted by the Company pursuant to Art. 19 of MAR (Market Abuse Regulation), Delegated Regulation 522 and Delegated Regulation 523, as amended by the Board of Directors on 4 August 2017.
<b>Procedure for Transactions with Related Parties:</b>	procedure regulating transactions with related parties approved by the Board of Directors at the meeting on 11 May 2016, as last amended by the Board of Directors' meeting on 14 May 2019.
<b>Register Procedure:</b>	procedure regulating the set-up, management and update of the Register.

<b>Proposed Delegation for the 2020-2022 Performance Shares Plan:</b>	proposal to increase the share capital, resolved by the Board of Directors on 17 March 2020.
<b>Listing:</b>	the admission of Technogym ordinary shares to MTA listing, from Trading Start Date, pursuant to the order of admission to listing issued by Borsa Italiana.
<b>Register:</b>	register created pursuant to MAR, containing the list of the persons who, because of their working or professional activity or functions performed, have access to Insider Information, even with a delay.
<b>Delegated Regulation 522:</b>	Delegated Regulation of the European Commission No. 2016/522 dated 17 December 2015.
<b>Delegated Regulation 523:</b>	Delegated Regulation of the European Commission No. 2016/523 dated 10 March 2016.
<b>Borsa Italiana Regulations:</b>	regulations of the markets organized and managed by Borsa Italiana, approved by the Shareholders' Meeting of Borsa Italiana, as in force at the date of this Report.
<b>Issuers' Regulation:</b>	regulation on issuers, issued by CONSOB with resolution No. 11971 of 14 May 1999, as amended and integrated.
<b>MAR:</b>	Regulation (EU) No. 596/2014 on market abuse.
<b>Market Regulations:</b>	regulations on markets, issued by CONSOB with resolution No. 20249 of 28 December 2017, as amended and integrated.
<b>Related Party Regulations:</b>	regulations on transactions with related parties issued by CONSOB with resolution No. 17221 of 12 March 2010, as amended and integrated, regarding transactions with related parties.
<b>Report:</b>	this Report on corporate governance and ownership structure, drafted pursuant to Art. 123-bis of the Consolidated Finance Law.
<b>Remuneration Report:</b>	report on remuneration drafted pursuant to Art. 123-ter of the Consolidated Finance Law and Art. 84-quater of the Issuers' Regulation and in compliance with the Scheme No. 7-bis of Annex 3A to the Issuers' Regulation.
<b>Control and Risk Management System:</b>	Internal Control and Risk Management System adopted by Technogym.
<b>Subsidiaries:</b>	the companies directly or indirectly controlled by the Issuer pursuant to Art. 2359 of the Civil Code and Art. 93 of the Consolidated Finance Law.
<b>Technogym, Company or Issuer:</b>	Technogym S.p.A., with registered office in Cesena, Via Calcinaro, 2861, listed in the Business Register of the



	Chamber of Commerce of Romagna-Forlì-Cesena and Rimini, VAT No. 06250230965.
<b>Independent Auditors:</b>	auditing firm listed in the Register of Independent Auditors held at the Italian Ministry of Economy and Finance, appointed to audit the accounts of the Issuer.
<b>Articles of Association:</b>	articles of association of the Company in force at the date of this Report.
<b>Technogym Emirates:</b>	Technogym Emirates LLC, with registered office in P.O. Box 115158, Dubai, UAE.
<b>Technogym Village:</b>	headquarters of the group, located in Via Calcinaro 2861, Cesena (FC) and including factories, offices and green areas for a total area equal to approximately 145,000 square meters.
<b>CONSOLIDATED FINANCE LAW:</b>	Italian Legislative Decree No. 58 of 24 February 1998, as amended and integrated (Testo Unico della Finanza).
<b>Wellness Holding:</b>	Wellness Holding S.r.l., with registered office in Cesena (FC), Corte Don Giuliano Botticelli 51, tax code, VAT and Business Register of Forlì-Cesena No. 03323730402.
<b>Wellness Solutions:</b>	Wellness Solutions LLC, with registered office in Dubai, UAE, P.O. BOX 115158.

## 1. ISSUER PROFILE

### *Mission*

The Technogym Group is one of the leading groups in the international fitness equipment market in terms of sales volumes and market share. The Technogym Group offers wellness solutions, in particular for exercise (fitness), sport training and physical therapy (health), addressed to the main segments of the fitness equipment market and more in general to the wellness sector broadly defined. These solutions are characterized by technology innovations, attention to design and functionality of products and services. The range of products offered by the Technogym Group includes equipment that has received very good reviews by final users and professionals - as well as several international awards for industrial design - and that over time has contributed to positioning the Technogym brand in the top market range at the international level.

On 3 May 2016, the ordinary shares of Technogym were admitted to trading on the Mercato Telematico Azionario organized and managed by Borsa Italiana (“MTA”).

### *Business purpose*

Pursuant to Art. 3 of the Articles of Association, the business purpose of the Company is the invention, design, development, production, lease, franchising, sale, wholesale and retail trading, import and export of equipment, machinery, accessories and products to be used for physical activity, as well as the related installation, advice, assistance and repair and other services. The business purpose of the Company also includes the invention, design, development, production, leasing, licensing, franchising, sale, wholesale and retail trading, import and export of software applications, also in the cloud, electronic devices to measure biometric or movement parameters, and hardware products, including the management of on-line platforms, and the related installation, advice, assistance and repair and other services, provided these activities are functional, related or instrumental to physical activity. The Company can also provide management of gyms and physical therapy centers.

The Company may purchase, exchange, acquire in any other form, manage and sell stocks and bonds as well as equity investments and interests in other companies operating in the same sector, or in similar or related sectors. The Company may also provide technical, administrative and financial coordination and assistance, as well as cash pooling services, for the companies of the Group; it may also provide services of marketing, promotion, sales assistance and advice to these affiliated companies and take care of the publicity, promotion and use of the company brands.

Therefore, the Company may carry out all business, financial, sales, securities and real estate transactions needed to achieve the business purpose, or directly and indirectly related to this, including the provision of real and personal guarantees, also in favor of third parties, as well as the purchase and sale of interests and investments, including equity investments, in other companies, already established or about to be established, in Italy and abroad.

All these activities must be carried out within the limits and in compliance with the standards that regulate their exercise and with the legal and regulatory provisions on activities reserved to those registered with professional boards, orders, or registers in force. Notably, financial activities must be carried out in compliance with the relevant legal and regulatory provisions in force at the time and never with the public.

### *Company organization*

The governance of Technogym, as specified by the Articles of Association, is based on the traditional model of administration and control and includes the following bodies:

- the Shareholders' Meeting;
- the Board of Directors, within which a Chairman and possibly a Deputy Chairman, one or more Managing Directors and an Executive Committee are appointed; and
- the Board of Statutory Auditors.

For a more complete description of the governance structure of Technogym, we note that at the date of this Report the following were in office:

- executive in charge of drafting the financial reports of the Company, most recently appointed on 27 March 2019 (effective from 28 March 2019), pursuant to Art. 154-bis of the Consolidated Finance Law and Art. 25 of the Articles of Association ("**Financial Reporting Manager**");
- the committee for transactions with related parties ("**Committee for Transactions with Related Parties**"), most recently established within the Board of Directors on 15 May 2018, pursuant to the regulations on transactions with related parties issued by CONSOB with resolution No. 17221 of 12 March 2010, as subsequently amended ("**Related Party Regulations**");
- the committee for the internal control and risks ("**Control and Risk Committee**"), most recently established within the Board of Directors on 15 May 2018, pursuant to the standard 7.P.4 of the Corporate Governance Code;
- the nomination and remuneration committee ("**Nomination and Remuneration Committee**"), most recently established within the Board of Directors on 15 May 2018, pursuant to the standard 6.P.3 of the Corporate Governance Code;
- the Director in charge of the Internal Control and Risk Management System, most recently appointed on 15 May 2018 pursuant to standard 7.P.3(a)(i) of the Corporate Governance Code ("**Director in charge of the Internal Control System**");
- the Head of the Internal Audit function, appointed on 11 May 2016, pursuant to Application Criterion 7.C.5 of the Corporate Governance Code;
- the **Supervisory Board**, most recently established by the Board of Directors on 15 May 2018, pursuant to Legislative Decree No. 231/2001.

On 16 February 2016, PricewaterhouseCoopers S.p.A was appointed by the Ordinary Shareholders' Meeting to audit the accounts of Technogym, for the years from 2016 to 2024 included.

## 2. INFORMATION ON OWNERSHIP STRUCTURE AT THE DATE OF THIS REPORT

### a) SHARE CAPITAL STRUCTURE

The share capital of the Issuer, fully subscribed and paid-in, is equal to Euro 10,050,250.00, divided in 201,005,000 ordinary shares without specification of a nominal value. There are no other share categories. Each Share gives the right to one vote, apart from what will be said below on special voting rights.

Pursuant to Art. 7 of the Articles of Association, a shareholder will have right to two votes for each share, if the following conditions are both met:

- (a) voting rights pertain to the same party (or, in the case of joint ownership of the Qualifying Right in Rem, as defined below, to the same parties) based on a qualifying right in rem (full ownership with voting rights, ownership without usufruct with voting rights or usufruct with voting rights) ("**Qualifying Right in Rem**") for a continuous period of at least 24 (twenty-four) months from

- (i) the Trading Start Date of the shares of the Company on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the “**Listing Date**”) or a date after this; or else  
(ii) a date preceding the Listing Date by no more than 20 months;
- (b) the verification of the condition under (a) is proved (i) by the inclusion for a continuous period of at least 24 (twenty-four) months, in the special list established and regulated by Art. 7 of the Articles of Association of the Company or, (ii) in the case under (a)(ii) above, by continuous inclusion in the special list and, for the previous period, by the notes made on the certificates representative of the shares of the Company and/or the records in Shareholders' Register of the Company.

For the purposes of the condition under (b) above and the granting of special voting rights, the entitled party must submit a special application at the end of the relevant period, according to the cases sub (b)(i) or (b)(ii) above (“**Relevant Period**”) from their inclusion in the Special List, proving entitlement to the Qualifying Right in Rem with a special communication issued by the intermediary pursuant to the legal and regulatory provisions in force at the time and providing the information required by the legal and regulatory provisions in force at the time.

In this regard, it should be noted that in Communication No. 0214548 of 18 April 2019 CONSOB, interpreting the provisions of Art. 127-quinquies of the Consolidated Finance Law, clarified that the special voting right must be attributed automatically 24 months from posting the shares in the special list, unless the waiver has been communicated by the legitimate shareholder. Therefore, this Disclosure has an impact on the statutory clauses that require the second communication of intermediaries as a condition to award the bonus. On 17 March 2020 the Board of Directors thus resolved to propose to the Shareholders' Meeting called for 23 April 2020 to amend Art. 7 of the Articles of Association in order to bring the regulations provided for therein into line with CONSOB's interpretation of Art. 127-quinquies of the Consolidated Finance Law.

At the date of this Report, 80,000,000 out of 201,005,000 ordinary shares had special voting rights. The table below shows the share capital structure of Technogym S.p.A. on the date of this Report.

<b>SHARE CAPITAL STRUCTURE</b>						
	<b>No. shares</b>	<b>% on share capital</b>	<b>Voting rights</b>	<b>% of total voting rights</b>	<b>Listing</b>	<b>Rights and obligations</b>
Total ordinary shares	201,005,000	100%	281,005,000	100%	MTA	As by law and Articles of Association
- of which with special voting rights	80,000,000	39.80%	160,000,000	56.94%	MTA	As by law and Articles of Association

Apart from the provisions concerning special voting rights, all ordinary shares of Technogym give to holders the same rights, which may be exercised without restrictions.

On 21 April 2017, the Company’s Extraordinary Shareholders’ Meeting resolved to attribute to the Board of Directors, pursuant to Art. 2443 of the Civil Code, the right to freely increase the share capital, for a period equal to five years from 21 April 2017, up to a maximum amount of Euro 55,000,

in one or more tranches, through the allocation of the corresponding maximum amount of profits (or profit reserves), pursuant to Art. 2349 of the Civil Code, and issuing of up to 1,100,000 ordinary shares with no indication of nominal value, with the same characteristics as those outstanding, with regular dividend entitlement, at an issue value equal to the book value of the Company shares at the date of execution of the delegation by allocating the corresponding maximum amount of profits (or profit reserves) pursuant to Art. 2349 of the Civil Code, with the issuing of Company shares to employees of the Company or the Subsidiaries, in service of the incentive plan for Technogym management called the 2017-2019 Performance Shares Plan (“**2017-2019 Performance Shares Plan**”, according to the terms, conditions and methods set forth in the same (“**Delegation for the 2017-2019 Performance Shares Plan**”). The 2017-2019 Performance Shares Plan, approved by the Board of Directors on 6 March 2017, provides for the allocation without consideration of a given number of shares when specific conditions are met and specific prerequisites are maintained. The allocation of the Shares will take place within the 60th calendar day following the approval of the IFRS consolidated financial statements of the Group for the year ended as at 31 December 2019. For more information concerning the 2017-2019 Performance Shares Plan, please refer to the Remuneration Report drafted pursuant to Art. 123-ter of the Consolidated Finance Law, available at the registered office and on the website of the Company [www.technogym.com](http://www.technogym.com), in the Investor Relations/Governance/Shareholders’ Meetings section.

On 8 May 2018, the Company’s Extraordinary Shareholders’ Meeting resolved to grant to the Board of Directors, pursuant to Art. 2443 of the Civil Code, the power to increase the share capital, without consideration, for a period of five years from 8 May 2018, up to a maximum of Euro 30,000 (thirty thousand/00), in one or more tranches, issuing up to 600,000 (six hundred thousand/00) new ordinary shares with no indication of nominal value, with the same characteristics as those in circulation, entitled to regular dividends, at an issue value equal to the book value of Technogym shares at the date of execution of the delegation by allocating the corresponding maximum amount of profits (or profit reserves) resulting from the latest financial statements approved pursuant to Art. 2349 of the Civil Code, issuing Company Shares to employees of the Company or Subsidiaries, to ensure the implementation of the incentive plan for Technogym employed management known as “**2018-2020 Performance Shares Plan**”, according to the terms, conditions and methods set forth in this (“**Delegation for the 2018-2020 Performance Shares Plan**”). The 2018-2020 Performance Shares Plan, approved by the Board of Directors on 28 March 2018, provides for the allocation without consideration of a given number of shares of the Company when specific conditions are met and specific prerequisites are maintained. The Shares must be allocated within the 60th calendar day after the approval of the IFRS consolidated financial statements of the Group for the year ended as at 31 December 2020. For more information concerning the 2018-2020 Performance Shares Plan, please refer to the Remuneration Report drafted pursuant to Art. 123-ter of the Consolidated Finance Law, available at the registered office and on the website of the Company [www.technogym.com](http://www.technogym.com), in the Investor Relations/Governance/Shareholders’ Meetings section.

On 8 May 2019, the Company’s Extraordinary Shareholders’ Meeting resolved to grant to the Board of Directors, pursuant to Art. 2443 of the Civil Code, the power to increase the share capital, without consideration, for a period of five years from 8 May 2019, up to a maximum of Euro 30,000 (thirty thousand/00), in one or more tranches, issuing up to 600,000 (six hundred thousand/00) new ordinary shares with no indication of nominal value, with the same characteristics as those in circulation, entitled to regular dividends, at an issue value equal to the book value of Technogym shares at the date of execution of the delegation by allocating the corresponding maximum amount of profits (or profit reserves) resulting from the latest financial statements approved pursuant to Art. 2349 of the Civil Code, issuing Company shares to employees of the Company or Subsidiaries, to ensure the implementation of the incentive plan for Technogym employed management known as “**2019-2021 Performance Shares Plan**”, according to the terms, conditions and methods set forth in this (“**Delegation for the 2019-2021 Performance Shares Plan**”). The 2019-2021 Performance Shares Plan, approved by the Board of Directors on 27 March 2019, provides for the allocation without consideration of a given number of shares of the Company when specific conditions are met and specific prerequisites are maintained. The allocation of the Shares will take place within the 60th calendar day following the approval of the IFRS consolidated financial statements of the Group for

the year ended as at 31 December 2021. For more information concerning the 2019-2021 Performance Shares Plan, please refer to the Remuneration Report drafted pursuant to Art. 123-ter of the Consolidated Finance Law, available at the registered office and on the website of the Company [www.technogym.com](http://www.technogym.com), in the Investor Relations/Governance/Shareholders' Meetings section.

On 17 March 2020, the Board of Directors resolved to propose to the Shareholders' Meeting of the Company, called for 23 April 2020, to approve, pursuant to and in accordance with Art. 114-bis of the Consolidated Finance Law, to adopt a plan for the allocation without consideration of rights to receive ordinary shares of the Company, known as the “**2020-2022 Performance Shares Plan**”, by awarding up to 900,000 shares of the Company. The Performance Shares Plan is reserved to managers of the Technogym Group identified among employees and/or independent partners of the Company or Subsidiaries as holding relevant managerial positions, or in any case as being in a position to make a significant contribution to the pursuit of the strategic objectives of the Company and/or the Group, which includes, therefore, the Key Managers of the Company. Terms and conditions of the 2020-2022 Performance Shares Plan, including potential beneficiaries and the corresponding values, are described (i) in the information document drafted pursuant to Art. 84-bis of the Issuers' Regulation and in compliance with Scheme No. 7 of Annex 3A to the Issuers' Regulation (“**Information Document**”), published on 26 March 2020, (ii) in the remuneration report drafted pursuant to Art. 123-ter of the Consolidated Finance Law and Art. 84-quater of the Issuers' Regulation and in compliance with Scheme No. 7-bis of Annex 3A to the Issuers' Regulation (“**Remuneration Report**”), published on 1 April 2020. The Information Document, the Remuneration Report and the 2019 draft financial statements are available at the registered office and on the website of the Company [www.technogym.com](http://www.technogym.com), in the Investor Relations/Governance/Shareholders' Meetings section.

On 17 March 2020, the Board of Directors also resolved to propose to the Shareholders' Meeting of the Company to grant the Board of Directors, pursuant to Art. 2443 of the Civil Code, for a period of five years from the date of the resolution, the power to increase the share capital, without consideration, in one or multiple tranches, pursuant to Art. 2349 of the Civil Code, by a maximum of Euro 45,000 by issuing up to 900,000 ordinary shares, at an issue value equal to the book value of Technogym shares at the date of execution, to be fully recognized as an equity item and awarded to the beneficiaries of the 2020-2022 Performance Shares Plan (“**Proposed Delegation for the Plan**”).

**b) Restrictions on the transfer of securities**

There are no restrictions on the transfer or possession of securities, nor clauses requiring approval to become a shareholder of the Company.

**c) Relevant share capital holdings**

The relevant holdings in the share capital of Technogym, direct or indirect, according to the communications received by the Company, pursuant to Art. 120 of the Consolidated Finance Law, on the date of this Report, are listed in Table 1 of the Annex.

**d) Securities conferring special rights**

There are no securities conferring special control rights, nor parties entitled to special rights pursuant to the Articles of Association and the legal provisions in force.

For special voting rights, we refer to that which was said in Paragraph 2 a) above.

**e) Equity investments of employees: mechanism for the exercise of voting rights**

There is no mechanism excluding or limiting the direct exercise of voting rights by the beneficiaries of the 2017-2019 Performance Shares Plan, the beneficiaries of the 2018-2020 Performance Shares Plan, the beneficiaries of the 2019-2021 Performance Shares Plan and the beneficiaries of the 2020-2022 Performance Shares Plan.

**f) Restrictions to voting rights**

There are no mechanisms to restrict the voting rights of Shareholders, apart from the terms and conditions for the exercise of the right to take part and vote in Shareholders' Meeting described in Chapter 15 of this Report.

**g) Shareholders' agreements**

The Company is not aware of any agreement between Shareholders pursuant to Art. 122 of the Consolidated Finance Law.

**h) Change of control clauses and provisions of the Articles of Association on takeover bids**

**Change of control clauses**

The Company and its Subsidiaries, within their sales activity, have concluded sales agreements (for example, distribution or joint-venture, supply etc.) that, as it is common practice on international markets, include clauses that give each party the power to rescind the agreement if there is a direct and/or indirect change in the control of the other party outside of some explicit exceptions. Similar clauses are found in some lending agreements. We describe below the terms of the main agreements that include clauses of this type.

**Joint venture agreements for the establishment of Technogym Emirates LLC**

On 1 June 2007, Technogym and Wellness Solutions LLC (“**Wellness Solutions**”) signed an agreement known as joint venture company formation agreement for the establishment of Technogym Emirates LLC (“**Technogym Emirates**”), a limited liability company for the distribution of Technogym equipment and services in the UAE, established under UAE law, of which 51% is held by Wellness Solutions and 49% by Technogym.

On the same day, Wellness Solutions, Technogym and Technogym Emirates signed a Shareholders' agreement setting conditions and terms for the operation of Technogym Emirates; a later deed (contract of establishment) of Technogym Emirates, was signed on 19 September 2007 by Technogym and Wellness Solutions. On 22 July 2012, Flag Holding LLC (“**Flag Holding**”) acquired the entire equity investment held by Wellness Solutions in Technogym Emirates: therefore, on the same day, Flag Holding signed a deed of acceptance of the Shareholders' agreement of Technogym Emirates, taking over from Wellness Solutions the rights and obligations deriving from the Shareholders' agreement, the contract of establishment and the joint venture company formation agreement.

The Shareholders' agreement contains, inter alia, a clause of change of control, pursuant to which, in the case of a change of control in Flag Holding or Technogym (including the persons that respectively control them), the other party will have right to buy the equity investment of the party which has undergone the change of control, at a price to be agreed among the parties or, in the absence of an agreement, set by a third independent party according to the market value of the Technogym Emirates shares. The listing or the admission to the trading of Technogym shares on any regulated market is expressly excluded as a case of change of control pursuant to the Shareholders' agreement.

In April 2017, Alaslab International Investment LLC (“**Alaslab**”) acquired the entire equity investment held by Flag Holding in Technogym Emirates: on the same day, Alaslab signed a deed to accept the Shareholders' agreement of Technogym Emirates, taking over from Flag Holding the rights and obligations deriving from the Shareholders' agreement, the contract of establishment and the joint venture company formation agreement.

### UniCredit loan

On 2 August 2019, Unicredit S.p.A. and Technogym signed an agreement for a medium-long term loan for a total of Euro 25,000,000, made available to the Issuer to support the liquidity requirements related to the business activities of the Group.

The loan in question accrues interest at a variable rate equal to the Euribor 6M plus a spread and will be repaid in 6 half-yearly constant capital instalments, equal to Euro 4,167,000, with final maturity on 29 July 2022. This loan requires, inter alia, an early repayment if the reference shareholders, together, no longer hold, directly or indirectly, a number of shares with voting rights free from encumbrance sufficient to guarantee them enough votes to have a dominant influence in the Ordinary Shareholders' Meeting. This clause, however, does not apply in the case of listing of the shares of the Issuer on a regulated market.

### BNL loan

On 16 May 2019, BNL and Technogym signed an agreement for a medium-long term loan for a total of Euro 25,000,000, made available to the Issuer to support the liquidity requirements related to the business activities of the Group.

The loan in question accrues interest at a variable rate equal to the Euribor 6M plus a spread, has an amortization period of one year and will be subsequently repaid in 6 half-yearly constant capital installments, equal to Euro 4,167,000, with final maturity on 16 May 2023. This loan requires, inter alia, an early repayment if the reference shareholders, together, no longer hold, directly or indirectly, a number of shares with voting rights free from encumbrance sufficient to guarantee them enough votes to have a dominant influence in the Ordinary Shareholders' Meeting. This clause, however, does not apply in the case of listing of the shares of the Issuer on a regulated market.

### ***Provisions from the Articles of Association on takeover bids***

With reference to the current provisions on takeover bids, the Articles of Association contains an explicit derogation to the authority of the Shareholders' Meeting on defenses at the time of public offers for purchase or exchange on the shares of the Company (known as “passivity rule”), as set forth in Art. 104, Paragraph 1, of the Consolidated Finance Law.

Pursuant to Art. 23.3 of the Articles of Association of the Company, the Board of Directors, and any representative of this, without the need for authorization by the Shareholders' Meeting, may:

(a) carry out all actions and transactions under their responsibility to prevent the objectives of a public offer for purchase or exchange from being achieved, from the communication with which the decision or the triggering of the obligation to promote the bid is made public up to the closure or forfeiture of the bid itself;

(b) implement decisions under their responsibility not yet implemented, fully or in part, that do not fall in the normal course of activity of the Company, taken before the communication of which above and the execution of which may prevent the achievement of the objectives of the bid.

In addition, we note that the Articles of Association of Technogym do not expressly provide for the application of the neutralization rules considered by Art. 104-bis, Paragraphs 2 and 3, of the Consolidated Finance Law.

### **i) Powers to increase share capital and authorizations to purchase of treasury shares**

With reference to the Delegation for the 2017-2019 Performance Shares Plan, the Delegation for the 2018-2020 Performance Shares Plan and the Delegation for the 2019-2021 Performance Shares Plan, please refer to Paragraph 2, a) above.



