



ESPRINET S.P.A.

**REPORT ON CORPORATE GOVERNANCE
AND OWNERSHIP STRUCTURE**

pursuant to Article 123 -*bis* of the Italian Finance Act (TUF)

(Traditional management and control model)

Issuer: Esprinet S.p.A.

Website: www.esprinet.com

Financial year to which the Report relates: 2019

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GLOSSARY

Code/Code of

Conduct: The Corporate Governance Code for Listed Companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., A.B.I., Ania, Assogestioni, Assonime and Confindustria.

Civil Code: the Italian Civil Code

Board: the Board of Directors of the Esprinet S.p.A.

Issuer: the Company Esprinet S.p.A., with registered office at via Energy Park 20, Vimercate, Italy, and share capital of €7,860,651.00 (fully paid up), Milan, Monza Brianza and Lodi Companies Register no. and Fiscal Identity no. 05091320159, REA MB-1158694, VAT Reg. no. IT 029999990969

Financial year: the financial year to which this Report relates.

Takeover Offer: as per Legislative Decree No. 58 of 24 February 1998, "Takeover Offer" is intended to mean any offer, invitation to offer or promotional message for the purpose of the purchase for money of financial products

CONSOB

Issuers' Regulation: the Regulation on issuers issued by CONSOB (Italian National Commission for Companies and the Stock Market) pursuant to resolution no. 11971 of 1999 (as subsequently amended).

CONSOB Related

Parties Regulations: the Regulations concerning related-party transactions published by Consob in Resolution 17221 of 12 March 2010 (as subsequently amended)

Report: the "Report on Corporate Governance and Ownership Structure" that companies issuing listed financial instruments are required to draw up pursuant to Article 123-*bis* of the Consolidated Finance Act ("TUF")

Consolidated Finance

Act/TUF: Legislative Decree No. 58 of 24 February 1998.

INTRODUCTION

The ordinary shares of Esprinet S.p.A., (ticker: PRT: IM – ISIN IT0003850929) have been quoted in the STAR segment (High Requirements Securities Segment) of the MTA (Italian Electronic Stock Market) since 25 July 2001.

Esprinet S.p.A. subscribes and conforms to the Corporate Governance Code for Italian Listed Companies (the "Code"), which is adapted according to its characteristics.

To comply with requirements on transparency in the sector regulations, a "Report on Corporate Governance and Ownership Structure" is drawn up each year, containing a general description of the governance system adopted by the Group as well as information on the ownership structure, on the organisational model adopted pursuant to Legislative Decree No. 231 of 2001, and on the extent to which the Group complies with the Corporate Governance Code, including the main governance practices applied and the characteristics of the risk management and internal control system in relation to the financial reporting process.

The "Report on Corporate Governance and Ownership Structure" is published under the Investor Relations - Corporate Governance section of the Company's website (www.esprinet.com).

The Corporate Governance Code is available for consultation on the website of Borsa Italiana S.p.A. www.borsaitaliana.it.

Pursuant to Article 70(8) and Article 71(1-*bis*) of the Issuers' Regulations published by Consob, the Board of Directors of Esprinet S.p.A. decided, on 21 December 2012, to exercise its right not to comply with the obligation to publish the information documents prescribed in the case of significant operations involving merger, demerger, capital increase through the contribution of assets in kind, acquisitions and transfers.

1. PROFILE OF ISSUER

Esprinet S.p.A. (hereinafter also "Esprinet" or the "parent company") and its subsidiaries (collectively the "Esprinet Group" or the "Group") operate in Italy, Spain and Portugal.

The Group is active in the "business-to-business" (B2B) distribution of Information Technology (IT) and consumer electronics and is today the largest distributor in Southern Europe and the 4th European operator, having implemented a strategy aimed entirely at pure "business-to-business" ICT distribution with the aim of achieving leadership in every country

On the Italian market, the predominant activity is the distribution of IT products (hardware, software and services) and consumer electronics. In addition to the more traditional IT products (desktop PCs, notebook PCs, printers, photocopiers, servers, software packages, etc.) and related consumables (cartridges, tapes, toners, magnetic media), the Company also distributes tablets, mobile devices (smartphones) and related accessories, networking devices (modems, routers, switches), and digital and entertainment products such as TVs, cameras, video cameras, video games, MP3/MP4 players.

The marketed product range includes more than 600 brands supplied by more than 200 leading technology manufacturers ("vendors"), including all the world's leading technology manufacturers (HP, Apple, Samsung, Asus, Lenovo, Dell, Microsoft, Acer, Xiaomi, Epson, to name just a few).

The Group also distributes, in both geographical markets, own-brand products manufactured by third parties to order: these brands include Nilox, for manufacturing sports entertainment products and PC accessories, and Celly for mobile accessories.

The clientele served in the two territories ranges from various types of IT resellers present on the Italian and Iberian markets, i.e., value-added resellers (or VAR) to system integrators/corporate resellers, from dealers to shops (independent and/or affiliated), from large distribution, generalist and/or specialised operators, to sub-distributors.

Professional clients served in the B2B area in 2019 totalled approximately 36,000, of which approximately 23,000 were in Italy and approximately 13,000 in Spain.

The logistics activity is carried out at the 3 main logistics sites in Cambiago (MI), Cavenago (MB), Basiano (MI), Zaragoza (Spain), all of which are rented, with a total floor area of approximately 140,000 m² (approx. 100,000 m² in Italy and 40,000 m² in Spain).

From a legal standpoint, the parent company Esprinet S.p.A. was founded in September 2000 following the merger of two leading Italian distributors, Comprel S.p.A. and Celomax S.p.A. Subsequently, by demerging the distribution of micro-electronic components from the parent company and as a result of the various business combinations and the incorporation of new companies carried out over the years, the Esprinet Group has assumed its current structure.

This report will refer to the "Italian Subgroup" and the "Iberian Subgroup".

As at the reporting date, the Italy Subgroup includes not only the parent company Esprinet S.p.A. but also its direct subsidiaries: V-Valley S.r.l., Celly S.p.A., Nilox Deutschland GmbH (in liquidation from 16 September 2019) and 4Side S.r.l. (51% stake acquired on 20 March 2019).

For the purposes of representation within the "Italian Subgroup", the subsidiary Celly S.p.A., a company active in the business-to-business (B2B) distribution of Information Technology (IT) and consumer electronics and, more specifically, the wholesale distribution of accessories for mobile phone devices, also comprises its wholly-owned subsidiary Celly Pacific LTD, a company governed by Chinese law operating in the same operating sector as the holding company.

The Iberian Subgroup comprised, on the same date, of the Spanish and Portuguese companies operating in the Iberian Peninsula, namely Esprinet Iberica S.L.U. and its subsidiaries Esprinet Portugal Lda, Vinzeo Technologies S.A.U. and V-Valley Iberian S.L.U.

Esprinet S.p.A. has its legal and administrative headquarters in Vimercate, Italy (Monza and Brianza) and has its own logistic sites in Cambiago (Milan) and Cavenago (Monza and Brianza).

An adequate system of corporate governance, understood as a set of good governance rules governing the Company's ordinary and senior management, is essential for the development of economic and social activity and for credibility on domestic and foreign markets.

Corporate governance focuses not only on business risks and reputation but also on corporate social responsibility towards all stakeholders.

Esprinet's corporate governance structure is organised in accordance with the traditional management model referred to in Articles 2380 *et seq.* of the Civil Code, and consists of a Shareholders' Meeting, the Board of Directors, which as the management body plays a central role in the Company's management structure, and the Board of Statutory Auditors, a controlling body independent of the Board of Directors. As required by the law, external auditors registered in the relevant Consob register carry out a statutory audit of the accounts.

In conformity with the principles drawn up by the Corporate Governance Committee of Borsa Italiana S.p.A., the corporate governance system of the Esprinet Group was implemented via the adoption of codes, principles and procedures that govern the activities of all the Company's

organisational and operational components; all of these are constantly audited and updated in order to respond in the most effective way to changes in legislation and operational procedures.

Esprinet S.p.A. comes within the definition of SME pursuant to Article 1, paragraph 1, *w-quater*. 1), of the TUF and Article 2-*ter* of the Consob Issuers' Regulation.

The daily average capitalisation and turnover figures for the three-year period 2016, 2017 and 2018 are set out below.

Description	2018 €	2017 €	2016 €
Average Capitalisation Value	209,552,125	323,184,744	347,640,320
Turnover	2,267,796,526	1,917,559,161	1,951,845,407

For specialist activities, Esprinet S.p.A. makes use of the services provided by Banca IMI S.p.A.

2. INFORMATION ON THE OWNERSHIP STRUCTURE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1 OF THE TUF) AS AT 15 APRIL 2020

a) Share capital structure (Article 123-bis, paragraph 1, letter a) of the TUF)

The Issuer's subscribed and fully paid-in share capital amounts to €7,860,651.00, divided into 52,404,340 ordinary shares with no indication of par value, representing 100% of the total share capital.

Table 1 attached hereto provides a detailed breakdown of the share capital.

There are no existing financial instruments that grant the right to subscribe for new shares nor are there any share-based incentive schemes that provide for increases of share capital, even free of charge.

b) Restrictions on transfer of shares (Article 123-bis, paragraph 1, letter b) of the TUF)

The Company's Articles of Association do not include any restrictions on the transfer of shares or any approval clauses.

c) Significant investments in share capital (Article 123-bis, paragraph 1, letter c) of the TUF)

Table 2 attached hereto shows parties that hold substantial investments, directly or indirectly, in the share capital according to the communications made pursuant to Article 120 of the TUF.

d) Shares with special rights (Article 123-bis, paragraph 1, letter d) of the TUF)

There have been no issues and there are no holdings of shares with special rights of control. The Company's Articles of Association do not provide for the allocation of loyalty shares or multiple-vote shares.

e) Employees' shares: mechanism for exercising voting rights (Article 123-*bis*, paragraph 1, letter e) of the TUF)

There are no mechanisms in place for exercising specific voting rights in the case of employee shares.

f) Restrictions on voting rights (Article 123-*bis*, paragraph 1, letter f) of the TUF)

The Company's Articles of Association do not include any restrictions on the exercise of voting rights.

g) Shareholders' agreements (Article 123-*bis*, paragraph 1, letter g) of the TUF)

On 22 February 2019 the current shareholders' agreement between Messrs Francesco Monti, Paolo Stefanelli, Tommaso Stefanelli, Matteo Stefanelli, Maurizio Rota and Alessandro Cattani, expired; this agreement was entered into on 23 February 2016 and was last updated on 3 August 2018 and relates to no. 15,567,317 ordinary Esprinet S.p.A. shares, comprising a total of 29.706% of the shares of the entire share capital of the Company.

h) Change of control clauses (pursuant to Article 123-*bis*, paragraph 1, letter h) of the TUF) and provisions in the Articles of Association governing Takeover Offers (Articles 104, paragraph 1-*ter*, and 104-*bis*, paragraph 1 of the TUF)

Long-term loan agreements, as well as the securitisation agreement entered into in July 2018 to support the programme of disposals of trade receivables up to a maximum of €100.0 million over three years, contain, as is standard practice, certain clauses that could result in the early extinction of, or the inability to dispose of, future trade receivables in the event of a "key manager exit" or a "change of control".

As is customary, agreements for the supply of goods for resale entered into with the main suppliers contain change of control clauses allowing suppliers to terminate such contracts or modify them in the event of changes to Esprinet's control structures.

Supply of goods and services agreements entered into with the main customers do not contain change of control clauses enabling customers to terminate such contracts or modify them in the event of changes to Esprinet's control structures.

Chief Executive Officer Alessandro Cattani alone, due to the nature of his position, is also awarded a fixed component of €3.5 million if one of the following conditions occurs during his mandate: (i) approval by the Shareholders' Meeting of an operation to demerge or merge the Company; (ii) launch of a Takeover Offer for shares of the Company, enabling the offeror to hold the majority of the share capital, directly or indirectly, also taking into account shares held by parent companies or subsidiaries and/or by parties to any shareholders' agreement to which the offeror or its shareholders are also parties.

The current Articles of Association do not derogate in any way from the provisions governing TOs pursuant to Articles 104 and 104-*bis* of the TUF.

i) Authorisation to increase the share capital and to purchase Company shares (Article 123-*bis*, paragraph 1, letter m) of the TUF)

No powers are currently granted to the management body to increase the share capital.

Purchase of Company shares

The Shareholders' Meeting of 8 May 2019 authorised the Board of Directors, while simultaneously revoking the previous authorisation granted at the meeting held on 4 May 2018, to buy and sell Company shares in accordance with Arts. 2357 *et seq.* of the Italian Civil Code, Art. 132 of Legislative Decree No. 58/98, Art. 144-*bis* of the Consob Regulation implementing Legislative Decree No. 58 of 24 February 1998 on the regulation of issuers and any other applicable provision, including the provisions set out in Regulation (EU) No. 596/2014 and Commission Delegated Regulation (EU) 2016/1052, as well as other applicable regulations.

The plan relates to a maximum of 2,620,217 Esprinet ordinary shares, with no indicated par value and fully paid up, equal to 5% of the share capital, including the number of shares already held by the Company, also taking into account any shares held by subsidiaries.

The request for authorisation to buy and sell Company shares is aimed at enabling the Board of Directors, where necessary, to use Company shares for the following purposes:

- i. a reduction in share capital, in value or number of shares;
- ii. fulfilment of the obligations arising from convertible financial debt securities;
- iii. fulfilment of obligations arising from share option programmes or other allocation of shares to employees or members of the board of directors of the Company or its subsidiaries or affiliates;
- iv. stabilising or improving the liquidity of Esprinet shares in the equity markets;
- v. use of shares as payment for extraordinary transactions or business and/or strategic projects, including through the exchange or transfer of shareholdings to other parties, in the context of transactions of interest to the Company;
- vi. total or partial hedging of the positions referred to in point v) above; and
- vii. in order to buy Company shares owned by employees of the Company or its subsidiaries and allocated or subscribed pursuant to Articles 2349 and 2441, paragraph 8 of the Italian Civil Code, or arising from compensation plans approved under Article 114-*bis* of the TUF.

The prices approved by the Shareholders' Meeting for purchases of its own shares are as follows:

- (a) for purchases on regulated markets, at a unit price no more than 20% lower and no more than 20% higher than the official price recorded for the Company's ordinary shares on the trading day preceding each individual purchase transaction;
- (b) for purchases through a takeover bid or exchange offer or by granting shareholders a put option proportional to the number of shares owned, at a unit price no more than 30% lower and no more than 30% higher than the official price recorded for the Company's ordinary shares in the ten trading days preceding the public announcement; and
- (c) subject to the provisions of paragraphs (a) and (b) above, at a price no higher than the higher of the price of the last independent transaction and the price of the highest current independent buy offer on the exchange where the purchase is made.

Purchases may be made through a public offer on regulated markets and/or by allocation to shareholders.

The term of the authorisation is 18 months, equal to the maximum as established by the law.

The Shareholders' Meeting authorised the Board of Directors, with right of sub-delegation, pursuant to Article 2357-*ter* of the Civil Code, to sell in whole and/or in part, on one or more occasions, without time restriction, any Company shares purchased even before having finished

making purchases, keeping all the necessary or expedient accounting records, in accordance with the applicable laws and regulations and with the relevant accounting principles, for the achievement of objectives and under the terms and conditions established by the Board of Directors' report. The Shareholders' Meeting also granted the Board of Directors, with express right of sub-delegation, all powers useful for the implementation of this resolution.

Pursuant to the resolution authorising the purchase of own shares within the meaning of Articles 2357 *et seq.* of the Italian Civil Code adopted at the Shareholders' Meeting of 8 May 2019, the Board of Directors of Esprinet approved, on 27 June 2019, the launch of the Company share purchase programme, subject to the maximum limit set by the shareholders' resolution, i.e. a maximum amount of €6 million and a maximum number of 1,470,217 shares equal to 2.81% of the share capital.

The purchased shares will then be cancelled, with the proportional allocation of the rights incorporated therein to all other shares.

For the purposes of implementing the programme, the Company has appointed Banca IMI S.p.A., which has adopted decisions in relation to purchases with complete independence, including in regard to the timing of transactions and in compliance with daily price and volume limits.

Purchases were made on the MTA, in compliance with Article 144-*bis*, paragraph 1b) of Consob Regulation 11971/1999 and the additional conditions set out by the resolution of the Shareholders' Meeting of 8 May 2019, and in a manner compliant with the provisions of Regulation (EU) No. 596/2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052.

The share purchase programme started in early July 2019 and ended on 24 February 2020.

As of today, the Company holds 2,620,217 treasury shares, equal to 5.00% of the share capital, including 1,150,000, equal to 2.19% of the share capital, purchased on the basis of the previous Company share purchase programmes and servicing the long-term incentive plans implemented by the Company.

Subsidiaries do not hold treasury shares, even through trust companies or third parties.

I) Management and coordination (Article 2497 *et seq.* of the Civil Code)

At the Date of this Report, the Issuer is not subject to management and coordination by third parties, within the meaning of Article 2497 *et seq.* of the Civil Code; the Issuer manages and coordinates all the subsidiaries under its control.

It is specified that:

- the information required under Article 123-*bis*, paragraph 1i) concerning the existence of any agreements between the Company and directors which provide for compensation in the event of resignation or dismissal without just cause or if the relationship terminates as a consequence of a public Takeover Offer is provided in the Remuneration Report published in accordance with Article 123-*ter* of the TUF;
- the information required under Article 123-*bis*, paragraph 1l) ("*provisions governing the appointment and substitution of directors...and amendments to the Articles of Association, if they differ from the supplementary legislative and regulatory provisions in force*") is provided in the section dedicated to the Board of Directors, paragraph 4.1 of this Report.

3. COMPLIANCE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER A) OF THE TUF)

The Company adopts a corporate governance model in line with the principles and criteria contained in the Code accessible by the public on the Borsa Italiana website at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

At the date of this Report, no decision has been made to adopt codes of corporate governance other than that proposed by Borsa Italiana S.p.A.

At the time of writing, to the best of the knowledge of the Issuer's Directors, there are no non-national regulatory measures in existence that can influence the corporate governance structure of Esprinet S.p.A. and its Italian subsidiaries.

4. BOARD OF DIRECTORS

4.1. Appointment and substitution (Article 123-bis, paragraph 1, letter l) of the TUF)

The appointment and substitution of directors is governed by Article 13 of the Articles of Association, which provides that resolutions for the election of corporate officers are taken on the basis of an open vote, with the majorities required by law and the Articles of Association, using slate voting.

The members of the Board of Directors are elected, with respect of the equality of the genders required by the applicable law, on the basis of candidate lists, listed in progressive order, submitted by the Board of Directors or by the sponsoring shareholders, who alone or in conjunction with other shareholders represent, as of the date the list is submitted, at least one fortieth of the share capital or any different amount established by law, and who in any case satisfy any other conditions set by law.

The lists must be filed at the company's registered office at least twenty-five days prior to the date of the meeting on single call or at first call, without prejudice to any shorter deadline set by law. The Board of Directors' list, if submitted, shall be filed at the Company's registered office by the thirtieth day prior to the date of the meeting and made the subject of publicity formalities required by law.

Slates must state which candidates qualify as independent, as defined by law for Directors of listed companies. Each slate must be accompanied by declarations in which the nominees accept their candidacy and confirm that there are no grounds for ineligibility or disqualification, that they meet any conditions set by law or the Company by-laws and (if applicable) that they qualify as independent.

The lists that count three or more than three candidates must contain candidates representing both genders, in order to be present in the lists, at least one-third, of the candidates belonging to the gender less represented.

To demonstrate ownership of the number of shares required for the submission of lists, shareholders must file within the term envisaged by the norms in force for the publishing of the lists by the Company, a copy of the shareholding certificates issued by the authorized intermediaries.

Lists submitted in violation of the By-Laws will be treated as never submitted.

Each shareholder, as well as shareholders belonging to the same group – this meaning the entity exercising control, subsidiaries and companies controlled by the same parent entity, or those affiliated pursuant to Article 2359 of the Italian Civil Code – and shareholders who are parties, also via subsidiaries, to an agreement pursuant to Article 122 of Legislative Decree No. 58/1998 concerning the Company's shares, cannot submit more than one list, even via third parties or trustee companies. Control exists also with reference to entities that are not corporations, in the cases envisaged by Article 93 of Legislative Decree No. 58/1998.

Each candidate may appear on one list only or will otherwise be disqualified.

Each right-holder may vote for a single list.

One member of the Board of Directors (who must satisfy the conditions of reputability and professional qualifications per Art. 148, paragraphs III and IV of the Consolidated Finance Act) is drawn from the minority list obtaining the highest number of votes which is in no way associated, even indirectly, with the shareholders who submitted or voted for the winning list. For the purposes of selecting the winning candidates, account is not taken of lists that fail to obtain a percentage of votes equal to at least half that required for the submission of lists.

All other members of the board are drawn from the list obtaining the highest number of votes, in the order in which their names appear on the list, and at least two of them (or any higher number required by the laws in effect when the lists are submitted) must meet the legal definition of independent as established for the directors of listed companies.

If, when the candidates are elected in the manner described above, the presence of the necessary number of Directors who meet the independence requirements established by law for the directors of listed companies is not met, the candidate who does not meet the independence requirements established by law for directors of listed companies elected last in progressive order on the list receiving the most votes will be replaced by the first candidate who meets the independence requirements established by law for directors of listed companies not elected from the same list in progressive order. If this procedure does not ensure the necessary number of Directors who meet the independence requirements established by law for directors of listed companies, the replacement will take place with a resolution approved by a relative majority, after the submission of candidacies by persons who meet the independence requirements established by law for directors of listed companies.

In case the Board of Directors' composition, even after the fulfilment of the procedure written above, does not respect the prescriptions required by the law in order to guarantee the equality of the genders, the last elected candidate of the majority list, according to the sequential number in which the candidates are indicated, belonging to the gender more represented, will be automatically replaced by the first not elected candidate of the same list and belonging to the gender less represented. This procedure will be applied as long as the composition of the Board of Directors will be respectful of the prescriptions required by the applicable law in order to guarantee the equality of the genders. In the event of the procedure's inability to guarantee the equality of the genders required by the applicable law, the replacement will be adopted by the Shareholders' meeting resolution. This resolution will be adopted with simple majority by means of submission of candidates belonging to the gender less represented.

In the event of a tie between two or more lists, a new ballot is held between those lists on which all eligible parties present in the meeting may vote. The candidates on the list winning a simple majority of votes shall be elected, with abstentions excluded from the count.

If only one list has been submitted, the Shareholders' Meeting shall vote on it and if it obtains a majority, the candidates listed in progressive order up to the number set by the Shareholders' Meeting shall be elected subject to the obligation for the Shareholders' Meeting to organise the appointment of a number of Directors who meet the independence requirements established by law for the directors of listed companies while respecting the balance between sexes based on regulations in force from time to time.

In the absence of lists, or if the number of directors elected on the basis of lists submitted is less than that determined by the Shareholders' Meeting, members of the Board of Directors over and above those elected on the basis of any submitted lists up to the number of directors determined by the Shareholders' Meeting, shall be appointed by the Shareholders' Meeting with a legal majority, in order to ensure the necessary number of directors meeting the independence requirements established by law for the directors of listed companies, as well as compliance with legislation in force regarding gender balance.

Pursuant to Article 144-*quater* of the Issuers' Regulation, CONSOB published its Resolution 28 of 30 January 2020, specifying the percentage of shares required for submitting slates of

candidates for election of management and control bodies and, in the Company's case, a minimum stake of 4.5% in the share capital was required.

With the exception of the rules specified in the TUF, the Issuer is not subject to other sectoral rules or provisions concerning the composition of the Board.

Succession plans

In 2013, the Company adopted a continuity and succession plan for key managers in the most senior positions at the Esprinet Group, i.e. the executive directors of Esprinet S.p.A. and managers with strategic responsibilities identified within the Group.

The aim of the plan, as well as preventing "key management risk" by identifying a series of measures to minimise the likelihood of the unexpected loss of a Director due to resignation, dismissal, illness, death, interdiction, arrest, etc., is also to define appropriate procedures to ensure effective and timely substitution, thus restoring normal business operating conditions.

It is one of the risk oversight procedures adopted as part of the internal control system and, as such, was approved by the CEO on the basis of current operating practices and drafted with the support of the Head of Internal Audit and the Director responsible for the Internal Control System.

Following the favourable opinion of the Appointments and Remuneration Committee, the Board of Directors adopted the aforementioned plan for succession, which provides for specific mechanisms in the event of provisional or permanent replacement of the key managers of the Esprinet Group ahead of the ordinary expiration of their mandates.

Any variations and additions, as well as an at least annual review, will be adopted in accordance with the procedure outlined above.

4.2. Composition (Article 123-bis, paragraph 2d) and d-bis of the TUF)

Pursuant to Article 14 of the Articles of Association, the Board of Directors of Esprinet S.p.A. is composed of 7 to 13 members, as determined by the Shareholders' Meeting. These members remain in office for up to three financial years or for a lesser period determined when they are appointed. They may be re-elected, and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term of office.

At the date of the Report, the Board of Directors is composed of 12 members appointed for three financial years by the Shareholders' Meeting of 4 May 2018, expiring on the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2020.

At the time of appointment of the Board of Directors, only one slate of candidates was submitted by shareholders Francesco Monti, Paolo Stefanelli, Tommaso Stefanelli, Matteo Stefanelli, Maurizio Rota and Alessandro Cattani, who collectively held 17,095,016 Esprinet ordinary shares (of which 6,174,051 rights of usufruct were held by Francesco Monti and 2,625,458 rights of usufruct by Maurizio Rota), equal to 32.62% of the voting capital.

The proposing shareholders Francesco Monti, Paolo Stefanelli, Tommaso Stefanelli, Matteo Stefanelli, Maurizio Rota and Alessandro Cattani were parties to a shareholders' agreement, significant within the meaning of Article 122 of Legislative Decree No. 58/1998 relating to 16,819,135 Esprinet S.p.A. ordinary shares, representing a total of 32.095% of the shares of the entire share capital.

Pursuant to the laws in force on balanced gender representation, the proposed slate included candidates from both genders.

The above slate was accompanied by certificates issued by intermediaries proving their title to the number of shares represented, declarations of each candidate attesting possession of the legal requisites for the office of director and acceptance of the candidacy, and curricula vitae disclosing the personal and professional characteristics of each candidate. This documentation is still available for consultation on the Company's website (www.esprinet.com) in the Investor Relations section.

The Board of Directors appointed by the Shareholders' Meeting is composed as follows:

1. Maurizio Rota	Chairman
2. Alessandro Cattani	Chief Executive Officer
3. Valerio Casari	Managing Director
4. Marco Monti	Non-executive director
5. Tommaso Stefanelli	Non-executive director
6. Matteo Stefanelli	Non-executive director
7. Mario Massari	Independent Director
8. Renata Maria Ricotti	Independent Director
9. Cristina Galbusera	Independent Director
10. Chiara Mauri	Independent Director
11. Emanuela Prandelli	Independent Director
12. Ariela Caglio	Independent Director

Directors Mario Massari, Renata Maria Ricotti, Cristina Galbusera, Chiara Mauri, Emanuela Prandelli and Ariela Caglio declared that they met the requirements for independence established pursuant to the combined provisions of Article 147-*ter*, paragraph 4, and Article 148, paragraph 3, of the TUF, as well as Article 3 of the Corporate Governance Code promoted by Borsa Italiana.

The Secretary to the Board of Directors is Manfredi Vianini Tolomei of the Chiomenti law firm in Milan.

Number of meetings held during the Period:

Board of Directors:	13
Control and Risks Committee:	9
Appointment and Remuneration Committee:	3

Details are given below about the personal and professional characteristics of the individual members of the Board of Directors.

Maurizio Rota: born in Milan on 22 December 1957, founder of the Company and Chairman of the Esprinet Group.

After his initial professional work experience as the Sales Manager of companies operating in the IT sector, he founded Micromax in 1986 and became Chairman. Until 1999 he was responsible for the Company's development and consolidation, with a particular emphasis on relations with leading manufacturers and making important contributions towards the success of the company's commercial strategies. In 2000, with the creation of Esprinet from the merger of Celo, Micromax and Comprel, he became Chief Executive Officer and then Vice-Chairman and Chief Executive Officer.

He is currently a member of the board of directors of Celly S.p.A., which is part of the Esprinet Group.

Maurizio Rota combines strategic vision with operational capability. He has always had a strong drive for innovation and a superior ability to anticipate market trends, which he knows how to translate into opportunities for value creation.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 6 June 2000.

Alessandro Cattani: born in Milan on 15 August 1963 and graduated in Electronic Engineering from the Politecnico di Milano in 1990. Obtained a Master's with distinction in 1992 from the SDA Bocconi School of Management.

In the mid-1980s, when he was still a university student, he began his professional career, and only two years later became Sole Director of the IT services company of an Italian industrial group producing food plants, where he was head of management control reporting directly to senior management.

After graduating, he launched his own management consultancy, specialising in management control and sales network management for industrial and IT companies. His clients included the Italian subsidiary of Hewlett Packard, for which he delivered financial training to the network of sellers and marketers operating in the distribution channel represented by resellers and distributors.

From 1996, he carried out work for Comprel, Celo and Micromax, before coordinating, as project manager, the merger and integration plan that led to the creation of Esprinet S.p.A. in 2000. He became Chief Executive Officer of the company in November of that year.

He coordinated the process that resulted in Esprinet's listing in 2001.

Later on, he was involved in carrying out and integrating acquisitions that would make the Esprinet Group one of the biggest technology distributors in Europe.

He has written articles in specialised technology journals and publications on management techniques and management control.

He is currently Chairman of the Board of Directors of Esprinet Iberica S.l.u. and Vinzeo S.A.U., and is a member of the Boards of Directors of Esprinet Portugal Lda and Celly S.p.A. He is a non-executive director of Agrati S.p.A., one of Europe's biggest producers of high-resistance hardware.

From 2001 to 2003, he sat on the National Governing Council of AISLA, the Italian Association of Amyotrophic Lateral Sclerosis.

Alessandro Cattani summarises and interprets the Group's international profile, having played a key guiding role in its transformation from a purely domestic entity to a player with pan-European standing, thanks to his orientation towards innovation management and his particular talent for developing international relations.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 6 June 2000.

Valerio Casari: Born in Milan on 14 January 1966. Chief Executive Officer of Esprinet S.p.A. since 2009 and Chief Financial Officer since 2000. Graduated with distinction in business economics from the Università Commerciale L. Bocconi di Milano in 1990.

He began his career as a financial analyst at Interbanca - Istituto di Credito a Medio e Lungo Termine S.p.A. (now GE Capital Interbanca) where he worked until 1996.

In September 1996 he joined Banca Agricola Mantovana, where he was a Corporate Manager in the Extraordinary Finance section, working on structuring medium- and long-term loans, both simple and structured (cash-flow financing, acquisition financing, project financing) and helping to organise extraordinary finance operations.

In late 1997, he arrived at Arca Merchant S.p.A., where, after a brief stint in the Corporate Finance Division (capital increases, bond issues, financial and corporate restructuring, IPOs), he worked from March 1998 in private equity as an Investment Manager.

In May 2000, he joined the managerial team at Celomax that would first manage the merger processes that led to the creation of the Company and later its listing on the stock market in July 2001.

He is currently a member of the Board of Directors of Esprinet Iberica S.l.u., Esprinet Portugal Lda, Vinzeo S.A.U, V-Valley Iberian S.l.u. and Celly S.p.A.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 28 April 2009.

Marco Monti: born in Milan on 16 April 1878. A member of the Company's Board since 2009.

He graduated in Telecommunications Engineering from the Politecnico di Milano in 2003 and was awarded a Master's degree in Corporate Finance and Management Control by the University of Pisa in 2018.

He has developed his career in the information technology sector, taking on a range of management roles at Infoklix S.p.A., one of Italy's biggest value-added resellers, operating in the segment of ICT solutions and services.

Starting with jobs in web marketing, he took on gradually increasing levels of responsibility before assuming the role of Marketing Director.

He subsequently became General Manager of a spin-off selling CAD (Computer Aided Design) software solutions.

He is currently Chairman of the Board of Directors of the family holding company, Montinvest S.r.l. and is responsible for the strategic allocation of financial investments.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 28 April 2009.

Matteo Stefanelli: Born in Milan on 2 January 1975. Graduated with distinction in modern literature from the Università Cattolica del Sacro Cuore, Milan, in 2001.

In 2005, he was awarded a research doctorate in the history and forms of representation and consumption of the media by the Department of Communication Sciences and Performing Arts at the Catholic University of Milan. He is a contract Professor at the Catholic University of Milan, where he carries out research and media consultancy at the OssCom research centre, and at the University of Bergamo. A researcher and entrepreneur, he analyses consumption processes, with a particular focus on visual communication, and the social uses of technologies and product innovation in the areas of management software and online publishing. He advises on communications and the organisation of cultural events, with particular reference to the cross-media content festival sector. He has given demonstrations, presentations on TV programmes and been involved in editorial projects, including reviews and book series. He has published essays on media analysis in scientific volumes and reviews in Italy and abroad and has made numerous journalistic contributions. From 2013 to 2017 he was Chairman of the Board of Directors of S4GV SA, a Swiss software solutions company for "supply chain visibility". He is currently Chairman of Fumettolab S.r.l., a company that produces information and content for publishing and illustration, and Vice-Chairman of Fondazione Edu, which is active in international cooperation in Africa.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 28 April 2009 until approval of the financial statements at 31 December 2011.

Tommaso Stefanelli: born in Milan on 19 January 1982, he graduated with distinction in Medicine and Surgery from the Catholic University of Milan in 2007. After his medical specialisation in internal medicine acquired in 2012, he began biomedical research and development in

multinational pharmaceutical companies, assuming roles of increasing managerial responsibility at the national and international levels. He has co-published full scientific papers in peer-to-peer journals on topics relating to biotechnological and medical research in the fields of immunology and internal medicine.

Alongside his medical career, he has had a range of entrepreneurial experience, mainly in the area of "the internet of things" and new healthcare technologies. He is currently a member of the Board of Directors of SmartRes S.p.A., an Italian company that produces RFID-NFC technology using proprietary technology.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 30 April 2015.

Mario Massari: Born in Varese on 10 March 1951. Graduated in business economics from the Università Commerciale L. Bocconi di Milano. He is a Professor of Corporate Finance at the Università L. Bocconi di Milano, where he also teaches Business Valuation and Financial Management.

He was a Professor of Industrial Technology at the Università Cattolica di Milano and Università Ca' Foscari di Venezia, Director of the Institute of Administration, Finance and Control at the Università Bocconi from 2003 to 2007 and Director of the Finance Department from 2010 to 2013.

He is a member of the Steering Committee of the OIV (Italian Valuation Body) and the AIDEA (Italian Academy of Business Economics).

He is also Deputy Director of the journal *La Valutazione delle Aziende* ("Business Valuation").

He has written numerous books and publications on the subject of corporate finance, M&A and business valuation.

He is a chartered accountant and auditor.

He is registered on the Court of Milan's Register of Expert Consultants for Judges.

He sat on the Committee for "Simplification of the Italian financial market", established by Consob in 2011, and on the Steering Committee of CreSV (the Sustainability and Value Research Centre of the Università Bocconi) (2009-2014).

He was a financial consultant for the Steering Committee of the Milan Stock Exchange, on various subjects pertaining to expert valuations, and a consultant for Consob (the Italian companies and markets regulator) on subjects pertaining to corporate finance and companies.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 28 April 2009.

Renata Maria Ricotti: born in Casteggio (PV) on 28 September 1960 and graduated in Corporate Finance (*magna cum laude*) from the Università Commerciale di Pavia. She is currently a partner at Carnelutti Studio Legale Associato. She is a member of the Company's tax department, where her work focuses on national and international taxation, corporate taxes and tax litigation.

She has been particularly active in assisting the top management of industrial and commercial companies in reorganisations and mergers and acquisitions on a national and international level. She has recently assisted multinationals in the electronics, pharmaceuticals, financial services and clothing sectors.

She has been a member of the Association of Chartered Accountants and the National Society of Chartered Accountants and Tax Experts since 1986 and of AGN International (Accountants Global Network). She is also a member of the Marisa Bellisario Foundation which supports female entrepreneurship, a member of the "Ready-For-Board Women" (RFBW) project launched by PWA Milano (part of the European network of professional women) and a member of Nedcommunity, the first Italian community of non-executive and independent directors.

She is a director and audit committee member of various Italian and international companies.

- Date of first appointment: Shareholders' Meeting of 4 May 2018.

Cristina Galbusera: born in Morbegno on 30 March 1952.

After completing her higher education, she began her career at the family business, La Galbusera S.p.A., where she took on increasing responsibility, first in administration (purchasing department, supplier accounts, general accounts, banking and treasury) and subsequently in management control (evaluation and planning of production costs). Since then she has held various other positions in the area of sales and marketing, particularly within the retail business of the Galbusera Group.

She was a member of the Board of Galbusera S.p.A. . Until December 2011, she was a member of the Board of Directors of the Sondrio subsidiary of the Bank of Italy. She is currently Sole Director of property companies Quattrosorelle S.r.l. and Unigal S.r.l. and an Independent Director of Banca Popolare di Sondrio S.c.p.A. She is also Chair of the Lecco and Sondrio branches of Confindustria.

She is a member of the Board of Directors of "Casa do Sol", an association created to provide a space for the support and training of the most disadvantaged families in the *favelas* of Salvador di Bahia in Brazil, and is a supporting member of "La Centralina" in Morbegno, an association active in the rehabilitation of drug addicts.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Board of Directors' meeting of 28 January 2013

Chiara Mauri: born in Lecco on 6 June 1956 and graduated in Corporate Finance from the Bocconi University in Milan.

Chiara Mauri is an Affiliate Professor of Marketing and Sales at SDA Bocconi School of Management. She is a contract Professor at Bocconi University and Savoie Mont Blanc University and full Professor at LIUC Carlo Cattaneo University.

At SDA Bocconi, she was Director of the Master of Management in Food & Beverage (MFB) from 2013 to 2016, Director of the Executive Master in Marketing & Sales (EMMS) from 2006 to 2011, Director of the catalogue courses of Area Marketing (2000-2006), Director of the Master in Marketing & e-Commerce MiMeC from 2000 to 2003. She has carried out research and training projects with some of the most important Italian and international companies.

Her research focuses on three key areas: retail management, of which she has explored many aspects such as category management, assortment management, loyalty cards and loyalty networks. The second area relates to marketing: brand management, sales promotion, kids' marketing, consumer shopping behaviour, multichannel customer management. She was also in charge of branding and destination management.

She is the author of numerous essays and articles concerning the topics she has written on. Her work has been published in important journals such as *European Management Journal*, *International Review of Retail, Distribution and Consumer Research*, *International Journal of Management and Marketing Academy*, *International Journal of Tourism Research*, *International Journal of Hospitality Management*, *Mercati e Competitività*. In 2007 she won the award for best article in the journal *Markets and Competitiveness*. She is a member of the editorial board of *Journal of Retailing and Consumer Services*, *International Journal of Marketing and Management* and *Mercati e Competitività*. She has been Visiting Professor at many international universities such as the Savoie Mont Blanc University and the Autonomous University of Barcelona, and Visiting Scholar at Harvard Business School and Arizona State University. She is a member of the Executive Board of the Italian Marketing Society (*Società Italiana di Marketing*). At the Valle d'Aosta University, she was Director of the Department of Economic and Political Sciences from 2009 to 2016. She is a member of the Supervisory Board at the Savoie Mont Blanc University and a founding member of the International Place Branding Association (2016).

She is currently a member of the Board of Colorificio San Marco S.p.A. (industrial paints division).

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 9 May 2012.

Emanuela Prandelli: Born in Lecco on 17 July 1970. Graduated with distinction in business economics from the Università Commerciale L. Bocconi di Milano in 1993. She obtained a Ph.D in business economics and management from the Università Bocconi in 2001. She is currently an Associate Professor at the Department of Management and Technology at the Università Bocconi, Academic Director of the CEMS-MIM Master's programme in International Management and representative of the affiliates of CRIOS (Center for Research on Innovation, Organization and Strategy). She is also Senior Professor, Marketing Area, of the SDA Bocconi School of Management, where she is Director of the Master in Fashion, Experience & Design Management (MAFED) and teaches Innovation Management, Digital Strategy and Technology Marketing. She has directly implemented and coordinated numerous programmes to order related to subjects such as eBusiness and digital marketing, innovation and marketing management, for many industrial and services companies including IBM, Philips, Tim and Vodafone.

She was a Research Assistant at the Kellogg School of Management at Northwestern University, where she returned as a Visiting Professor, a Research Fellow at the Management Department of St. Gallen University, and Visiting Professor at WU, Wirtschaftsuniversität Wien (Vienna University of Economics and Business).

She has won a number of academic prizes, including the Prize for Research Excellence awarded by the Università Bocconi (2014) and the "Innovation Excellence - 2011 Award" - Bespoke Management Training for Companies Division (2012).

Her areas of scientific and research interest are wide-ranging, spanning web marketing and electronic commerce, the impact of digital technologies on innovation processes, social media marketing, customer loyalty, strategic management and communication & marketing management.

She has published numerous books and articles in Italy and abroad in journals such as MIT Sloan Management Review, California Management Review, Journal of Marketing, Journal of Interactive Marketing, Strategic Organization, Journal of Business Venturing.

She is currently an Independent Director of Tod's S.p.A. (a company listed on Borsa Italiana S.p.A.).

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 30 April 2015.

Ariela Caglio: born in Bergamo on 20 January 1973 and graduated "*cum laude*" in Corporate Finance from Bocconi University in Milan with a Ph.D in Business Administration and Management in 2000.