On 17 March 2020, the Board of Directors also resolved to propose to the Shareholders' Meeting of the Company called for 23 April 2020 to authorize the Board of Directors to buy ordinary Technogym shares without nominal value up to the maximum limit set by Art. 2357, Par. 3 of the Civil Code, for a period of 18 months from the Date of this resolution, using any of the procedures specified by the joint provisions of Art. 132 of the Consolidated Finance Law and 144-bis, letters a), b) and d) of the Issuers' Regulation and, in any case, with any other procedures allowed by the legal and regulatory provisions in force at the time on this issue, both Italian and EU, and in compliance with all applicable laws and regulations, including Italian and EU legal and regulatory provisions on market abuse, with the sole exception of the purchase procedures specified by Art. 144-bis, letter c) of the Issuers' Regulation. According to the proposal submitted to the Shareholders' Meeting, the purchases shall be carried out at a price between a minimum and a maximum around the market price according to the criteria specified in detail in the Report of the Board of Directors available to the public in the terms and with the procedures specified by law.

With the exception of the above, at the date of this Report, no powers have been granted to the Directors to increase share capital for a consideration, in one or multiple tranches, nor have the Directors been granted the power to issue obligations convertible in either ordinary or saving shares or with warrants valid for the underwriting of shares.

**j) Direction and coordination activities**

At the date of this Report, Wellness Holding holds 39.80% of the share capital and 56.94% of the voting rights of the Company and, therefore, it controls the Issuer pursuant to Art. 93 of the Consolidated Finance Law. Wellness Holding is in turn controlled by Nerio Alessandri, Chairman of the Board of Directors and Managing Director of the Company, through Oiren S.r.l. (which holds 75% of the share capital of Wellness Holding).

However, pursuant to Arts. 2497 of the Civil Code et seq., the Issuer is not subject to direction and coordination by Wellness Holding or by any other company or entity in the chain of control through which Nerio Alessandri controls Wellness Holding, as acknowledged most recently in the meeting of the Board of Directors of the Company held on 8 February 2019 and confirmed by the Board of Directors' meeting of 19 February 2020. In particular, after reviewing the factual circumstances, the Board of Directors of Technogym concluded that none of the activities of which the direction and coordination usually consists, pursuant to Arts. 2497 Civil Code et seq., was carried out by Wellness Holding or by another company or entity. By way of example but not limited to, the Board of Directors has observed that:

- The strategic, business, financial and/or budgetary plans of the Company and the Group are prepared and executed independently by Technogym and there are no joint business, financial or strategic plans in place with Wellness Holding or with another company or entity that is part of the control chain of the latter;
- Technogym is not subject to any regulations or policy imposed by Wellness Holding or by other company or entity in the chain of control of this;
- management decisions are not centralized at the parent companies;
- Technogym has full negotiating autonomy in its relations with customers and suppliers, without any external interference by Wellness Holding or other company or entity in the chain of control of this;
- there are no intra-group loans, nor common financial plans or cash pooling systems involving Wellness Holding or other company or entity that is part of the control chain of the latter;
- there are no ongoing transactions or projects based on activities or resources shared between Technogym and Wellness Holding or other company or entity that is part of the control chain of the latter for the purposes of achieving economies of scale;

- the review and approval of the organizational structure of the Group and the assessment of the suitability of the organizational, administrative and accounting structure of the Company and the Group pertains to the Board of Directors of Technogym;
- no business, organizational or financial act, guideline or deed related to Technogym or to the Group had been promoted or authorized by Wellness Holding or other company or entity that is part of the control chain of the latter.

\* \* \*

Lastly, we note that:

- the information required by Art. 123-bis, Par. 1, letter i) of the Consolidated Finance Law (on *“the agreements between the companies and the Directors [...] that provide for indemnities in the case of resignation or dismissal without just cause or if their employment relationship is terminated after a bid”*) is provided in the Remuneration Report, available at the registered office and on the website of the Company ([www.technogym.com](http://www.technogym.com));
- the information required by Art. 123-bis, Par. 1, letter l) of the Consolidated Finance Law (on *“the provisions that apply to the appointment and replacement of Directors [...] as well as to the amendment of the Articles of Association, if different from the legal and regulatory provisions applicable in a supplementary capacity”*) are described in the section of this Report devoted to the Board of Directors (next Paragraph 4.1).

### **3. COMPLIANCE**

Technogym abides by the Corporate Governance Code, which is made available to the public on the website of the Corporate Governance Committee at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>. The following paragraphs of this Report describe, inter alia, according to the “comply or explain” Standard in EU Recommendation No. 208/2014 and to the guidelines of the Corporate Governance Code, the few guidelines and application criteria of the Corporate Governance Code by which the Company has not, so far, chosen to abide.

The corporate governance system of the Company is completed by the provisions of the Articles of Association and the Regulations of the Shareholders' Meeting. The corporate governance system of the Company is based on the principles of the Corporate Governance Code and more in general on international best practice, adapted to take into account the specific characteristics of the Company and the activities carried out.

This Report was drafted also on the basis of the instructions provided by Borsa Italiana on the format of corporate governance reports (8th version, January 2019).

Neither the Company nor its Subsidiaries are subject to non-Italian legal provisions with an influence on the corporate governance structure of Technogym.

### **4. BOARD OF DIRECTORS**

Pursuant to the legal and regulatory provisions in force at the time for companies issuing shares listed in regulated markets and in compliance with the recommendations of the Corporate Governance Code, the Board of Directors holds a key position in the governance system of the Company.

Pursuant to Art. 23 of the Articles of Association, the *“management of the Company is the exclusive authority of the Board of Directors. The Board has the broadest powers for the ordinary and extraordinary management of the Company. Notably, it has all the powers for the pursuit of the business purpose that are not strictly reserved to the Shareholders' Meeting by the law or by these Articles of Association. Without prejudice to the concurrent competence of the Shareholders' Meeting, the Board of Directors may also resolve on: (a) the merger of fully owned companies under the terms*

*specified in Art. 2505 of the Civil Code or of companies at least 90% owned (ninety percent) pursuant to Art. 2505-bis of the Civil Code; (b) the opening or closing of secondary offices; (c) the specification of which Directors have the power to represent the Company; (d) the reduction in share capital in the case of withdrawal of a shareholder; (e) the changes to the Articles of Association made to reflect legal provisions; (f) the transfer of the registered office to another location in Italy. Art. 2436 of the Civil Code applies in any case. The Board of Directors, and its delegated bodies, if any, shall also have the right, without the need for authorization by the Shareholders' Meeting: (a) to carry out all actions and transactions under their responsibility that may prevent the objectives of a public offer for purchase or exchange from being achieved, from the communication with which the decision or the triggering of the obligation to promote the offer were made public until the closing or forfeiture of the offer itself; (b) to implement decisions under their responsibility not yet implemented fully or implemented only in part that do not fall in the normal course of activity of the Company, taken before the communication of which above and the execution of which may prevent the achievement of the objectives of the offer.”*

Pursuant to Art. 20 of the Articles of Association, the Board of Directors elects from among its members a Chairman, unless this is done by the Shareholders' Meeting, and a Secretary, who may or may not be a member. The Board of Directors may also appoint a Deputy Chairman.

Pursuant to Art. 24 of the Articles of Association, the Board of Directors may appoint one or more Managing Directors, with joint or individual powers, and grant other Directors special powers and, after hearing the Board of Statutory Auditors, set their remuneration. In addition, it may appoint one or more general managers, setting their powers, or grant special power of attorney.

Lastly, the Board of Directors may appoint an Executive Committee pursuant to Art. 2381 of the Civil Code, setting the number of members and their duration in office.

Pursuant to Art. 25 of the Articles of Association, the Board of Directors, after mandatory opinion of the Board of Statutory Auditors, appoints the Financial Reporting Manager, granting this appropriate resources and powers for the execution of his/her tasks, sets his/her remuneration and resolves on his/her revocation.

#### **4.1 Appointment and replacement**

Pursuant to Art. 16 of the Articles of Association, the Company is managed by a Board of Directors elected by the Shareholders' Meeting and consisting of a number of members set by the Shareholders' Meeting before the appointment, between seven and fifteen.

The Directors elected are in office three years or for the period set at the time of the appointment by the Shareholders' Meeting, which in any case shall not exceed three years. They may be re-elected.

All Directors must meet the requirements of eligibility, professionalism and integrity set by legal and regulatory provisions.

Pursuant to Art. 147-ter of the Consolidated Finance Law, at least two Directors must also meet the independence requirements there specified.

In compliance with the legal and regulatory provisions applicable to listed companies, Art. 16 of the Articles of Association provides for the appointment of the Board of Directors to be made by the Shareholders' Meeting on the basis of lists presented by shareholders, according to the procedure set forth in Art. 17 of the Articles of Association and described below.

Lists may be presented by the Board of Directors in office and by the shareholders who, alone or with others, at the time of the presentation of the list hold a percentage equity investment at least equal to the one set by CONSOB with regulations pursuant to Art. 147-ter of the Consolidated Finance Law. In this regard, we note that, with CONSOB top management resolution No. 28 of 30 January 2020, the

percentage equity investment required, pursuant to Art. 144-quater of the Issuers' Regulation, to present a list of the candidates for the election of the administration and control bodies of Technogym was set at 1%.

Each shareholder, the shareholders participating in a Shareholders' Agreement relating to the relevant Company as set forth in Art. 122 of the Consolidated Finance Law, the controlling party, the Subsidiaries and those subject to common control and other parties among, which there is an affiliation, even indirect, pursuant to the legal and regulatory provisions in force at the time, cannot present or take part in the presentation, not even through a third party or trust company, of more than one list nor may vote for different lists. Each candidate may appear only on one list, being otherwise deemed ineligible. Each list carries the names of the candidates, with a sequential number; the number of candidates cannot exceed the number of members to be elected.

Any list with a number of candidates equal or below 7 must include and identify at least 1 candidate with the independence requirements set according to the legal and regulatory provisions in force at the time for Independent Directors. Any list with a number of candidates above 7 must include and identify at least 2 candidates with the independence requirements set according to the legal and regulatory provisions in force at the time for Independent Directors.

In addition, for the period of application of the legal and regulatory provisions in force at the time on gender balance, any list presenting at least 3 candidates must also include candidates of both genders, so that at least one-third (rounded up) of candidates belong to the less represented gender.

With regard to gender balance, it should be noted that on 1 January 2020 the provisions of the 2020 Budget Law, which amended articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the Consolidated Finance Law, came into force. In particular, with effect from the renewal of corporate bodies after 1 January 2020 the law has: (i) increased the percentage of members to be reserved to the less represented gender by at least one third to at least two fifths for both the board of directors and the control body; and (ii) extended the period of validity of the new criterion of allocation by at least two fifths for six consecutive mandates instead of three mandates. With reference to the corporate bodies made up of three members, given the uncertainties of interpretation in the application of the new criterion of attributing at least two-fifths to the least represented gender, in Communication No. 1/20 of 30 January 2020, CONSOB clarified that – pending an adjustment of the regulatory provisions – it will consider the criterion of rounding up to the higher unit as set forth in paragraph 3 of Art. 144-undecies.1 of the Issuers' Regulation inapplicable due to arithmetical impossibility. Therefore, with reference to these bodies, CONSOB considers that rounding down to the lower unit is in line with the new rules. The aforementioned regulatory changes entail the need to amend articles 17 (concerning the election of the members of the Board of Directors) and 28 (concerning the election of the members of the Board of Statutory Auditors) of the Articles of Association, without prejudice to the applicability of the new provisions from the next renewal of the corporate bodies by Technogym Shareholders' Meeting on the date of approval of the financial statements for the year ended 31 December 2020 in the case of the Board of Directors, and 31 December 2021 in the case of the Board of Statutory Auditors. On 17 March 2020, the Board of Directors thus resolved to propose to the Shareholders' Meeting called for 23 April 2020 to amend the articles of the Articles of Association mentioned above by a mobile reference to the legislation, including pro tempore regulations in force on gender balance.

The lists must be filed at the offices of the Company, also remotely, following the procedures specified in the call notice, and made available to the public in the terms and with the procedures specified by legal and regulatory provisions in force at the time.

The lists must be accompanied by the following:

- (a) information on the identity of the shareholders who have presented the lists, with the specification of the percentage equity investment held in total, being understood that the evidence of the ownership of this equity investment may be presented even after the deposit of the lists provided this is done within the term set for the publication of the lists by the Company;

- (b) a statement of the shareholders other than those holding, alone or jointly, a controlling interest or a relative majority, stating the absence of relations of affiliation, even indirect, pursuant to the legal and regulatory provisions in force at the time, with the latter;
- (c) exhaustive information on the personal and professional characteristics of the candidates, possibly specifying their qualifications as Independent Directors pursuant to the legal and regulatory provisions in force at the time (and/or pursuant to the codes of conducts on corporate governance promoted by management companies of regulated markets if adopted by the Company), as well as a statement by the candidates that the requirements set by the legal and regulatory provisions in force at the time and by the Articles of Association, including those of integrity and, if applicable, independence, are met, and that they accept the candidature and, if elected, the office;
- (d) any other additional or different statement, information and/or document required by the legal and regulatory provisions in force at the time.

If these obligations are not fulfilled, the list is deemed as not presented.

The vote of each shareholder is given to a list and therefore, automatically, to all candidates on the list, without changes, additions or exclusions.

The election of the Board of Directors takes place as follows:

- (a) the lists that have obtained a percentage of votes less than the half of the percentage required for their presentation are not taken into account;
- (b) all Directors to be elected bar one are taken, in the progressive order with which they are indicated in the list, from the list that obtained the highest number of votes;
- (c) the remaining Director to be elected is taken from the list that obtained the second highest number of votes after the one in (b), votes given by shareholders who are not related in any way, not even indirectly, pursuant to the legal and regulatory provisions in force at the time with the shareholders who have presented or voted the list as set forth in (b) above.

In case of parity between lists, priority is given to the list presented by the shareholders with the largest equity investment or, subordinately, by the largest number of shareholders.

If at the end of the voting a sufficient number of Directors meeting the independence requirements set by the legal and regulatory provisions in force at the time has not been elected, the candidate not meeting these requirements who was elected last (in progressive order) from the list that obtained the highest number of votes shall be excluded and will be replaced by the first (in progressive order) unelected candidate of the same list who meets the independence requirements. This procedure will be repeated, as necessary, until a sufficient number of Independent Directors is elected. If, at the end of this replacement process, the composition of the Board of Directors does not allow for the minimum number of Directors meeting the independence requirements required by legal and regulatory provisions in force at the time, the replacement shall take place with resolution by the Shareholders' Meeting by relative majority of the votes there represented, after presentation of the candidates meeting the independence requirements set by the legal and regulatory provisions in force at the time.

Moreover, if at the end of the voting and possibly the application of the previous paragraph with the candidates elected, the composition of the Board of Directors does not comply with the legal and regulatory provisions on gender balance in force at the time, the candidate of the most represented gender elected last (in progressive order) on the list that obtained the highest number of votes shall be excluded and replaced by the first (in progressive order) unelected candidate of the less represented gender on the same list. This replacement process is repeated until the composition of the Board of Directors complies with the legal and regulatory provisions in force at the time on gender balance. If,

at the end of this replacement process, the composition of the Board of Directors still does not comply with the legal and regulatory provisions on gender balance in force at the time, the replacement shall take place with resolution of the Shareholders' Meeting, taken by relative majority of the votes there represented, after presentation of candidates belonging to the less represented gender.

If the number of candidates elected on the basis of the lists presented is less than the number of Directors to be elected, the remaining Directors are elected by resolution of the Shareholders' Meeting taken by the relative majority of the votes there represented and in any case so as to ensure the presence of the minimum number of Independent Directors required by legal and regulatory provisions in force at the time, as well as compliance with the legal and regulatory provisions on gender balance in force at the time. In case of parity of votes between different candidates, a second ballot between them shall take place at the Shareholders' Meeting, and the candidate obtaining most votes shall prevail.

If a single list is presented, the Shareholders' Meeting votes on this list and, if the relative majority of the votes there represented is obtained, all members of the Board of Directors shall be taken from this list in compliance with the legal and regulatory provisions in force at the time, also in regard to independence and gender balance of Directors.

If no list is presented or if a single list is presented and this does not obtain the relative majority of the votes represented in Shareholders' Meeting or if the entire Board of Directors does not need re-appointing or if it is not possible for any reason to appoint the Board of Directors with the procedures described above, the members of the Board of Directors are appointed by the Shareholders' Meeting with the ordinary procedures and the relative majority of the votes there represented, without application of the list vote mechanism, and in any case in a way to ensure the presence of the minimum number of Independent Directors required by legal and regulatory provisions as well as compliance with the legal and regulatory provisions on gender balance in force at the time.

With regard to the replacement of Directors, if one or more Directors leave office, for any reason, Art. 19 of the Articles of Association requires their replacement to take place as follows.

If the outgoing Director has been taken from a list other than the one that had obtained the highest number of votes, and provided the majority of the Directors continues to consist of Directors appointed by the Shareholders' Meeting, the Board of Directors shall appoint the replacement by co-optation pursuant to Art. 2386 of the Civil Code among the candidates from the same list as the outgoing Director, provided this meets the requirements made.

If, for any reason, there are no names available and eligible or if the outgoing Director had been taken from the list that had obtained the highest number of votes, the Board of Directors shall appoint the replacement(s) by co-optation pursuant to Art. 2386 of the Civil Code, without restrictions in the choice among the members of the lists originally presented.

If the law requires the Shareholders' Meeting to appoint the Directors needed to integrate the Board of Directors after the departure of Directors, it will proceed in compliance with the provisions that follow.

(a) If it is necessary to replace one or more members of the Board of Directors taken from the list that had obtained the highest number of votes, the Ordinary Shareholders' Meeting shall resolve on the replacement by relative majority of the votes there represented, without restrictions in the choice among the members of the lists originally presented.

(b) If, instead, the member of the Board of Directors to be replaced had been taken from a list other than the list that had obtained the highest number of votes, the Shareholders' Meeting shall chose a replacement (with the relative majority of the votes there represented), if possible, among the candidates in the list of the Director to be replaced; these must have confirmed their candidacy in writing, at least 10 days before the date set for the Shareholders' Meeting, and provided statements to the effect that there are no causes of ineligibility or forfeiture, and that the requirements for the office set by the legal and regulatory provisions in force at the time or by the Articles of Association are met.

If this replacement process is not feasible, this member of the Board of Directors is replaced with resolution to be taken with the relative majority of the votes represented in the Shareholders' Meeting, while respecting, if possible, the representation of the minorities.

The replacements described above must, in any case, be carried out in compliance with the legal and regulatory provisions in force at the time on gender balance and the minimum number of Directors meeting the independence requirements required by legal and regulatory provisions in force at the time.

The term of office of the Directors appointed by the Shareholders' Meeting to replace the Directors who leave ends at the same time as the Directors already in office at the time of their appointment.

If the majority of the Directors appointed by the Shareholders' Meeting leaves, for any reason, the entire Board of Directors is understood to have left and the meeting to appoint the new Board of Directors must be called urgently by the Directors still in office.

The Board regularly verifies that its members continue to meet the requirements made by the legal and regulatory provisions in force at the time and by the Articles of Association, including the independence and honorableness requirements, and that there are no causes of ineligibility and forfeiture.

The Director who, after the appointment, no longer meets the requirements made or previously stated must immediately inform the Board of Directors. The loss of independence requirements as defined by the legal and regulatory provisions in force that apply to the Independent Directors involves the forfeiture of the office, unless the independence requirements continue to be met by the minimum number of Directors who must meet them according to the legal and regulatory provisions in force. Without prejudice to these provisions, if a Director does not meet or no longer meets the independence requirements (if this involves the forfeiture according to the provisions above) or integrity stated and required, or there are cause of ineligibility or forfeiture, the Board of Directors declares the forfeiture of the Director and carries out his/her replacement in compliance with the legal and regulatory provisions applicable and that is described above.

### **Succession plans**

Implementing the recommendations of the Corporate Governance Code, on 8 February 2019, following a preliminary investigation by the Nomination and Remuneration Committee, the Board of Directors of the Company approved a procedure to manage the transition in the event of a departure of the Chairman and Managing Director before the natural end of their term of office (“Contingency Plan”) and to avoid a power vacuum and/or deadlock.

Pursuant to this procedure, in the event of a sudden departure of the Chairman or the Managing Director, their powers will be temporarily assigned, respectively, to the Deputy Chairman, if any, or to the Chairman, or, if the Chairman also holds the office of Managing Director, to another director preferably selected among those already granted executive powers. The Nomination and Remuneration Committee shall promptly start the selection of the new Chairman and/or Managing Director – in the latter case also making use of consultants specialized in this sector, which shall provide a shortlist of candidates – and express their opinion to the Board of Directors on the most suitable candidate.

## **4.2 Composition**

At the date of this Report, the Board of Directors of the Company consisted of the following members: Nerio Alessandri (Chairman and Managing Director), Pierluigi Alessandri (Deputy Chairman), Erica Alessandri, Francesca Bellettini, Carlo Capelli, Maurizio Cereda, Chiara Dorigotti, Vincenzo Giannelli, Maria Cecilia La Manna, Riccardo Pinza e Andrea Giuseppe Zocchi.

The Board of Directors of the Issuer in office, consisting of 11 members, was appointed by the Ordinary Shareholders' Meeting on 8 May 2018 for a period of three years, i.e. until the approval of the financial statements for the year ending as at 31 December 2020.

In particular, it should be noted that the majority list (presented by the shareholder Wellness Holding S.r.l.) was voted by 78.34% of the voting capital and all the Directors were taken from it, except Andrea Giuseppe Zocchi who was taken from the minority list (presented by Studio Legale Trevisan & Associati on behalf of a group of investors), which was voted by 21.62% of the voting capital.

A total of 5 directors have stated to meet the independence requirements - pursuant to the combined provisions of Art. 147-ter, Par. 4 and Art.148, Par. 3 of the Consolidated Finance Law and Application Criterion 3.C.1 of the Corporate Governance Code: Francesca Bellettini, Chiara Dorigotti, Vincenzo Giannelli, Maria Cecilia La Manna and Andrea Giuseppe Zocchi. Their declarations were subsequently verified by the Board of Directors.

At the date of this Report, the Managing Director Nerio Alessandri, the Deputy Chairman Pierluigi Alessandri and the Director Carlo Capelli were Executive Directors.

Table 2 in the Annex provides the relevant information on each member of the Board of Directors in office at the date of this Report.

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We provide below a short curriculum vitae for each member of the Board of Directors, which show their competencies and experience in the corporate management area.

### **Nerio Alessandri**

After training and working as industrial designer, in 1983 he started Technogym, leading its development for more than 30 years, until today (see Chapter 5, Par. 5.1.5, of the Registration Document). After approximately 20 years of experience in the fitness and the wellness sectors, in 2002, Nerio Alessandri sets up the Wellness Foundation, a non-profit organization that promotes wellness as a social opportunity for governments, companies and individuals; one of the key projects of the Foundation is the Wellness Valley, which aims at turning the Romagna region into an important district for competencies on wellness and quality of life. He received an honorary degree (laurea honoris causa) from the Faculty of Motor Sciences at the University of Urbino, in April 2004, and an honorary degree (laurea ad honorem) from the Faculty of Biomedical Engineering at the University of Bologna. Lastly, in February of 2014, he received a Master honoris causa in Business Administration from the CUOA Foundation. His capacities as entrepreneur were recognized also with several awards and accolades at the Italian and international level, among which the appointment as "Cavaliere del Lavoro" [Knight of Labor] in 2001, the Leonardo Award for Italian Quality in 2004 as well as, in 2010, the Guido Carli Award for corporate social responsibility. In addition, in November 2007, the US Chamber of Commerce named Nerio Alessandri as entrepreneur of the year in the economics category.

### **Pierluigi Alessandri**

He co-founded Technogym in 1983 together with Nerio Alessandri, overseeing the development of its manufacturing and property activities for more than 30 years until today (see Chapter 5, Par. 5.1.5, of the Registration Document). Member of the Board of Directors of the Issuer since 1986. Also, sole Director of TGB S.r.l. (formerly Technogym Building S.r.l.): in this position, from 2000, he supervised and completed the project for the construction of the Technogym Village (see Chapter 6, Par. 6.1.4, of the Registration Document). In 2006, he also managed the start and completion of the plant of the Technogym Group in Slovakia (see Chapter 6, Par. 6.1.4, of the Registration Document).



### **Erica Alessandri**

Graduated in Business Management from the Queen Mary University of London in July 2012. She completed several internships, some while still in college, at important financial institutions (J.P. Morgan in Paris, G.B.S. Finanzas in Madrid and Algebris Investments in London), private companies (Bulgari in New York) and/or public institutions of international relevance (UN World Food Program in El Salvador). She joined Technogym in September 2013, as Junior Project Manager, remaining there until September 2014. From September 2014, she worked at the Luxottica Group, at first as Global Brand Manager Assistant for the Persol brand until March 2015, and, from April 2015 to July 2016, as Junior Project Manager for the Bulgari and Tiffany brands. In January 2018 she started the Master in Business Administration (MBA) at the INSEAD Business School in France and Singapore, completed in December 2018. Since April 2014, she is also on the Board of Directors of Enervit S.p.A. Since May 2019 she has been a member of the Board of Directors of TGB S.r.l. and since December 2019 she has also been Director of Wellness Foundation. Currently she works at the Family Office as Business Developer.