She is an Associate Professor of Planning and Control and Director of the Bocconi-ESSEC Double Degree at Bocconi University, as well as senior Professor of the SDA Bocconi School of Management.

She has gained over fifteen years of experience teaching - including in MBA and executive programmes - subjects such as business planning and budgeting, performance measurement and management and cost accounting.

She was also a Visiting Professor at prestigious international institutions such as the London School of Economics and Political Science (LSE) and the University of Manchester.

Her skills and research and professional interests relate to the following main areas: performance assessment and planning and control systems; Sustainability and Integrated Reporting; inter-organisational control mechanisms, particularly with regard to companies that collaborate along the supply chain; remuneration and incentive systems.

She has published for prestigious academic and professional journals, both nationally and internationally, including Accounting, Organizations and Society, Management Accounting Research, European Accounting Review, and the Journal of Accounting and Public Policy. She is a member of the Management Committee of the European Accounting Association (EAA) and

an advisor to the United Nations (UNCTAD-United Nations Conference on Trade and Development) on sustainability reporting.

She has also participated in the Ready4Board Women project. She is currently an Independent Director of COIMA RES S.p.A. SIIQ (a company listed on Borsa Italiana S.p.A.)

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 4 May 2017.

Diversity policies

On 21 December 2017, the Board of Directors asked the Nomination and Remuneration Committee to express an opinion on whether the Company should adopt a policy regarding the diversity of the management, administration and control bodies, pursuant to Article 123-bis, paragraph 2d-bis) of the TUF.

The policy was approved on 21 March 2018 by the Board of Directors at the proposal of the Nomination and Remuneration Committee, taking into account (i) the size of the Company, (ii) the ownership structure, (iii) the complexity and specific nature of the business sector in which Esprinet operates and, with particular reference to the administrative body, (iv) the size of the Board of Directors and (v) the experience of the Board in terms of the activities and operating methods of the Board and its internal committees as well as the results of the self-assessment processes carried out annually.

This is aimed in particular at persons involved in the process of selecting and appointing members of the Board of Directors of the Company and therefore:

- shareholders who, pursuant to law and the Articles of Association, intend to submit slates of candidates for appointment to the Board of Directors and the Board of Statutory Auditors;
- the Shareholders' Meeting called to appoint the Board of Directors and the Board of Statutory Auditors;
- the Company's "outgoing" Board of Directors, if - during a reshuffle of the Board of Directors - it intends to submit its own list of candidates;
- the Company's Board of Directors, as well as shareholders, in the event that - during their term of office - it becomes necessary to replace a member of the Board of Directors pursuant to Article 2386 of the Italian Civil Code.

The requirements of integrity and independence and the situations of incompatibility and/or revocation established by law and the Articles of Association shall in any case apply.

The following is a description of the diversity policy adopted and applied in relation to the composition of the Board of Directors.

1. Size of the Board of Directors

Pursuant to the Articles of Association, the number of members on the Board of Directors is determined by the Shareholders' Meeting and ranges from seven to thirteen members.

Notwithstanding the above, the number of members on the Board of Directors must allow an adequate balance of the skills and experience required by the size of the Company and the nature and complexity of the Company's activities, including within internal committees.

Any increase in the number of members on the Board of Directors should be instrumental in allowing a further enrichment of the characteristics, skills and professionalism present on the Board, as indicated below.

2. Professionalism, competence and experience requirements

With regard to professionalism requirements, in line with the recommendations of the Corporate Governance Code for Listed Companies:

- at least one member should have adequate knowledge and experience of finance or remuneration policies;
- at least one member should have adequate accounting, financial or risk management experience.

Notwithstanding the above, the Board of Directors should ensure the presence of persons with expertise in at least some of the following areas:

- a) marketing and sales;
- b) finance, administration and management control;
- c) information technology, digital technologies and innovation;
- d) logistics;
- e) legal and tax matters.

The combination of diverse and complementary skills and experience promotes dialogue and the efficient and the effective functioning of the Board.

It is also hoped that the majority of directors will have an appropriate knowledge of the English language to allow a correct understanding of written texts and, therefore, to ensure the possibility of adopting resolutions directly relating to documents in the English language, taking into account the Esprinet Group's international profile.

3. Age & seniority of office

The Board of Directors should include individuals of various ages, generations and seniority, in line with the best market practice of listed companies, in order to promote the creation of a fair balance between experience, continuity, innovation focus and risk appetite.

4. Gender

The Board of Directors should have adequate gender representation, in compliance with current legislation and the Company's Articles of Association.

5. Adoption, implementation and changes to the Policy

The Policy is adopted by the Board of Directors at the proposal of the Nomination and Remuneration Committee.

The Board of Directors is required to support the adoption of the Policy and to verify and assess how the Policy is implemented and to monitor its results during the relevant period, including for the purpose of producing a description of the Policy to be produced annually in the Corporate Governance and Ownership Report.

Any amendments to or revisions of the Diversity Policy are approved by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, also taking into account the results of the Board of Directors' annual self-assessment.

Maximum number of positions held in other companies

The three-year term of office of the Board of Directors appointed by the Shareholders' Meeting of 30 April 2015 came to an end at the Shareholders' Meeting called to approve the financial statements as at 31 December 2017.

In this regard, the Board, at the recommendation of the Nomination and Remuneration Committee, in its report on the proposed resolution to appoint the new executive body, defined general criteria about the maximum number of positions; with regard to the non-executive directors, it deemed a number of 4 (four) to be appropriate as the maximum number of positions that can be held in companies with shares listed on the stock market, while for other types of position no specific limit was defined, with individual directors left to verify the possibility of exercising the mandate: however, with regard to the executive directors, the report showed that

the parameters might be different from those set out above, also in view of the type of business conducted by the company in which the post is held.

The following table lists the directorships and control positions each director held at 31 December 2019 in companies belonging to the Esprinet Group, in companies listed on regulated markets (including foreign markets), in financial companies, banks, insurance companies or companies of a significant size.

Name	Position	Company
Maurizio Rota	Director	Celly S.p.A. ⁽¹⁾
Alessandro Cattani	Chairman of the Board of Directors	Esprinet Iberica S.l.u. ⁽¹⁾
	Chairman of the Board of Directors	Vinzeo Technologies S.A.U. ⁽¹⁾
	Director	Esprinet Portugal Lda ⁽¹⁾
	Director	Celly S.p.A. ⁽¹⁾
	Director	A. Agrati S.p.A.
Valerio Casari	Director	Celly S.p.A. ⁽¹⁾
	Director	Esprinet Iberica S.l.u. ⁽¹⁾
	Director	Esprinet Portugal Lda ⁽¹⁾
	Director	Vinzeo Technologies S.A.U. ⁽¹⁾
	Director	V-Valley Iberian S.l.u. ⁽¹⁾
Mario Massari	Sole Director	Studi Finanziari S.r.l.
	Chairman of the Board of Statutory Auditors	San Raffaele - Resnati S.p.A.
	Acting Statutory auditor	Travi e Profilati di Pallanzeno S.r.l.
	Acting Statutory auditor	Dueferdofin - Nucor S.r.l.
	Acting Statutory auditor	Acofer Prodotti Siderurgici S.r.l.
Renata Maria Ricotti	Chairman of the Board of Statutory Auditors	Credimi S.p.A.
	Acting Statutory auditor	Stefanel S.p.A. ⁽²⁾
	Acting Statutory auditor	Innovest S.p.A.
	Acting Statutory auditor	Cray Valley Italia S.p.A.
	Acting Statutory auditor	Nexans Italia S.p.A.
	Acting Statutory auditor	Nexans Intercablo S.p.A.
Cristina Galbusera	Director	Banca Popolare di Sondrio Scpa ⁽²⁾
Chiara Mauri	Director	Colorificio San Marco S.p.A.
Emanuela Prandelli	Independent Director	Tod's S.p.A. ⁽²⁾
Ariela Caglio	Independent Director	Coima RES S.p.A. SIIQ ⁽²⁾

⁽¹⁾company belonging to the Issuer's Group.

⁽²⁾a company listed on the Italian Stock Exchange

Induction Programme

It is the Company's practice to provide the newly elected members of the Board and the Board of Statutory Auditors with a set of documents designed to provide them with adequate knowledge of the business sector in which the Company operates, the main corporate dynamics and the relevant regulatory and self-regulatory framework.

Subsequently, during Board meetings, the Board is regularly updated on company dynamics and the conduct of company affairs, as well as the main changes in the legislative framework.

4.3. Role of the Board of Directors (Article 123-bis, paragraph 2 d) of the TUF)

During 2019 the Board of Directors met 13 times, with each meeting lasting on average approximately 130 minutes.

There are 11 Board meetings scheduled for 2020, of which 4 had already been held by the date of this Report.

The Chairman of the Board of Directors is responsible for organising the work of the Board. In particular, the Chairman must ensure that all appropriate information and useful documentation is made available to Board members so that they can make their decisions at Board meetings.

Except in cases of particular urgency and confidentiality, each Director and Statutory Auditor is informed sufficiently in advance of the items on the agenda, by sending summary presentations accompanied by the documents pertaining to the agenda items.

The Chairman of the Board of Directors, alone or with the help of the other executive directors, will endeavour to ensure that the necessary time can be devoted to the items on the agenda so as to allow a constructive discussion and will, in his running of meetings, encourage contributions from individual Board members.

When additional background about the items on the agenda is required, the Issuer's managers will be invited to attend Board meetings.

Article 16 of the Articles of Association establishes that the Board of Directors is responsible for examining and approving:

- the Issuer's strategic, industrial and financial plans;
- the strategic, industrial and financial plans for the group headed by the Issuer;
- the Issuer's corporate governance system;
- the structure of the group headed by the Issuer.

The Board of Directors is responsible for the Company's strategic and organisational functions as well as for verifying the existence of all controls necessary for monitoring the performance of the Company and the Group.

The Articles of Association grant the Board of Directors the fullest possible powers for the ordinary and extraordinary management of the Company, with the right to carry out all acts considered necessary to implement and achieve the Company's objects, excluding those that the law strictly reserves for the Shareholders' Meeting.

The Board of Directors can delegate, within the limits specified in current legislation, some of its powers to one or more directors, establishing the limits and conditions thereof at the time the powers are delegated, with the obligation that each director involved must report to the Board of Directors at least once every three months on the activities carried out in the performance of the powers delegated.

The Board of Directors, or the directors to whom powers have been conferred, reports to the Board of Statutory Auditors on the activities carried out in the performance of those duties, on the most significant operations carried out by the Company and its subsidiaries and on operations where a potential conflict of interest exists.

This information is provided during meetings of the Board of Directors and in any case at least once every three months.

During their regular meetings, the Board and the Board of Statutory Auditors are informed, including via delegated bodies, about activities carried out, about the most important economic and financial transactions undertaken by the Company or by its subsidiaries, and about foreseeable business trends, with particular regard to transactions involving a potential conflict of interest.

The Board examines and approves the Company's strategic choices and all economic and financial transactions which are regarded as significant insofar as they may materially affect, positively or negatively, the Company's activities and performance.

According to the Guidelines for the Internal Control and Risk Management System (hereinafter "ICRMS") (see Appendix 3), the Board is responsible for assessing the adequacy of the Company's organisational, administrative and accounting structure, as arranged by the delegated bodies, with particular regard to the ICRMS.

In particular, the Board of Directors, following consultation with the Control and Risks Committee (hereinafter the "CRC"):

- a) defines the guidelines for the ICRMS in order to ensure that the main risks are correctly identified and appropriately measured, managed and monitored and, in the final analysis, checks that the risks assumed are compatible with the company objectives set;
- b) periodically assesses, at least once a year, the adequacy and effectiveness of the ICRMS having regard to the characteristics of the company and to the risk profile assumed;
- c) approves, at least once a year, the work plan prepared by the Head of the Internal Audit Department, having consulted with the Board of Statutory Auditors and the Director responsible for the ICRMS;
- d) describes, in the corporate governance report, the essential components of the ICRMS and expresses its opinion on the adequacy of the latter;
- e) issues the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01;
- f) assesses, following consultation with the Board of Statutory Auditors, the results described by the independent auditors or by the independent audit firm in the letter of suggestions and in the report on fundamental issues emerging during auditing.

In order to carry out correctly the tasks assigned to it, the Board of Directors obtains support from specific appointed bodies.

Therefore, the Board of Directors:

- sets up the Control and Risks Committee and grants the latter powers to advise and make proposals in relation to the ICRMS and appoints its members;
- identifies an ICRMS Director who is responsible for designing, implementing and operating an effective ICRMS;
- on the ICRMS Director's proposal and having consulted with the CRC and with the Board of Statutory Auditors:

- (i) appoints and dismisses the Head of the Internal Audit Unit and organises his activities, ensuring that he is given appropriate resources for performing his responsibilities, and defines his remuneration in line with company policies;
- (ii) appoints the Supervisory Board pursuant to Legislative Decree No. 231/01 (hereinafter "Supervisory Board").

Responsibility for identifying the main company risks, especially those emerging as a result of entering into areas of activity and/or business and those connected with changes in general and sector regulations, is entrusted to the Risks Committee, made up of the Chief Executive Officer, the ICRMS Director, the Head of the Internal Audit Unit, the Group Administrative Manager, the Head of Group Management Control and the Risk Manager.

In practice, an opinion is expressed on the suitability of the risk management system during the presentation of the annual risk management plan consisting of an "activities plan" and an "audit plan" drawn up according to the "ERM-Enterprise Risk Management" model. This plan describes the activities scheduled for the year in relation to the management strategy identified for each of the main risks faced by the Company and is written by the Risk Manager in conjunction with the Head of Internal Audit and submitted to the Director responsible for the ICRMS and to the CRC, and is previously examined and approved by the Chief Executive Officer. On the basis of this, and of the results of the actions undertaken in the past year, the Board, having consulted with the Control and Risks Committee, expresses its own opinion on the adequacy of the Esprinet Group's control system.

It is the practice of the Company to ask its Italian and foreign subsidiaries to adopt its own procedures in order to ensure an internal control system in line with that of the parent company and thus to ensure effective risk management.

During the year, the Board assessed the general operating performance, taking into consideration, in particular, information received from the delegated bodies and periodically comparing the results achieved with those expected.

The Board of Directors is responsible for examining and approving, in advance, operations of the Issuer and its subsidiaries where those operations have a significant strategic, economic or financial importance for the Issuer.

For the purposes of the foregoing, the Board has not chosen to establish *a priori* general criteria for identifying significant operations, chiefly for the following reasons:

- the Board's competence is based not on the definition of general criteria but rather on the broad scope of the powers of the executive directors, very stable over time (in this sense, the historical amounts involved in the operations, and whether they were ordinary or extraordinary in terms of their frequency and/or consistency with the normal course of business, is relevant);
- according to the Articles of Association, the Board is responsible, with no minimum exemption threshold, for resolutions governing certain types of operations (approval and review of the business plan, acquisitions, spin-offs and disposals, including by subsidiaries, of equity investments and/or companies and the contracting of medium- and long-term loans) that correspond to the definition of significant operations.

The Board is also responsible for resolutions on transactions for amounts exceeding the limits stipulated in the delegations of powers issued to the executive directors.

At least once a year, the Board carries out a self-assessment, without the help of external consultants, in terms of how the Board operates and its internal committees, taking into account

its size and composition, while also taking into account the professional skills, gender and seniority of its members.

The self-assessment procedure is conducted by preparing questionnaires that are then submitted to and completed by members of the Board of Directors.

The Board conducted the latest self-assessment at the meeting on 13 February 2020.

The Company activated an online survey in which Directors anonymously completed a questionnaire containing 31 assessment items and the relative scoring scale. These questionnaires were then analysed to obtain an average rating.

The Board then discussed the results in real time: the overall assessment was positive.

The Board therefore deemed its own size, composition and functioning and those of its Committees to be adequate, including the numerical ratio between independent directors, executive directors and non-executive directors.

The Shareholders' Meeting has not authorised any exemptions to the prohibition on competition contained in Article 2390 of the Italian Civil Code.

Also in accordance with suggestions from the Nomination and Remuneration Committee, it is deemed that there are no particular organisational requirements resulting in the need to disregard the provisions of Article 2390 of the Italian Civil Code; when accepting their nomination, each Director must inform the Board of any activities they perform in competition with the Company and, subsequently, of any relevant change.

4.4 Delegated bodies

At the date of this Report, in pursuance of the right granted in Article 17 of the Articles of Association, management powers have been delegated to the following executive directors:

- Maurizio Rota, Chairman;
- Alessandro Cattani, Chief Executive Officer;
- Valerio Casari, Director and Group Chief Financial Officer.

These delegations confer extensive operational powers, separately and/or jointly, and were conferred in consideration of their respective professional experience and expertise.

A breakdown of the management powers conferred on each of the executive directors is contained in Appendix 8.

The Board remains responsible, *inter alia*, for decisions that exceed the limits established on the powers described above, and, requiring a qualified majority vote in favour by at least 70%, rounded up, of the members of the Board of Directors, with no casting vote by the chairman, resolutions pertaining to: a) appointment and dismissal of Chief Executive Officers and granting and revocation of their powers; b) approval and revision of budgets or business plans; c) acquisitions, spin-offs or transfers (including by subsidiaries) of investments and/or businesses; d) approval of stock option plans and share buy-back plans; e) taking-out of medium/long-term loans; and f) creation of an Executive Committee, definition of its delegated powers and appointment and dismissal of its members.

Chairman of the Board of Directors

Maurizio Rota, Chairman of the Board of Directors, has specific management delegations which give him the necessary powers to carry out his executive duties and functions.

The Chairman of the Board of Directors does not hold primary responsibility for the management of the Issuer.

The Chairman is not the majority shareholder of the Issuer.

However, he was a party to a lock-up and voting Shareholders' Agreement that expired on 22 February 2019 due to expiry of the deadline.

Reporting to the Board

The delegated bodies report to the Board on the operations carried out in the exercise of the powers delegated to them at the first possible meeting and in any case at least once every month.

4.5 Other executive directors

Besides that stated in point 4.4 above, there are no other directors considered to be executive.

4.6 Independent directors

Independent directors

The independent directors are Mario Massari, Renata Maria Ricotti, Chiara Mauri, Cristina Galbusera, Emanuela Prandelli and Ariela Caglio.

At the first opportunity following their appointment, the Board assessed whether these directors fulfilled the independence requirements pursuant to the applicable laws and the recommendations of the Code, based on information provided by the individuals concerned, announcing the outcome of their assessments via a market communication.

Based on the information gathered by the Board of Directors, none of the independent directors has entered into significant financial relationships with the Company, its subsidiaries, controlling shareholders and/or the Issuer's delegated bodies that might influence their impartiality of judgement. They do not own, directly or indirectly, equity investments that would enable them to exercise control over the Company, and do not adhere to any shareholders' agreement through which they could exercise control or significant influence over the Company.

None of the independent directors is (i) an important representative of the Company, of a strategically important subsidiary or of a company under joint control with the Company, or of a company or entity which, together with others through a shareholders' agreement, controls the Company or is able to exercise a significant influence over it, and (ii) are shareholders or directors of companies or entities belonging to the network of the company in charge of auditing Esprinet's accounts.

Renata Maria Ricotti, Chiara Mauri, Cristina Galbusera, Emanuela Prandelli and Ariela Caglio have also not been directors of the Company for more than nine of the last twelve years.

With regard to this latter requirement, the Board of Directors has recognised Director Mario Massari as an independent director, although he has been a director of the Company for more than nine of the last twelve years, in view of the autonomy of judgement that has been constantly demonstrated and his professional qualities.

In making the constant assessments of the existence of independence requirements, the Board usually applies all of the criteria set out in the Code.

In the Board meeting of 13 February 2020, the Board carried out its annual assessment of the independence of directors, checking that the independence requirements set out in Article 147-ter, paragraph 4 and Article 148, paragraph 3 of the TUF, and in the Code, are satisfied.

Following these assessments, it transpired that all of the requirements set out therein were satisfied with reference to Renata Maria Ricotti, Chiara Mauri, Cristina Galbusera, Emanuela Prandelli and Ariela Caglio.

As stated at the time of appointment, Director Mario Massari has been a director of the Company for more than nine of the last twelve years; nevertheless, in view of the independence

of judgement he has constantly demonstrated and of his professional qualities, the Board of Directors has recognised Director Mario Massari as an independent director. The Directors have pledged to maintain their independence throughout their terms of office and, if necessary, to resign.

At its meeting of 2 March 2020, the Board of Statutory Auditors verified and established that the Board of Directors had correctly applied the evaluation criteria and procedures adopted to assess the independence of its members.

During the Financial Year, the independent directors met twice without the other directors.

4.7 Lead independent director

As of the date of this Report, since the criteria set out in the Code are not satisfied, there is no lead independent director on the Board.

5. HANDLING OF CORPORATE INFORMATION

In order to monitor the circulation of confidential information before disclosure to the public and to guarantee respect of the obligation for privacy provided for by law, the Board of Directors resolved, on 7 April 2006, updated on 15 March 2013 following legislative changes, to approve the Regulations governing the handling of confidential information and also the compilation of a register of individuals who have access to such information, entrusting the responsibility for this to Valerio Casari, Group Chief Financial Officer.