### **Francesca Bellettini**

Graduated in Business Administration at the Bocconi University in Milan in 1994. She had a first working experience as an intern at Citibank in Milan in 1994. Between August 1994 and May 1996, she worked in Goldman Sachs, at first at the offices of New York, then in London in the Investment Banking and Mergers & Acquisitions division. Between July 1996 and March 1998, she worked in London, in the Investment Banking Division of Deutsche Morgan Grenfell, focusing on the luxury goods sector. Between April 1998 and March 1999, she gained new professional experience in the London offices of Compass Partners International, at the Private Equity Division. In April 1999, she joined the Prada Group at the Planning & New Business Development division, also taking the position of coordinator of the IPO process, remaining there until February 2002. After a brief stint as operations manager in Helmut Lang (Prada Group), she joined Gucci (Kering Group) in January 2003, as an assistant to the Chairman and Managing Director of Gucci, holding this position until January 2005. From February 2005 to November 2008, she was Strategic Planning Director and Associate Worldwide Merchandising Director of Gucci. In November 2008, she joined Bottega Veneta (also part of the Kering Group), at first as Worldwide Merchandising Director (until November 2010) and later as Worldwide Merchandising-Communication Director (from November 2010 to September 2013). From September 2013, she is Chairman and Chief Executive Officer of Yves Saint Laurent, and from October 2015 member of the Executive Committee of the Kering Group.

### **Carlo Capelli**

Graduated in Economics and Commerce from the University of Bologna in 1985. From 1982 to 1985, he worked at the Credito Romagnolo in Ravenna. In 1985, he worked at Barclays Intermediazioni. In 1986, he joined Ernst & Young as Senior, in charge of administrative procedures and management controls. From 1990 to 1994, he worked at the Ferruzzi Finanziaria Group in Ravenna, with gradually increasing responsibilities, among which manager in charge of the preparation of the consolidated financial statements of the Ferruzzi and Montedison Group, becoming manager in charge of the execution of the restructuring plan of the Ferruzzi Group in support of Mediobanca. In 1994, he joined the Trombini Group as Head of administration, finance and control. In 2002, he worked at the Issuer, as Head of Business Development. In 2008, he joined the Board of Directors of the Issuer. He is also a Director of Wellness Holding and Enervit S.p.A., a company listed on the MTA of Borsa Italiana. Until May 2019 she was Chief Financial Officer of Wellness Holding; currently Chief Corporate Officer of Wellness Holding.

### **Maurizio Cereda**

Graduated in Business Economics at the Bocconi Business University in Milan in 1989. From October 1989 to January 1992, he worked with RASFIN at the primary market desk. On 1 February 1992, he joined the Financial Service of Mediobanca, of which he became an Executive in July 1999, before

moving on to the position of Central Co-Director and Head of the Equity Capital Markets area on 1 April 2000. In November 2003, he was appointed as a Co-Head of the Coverage and Corporate Finance area, then since March 2006, Central Director and since June, Sole Director of the Corporate Finance and Coverage Large Corporation area. Appointed Deputy General Manager in May 2007, he was also appointed as a member of the Board of Directors of Mediobanca from 2007 until October 2014. He left his Mediobanca positions at the end of March 2015. He is currently a consultant to entrepreneurs, family offices, companies and financial institutions as well as a promoter and partner of FIEE, the Italian Energy Efficiency Fund. He is Director of Enervit S.p.A., Prada S.p.A., FIEE SGR S.p.A., Wealthness S.r.l. and Nutramis S.r.l.

### **Chiara Dorigotti**

After graduating *cum laude* in business economics at the Bocconi University in 1993, she worked in London at an investment bank (now BNP Paribas), dealing with stock market flotations and share and bond issues for 8 years, becoming head of the Italian market segment. In 2000, she joined the Fininvest Group, reporting directly to the Managing Director of the holding, working on the development activities of the Group and its investees. In 2003, she joined Tiscali SpA as Investor Relations and Corporate Finance Manager, working on the funding and development activities carried out by the company abroad.

She joined SEA SpA in 2011, carrying out corporate and business development activities; in 2014 she became general manager and in 2019 Managing Director of SEA Prime SpA, and was involved in the rebranding and development of the Linate and Malpensa airports.

### **Vincenzo Giannelli**

Graduated *cum laude* in Business Administration at Bocconi University in Milan in 1988, he then also obtained a Master in Corporate Tax Law (CERTI). After his first work experience at Italtel from 1989 to 1994, covering international assignments at Italtel-Siemens in the following three years, in 1998 he became Group Controller and later Chief Financial Officer of the Manuli Rubber Group, then listed. In 2001 he joined Fiat Auto, gradually taking on tasks and holding positions of greater responsibility, up to holding the position of Chief Information Officer from December 2004 until March 2007. From April 2007 to August 2009, he was the Chief Financial Officer of Fiat Powertrain Technologies. From September 2009 to August 2010, Chief Financial Officer of Fiat Group Automobiles. From September 2010 to December 2014, Chief Financial Officer of Safilo Group with global responsibility for all corporate functions supporting business development. From January 2015 until January 2019, he was Chief Executive Officer at Iveco Defence Vehicles (a company of the CNH Industrial Group) and at the same time the President of the Iveco – Oto Melara consortium. After providing strategic consulting services in the Digital Transformation sector, since January 2020 he has been Corporate General Manager of Techedge S.p.A., a company listed on the MTA managed by Borsa Italiana S.p.A.

### **Maria Cecilia La Manna**

Graduated in Economics and Commerce at the University of Bologna in 1987. In 1988, she obtained an Audit Master delivered jointly by the Universities of Bologna and PricewaterhouseCoopers. Listed in the Register of Chartered Accountants and Statutory Auditors since 1990. Between 1989 and 1996, she laid the foundations for her professional career working with the auditing company PricewaterhouseCoopers, first as a financial statements auditor and subsequently acquiring experience in the Transaction Services Division in the United Kingdom and Italy, where she strengthened her business and financial background. Subsequently, by working with the Titan International Inc. Group (a company listed on the New York Stock Exchange), she gained extensive professional experience in takeover processes, reorganization, integration and change management, developing synergistic commercial and operational projects at international level. She contributed to the creation of the Titan Europe division, finalizing buyouts in Europe, Brazil, North America, India, Turkey, Australia and China. In 2004, as the Chief Executive Officer, she managed the listing process of Titan Europe Plc. on the AIM of the London Stock Exchange, filling in subsequent years the position of Chief Operating Officer of the group. Since 2007, she has been the Chief Executive Officer of Italtractor ITM S.p.A.

group, and since 2013 she is President of the Titan ITM Holding S.p.A. group, a global player in the field of designing, production and distribution of components for farming, mining and construction machinery. The group, active through production and trade organizations in Europe, North America, Brazil, Australia, China and India, has been controlled since 2012 by the American company Titan International Inc.

### **Riccardo Pinza**

Graduated in Law at the University of Bologna on 26 October 1993 with final grade of 110/110 cum laude. He was Reserve Trainee Officer of the Guardia di Finanza between 15 March 1994 and 15 July 1994 in Bergamo, then Reserve Second Lieutenant at the Command of the Guardia di Finanza of Bologna between 23 July 1994 and 14 June 1995. Listed in the Register of Solicitors since 30 October 1996 (and qualified to appear in the Court of Cassation since 22 January 2009), carries out consulting activity, specializing in the sectors of civil law, labor law and commercial law. He has held and holds several positions at the boards of directors and the boards of statutory auditors of Italian companies, listed and not listed.

### **Andrea Giuseppe Zocchi**

He graduated in 1985 in Mechanical Engineering at the Milan Politecnico. While attending college, he took part in a research program at the Biomedical Engineering Center of Harvard University and MIT. After some professional experiences in the software development area, from 1987 to 1991 he held the role of Marketing Manager at Hewlett Packard Italy. In 1991, he joined McKinsey & Company, Inc. providing support to the senior management of large Italian and foreign companies operating in different industrial sectors (Mass Retail, High Tech, TLC, Finance) on many different issues including strategy, digital, organization, marketing and sales. He was appointed Partner in 1996 and Director in 2003 and is the Leader of the Southern European Consumer Sector (Italy, Greece, Israel, Turkey, Spain and Portugal). Since the beginning of 2013, he is also the leader of the Consumer Practice for Eastern Europe, Russia and the Middle East. He also holds leadership roles in the staff recruiting process: he has been in charge of recruiting for the Mediterranean region for seven years and member of the Global Committees of Assessment and Selection of Partners and Directors for 12 years. More recently, he has focused on digital technologies and on their impact on the Consumer Industry. Since 2014, after a period at the general manager's office of Esselunga, he has been an independent senior advisor for different companies. In 2016, he set up Digital, of which he is also Managing Director, company that manages through the EasyCoop brand the ecommerce grocery of Coop Alleanza 3.0. Member of different BoDs, he also teaches at the IMT of Lucca and other post-graduate studies.

### ***Diversity policies***

On 19 February 2020, the Board of Directors discussed the opportunity to adopt a specific diversity policy and, in line with the resolutions already taken in previous years, reiterated that it does not deem the adoption of specific related policies to be necessary, since the regulatory and legislative provisions, including the provisions of the Corporate Governance Code, regarding the composition of the administration, management and control bodies of the Company, together with the behavior demonstrated by the Company's shareholders at the time of designation of the members of these bodies, allow an adequate composition in relation to aspects such as gender, age, experience, and professional and personal characteristics.

In particular, as specified in Paragraph 4.3 below, the Board of Directors, as part of the annual self-evaluation process carried out on 11 December 2019, has given a positive assessment of its own size and composition, believing it to be adequate on the whole, in terms of number, gender, age, experience, professional and personal characteristics and managerial experience of the executive directors. In particular, the Board consists of three executive and eight non-executive directors, of which five are independent; the gender less represented represents 36% of the members of the Board; the average age is under 30 years for 9% of members, between 31 and 50 for 27% and over 50 for the remaining 64%.

Diversity in terms of working experience and education (described above) ensures that the Directors have the necessary and appropriate skills to manage the Company.

In addition, as recommended by the Corporate Governance Code, a member of the Nomination and Remuneration Committee (Vincenzo Giannelli, Chairman) has adequate financial experience and a member of the Control and Risk Committee (Cecilia La Manna, Chairwoman) has sufficient accounting and financial or risk management experience.

In addition, at the time of the election of the new Board of Directors at the Shareholders' Meeting on 8 May 2018, the Board of Directors, taking into account the outcome of the board evaluation and after hearing the opinion of the Nomination and Remuneration Committee, had provided guidelines for the size of the new Board of Directors and for the managerial and professional profiles whose presence in the Board of Directors was believed to be appropriate, making available to the public the document summarizing this policy. Given the personal and professional characteristics of the Directors elected by the Shareholders' Meeting on 8 May 2018, the instructions provided in the afore-mentioned guidelines in regard to the size and composition of the new Board of Directors, in terms of gender and professional and managerial experience believed to be appropriate with respect to the size and business of the Company, have been fully met.

Furthermore, the Company's Code of Ethics clarifies Technogym's commitment to guaranteeing a working environment without racial, cultural, ideological, sexual, physical, moral, religious or other discrimination and to offering equal opportunities on equal terms. At all stages of the employment relationship, the Group constantly pays attention to respect for diversity and equal opportunities and to the prevention of all types of discrimination.

#### ***Maximum number of directorships that may be held at other companies***

In application of the recommendations in Application Criterion 1.C.3 of the Corporate Governance Code, on 6 March 2017, the Board of Directors approved a document specifying the guidelines of the Board of Directors of Technogym on the maximum number of directorship that its members may hold in the administration and control bodies of other large companies, to ensure that Directors can devote sufficient time and guarantee an effective performance of their duties in the Board of Directors of the Company. On 17 February 2020 the Board of Directors confirmed the policy on the maximum number of directorships already approved with reference to the previous year.

The Directors of the Company must promptly inform the Legal and Corporate Affairs Function and the Chairman of the Board of Directors and the Board of Statutory Auditors of the Company of any change occurred concerning their positions in the administration and control bodies of other large companies. If the limits indicated are exceeded, the Directors promptly inform the Board, which assesses the situation in the light of the interest of the Company and invites the Director to take the necessary decisions.

The Board of Directors, on the basis of the information provided by its members, records and discloses in the annual Report on corporate governance and ownership structure the positions held by the Directors of the Company in the Board of Directors and Board of Statutory Auditors of other large companies<sup>(1)</sup>.

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<sup>(1)</sup> "Large companies" mean: (i) companies with shares listed in regulated markets, in Italy and abroad; (ii) banking, insurance or financial companies, in Italy and abroad, with financial companies defined for the purposes of this guideline as financial intermediaries pursuant to Art. 106 of Italian Legislative Decree No. 385 dated 1993 (Consolidated Banking Law) and companies carrying out activities and services of investment or collective asset management pursuant to Italian Legislative Decree No. 58 dated 1998 (Consolidated Finance Law), being understood that, in the case of foreign companies, an assessment of substantial equivalence is required; (iii) other

The Executive Directors of the Company cannot hold:

- a. more than 3 Executive Director positions in large companies; and
- b. more than 5 positions as Non-Executive Director and/or Standing Auditor in large companies.

The Non-Executive Directors of the Company cannot hold:

- a. more than 4 Executive Director positions in large companies; and
- b. more than 7 positions as Non-Executive Director and/or Standing Auditor in large companies.

The positions indicated in the previous paragraphs do not include those held in companies controlled, directly and/or indirectly by the Company, or affiliated to this, or controlling the Company or exercising on it direction and coordination activities. In addition, the positions held in different companies within the same group are considered a single mandate.

The Board of Directors may grant derogations (even on a temporary basis) to the above limits to the number of positions held. In granting these derogations, the Board of Directors shall take into account the following:

- a. the specific characteristics of the positions occupied by the Director in question, as well as the nature and the size of the companies in which such positions are held;
- b. the commitment required by (i) any professional activity carried out by the Director in question and (ii) any office in an association held by the Director;
- c. the commitment required of the Director in question in the Board of Directors of the Company (with special reference to the case of a Non-Executive Director who does not sit on any Committee).

Any derogation thus granted by the Board of Directors shall be reported in the annual Report on corporate governance and ownership structure.

Pursuant to Application Criterion 2.C.6 of the Corporate Governance Code, we note that, at the date of this Report, there were no cases of “cross-directorship”: in fact, the Managing Director of Technogym, Nerio Alessandri, does not hold administration positions in companies outside the Group of which another Director of Technogym is Chief Executive Officer.

The Annex of this Report lists all the offices held by Directors in other companies at the date of this Report, according to the criteria specified in the aforementioned document, which are thus considered as respected.

### ***Induction Program***

In consideration of the in-depth knowledge of the trends and the organization of the Company by the Directors who have now been in office for several years, in 2019, specific induction activities were not organized. In any case, activities that had also induction purposes were carried out at the Board meetings and at the meetings of the Board Committees, which are aimed at enhancing the knowledge of all of the Directors at fiscal, administrative, risk management and Investor Relations level.

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companies, in Italy and abroad, with shares not listed in regulated markets and that, even operating in sectors other than those indicated under b) above, have net assets above Euro 10 billion.

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

Pursuant to the legal and regulatory provisions in force for companies with shares listed in regulated markets and in compliance with the recommendations of the Corporate Governance Code, the Board of Directors hold a key role in the governance system of the Company.

The Board of Directors meets regularly: in 2019, it met seven times in total. The average meeting length is approximately 2 and a half hours. Attendance by Directors was above 92% and that by Independent Directors about 83%. At least 7 meetings have been scheduled for 2020 (two of which had already been held at the date of this Report).

The Board of Directors meets in the location indicated in the call notice, at the registered office or even outside the municipality where the registered office is located, both in Italy and abroad, in and outside the European Union, whenever the Chairman of the Board of Directors believes it to be necessary or appropriate or when he/she receives a written request in this sense by the Board of Statutory Auditors, by each Standing Auditor, or by at least 3 Directors, specifying the topics to be discussed.

Without prejudice to the powers reserved by the legal and regulatory provisions in force to the Board of Statutory Auditors and to each Standing Auditor, the call is made by the Chairman of the Board of Directors. The call notice is sent by registered mail, telegram, fax, email, or by hand, or with any suitable means, at least 3 days before the meeting, to the domicile of the Directors and Standing Auditors. In urgent cases, the call notice may be sent by registered mail, telegram, fax, email, or by hand or with any suitable means, at least one day before the call. In the absence of a formal call, the meeting of the Board of Directors is deemed duly established when all Directors in office and all Standing Auditors are present.

The documents in support of the proposals and the information that the Directors need to express an informed opinion on the topics being resolved upon are usually made available to the Directors in the time needed before the Board meeting. If, in special cases, the necessary information cannot be provided by this time, the Chairman ensures that appropriate analysis is carried out during the Board meeting. With regard to 2019, and at the date of this Report, supporting documentation for the topics being discussed and in particular those for which a resolution is to be taken, was sent to Directors and Auditors, in the term specified above, except a few exceptional cases, for which appropriate and detailed analysis was in any case provided during the Board meeting.

For the resolutions of the Board of Directors to be valid, the presence of the majority of Directors in office is required. The decisions are taken with an absolute majority of the Directors attending. In the event of a tied vote, the vote of the Chairman of the Board of Directors will prevail.

The Chairman of the Board meeting may invite professionals or other parties to the meeting, in an advisory capacity. In 2019, the Financial Reporting Manager in office from the date of the meeting was always invited to the meetings of the Board of Directors, except for the meeting held on 11 December 2019. In addition, the manager of the Investor Relations function and, limited to matters falling within their competence, the managers of the Finance, Administration and Control function were invited to attend some meetings of the Board of Directors.

If the call notice indicates it or if all Directors are present, the meetings of the Board of Directors may be duly held in video-conference or audio-conference, provided all participants can be identified by the Chairman of the meeting and other participants, all participants can follow the discussion, intervene in real time, and exchange documents on the topics under discussion and all of the above is recorded in the corresponding minutes. If these requirements are met, the meeting of the Board is deemed to have been held at the place where both the Chairman and the Secretary of the meeting are located.

The meetings of the Board of Directors are chaired by said Chairman. In the event of absence or impediment of the Chairman of the Board of Directors, the meeting is chaired by the Deputy Chairman

or, in the absence or impediment of the latter, by the director chosen by the absolute majority of Directors in attendance. The minutes of the meetings of the Board of Directors are drafted, approved and signed by the meeting Chairman and by the secretary, and are transcribed in the company books prescribed by law. The vote cannot be given by proxy.

Pursuant to Art. 23 of the Articles of Association, the management of the Company is the exclusive authority of the Board of Directors. The Board has the broadest powers for the ordinary and extraordinary management of the Company. Notably, it has all the powers for the pursuit of the business purpose that are not strictly reserved to the Shareholders' Meeting by the law or by these Articles of Association.

Without prejudice to the concurrent competence of the Shareholders' Meeting, Art. 23.2 of the Articles of Association also provides for the Board of Directors to resolve on:

- (a) the merger of companies fully owned under the terms as set forth in Art. 2505 of the Civil Code or those in which at least a 90% interest is held pursuant to Art. 2505-bis of the Civil Code;
- (b) the opening or closing of secondary offices;
- (c) the specification of which Directors have the power to represent the Company;
- (d) the reduction in share capital in the case of withdrawal of a shareholder;
- (e) the amendments to the Articles of Association to ensure compliance with legal provisions;
- (f) the move of the registered office to another location in Italy.

Art. 2436 of the Civil Code applies in any case.

The Board of Directors, and any representative of this, have also the power, without the need to request authorization by the Shareholders' Meeting:

- (a) carry out all actions and transactions under their responsibility to prevent the objectives of a public offer for purchase or exchange from being achieved, from the communication with which the decision or the triggering of the obligation to promote the bid is made public up to the closure or forfeiture of the bid itself;
- (b) implement decisions under their responsibility not yet implemented, fully or in part, that do not fall in the normal course of activity of the Company, taken before the communication of which above and the execution of which may prevent the achievement of the objectives of the bid.

In line with the requirements of Application Criterion 1.C.1. letter c) of the Corporate Governance Code, the Board of Directors has assessed the appropriateness of the organizational, administrative and accounting structure of the Company, with special reference to the Internal Control and Risk Management System, on the basis of a preliminary investigation by the Control and Risk Committee. To this purpose, the Board of Directors has reviewed the Company organization chart and the system of powers and competencies of the functions. This system is believed to be appropriate, keeping into account the size and the complexity of the Company and its specific characteristics. In addition, making use of the documents produced and the analysis carried out on the management control system, also with the support of external consultants, and the subsequent updates provided on the issue by the Internal Audit function and the Control and Risk Committee, the Board of Directors has verified the operation and the effectiveness of the management control system of the Group, without identifying major difficulties according to the provisions of the guidelines and the standards set by Borsa Italiana.

The Board has assessed the general operating performance, taking into account, in particular, the information received from the delegated bodies and comparing on a regular basis, at least quarterly,

the results obtained with those planned, according to the recommendations of Application Criterion 1.C.1. letter e) of the Corporate Governance Code.

The following tasks are expressly reserved to the Board of Directors: (i) the definition of the corporate governance system of the Issuer; (ii) the approval of guidelines for the preparation of the strategic, business and financial plans; (iii) the approval of the operating plan and the annual budget.

In line with best practices and with the provisions of the Corporate Governance Code, the Board of Directors carried out its regular self-assessment of the size, composition and operation of the Board of Directors in office and its Committees, from the Trading Start Date. The board evaluation of the Company consisted in filling in a self-assessment questionnaire aimed at identifying the strengths and above all the weaknesses in the size, composition and operation of the Board of Directors in office, on which to focus the efforts also with additional induction activities and in the preparation of a final qualitative/quantitative report, collecting data, information and comments and reporting them in aggregate form, without allowing the identification of the individual responses. The board evaluation brought to light many positive aspects. As regards these, note the positive opinion of the operation of the Board of Directors, which was found to be in line with the recommendations of the Corporate Governance Code for Listed Companies, such as the monitoring and effective management of the situations of potential conflicts of interests, as well as a positive perception of the management of the relations with shareholders, in terms of completeness and timeliness of the information. Within the context of its self-evaluation, the Board evaluated its size and composition positively and deemed it to be fully adequate on the whole, in terms of the number of members, combination of gender, age, experience, professional and personal characteristics and managerial experience of the executive directors. Some Directors have suggested to increase the number of meetings to better distribute the topics to be discussed and increase directors' involvement in the preparation of the strategic, business and financial plans of the Company and the Group before their approval at the Board's meetings.

On 6 March 2017, the Board of Directors set general criteria to identify the transactions that have a significant strategic, economic, or financial relevance for the Issuer, identifying as such all transactions involving the assumption of commitments and the execution of payments up to Euro 25,000,000 (twenty-five million), or its equivalent in another currency, for each individual transaction.

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Lastly, it should be noted that pursuant to Art. 16.3 of the Articles of Association, until otherwise resolved by the Shareholders' Meeting, the Directors are not bound by the non-competition obligation under Art. 2390 of the Civil Code.

#### **4.4 Delegated bodies**

Art. 24 of the Articles of Association gives to the Board of Directors the power to delegate, within the limits set forth in Art. 2381 of the Civil Code, some of its powers to one or more of its members, specifying their powers and, after hearing the opinion of the Board of Statutory Auditors, the corresponding remuneration.

In addition, the Board of Directors may appoint one or more general managers or grant special power of attorney for individual actions or categories of actions, specifying the corresponding powers, which may include the power to represent the Company, and any fee. The Board of Directors elects from among its members a Chairman and, possibly, a Deputy Chairman, unless this has been done by the Shareholders' Meeting.

The delegated bodies ensure that the organizational, administrative and accounting structure is appropriate to the nature and the size of the Company and report to the Board of Directors and the Board of Statutory Auditors, at least every 3 months, on the general operating performance and on its foreseeable evolution as well as on the transactions of greater relevance, owing to their size or characteristics, carried out by the Company and by its Subsidiaries.



## **Managing Director and Chairman of the Board of Directors**

On 8 May 2018, the Shareholders' Meeting nominated and appointed Nerio Alessandri as Chairman of the Board of Directors until the approval of the financial statements as at 31 December 2020. On 15 May 2018, the Board of Directors appointed the Chairman as Managing Director and delegated to this all powers of ordinary administration, in any case within the limits set by the law, including the limits set by Art. 2381 of the Civil Code, related to the taking of commitments and the execution of payments up to Euro 25,000,000 (twenty-five million), or its equivalent in another currency, for each individual transaction, unless otherwise specifically required below, and that do not pertain exclusively to the Board of Directors, as well as all powers identified below, with the limits set for each, to be exercised severally and with the broadest powers to grant mandates and special and general powers of attorney, investing the proxy and/or attorney with signatory powers, severally or jointly, with all powers necessary, useful or appropriate to ensure the best performance of the Company, including that to sub-delegate:

### Supervision and coordination

- Supervision of the correct operation of the corporate governance rules, to report to the Board of Directors, which has exclusive authority on the definition of the corporate governance system;
- management and coordination of external relations with institutions, authorities, entities and third parties, in Italy and abroad, and trade associations, in compliance with the current procedure for the internal handling and external communication of documents and information on the Company approved by the Board of Directors (“**Procedure**”);
- management and coordination of the relations with the market, the financial community, the shareholders, the investors and all stakeholders of the Company, in compliance with the Procedure;

### Strategic management

- Proposing to the Board of Directors guidelines for the preparation of the strategic, business and financial plans, the approval of which is reserved to the Board of Directors;
- proposing to the Board of Directors the operating plan and the annual budget, the approval of which is reserved to the Board of Directors;
- verifying, in regular meetings with management, that the operating performance is in line with budget targets and with the strategies defined in the plans;
- carrying out all transactions and activities planned in the budget approved by the Board of Directors, according to the limits and the procedures there specified;
- establishing, acquiring, selling or transferring (at any title and under any form), and acquire or establish rights in rem and/or use, securities, encumbrances, restrictions or rights of third parties of any type (also in rem) on equity investments or interests, also controlling interests, in companies, other legal persons or other entities, and business units, to offer and accept them as collateral, to carry out transactions according to current practices on the stock market and the securities market in general, for an amount not exceeding Euro 25 million (twenty-five million), or its equivalent in other currency, for each individual transaction, with the exception of the provisions below on real estate companies;

### Operating management

- Acquiring the use of goods and services instrumental to the management of the activity of the Company and the Group headed by it (“**Group**”), also by drawing up agreements, including, by way of example, but not limited to, agreements of sale, lease (also of duration exceeding 9 (nine) years) of any kind, rental, charter, loan, leasing, exchange, contracts for work, contracts and services, shipping,

transport, subcontracting, storage, administration, brokerage and any other agreement having as object the supply of work or services for an amount not exceeding Euro 25,000,000 (twenty-five million), or its equivalent in another currency, for each individual transaction, with the exception of the provisions on real property transactions below;

- selling and exporting the products of the Company and the Group, also guaranteeing the correct management of trade credit, also concluding **supply** framework agreements with expected sales not exceeding Euro 25,000,000 (twenty-five million), or its equivalent in another currency, per year;
- signing contracts and/or confidentiality agreements;
- carrying out purchases and sales of tangible or intangible fixed assets for an amount not exceeding Euro 10,000,000 (ten million), or its equivalent in another currency, for each individual transaction;
- carrying out transactions for the purchase of ownership rights or rights of use of brands, patents, designs, domain names or other intellectual property rights of any nature on the same, or any deed of disposal on brands, patents, designs, domain names or other intellectual property rights or purchase or establishment of rights in rem and/or of use, guarantees, encumbrances, restrictions or rights of third parties of any type (also in rem) on the same, for an amount not exceeding Euro 10,000,000 (ten million), or its equivalent in another currency, for each individual transaction, with the exception of the provisions below;
- transactions to grant licenses or other rights of use of brands, patents, designs, domain names or other intellectual property rights of any nature, for an estimated amount not exceeding Euro 10,000,000 (ten million), or its equivalent in another currency, for year each;
- carrying out real estate transactions of any type, including the purchase and/or sale and/or transfer (at any title and under any form) of property, the purchase or establishment of rights in rem and/or use on the property (including lease, rent or loan agreements, with duration that may exceed 9 (nine) years) and/or the purchase or establishment of guarantees, encumbrances, restrictions or rights of third parties of any type (also in rem) on these, the establishment and/or purchase and/or sale and/or transfer (at any title and under any form) of, and the purchase or establishment of rights in rem and/or use, guarantees, encumbrances, restrictions or rights of third parties of any type on equity investments or interests, controlling and not, in real estate companies, for an amount not exceeding Euro 10,000,000 (ten million), or its equivalent in another currency, for each individual transaction or, in the case of lease agreements, for an amount not exceeding Euro 2,000,000 (two million) a year;
- signing and terminating insurance contracts against risk of any type, with power to carry out whatever is necessary for their management, renewal, amendment, etc.; settling claims and collect the corresponding indemnities, issuing receipts and discharges;
- signing agreements for the distribution of the products of the Company and the Group, by way of example, but not limited to, franchising, agency and referral agreements (i) with expected sales not exceeding Euro 15,000,000 (fifteen million) per year each, or its equivalent in another currency, if concluded with companies outside the Group and (ii) with expected sales also exceeding the limit *sub (i)* if concluded with companies of the Group; paying taxes, duties and charges, ask for their repayment and collect it, issuing a receipt, and arrange payments to social security agencies in the public sector;
- giving consulting assignments to third parties for an amount not exceeding Euro 5,000,000 (five million), or its equivalent in another currency for each individual transaction;

#### Financial management

- Signing, amending and terminating mortgage and loan agreements, credit lines, factoring agreements, loans in general, financial leases in the different forms available, to be repaid even after 9 (nine) years,

or other financial activities with principal not exceeding Euro 25,000,000.00 (twenty-five million), or its equivalent in another currency, for each individual transaction;

- giving personal guarantees and sureties and accept bills for an amount not exceeding Euro 10,000,000.00 (ten million), or its equivalent in another currency, for each individual transaction;

#### Communication, marketing and promotional activities

- Specifying, managing and coordinating the internal and external communication, in compliance with the Procedure;
- managing and coordinating relations with the press and the media in compliance with the Procedure;
- supervising marketing and promotion activities, by concluding and terminating agreements for the purposes of communication, advertising and sales promotion, including, merely by way of example but not limited to, work and service contracts, sponsorship, sale, merchandising, contracts for the purchase and granting of rights to use images, leases and other agreements aimed at the organization of events, for an amount not exceeding Euro 5,000,000 (five million), or its equivalent in another currency, for each individual transaction;

#### Intellectual property rights, authorizations and licenses

- Carrying out all acts deemed necessary, useful or appropriate to apply for, obtain and renew patents, designs, trademarks, domain names or other intellectual property rights; to sign all deeds necessary for the exercise of the powers conferred; appointing for this purpose agents specialized in patents or other intellectual property rights, in Italy and abroad, providing them with the corresponding mandates;
- carrying out, at government agencies, entities and public and private offices, in Italy and abroad, all acts and transactions necessary to obtain concessions, licenses, authorizations in general; conclude and sign regulations, conventions, acts of submission and any other act in preparation for those measures; fulfilling all corresponding requirements, including those related to tax rules, manufacturing and consumption taxes, duties and monopoly rights;
- submitting applications and carrying out, at any public or private office, in Italy and abroad, any act deemed necessary, preparatory, functional, or in any case related, to registering, amending, renewing, and terminating patents, designs, trademarks, domain names or other intellectual property rights;
- conferring and withdrawing consulting mandates to experts on intellectual property for the purposes of the procedures required for the filing and renewal of all intellectual property rights of the Company, such as trademarks, patents, designs and domain names;
- conferring and withdrawing consulting mandates to consultants and solicitors on intellectual property for administrative and judicial protection and in all proceedings aimed at invoking the active and passive legal capacity, in Italy and abroad, to invoke all intellectual property rights of the Company;

#### Human resources

- Submitting to the Board of Directors general policies on the organization and management of human resources;
- in execution of the remuneration policy approved by the Board of Directors, to establish, amend and terminate the employment contracts of employees and executives, carrying out all management activities concerning hiring, promotion, firing, disciplinary measures, decisions on powers and financial conditions, transfers and secondments at other companies of the Group, without prejudice to the proposal and advisory functions of the Nomination and Remuneration Committee;
- signing, amending and terminating company agreements with trade unions and workers' associations;

- managing the human resources policy of the Company, the human resource development plans and the career plans, executing the remuneration policy approved by the Board of Directors;
- appointing and dismissing the person handling and coordinating the relations with the shareholders (“Investor Relator”);

Personal data processing

- Charging the Chairman with the task of identifying, either inside or outside the corporate organization, according to a standard of accountability, persons with the necessary qualifications, who, because of their experience, competence and reliability, can guarantee full compliance with the personal data processing provisions in force, including the security aspects, and of appointing them processors for the Company pursuant to the provisions of the Regulation No. 679/2016 on personal data protection and the subsequent Italian implementing laws and regulations (jointly, “GDPR”), with the responsibilities and obligations specified by the GDPR, delegating to them all powers necessary or appropriate, so that, in the name and on behalf of the Company, merely by way of example, each shall:
  - o prepare, update and disseminate, in the forms required by the applicable laws, the disclosures on personal data processing and ensure, if required, the collection of any consent necessary for personal data processing;
  - o appoint the person(s) in charge of processing, who will operate under his direct authority, as well as, if necessary, the manager(s) of an unit for which the scope of the processing that the operators of the unit are allowed to carry out is identified, to give them the necessary instructions to ensure they operate in the respect of the laws and regulations in force and to train them;
  - o negotiate, agree, sign, conclude, renew, terminate, rescind and amend partnership agreements, consulting and intellectual work service agreements in the area of the services related to the processing of personal data relevant for GDPR purposes;
  - o request studies, signing the corresponding agreements and documents, confer and withdraw professional mandates concerning the activities specified above;
  - o store and control access to personal data, reducing to a minimum, through the adoption of suitable and preventive security measures, the risks of deletion or loss of data, even accidental, unauthorized access or processing not allowed or not in line with the purposes of the data collection;
  - o adopt, in compliance with the laws and regulations in force, the minimum measures required to guarantee processing security and to regularly update the Record of processing activities and, if required, the DPIA, according to the GDPR provisions and within the terms of law;
  - o cooperate with the Data Protection Officer (DPO) of the Technogym Group to execute monitoring and consulting tasks, ensuring the constant flow of information on the processing activities that fall within the area of competence of the processor;
  - o plan and carry out, in agreement with any other processors within the company and with the DPO, the audits required by the laws and regulations in force, in particular on the application of minimum security measures and the requirements specified in the measures adopted by the Data Protection Supervisor (Supervisor);
  - o carry out all activities needed to correct the non-conformities observed during audit, adopting a constant improvement approach as demanded by the most recent security standards (e.g. ISO/IEC 27001);
  - o represent the Company in disputes, in and out of court, in the cases specified by GDPR, with the broadest powers, including the power to appoint and dismiss lawyers, prosecutors, arbitrators,

experts and arbitrators, as well the power to reconcile and settle disputes, ensure the execution of sentences and do anything else that might be necessary and appropriate, with no exclusion or exception;

o co-operate with the DPO to manage relations with the Supervisor, on behalf of the controller Technogym S.p.A. and submit notifications, appeals, complaints, requests for prior checks, and opinions;

o notify to the Supervisor the processing of personal data, when required;

o carry out any activity, take any decision and implement any initiative to ensure compliance with all laws and regulations and with common principles of prudence in regard to personal data protection, in its broadest meaning;

o for all matters not expressly mentioned here, fully implement, in cooperation with the DPO, the GDPR and the measures adopted by the Data Protection Supervisor or by any other authority on personal data processing, in Italy and abroad, if applicable;

o rigorously follow the directions provided, in detail and in writing, by the DPO or directly by the controller, who monitor the compliance with the personal data processing provisions in force, including those concerning data security, and with their own directions;

#### Representation

- Representing the Company in front of any judicial, administrative, tax, ordinary and special authorities in any procedure, at any level and in any court, as well as in front of mediation bodies, with power to sign petitions, appeals, negotiated settlement requests pursuant to Italian Legislative Decree No. 218 of 19 June 1997, as amended, verbal and written requests for exemptions and refunds, for any object, initiating and supporting actions in civil, criminal, and administrative proceedings of any kind, including actions for the granting of relief, actions brought to enforce a judgement, actions brought to enforce bills of exchange, joining in civil proceedings, and bankruptcy proceedings, compositions with creditors and moratorium and receiverships, attending to the corresponding formalities and therefore also to the issues of special power of attorney to solicitors, representatives ad litem, mediators, experts and arbitrators, choose a domicile, settle in arbitrated proceedings, in and out-of-court, any dispute in which the Company has an interest;
- proposing and validly signing settlements, both in and out of court, and conciliation minutes also pursuant to Art. 48 of Italian Legislative Decree No. 546 of 31 December 1992, as amended, provided the charge for the Company does not exceed Euro 5,000,000 (five million), or its equivalent in another currency, for each dispute;
- representing the Company in any tax dispute or question, in front of all authorities and offices, including tax courts, customs and boards of experts;
- representing the Company in Italy and abroad in its relations with the competent authorities, administrations and public bodies, public and private offices, banks and financial institutions and investors;
- representing the Company in front of trade unions and corporate organization in general, economic and trade associations and consortia;
- representing the Company in the ordinary and extraordinary shareholders' meetings of other companies of which the Company is a shareholder, exercising the corresponding voting rights, to exercise the other rights pertaining to the Company as a shareholder of the investees and to issue statements concerning the direct and indirect equity investments of the Company and their changes.

### Powers of the Deputy Chairman

- All management powers granted to the Deputy Chairman by the Board of Directors in the General Services and Facility Management areas, unless they are already included among the Chairman's powers, including property management.

In the exercise of the powers granted to the Chairman, this will have the power to negotiate, agree, sign, renew, terminate, cancel and change all agreements and documents related to the powers granted. The Chairman must follow the relevant procedures approved by the Board of Directors, including the Related Party Transaction Procedure.

With reference to the appointment of an occupational health and safety officer, the Board of Directors has granted mandate to the Chairman to take care of all those deeds and/or formalities, in front of a notary public or other public official, if necessary, useful or appropriate to make fully effective the conferring of the powers concerning occupational health and safety and to ensure that this appointment may be invoked against third parties, also specifying the powers to be granted to the occupational health and safety officer, according to the instructions and directives received from the Board of Directors.

At the meeting held on 15 May 2018, the Board of Directors also approved all initiatives taken by the Chairman from 8 May 2018 until the date of the Board meeting on 15 May 2018.

Pursuant to Art. 26 of the Articles of Association, the Chairman has the power to represent the Company against third parties and in court. The Chairman has the power to bind the Company and initiate judicial and administrative proceedings and petitions for any level of jurisdiction, as well as for appeals in the higher courts or in front of mediators (of any kind) and to appoint to this purpose mediators, solicitors, and representatives ad litem, setting their fees. In addition, pursuant to Art. 20.3 of the Articles of Association, the Chairman of the Board of Directors calls the Board of Directors, sets its agenda, coordinates its activity and ensures that appropriate information on the items on the agenda is provided to all Directors.

Pursuant to Application Criterion 2.C.6 of the Corporate Governance Code, we note that, at the date of this Report, there were no cases of “cross-directorship”: in fact, the Managing Director of Technogym, Nerio Alessandri, does not hold administration positions in companies outside the Group of which another Director of Technogym is Chief Executive Officer.

### **Executive Committee**

Pursuant to Art. 24 of the Articles of Association, the Board of Directors may also decide to establish an Executive Committee consisting of some of its members.

At the date of this Report, an Executive Committee had not been established.

### **Information to the Board of Directors**

In compliance with legal provisions and Application Criterion 1.C.1, letter d) of the Corporate Governance Code, Art. 24 of the Articles of Association requires the delegated bodies to report to the Board of Directors and the Board of Statutory Auditors, at least once every 3 months, on general operations and their foreseeable evolution, as well as on the transactions of greater relevance, in terms of size or characteristics, carried out by the Company and its Subsidiaries.

The Articles of Association also provide for the Directors to report promptly, at least once a quarter, to the Board of Statutory Auditors on the activity carried out and the transactions of greater relevance, in economic and financial terms, carried out by the Company or its Subsidiaries and, in particular, on the transactions in which these have an interest, on their own behalf or on behalf of third parties, or that are influenced by the party who possibly exercises direction and coordination. The information is

usually provided at the time of the meetings of the Board of Directors. When special circumstances recommend it, the information may be provided to the Chairman of the Board of Statutory Auditors also in writing.

To allow the Directors to gain in-depth knowledge of corporate processes and operations, during the year, managers of the Company were invited to take part in the meetings of the Board of Directors, the Nomination and Remuneration Committee, the Control and Risk Committee and the Board of Statutory Auditors.

#### **4.5 Other Executive Directors**

In line with the recommendations of Art. 2 of the Corporate Governance Code, the Board of Directors of the Issuer includes both Executive and Non-Executive Directors. The number and standing of Non-Executive Directors are such that their opinion carries a significant weight in the decision-making process of the Board and their specific competencies and their professionalism make a significant contribution to the discussions of the Board, ensuring that decisions are taken in the interest of the Company.

At the date of this Report, the Managing Director Nerio Alessandri, the Deputy Chairman Pierluigi Alessandri and the Director Carlo Capelli were Executive Directors.

##### Powers of the Deputy Chairman

The Deputy Chairman, Pierluigi Alessandri, is in charge of the General Services and Facility Management areas, including property management. He has been granted all powers of ordinary administration for the management of these services, areas and activities, within the limits of law, including the limits set forth in Art. 2381 of the Civil Code, on the assumption of commitments and the execution of payments up to Euro 10,000,000 (ten million), or its equivalent in another currency, for each individual transaction, with the exception of the provisions below, provided they are not assigned exclusively to the Board of Directors, as well as all powers specified below, within the limits set for each power, with individual signature and with the broadest power to grant mandates and special and general powers of attorney, investing proxies and/or attorneys with signatory powers, separately or jointly, with all powers necessary, useful or appropriate to ensure the best performance of the Company, including the power to sub-delegate. By way of example and not limited to, the Deputy Chairman, Pierluigi Alessandri, has therefore been granted, in the General Services, Facility Management and property areas, to:

- carry out real estate transactions of any type, including the purchase and/or sale and/or transfer (at any title and under any form) of property, the purchase or establishment of rights in rem and/or rights of use (including lease, rent or loan agreements, with duration that may exceed 9 (nine) years) and/or the purchase or establishment of guarantees, encumbrances, restrictions or rights of third parties of any type (also in rem), the establishment and/or purchase and/or sale and/or transfer (at any title and under any form), and the purchase or establishment of rights in rem and/or use, guarantees, encumbrances, restrictions or rights of third parties of any type (also in rem) on equity investments or interests, controlling and not, in real estate companies, for an amount not exceeding Euro 5,000,000 (five million), or its equivalent in another currency, for each individual transaction or, in the case of lease agreements, for an amount not exceeding Euro 2,000,000 (two million) a year;
- supervise the maintenance of the real estate used and/or held by the Company at any title, signing all necessary or appropriate agreements, including work and service contracts, agreements for the supply of goods or services and/or any other agreement that may be functional to the management of movable and/or immovable property of the Company, excluding agreements concerning machinery, systems and/or equipment to be used in the production process;

- create and discharge pledges, mortgages and real guarantees on the movable and immovable property of the Company (with the exception of the equity investments or interests held in companies other than real estate companies, for companies or business units and brands, patents, designs, domain names or other intellectual property rights), for an amount not exceeding Euro 5,000,000 (five million), or its equivalent in another currency, for each individual transaction;
- manage the corporate gym, located in Via Calcinaro No. 2861, Cesena, and the area known as “Wellness Center”, and therefore to negotiate, agree, sign, conclude, renew, terminate, rescind and amend all those agreements, including purchase, exchange, free loan, rental, lease, work and/or service contracts, etc., aimed at managing the activity of the gym and at providing fitness and wellness services, both to the employees of the Company and to the third parties granted access to the “Wellness Center”;
- carry out any activity necessary, useful or appropriate to provide customer and supplier reception, gardening and cleaning services, concluding the corresponding agreement;
- prepare, sign and submit any deed, document, form, card, register, sign the SCIA [Segnalazione Certificata Inizio Attività, certified announcement on the commencement of activity] forms and fulfil all administrative requirements to ensure that the offices, the Wellness Center and the other buildings, including those for industrial uses, comply with fire prevention regulations.

The Deputy Chairman has also been granted all powers that the Board of Directors has granted to the Chairman, in the alternative, in the case of absence and/or impediment of the latter.

In the area of environmental protection and public safety, the Deputy Chairman has been granted all powers to implement and guarantee compliance with and fulfilment of all legal and regulatory requirements (including, merely by way of example but not limited to, Italian Legislative Decree No. 152 of 3 April 2006, as amended), as well as of all implementing criteria in this area, in regard to the Technogym Village and any other building or land for which the Company is legally liable, including the production facilities, as well as buildings or lands (both inside and outside the Technogym Village) private or private for public use, fulfilling all obligations, performing all tasks and functions deriving from this in term of environmental protection and anti-pollution measures, with full independence in the decision-making and expense process. The Deputy Chairman has, therefore, by way of example and not limited to, the following tasks and functions:

- to verify that the sewage of the production facilities, or related to this, is authorized and within the limits in force, arranging the necessary upgrade measures (also technical) and the regular controls, also ensuring their regular maintenance;
- to arrange and supervise the set-up, operation and maintenance of systems, machinery and equipment that generate atmospheric emissions, as well as of emission-reducing systems, ensuring that the legal limits on atmospheric emissions in force are met, ensuring also the appropriate and regular maintenance of the systems, so that the limits set for atmospheric emissions and air quality can be respected;
- to arrange and supervise the waste disposal process (with regular checks on its type) to ensure compliance with the laws and regulations in force and the necessary authorizations; this both under the legal and regulatory aspect (administrative and criminal law) and in regard to the logistic aspects;
- to arrange the appropriate and necessary activities to keep noise levels within the limits specified by laws or municipal regulations and/or any other provision in force, both during the day and at night, regularly checking for changes;
- to ensure that all administrative requirements made for environmental protection purposes have been met, both before operation (applications, authorizations, concessions and similar) and during operation;
- to promote and ensure the adoption of measures for the protection of the natural environment and in general the respect of the environmental laws and regulations in force and to fulfil the administrative formalities and the technical building activities related to the property and the plants, in compliance with the laws, provisions and procedures in force, using all necessary skills and resources, also financial, in full independence and



under his total and exclusive responsibility to ensure the timely, correct and exhaustive application of these laws and regulations, in the interest of the Company, also as owner, lessee or user, at any title, of buildings, systems, machinery, equipment and furnishings, accessories and fixtures;

- to ensure that the disposal of the waste and sewage produced during operation takes place as specified by the necessary authorizations and in the respect of the laws and regulations in force, including the activities and responsibilities related to the recycle or disposal of the products used;
- to negotiate, agree, sign, conclude, renew, terminate, rescind and amend work contracts and/or supply agreements that are found to be necessary to correctly manage the assigned tasks in terms of environmental protection and to keep up to code the facilities, buildings and systems;
- to fulfil all necessary requirements for the awarding of the work or supply contracts, including the corresponding work authorizations;
- to carry out all activities, take all decisions and carry out all initiatives to ensure the respect of all legal and regulatory provisions and all common principles of prudence in regard of health and safety on the workplace, accident prevention and environmental protection, in its broadest definition.

The Deputy Chairman may take part in the organization of the work and the disciplinary measure in this regard, with independent decisional and budgetary power for the initiatives required and by this decided and arranged, including urgent initiatives. The Deputy Chairman may, by virtue of the powers granted as well as of the identified skills, qualifications and experience gained, sub-delegate his powers, fully or in part, also to third parties outside the Company and, to this purpose, to choose, with full autonomy, if deemed necessary and/or appropriate, personnel also specialized, to whom he may grant specific functions and the corresponding management powers, setting independently the scope of the individual activity and the decisional and budgetary autonomy. In any case, the Deputy Chairman continues to be responsible, both in front of the Company and in front of the control bodies and the judicial authorities, for the fulfilment of the obligations so far indicated, related and depending from his powers.

In the exercise of the powers granted (also pursuant to the previous paragraph) the Deputy Chairman may negotiate, agree, sign, renew, terminate, cancel and modify all agreements and documents related to the powers granted. The Deputy Chairman must follow the relevant procedures approved by the Board of Directors, including the Related Party Transaction Procedure.

The Board of Directors has also delegated to the Deputy Chairman all powers to implement and guarantee the compliance with environmental protection and public safety laws and regulations and the fulfilment of all requirements in this field.

At the meeting held on 15 May 2018, the Board of Directors also voted to confirm the decisions and initiatives taken by the Deputy Chairman from 8 May 2018 to the date of the Board meeting on 15 May 2018.