Following the entry into force of Regulation (EU) No. 596/2014 on market abuse, it was necessary to review the procedures adopted by Esprinet in terms of market abuse during the financial year. Specifically, the "Internal Rules for the Management of Confidential Information and the Establishment of Lists of People allowed Access" and the "Internal Dealing Regulation" were reviewed.

The internal regulation for the handling of confidential information governs the internal management and the external disclosure of significant information particularly with regard to confidential information about the Company and its subsidiaries. In particular, they:

- define the confidentiality duties imposed on all persons who have access to such information, stipulating, *inter alia*, that information may only be disclosed by reason of their working or professional activities;
- establish Lists of individuals who have access to confidential information and procedures for keeping and updating the register, identifying as the individual responsible for this register the Chief Financial Officer of the Company (Valerio Casari) or the CEO as a substitute.

The Regulation is available on the website in the Investor Relations-Corporate Governance section.

6. INTERNAL BOARD COMMITTEES (ARTICLE 123-B/S, PARAGRAPH 2D) OF THE TUF)

In the year 2000, the Board set up the Internal Control Committee (now the Control and Risks Committee), the Nominations Committee and the Remuneration and Stock Options Committee.

As part of the process of continually reviewing and updating the corporate governance system, also prompted by the changes made over the years to the Corporate Governance Code, on 26 April 2006 the Board combined the Nominations Committee and the Remuneration and Stock Options Committee into the Nomination and Remuneration Committee.

Board Committees were also formed that were not provided for in the Code, specifically: the Strategies Committee ("CST") and the Competitiveness and Sustainability Committee ("CCSS"). The Strategies Committee is tasked with supporting the Board in defining the Esprinet Group's competitive strategy both at Company level and at the level of individual Strategic Business Areas, thereby helping to identify the main options for creating value.

The members of the Strategies Committee are (in alphabetical order): Valerio Casari, Alessandro Cattani, Marco Monti, Maurizio Rota, Matteo Stefanelli and Tommaso Stefanelli.

Tommaso Stefanelli is the Chairman of the Strategies Committee.

The Competitiveness and Sustainability Committee is tasked with investigating, making proposals and advising the Board, mainly in relation to creating lasting competitive advantages and preliminary conditions for long-term value creation for the various categories of stakeholders in the Company and its subsidiaries.

The members of the Competitiveness and Sustainability Committee are (in alphabetical order): Valerio Casari, Alessandro Cattani, Maurizio Rota, Matteo Stefanelli and Tommaso Stefanelli.

Matteo Stefanelli is Chairman of the Competitiveness and Sustainability Committee.

7. APPOINTMENT AND REMUNERATION COMMITTEE

The Committee has an advisory function and makes proposals to the Board of Directors. It currently has three Independent directors : Mario Massari (Chairman), Chiara Mauri and Cristina Galbusera

Members of the Committee have proven knowledge and experience in financial matters, a skill-set that was verified by the Board at the time of their appointment.

The rules governing the composition, main duties and functioning of the Committee are fixed by its Regulation, which also stipulates that the Committee has the following duties:

- i) to propose candidates to the Board for the office of director, as provided for in Article 2386, paragraph 1 of the Civil Code, if it is necessary to substitute an independent director;
- ii) to draw up opinions about the Board's size and composition and express recommendations about:
 - a) the professionals deemed appropriate to sit on the Board;
 - b) the maximum number of director or auditor posts which might be considered compatible with their responsibility to carry out effectively the duties of director of the Company, taking into account the involvement of directors in the internal board committees;
 - c) individual problems that might arise if the Shareholders' Meeting, in order to meet organisational requirements, authorises, in advance, general exemptions from the prohibition on competition provided for in Article 2390 of the Italian Civil Code.
- iii) periodically to assess the suitability, overall consistency and concrete application of the remuneration policy for chief executive officers and managers with strategic responsibilities by using, in that connection, the information supplied by the chief executive officers and by making proposals on the matter to the Board of Directors;
- iv) to present proposals to the Board regarding the remuneration of the chief executive officers, general manager and deputy general managers, where present in the company's organisation chart, and of the directors appointed to certain positions as well as the setting of performance targets associated with the variable component of that remuneration, monitoring the application of the decisions taken by the Board and checking, in particular, that the performance targets are actually achieved and their assessment criteria. It is

understood that no director will take part in the Committee meetings in which proposals are made to the Board about their remuneration;

- v) to instruct the preparation of a plan for the succession of executive directors, if the Board decides to adopt such;
- vi) with reference to companies that belong to the Group:
 - a) to express an opinion to the Board of the Parent Company about the candidates for the post of director, including the chief executive officer or the general manager in cases where the presence of one or more chief executive officers is not provided for;
 - b) to express an opinion to the Board of the Parent Company on the proposals for determining the total remuneration owed to the board members of the subsidiaries.

With reference to remuneration plans based on financial instruments or otherwise (e.g. stock option plans, share grants, phantom stock options, etc.), the Committee presents to the Board its recommendations about the use of such plans and about all relevant technical aspects associated with their formulation and application. In particular the Committee draws up proposals for the Board about the incentive scheme deemed most appropriate and monitors the evolution and application over time of the plans approved by the corporate bodies.

The Committee meets as often as necessary to ensure that its own tasks are carried out correctly and shall be convened at the company's registered office (or at another place specified by the Chairman) at the initiative of the Chairman or following a written request from any of its members, and in any case, always prior to the meeting of the Board called to decide upon the remuneration of directors with specific roles and/or the senior managers of the company. The Committee may have access to the information and company departments necessary to carry out its tasks and may make use of external consultants at the company's expense, within the limits of the budget approved by the Board.

Committee meetings are chaired by the Chairman, or if he is absent or unavailable, by the member who has been in office the longest. The Chairman may occasionally invite other members of the Board to Committee meetings, or invite persons whose presence may be useful for the correct running of the Committee.

When invited by the Chairman, other individuals have participated in the meeting to discuss specific items on the agenda according to the subjects from time to time discussed.

For Committee meetings to be validly held, a majority of active members must be present.

The Committee takes decisions by an absolute majority of those present.

Minutes are taken of Committee meetings. The secretary draws up the minutes of the meetings.

During the year the Nomination and Remuneration Committee met 3 times.

The activities carried out during the year were as follows:

- Verification that the remuneration policy is correctly applied.
- Verification of the level of achievement of short-term incentive plan targets.
- Approval of the remuneration policy and the remuneration report.
- Setting of 2019 performance targets related to the short-term variable component of the remuneration of executive directors.

With reference to companies that belong to the Group:

- Examination of the proposed appointment of candidates to the position of director of subsidiary 4Side S.r.l. and of the proposal to determine the total compensation payable to the Board.

- Examination of the proposed appointment of candidates to the position of director of subsidiary Celly S.p.A. and of the proposal to determine the total remuneration payable to the Board.
- Examination of the proposed appointment of candidates to the position of director of subsidiary V-Valley S.r.l. and of the proposal to determine the total remuneration payable to the Board.
- Examination of the proposed appointment of the Board of Directors of the subsidiary Nilox Deutschland GmbH and of the proposed determination of total remuneration.

The Chairman, or in his absence a member of the committee designated by him, reported to the Board, the resolutions adopted by the Committee.

The average length of meetings was around 45 minutes.

There are 5 meetings scheduled for the current year, of which 1 has already been held as of the date of this Report.

In carrying out its duties, the Committee has been able to access the company information and departments necessary and to call on support from external consultants, within the limits set by the Board.

The Board of Directors approved, for the Committee on 07 May 2018, an annual expenditure budget for the entire duration of the mandate of €50,000.

8. REMUNERATION COMMITTEE

See point 7 above.

9. DIRECTORS' REMUNERATION

Detailed information about the remuneration of executive directors is contained in the Remuneration Report published pursuant to Article 123-*ter* of the TUF, to which reference can be made for information regarding:

- general remuneration policy;
- share-based remuneration plans;
- remuneration of executive directors;
- remuneration of managers with strategic responsibilities;
- remuneration of non-executive directors;
- compensation for directors in the event of resignation or dismissal or if the relationship terminates as a consequence of a Takeover Offer (Article 123-*bis*, paragraph 1 of the TUF).

This document will be subject to resolution by the Shareholders' Meeting called to approve the Company's financial statements for the year ended 31 December 2019.

The incentive mechanisms for the Head of the Internal Audit Unit and the Financial Reporting Officer are not inconsistent with the duties that they perform based on the posts held.

10. CONTROL AND RISKS COMMITTEE

The Board of Directors has set up a Control and Risks Committee with responsibility for assisting the Board in carrying out its own internal control and risk management duties.

Composition and Operation of the Control and Risks Committee (Article 123-bis, paragraph 2d) of the TUF)

At the date of the Report, the Control and Risks Committee is composed of 3 directors, all of whom are non-executive and independent, namely: Mario Massari (Chairman), Cristina Galbusera and Renata Maria Ricotti.

The Chairman presides over meetings of the Committee and coordinates its work.

All members of the Committee have the knowledge and experience in financial matters and risk management that the Board deemed appropriate at the time of appointment.

The Chairman of the Board of Statutory Auditors (or another Auditor he may designate) or other auditors may participate in meetings. When necessary, the Head of Internal Audit, the Director responsible for the internal control and risk management system, risk managers and the Company's consultants, as persons whose presence may be helpful in ensuring a better performance of the Committee's duties) have been invited to participate in Committee meetings.

The task of the Control and Risks Committee is to assist the Board of Directors through its powers to investigate, make proposals and advise in order to ensure that the main risks faced by the Company and the Group are correctly identified and appropriately managed and monitored.

In this area, the Committee:

- a) assists the Board of Directors in carrying out tasks entrusted to it in relation to internal control and risk management relating to:
 - i) establishing the guidelines for the internal control and risk management system;
 - ii) checking periodically that this is effective and appropriate to the company's characteristics and risk profile assumed;
 - iii) ascertaining that the main risks faced by the Company are adequately identified and managed;
 - iv) approving, at least once a year, the work plan prepared by the Head of Internal Audit, having consulted with the Board of Statutory Auditors and the supervisory director of the internal control and risk management system;
 - v) evaluating, after consultation with the Board of Statutory Auditors, the results described by the independent auditor in any letter of suggestions and in the report on the fundamental issues emerging during auditing;
 - vi) describing, in the corporate governance report, the main characteristics of the internal control and risk management system and expressing its opinion on the overall adequacy of the latter;
- b) expresses opinions on specific aspects relating to the identification of the main risks faced by the Company;
- c) examines the periodic reports on the assessment of the internal control and risk management system and those of particular importance which are prepared by the Internal Audit Department;
- d) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
- e) can ask the Internal Audit Department to carry out checks in specific operational areas and to report at the same time to the Chairman of the Board of Statutory Auditors;

- f) performs any additional duties that are assigned to it by the Board;
- g) reports to the Board, at least upon the approval of the financial statement and at the end of each half year, on the activities conducted and the suitability of the internal control and risk management system;
- h) expresses its opinion on proposals for the appointment and dismissal of the Head of the Internal Audit Unit put forward by the Director responsible for the internal control and risk management system - ensuring that he has sufficient resources to carry out his duties - and on proposals relating to remuneration, in accordance with company policies;
- i) assesses the findings that come to light from the Supervisory Board's reports pursuant to Legislative Decree No. 231/2001 and from the surveys and examinations carried out by third parties.

In order to carry out correctly the tasks assigned, the Committee may meet with the Independent Auditors and with the management of the Company and the Group, along with the chairmen or other members of the respective boards of statutory auditors or other control bodies where such exist.

With regard to the organisation and management models provided for under Legislative Decree No. 231/01, the Control and Risks Committee follows closely the respective maintenance and update activities by acquiring sensitive information.

Finally, the Control and Risks Committee, with reference to the Procedure for Related Party Transactions approved by the Board of Directors on 26 November 2010, in accordance with the CONSOB Regulation on provisions concerning related party transactions, adopted by resolution no. 17221 of 12 March 2010, as subsequently amended by resolution no.17389 of 23 June 2010, no. 19925 of 22 March 2017 and no. 19974 of 27 April 2017 - having met the requirements in terms of composition, carried out the tasks of a committee appointed to carry out the following activities:

- with respect to "less important" transactions, without prejudice to the decision-making structure adopted by the Company through the granting of delegations and powers and, previously, the approval of transactions, express a reasoned non-binding opinion on the Company's interest in carrying out the transaction and on the appropriateness and substantial correctness of the respective conditions;
- with respect to "more important" transactions, to participate in the negotiation and investigation of those transactions, by receiving complete and timely information flows, and to express, for the benefit of the Board of Directors, a prior favourable reasoned opinion on the Company's interest in carrying out the transaction and on the appropriateness and substantial correctness of the respective conditions.

The Committee met 9 times during 2019.

The activity carried out during the year by the Committee mainly focused on monitoring the entire Internal Control and Risk Management System and verifying subsequent adjustments.

In particular, the document:

- examined and approved the report for the second half of 2018, verifying the adequacy of the internal control and risk management system;
- examined and approved the work Plan for 2019 of the Head of Internal Audit;

- verified the controls carried out pursuant to the current Audit procedures and the progress made in their implementation, with particular reference to the development of the Performance Compliance Model;
- examined and approved the report for the first half of 2019, verifying the adequacy of the internal control and risk management system;
- examined the audit plan for the financial statements for the year ended 31 December 2019 submitted by the auditing firm PwC S.p.A.;
- periodically acknowledged the information received from the Head of Internal Audit and the Risk Manager about the activities carried out during the period.
- fully executed the mandate granted to it by the Company's Board of Directors on 13 February 2019 to assume management of the legal actions brought against the Company by a long-standing supplier specialising in the importation of materials (this took the form of acquiring comforting independent opinions on all commercial relations with that supplier and on whether the Company's conduct complied with legal provisions and the Articles of Association, as well as internal rules and procedures and its Code of Ethics).

The Control and Risk Committee also met on 2 October 2019 as an Independent Committee for Related-Party Transactions, in order to provide a prior substantiated opinion on the Company's interest:

- in amending the current lease agreements between Esprinet S.p.A. (as tenant) and related parties, M.B. Immobiliare S.r.l. and Immobiliare Selene S.r.l., relating to the property complexes located in Cavenago and Cambiago, respectively;
- in signing of a bilateral unsecured Term Loan with the Banca Popolare di Sondrio.

The average length of meetings was around 70 minutes.

There are 6 meetings scheduled for the current year, of which 1 has already been held as of the date of this Report.

Minutes have been drawn up correctly for all Committee meetings.

In carrying out its duties, the Committee was able to access the company information and departments necessary and to call on support from external consultants, within the limits set by the Board.

On 07 May 2018, the Board of Directors approved for the Committee an annual budget of €50,000 for the duration of the mandate.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

11.1 Main characteristics of the risk management system

The Internal Control and Risk Management System is an essential component of the corporate governance system of Esprinet S.p.A. and of its subsidiaries and/or associates (collectively the "Group").

It is defined as a set of rules, behaviours, policies, procedures and organisational structures that aim to enable the main operational risks to be identified, measured, managed and monitored thereby helping to safeguard the Company's assets, the efficiency and effectiveness of company processes, the reliability of financial information, compliance with laws and regulations and with the Articles of Association and internal procedures.

This system is integrated into the more general organisational, administrative and corporate governance structures adopted by the Group and takes into consideration the reference models

and best practices existing nationally and internationally. The degree to which the system is integrated, more specifically, is measured by the degree of homogeneity, interdependence and integration of its various players and members.

The Company combines the control activities and procedures which are compulsory as a result of legislative interventions or interventions on the part of supervisory authorities with those adopted through management policy choices, where necessary expanding their scope of application where deemed necessary.

Therefore, in the integrated system, an important role is offered by organisation and control systems developed in accordance with the provisions of Legislative Decree No. 231/01 (administrative liability of bodies), including the control system in relation to occupational health and safety pursuant to Legislative Decree No. 81/01, of Law 262/05 on the protection of savings (introduction of the role of Financial Reporting Officer), of the Italian Data Protection Act, as well as in relation to established organisational models for control in specific areas such as quality and environmental protection.

By pursuing the goal of an effective and cost-efficient ICRMS as a whole, a procedure is required which enables risks to be identified and assessed as well as a synergic approach to the design of controls in the various areas of application within the Company.

The ICRMS minimises the impact of these risks on the Company's activities and provides reasonable (albeit not absolute) reassurance that the Company and the Group as a whole is not hampered, in the achievement of its operational goals or in the orderly and lawful conduct of its business, by circumstances or factors which may be reasonably foreseen, while recognising that no control process can provide absolute protection from the risks inherent in business activities or from the possibility that fraudulent breaches of laws and regulations or Company procedures, human errors or extraordinary events may cause harm.

The Board of Directors represents the motor of the ICRMS, because it is responsible for defining the guidelines of the control system.

When carrying out its duties, it relies on the collaboration of specific appointed bodies such as the Director responsible for the Internal Control and Risk Management System, the Head of Internal Audit, the Risks Committee, the Control and Risks Committee, the Internal Audit Department and the Risk Manager.

The Esprinet Group has an alternative reporting channel which ensures the confidentiality of "whistleblowers" by computerised means.

This tool allows anyone to report cases of suspected fraud, violation of the Code of Ethics and/or information relating to the presumed commission of crimes pursuant to Legislative Decree No. 231/01, with a guarantee of absolute protection of identity of whistleblowers.

During the reporting period no reports were received from employees, corporate functions, corporate bodies, external collaborators, suppliers or customers concerning facts or events that were deemed significant pursuant to Legislative Decree No. 231/01.

During the meeting on 15 April 2020, the Board conducted an evaluation of adequacy, effectiveness and effective functionality of the Internal Control and Risk Management System, with a favourable outcome.

11.2 The risk management and internal control system in relation to the financial reporting process

Risk management is an integral component of the internal control system and, as such, the Company and the Group have adopted a system prepared specifically to deal with the process of financial reporting.

In fact, Esprinet has prepared a risk management and internal control system in relation to the financial reporting process that can be defined as a set of mechanisms, procedures and instruments intended to ensure achievement of Company objectives, concerning economic and financial reporting.

The objectives are summarised as follows:

- reliability of information: fairness and conformity to the adopted accounting standards, and requirements of the law and regulations in force;
- accuracy of information: without distortions intended to influence the decision-making process;
- reliability of information: clear presentation facilitating comprehension of complex aspects of Company business;
- timeliness of information: on schedule as communicated to third parties.

As an Italian company listed on a regulated market in Italy, Esprinet must apply the provisions of Law 262/05 and subsequent amendments.

Consequently, as of the year 2007 Esprinet integrated its own internal audit control system by pursuing a model conventionally defined as "Model 262", based on the provisions and methodologies defined in accordance with the "Internal Control - Integrated Framework" model published by the "Committee of Sponsoring Organisations of the Treadway Commission", a framework of reference for the internal control system that is generally accepted at the international level ("CoSo Framework").

The main characteristics of the "Model 262" implemented are summarised below:

- definition of the roles and responsibilities of the organisational units participating in the general activities of preparing, diffusing and verifying the information communicated to the market;
- definition of the operational management procedures for activities related to fulfilling requirements of the law;
- to support drafting of legal certificates and declarations by the executive director and the chief executive officer, introduction of the obligation for heads of Company operational units entrusted with implementation of "Model 262" to internally certify, by means of the specific internal communications process, correct functioning of the internal audit control system pursuant to Law 262/05 concerning processes and flows of accounting under their responsibility, of the completeness and reliability of data flows, and the adequacy and effective application of the key controls listed in the matrices of competence;
- allocation of responsibility for Model 262 testing to the Internal Audit Department.

"Model 262" refers to accounting information, that is the set of documents and data communicated to the market, containing final data about the situation of shareholders' equity, and the economic and financial standing of the Esprinet Group and the companies included in the scope of consolidation.

It therefore refers to these documents:

- the separate financial statements of Esprinet S.p.A.;
- the consolidated financial statements of the Esprinet Group;
- the half-year financial report;
- the interim management report;
- press releases containing economic and financial information, such as quarterly reports, if these include diffusion of accounting data.

The activities of compliance with Law 262/2005 qualify the management-accounting system to structure and prepare the separate financial statements and the consolidated financial statements, as well as all other communications of a financial nature.

The system is created from a set of pre-established procedures and enables certification, by means of a written declaration, that Esprinet's financial reporting documents and communications released to the market, including interim reports, tally with documentary evidence and accounting books and records; The system enables certification of the adequacy, based on the Company's characteristics, of the administrative/accounting procedures and the effective application of those procedures over the period in question.

Considering the activities introduced to comply with Law 262/05, consisting of the creation and monitoring of a set of procedures designed to implement the objectives of the law, and a sub-system of rules and procedures introduced voluntarily by the Group, the internal audit system has the following basic characteristics:

- a) a body of administrative and accounting standard practice and procedures applied uniformly and coherently, even if not formalised in a true "operations manual", consisting essentially, among others, of: (i) a Group chart of accounts and (ii) a set of rules, operating instructions and schedules for monthly closing of accounts;
- b) capacity to control and intervene directly at any time, attributed to the departments of reference of the parent company, in the procedures of subsidiaries concerning application of the accounting policies and assessment criteria, accounting concerning intra group transactions, respect of the chart of accounts, etc.;
- c) a process of identifying the main risks associated with accounting information and key controls for monitoring the identified risks (accounting management "risk assessment"), under the supervision of the executive director with responsibility for internal control and the Chief Executive;
- d) a process of periodic evaluation of the adequacy and effective application of the specific key controls, to be conducted at least half-yearly when the financial statements and half-yearly report are prepared, intended to identify any necessary supplementary controls, corrective actions or plans, or improvement plans for implementation;
- e) a process of internal documentation and communications for the heads of Company operational units entrusted with implementation of "Model 262", directed to the executive director with responsibility for internal control, intended to focus on the effectiveness of the controls and the results of the evaluations; in this context, the executive director with responsibility for internal control must report periodically to the Board of Directors, the Control and Risks Committee and, as competent, to the Board of Statutory Auditors, with reference to the functions and responsibilities of his office;
- f) a process of certification directed outside the Company, based on reports and statements made by the Reporting Officer pursuant to Article 154-*bis* of the TUF, as part of the general process of preparing the financial statements, the half-yearly financial report and interim management report, also based on the controls conducted as per the accounting control model, the results of which are shared with the Chief Executive Officer who will then submit the report or the declaration to the Board of Directors, together with the accounting document, for approval by the same.

With reference to point c), this activity led to identifying the critical processes and accounting data flow for each relevant area and accounting data item, and the control activities in place. This formed the basis for developing the control matrices to describe, for each process identified as critical and/or sensitive in view of "Model 262", the standard control activities ("key controls") and the department heads responsible for implementing the model ("process owners").

Company processes and related matrices and control consoles, together with the list of departmental head for the implementation of control over various matters are subject to periodic evaluation and updating.

11.3 Director responsible for the internal control and risk management system

After the appointment of the new Board of Directors in 2018, on 7 May 2018, in replacement of the previous appointee, the Board appointed executive director Valerio Casari to be responsible for supervising the functionality of the internal control and risk management system.

The ICRMS Director is responsible for supervising the functionality of the Internal Control System, in liaison with the Chief Executive Officer, so as to ensure the guidelines defined by the Board of Directors are implemented.

In particular, the ICRMS Director carries out the following tasks:

- a) identifies and dynamically manages the main risks faced by the Company, taking into account the activities carried out within the Group and submitting these periodically to the Board of Directors for evaluation;
- b) implements the ICRMS guidelines defined by the Board of Directors and oversees the design, implementation and management of the ICRMS, while constantly checking its suitability and effectiveness;
- c) ensures that the ICRMS is adapted in line with changes in operating conditions and in the legislative and regulatory framework;
- d) can ask the Internal Audit Department to carry out checks on specific operational areas and on compliance with internal rules and procedures in the performance of company operations, and reports at the same time to the Chairman of the Board of Directors, the Chairman of the Control and Risks Committee and the Chairman of the Board of Statutory Auditors;
- e) reports in a timely manner to the Control and Risks Committee (or to the Board of Directors) about problems and critical issues which come to light in the performance of its activity or which it has learned about, so that the Control and Risks Committee (or Board of Directors) can take the appropriate actions;
- f) proposes to the Board of Directors, having consulted the Control and Risk Committee, the appointment, dismissal and remuneration of the Head of Internal Audit.

The primary responsibility of the ICRMS Director is to share with the Chief Executive Officer the tasks of designing, implementing and managing the ICRMS, this meaning the set of processes designed by the Company and by the Group for (i) the identification, handling and management of the main risks, (ii) the determination of the respective criteria for compatibility with the principles of sound and prudent management and (iii) the continual maintenance of such risks, with particular regard to residual risks from mitigation activities, within the limits of acceptability and in line with the goals of creating and preserving value established by the Board of Directors. These activities are carried out coherently with the techniques, methodologies and principles of the leading international models of reference and, in particular, according to the typical ERM-Enterprise Risk Management approach.

In the performance of his duties, the ICRMS Director relies on the cooperation and support of the various actors that make up the ICRMS and, in particular, the Risk Manager, the Head of Internal Audit and the Risks Committee.

11.4 Head of Internal Audit

After the appointment of the new Board of Directors in 2018, Giuseppe Monina, was confirmed in the role of Head of Internal Audit.

The appointment of Mr Monina was based on the proposal submitted by the Director responsible for the Internal Control and Risk Management System, after gaining the favourable opinion of the Control and Risks Committee and hearing the Board of Statutory Auditors.

The Head of Internal Audit, who is not responsible for any operational area and reports to the Board of Directors and is part of the Chief Executive Officer's staff, has the following responsibilities:

- a) checks, both on an ongoing basis and in relation to specific requirements and in line with international standards, that the ICRMS is operational and suitable, using an Audit Plan approved by the Board of Directors and based on a structured process of analysis and prioritisation of the main risks;
- b) prepares periodic reports containing appropriate information about his activities, the ways in which risk management is conducted and observance of the plans defined to contain such risks; these reports contain an assessment of the suitability of the internal control and risk management system;
- c) prepares timely reports about events of particular importance;
- d) sends the reports referred to in points b) and c) to the Chairmen of the Board of Statutory Auditors, the Control and Risks Committee and the Board, as well as to the Director responsible for the ICRMS;
- e) checks, in the context of the Audit Plan approved by the Board of Directors, the reliability of the information systems, including the accounting and reporting systems.

As part of his duties and responsibilities, the Head of Internal Audit has direct access to all useful information for carrying out his task.

In particular, the Head of Internal Audit operates via an organised structure dedicated to Internal Audit which also supports the ICRMS Director in carrying out checks on specific operational areas and on compliance with internal procedures and rules during management operations.

As part of the control activities to be carried out under the supervision of the Head of Internal Audit, the Internal Audit Department prepares an annual plan of checks ("Audit Plan") to be examined by the Control and Risks Committee and, at least once every six months, a report to be submitted to the ICRMS Director, the Control and Risks Committee and the Board of Statutory Auditors.

On the instruction of the Financial Reporting Officer, to which it is functionally accountable with respect to this kind of activity, the Internal Audit unit can carry out checks on the system of administrative/accounting control provided for in Law 262/05.

Furthermore, on the instruction of the Supervisory Board, the Internal Audit department may carry out checks on the control system as provided for in the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01. 231/01.

Each year, the Head of Internal Audit submits a spending budget for the current year to the Board for the performance of his duties.

The Board of Directors, on the recommendation of the ICRMS Director and with the prior favourable opinion of the Control and Risks Committee and the Board of Statutory Auditors, defined the remuneration of the Head of Internal Audit, which, in line with Company policy, is paid as part of his salaried employee compensation.

During the financial year the Head of Internal Audit had direct access to all relevant information for the performance of his duties and reported on his work to the Control and Risks Committee, the Board of Statutory Auditors and the Director responsible for the Internal Control and Risk Management System.

The main responsibility of the Internal Audit Department is to assist the Head of Internal Audit in verifying the validity of the Internal Control and Risk Management System by analysing and assessing the effectiveness and correct operation of that system.

The Internal Audit Department also supports the ICRMS Director in identifying, noting and assessing the main risks faced by the Company. In particular, in this area of activity, the Internal Audit Department constantly supports the heads of operational units in providing methodological support to the process of identifying and assessing the risks that fall under their respective areas of responsibility and which may potentially harm the achievement of their goals.

The Internal Audit Department carries out specific scheduled control activities to check the correct application of the rules and procedures of the Internal Control System with the aim of identifying any shortcomings and improvements to be made to internal control and risk management processes.

It checks, in particular, that the rules and procedures constituting the terms of reference of the control processes are being observed and that the persons involved act in accordance with the predetermined goals.

The Internal Audit Department, under the guidance of the Head of Internal Audit, manages the planning process of auditing and prepares an annual plan of controls for submission to the Head of Internal Audit, the Control and Risks Committee and, at least twice a year, a report for the ICRMS Director, the Control and Risks Committee and the Board of Statutory Auditors.

On the instruction of the Financial Reporting Officer, to whom it is functionally accountable with respect to this kind of activity, the Internal Audit Department can carry out checks on the system of administrative/accounting control provided for in Law 262/05.

Furthermore, on the instruction of the Supervisory Board, the Internal Audit Department may carry out checks on the system of controls provided for in the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01.

11.5 Risk Manager

The Risk Manager has the task of:

- a) implementing, developing and continuously updating a system of risk identification, assessment, management and monitoring, according to the typical ERM principles;
- b) supporting risk owners during the phase of assessment and management of the risks overseen.
- c) collaborating with risk owners in the development of processes and procedures to mitigate risk in the respective areas of competence;
- d) promoting the development of a risk culture within the organisation.

The Risk Manager is thus responsible for overseeing the enterprise risk management process using typical ERM methods, proposing to those using the ICRMS, where necessary, ways of adapting the internal control system.

Each year, the Risk Manager carries out a critical review of risk mapping and the risk management and monitoring (ERM) system, and presents the results to the Chief Executive

Officer, the ICRMS Director, the Control and Risks Committee and the Head of Internal Audit. Every six months, he also informs the ICRMS Director, the Control and Risk Committee, the Board of Statutory Auditors and the Supervisory Board about the risk control activities carried out.

11.6 Risks Committee

The Risks Committee, made up of the Chief Executive Officer, ICRMS Director, Head of Internal Audit, Group Administrative Manager and Group Management Control Manager and Risk Manager, has the task of supporting the Chief Executive Officer and ICRMS Director in carrying out the institutional duty of identifying the main company risks, especially those that come to light upon entering into new areas of activity and/or business or connected with changes in general and industry legislation.

Therefore, the Risks Committee supports the Chief Executive Officer and ICRMS Director, while bearing in mind that these two individuals do not devote all of their time to duties carried out in connection with the ICRMS, in updating and maintaining the map of main company risks defined at the start of each tax year and approved by the Board of Directors. It helps the company bodies in the process of identifying new risk areas and supplies, where possible or recommended on the grounds of particular urgency, an initial indication about the actions to be carried out in order to introduce or streamline and/or improve the controls aimed at mitigating the risks identified.

11.7 Organisational Model pursuant to Legislative Decree No. 231/2001

The Issuer and its Italian subsidiaries Celly S.p.A. and V-Valley S.r.l have an Ethical Code, a "Code of conduct for Responsible Supply Chain Management" and an "Organisational, Management and Control Model" pursuant to Legislative Decree No. 231/01 (hereinafter also "the Model").

The subsidiaries Esprinet Iberica S.l.u., Vinzeo Technologies S.A.U., V-Valley Iberian S.l.u. and Esprinet Portugal Lda have adopted the Group Code of Ethics and have an organisational model that complies with local legislation on the administrative liability of companies.

The Ethical Code summarises the values of transparency, correctness and honesty that the Esprinet Group aspires to and which form the basis of the Model adopted. The aim of the Model is to define the guidelines, regulations and principles of conduct that govern the Company's business activities and with which all the individuals who are covered by the Model must comply in order to avoid committing one of the offences referred to in Legislative Decree No. 231/2001 and to ensure that all Company operations are conducted in conformity with the conditions of correctness and transparency.

In order to comply with the provisions on sports fraud, match-fixing and betting and tax offences, on 15 April 2020 the Board of Directors approved the update of the Model.

The current Model provides for the definition of preventive controls concerning the following types of offences:

- non-compliance with interdictive sanctions (Article 23 of Legislative Decree No. 231/01);
- crimes against the public administration (Arts. 24 and 25 of Legislative Decree No. 231/01);
- corporate crimes and private-to-private corruption (Article 25-*ter* of Legislative Decree No. 231/01);
- crimes related to terrorism and the collapse of the democratic order (Article 25-*quater* of Legislative Decree No. 231/01);
- market abuse crime (Article 25-*sexies* of Legislative Decree No. 231/01);

- crimes against the individual (Article 25-*quater*.1 and Article 25-*quinquies* of Legislative Decree No. 231/01);
- organised crime (Article 24-*ter* of Legislative Decree No. 231/01);
- cross-border offences (Articles 3 and 10 of Law 146/06);
- manslaughter and serious or grievous bodily harm committed as a result of the breach of rules governing accident prevention and the protection of occupational health and safety (Article 25-*septies* of Legislative Decree No. 231/01);
- computer crimes (Article 24-*bis* of Legislative Decree No. 231/01);
- crimes against public trust (Article 25-*bis* of Legislative Decree No. 231/01);
- crimes against industry and commerce (Article 25-*bis*.1 of Legislative Decree No. 231/01);
- crimes of receiving, laundering and using money, goods or other assets of illegal origin (Art. 25-*octies*);
- copyright infringement offences (Article 25-*nonies* of Legislative Decree No. 231/01).
- inducement to withhold statements or to make false statements to the judicial authorities (Article 25-*decies* of Legislative Decree No. 231/01);
- environmental crimes (Article 25-*bis* of Legislative Decree No. 231/01);
- crimes in respect of employment of third- country nationals staying illegally (Article 25-*duodecies* of Legislative Decree No. 231/01);
- racism and xenophobia (Article 25-*terdecies* of Legislative Decree No. 231/01);
- fraud in sporting competitions, match-fixing or betting and gambling (Article 25-*quaterdecies* of Legislative Decree No. 231/01);
- tax offences (Article 25-*quinquiesdecies* of Legislative Decree No. 231/01).

The Model has been published on the corporate intranet and the Ethical Code and the Code of Conduct for Responsible Supply Chain Management are available on the Company website at www.esprinet.com.

More specifically, the aim of the Model is to:

- identify the specific sensitive areas with reference to the different types of offences provided for in Legislative Decree No. 231/01 and describe, for each of these areas, the sensitive activities to which the control instruments adopted for prevention are applied;
- indicate the rules that the individuals the Model is addressed to must observe in order to correctly apply the Model itself;
- provide the internal body appointed to ensure that the Model is implemented and observed with the instruments necessary for carrying out the monitoring, controlling and verifying activities.

In order to verify that the instructions contained in the Model are being implemented and to verify how effective they are, the Board of Directors also appointed Mario Anaclerio, (Chairman), Giuseppe Monina and Angela Azzolina as members of the Control and Supervisory Board ("Supervisory Board") on 7 May 2018.

The term of office of the Supervisory Board is three years, and runs concurrently with that of the Board of Directors.

The duties of the Supervisory Board are to supervise:

- a) compliance with the stipulations of the Model, in relation to the various kinds of offences covered by Legislative Decree No. 231/01 and by subsequent laws that have extended the scope of application of that decree;
- b) the effectiveness of the Model with respect to the company structure and to its actual ability to prevent offences from being committed;

- c) the advisability of updating the Model, where there is a need to adapt the latter to changes in the Company's circumstances and/or legislative changes.

In order to carry out its functions, the Board of Directors grants the Supervisory Board the following powers:

- to check the efficiency and effectiveness of the Model, including in terms of conformity between the actual operational arrangements adopted and the procedures formally specified by the Model;
- to check that the requirements of effectiveness and efficiency of the Model continue to be fulfilled over the course of time;
- to encourage the updating of the Model, by putting forward proposals to the Chairman of the Board of Directors, where necessary, with respect to possible updates and alterations to be made in the form of amendments and/or additions which become necessary as a result of significant breaches of the provisions of the Model, significant changes in the organisational structure of the Company and/or in the ways in which the Company's activities are carried out or legislative changes;
- to report promptly to the Chairman of the Board of Directors any established breaches of the Model which may cause liability to arise for the Company, so that appropriate action can be taken;
- to promote initiatives for the distribution of the Model and for staff training and raising staff awareness about compliance with the principles contained in the Model;
- to promote communication and training initiatives with respect to the content of Legislative Decree No. 231/01, the effect of the legislation on the Company's activities and behavioural standards;
- to provide clarifications about the meaning and application of the provisions contained in the Model;
- to provide an effective channel of internal communication for the transmission of significant information within the meaning of Legislative Decree No. 231/01, while guaranteeing the protection and confidentiality of the informant;
- to devise and submit for the approval of the Board of Directors an estimate of the expenditure necessary to carry out correctly the tasks assigned;
- to gain unrestricted access, in compliance with current laws, to any Company Division in order to request information, documentation and data deemed necessary to carry the duties provided for in Legislative Decree No. 231/01;
- to request significant information from partners, advisors and external partners, regardless of what they are called;
- to encourage the initiation of any disciplinary proceedings resulting from established breaches of this Model.

The Supervisory Board prepares an annual plan of the activities that it intends to carry out, including the schedule of checks on the operating protocols adopted, which is forwarded to the Board of Directors for information.

The Supervisory Board continually notifies the results of its activities to the Chairman of the Board of Directors and to the Chief Executive Officer and/or the ICRMS Director.

In addition, every six months, the Supervisory Board prepares an activity report and provides the Board of Directors and the Board of Statutory Auditors with a detailed description of the activities performed.

If invited, the Chairman of the Supervisory Board or, if he is unable, another member of the Supervisory Board designated by the latter, may take part in meetings of the Board of Statutory Auditors and of the Company's Control and Risks Committee.

In 2019, the Supervisory Board met 13 times and periodically reported to the Board of Directors and the Board of Statutory Auditors, identifying the any necessary procedures to be implemented but without recording negative elements concerning the structure or the application of the Model.

The Supervisory Board submits annually to the Board of Directors a request for an independent expenditure budget consistent with the activities planned.

11.8 External Auditors

The task of auditing the Company's accounts is entrusted to the firm PricewaterhouseCoopers S.p.A.

Based on the reasoned proposal of the Board of Statutory Auditors, the Shareholders' Meeting of 8 May 2019 conferred a mandate on that firm for a period of nine years in accordance with current laws.

11.9 Financial Reporting Officer

On 07 May 2018, the Board of Directors confirmed until dismissal the Group Administrative Director, Pietro Aglianò, as the Financial Reporting Officer in accordance with Article 18-*bis* of the Articles of Association. Mr Aglianò was appointed, with the prior consent of the Board of Statutory Auditors, on 17 April 2014.

The Financial Reporting Officer was granted the necessary powers and resources to carry out his duties.

The Financial Reporting Officer has the following powers:

- direct access to all information required to process accounting data without any need for authorisation, both within the Company and within the Group companies;
- participation in internal flows of relevance to accounting purposes;
- supervision of existing company procedures and authorisation of new procedures if they impact on the financial statements, the consolidated statements or documents subject to certification;
- assessment, with adequate technical support, of the role of company information systems in assuring adequacy of procedures and controls.

For the purposes of traceability and transparency, the Financial Reporting Officer determines the most appropriate means of archiving documents with an impact on disclosure of accounting documents of the Company.

As regards resources, the Financial Reporting Officer has the authority to:

- organise his activities, using an appropriate, dedicated organisational structure (by number and level of resources) and any additional internal or external resources to be selected as required;
- dispose of a dedicated budget;
- make use of other organisational units of the Company, other than those under his direct control, to carry out his duties according to methods to be agreed with the same;
- make use of information provided by control bodies to execute specific controls.

The Financial Reporting Officer annually submits to the Board a specific budget deemed instrumental for the effective fulfilment of his obligations to ensure the proper functioning of "Model 262".

The Financial Reporting Officer periodically informed the Board about how and when this budget will be used.

11.10 Role and responsibilities of the Data Protection Officer

The Data Protection Officer ("DPO") is responsible for carrying out the following tasks and functions with full autonomy and independence:

- a) advising and providing advice to companies in the Esprinet Group and to employees who process personal data with regard to the obligations arising from the Regulation and other national or European Union data protection provisions;
- b) monitoring compliance with the Regulation, other national or European Union data protection provisions, as well as the policies adopted by Esprinet Group companies regarding the protection of personal data, including the allocation of responsibilities, raising awareness and the training of staff involved in data processing and related control activities;
- c) giving an opinion on any impact assessments that may be prepared and overseeing their development pursuant to Article 35 of the Regulation;
- d) cooperating with the Italian Data Protection Authority;
- e) acting as a point of contact for the Data Protection Authority in respect of processing issues, including prior consultation as referred to in Article 36, and, where appropriate, consulting on any other matter;
- f) keeping a record of processing activities under the responsibility of the data controller and in accordance with the instructions given.

The Data Protection Officer is responsible for all data processing by Esprinet Group companies.

11.11 Coordination between individuals involved in the internal control and risk management system

The guidelines for the Internal Control and Risk Management System adopted by the Company on 24 September 2009 and subsequently updated on 27 July 2012 and 27 June 2018, specify how the various individuals involved in the internal control system coordinate their activities.

12. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

The Board of Directors, with the favourable opinion of the independent Committee approved, in accordance with Article 4 of Consob Regulation 17221 of 12/03/2010 as subsequently amended and supplemented, the procedure aimed at regulating the management and approval of transactions between Esprinet and related parties, including transactions in which directors and auditors hold interests, in order to ensure compliance with the necessary standards of transparency and substantive and procedural propriety.