Considering also the type and the structure of the current corporate organization and to ensure an even more efficient and thorough fulfilment of the legal obligations on health and safety in the workplace, the Deputy Chairman was also identified from the Board of Directors at the meeting on 25 October 2018, as the party who, for his position in the company organization chart, as well as for his experience and professional qualifications, may be suited to hold the position of “Employer”, as defined by Art. 2, Par. 1, letter b) of Italian Legislative Decree No. 81 of 9 April 2008, as later integrated and amended, for all areas of corporate activity and the workplaces and their fixtures on which the Company has or shall have a legal title. The Deputy Chairman has been granted all necessary decisional and budgetary powers (with full autonomy in this regard) for all aspects related to the health and safety of the workers, being able to dispose at his own discretion of the goods of the Company, without any restriction, for initiatives believed to be necessary to guarantee the best health and safety conditions for the workers. As “Employer”, the Deputy Chairman has also the power to represent the Company on social security

and accident-prevention issues in front of all competent bodies, including supervisory and judicial authorities, as well as in front of the workers and their representatives, suppliers, contractors and independent partners of the Company in general. Therefore, the Deputy Chairman is granted all powers required for the fulfilment of the obligations set by the applicable legal provisions on health and safety on the workplace.

#### Powers of Director Carlo Capelli

Carlo Capelli, a member of the Board of Directors of the Issuer, was also granted the following powers, to be exercised with individual signature and with power to sub-delegate:

- to carry out wire transfers and payment orders, issue cheques and money orders, bank checks and drafts, postal checks, pay and settle accounts and invoices received, repay advance payments or issue credit notes, within the limit of Euro 5,000,000 (five million), or its equivalent in another currency, for each transaction;
- to settle expense claims up to a maximum of Euro 20,000 (twenty thousand) each, or its equivalent in other currency;
- to arrange payments to public entities, insurance and social security institutions, employees, the Revenue Agency and tax offices in general and third parties according to orders of the judicial authorities within the limit of Euro 5,000,000 (five million), or the equivalent in other currency for each transaction;
- also beyond the limits set in the previous paragraph, to pay taxes, duties and charges, ask for their refund and collect it, issuing a receipt;
- to represent the Company in the ordinary and extraordinary shareholders' meetings of other companies of which the Company is a shareholder, exercising the corresponding voting rights, to exercise the other rights pertaining to the Company as a shareholder of the investees and to issue statements concerning the direct and indirect equity investments of the Company and their changes.
- to sign agreements for the granting of credit lines and, in general, to borrow from credit institutions, both in Italy and abroad, also in foreign currency, for a principal amount not exceeding Euro 25,000,000 (twenty-five million), or its equivalent in another currency, for each transaction;
- to request the use and disbursement of the credit lines granted to the Company within the limit of Euro 25,000,000 (twenty-five million), or its equivalent in another currency, for each transaction;
- to renew and pay off loans from credit institutions, in the limits of the value of the outstanding agreement.

In the exercise of the powers granted, the Director Capelli shall have the power to negotiate, agree, sign, renew, terminate, cancel and amend all agreements and documents related to the powers granted. The Director shall follow the relevant procedures approved by the Board of Directors, including the Related Party Transaction Procedure.

At the meeting held on 15 May 2018, the Board of Directors also voted to confirm the decisions and initiatives taken by the Director Carlo Capelli from 8 May 2018 until the date of the Board meeting on 15 May 2018.

#### **4.6 Independent Directors**

Technogym has fully implemented the recommendations of Art. 3 of the Corporate Governance Code.

On 8 May 2018, the Shareholders' Meeting of Technogym appointed 5 directors who meet the independence requirements, pursuant to the combined provisions of Art. 147-ter, Par. 4 and Art. 148, Par. 3 of the Consolidated Finance Law and the Application Criterion 3.C.1 of the Corporate Governance Code: Francesca Bellettini, Chiara Dorigotti, Vincenzo Giannelli, Maria Cecilia La Manna and Andrea Giuseppe Zocchi. The independence requirements as set forth in Art. 3 of the

Corporate Governance Code and Art. 148, Par. 3, of the Consolidated Finance Law for said members of the Board of Directors had already been verified, in the presence of the Board of Statutory Auditors, at the Board meeting held on 15 May 2018; they were verified again by the Board of Directors on 11 December 2019, again in the presence of the Board of Statutory Auditors (which made no comments), based on written statements and information provided by the independent directors (the Company not being aware of elements to the contrary).

On 16 January 2020, the Board of Statutory Auditors verified the correct application of the verification criteria and procedures adopted by the Board to assess the independence of its own members.

The Company has implemented Application Criterion 3.C.3 of the Code according to which, if the Company is included in the index FTSE-MIB, at least one-third of the Board of Directors must consist of Independent Directors. If this share does not correspond to a whole number, the latter is rounded down. In any case, there cannot be less than two Independent Directors. Although the Company is not included in the FTSE-MIB index, it has decided to apply this Application Criterion on a voluntary basis, appointing five Independent Directors out of eleven in office.

Technogym applies Criterion 3.C.1.e) of the Code, according to which, as a rule, a Director is not considered independent if he/she has held this position for more than nine years in the last twelve years.

The Independent Directors met without the other directors on 25 January 2019 and 16 February 2020, to discuss issues related to the 2019 financial year and until the date of the meeting itself.

Art. 19 of the Articles of Association provides for the Board to regularly verify that its members met the requirements, including those of independence and integrity, set by the legal and regulatory provisions in force and by the Articles of Association, as well as the absence of any cause of ineligibility and forfeiture.

The Director who, after the appointment, no longer meets the requirements made or previously stated must immediately inform the Board of Directors. The loss of independence requirements as defined by the legal and regulatory provisions in force that apply to the Independent Directors involves the forfeiture of the office, unless the independence requirements continue to be met by the minimum number of Directors who must meet them according to the legal and regulatory provisions in force. Without prejudice to these provisions, if a Director does not meet or no longer meets the independence requirements (if this involves the forfeiture according to the provisions above) or integrity stated and required, or there are cause of ineligibility or forfeiture, the Board of Directors declares the forfeiture of the Director and carries out his/her replacement in compliance with the applicable regulatory provisions and the provisions of the Articles of Association of the Issuer.

#### **4.7 *Lead Independent Director***

The Issuer believes that the attribution of the powers described in the previous Par. 4.4 to the Chairman and Managing Director Nerio Alessandri (who holds, indirectly, through a fully owned company, an equity investment with 75% of the voting rights in the company that directly controls the Issuer), the Deputy Chairman Pierluigi Alessandri (who holds, indirectly through a fully owned company, a 25% equity investment in the company that directly controls the Issuer) and the member of the Board of Directors, Carlo Capelli (who is an employee of the company that directly controls the Issuer) does not diverge from what was stated in the note to Art. 2 of the Corporate Governance Code, on the composition of the Board of Directors. The note to Art. 2 of the Corporate Governance Code makes clear that, if the Chairman is also the person controlling the Issuer, this situation is “*a circumstance that, in itself, does not have negative connotations, but requires in any case the creation of appropriate counterweights*”. The Corporate Governance Code identifies these counterweights in the appointment of a Lead Independent Director who exercises the functions set forth in Application Criterion 2.C.5 of the Corporate Governance Code.

Correspondingly, the Issuer believes that the attribution to Nerio Alessandri of the positions of Chairman and Managing Director does not conflict with the Corporate Governance Code. In the note to Art. 2, this states that the “*Committee, in recognizing that the presence of situations where two positions overlap may respond, especially in smaller issuers, to an appreciable organizational necessity, recommends appointing in this case a Lead Independent Director*”.

In compliance with these recommendations, on 15 May 2018, the Board of Directors of the Issuer selected Maria Cecilia La Manna, an independent member of the Board of Directors, as Lead Independent Director. Ms La Manna also holds the offices of Chairman of the Control and Risk Committee and the Committee for Transactions with Related Parties.

## 5. PROCESSING OF COMPANY INFORMATION

### Procedure for management of Insider Information

In compliance with the Borsa Italiana Regulations and the related Directions, as well as to the relevant provisions in the Consolidated Finance Law and the Issuers' Regulation, under which the Directors and the Auditors must respect the confidentiality of the documents and information acquired in the performance of their tasks and follow the procedure adopted by the Company for the internal management and the dissemination of these documents and information, the Board of Directors, at its meeting on 16 March 2016, approved the procedure for the management of Insider Information, later amended after the coming in force of Regulations (EU) No. 596/2014 on market abuse on 4 August 2016 and 28 March 2018 (“**Insider Information Procedure**”). The aforementioned procedure is available on the Company’s website at <http://corporate.technogym.com/en/governance/corporate-documents/rules-procedures>.

The Procedure for the management of Insider Information aims to prevent its disclosure from coming at the wrong moment, being incomplete or inadequate and, in any case, resulting in disclosure asymmetries among the public.

In particular, the disclosure of Insider Information protects the market and the investors, ensuring they have a suitable knowledge of the facts concerning the Issuer, on which they can base their investment decisions.

The Procedure for the management of Insider Information also aims at preventing some parties or categories of parties from making use of information not known by the public to carry out speculative transactions on the markets at the expenses of the investors, who are not aware of this information.

The main elements of the Insider Information Procedure are briefly described below.

Addressees of the Insider Information procedure are all those who have access to Confidential Information, Relevant Information or Insider Information as defined in said procedure and, in particular: (a) the members of the administration, direction and control bodies and the Committees of the Company and/or the Subsidiaries; (b) the employees of the Company or the Subsidiaries; (c) the persons, both natural and legal, that, because of their working or professional activity, or because of the functions carried out, have access to Insider Information and (d) the persons, both natural and legal, that, because of their working or professional activity, or because of the functions carried out, have access, on a regular or occasional basis, to Insider Information.

“**Confidential Information**” is defined as any information or news that cannot be qualified as Insider Information, concerning, directly or indirectly, the Company and/or the Subsidiaries, that is not in the public domain or else that is, because of its nature, reserved or exclusive property of the Company and/or its Subsidiaries, acquired by the addressees of the Insider information procedure in the performance of their tasks and/or functions.

**“Relevant Information”** means any information or news that still does not qualify as Insider Information, which the Company considers relevant, given that it relates to data, events, projects or circumstances that, on a continuous, repetitive, periodic, or intermittent, occasional or unforeseen basis, directly concern the Company itself and which may, at a subsequent time, including in the near future, assume the nature of insider information.

**“Insider Information”** means information of a precise nature, that has not been made public, directly or indirectly relating to the Company or financial instruments which are relevant for the purposes of Art. 3, Par. 1(1) of the MAR issued by the Company, and that could have a significant impact on the financial instruments or prices of the related derivatives, if made public. The Insider Information Procedure refers to the provisions of Art. 7 of the MAR for a more accurate identification of the area of application of this definition.

The employees and the members of the Board of Directors of the Company or its Subsidiaries must inform the Company of the information that, in their opinion, represents or could represent Relevant Information or Insider Information, in compliance with the rules specified below:

- (a) the employees of the Company or its Subsidiaries must inform their direct superior of the information on the Company and/or its Subsidiaries that, in their opinion, represents Relevant or Insider Information, of which they have become aware;
- (b) the managers of the corporate functions of the Company, as well as the Executive Directors (or other parties delegated to this purpose) of the Subsidiaries must inform without delay the Managing Director of the Company (or, in the case of absence or impediment of this, the Chairman of the Board of Directors of the Company or, in the case of absence or impediment also of the latter, the Deputy Chairman of the Board of Directors of the Company) of all information on the Company and/or the Subsidiaries that, in their opinion, represents Relevant or Insider Information, of which they have become aware.

The assessment of whether the information concerning the Company and/or the Subsidiaries represents Relevant or Insider Information and whether there is a need to proceed as per the provisions of the Insider Information Procedure, in the various cases, falls within the competence of the following parties:

- (a) Information emerging from the meetings of the Board of Directors of the Company: within the competence of the Board of Directors;
- (b) Information emerging from the Company’s Shareholders’ Meeting: within the competence of the Board of Directors;
- (c) Other information is within the competence of the Managing Director of the Company (or, in the case of absence or impediment of this, of the person delegated by the Managing Director or, in the case of his/her absence or impediment, of the Chairman of the Board of Directors of the Company or, in the case of absence or impediment also of the latter, of the Deputy Chairman of the Board of Directors of the Company) or of the person delegated by the Managing Director of the Company.

Where the information is classified as Relevant Information, it must be recorded in the appropriate section of the Register of Relevant Information (**“RIL”**), established and updated by the Company, pursuant to the legal and regulatory provisions in force. This is a list of the persons that, because of their working or professional activity or their functions, have access to Relevant Information.

If the information is found to represent Insider Information pursuant to Art. 7 of the MAR, it must be made public as soon as possible, as specified in Art. 7 of the Insider Information Procedure, and in compliance with the legal and regulatory provisions in force.

The Company has created, pursuant to the legal and regulatory provisions in force, and shall update, a register (“**Register**”), carrying a list of those who, because of their working or professional activity or their functions, have access to Insider Information, even with a delay. The procedures to set up, manage and update the RIL and the Register are regulated in the corresponding procedure attached to the Insider Information Procedure (“**Register Procedure**”).

The internal management of Relevant and Insider Information, even with a delay, must take place in compliance with the rules below:

- (a) the Top Management (as defined in the Insider Information Procedure) and the managers of the corporate functions concerned from time to time must constantly monitor the stage of evolution of information qualified as Relevant Information and, if the conditions are met, re-initiate the assessments required by the Insider Information Procedure with regard to the decisions to be taken in the event that the aforesaid information takes the nature of Insider Information;
- (b) the manager of each corporate function must ensure that the Relevant and Insider Information, even with a delay, is disclosed only to the employees of the units for which this knowledge is needed to carry out their working functions; these employees must be listed in the aforementioned Register;
- (c) those who have acquired Insider Information, even with a delay, must be informed, with the procedures specified in the Register Procedure, of the confidential nature of this information and the obligations deriving from this knowledge, as well as of the possible penalties for the offences in this area specified by applicable legal and regulatory provisions.

### **Internal Dealing Procedure**

The procedure on internal dealing adopted by the Company pursuant to Art. 19 of the MAR, Delegated Regulation 522 and Delegated Regulation 523 and national legislation, as amended by the Board of Directors on 4 August 2017 to reflect the amendments made to CONSOB regulations by means of resolution No. 19925 of 22 March 2017, regulates the methods and terms of fulfilment of the disclosure obligations of Relevant Persons to the Company and the market, with reference to transactions performed involving Technogym shares or related instruments (“**Internal Dealing Procedure**”).

The Internal Dealing Procedure defines, in line with the applicable regulations, both the relevant persons required to fulfil communication obligations pursuant to the MAR and implementing regulations (i.e. members of the Company’s administration and control bodies and persons that perform company management functions and executives who have regular access to insider information and have the power to adopt management decisions that may impact the evolution and future prospects of the Company), and persons closely related to them, as well as the relevant shareholders required to fulfil communication obligations pursuant to the Consolidated Finance Law (i.e. those who hold a shareholding, calculated in accordance with Art. 118 of the Issuers' Regulation, of at least 10% of the Company’s share capital, represented by shares with voting rights, as well as any other person that controls the Company) and persons closely related to them.

Having identified the addressees of the regulation, the Internal Dealing Procedure identifies the relevant transactions for the different addressees of the Procedure in light of the regulations applicable to each one.

Pursuant to the Procedure, it is prohibited to carry out - on own behalf or on behalf of third parties, directly or via third parties - transactions with Relevant Persons in the 30 (thirty) calendar days prior to the market communication of approval, by the Board of Directors, of the draft annual financial statements, of the half-yearly report, of any quarterly financial reports prepared on a voluntary basis, that the Company is required to, or has decided to, make public according to (i) the rules of the regulated market, multilateral trading system or organized trading system, the venue in which the

Company shares are admitted to trading, (ii) the Italian law; or (iii) any requests from CONSOB (“**Blocking Period**”).

Relevant Transactions whose total amount does not reach Euro 20,000.00 in a calendar year, or the greater amount required by applicable legal and regulatory provisions on internal dealing, are not subject to the obligations of communications specified in this Procedure. These obligations of communication apply instead to all Relevant Transactions carried out, once this amount has been reached in one calendar year.

The Internal Dealing Procedure also regulates the management, handling and communication of the information related to these transactions.

In compliance with the provisions of the Internal Dealing Procedure, the Board of Directors on 16 February 2016 has granted to the Head of the Corporate Affairs function the mandate of person in charge of the execution of said Code (replaced with resolution of the Board of Directors of 10 February 2017).

The Internal Dealing Procedure is available on the website of the Company at <http://corporate.technogym.com/en/governance/corporate-documents/rules-procedures>.

## **6. COMMITTEES WITHIN THE BOARD OF DIRECTORS**

In compliance with the Corporate Governance Code, which recommends to listed companies to create Committees within the Board of Directors, with competencies on specific areas, Art. 24 of the Articles of Association gives to the Board of Directors the power to set up internal Committees with functions of advice and proposal, specifying their powers also for the purposes of ensuring the compliance of the corporate governance system with codes of conducts promoted by management companies of regulated markets.

On 16 February 2016, the Board of Directors set up, from among its members, a Nomination and Remuneration Committee, a Control and Risk Committee, and a Committee for Transactions with Related Parties (see Par. 8, 10 and 12 below).

In the performance of their functions, the Committees set up within the Board of Directors have the power to access the information and the corporate functions as needed for the performance of their respective tasks. The Committees may also make use of external consultants paid by the Company, within the limits of the budget approved by the Board of Directors.

We describe below the Committees created within the Board of Directors.

## **7. NOMINATION AND REMUNERATION COMMITTEE**

In view of the organizational requirements of the Company, the operating procedures and size of its Board of Directors as well as the best practice, the Company has created a single nomination and remuneration committee, in compliance with the provisions of Arts. 4, 5 and 6 of the Corporate Governance Code.

The provisions concerning the tasks, composition, organization and operation of the Nomination and Remuneration Committee are found in the regulations of the Committee available at the registered office and on the website of the Company ([www.technogym.com](http://www.technogym.com)).

### **Composition and operation of the Nomination and Remuneration Committee**

On 15 May 2018, the Board of Directors appointed the new members of the Nomination and Remuneration Committee of the Company, who are in office at the time of this Report.

The current composition of the Committee also complies with the recommendation in Standard 6.P.3 of the Code, pursuant to which the Committee may consist of Non-Executive Directors, the majority of whom independent, provided, as in the case in question, the Chairman of the Committee is chosen among the independent directors.

The following were appointed as members of the Nomination and Remuneration Committee: Vincenzo Giannelli, independent director (Chairman), Riccardo Pinza (Deputy Chairman) and Andrea Giuseppe Zocchi, independent director.

Pursuant to the Regulations of the Nomination and Remuneration Committee, at least one member of the Committee must have adequate knowledge and experience of financial matters or remuneration policies, to be assessed by the Board of Directors at the time of the appointment. The Chairman of the Committee currently meets this requirement.

The duration of the mandate granted to the Committee is set each time by the Board of Directors or, if this does not take care of it, coincides with duration of the mandate of the Board of Directors that has set it up. If the mandate of Board of Directors ends early, for whatever reason, the mandate of Committee is also terminated.

Each member of the Committee may be revoked by resolution of the Board of Directors, which at the same time shall find a replacement. If a member of the Committee becomes unavailable, for any reason, including resignation from the office of Director, the Board of Directors appoints a new member without delay, at the first possible meeting. The mandate of the members of the Committee appointed to replace outgoing members expires at the same time as the mandate of the members already in office at the time of the replacement, unless otherwise resolved by the Board of Directors.

At the time of its first meeting, the Committee appoints a Chairman and a Deputy Chairman from among its members, unless the Board of Directors takes care of it. The Chairman is chosen from the Directors who meet the independence requirements indicated by the Corporate Governance Code.

The Chairman (or, in the case of absence or impediment of this, the Deputy Chairman) chairs the meetings of the Committee, prepares its activity, directs, coordinates and moderates the discussion. The Chairman (or, in the case of absence or impediment of this, the Deputy Chairman) reports to the Board of Directors on the activity carried out by the Committee and on the corresponding proposals and guidelines in the most appropriate ways and, in any case, at the first possible meeting of the Board of Directors. The Committee also reports to the shareholders on the procedures followed for the exercise of its functions and, to this purpose, the Chairman or another member of the Committee attends the annual Shareholders' Meeting.

The Committee is called by the Chairman (or, in the case of absence or impediment of this, by the Deputy Chairman) every time a meeting is deemed appropriate to its functions and also every time a meeting is requested in writing by one of the members of the Committee to the Chairman or the Deputy Chairman, specifying the topics to be added to the agenda. The meetings of the Committee are called by giving at least 3 (three) days' notice, by email, fax, telegram, registered mail, or by hand, or by other suitable means, specifying the location, date, time and the items on the agenda. In urgent cases, the Committee may be called by giving only 1 (one) days' notice. The meeting is in any case duly established, even in the absence of a formal call, if attended by all members of the Committee. The call notice must be sent to the standing members of the Board of Statutory Auditors of the Company and a courtesy copy is also sent to the Chairman of the Board of Directors. The meetings of the Committee may be duly held also via suitable audio, video or teleconference systems, provided all those entitled can take part and be identified, follow the discussion, intervene in the discussion in real time, and receive, send or view documents, with simultaneous review and decision/resolution. The Committee, on proposal of the Chairman of the meeting, appoints, at the time, a Secretary of the meeting, who may, or may not, be a member. The Committee may meet in any location, provided it is in Italy. For the meetings of the Committee to be valid, the presence of the majority of members in



office is required. The decisions/resolutions of the Committee are taken with an absolute majority of those attending. The vote cannot be given by proxy and each member has the right to one vote.

The Secretary prepares the minutes for every meeting of the Committee. The minutes are signed by the Chairman of the meeting and the Secretary. The book of the minutes of the Committee is filed at the Corporate Affairs function and is available to all members of the Board of Directors and the Board of Statutory Auditors.

In 2019, three meetings of the Nomination and Remuneration Committee were held in total, which lasted an average of one hour and a half. The minutes of the meeting were duly kept. The meeting was attended also by the Board of Statutory Auditors. At said meetings, in the exercise of its functions, the Committee, in particular, based on the relevant prior analyses, examined the following themes: (i) the process of self-evaluation of the Directors pursuant to Art. 1.C.1, letter g), of the Corporate Governance Code and verification of their independence and integrity requirements; (ii) the guidelines on the maximum number of offices of Directors and Statutory Auditors; (iii) guidelines on diversity policies pursuant to Art. 123-bis of the Consolidated Finance Law; (iv) succession plan for executive directors; (v) the plan for the free allocation of rights to receive Company ordinary shares called the “2019 – 2021 Performance Shares Plan”, regulation and list of the Plan’s beneficiaries; (iv) Policy for the Remuneration of Executive Directors and Key Executives. With regard to the percentage attendance at the meetings by the individual members of the Committee, we refer, as already indicated, to Table 2 of the Annex of this Report.

In 2020, the Nomination and Remuneration Committee expects to meet whenever it is deemed necessary for the purposes of the correct and effective performance of its tasks. At the date of this Report, the Committee had already met twice, mainly focusing on the assessment and approval of the remuneration plan based on financial instruments and the remuneration policy.

#### **Functions of the Nomination and Remuneration Committee**

With regard to appointments, the Nomination and Remuneration Committee has the following tasks:

- (a) to express opinions to the Board of Directors on the size and composition of the Board and make recommendations on the professional profiles whose presence in the Board of Directors is believed to be appropriate;
- (b) to make recommendations to the Board of Directors on the maximum number of positions as director or statutory auditor in other listed companies in regulated markets (also abroad), in financial, banking, insurance companies or large companies that may be considered compatible with an effective performance of the directorship of the Issuer, taking into account the participation of the Directors in the Committees established within the Board of Directors;
- (c) to make recommendations to the Board of Directors if difficulties arise in the application of the non-competition obligation specified for the Directors by Art. 2390 of the Civil Code, if the Shareholders' Meeting of the Company has authorized in general terms and in advance derogations to this prohibition to meet organizational needs;
- (d) to propose to the Board of Directors candidates to the office of Director in co-optation cases, if it becomes necessary to replace Independent Directors; and
- (e) to carry out a preliminary analysis for the preparation of a succession plan for the Executive Directors of the Company, if the Board of Directors decides to adopt such a plan.

With regard to remuneration, the Nomination and Remuneration Committee has also been assigned the following tasks:

- (a) to make proposals to the Board of Directors on the remuneration policy for Directors and Key Managers;
- (b) to assess at regular intervals the appropriateness, overall consistency and practical application of the remuneration policy for Directors and Key Managers, making use in this regard of the information provided by the delegated Directors;
- (c) to make proposals or express opinions to the Board of Directors on the remuneration of the Executive Directors and the other Directors holding specific offices, as well as on the specification of performance objectives for the variable component of such remuneration, and to monitor the application of the decisions adopted by the Board of Directors, verifying, in particular, the actual achievement of the performance objectives.

The Committee may invite to its meetings the Chairman and Deputy Chairman of the Board of Directors, the other members of the Board of Directors and the members of the administration and control bodies of the companies of the group with regard to all or some items on the agenda. Any other person whose presence is believed to be useful to improve the performance of the functions of the Committee, with regard to all or just a few items on the agenda, may also be invited to the meetings.

In compliance with the Application Criterion 4.C.1., letter e) of the Corporate Governance Code, the Nomination and Remuneration Committee may access corporate information and functions as necessary for the performance of its tasks and make use of external consultants, to the extent specified by the Board of Directors.