The procedure therefore provides a definition of the above transactions and identifies, according to the type, nature and characteristics, the respective decision-making responsibilities and the related authorisation process. It attaches to the existing structure of delegations and decision-making powers within Esprinet and does not affect operations for which board approval is required by the Articles of Association or by law. This is adopted in compliance with the stipulations contained in the Regulations on Related Parties, with the recommendations contained in the Corporate Governance Code and with the instructions and guidelines for the application of the Regulations on Related Parties supplied by Consob in Communication DEM/10078683 of 24 September 2010.

This does not affect the provisions of Articles 2343-*bis*, 2358, 2373, 2391 and Articles 2497 to 2497-*septies* of the Civil Code.

The above procedure was approved with the favourable opinion of a specially formed committee comprising exclusively independent directors meeting the independence requirements laid down in Article 148, paragraph 3 of the TUF and in Article 3 of the Code.

On 14 May 2014, the Board of Directors, with the prior favourable opinion of the Control and Risks Committee, approved the updating of the procedure to make it less cumbersome to implement, partly in light of the practical experience gained over the years in which it has been in force. Specifically, a half-yearly update to the "related-party database" was provided for, rather than the previous quarterly updates, with categorisation of minor transactions, as these are exempt from the specific decision-making processes set out in the procedure, and transactions stipulating, underwriting, rescinding and terminating lease agreements on property with a duration of no more than six years (excluding any extensions) and total annual payments of €150,000.

In order to implement Regulation (EU) No 596/2014 on market abuse, CONSOB amended the Related Parties Regulation by Resolution 19925 of 22 March 2017 and Resolution 19974 of 27 April 2017. The procedure was amended accordingly.

The procedure is available on the website www.esprinet.com in the Investor Relations section, to which reference can be made for further details.

13. APPOINTMENT OF STATUTORY AUDITORS

Article 19 of the current Articles of Association the Board of Statutory Auditors consists of three standing members and two alternate members.

Members of the Board of Statutory Auditors are appointed according to the procedure indicated in the following paragraphs which is designed to reserve the appointment of one acting statutory auditor and one alternate statutory auditor for minority shareholders, and to comply with gender balance requirements under applicable laws.

Appointment of the members of the Board of Statutory Auditors takes place on the basis of lists in which candidates are listed in numerical order.

Each list consists of two sections: one reserved for candidates for the office of standing statutory auditor and the other for candidates for the office of alternate statutory auditor. Each list contains a number of candidates not exceeding the number of members to be elected.

The lists, consisting of three or more than three candidates, must contain candidates representing both genders, in order to be present in the lists, at least one-third of the candidates as standing members of the Board of Statutory Auditors belonging to the gender less represented, and also at least one-third of the candidates as alternate members of the Board of Statutory Auditors, belonging to the gender less represented.

Lists can only be submitted by shareholders who, at the time the lists are submitted - alone or together with other shareholders - account overall for at least the same percentage of share capital required under Article 13 of the Company's Articles of Association for the appointment of the Board of Directors, corresponding to a fortieth of the share capital, or any other minimum holding in the share capital which must in any case satisfy any other requirements established thereunder.

Each shareholder, as well as shareholders belonging to the same group - with this meaning the entity exercising control, subsidiaries and companies controlled by the same parent entity, or those affiliated pursuant to Article 2359 of the Italian Civil Code - and shareholders participating, also via subsidiaries, in an agreement under Article 122 of Legislative Decree No. 58/1998 concerning the Company's shares, cannot present, not even via third parties or trustee companies, more than one list. Control exists, also with reference to entities that are not corporations, in the cases envisaged by Article 93 of Legislative Decree No. 58/1998.

The lists, signed by the shareholder or shareholders presenting them (also via delegation of one shareholder) must be lodged at the company's registered HQ at least 25 days before the date fixed for the shareholder meeting on single call or first call (and this will be mentioned in the meeting notice), without prejudice to any shorter deadline established by law.

Each slate must be accompanied, within the same twenty-five day period indicated above, by a description of the professional résumé of the individual candidates, as well as the declarations

with which individual candidates accept their candidacy and confirm, under their own responsibility, that there are no grounds for ineligibility or disqualification, that they meet the conditions set by law and in particular that they qualify as independent.

The appropriate certificate issued by a legally authorised intermediary proving ownership, as at the moment when the slate is submitted to the Company, of the number of shares required for the submission of slates must be submitted within the time period specified in the rules on the publication of slates by the Company.

Slates submitted that do not observe the above rules are considered not to have been submitted.

Outgoing auditors are eligible for re-election.

Each candidate may appear on one slate only or will otherwise be disqualified.

Each eligible party may vote for one slate only.

For the election of the Auditors, the procedure is as follows:

- from the list obtaining the highest number of votes, two standing members and one substitute member – based on the sequential order with which they were listed in the corresponding sections of the list – are taken.

- from the list with the second highest number of votes submitted by minority shareholders who are not associated, even indirectly, with those who submitted or voted for the winning list, the other standing member and the other substitute member – based on the sequential order with which they were listed in the corresponding sections of the list – are taken.

In the case of a tie vote between two or more lists, all right-holders present at the shareholder meeting proceed with a new vote between these lists. The candidates on the list achieving the majority of votes – excluding abstentions from the calculation – are the ones elected.

The chairman of the Board of Statutory Auditors is elected at the Shareholders' Meeting from among the auditors drawn from the minority list.

In case, even after the fulfilment of the procedure written above, the composition of Board of Statutory Auditors does not respect the prescriptions required by the applicable law in order to guarantee the equality of the genders, there will be made the necessary replacement, according to the sequential number in which the candidates are indicated, among the candidates as standing members of the Board of Statutory Auditors of the majority list, in order to respect the equality of the genders required by the applicable law.

If he/she lacks the requisites required by regulations or by company by-laws, the statutory auditor steps down.

In the case of substitution of a standing statutory auditor, his/her place is taken, until the next shareholder meeting, and with respect of the equality of the genders required by the applicable law, by the first substitute member belonging to the same list as the statutory auditor who ceases to hold office.

In the case of substitution of the chairman, the presidency is taken over, until the next shareholder meeting, by the eldest statutory auditor who satisfies the conditions set by law, or, in his/her absence, by the first substitute member taken from the list to which the ex-chairman belonged.

If the shareholder meeting has to make appointments of standing and/or supplementary statutory auditors and of the chairman as required by law, in order to replenish the Board of Statutory Auditors following substitution, it proceeds according to the following statutory rules:

- If it is necessary to substitute the standing and/or substitute statutory auditor taken from the list receiving the second highest number of votes, the candidates for standing statutory auditor and for substitute statutory auditor – not elected – listed in the corresponding sections of the same list are proposed for office and the person elected is the one obtaining the highest number of votes.

- In the absence of names to put forward pursuant to the previous paragraph, and if it is necessary to replace one or more standing and/or substitute statutory auditors and/or the chairman taken from the list that obtained the highest number of votes, the provisions of law are

applied and the shareholder meeting passes a resolution based on the majority of voters, excluding abstainers from the calculation.

In every case of replacement, the composition of the Board of Statutory Auditors must respect the equality of the genders required by the applicable law.

If just one list is presented, the shareholder meeting decides on the basis of the majority of voters, with respect of the equality of the genders required by the applicable law, excluding abstentions from the count, and the presidency pertains to the candidate listed in first place in the section of the list containing the candidates for the office of standing statutory auditor. In the case of replacement of a standing statutory auditor or of the chairman, the substitute statutory auditor and the standing statutory auditor in the sequential order shown in the list in the relevant section take over, with respect of the equality of the genders required by the applicable law, until the next shareholder meeting.

In the case envisaged in the previous paragraph, if the Shareholders' Meeting were to take steps, as legally required, to appoint acting and/or alternate statutory auditors and the chairman in order to replenish the Board of Statutory Auditors following substitution, the provisions of law shall apply, together with the terms of the preceding paragraphs of this article regarding the appointment procedure; the shareholder meeting passes resolutions by a majority of votes, excluding abstentions from the calculation.

Only those who, by the Shareholder's Meeting date, have made the documentation indicated in this Article available can be proposed as candidates.

Persons holding directorships or internal auditing and/or control positions in other companies or entities incorporated under Italian law with shares listed in Italy (excluding companies controlled by "esprinet s.p.a.", parties controlling "esprinet s.p.a.", or companies controlled by the same controlling party as "esprinet s.p.a."), in excess of the limit set by the law and by implementing regulations, as well as those who do not possess the requisites of independence, integrity and professionalism required by applicable regulations, cannot be elected and, if elected, must step down.

At least one of the acting statutory auditors and at least one of the alternate statutory auditors must be chosen from persons entered in the register of accounting auditors who have performed the activity statutory of auditing of accounts for a period of not less than three years. Statutory auditors not meeting the requisite envisaged in the previous paragraph are chosen from among those who had total experience over a continuous period of at least three years in the performance of:

- Managerial tasks in the administration, finance and control sectors of joint stock listed companies;
- Professional or permanent university teaching activities in a juridical, economic, financial and IT-related technical/scientific subject matter; in the service industry in general, in IT product manufacturing or sale, provision of services in the field of data processing and information-technology systems, or in any case in sectors strictly pertinent to that of the company;
- Managerial functions in public entities or public administrations active in the banking, financial, insurance, and IT sectors, in the manufacturing or sale of IT products, in the provision of services in the field of data processing and information-technology systems, or in any case in sectors strictly pertinent to that of the company.

In the absence of lists, or if for any reason the number of candidates is not sufficient, the Board of Auditors (and the Chairman, if applicable) shall be appointed or supplemented by the Shareholders' Meeting with a legal majority, in order to ensure compliance with the legislation in force regarding gender balance as well as the requirements of independence, integrity and professionalism required by the applicable law.

Pursuant to Article 144-*quater* of the Issuers' Regulation, CONSOB published its Resolution 28 of 30 January 2020, specifying the percentage of shares required for submitting slates of

candidates for election of management and control bodies and, in the Company's case, a minimum stake of 4.5% in the share capital was required.

14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (ARTICLE 123-BIS, PARAGRAPH 2D) AND D-BIS OF THE TUF)

At the time of appointment of the Board of Statutory Auditors, only one slate of candidates was submitted by shareholders Francesco Monti, Paolo Stefanelli, Tommaso Stefanelli, Matteo Stefanelli, Maurizio Rota and Alessandro Cattani, who collectively held 17,095,016 Esprinet ordinary shares (of which 6,174,051 were held in usufruct by Francesco Monti and 2,625,458 were held in usufruct by Maurizio Rota), equal to 32.62% of the share capital with voting rights at the Shareholders' Meeting.

The proposing shareholders Francesco Monti, Paolo Stefanelli, Tommaso Stefanelli, Matteo Stefanelli, Maurizio Rota and Alessandro Cattani participated in a significant shareholders' agreement pursuant to Article 122 of Legislative Decree No. 58/1998 concerning 16,819,135 ordinary shares of Esprinet S.p.A., representing a total of 32.095% of the shares representing the entire share capital.

Pursuant to the laws in force on balanced gender representation, the proposed slate included candidates from both genders.

The above slate was accompanied by certificates issued by intermediaries proving their title to the number of shares represented, declarations of each candidate attesting possession of the legal requisites for the office of statutory auditor and acceptance of the candidacy, and curricula vitae disclosing the personal and professional characteristics of each candidate. This documentation is still available for consultation on the Company's website (www.esprinet.com) in the Investor Relations section.

The list of candidates is as follows.

Statutory auditors

1. Bettina Solimando - Chairman
2. Patrizia Paleologo Oriundi
3. Franco Aldo Abbate

Alternate auditors

1. Antonella Koenig
2. Mario Conti

Details are given below of the personal and professional characteristics of the individual members of the Board of Statutory Auditors.

Bettina Solimando: born in San Severo (FG) on 7 August 1974, and Chairman of the Board of Statutory Auditors. Graduated with distinction in Economics and Commerce from the University of Verona in 1998. She is a chartered accountant entered on the Italian Register of Auditors. She is a partner at Studio Pirola Pennuto Zei & Associati, a tax and legal consultancy firm.

She works as a tax consultant for major Italian and multinational groups, has taken part in a range of extraordinary finance operations and has assisted her clients in major tax disputes.

She has obtained substantial experience during her career, particularly in tax, social security and employment law in relation to the expatriate employees of large multinationals.

She has carried out numerous roles in tax accounting for due diligence and restructuring projects for corporate groups, as well as drawing up expert reports and business valuations.

She chairs the Direct and Indirect Taxation Committee of the Order of Chartered Accountants in Verona.

She has been a speaker at numerous conferences organised by Studio Pirola Pennuto Zei & Associati, on topics relating to tax and corporate affairs, and has led seminars on tax and corporate affairs for corporate clients.

She is currently a member of the Board of Statutory Auditors of Safilo Group S.p.A., a company listed on Borsa Italiana, and of many other Italian companies.

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 30 April 2015.

Patrizia Paleologo Oriundi: born in Milan on 24 January 1957 and graduated in Corporate Finance in 1980 from the Università Commerciale L. Bocconi, specialising in the liberal profession of Chartered Accountant. Entered on the Register of Chartered Accountants of Milan since 1983 and Auditor pursuant to D.M. 12 April 1995).

She has worked at prestigious tax consulting firms, specialising in consultancy to multinationals, tax litigation and consultancy to non-commercial entities, as well as the legal and accounting control of foundations and associations. Her areas of expertise also extend to property and insurance companies.

She has carried out legal control and supervisory activities pursuant to Law No. 231/01 for more than 30 years

- Date of last appointment: Shareholders' Meeting of 4 May 2018
- Date of first appointment: Shareholders' Meeting of 30 April 2015.

Franco Aldo Abbate: born in Milan on 12 July 1973 and holds a degree in Economics and Business from the Catholic University of Milan. He is a Chartered Accountant entered on the Register of Auditors and the Register of Technical Advisors of the Court of Milan for the following specialties: business valuation, corporate finance and securities market.

He began his professional career as a financial analyst at the consulting firm Ambrosetti Stern Stewart Italia, where he worked until 2000.

After working as an auditor with PricewaterhouseCoopers S.p.A., he joined the Medinvest investment bank as Head of M&A, Corporate Finance & Privaty Equity.

Since 2009, he has been with Centrobanca, the merchant bank of the UBI banking group, where he works in investment banking and M&A.

From 2010 to 2013 he held the position of Chief Financial Officer & Investment Manager in a number of foreign companies focused on investments in the renewable energy sector.

He is now a freelance professional specialising in company valuations, debt & equity restructuring, corporate finance, business modelling, due diligence, M&A.

He is currently a member of the Board of Statutory Auditors of Esprinet S.p.A. and Guala Closures S.p.A. (listed companies), Clessidra SGR S.p.A., as well as Statutory Auditor and Board Director of numerous Italian companies.

- Date of first appointment: Shareholders' Meeting of 4 May 2018.

Table 4 attached hereto shows the structure of the Board of Statutory Auditors on the date of this Report.

During the year the Board of Statutory Auditors met 17 times.

The average length of meetings was around 160 minutes.

There are 12 meetings scheduled for the current year. As of the date of this report, 4 meetings had been held.

The delegated bodies reported in a correct and timely manner to the Board of Statutory Auditors on the work they carried out, on the general operational performance and on future developments.

The Board of Statutory Auditors:

- verified the independence of its own members in the first meeting called after their appointment;
- during the financial year it verified that the independence requirements had been met, ascertaining that no cases and/or situations of risk and/or threats to its independence had occurred;
- at the meeting of the Board of Statutory Auditors on 1 April 2020, an examination of the Board of Statutory Auditors' self-assessment process was completed and the final self-assessment report was approved.

At Board meetings, the Board of Statutory Auditors was provided with updated information on Company trends and a review of Company affairs, as well as the main changes in the legislative framework.

The Issuer requires that any statutory auditor who has an interest, either directly or on behalf of a third party, in a certain transaction involving the Issuer must inform the other statutory auditors and the Chairman of the Board of Statutory Auditors in a timely and thorough manner about the nature, terms, origin and extent of his interest.

The Board of Statutory Auditors regularly carries out checks on the independence of the independent auditors, verifying that the applicable legal provisions are complied with and examining the nature and scope of any non-auditing services provided for the issuer and its subsidiaries by the independent auditors and any companies belonging to the same network of companies, as well as regularly providing shareholders at shareholders' meetings with reports containing the results of the checks it has carried out.

Furthermore, in accordance with Legislative Decree No. 39/2010, the Board of Statutory Auditors oversaw the financial reporting process, the effectiveness of the internal control, internal auditing and risk management systems, and the statutory auditing of the annual and consolidated accounts.

In that capacity, the Board of Statutory Auditors evaluates proposals, the work plan and the results illustrated in the auditors' report and in any letter of suggestions.

In carrying out its activities, the Board of Statutory Auditors may ask the Internal Audit Department to carry out checks on specific operating areas or corporate transactions. The Board of Statutory Auditors exchanges in a timely manner with the CRC important information on carrying out the respective duties and functions.

There have been no changes in the composition of the Board of Statutory Auditors since the end of the year.

Diversity policies

On 21 December 2017, the Board of Directors asked the Nomination and Remuneration Committee to express an opinion on whether the Company should adopt a policy regarding the diversity of the management, administration and control bodies pursuant to Article 123-*bis*, paragraph 2d-*bis*) of the TUF (the "Policy").

The policy was approved by the Board of Directors at the proposal of the Nomination and Remuneration Committee on 21 March 2018, taking into account (i) the size of the Company, (ii) the ownership structure, (iii) the complexity and specificity of the business sector in which Esprinet operates and, with particular reference to the administrative body, (iv) the size of the Board of Directors and (v) the experience of the Board with regard to the activities and operating methods of the Board and its internal committees as well as the results of the self-assessment processes carried out annually.

This is aimed in particular at the persons involved in the process of selecting and appointing members of the Board of Statutory Auditors of the Company and therefore:

- shareholders who, pursuant to law and the Articles of Association, intend to submit slates of candidates for appointment to the Board of Directors and the Board of Statutory Auditors;
- the Shareholders' Meeting called to appoint the Board of Directors and the Board of Statutory Auditors;

The requirements of integrity and independence and the situations of incompatibility and/or revocation established by law and the Articles of Association shall in any case apply.

Here follows a description of the diversity policy adopted and applied in relation to the composition of the Board of Directors.

1. Size of the Board of Statutory Auditors

In accordance with the Articles of Association, the Board of Statutory Auditors consists of three acting members and two alternate members.

2. Composition of the Board of Statutory Auditors

At least one of the acting statutory auditors and at least one of the alternate statutory auditors must be entered on the central register of accounting auditors and must have performed the activity of statutory auditing of accounts for at least three years.

Statutory auditors who do not meet this requirement must be chosen from among those whose experience totals at least three years in the performance of:

- managerial duties in the administration, finance or control sections of companies limited by shares listed on the stock exchange;
- professional activities or permanent university lecturing posts in the legal, economic, financial, technical/scientific/IT areas, services in general, the computer products industry or trading of computer products, the provision of services in the field of data processing and computer systems, or in sectors closely related to that of the Company;
- managerial roles in public bodies or public authorities active in the sectors of banking, finance, insurance, IT, industry or trading of computer products, the provision of services in the field of data processing and computer systems, or in sectors closely related to that of the Company.

Members of the Board of Statutory Auditors must also, under penalty of dismissal, meet the integrity and independence requirements established by applicable legislation and the Articles of Association.

The Board of Statutory Auditors should ensure adequate gender representation, in compliance with current legislation and the Articles of Association.

3. Adoption, implementation and changes to the Policy

The Policy is adopted by the Board of Directors at the proposal of the Nomination and Remuneration Committee.

The Board of Directors is required to support the adoption of the Policy and to verify and assess how the Policy is implemented and to monitor its results during the reference period, including

for the purpose of producing a description of the Policy to be produced annually in the Corporate Governance and Ownership Report.

Any amendments or revisions to the Diversity Policy are approved by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, also taking into account the results of the Board of Directors' annual self-assessment.

15. RELATIONS WITH SHAREHOLDERS

Ongoing dialogue with Shareholders and, in particular, with institutional investors is engaged under the instructions of the Chief Executive Officer, who obtains assistance, within the Company, from a restricted number of colleagues who are particularly suited and specifically appointed to offer the maximum assistance possible. Additional contributions come from outside, for specific contractual relationships, from qualified professionals who deal both with the management of legal relations and also with communication.

The Issuer has also deemed it useful to appoint an Investor Relations Manager with responsibility for relations with shareholders and institutional investors. The Investor Relations Manager also has specific responsibility for handling price sensitive information and relations with both Borsa Italiana and Consob.

IR Top Consulting S.r.l. was appointed to act as Investor Relations manager.

Shareholders can also consult all shareholder documentation on the website www.esprinet.com, in the Investor Relations section.

16. SHAREHOLDERS' MEETINGS (ARTICLE 123-B/S, PARAGRAPH 2, LETTER C) OF THE TUF)

Pursuant to Article 10 of the Articles of Association, legitimacy in the meeting and in exercising voting rights is governed by the law and the applicable regulations.