In line with the recommendations of Art. 6.C.6 of the Corporate Governance Code, no Director may take part in meetings of the Nomination and Remuneration Committee, when proposals are made to the Board of Directors concerning his/her remuneration.

The meetings of the Nomination and Remuneration Committee and the decisions taken were duly recorded.

In support of the activity of the Nomination and Remuneration Committee during the year, the Board of Directors has offered to provide the body with all the resources that will be required for the correct performance of its functions.

For more information on the composition and the functions of the Nomination and Remuneration Committee, we refer to the Regulation of the Committee and to the Remuneration Report, both available at the registered office and on the website of the Company ([www.technogym.com](http://www.technogym.com) - Governance section).

## **8. DIRECTORS' REMUNERATION**

### **General remuneration policy**

For information on the general remuneration policy relating to the executive and non-executive directors and Key Managers, the share-based remuneration plans and any indemnities due to Directors in the case of resignation, dismissal or termination of the relation, we refer to the Remuneration Report prepared by Technogym pursuant to Art. 123-ter of the Consolidated Finance Law and made available to the public in the terms and with the procedures specified by the legal and regulatory provisions, including by publication on the website <http://corporate.technogym.com/en/governance/shareholders-meetings>. This policy has also been drafted by taking into account the recommendations of the Corporate Governance Code as better specified in the above mentioned report.

We note, in any case, that there are no agreements between the Company and any Director specifying indemnities, of insurance or other nature, in the case of resignation or dismissal without just cause or if the employment relationship ends after a public purchase offer.

For information regarding the application of the 2019 remuneration policy, reference is also made to the second section of the Report on remuneration and compensation paid by the Company pursuant to Art. 123-ter of the Consolidated Finance Law, approved by the Board of Directors on the same date of approval of this Report (which is expected to be made available to the public according to the terms and modalities prescribed by applicable legal and regulatory provisions, including by publication on the website at <http://corporate.technogym.com/en/governance/shareholders-meeting>). Reference is also made to the first section of this Report on the proposed remuneration policy for the year 2020.

## **9. CONTROL AND RISK COMMITTEE**

The Control and Risk Committee has been given functions of investigation, advice and proposal to support the Board of Directors in the analysis, identification, monitoring and solving of the issues related to the internal Control and Risk Management System. This Committee also provides advice and makes proposal on the adoption of corporate governance standards in the Company.

The provisions concerning the tasks, composition, organization and operation of the Control and Risk Committee are found in the regulations of the Committee – carrying also provisions aimed at implementing the recommendations set forth in the Standard 7.P.4 and Application Criterion 7.C.2 of the Corporate Governance Code – available at the registered office and on the website of the Company ([www.technogym.com](http://www.technogym.com)).

### **Composition and operation**

On 15 May 2018, the Board of Directors appointed the members of the Control and Risk Committee, who are in office at the time of this Report.

In compliance with Standard 7.P.4 of the Corporate Governance Code, the Control and Risk Committee is currently composed of the following three Non-Executive Directors, the majority of whom independent: Maria Cecilia La Manna, independent director (Chairwoman), Maurizio Cereda (Deputy Chairman) and Chiara Dorigotti, independent director.

Pursuant to the Regulation of the Control and Risk Committee, at the time of the appointment, at least one member of the Committee must be deemed by the Board of Directors to have adequate knowledge and experience of financial issues or remuneration policies. The Chairman of the Committee currently meets this requirement.

If a member of the Committee becomes unavailable, for any reason, including resignation from the office of Director, the Board of Directors appoints a new member without delay, at the first possible meeting. The mandate of the members of the Committee appointed to replace outgoing members expires at the same time as the mandate of the members already in office at the time of the replacement, unless otherwise resolved by the Board of Directors.

At the time of its first meeting, the Committee appoints among its members a Chairman and a Deputy Chairman, unless the Board of Directors has already taken care of it.

Each member of the Committee may be revoked by resolution of the Board of Directors, which at the same time shall find a replacement. The duration of the mandate granted to the Committee is set each time by the Board of Directors or, if this does not take care of it, coincides with duration of the mandate of the Board of Directors that has set it up. If the mandate of Board of Directors ends early, for whatever reason, the mandate of the Committee is also terminated.

The Chairman (or, in the case of his/her absence or impediment, the Deputy Chairman), chairs the meetings of the Committee, prepares its activity, directs, coordinates and moderates the discussion and reports to the Board of Directors on the activity carried out by the Committee and on its proposals and guidelines in the most appropriate ways and, in any case, at the first possible meeting of the Board of Directors.

The Committee is called by its Chairman (or, in the case of his/her absence or impediment, the Deputy Chairman) for the execution of its functions and tasks with a frequency appropriate to the correct performance of these functions and tasks. The Committee meets also every time a meeting is requested by one of its members who shall send a written request to the Chairman or the Deputy Chairman, indicating the topics to be placed on the agenda.

The meetings of the Committee are called by giving at least 3 days' notice, by email, fax, telegram, registered mail, or by hand, or by other suitable means, specifying the location, date, time and the items on the agenda. In urgent cases, the Committee may be called by giving only 1 (one) day's notice. The meeting is deemed, in any case, duly established, even in absence of a formal call, if attended by all members of the Committee. The call notice must be sent to the standing members of the Board of Statutory Auditors of the Company and a courtesy copy is also sent to the Chairman of the Board of Directors and the Director in charge of the Internal Control and Risk Management System. The meetings of the Committee may be duly held also via suitable audio, video or teleconference systems, provided all those entitled can take part and be identified, follow the discussion, intervene in the discussion in real time, and receive, send or view documents, with simultaneous review and decision/resolution. The Committee, on proposal of the Chairman of the meeting, appoints, at the time, a Secretary of the meeting, who may, or may not, be a member. The Committee may meet in any location, provided it is in Italy. For the meetings of the Committee to be valid, the presence of the majority of members in office is required. The decisions/resolutions of the Committee are taken with an absolute majority of those attending. The vote cannot be given by proxy and each member has the right to one vote.

The meeting Secretary prepares the minutes for every meeting of the Committee. The minutes are signed by the meeting's Chairman and the Secretary. The book of the minutes of the Committee is filed at the Corporate Affairs function and is available to all members of the Board of Directors and the Board of Statutory Auditors.

## **9.1 Functions of the Control and Risk Committee**

The Control and Risk Committee was given functions of proposal and advice as follows:

- a. to assess, together with the manager in charge of drafting the company's financial reports as set forth in Art. 154-bis of the Consolidated Finance Law ("**Financial Reporting Manager**"), after consulting the independent auditor (or Independent Auditors) and the Board of Statutory Auditors, the correct use of the accounting principles and their uniformity for the purposes of the preparation of the Consolidated Financial Statements;
- b. to express opinions on specific aspects of the identification of the main types of corporate risk;
- c. to review the regular reports on the assessment of the Internal Control and Risk Management System and the reports of special significance prepared by the Internal Audit function;
- d. to monitor the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
- e. to ask the Internal Audit function to carry out assessments on specific operational areas, at the same time informing the Chairman of the Board of Statutory Auditors;
- f. to report to the Board of Directors, at least every six months, at the time of the approval of the annual and half-yearly financial reports, about the activity carried out, as well as on the adequacy of the Internal Control and Risk Management System;
- g. to support, with adequate investigation activity, the assessments and the decisions of the Board of Directors on the management of the risk arising from detrimental facts of which the Board of Directors has become aware.

The Committee also provides its preliminary opinion to the Board of Directors:

- a. on the guidelines of the Internal Control and Risk Management System, so that the main categories of risk concerning the Company and its Subsidiaries are correctly identified, as well as properly measured, managed and monitored;
- b. on the compatibility of the categories of risk under a) with a management of the Company consistent with the strategic objectives identified;
- c. on the appropriateness of the Internal Control and Risk Management System with respect to the characteristics of the Company and the risk profile taken, as well as on the effectiveness of such system;
- d. on the action plan prepared by the Head of the Internal Audit function;
- e. on the description, in the Report on corporate governance, of the main characteristics of the Internal Control and Risk Management System and the procedures of coordination between the parties involved, including the assessment of the adequacy of the system itself;
- f. on the results described by the auditor (or Independent Auditors) in any letter of suggestions sent and in the report on the key issues identified during the audit;
- g. on the proposal concerning the appointment, revocation and remuneration of the Head of the Internal Audit function, as well as on the adequacy of the resources allocated to this for the execution of his functions.

If the Board of Directors resolves in this sense, the Committee also exercises the powers granted to the Committee for Transactions with Related Parties by the Procedure for Transactions with Related Parties adopted by the Company.

The Committee may invite to its meetings the Chairman and the Deputy Chairman of the Board of Directors, the Director in charge of the Internal Control and Risk Management System and the other members of the Board of Directors, the statutory auditor or the representatives of the Independent Auditors and the members of the Board of Directors and Board of Statutory Auditors of the companies of the group with regard to all or just a few items on the agenda. The Committee may also invite to its meetings the Head of the Internal Audit function, the Financial Reporting Manager, the Executives in charge of the different functions and any other person whose presence is believed to be useful to improve the performance of the functions of the Committee, with regard to all or some items on the agenda. The Chairman of the Board of Statutory Auditors or another statutory auditor indicated by this takes part in the activity of the Committee; the other Auditors may also take part.

Without prejudice to the powers of the individual members of the Committee in their capacity as Directors of the Company, in the performance of its functions, the Committee may access corporate information and functions as necessary for the performance of its tasks and make use of external consultants to the extent specified by the Board of Directors.

The Committee carries out its activity making use of the information provided by the Board of Directors, the Director in charge of the Internal Control and Risk Management System, the Head of the Internal Audit function, the Financial Reporting Manager, the Supervisory Board specified by Legislative Decree 231/2001, as amended and integrated, and the statutory auditor or the representatives of the Independent Auditors, as well as of the results of the activity carried out by the other Committees established by the Board of Directors. The Committee and the Board of Statutory Auditors promptly exchange the information relevant to the execution of the respective tasks. In addition, the Committee may activate, through the Director in charge of the Internal Control and Risk Management System and the Head of the Internal Audit function, all other information channels necessary for the execution of its activity and receives the support of the Corporate Affairs function.

In 2019, the Control and Risk Committee met five times; the meetings lasted an average of around three hours. The meeting attendance record of each member is indicated, in percentage terms, in Table 2 enclosed to this Report. In 2019, the Control and Risk Committee focused on: (i) the progress of the project linked to the implementation of the organizational model for the purposes of the regulatory requirements pursuant to Italian Law No. 262/2005, the project to defined an Enterprise Risk Management model; (ii) the progress of the audit activities carried out by the Company, also with reference to its subsidiaries; (iii) the correctness and adequacy of the accounting principles used by the Company to draft the accounting documents; (iv) the correctness and adequacy of the internal control and management system adopted by the Company and by its main subsidiaries as well as the organizational, administrative and control structure adopted by the Company and its practical functioning; (v) the correct use of the standards adopted for the purposes of drafting the non-financial statement prepared pursuant to the Italian Legislative Decree No. 254/2016, as well as the completeness and reliability of the statement itself; (vi) the activities carried out by the Company's Supervisory Board set up pursuant to Legislative Decree 231/2001; (vi) the impact of the implementation of the new SAP information system on the Company and the Group. The Control and Risk Committee has indicatively scheduled five meetings for 2020, of which two had already been held at the date of this Report. In particular, at said meetings, the Committee reviewed: (i) the progress of the projects of the Internal Audit function; (ii) the adequacy of the Control and Risk Management System and the organizational, administrative and accounting structure; (iii) the correct application of accounting principles in the preparation of the financial reports of the Company and the correct application of the principles for the execution of the impairment test. The meetings of the Control and Risk Committee and the decisions taken were regularly recorded.

The members of the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System, Mr Carlo Capelli, were always invited to take part in the activity of the Committee. The Chairman of the Board of Statutory Auditors attended all meetings, and most of the meetings were attended by the entire Board of Statutory Auditors. The Director in charge of the Internal Control System attended all the meetings. The Head of the Internal Audit function also attended all the meetings under his/her sphere of competence. The Financial Reporting Manager in office on the date of the meeting always chaired the meetings of the Committee. The managers in charge of the administration, finance and control functions also attended some meetings, limited to matters within their competence.

In support of the activity of the Control and Risk Committee during the year, the Board of Directors has offered to provide the Committee with all the resources that will be required for the correct performance of the functions of the Committee. For more information on the composition and the functions of the Control and Risk Committee, we refer to the Regulation of the Committee, available at the registered office and on the website of the Company <http://corporate.technogym.com/en/governance/corporate-documents/rules-procedures>.

## **10. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The Company has adopted an Internal Control and Risk Management System, in compliance with the recommendations of Art. 7 of the Corporate Governance Code, as well as best practices.

This has produced a coordinated and organic system of rules, procedures and organizational structures that, through an appropriate process of identification, measurement, management and monitoring of the main risks to which the Company and its Subsidiaries are exposed, ensures the sound and correct management of the Company, consistent with its strategic objectives. The Internal Control and Risk Management System involves, within the scope of their competence:

- the Board of Directors, which sets the guidelines and assesses the adequacy of the Internal Control and Risk Management System;
- the Control and Risk Committee, which has the task, described in Paragraph 9 above, of supporting, with appropriate investigation and proposal activity, the assessments and decisions of

the Board of Directors on the system, as well as those on the approval of the regular financial reports;

- the Director in charge of the Internal Control and Risk Management System, Mr Carlo Capelli, who has the task of identifying the main types of corporate risk and implementing the guidelines defined by the Board of Directors, as described in detail in Paragraph 10.1 below;
- the Head of the Internal Audit function, Mr Giuliano Boccanegra, who has the task of verifying that the Internal Control and Risk Management System is operational and appropriate, as described in detail in Paragraph 10.2 below. We also note that, on 17 March 2020, the Board of Directors, having consulted the Board of Statutory Auditors and the Director in charge of the Internal Control System, approved the 2020 action plan prepared by the Head of the Internal Audit function;
- the Board of Statutory Auditors that, also in the capacity of Internal Control and Audit Committee pursuant to the Art. 19 of the Italian Legislative Decree No. 39/2010, monitors the effectiveness of the Internal Control and Risk Management System.

Considering the complexity of the management activities and taking into account that exposure to risk represents a fundamental and unavoidable component of the activity of the Company, the Board of Directors has recognized the need to identify and map, ex ante, before they arise, the main types of risk, and to adopt suitable instruments to manage them and reduce their impact.

Therefore, the Company has started for some time a process for the definition of an integrated risk management model, based on the principles indicated by the Committee of Sponsoring Organizations of the Treadway Commissions (COSO III), a framework already used in the design of both the system of internal financial controls, in compliance with the requirements of Italian Law No. 262/2005 and the organizational model adopted pursuant to Legislative Decree 231/2001.

In 2019, the Company continued the activities related to defining and implementing an integrated risk management system known as enterprise risk management (ERM), approved by the Board of Directors in 2017, which during 2018 had been slowed down because of the launch of the new SAP system at the Company and its subsidiaries, which had involved many corporate functions in the review and redefinition of the processes and information flows of the Company and the Group.

In 2020, the activities and assessments already carried out to implement the ERM model will continue, with the implementation of the governance and internal organization controls, to integrate the current risk management system in the daily operating activities of the individual company areas.

The risk assessment activities carried out during 2019 confirmed the methodological arrangement based on the following three macro-categories of risk:

- strategic risks, which are related to the corporate strategies aimed at achieving a competitive advantage consistent with the objectives set out in the business plan;
- business risks, which are related to the sector the Company belongs to and the business model with which the Company operates to achieve the objectives of the business plan;
- operational risks, which are related to the organizational structure, control processes and IT systems of the Group.

Within the scope of the above-mentioned categories, the Company has identified the most sensitive risks while identifying the areas of expertise, mitigation activities and the corporate figures who will have to implement the proposed corrective plans.

## **Main characteristics of the Internal Control and Risk Management System with regard to the financial reporting process pursuant to Art. 123-bis, Par. 2, letter b) of the Consolidated Finance Law**

The internal control system for the financial reporting process is an integral part of the wider context of the Internal Control and Risk Management System. In general, the internal control system implemented by the Company is aimed at ensuring the protection of the Company's assets, as well as ensuring compliance with the laws and regulations, efficiency and effectiveness of corporate transactions as well as the reliability, accuracy and timeliness of financial disclosures.

The internal control system for the financial reporting process aims at identifying the events that can jeopardize, in the event they occur, the accuracy, reliability and timeliness of financial disclosures and at assessing whether the process of preparation of the financial statements as a whole can produce financial reports in compliance with reference accounting principles.

The approach adopted in the design of the control model for the financial reporting process was inspired by international standards and industry best practices, and by the guidelines issued by the Committee of Sponsoring Organizations of Tradeway Commission (known as COSO III).

The Financial Reporting Manager defines the administrative-accounting procedures for the preparation of the financial statements and other financial disclosures. Together with the Chairman of the Board of Directors, the Financial Reporting Manager ensures that these procedures are appropriate and actually applied when preparing the annual separate and consolidated financial statements and the half-yearly financial report of the Company.

## **Current stages of the Internal Control and Risk Management System with regard to the financial reporting process**

During 2019, the Group carried out the ordinary activities of aligning and updating the control mechanisms relating to the financial reporting process, in compliance with the provisions of Italian Law No. 262/2005.

The analysis of the perimeter and the risk related to financial disclosures actually requires regular updates to identify the main changes occurred in the structure of the administrative-accounting processes as a result of the natural evolution of the business and organization of the Group.

Therefore, the significant items of the financial statements and the corporate processes that provide data to them were identified, by defining the processes and controls to mitigate the risks connected with the true and fair view of the financial information.

In general, the control objectives for the financial reporting process concern the financial statements and the corporate control and organization environment, such as the controls on the separation of the tasks, on compliance with the rules of conduct and the authorization limits, on physical safety of goods, on diligent documentation and tracking of transactions.

## **Roles and functions involved**

The Internal Control and Risk Management System for the financial reporting process is coordinated and managed by the Financial Reporting Manager, Mr Andrea Alghisi, appointed by the Board of Directors pursuant to current legislative provisions and the Articles of Association.

The Financial Reporting Manager is supported by the Internal Audit function, in the execution of assessments on the operation of the control system, and by the managers of the functions, who, within their area of competence, provide complete and reliable information for the preparation of the financial reports.



The Financial Reporting Manager is directly responsible for verifying the correct and prompt execution of management activities in the administrative, accounting and financial area, being required to supervise on an ongoing basis all stages of the monitoring and assessment of risk concerning the financial reporting process.

The Financial Reporting Manager regularly reports to the Board of Statutory Auditors on the adequacy, also in terms of organization, and reliability of the administrative-accounting system and reports to the Control and Risk Committee and the Board of Directors on the activity carried out and on the effectiveness of the internal control system with regard to risks concerning the information in the financial statements.

After carrying out these activities and controls, the Financial Reporting Manager issues the statements and certifications required by Art. 154-bis of the Consolidated Finance Law.

In particular, pursuant to:

- (i) Art. 154-bis, Par. 2, of the Consolidated Finance Law, the acts and communications of Technogym Spa, disclosed to the market and related to the financial reports, interim and annual, are accompanied by a written statement by the Financial Reporting Manager, confirming they correspond to the supporting documents and to accounting books and records;
- (ii) Art. 154-bis, Par. 5, of the Consolidated Finance Law, the Financial Reporting Manager and the Managing Director issue a report on the annual financial statements, the condensed half-yearly financial reports, and the consolidated financial statements, stating that:
  - a) the administrative and accounting procedures were adequate and actually applied in the period to which the documents refer;
  - b) the documents are drafted in compliance with the international accounting standards recognized in the European Community pursuant to the Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
  - c) the documents correspond to the evidence provided by accounting books and records;
  - d) the documents provide a true and fair representation of the financial statements of the Issuer and the companies included in the scope of consolidation;
  - e) for the separate and consolidated financial statements, the Report on Operations provides a reliable analysis of the operating performance and financial position of the Issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed;
  - f) for the condensed half-yearly financial reports, the interim Report on Operations provides a reliable analysis of the information set forth in Art. 154-ter, Par. 4 of the Consolidated Finance Law.

## **10.1 Director in charge of the Internal Control System**

In support of the Internal Control and Risk Management System, the Board of Directors of the Company appointed, most recently on 15 May 2018, Mr. Carlo Capelli as Director in charge of the Internal Control and Risk Management System.

In execution of his functions, the Director in charge of the Internal Control and Risk Management System, with the support of the executives in charge of the different reference areas:

- oversees the identification of the main corporate risks, taking into account the business strategies and characteristics of the Company and the Group;

- implements the guidelines defined by the Board, ensuring the design, implementation and management of the internal control system, verifying its overall adequacy and efficiency;
- deals with the adjustment of the internal control system to the corporate dynamics and the changed operating conditions within the reference legal and regulatory framework.

Mr. Capelli may ask the Internal Audit function to carry out assessments on specific operating areas and on compliance with internal rules and procedures in implementation of corporate transactions, informing the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors.

In the exercise of his functions, the Director in charge of the Internal Control and Risk Management System has not observed so far, nor has been informed of, issues that needed to be promptly brought to the attention of the Control and Risk Committee and the Board of Directors.

## **10.2 Head of the Internal Audit function**

On 11 May 2016, the Board of Directors of the Company appointed Giuliano Boccanegra as Head of the Internal Audit function, in compliance with the recommendations of Standard 7.P.3 b) and Criterion 7.C.5. of the Corporate Governance Code.

At the time of the appointment, the Board set the remuneration of the Head of the Internal Audit function in line with corporate policies, assigning an annual general budget to the Internal Audit function.

The Head of the Internal Audit function, who is not in charge of any business area and who reports to the Board of Directors, in the exercise of his functions, provides the information required by the Director in charge of the Internal Control and Risk Management System, the Board of Statutory Auditors and the Control and Risk Committee. In particular, the Head of the Internal Audit function:

- verifies that the Internal Control and Risk Management System is operational and appropriate;
- verifies, both on a continuous basis and for special requirements and in compliance with international standards, the effectiveness and suitability of the Internal Control and Risk Management System, through the audit plan prepared by this, approved by the Board of Directors, based on a structured process of analysis and prioritizing the main types of risk;
- prepares regular reports containing appropriate information on his own activity, on the procedures with which the risk management is carried out, on compliance with the plans defined to control risk, as well as an assessment of the suitability of the Internal Control and Risk Management System;
- promptly prepares reports on events of special significance;
- sends said reports to the Chairmen of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as to the Director in charge of the Internal Control and Risk Management System.

The Head of the Internal Audit function has direct access to all information useful for the performance of the mandate and, if necessary, may also access the documents produced by third parties with control positions in the Company or in other Subsidiaries.

During the year, the Internal Audit function carried out and was involved in the following activities:

- verification in accordance with the Audit Plan, presented and approved by the Board of Directors on 27 March 2019;
- activity on behalf of the Supervisory Board, according to the contents of Technogym's Organizational and Management Model pursuant to Legislative Decree 231/2001.

The Head of the Internal Audit function reported on the activity carried out during the year to the Board of Directors, the Board of Statutory Auditors, the Control and Risk Committee and the Director in charge of the Internal Control and Risk Management System, with reports on 9 September 2019 (report to the Control and Risk Committee and the Director in charge of the Internal Control and Risk Management System) and 10 September 2019 (report to the Board of Directors), regarding the activity carried out in the first six months of the year and until the date of the report as well as on 16 March 2020 (report to the Control and Risk Committee and the Director in charge of the Internal Control and Risk Management System) and 17 March 2020 (report to the Board of Directors), concerning the activities carried out during 2019 and until the date of the report.

### **10.3 Coordination controls**

To ensure the coordination of the parties involved in the Internal Control and Risk Management System, the Company requires that meetings take place, at least once every six months, on a day known as "control day". These meetings are attended by all managers of the control functions or the functions that are in any case involved in the Internal Control and Risk Management System.

The bodies and the functions in charge of Technogym's Internal Control and Risk Management System met regularly during the year.

### **10.4 Organizational model pursuant to Legislative Decree 231/2001**

The Company has implemented its own Organizational and Management Model pursuant to Legislative Decree 231/2001, approved by the Board of Directors on 28 May 2013 and later updated on 3 December 2013, 7 March 2016, 4 August 2016 and 23 October 2019 (henceforth, "**Model**"). The revisions to the Model approved on 23 October 2019 mainly concerned offences of illegal intermediation and exploitation of labor, incitement to corruption between private individuals, as well as offences of racism and xenophobia. In addition, the Model incorporates the rules of the so-called "Whistleblowing" which, through Italian Law No. 179/17, expressly referred to in Legislative Decree 231/2001, introduced this procedure as a key element in the composition of the organizational models adopted by the companies.

Technogym's Model is divided into two sections. The first section, of a general nature, describes the aims, addressees, components of the system of ex-ante control of the Model itself and, again in line with the requirements of Legislative Decree 231/2001, the structure, operation and tasks of the Supervisory Board, which, pursuant to Art. 6 of the Legislative Decree 231/2001, oversees the operation and compliance of the Model.

The first section of the Model also provides for training and information to be provided to the personnel of the Company on the content of the Model.