All eligible parties with the right to attend the Shareholders' Meeting have the right to peruse all official documents deposited at the registered office and to obtain a copy of the same.

Parties eligible to vote can be represented at shareholders' meetings by a third party in accordance with the provisions of the law. The Company may be notified of a proxy to take part in the Shareholders' Meeting by sending the document to the email address indicated in the notice of meeting.

As regards the functioning of shareholders' meetings, the Company follows a set of Rules approved by the Ordinary Shareholders' Meeting and are not attached to the Articles of Association. A copy of these Rules is handed over to the shareholders, together with a copy of the current Articles of Association, at shareholders' meetings and a copy is also available for consultation on the Company's website (www.esprinet.com) in the Investor Relations section.

Shareholders' meetings are chaired by the Chairman of the Board of Directors or, if he is absent or unavailable, by the Deputy Chairman, if appointed, or, in their absence, by another person designated by the Shareholders' Meeting.

It is the responsibility of the Chairman of the Meeting to ascertain that the meeting has been properly convened, to establish the identity and eligibility of those present, to manage the proceedings of the Meeting on the basis of the approved Rules Governing Shareholders' Meetings, and to verify and announce the results of votes.

Unless the minutes are drawn up by a notary, the Chairman is assisted by a secretary, who need not be a shareholder, appointed by the meeting.

Voting rights cannot be exercised by post.

Resolutions of the Shareholders' Meeting are documented in minutes signed by the Chairman of the Meeting and by the secretary, or by the notary when the latter draws up the minutes or when a notary's participation is required by law.

Resolutions are taken on the basis of an open vote.

To demonstrate ownership of the number of shares required for the submission of slates, shareholders must deposit, along with the slates, a copy of the specific share certificates issued by the authorised intermediaries.

The meeting is authorised to resolve upon matters provided for in the applicable laws, including the authorisations required under the procedures for related-party transactions adopted by the Company.

The Company makes all the documentation available in the time and manner provided by law to ensure that shareholders are adequately informed about the necessary elements, and that they can take the decisions for which they are responsible with full knowledge of the facts.

Such documentation is available at the registered office and is also published on the Company's website in the Investor Relations section.

The Articles of Association provide for the vesting of the management body with all the powers set out in Article 2365, paragraph 2, of the Civil Code.

The ordinary Shareholders' Meeting of 8 May 2019 was attended by 9 directors, with 1 director absent and excused. The Board reported to the Shareholders' Meeting on the activities performed during the year through the report on operations, appended to the financial statements as at 31 December 2018.

The Board made efforts to ensure that shareholders had sufficient information about the matters required to make decisions within the competence of the Shareholders' Meeting, both in the period before the meeting was called and by providing specific information "kits" to participants on the day of the meeting.

Further speeches were not necessary, as the Company prioritises the preparation of structured, written information rather than speeches at the Shareholders' Meeting. These would have taken place if there had been requests for clarification, but none were received during the meeting.

During the year there were no significant changes in the market capitalisation of the Issuer's shares or in the composition of its share structure.

17. OTHER CORPORATE GOVERNANCE PROCEDURES (ARTICLE 123-BIS, PARAGRAPH 2, LETTER A) OF THE TUF)

The Company has not adopted any additional corporate governance procedures other than those described above, deriving from provisions of the law and regulations, except for adoption of the organisational model in accordance with Legislative Decree No. 231/01 and the provisions of the Internal Control System, inspired by international standards, in particular ERM-Enterprise Risk Management published by the Committee of Sponsoring Organisations of the Treadway Commission (Coso).

18. CHANGES AFTER THE CLOSING DATE

There were no changes in the corporate governance structure after the close of the financial year.

19. CONSIDERATIONS REGARDING THE LETTER OF 19 DECEMBER 2019 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The recommendations in the letter of 9 December 2019 from the Chairman of the Corporate Governance Committee were brought to the attention of the Board of Directors at its meeting of 13 February 2020.

With reference to Recommendation 1 (sustainability, understood as a general and strategic matter for business activity), the Board of Directors intends, with the involvement of the competent committees, also taking into account the introduction of the “SHRD-Shareholders’ Rights Directive II”, to launch a project aimed at assessing the methods and timing of integration of sustainability targets and ESG indicators into the definition of strategy and remuneration policies.

With reference to Recommendation 4 (appropriateness of the remuneration of non-executive directors and members of the control body, including in light of a comparative analysis), it appears that the remuneration of non-executive directors is established essentially on the basis of a benchmarking analysis of the valuation practices of comparable companies in terms of size and complexity selected with the aid of specialist consultants, taking into account additional efforts as a result of participating in committees formed within the Board. With regard to remuneration of the control body, the Board intends to embark on a serious assessment, in the period from the date of this report to the date of the next Shareholders’ Meeting to appoint the control body (tentatively, May 2021), with regard to whether to better clarify the criteria for determining members’ remuneration, taking into account a methodical and rigorous quantification of the commitment required.

With reference to Recommendation 2 (quality of information to the Board of Directors) and Recommendation 3 (quality of independence assessments, understood as a fundamental element for the effective operation of the corporate governance system outlined in the Code), the Board believes that the Company is compliant with these recommendations.

The recommendations made in the letter were also submitted, to the extent applicable, to the Board of Statutory Auditors.

For and on behalf of the Board of Directors

The Chairman

Maurizio Rota

SUMMARY TABLES

The following table shows the exact composition of the share capital.

Table 1 - Share Capital Structure

	No. of Shares	% of sh. cap.	Market Listing	Rights and obligations
Ordinary shares ^(1/2)	52,404,340	100.0%	MTA STAR Segment	⁽³⁾
Shares with limited voting rights	None	-	-	-
Shares without voting rights	None	-	-	-

⁽¹⁾ ISIN code IT0003850929

⁽²⁾ at the date of this Report, the Company holds 2,620,217 ordinary shares, equal to 5% of the share capital, for which voting rights are suspended

⁽³⁾ the rights attached to ordinary shares are described in Articles 5 and 6

The following table shows the persons who, according to the documents published by CONSOB (updated based on communications received pursuant to law and drawn up to the date of the Report), and according to the information held by the Company, hold shares with voting rights at the Ordinary Shareholders' Meeting amounting to more than 5% of the ordinary capital.

Table 2 - Significant investments in Share capital

Declarant	Direct shareholder	% of ordinary capital	% of voting capital
Francesco Monti ⁽¹⁾	Francesco Monti ⁽¹⁾	15.709%	15.709%
Giuseppe Cali ⁽²⁾	Giuseppe Cali	11.253%	11.253%
Paolo Stefanelli ⁽³⁾	Paolo Stefanelli	5.070%	5.070%
Maurizio Rota ⁽⁴⁾	Maurizio Rota ⁽⁴⁾	5.231%	5.231%

⁽¹⁾ full owner of 2,058,019 shares (equivalent to 3.927% of the Share Capital) and having the right of usufruct in respect of 6,174,051 shares (equivalent to 11.782% of the Share Capital)

⁽²⁾ recognition of dividend payment for 2018, coupon no. 14

⁽³⁾ passed away on 15 December 2019. Probate will commence and will follow its course within the terms established by law.

⁽⁴⁾ full owner of 115,920 shares (equal to 0.221% of the Share Capital) and having usufructuary rights in respect of 2,625,458 shares (equal to 5.010% of the Share Capital)

The following table shows the composition of the Board of Directors on the date of this Report.

Table 3 - Structure of the Board of Directors

Name	List ⁽¹⁾	Exec.	Non-exec.	Indep. ⁽²⁾	(3)	Other	CR Comm. (4)	(3)	AR Comm. (4)	(3)
Maurizio Rota	M	x			13/13	1				
Alessandro Cattani	M	x			13/13	5				
Valerio Casari	M	x			13/13	5				
Marco Monti	M		x		13/13	-				
Matteo Stefanelli	M		x		11/13	-				
Tommaso Stefanelli	M		x		10/13	-				
Mario Massari	M		x	x	11/13	5	x	9/9	x	3/3
Chiara Mauri	M		x	x	13/13	1			x	3/3
Cristina Galbusera	M		x	x	10/13	1	x	9/9	x	2/3
Emanuela Prandelli	M		x	x	12/13	1				
Ariela Caglio	M		x	x	11/13	1				
Renata Maria Ricotti	M		x	x	13/13	6	x	9/9		

(1) means the list from which each director was drawn ("M" denotes the majority list and "m" the minority list)

(2) independent directors pursuant to the Code and TUF.

(3) indicates attendance at Board and Committee meetings respectively

(4) indicates membership of Committees.

NOTES

Exec.: an executive director

Non-exec.: a non-executive director

Other: the total number of director or auditor posts held by the individual concerned in other companies listed on regulated markets, in Italy or abroad, in financial companies, banks, insurance companies or large-sized companies and in the Group's companies. The point, "Maximum Number of Offices held in Other Companies" contains a list of the companies with reference to each individual director, also specifying whether the companies concerned belong to the Esprinet Group.

CR Comm.: Control and Risks Committee

AR Comm.: Appointment and Remuneration Committee

The following table shows the composition of the Board of Statutory Auditors on the date of this Report.

Table 4 - Structure of the Board of Statutory Auditors

Name	Position	List ⁽¹⁾	In office since	Indep.	⁽²⁾	⁽³⁾	⁽⁴⁾	Number of positions
Bettina Solimando	Chairman	M	30/04/2015	x	17/17	11/13	9/9	11
Patrizia Paleologo Oriundi	Statutory auditor	M	30/04/2015	x	17/17	13/13	8/9	10
Franco Aldo Abbate	Statutory auditor	M	04/05/2018	x	17/17	12/13	8/9	26
Antonella Koenig	Alternate auditor	M	30/04/2015	x	-	-	-	-
Mario Conti	Alternate Auditor	M	04/05/2018	x	-	-	-	-

⁽¹⁾ means the list from which each auditor was drawn ("M" denotes the majority list and "m" the minority list)

⁽²⁾ indicates attendance at meetings of the Board of Statutory Auditors

⁽³⁾ indicates attendance at meetings of the Board of Directors

⁽⁴⁾ indicates attendance at meetings of the Control and Risks Committee

NOTES

Indep.: means that the auditor qualifies as independent according to the criteria set by the Code

Number of positions: the total number of positions as director or statutory auditor held by the person concerned, deemed significant pursuant to Article 148-*bis* of the TUF (including the position of Statutory Auditor at Esprinet S.p.A..

Annexes

Annex 1	Esprinet S.p.A. Company By-Laws
Annex 2	Rules Governing Shareholders' Meeting of Esprinet S.p.A.
Annex 3	Guidelines for the Internal Control and Risk Management System
Annex 4	Code of Ethics
Annex 5	Code of conduct for responsible management of the Esprinet Group supply chain
Annex 6	Extract of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 of Esprinet S.p.A.
Annex 7	Regulation of the Control and Risks Committee
Annex 8	Regulation of the Appointment and Remuneration Committee
Annex 9	System of management delegations of Esprinet S.p.A.

Annex 1

Esprinet S.p.A. Company By-Laws

COMPANY BY-LAWS

SECTION I

INCORPORATION – CORPORATE NAME – REGISTERED HEADQUARTERS – COMPANY DURATION

Article 1

A joint stock company has been incorporated called:

"esprinet" s.p.a.

The corporate name can, for all purposes, also be used in the other following form:

"Esprinet" S.p.A.

Article 2

The Company has its registered office in Vimercate (MB).

Headquarters, agencies, representation offices and branch offices may be constituted or closed both in Italy and in other foreign countries.

Article 3

The company's duration is fixed as lasting until December 31st 2100 and can be extended one or more times with a resolution passed by an extraordinary shareholder meeting. Shareholders who have not taken part in resolutions concerning the extension of duration do not have the right of withdrawal.

SECTION II

CORPORATE PURPOSE

Article 4

The company has as its corporate purpose:

- the sale – both wholesale and retail – also via internet and by correspondence, marketing and communication activities, representation, hire and leasing, installation, assembly, maintenance and operation related to products, equipment, systems, devices, procedures and software in the sector of:
- ICT (Information and Communication Technology),
- consumer electronics, including for example household appliances, televisions, telephones, games, photographic, audio and video devices, musical instruments, wearable devices including watches and sports items, satellite navigation systems, drones and virtual and enhanced reality systems,
- office supplies,
- Internet technologies,
- electric, electronic, electromedical and optoelectronic products and components in general,
- and products that are auxiliary and complementary to the products listed as typically purchased by retailers specialised in the sale of the listed products;

- the supply of: services in the field of data processing and information systems including the operation, maintenance, technical assistance and repair of electronic computers and of electronic equipment in general and marketing services including web services; logistics services, including goods transport; disposal services; services involved in the organisational restructuring of companies and technical professional updating courses as well as services auxiliary and supplementary to those listed;
- the taking on of sales representation and agency mandates in the sectors indicated above;
- the acquisition of equity interests in companies and/or organisations that already exist or are being incorporated, specifying that this activity will not be performed vis-à-vis the public but only vis-à-vis subsidiary or associated companies as per Article 2359 of the Italian Civil Code.

The Company can undertake co-ordination, also of a strategic nature, of the various equity interests, providing, where necessary, services of a technical, administrative, accounting, information-technology, commercial, promotional, and financial nature.

It can also accomplish all transactions whose nature is financial – including provision of guarantees – real-estate related, and commercial that are connected with achievement of the corporate purpose, with exclusion, in any case, of performance of financial activities vis-à-vis the public.

SECTION III

SHARE CAPITAL AND COMPANY SHARES

Article 5

Share capital is EUR 7,860,651.00 (seven million eight hundred sixty thousand six-hundred and fifty-one) divided into the number of 52,404,340 (fifty-two million four-hundred and four thousand three-hundred and forty) shares without any indication of the nominal value.

Share capital can be increased on one or more occasions by virtue of resolutions passed by extraordinary shareholder meetings also via issue of shares having rights different to those of ordinary shares, in compliance with current regulations. Share capital can also be increased via conferment of receivables and of goods in kind. In the case of a capital increase, the option right is excluded within the limit of 10% (ten percent) of previous existing share capital, on condition that the shares' issue price corresponds to the shares' market value and is confirmed in a specific report by the firm appointed as independent auditor. The resolution concerning the present paragraph is passed with the quorums indicated in Articles 2368 and 2369 of the Italian Civil Code.

Saving the provisions made by Article 2441, paragraph 8, of the Italian Civil Code, the shareholder meeting – to service stock option plans and with a resolution passed by as many shareholders as those accounting for over half of share capital, even if the resolution is passed in a meeting held after a single call or after first call – can pass resolutions approving share capital increases within the maximum limit of 7% (seven percent) of existing share capital, with exclusion of option rights and with the power to determine prices that can also be differentiated, fixed in compliance with the criteria established by current regulations and with possible discounts on the average stock market price, as long as they are based on objective parameters envisaged by the stock option plans.

The shareholder meeting can delegate the decisions indicated in the previous paragraph to the Board of Directors, as per the provisions of Article 2443 of the Italian Civil Code.

Article 6

Each right holder has one vote for each share held. Shares are registered, freely transferable and indivisible and, in the case of joint ownership, are regulated by law.

Article 7

The shareholder capacity means adherence to the company by-laws.

SECTION IV

SHAREHOLDER MEETING

Article 8

The shareholder meeting, properly constituted, represents all shareholders.

The shareholder meeting is in charge to deliberate on issues required by the applicable law, included the authorizations requested by the procedures adopted by the Company dealing with the operations with related parties.

Its resolutions, passed in compliance with the law and with the present by-laws, are binding for all shareholders, even if they do not attend the meeting or dissent.

Whilst the powers of meeting convocation envisaged by specific legal requirements in any case hold good, the Board of Directors convenes ordinary or extraordinary shareholder meetings to be held at the company's registered headquarters or in any other place indicated in the meeting notice, as long as it is in Italy.

Shareholder meetings can also be convened by the Board of Statutory Auditors, in the cases envisaged by law, via its President, or by at least two members of the Board of Statutory Auditors, after having advised the Chairman of the Board of Directors.

Notice of the meeting, including the information envisaged by the norms also of regulatory kind in force, must be published as by law on the website of the Company; where necessary for mandatory rule or decision of the directors, on the Gazzetta Ufficiale della Repubblica Italiana [Official Gazette of the Italian Republic] with the other methods envisaged by the norms also of regulatory kind in force.

The ordinary shareholders' meeting and the extraordinary shareholders' meeting will usually be held following a single call. The Board of Directors may nevertheless establish that both the ordinary shareholders' meeting and the extraordinary shareholders' meeting are held following more than one call if it deems it opportune and specifies this in the call notice.

The notice must specify the quorum required for the submission of candidate lists for the election of directors and statutory auditors, along with the method of calculation.

Article 9

The Ordinary Shareholders' Meeting must be called at least once a year within 120 (one hundred and twenty) days from the financial year-end, or within 180 (one hundred and eighty) days in those cases provided for by law.

The Shareholders that jointly represent at least one fortieth of the share capital can request, within 10 (ten) days after the publishing of Shareholders' Meeting notice of calling, an integration of the items in the agenda by indicating in the question the proposed further items; the notification of such integrations will follow the rules and terms prescribed by law.

Article 10

The entitlement to participate in the meeting and to exercise voting right will be regulated pursuant the law and applicable regulation

Every right-holder having the right to attend the shareholder meeting has the right to peruse all official documents lodged at the company's registered HQ and to obtain a copy of the same.

Right-holders can cause themselves to be represented at shareholder meetings with observance of legal requirements. Notification to the Company of the proxy given for the attendance of the shareholder meeting can be made also through sending of the document at the email address indicated in the meeting notice.

Article 11

For the shareholders' meeting and resolutions to be valid, for both ordinary shareholders' meetings and extraordinary shareholders' meetings, the majorities required by the law and by the company by-laws shall be observed in individual cases.

For appointment of the Board of Statutory Auditors the provisions of Article 19 are applied.

Majorities for resolutions are calculated without taking voting abstentions into account.

Article 12

Shareholder meetings are chaired by the Chairman of the Board of Directors, or in the case of his absence or impediment, by the Deputy Chairman, if appointed, and, in their absence, by another person designated by the shareholder meeting.

It is the responsibility of the meeting chairman to ascertain that the meeting has been properly constituted, ascertain the identity and legitimation of those present, manage meeting proceedings on the basis of the approved Shareholder Meeting Regulation, and to ascertain and proclaim the results of voting. Unless minutes are drawn up by a notary, a secretary, not necessarily a shareholder, appointed by the shareholder meeting, assists the meeting chairman.

Voting rights cannot be exercised by post.

Shareholder meeting deliberations and resolutions are documented in minutes signed by the meeting chairman and by the secretary, or by the notary when the latter draws up the minutes or when a notary's participation in this respect is required by law.

Article 13

Resolutions for the election of directors and statutory auditors are passed on the basis of an open vote, with the majorities required by law and the by-laws, using the preference list system.

The members of the Board of Directors are elected, with respect of the equality of the genders required by the applicable law, on the basis of candidate lists, listed in progressive order, submitted by the Board of Directors or by the sponsoring shareholders, who alone or in conjunction with other shareholders represent, as of the date the list is submitted, at least one fortieth of the share capital or any different amount established by law, and who in any case satisfy any other conditions set by law.

The lists must be filed at the company's registered office at least twenty-five days prior to the date of the meeting on single call or at first call, without prejudice to any shorter deadline set by law. The Board of Director's list, if submitted, shall be filed at the Company's registered office by the thirtieth day prior to the date of the meeting and made the subject of publicity formalities required by law.

The lists must state which candidates qualify as independent, as defined by law for directors of listed companies.

Each list must be accompanied by declarations in which the nominees accept their candidacy and confirm that there are no reasons for ineligibility or disqualification, that they meet any conditions set by law or the company's by-laws, and (if applicable) that they qualify as independent.

The lists that count three or more than three candidates must contain candidates representing both genders, in order to be present in the lists, at least one-third, of the candidates belonging to the gender less represented.

To demonstrate ownership of the number of shares required for the submission of lists, shareholders must file within the term envisaged by the norms in force for the publishing of the lists by the Company, a copy of the shareholding certificates issued by the authorized intermediaries.

Lists submitted in violation of the by-laws will be treated as never submitted.

A single shareholder, as well as shareholders belonging to the same group -- i.e. the controlling party, subsidiaries, sister companies and associates as defined by Art. 2359 of the Italian Civil Code -- and shareholders who are party, including through subsidiaries, to an agreement regarding the company's shares per Art. 122 of Legislative Decree 58/1998 may not submit more than one list either directly or through trust companies or other intermediaries.

For the purposes of this article, control (including with reference to parties in non-corporate form) is defined by Art. 93 of Legislative Decree 58/1998.

Each candidate may appear on one list only or will otherwise be disqualified.

Each right-holder may vote for a single list.