The second section of the Model, more specific, provides a description of the types of offences specified by Legislative Decree 231/2001 and the corresponding penalties for the areas of risk deemed applicable that are identified in the Model.

The offences that the Model, based on the results of the risk mapping carried out for the purposes of its adoption, aims to prevent, are:

- offences in relations with the public administration;

- corporate offences;
- offences of terrorism or subversion of the democratic order, transnational offences, organized crime, receiving stolen property and money laundering, use of money, goods or assets of illicit origin and employment of illegally staying third-country nationals;
- offences against individuals;
- unintentional offences involving violation of laws and regulations on health and safety in the workplace;
- cyber-crime and unlawful data processing;
- forgery of identification instruments or marks and offences against industry and commerce;
- offences involving violation of copyright laws;
- inducement not to make or to make false statements to the court;
- environmental offences;
- offences of corruption between private individuals;
- self-laundering offences;
- offences of market abuse.

The provisions of the Model are integrated by those of the Technogym Spa's Code of Ethics, approved by the Board of Directors at its meeting on 28 May 2013 and updated at the meeting of 4 August 2016. The Code of Ethics describes the ethical commitments and responsibilities in carrying out company business and activities, by which all employees must abide in the performance of their activity, in the belief that ethics in the conduct of the business is required for the success of the company activity.

The Code of Ethics is available on the Company's website at <http://corporate.technogym.com/en/governance/corporate-documents>.

The Supervisory Board has the task of monitoring the operation of and compliance with the Code of Ethics. The Board currently in office was appointed by the Board of Directors on 15 May 2018. Given the type of business and organization of the Company, it was considered appropriate to set up the Supervisory Board in collective form. The members of the Supervisory Board are:

- Andrea Ciani (as Chairman);
- Emanuele Scorsonetto;
- Giuliano Boccanegra.

To ensure full compliance with Legislative Decree 231/2001, the Supervisory Board reports directly to the top management of the Company and does not have any hierarchical link to company operations to ensure its full autonomy and independence in the execution of its functions.

The Supervisory Board presented (i) the half-yearly report relating to the activities performed in the first half of 2019 to the Board of Directors on 10 September 2019 and to the Control and Risk Committee on 9 September 2019 and (ii) the annual report relating to the financial year for 2019 to the Board of Directors and the Control and Risk Committee on 19 February 2020.

## **10.5 Independent Auditors**

Taking into account the guidelines most recently provided by CONSOB in its Communication No. 0098233 of 23 December 2014, concerning the granting of the audit mandate at the time of the assumption of the status of public-interest entity pursuant to Art. 16 of Italian Legislative Decree No. 39 of 2010, the Ordinary Shareholders' Meeting of the Issuer, on 16 February 2016, has granted to the Independent Auditors, effective from and conditional to the presentation of the request for the shares to be admitted to trading on the Mercato Telematico Azionario, a new audit mandate (which includes the verification that the accounts are duly kept, and that the operating performance is correctly recorded) pursuant to Art. 13 and 17 of Italian Legislative Decree No. 39 of 2010, for the years 2016-2024, for the Separate Financial Statements of the Company and the Consolidated Financial Statements of the Technogym Group, to replace the ongoing mandate given to PricewaterhouseCoopers S.p.A. itself on 17 July 2014.

By means of its resolution on 16 February 2016, the Ordinary Shareholders' Meeting of the Issuer granted to the Independent Auditors, with effectiveness subject to the presentation of the request for the shares to be admitted to trading on the Mercato Telematico Azionario, an engagement for the limited audit of the condensed consolidated half-yearly financial statements of the Technogym Group for the six-month periods ending 30 June in the 2016-2024 period, an engagement for the audit of the separate and consolidated financial statements of the Issuer, pursuant to the provisions of Arts. 14 and 16 of Italian Legislative Decree No. 39/2010, for the years from 2013 to 2021, inclusive, and the engagement for the limited audit of the condensed consolidated half-yearly financial statements of the Issuer for the six-month periods ending 30 June in the years from 2014 to 2021, inclusive, in compliance with the recommendations of CONSOB by means of communication DAC/RM/97001574 dated 20 February 1997. According to the mandate granted to the Independent Auditors, in the case of exceptional or unexpected circumstances that require a time commitment in excess to what had been estimated in the mandate, the parties must identify the unexpected activities and quantify the corresponding fees. The mandate also makes specific reference to the difficulty of quantifying the effect, in terms of time commitment for the execution of the mandate, of the coming into force of European Regulation No. 537/2014 and the adoption of European Directive 2014/56/EU as well as the Italian Legislative Decree No. 139/2015.

At the beginning of 2018, therefore, the Independent Auditors sent to the Company a proposal to integrate the mandate, to take into account the new laws and regulations that are coming into force. The proposal for the integration of the mandate and the fees received from the Independent Auditors was brought to the attention of the Board of Statutory Auditors. Pursuant to Art. 13, Par. 1 of the Italian Legislative Decree 39/2010 as subsequently amended, this in turn submitted a proposal to the Shareholders' Meeting in regard to the request of integration of the fees received from the Independent Auditors. With resolution of 8 May 2018, the Ordinary Shareholders' Meeting of the Issuer approved the integration of the mandate to the Independent Auditors.

## **10.6 Financial Reporting Manager**

On 27 March 2019, in compliance of the provisions of Art. 154-bis of the Consolidated Finance Law and the requirements set by Art. 25.2 of the Articles of Association, the Board of Directors appointed, after hearing the favorable opinion of the Board of Statutory Auditors, effective from 28 March 2019, the Chief Corporate Office, Mr Andrea Alghisi, as Financial Reporting Manager, in place of the Financial Reporting Manager previously appointed, Mr Stefano Zanelli.

The Financial Reporting Manager has the following tasks:

- to specify appropriate administrative and accounting procedures for the preparation of the Separate Financial Statements and the Consolidated Financial Statements, as well as of any other financial disclosure;

- to issue the written statements certifying that the acts and communications of the Company disclosed to the market and related to the financial disclosures, annual and interim, correspond to supporting documentation, ledgers and accounting records;
- to issue, together with the Managing Director, the statements required by Art. 154-bis, Par. 5, of the Consolidated Finance Law, with a special report drafted according to the model set with CONSOB regulation, attached to the Separate Financial Statements, the Half-yearly Condensed Financial Statements and the Consolidated Financial Statements;
- to take part in the meetings of the Board of Directors of the Company that have on the agenda the review of the economic-financial data of the Company;
- to report without delay to the Managing Director and the Board of Directors, also through the Control and Risk Committee, any significant aspect that, if incorrect, should be indicated in the statements specified by Art. 154-bis of the Consolidated Finance Law;
- to report, every six months, to the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors on the activity carried out.

The Financial Reporting Manager must meet not only the integrity requirements set by the legal and regulatory provisions in force for those carrying out administration and direction functions, but also the professional qualification requirements set forth in Art. 25, Par. 2, of the Articles of Association of the Company, consisting in specific competences on administration, finance or control. In particular, he/she must have:

- (a) graduated in Economics or Finance or in subjects related to corporate management and organization; and
- (b) gathers a total experience of at least three years in the exercise of: (i) administration, finance or control activities, or managerial tasks with executive functions at joint-stock companies; or (ii) administrative or executive functions or else positions as auditor or adviser as certified public accountant at entities operating in the credit, financial or insurance sectors, or in related sectors or sectors related to the activity exercised by the Company and specified in Art. 3 of the Articles of Association, involving the management of economic and financial resources.

The Board of Directors verifies that the requirements of integrity and professionalism as set forth in previous points (a) and (b) above are met. The Board of Directors ensures that the Financial Reporting Manager has appropriate powers and means to perform the tasks assigned pursuant to the legal and regulatory provisions in force.

The Board of Directors of the Company has verified, at the time of the appointment, that Mr Alghisi meets these requirements.

## **11. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES**

In compliance with the provisions of Art. 2391-bis of the Civil Code and the Related Party Regulations, which implements Art. 2391-bis of the Civil Code, and Art. 4 of which requires, among other things, the adoption of procedures ensuring the transparency and the substantial and procedural fairness of the transactions with related parties, the Board of Directors, in its meeting on 11 May 2016, set up the Committee for Transactions with Related Parties and approved the Procedure for Transactions with Related Parties, which regulates the execution of transactions with related parties, to ensure their transparency and substantial and procedural fairness.

The Committee for Transactions with Related Parties in office at the time of this Report, as appointed after the election of the Board of Directors by the Shareholders' Meeting on 8 May 2018, consists of

three Independent Directors, as indicated below: Maria Cecilia La Manna (Chairwoman), Chiara Dorigotti (Deputy Chairwoman) and Andrea Giuseppe Zocchi.

In 2019, the Committee for Transactions with Related Parties met twice, on 13 May 2019 and on 9 December 2019 to express its non-binding opinion on the amendments to be made to the Procedure for Transactions with Related Parties, then approved by the Board of Directors on 14 May 2019, and on a less significant transactions, subsequently approved by the Board of Directors on 11 December 2019.

The Procedure for Transactions with Related Parties was adopted in compliance with CONSOB Communication No. 10078683 on 24 September 2010.

In particular, the Procedure for Transactions with Related Parties in question regulates the execution of transactions carried out by the Company, directly or through Subsidiaries, with counterparties to which the definition of “Related Party” apply; it sets the criteria for the identification of Related Parties and for the distinction between Transactions of Greater Importance, Transactions of Lesser Importance, Ordinary or Small Transactions, indicating also the criteria and the procedures for the corresponding procedural regulations.

The Procedure for Transactions with Related Parties lays out the specific provisions for the ex-ante identification of Related Parties, requiring the Company to create and regularly update an appropriate Related Party Database. Lastly, the Procedure includes provisions on public disclosure obligations for the Transactions with Related Parties that have been carried out and/or will be carried out.

The Procedure for Transactions with Related Parties is available on the website of the Company at <http://corporate.technogym.com/en/governance/corporate-documents/rules-procedures>.

## **12. APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS**

Pursuant to Art. 27 of the Company’s Articles of Association, the Board of Statutory Auditors is composed of 3 Standing and 2 Alternate Auditors. Their term in office expires at the time of the Shareholders' Meeting called for the approval of the financial statements related to their third year of office. They may be re-elected.

The members of the Board of Statutory Auditors must meet the requirements of integrity, professionalism, independence and must respect the limit on the accumulation of positions set by the legal and regulatory provisions in force. For the purposes of Art. 1, Par. 2, letters b) and c), of the Decree of the Italian Ministry of Justice No. 162, dated 30 March 2000, as amended and integrated, the topics considered strictly relevant to the area of activity of the Company include commercial law, corporate law, tax law, business economics, corporate finance, subjects with a similar or comparable object as well as the topics and sectors relevant to the sector of the Company.

Until the shares of the Company are listed in a regulated market in Italy or in another Member State of the European Union, the Board of Statutory Auditors is elected by the Ordinary Shareholders' Meeting on the basis of lists presented by the shareholders as specified below.

The lists may be presented by the shareholders who, alone or with others, at the time of the presentation of the list, hold a percentage equity investment at least equal to that specified for the Board of Directors. Each shareholder, the shareholders participating in a Shareholders' Agreement relating to the relevant Company as set forth in Art. 122 of the Consolidated Finance Law, the controlling party, the Subsidiaries and those subject to common control and other parties among, which there is an affiliation, even indirect, pursuant to the legal and regulatory provisions in force at the time, cannot present or take part in the presentation, not even through a third party or trust company, of more than one list nor may vote for different lists.

The lists are divided into two sections: one for candidates for the office of Standing Auditor, the other for candidates for the office of Alternate Auditor. The first candidates of each section must be listed in the register of Independent Auditors and have carried out auditing activities for no less than 3 (three) years. The other candidates do not need to meet this requirement, but must meet the other professionalism requirements specified by the legal and regulatory provisions in force.

For the period of application of the legal and regulatory provisions in force on gender balance, any list presenting no less than three candidates (considering both sections) must also include candidates of both genders, so that at least one-third (rounding up) of the candidates to the office of Standing Auditor and at least one candidate to the office of Alternate Auditor (if the list also includes candidates to the office of Alternate Auditor) belongs to the less represented gender.

With regard to gender balance, reference should be made to what has been specified in relation to recent regulatory changes and the consequent proposals to amend the Company's Articles of Association in Paragraph 4.1 above.

The lists must be accompanied by the following:

- (a) information on the identity of the shareholders who have presented the lists, with the specification of the percentage equity investment held in total, being understood that the evidence of the ownership of this equity investment may be presented even after the deposit of the lists provided this is done within the term set for the publication of the lists by the Company;
- (b) a statement of the shareholders other than those holding, alone or jointly, a controlling interest or a relative majority, stating the absence of relations of affiliation, even indirect, pursuant to the legal and regulatory provisions in force at the time, with the latter;
- (c) exhaustive information on the personal and professional characteristics of the candidates, with specification of the administration and control positions held in other companies, as well as a statement by the candidates that the requirements set by the legal and regulatory provisions in force and by the Articles of Association, including those of integrity, professionalism, independence and limit on the accumulation of positions are met, and that they accept the candidature and, if elected, the office;
- (d) any other additional or different statement, information and/or document required by the legal and regulatory provisions in force at the time.

If these obligations are not fulfilled, the list is deemed as not presented.

The election of the Board of Statutory Auditors takes place as follows:

- (a) 2 Standing Auditors and 1 Alternate Auditor are taken from the list that obtained the highest number of votes, in the progressive order with which they are listed in the corresponding sections of the list;
- (b) the remaining Standing Auditor and the remaining Alternate Auditor are taken, based on the progressive order with which they are listed in the corresponding sections of the list, from the list that obtained the second highest number of votes after the list under (a), votes given by shareholders who are not related in any way, not even indirectly, pursuant to the legal and regulatory provisions in force, with the shareholders who have presented or voted the list that obtained the highest number of votes.

In case of parity between lists, priority is given to the list presented by the shareholders with the largest equity investment or, subordinately, by the largest number of shareholders.



The Articles of Association moreover regulates the following extreme case that could occur during the elections of the Board of Statutory Auditors.

If, at the end of the voting, the composition of the Board of Statutory Auditors does not comply with the legal and regulatory provisions on gender balance in force, among the candidates to the office of Standing Auditor, the candidate of the most represented gender elected last in progressive order in the corresponding section of the list that obtained the highest number of votes shall be excluded and replaced by the first unelected candidate of the less represented gender of this section according to the progressive order. If, at the end of this replacement process, the composition of the Board of Statutory Auditors still does not comply with the legal and regulatory provisions in force on gender balance, the replacement shall take place with resolution of the Shareholders' Meeting, with the relative majority of the votes there represented, after the presentation of the candidates belonging to the less represented gender.

If the number of candidates elected on the basis of the lists presented is less than the number of the Auditors to be elected, the remaining Auditors are elected at the Shareholders' Meeting, with the relative majority of the votes there represented, in a way to ensure compliance with the legal and regulatory provisions in force on gender balance. In case of parity of votes between different candidates, a second ballot between them shall take place at the Shareholders' Meeting, and the candidate obtaining most votes shall prevail.

If a single list is presented, the Shareholders' Meeting shall vote on this list: if the relative majority of the votes there represented is obtained, all members of the Board of Statutory Auditors shall be taken from this list in compliance with the legal and regulatory provisions in force, also in regard to gender balance.

If no list is presented, or if a single list is presented without obtaining the relative majority of the votes represented in Shareholders' Meeting, or if only a part of the Board of Statutory Auditors needs re-appointing, or if it is not possible for any reason to appoint the Board of Statutory Auditors with the procedures described above, the members of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting, with the ordinary procedures and the relative majority of the votes there represented, without using the list vote mechanism, in a way to ensure compliance with the legal and regulatory provisions in force on gender balance, without prejudice to the provisions of Art. 30 of the Articles of Association.

The Chairman of the Board of Statutory Auditors is identified in the person of the Standing Auditor elected by the minority, except the case in which a single list was voted or no list was presented; in these cases, the Chairman of the Board of Statutory Auditors is appointed by the Shareholders' Meeting that resolves with the relative majority of the votes there represented.

If during the year, a member of the Board of Statutory Auditors from the list that received most votes becomes unavailable, he/she is replaced, until the next Shareholders' Meeting, by the first Alternate Auditor taken from this list.

If the requirements made by legal and regulatory provisions are no longer met, the member of the Board of Statutory Auditors forfeits his/her office.

### **13. AUDITORS**

The Board of Statutory Auditors of the Issuer in office on the date of this Report, appointed by the Shareholders' Meeting on 8 May 2019 until the approval of the Financial Statements as at 31 December 2021, consists of 3 Standing Auditors (of which one from the less represented gender) and 2 Alternate Auditors (of which one from the less represented gender), notably: Francesca Di Donato (Chairwoman of the Board of Statutory Auditors), Claudia Costanza e Ciro Piero Cornelli (Standing Auditors) and Laura Acquadro and Stefano Sarubbi (Alternate Auditors).

In particular, it should be noted that the majority list (presented by the shareholder Wellness Holding S.r.l.) was voted by 76.13% of the voting capital and all the Standing Auditors Claudia Costanza e Ciro Piero Cornelli were taken from it, as well as the Alternate Auditor Laura Acquadro; the Standing Auditor Francesca Di Donato (Chairman of the Board) and the Alternate Auditor Stefano Sarubbi were taken from the minority list (presented by Studio Legale Trevisan & Associati on behalf of a group of investors), which was voted by 23.82% of the voting capital.

The current composition of the Board of Statutory Auditors is in compliance with the provisions aimed at guaranteeing compliance with the current regulations on gender balance in the Articles of Association.

The Shareholders' Meeting held on 8 May 2019 set the annual remuneration of the Board of Statutory Auditors at Euro 30,000 gross per year for the Chair and Euro 20,000 gross per year for each of the Standing Auditors, for the entire period of duration of the office, to be paid in proportion to the actual period in office. This remuneration is commensurate to the commitment required, the importance of the role held and the size and sectorial characteristics of the company.

We provide below some information on the members of the Board of Statutory Auditors currently in office.

### **Francesca Di Donato**

He graduated in 1997 in Economics and Commerce at the Luiss - Guido Carli University of Rome, where he also obtained a PhD in Business Information Systems. Associate Professor of Business Economics at the LUISS Guido Carli University in Rome, Auditor, she has gathered professional experience in various sectors. In particular, he held the positions of member of the Board of Statutory Auditors of CDP Reti S.p.A. and member of the Supervisory Board of Banca Caripe. She currently also holds the position of member of the Board of Statutory Auditors of Gamenet Group S.p.A., member of the Board of Statutory Auditors of Garofalo Health Care S.p.A., member of the Board of Statutory Auditors of the Fondo Pensione Previdai. She cooperates with the Extraordinary Commissioners of Alitalia Lai Group under extraordinary administration. She deals with extraordinary operations, valuations of companies and shareholdings, banks, capital operations and financial restructuring, operations on regulated markets (e.g., takeover bids, OPS, IPO), management control and performance measurement activities, assessments of internal control systems and risk analysis and business planning. Among others, she carried out the following business evaluations: Banca Mediterranea S.p.A., Cirio S.p.A. under extraordinary administration; Roberto Cavalli Group; Ericsson Telecomunicazioni S.p.A., a brand of A.S. Roma S.p.A. and S.S. Lazio S.p.A., Maire Engineering S.p.A., some companies of the groups Atlantia, ENI, Enel; predisposition of the arrangement with creditors of some companies from the Banca Popolare di Spoleto Group.

### **Claudia Costanza**

In 1992, she graduated in Economics and Business from the Bocconi University in Milan, where she also obtained a Master Degree in Tax Law. Since 1994 she has been a member of the Milan Chartered Accountants Association, as well as of the Auditors Association, according to the Italian Ministerial Decree of 13 June 1995, published in the Official Journal No. 97-bis - 4th special series - of 19 December 1995. After working as an independent Chartered Accountant between 1992 and 2003, from 1 January 2004 she has been a partner of Studio Associato CLM Associati - Tax and Corporate Counsels, assisting corporations in the areas of corporate and tax law. She is a member of various boards of directors and boards of statutory auditors of listed and unlisted Italian companies. She also acts as a liquidator and receiver, appointed by the Law Court of Milan.

### **Ciro Piero Cornelli**

Graduated in Business Economics at the Bocconi Business University in Milan in 1985. He has been a member of the Milan Chartered Accountants Association since 1986 and is a statutory auditor, member n. 16038 of the Register of Statutory Auditors, according to the provisions of the Italian Ministerial Decree of 12 April 1995, Official Journal No. 31-bis of 21 April 1995, 4th special series. From November 1985 to November 2004 he practised as a Chartered Accountant with the Valenti Tax Law firm, with registered office in Milan. Subsequently, from December 2004 to December 2005, he was a founding member of the Tax and Law firm L.C.M. - Lega Colucci Morri e Associati, with registered office in Milan. From January 2006 until December 2015, he was a member of the Tax and Law firm Morri Cornelli e Associati (formerly known as Studio Morri & Associati), again with offices in Milan. From January 2016, he has been a founding member of the Tax and Law Firm Cornelli, Gabelli e Associati, with registered office in Milan. In over 30 years of professional experience he has gained a vast, in-depth knowledge of the following areas: (a) business, contract and tax consulting services for industrial, trading, financial and real estate companies; (b) tax litigation; (c) merger and acquisition negotiations, both in Italy and abroad; (d) extraordinary operations of corporate reorganization (mergers, spin-offs and contributions), as well as financing transactions and financing rearrangement/funding restructuring.

### **Laura Acquadro**

Graduated in Economics at the Bocconi Business University in 1991 and Law at the Statale di Milano University in Milan in 1997, she is enrolled at No. 2530 in the Professional Association of Chartered Accountants and Accounting Experts of Milan. She is also a member of the Auditors Association according to the Official Journal provision No. 87 of 2 November 1990, as well as member No. 9680 of the Expert Consultants Association of the Court of Milan. She is a partner of Studio Acquadro e Associati of Milan, where she deals with corporate and tax matters, and in particular, with national and international corporate and tax issues, in addition to providing assistance and consulting with regard to extraordinary company operations and business assessments. She also acquired specific expertise in the real estate sector.

### **Stefano Sarubbi**

Graduated in Economics and Commerce from the Cattolica University of Milan in 1990, he is a chartered accountant, auditor and freelance journalist. He has been working for about 30 years in tax and corporate consulting for corporate groups, also operating internationally.

He has also gained considerable experience in corporate organization and internal control, as well as in the implementation and optimization of corporate procedures. He is one of the founders of the SIGMAGEST Group, which has been operating for many years in business areas related to corporate organization, administrative outsourcing projects and risk consulting.

He is involved in an intense publishing activity in tax-related matters, collaborating with "*Corriere della Sera*" and with several magazines published by Ipsosa WKI, with hundreds of articles on current tax issues. He is the author of several in-depth papers on fiscal and budgetary issues.

He holds various positions as Chairman of the Board of Statutory Auditors or Standing Auditor in companies, including listed companies, and is a member of various Supervisory Boards in major Italian companies.

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Pursuant to the recommendations of the Corporate Governance Code, the Board of Statutory Auditors, in compliance with the legal and regulatory provisions in force at the time, oversees the process of financial disclosure, the effectiveness of the Internal Control and Risk Management System, the audit of the separate and consolidated financial statements and the independence of the Independent Auditors, in particular with regard to the provision of non-auditing services. As part of their activities, the Auditors may ask the Internal Audit to perform assessments on specific operational areas or corporate transactions.

In 2019, the Board of Statutory Auditors, in the performance of its activity, has liaised with the Internal Audit function and with the Control and Risk Committee and participated in discussions on issues of specific interest. The Internal Audit function has taken an active part in the assessments carried out by the members of the Board of Statutory Auditors.

All Auditors must meet the requirements of eligibility, integrity and professionalism specified by the legal and applicable regulatory provisions in force at the time.

In compliance with Art. 144-novies of the Issuers' Regulation and the aforementioned Application Criterion, the Board of Directors and the Board of Statutory Auditors assess that the members of the Board of Statutory Auditors meet the requirements indicated above:

- (i) after the appointment, making the results of this assessment public in a press release;
- (ii) annually, including these results in the report on corporate governance.

At the Trading Start Date, the Board of Directors had verified that all members of the Board of Statutory Auditors then in office met the requirements of professionalism and integrity set by Art. 148 of the Consolidated Finance Law and by the Regulations adopted with Decree of the Italian Ministry of Justice No. 162/2000 and complied with the limits to the accumulation of positions specified in Art. 144-terdecies of the Issuers' Regulation.

Following the appointment of the Auditors in office until the date of the Shareholders' Meeting on 8 May 2019 (the Shareholders' Meeting of 16 March 2016), the Board of Directors verified the compliance with said requirements and restrictions and the Auditors themselves verified that the independence requirements pursuant to the law and the Corporate Governance Code had been met.

Following the appointment of the Auditors in office at the date of this Report (as said before, at the Shareholders' Meeting on 8 May 2019), the Board of Directors, during its meeting held on 14 May 2019, verified the compliance with said requirements and restrictions and the Auditors themselves verified, lastly in the meeting of 16 January 2020, that the independence requirements pursuant to the law and the Corporate Governance Code had been met.

The Board of Statutory Auditors verifies the correct application of the criteria and the procedures of verification adopted by the Board to assess the independence of its members. The results of these assessments are disclosed to the market.

In 2019 the Board of Statutory Auditors met nine times in total, of which three times before the election of the new Board of Statutory Auditors at the Shareholders' Meeting held on 8 May 2019 and six times after the election. The average duration of the meetings was about 4 hours. The meeting attendance record of each member is indicated, in percentage terms, in [Table 3](#) enclosed to this Report. 8 meetings are scheduled for 2020, three of which had already been held at the date of this Report.

As regards the diversity policy, as already reported to the Board of Directors, on 19 February 2020, the Board of Directors evaluated the opportunity to adopt a specific diversity policy and decided not to do so, since the regulatory and legislative provisions, including therein the provisions of the Corporate Governance Code, regarding the composition of administration, management and control bodies of the Company, together with the behavior demonstrated by the Company's shareholders at the time of designation of the members of these bodies, allow an adequate composition in relation to aspects such as gender, age, experience, and professional and personal characteristics.

In addition to what is already provided for in the Procedure for Transactions with Related Parties (for a description of which please refer to the preceding Chapter 11), it was not deemed necessary to formalize specific procedural indications regarding the case in which there is an interest, on one's own behalf or on behalf of third parties, of a member of the Board of Statutory Auditors in a given transaction.

#### **14. RELATIONS WITH SHAREHOLDERS**

Technogym has created on its website (<http://corporate.technogym.com>) two special sections, respectively, “Corporate Governance” and “Investor Relations”, easy to find and to access, which provide the information on the Issuer of interest to its shareholders (who are able to exercise their rights in an informed manner on the basis of this information), notably, the documents and information pertaining to the Shareholders' Meetings. The economic and financial documents for the period, the presentations used for the meetings with members of the financial community and the press releases to the market are published in the same way, among other things.

Also, pursuant to Application Criterion 9.C.1 of the Corporate Governance Code, relations with the shareholders are handled by the Investor Relations function established by the Board of Directors. The Board of Directors has appointed Carlo Capelli as Investor Relator of the Company; Mr Capelli has been holding the office since the Trading Start Date and, subsequently to the new election of the Board of Directors, was confirmed for this office with resolution of the Board of Directors of 15 May 2018.

The Investor Relations function, reporting to the Managing Director, coordinates and manages the Company’s communications to the financial markets and those addressed to institutional investors, analysts and retail investors.

#### **15. SHAREHOLDERS' MEETINGS**

The Shareholders' Meeting is called whenever the Board of Directors believes it is appropriate or when the call is required by law. The Ordinary Shareholders' Meeting is called at least once a year within 120 days from the closing of the financial year. It may be called within 180 days from the closing of the financial year if the Company must draft the Consolidated Financial Statements, or when the longer term is necessary for special reasons related to the structure and the object of the Company; in the latter cases, the Directors must indicate the reasons for the postponement in the report prepared pursuant to Art. 2428 of the Civil Code.

The Shareholders' Meeting may be called also outside the municipality in which the registered office is located, both in Italy and in other European Union countries. The call notice must indicate the date, time and place of the Shareholders' Meeting, the list of the topics to be discussed and any other information which must be provided in the call notice pursuant to the legal and regulatory provisions in force at the time. The call takes place through a notice published on the website of the Company, as well as with the other procedures specified by CONSOB, in the terms of law. If required by law or by the Board of Directors, the notice is also published, also in abstract form if allowed, on the daily newspaper “Il Sole 24Ore”.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in the case of absence or impediment of this, by the Deputy Chairman of the Board of Directors (if appointed). If the latter is also absent or impeded, the Shareholders' Meeting is chaired by the person chosen by the Shareholders' Meeting itself with an absolute majority of the votes there represented. The Shareholders' Meeting appoints a Secretary, who may or may not be a shareholder, with an absolute majority of the votes there represented. The Chairman may choose 2 or more vote counters, who may or may not be shareholders, if he/she believes it to be appropriate. The assistance of the Secretary is not required if the minutes are drafted by a Notary Public chosen by the Chairman of the Shareholders' Meeting. The resolutions of the Shareholders' Meeting are reported in the minutes signed by its Chairman and by the Secretary, if appointed by the Shareholders' Meeting. If required by law or if the Chairman of the Shareholders' Meeting believes it to be appropriate, the minutes are drafted by a Notary Public chosen by the Chairman.

The Shareholders' Meeting may be attended by those entitled to vote, provided their entitlement is proved with the procedures and in the terms set by the legal and regulatory provisions in force at the time. Shareholders may ask to be represented at the Shareholders' Meeting, issuing special proxies, according to limits and procedures of law, which are notified to the Company by sending these at the

address of certified email specified, for each Shareholders' Meeting, in the call notice or, alternatively, through any other method of electronic notification indicated in the call notice.

As above described, pursuant to Art. 7 of the Articles of Association, each shareholder may obtain the special voting rights. The Board of Directors has therefore established the special list for the entitlement to the benefit of special voting rights and has appointed the person in charge of the management of the special list defining the keeping criteria in a special regulation published on the website <http://corporate.technogym.com/en/governance/increased-rating>.

The same section contains the list of the shareholders relevant and present in the special list for the entitlement to the special voting rights of Technogym pursuant to Art. 143-quarter, Par. 5, of the Issuers' Regulation.

The Chairman of the Shareholders' Meeting shall verify the regularity of the individual proxies and, in general, the right to attend the Shareholders' Meeting. Unless otherwise resolved by the Board of Directors for a specific Shareholders' Meeting, explicitly indicated in the call notice, the Company does not appoint a party to which the shareholders may grant, for each Shareholders' Meeting, a proxy with voting instructions on all or some of the proposals on the agenda.

Ordinary and Extraordinary Shareholders' Meetings take place in single call, except for what is specified by the next paragraph. At the Shareholders' Meetings in single call, the majorities required by the law in force at the time will apply, both for the regular establishment of the Shareholders' Meetings and the validity of the resolutions to be taken.

The Board of Directors may decide to hold a Shareholders' Meeting (either Ordinary or Extraordinary) after multiple calls, if it believes this to be appropriate, expressly mentioning it in the call notice. The resolutions in first, second or third call are taken with the majorities required by the law in force at the time, both for the regular establishment of the Shareholders' Meetings and the validity of the resolutions to be taken.

For a description of the topics reserved to the exclusive authority of the Board of Directors, we refer to Paragraph 4.3 of this Report.

In compliance with Application Criterion 9.C.2 of the Corporate Governance Code, all Directors take part in the Shareholders' Meeting. On these occasions, the Board of Directors reports on the activity carried out and scheduled and provides shareholders with appropriate information on the topics necessary so that they may take the decisions within the competence of the Shareholders' Meeting in an informed manner.

The Articles of Association do not specify qualified quorums, and, therefore, for the validity of the constitution of the Shareholders' Meeting and the resolutions adopted by it, the legal provisions shall apply.

In compliance with the provisions of Art. 15 of the Articles of Association, the Shareholders' Meeting of Technogym on 16 February 2016 approved the Shareholders' Meeting Regulations, which regulate the performance of the Ordinary and Extraordinary Shareholders' Meetings of Technogym and can be found by shareholders and other entitled parties at the registered office of the Company and at the locations where the Shareholders' Meetings take place. The Regulations are also available on the Company website <http://corporate.technogym.com/en/governance/corporate-documents/rules-procedures>.

For the purposes also of Application Criterion 9.C.3. of the Corporate Governance Code, the Regulations of the Shareholders' Meetings provide for the Chairman to regulate the discussion giving the floor to all those who take part in the Shareholders' Meeting being entitled to vote and who have asked to take the floor. The Chairman must intervene to avoid abuse or disturbances to the correct, regular and orderly performance of the Shareholders' Meeting. During the discussion, all those entitled

to vote may take the floor only once, making comments and requesting information. Those entitled to vote may also make proposals on the items on the agenda. Those who wish to take the floor must make a request to the Chairman or, if instructed to do so by this, to the Secretary, the Notary Public or the Chairman's office. To guarantee the correct, regular and orderly performance of the activity of the Shareholders' Meeting, the Chairman may set, at the opening or in the course of the discussion on individual topics, a term for the presentation of the requests to intervene. These in any case cannot be made before the topic on the agenda to which the requests refer is read out and after the discussion on this topic has been declared closed. The Chairman usually gives the floor to requesting shareholders according to the chronological order of the requests presented. If two or more requests are made at the same time, the Chairman usually gives the floor to requesting shareholders in alphabetical order of surnames. The Chairman may also authorize the presentation of requests for intervention by a show of hands. In this case, the Chairman usually gives the floor to requesting shareholders in alphabetical order of surnames. The members of the Board of Directors and the Board of Statutory Auditors may also ask to take part in the discussion.

In 2019, a Shareholders' Meeting was held on 8 May 2019, which saw the participation of around 75.63% of the share capital.

This Shareholders' Meeting was attended by some members of the Board of Directors and by the Standing Auditors in office at the time. During the Shareholders' Meetings, the Board of Directors, through the Chairman of the Board of Directors and the Managing Director, reported on its activity, carried out and scheduled, providing shareholders with the information needed to take the decisions within the competence of the Shareholders' Meeting in an informed manner, making available all prepared documents concerning the individual items on the agenda, also before the Shareholders' Meeting, in the terms and the forms required by law and by the Articles of Association.

In the year ended 31 December 2019, there were no significant changes in the market capitalization of the shares of the Issuer or in the composition of its shareholding structure. It should be noted that, following the Accelerated Bookbuilding procedure concluded on 6 February 2020 by Wellness Holding for the sale of 10,000,000 shares of the Company, Wellness Holding currently holds 39.80% of the Company's share capital and 56.94% of the total voting rights.

## **16. OTHER CORPORATE GOVERNANCE PRACTICES**

The Company does not apply other corporate governance practices, besides its legal and regulatory obligations, in addition to those already indicated in the previous paragraphs of this Report.

In particular, we refer to Paragraph 10.3 of this Report, for the model adopted by the Company pursuant to Legislative Decree 231/2001.

## **17. CHANGES AFTER THE END OF THE REFERENCE YEAR**

There were no changes in the Corporate Governance structure since the end of the year, with the exception of what may have been already specified in previous sections.

## **18. CONSIDERATIONS ON THE LETTER DATED 19 DECEMBER 2019 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

The recommendations made by the Chairman of the Corporate Governance Committee in the letter dated 19 December 2019, addressed to the Chairmen of the administrative bodies of Italian listed companies and their managing directors and chairmen of the control bodies of Italian listed companies, after being assessed by the direct recipients, were brought to the attention of the Board of Directors and the Board of Statutory Auditors during the Board of Directors' meeting of 19 February 2020.

With regard to the first recommendation, which calls for the sustainability of the company's business to be integrated into the definition of strategies and the remuneration policy, also on the basis of an

analysis of the importance of the factors that may affect the generation of value in the long term, the Board of Directors shared the importance of codifying the sustainability principles that already inspire the company's business model, expressing its intention to consider inclusion (i) in the risk management policy, of elements that may be relevant from the point of view of the medium/long-term sustainability of the issuer's activities and (ii) in the remuneration policy for corporate bodies and key executives, of objectives that take into account, and at the same time contribute to, medium/long-term sustainability. In particular, the Board will consider the possible adoption of a specific sustainability policy, as well as the assignment to the Control and Risk Committee of the task of assisting the Board of Directors with investigative, proactive and consultative functions, in evaluations and decisions relating to sustainability and in the supervision of the achievement of the objectives set in this regard.

In relation to the second recommendation, which suggests that companies should implement, also in the possible regulation of board proceedings, an adequate management of information flows to the Board of Directors, ensuring that confidentiality requirements are protected without compromising the completeness, usability and timeliness of the information, the Board underlined that the Company has provided the Directors with IT tools for the exchange of the documentation being assessed by the Board and that such IT systems guarantee the confidentiality, integrity and availability of the information exchanged, with a view to transparent and constant information to the corporate bodies, therefore considering that it is not necessary to adopt further measures for the purposes stated above.

With regard to the third recommendation, which invites the Board of Directors to apply the independence criteria defined by the Corporate Governance Code more rigorously - and the control bodies to monitor the correct application of these criteria - by defining ex ante the quantitative and qualitative criteria to be used to assess the significance of independence relationships, the Board has highlighted how, during the annual review of the independence requirements of Directors, it has carefully and diligently assessed the positions of the individual Directors, scrupulously applying the criteria stated in the Corporate Governance Code. None of the five independent directors, out of the 11 who make up the Board, actually has or has had business, financial or professional relations with the parties indicated in Art. 3 of the Corporate Governance Code.

With respect to the last recommendation contained in the letter from the Chairman of the Corporate Governance Committee concerning the check that the size of the remuneration paid to Non-Executive Directors and members of the control body is adequate for their skills, professionalism and commitment required of them, the Board of Directors has noted that, at the time of its renewal and the consequent determination of the remuneration of its members, the Company, through a report prepared by a consulting firm specializing in the analysis of the characteristics and functioning of the boards of directors of major Italian listed companies, had conducted surveys to compare the remuneration of members of the Board of Directors with that of companies of similar size, which revealed that the remuneration paid was substantially adequate.

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## TABLES

**TABLE 1**  
**RELEVANT SHARE CAPITAL HOLDINGS**

**Date of reference:** 17 March 2020

<b>Declaring party</b>	<b>Direct shareholder</b>	<b>% share of ordinary capital</b>	<b>% share of voting capital</b>
Nerio Alessandri	Wellness Holding S.r.l.	39.80%	56.94%

**TABLE 2**  
**BOARD OF DIRECTORS AND COMMITTEE STRUCTURE**

Board of Directors														Control and Risk Committee		Nomination and Remuneration Committee	
Office	Members	DoB	Date of first appointment *	In office from	In office until	List **	Exec.	Non-Exec.	Indep. Code	Indep. CONSOLIDATED FINANCE LAW	No. other positions ***	BOD		(*)	(**)	(*)	(**)
<b>Chairman and Chief Executive Officer</b>	Nerio Alessandri ◇	1961	31.12.2008	08.05.2018	Approval Financial Statements as at 31.12.2020	M	X				7	7/7					
<b>Deputy Chairman</b>	Pierluigi Alessandri	1965	31.12.2008	08.05.2018	Approval Financial Statements as at 31.12.2020	M	X				11	7/7					
<b>Director</b>	Erica Alessandri	1990	16.03.2016	08.05.2018	Approval Financial Statements as at 31.12.2020	M		X			2	7/7					
<b>Director</b>	Francesca Bellettini	1970	16.03.2016	08.05.2018	Approval Financial Statements as at 31.12.2020	M		X	X	X	33	4/7					
<b>Director •</b>	Carlo Capelli	1962	18.09.2008		Approval Financial	M	X				7						

				08.05.2018	Statements as at 31.12.2020							7/7					
<b>Director</b>	Maurizio Cereda	1964	16.03.2016	08.05.2018	Approval Financial Statements as at 31.12.2020	M		X				5	7/7		5/5	<b>M</b>	
<b>Director</b>	Chiara Dorigotti	1969	08.05.2018	08.05.2018	Approval Financial Statements as at 31.12.2020	M		X	X	X		2	6/7		5/5	<b>M</b>	
<b>Director</b>	Vincenzo Giannelli	1964	16.03.2016	08.05.2018	Approval Financial Statements as at 31.12.2020	M		X	X	X		0	7/7				3/3 <b>P</b>
<b>Director</b> ◦	Maria Cecilia La Manna	1963	16.03.2016	08.05.2018	Approval Financial Statements as at 31.12.2020	M		X	X	X		14	5/7		5/5	<b>P</b>	
<b>Director</b>	Riccardo Pinza	1969	16.07.2015	08.05.2018	Approval Financial Statements as at 31.12.2020	M		X				9	7/7				3/3 <b>M</b>
<b>Director</b>	Andrea Giuseppe Zocchi	1960	08.05.2018	08.05.2018	Approval Financial Statements as at 31.12.2020	m		X	X	X		4	7/7				3/3 <b>M</b>
<b>No. of meetings carried out during the reference year: 7</b>						Control and Risk Committee: 5						Nomination and Remuneration Committee: 3			Executive Committee: N/A		

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## NOTES

- This symbol indicates the Director in charge of the Internal Control and Risk Management System.
- ◇ This symbol indicates the main person responsible for management of the Issuer (Chief Executive Officer or CEO).
- This symbol indicates the Lead Independent Director (LID).
- \* The date of first appointment of each Director is the date in which the Director was appointed for the first time ever in the Board of Directors of the Issuer.
- \*\* This column shows the list from which each Director was taken (“M”: majority list; “m”: minority list; “BoD”: list presented by the Board of Directors).
- \*\*\* This column shows the number of Director or Statutory Auditor positions held by the person in question in other companies listed in regulated markets, in Italy and abroad, in financial, banking, insurance, or large companies. In the Report on the corporate governance, the positions are indicated in full.
- (\*) This column shows the attendance by the Directors of the meetings, of the Board of Directors and the Committees respectively (indicate the number of meetings attended with respect to the total number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).
- (\*\*) This column shows the qualification of the Director within the Committee: “P”: Chairman; “M”: member.

**TABLE 3**  
**BOARD OF STATUTORY AUDITORS STRUCTURE**

<b>Board of Statutory Auditors</b>									
<i>Office</i>	<b>Members</b>	<b>DoB</b>	<b>Date of first appointment *</b>	<b>In office from</b>	<b>In office until</b>	<b>List **</b>	<b>Indep. Code</b>	<b>Attendance of Board meetings ***</b>	<b>No. other positions ****</b>
<b>Chairman</b>	Francesca Di Donato	1973	08/05/2019	08/05/2019	Approval Financial Statements as at 31.12.2021	m	X	100% (from 08.05.2019)	14
<b>Standing Auditor</b>	Ciro Piero Cornelli	1959	16/03/2016	08/05/2019	Approval Financial Statements as at 31.12.2021	M	X	100%	16
<b>Standing Auditor (Chairman since 08.05.2019)</b>	Claudia Costanza	1967	16/03/2016	08/05/2019	Approval Financial Statements as at 31.12.2021	M	X	100%	16
<b>Standing Auditor (until 08.05.2019)</b>	Gianluigi Rossi	1966	11/04/2016	03/05/2016	Approval Financial Statements as at 31.12.2018	N/A	X	100% (until 08.05.2019)	N/A
<b>Alternate Auditor</b>	Laura Acquadro	1967	16/03/2016	08/05/2019	Approval Financial Statements as at 31.12.2021	M	X		30

<b>Alternate Auditor</b>	Stefano Sarubbi	1965	08/05/2019	08/05/2019	Approval Financial Statements as at 31.12.2021	m	X		16
<b>Alternate Auditor (until 08.05.2019)</b>	Roberto Moro	1955	16/03/2019	03/05/2016	Approval of Financial Statements as at 31.12.2018	N/A	X		

**Number of meetings carried out during the reference year: 5**

**Indicate the quorum required for the presentation of the lists by the minorities for the election of one or more members (pursuant to Art. 148-ter of the Consolidated Finance Law): 1% set with CONSOB Resolution No. 28 of 30 January 2020**

#### NOTES

\* The date of first appointment of each Statutory Auditor is the date in which the Statutory Auditor was appointed for the first time ever in the Board of Statutory Auditors of the Issuer.

\*\* This column shows the list from which each Statutory Auditor was taken (“M”: majority list; “m”: minority list).

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

\*\*\*\* This column shows the number of director or statutory auditor positions held by the person in question pursuant to Art. 148-bis of the Consolidated Finance Law and the relevant implementing provisions contained in the CONSOB Issuers' Regulation. The full list of positions is published by CONSOB on its website pursuant to Art. 144-quinquiesdecies of the CONSOB Issuers' Regulation.

### List of Directors' offices

We provide below the list of the offices held by the Directors in other companies at the date of this Report, according to the guidelines adopted by the Board of Directors of Technogym specified in Paragraph 4.2 of this Report.

Director	Office	Company
Nerio Alessandri	Sole Director	Oiren S.r.l.
	Shareholder Director	Aedes 1770 S.S.
	Sole Director	Nextrend S.r.l.
	Chairman of the Board of Directors	Wellness Holding S.r.l.
	Sole Director	Duke Investment S.r.l.
	Director	Moncler S.p.A.
	Chairman of the Board of Directors	Wellness Foundation
	Pierluigi Alessandri	Sole Director
Chairman of the Board of Directors		TGB S.r.l.
Sole Director		La Mariana S.r.l.
Sole Director		Polo Tecnologico S.r.l.

	Director	I Lupi S.S.
	Sole Director	Cortina Mare S.r.l.
	Deputy Chairman	Wellness Holding S.r.l.
	Director	Starpool S.r.l.
	Sole Director	Via Durini 1 S.r.l.
	Sole Director	Count Investment S.r.l.
	Director	Wellness Foundation
Erica Alessandri	Director	Enervit S.p.A.
	Director	TGB S.r.l.
	Director	Wellness Foundation
Francesca Bellettini	Chairman	Yves Saint Laurent SAS
	Chairman	Yves Saint Laurent Boutique France SAS
	Chairman	Yves Saint Laurent Ventes Privées France
	Chairman	Yves Saint Laurent Parfums
	Director	Yves Saint Laurent UK Ltd.
	Chairman	Yves Saint Laurent Spain SA
	Director	Yves Saint Laurent Germany Gmbh
	Director	Yves Saint Laurent Austria Gmbh



Chairman	SAM Yves Saint Laurent of Monaco
Chairman	Yves Saint Laurent Logistica S.r.l.
Chairman	SL Luxury Retail S.r.l.
Chairman	Yves Saint Laurent America Holding
Director	Yves Saint Laurent America Inc
Director	Saint Laurent Canada Boutiques Inc
Director	Saint Laurent Mexico S. de R.L. de C.V.
Director	Saint Laurent Servicio S. de R.L. de C.V.
Director	Yves Saint Laurent Korea Ltd.
Director	Saint Laurent (Singapore) Pte Limited
Director	Saint Laurent Macau Limited
Director	Yves Saint Laurent (Hong Kong) Ltd.
Director	Yves Saint Laurent (Shanghai) trading limited
Director	Saint Laurent (Thailand) CO. LTD
Director	Saint Laurent (Malaysia) SDN. BHD
Director	Saint Laurent Australia PTY LTD
Chairman	Saint Laurent Shoes S.r.l.
Chairman	Kering Haute Parfumerie

	Director	Yves Saint Laurent Netherlands BV
	Director	Tomas Maier Holding LLC
	Chairman	YSL Switzerland SA
	Director	Tomas Maier Distribution LLC
	Director	Fondation Pierre Bergé Yves Saint Laurent
	Board Manager	Luxury Fashion Gulf LLC
	Director	Saint Laurent Panama Inc.
Carlo Capelli	Director	Wellness Holding S.r.l.
	Sole Director	TMC S.r.l.
	Director	Wellness Foundation
	Director	SIR S.r.l.
	Director	Enervit S.p.A.
	Sole Director	Axon Finance S.r.l.
	Director	LQH SA
Maurizio Cereda	Director	Enervit S.p.A.
	Director	FIEE SGR S.p.A.
	Director	Prada S.p.A.
	Director	Whealthness S.r.l.

	Director	Nutramis S.r.l.
Chiara Dorigotti	Managing Director	SEA Prime S.p.A.
	Director	Enervit S.p.A.
Vincenzo Giannelli	No office	
Maria Cecilia La Manna	Chairman of the Board of Directors and Managing Director	Titan ITM Holding S.p.A.
	Chairman of the Board of Directors and Managing Director	Italtractor ITM S.p.A.
	Chairman of the Board of Directors and Managing Director	Titan Italia S.p.A.
	Executive Director	Titan Europe Ltd.
	Supervisory Director	Titan Intertractor GmbH
	Director	Titan Asia AS.
	Deputy Chairman	Intertractor American Corp.
	Director	Aros del Pacifico S.A.
	Director	ITM Latin America Ltda.
	Director	Piezas y Rodayes SA Pyrsa
	Sole Director	ITM India S.r.l.
	Chairman	PT Titan Wheels Indonesia

	Director	ITM Mining Pty Ltd
	Director	ITM Dozco (India) Pvt Ltd
Riccardo Pinza	Statutory Auditor	Scrigno S.p.A.
	Statutory Auditor	ILAPAK ITALIA S.p.A.
	Director	Amadori S.p.A.
	Director	Gesco Soc. Coop. Agricola
	Statutory Auditor	SO.FI.MA S.p.A.
	Statutory Auditor	Corazza S.p.A.
	Statutory Auditor	ATOP S.p.A.
	Statutory Auditor	Telerobot S.p.A.
	Statutory Auditor	Tissue Machinery Company S.p.A.
Andrea Giuseppe Zocchi	Managing Director	Digitail S.r.l.
	Director	Bauli S.p.A.
	Director	Jakala S.p.A.
	Sole Director	Icomm S.r.l.