One member of the Board of Directors (who must satisfy the conditions of reputability and professional qualifications per Art. 148, paragraphs III and IV of the Consolidated Finance Act) is drawn from the minority list obtaining the highest number of votes which is in no way associated, even indirectly, with the shareholders who submitted or voted for the winning list. For the purposes of selecting the winning candidates, account is not taken of lists that fail to obtain a percentage of votes equal to at least half that required for the submission of lists.

All other members of the board are drawn from the list obtaining the highest number of votes, in the order in which their names appear on the list, and at least two of them (or any higher number required by the laws in effect when the lists are submitted) must meet the legal definition of independent as established for the directors of listed companies.

If, when the candidates are elected in the manner described above, the presence of the necessary number of Directors who meet the independence requirements established by law for the directors of listed companies is not met, the candidate who does not meet the independence requirements established by law for directors of listed companies elected last in progressive order on the list receiving the most votes will be replaced by the first candidate who meets the independence requirements established by law for directors of listed companies not elected from the same list in progressive order. If this procedure does not ensure the necessary number of Directors who meet the independence requirements established by law for directors of listed companies, the replacement will take place with a resolution approved by a relative majority, after the submission of candidacies by persons who meet the independence requirements established by law for directors of listed companies.

In case the Board of Director's composition, even after the fulfilment of the procedure written above, does not respect the prescriptions required by the law in order to guarantee the equality of the genders, the last elected candidate of the majority list, according to the sequential number in which the candidates are indicated, belonging to the gender more represented, will be

automatically replaced by the first not elected candidate of the same list and belonging to the gender less represented. This procedure will be applied as long as the composition of the Board of Directors will be respectful of the prescriptions required by the applicable law in order to guarantee the equality of the genders. In the event of the procedure's inability to guarantee the equality of the genders required by the applicable law, the replacement will be adopted by the Shareholders' meeting resolution. This resolution will be adopted with simple majority by means of submission of candidates belonging to the gender less represented.

In the event of a tie between two or more lists, a new ballot is held between those lists on which all eligible parties present in the meeting may vote. The candidates on the list winning a simple majority of votes shall be elected, with abstentions excluded from the count.

If only one list has been submitted, the Shareholders' Meeting shall vote on it and if it obtains a majority, the candidates listed in progressive order up to the number set by the Shareholders' Meeting shall be elected subject to the obligation for the Shareholders' Meeting to organise the appointment of a number of Directors who meet the independence requirements established by law for the directors of listed companies while respecting the balance between sexes based on regulations in force from time to time.

In the absence of lists, or if the number of directors elected on the basis of lists submitted is less than that determined by the Shareholders' Meeting, members of the Board of Directors over and above those elected on the basis of any submitted lists up to the number of directors determined by the Shareholders' Meeting, shall be appointed by the Shareholders' Meeting with a legal majority, in order to ensure the necessary number of directors meeting the independence requirements established by law for the directors of listed companies, as well as compliance with legislation in force regarding gender balance.

SECTION V

BOARD OF DIRECTORS

Article 14

The company is managed by a Board of Directors, which is appointed by the shareholder meeting and consists of a variable number of members, in any case not less than 7 (seven) and not more than 13 (thirteen).

It is the responsibility of the ordinary shareholder meeting to determine the number of members of the Board of Directors.

The Board of Directors, at the first meeting following its election and with the input of the Board of Statutory Auditors, shall verify that the directors elected on the assumption that they qualify as independent actually satisfy the requisite criteria, and if such criteria were not originally met or cease to be met at a later time, shall require said persons to step down and shall take the consequent measures; independent status shall be verified by the board periodically, according to its rules of operation, but no less than once per calendar year.

The members of the Board of Directors may also be non-shareholders; they serve for three years or for a shorter term established upon their election, may be re-elected, and step down as of the shareholders' meeting called to approve the financial statements for their final year in office.

If one or more directors become unavailable during the company's financial year, they are substituted in accordance with legal regulations.

If the majority of directors appointed by the shareholder meeting cease to be available because of resignation or for any other reason, the whole Board is taken to have lapsed with this taking effect when it has been replaced. In this case a shareholder meeting must be urgently convened to appoint the whole Board.

Article 15

The Board – if the shareholder meeting has not already done so – elects the Chairman from among its members, and possibly also a Deputy Chairman. It can also appoint a secretary from outside its members.

General representation of the company and also the power of corporate signature pertain on a disjoined basis to the Chairman, Deputy Chairman (if appointed), and, within the limits of their functions, to directors to whom the Board of Directors has delegated its powers pursuant to Article 17.

Article 16

Meetings of the Board of Directors are also held away from the company's registered HQ, as long as the venue is in Italy, and are convened at the Chairman's request or at the joint request of the majority of Board members, or at the request of the President of the Board of Statutory Auditors or of at least one member of the Board of Statutory Auditors.

In order for the Board of Directors' resolutions to be valid, the presence of the majority of directors in office is required.

Resolutions are passed on the basis of the outright majority of the votes of members present, excluding those abstaining. In the case of a tie vote, the chairman of the meeting has the casting vote.

In exception to the above, resolutions must be passed by a majority of 70% (seventy percent) of the board (rounded up), with no casting vote given to the chairman, when the resolutions concern: a) the election and removal of managing directors and the granting and revocation of their powers; b) approving and revising the budget or the business plan; c) the acquisition, spin-off or sale (including by subsidiaries) of companies and/or equity investments; d) the approval of stock option plans and treasury share buy-back plans; e) new medium/long-term loans; f) the creation of an Executive Committee, the definition of its powers and the appointment and removal of its members.

The Board of Directors' meetings are chaired by the Chairman or, in the case of his absence or impediment, by the Deputy Chairman, if appointed, or by the most senior director in terms of age.

Convocation must take place via telegram, fax or e-mail to be sent at least three clear days before the date fixed for the meeting and, in urgent cases, at least one day beforehand to each director's domicile. Regardless of observance of the convocation formalities indicated above, the Board meeting is taken to be properly constituted if all Board members and all standing statutory auditors in office are present.

The possibility is envisaged of Board of Directors' meetings being held via teleconferencing or videoconferencing, on condition that all those eligible can participate and be identified and are able to follow the discussion and intervene in real time in discussion of the topics addressed, as well as to receive and peruse or transmit documents. If such prerequisites exist, the Board meeting is considered to be held in the place where the Chairman is present, and where the secretary for the meeting must also be present, in order to permit the drafting and signature of minutes in the relevant journal.

The deliberations and resolutions of the Board of Directors must be documented in minutes, signed by the Chairman and by the secretary for the meeting.

Article 17

The Board of Directors is vested with the fullest possible powers for ordinary and extraordinary management of the company.

The Board is also attributed with all competences as per Article 2365, second paragraph, of the Italian Civil Code. On occasion of meetings, to be held with at least a quarterly frequency, the Board of Directors and the Board of Statutory Auditors, also via delegated bodies, are informed of the activity performed and of the transactions most important in business, financial and capital terms undertaken by the company or by its subsidiaries, and of expected business progress, with special reference to operations featuring potential conflict of interest.

When special needs are deemed to make it appropriate, the aforementioned information can be communicated in writing to the President of the Board of Statutory Auditors.

The Board of Directors can appoint one or more Managing Directors, who are under obligation to operate within the limits indicated by law.

The Board of Directors can, within legal limits, delegate its powers to an Executive Committee, determining the content, limits and possible methods of exercising the powers delegated pursuant to Article 16 above.

For the Executive Committee's meetings and decisions, the rules dictated for the Board of Directors apply; however, all decisions not unanimously approved by the Executive Committee shall revert to the Board of Directors.

The Board of Directors can also appoint one or more general managers, who need not be directors, determining their powers and related compensation.

The office of Managing Director and that of President of the Executive Committee can be combined with those of Chairman and Deputy Chairman of the Board of Directors.

Article 18

Members of the Board of the Directors have the right to be refunded for expenses borne for reasons of their office and to emoluments in the amount fixed by the shareholder meeting.

The shareholder meeting can also determine an overall amount for remuneration of all directors, including those holding particular offices. The Board of Directors will share out the emolument or remuneration as determined above in the way that it considers to be most appropriate, taking account of the commitment required of its members.

The remuneration of members of the Board of Directors holding particular offices is determined – if the shareholder meeting has not done so – by the Board itself pursuant to Article 2389 of the Italian Civil Code.

Article 18 bis

The Board of Directors, with mandatory input from the Board of Statutory Auditors, appoints in the company's administrative sector a financial reporting officer (with suitable qualifications, specific experience in finance and control, and a record of ethical conduct), granting that person the powers and means necessary for fulfilment of his duties and defining his term of office.

SECTION VI

BOARD OF STATUTORY AUDITORS

Article 19

The Board of Statutory Auditors consists of three standing members and two substitute members. Appointment of members of the Board of Statutory Auditors will take place according to the procedure indicated in the following paragraphs and is designed to reserve the appointment of one standing statutory auditor and one substitute statutory auditor for minority shareholders, and with respect of the equality of the genders required by the applicable law.

Appointment of the members of the Board of Statutory Auditors takes place on the basis of lists in which the candidates are indicated by means of a sequential number. Each list consists of two sections: one reserved for candidates for the office of standing statutory auditor and the other for candidates for the office of substitute statutory auditor. Each list contains a number of candidates not exceeding the number of members to be elected.

The lists that count three or more than three candidates must contain candidates representing both genders, in order to be present in the lists, at least one-third of the candidates as standing members of the Board of Statutory Auditors belonging to the gender less represented, and also at least one-third of the candidates as substitute members of the Board of Statutory Auditors, belonging to the gender less represented.

Lists can be presented only by shareholders who, at the time the lists are submitted, account – alone or together with other shareholders – for at least the same percentage of share capital required by Article 13 for the election of the Board of Directors, and in any case satisfy any other requirements set by law.

Each shareholder, as well as shareholders belonging to the same group – with this meaning the entity exercising control, subsidiaries and companies controlled by the same parent entity, or those associated according to Article 2359 of the Italian Civil Code – and shareholders participating, also via subsidiaries, in an agreement under Article 122 of Italian Legislative Decree no. 58/1998 concerning the company's shares, cannot present, not even via third parties or trustee companies, more than one list.

For the purposes of the present article control exists, also with reference to subjects that are not corporate entities, in the cases envisaged by Article 93 of Italian Legislative Decree 58/1998.

The lists, signed by the shareholder or shareholders presenting them (also via delegation of one shareholder) must be lodged at the company's registered HQ at least 25 days before the date fixed for the shareholder meeting on single call or first call (and this will be mentioned in the meeting notice), without prejudice to any shorter deadline established by law.

Together with each list, within the same 25-day term indicated above, a description must be lodged of individual candidates' professional resumés, as well as the declarations with which individual candidates accept their candidacy and attest, under their own responsibility, the absence of causes of incompatibility and ineligibility, as well as the existence of the requisites laid down by regulations for the office in question and in particular their independent status.

Within the term envisaged by the applicable rules for the publishing of the lists by the Company, there must be lodged also the certificates issued by the authorized intermediaries proving, at the moment of the lodging of the lists at the Company, the ownership of the number of shares necessary for their presentation.

Lists submitted that do not observe the above rules are considered not to have been presented.

Outgoing statutory auditors can be re-elected. Each candidate can present himself/herself in just one list, on pain of ineligibility.

Each right-holder can vote for only one list.

The following procedure is applied for the election of statutory auditors:

- from the list obtaining the highest number of votes, two standing members and one substitute member – based on the sequential order with which they were listed in the corresponding sections of the list – are taken.

- from the list with the second highest number of votes submitted by minority shareholders who are not associated, even indirectly, with those who submitted or voted for the winning list, the other standing member and the other substitute member – based on the sequential order with which they were listed in the corresponding sections of the list – are taken.

In the case of a tie vote between two or more lists, all right-holders present at the shareholder meeting proceed with a new vote between these lists. The candidates on the list achieving the majority of votes – excluding abstentions from the calculation – are the ones elected.

The chairman of the Board of Statutory Auditors is elected at the shareholders' meeting from among the auditors drawn from the minority list.

In case, even after the fulfilment of the procedure written above, the composition of Board of Statutory Auditors does not respect the prescriptions required by the applicable law in order to guarantee the equality of the genders, there will be made the necessary replacement, according to the sequential number in which the candidates are indicated, among the candidates as standing members of the Board of Statutory Auditors of the majority list, in order to respect the equality of the genders required by the applicable law.

If he/she lacks the requisites required by regulations or by company by-laws, the statutory auditor lapses from office.

In the case of substitution of a standing statutory auditor, his/her place is taken, until the next shareholder meeting, and with respect of the equality of the genders required by the applicable law, by the first substitute member belonging to the same list as the statutory auditor who ceases to hold office.

In the case of substitution of the chairman, the presidency is taken over, until the next shareholder meeting, by the eldest statutory auditor who satisfies the conditions set by law, or, in his/her absence, by the first substitute member taken from the list to which the ex-chairman belonged. If the shareholder meeting has to make appointments of standing and/or supplementary statutory auditors and of the chairman as required by law, in order to replenish the Board of Statutory Auditors following substitution, it proceeds according to the following statutory rules:

- If it is necessary to substitute the standing and/or substitute statutory auditor taken from the list receiving the second highest number of votes, the candidates for standing statutory auditor and for substitute statutory auditor – not elected – listed in the corresponding sections of the same list are proposed for office and the person elected is the one obtaining the highest number of votes.

- In the absence of names to put forward pursuant to the previous paragraph, and if it is necessary to replace one or more standing and/or substitute statutory auditors and/or the chairman taken from the list that obtained the highest number of votes, the provisions of law are applied and the shareholder meeting passes a resolution based on the majority of voters, excluding abstainers from the calculation.

In every case of replacement, the composition of the Board of Statutory Auditors must respect the equality of the genders required by the applicable law.

If just one list is presented, the shareholder meeting decides on the basis of the majority of voters, with respect of the equality of the genders required by the applicable law, excluding abstentions from the count, and the presidency pertains to the candidate listed in first place in the section of the list containing the candidates for the office of standing statutory auditor. In the case of replacement of a standing statutory auditor or of the chairman, the substitute statutory auditor and the standing statutory auditor in the sequential order shown in the list in the relevant section take over, with respect of the equality of the genders required by the applicable law, until the next shareholder meeting.

In the case envisaged in the previous paragraph, if the shareholder meeting has to proceed, as legally required, with appointments of standing and/or supplementary statutory auditors and of the chairman in order to replenish the Board of Statutory Auditors following substitution, the provisions of law are applied as well as the terms of the preceding paragraphs of this article regarding the election procedure; the shareholder meeting passes a resolution with the majority of voters, excluding abstentions from the calculation. Only those who have made the documentation indicated in this article available by the shareholder meeting date can be proposed as candidates. Those persons who hold directorships or internal auditing positions in other companies or entities incorporated under Italian law with shares listed in Italy (excluding companies controlled by “esprinet s.p.a.”, parties controlling “esprinet s.p.a.”, or companies controlled by the same controlling party of “esprinet s.p.a.”), in excess of the limit set by the law and by implementation regulations, as well as those who do not possess the requisites of independence, honourability and professionalism required by applicable regulations, cannot be elected and, if elected, must step down. At least one of the standing statutory auditors and at least one of the substitute statutory auditors must be chosen from persons registered in the central register of accounting auditors who have performed the activity of legal auditing of accounts for a period of not less than three years. Statutory auditors not meeting the requisite envisaged in the previous paragraph are chosen from among those who had total experience over a continuous period of at least three years in the performance of:

- Managerial tasks in the administration, finance and control sectors of joint stock listed companies;
- Professional or permanent university teaching activities in a juridical, economic, financial and IT-related technical/scientific subject matter; in the service industry in general, in IT product manufacturing or sale, provision of services in the field of data processing and information-technology systems, or in any case in sectors strictly pertinent to that of the company;
- Managerial functions in public entities or public administrations active in the banking, financial, insurance, and IT sectors, in the manufacturing or sale of IT products, in the provision of services in the field of data processing and information-technology systems, or in any case in sectors strictly pertinent to that of the company.

In the absence of lists, or if for any reason the number of candidates is not sufficient, the Board of Auditors (and the Chair, if applicable) shall be appointed or supplemented by the Shareholders' Meeting with a legal majority, in order to ensure compliance with the legislation in force regarding gender balance as well as the requirements of independence, integrity and professionalism required by the applicable law.

Article 20

The shareholder meeting establishes the annual cheque payable to each standing statutory auditor for the latter's entire term of office. Statutory auditors have the right to be refunded for expenses borne for reasons of office.

SECTION VII

FINANCIAL STATEMENTS AND EARNINGS

Article 21

The company's financial year ends on December 31st of each year. At the end of each financial year the Board of Directors proceeds with preparation of year-end financial statements, within the terms established by law and observing legal requirements.

Article 22

After deduction of the portion for the legal reserve, the net profit shown in year-end financial statements is shared between shareholders in proportion to the shares owned, unless otherwise determined by the shareholder meeting.

Dividends are paid out at the banks designated by the Board of Directors as from the date fixed by the Board. Dividends not collected within five years after the day when they become payable lapse and revert to the company. The Board of Directors can decide to pay dividends on account in the cases, in the ways, and within the limits permitted by current legal provisions.

SECTION VIII

DISSOLUTION AND LIQUIDATION

Article 23

If at any time or for any reason dissolution of the company occurs, the shareholder meeting will determine the liquidation approach and will appoint one or more liquidators, establishing their powers.

SECTION IX

FINAL PROVISIONS

Article 24

For all items for which provision is not made in the present company by-laws, the provisions made by law will be observed.

Annex 2

Rules Governing Shareholders' Meeting of Esprinet S.p.A.

Article 1

These Rules govern the holding of ordinary and extraordinary shareholders' meetings of the company "esprinet s.p.a." ("Company") and, where compatible, any meetings of special categories of shareholders and of bondholders ("Eligible Parties").

Article 2

These Rules are available to the Eligible Parties the Company's registered office and at the venue where shareholders' meetings are held in accordance with Articles of Association.

Article 3

Everyone entitled to attend shareholders' meetings according to the law and the Articles of Association can take part in the meeting. It is also possible to take part through a representative pursuant to the Articles of Association. In any case, the person attending the meeting, personally or by proxy, must identify himself by presenting a suitable identity document, including with respect to the powers pertaining to him if the latter represents a legal entity.

The Company's officers and employees may attend shareholders' meeting, without having the right to speak, together with any scrutineers appointed pursuant to the Articles of Association to carry out the functions described in subsequent articles of these Rules.

Company employees, directors and employees of Group companies, and representatives of the independent auditor, as well as Company advisors, can attend the meeting, where their presence is deemed useful by the Board of Directors or by the Chairman of the Board of Directors in relation to the matters to be discussed.

Where their presence is deemed useful by the Board of Directors or by the Chairman of the Board of Directors, experts, financial analysts and journalists accredited for each meeting can also attend shareholders' meetings without having the right to speak. Accreditations must be received at the Company's registered office by midnight on the third day before the date of the shareholders' meeting at first call.

Article 4

Those who have the right to attend shareholders' meetings under Article 3 above, must deliver to the Company's specifically designated personnel, at the entrance to the premises where the meeting is being held, the documents laid down in current laws confirming their eligibility to attend the shareholders' meeting, in return for a voting form, which must be exhibited for any checks and which must be returned if leaving the meeting before it ends. In the member leaves the meeting only temporarily, his return to the room where the meeting is being held must be notified to the designated personnel, who will return the attendance and/or voting form.

Those who have the right to attend the shareholders' meeting pursuant to paragraphs 2 et seq of Article 3 above, must identify themselves to the Company's designated personnel at the entrance to the premises where the meeting is being held and collect an identification badge that must remain evident.

Article 5

The shareholders' meeting is chaired by the Chairman of the Board of Directors or, in his stead, by a deputy chairman. In the event of their absence or resignation, attendees will appoint the chairman chosen from among the directors and shareholders present. The chairman of the

meeting is assisted by a secretary, who need not be shareholder, designated by the shareholders' meeting pursuant to the Articles of Association.

The chairman of the meeting, also availing himself of the assistance of designated staff, checks the validity of proxies, the right of those present to attend the meeting, and the proper convening of the meeting.

During the course of the meeting, the chairman also verifies, on a case-by-case basis, with reference to individual items on the agenda, the right of those present to take part in discussions and vote on the items concerned.

Under the chairman's guidance, an attendance sheet is drawn up which identifies those who attend on the basis of their share ownership and specifies the number of shares, and all other attendees.

If appropriate, the chairman selects scrutineers, who need not be shareholders.

Article 6

No recording instruments of any type whatsoever, photographic devices and similar contraptions can be taken into the premises where the shareholders' meeting is being held, without specific authorisation to do so by the chairman of the meeting.

Article 7

After having verified that the shareholders' meeting has been properly convened, the chairman reads out the items on the agenda.

Article 8

In presenting the agenda items for discussion, the chairman may, as long as the shareholders' meeting does not object, follow a different order to that shown in the notice of meeting.

The chairman and, at his request, the directors will illustrate the items on the agenda, making use, as appropriate, of the Company's employees, directors and employees of Group companies as well as the Company's advisors.

The chairman moderates discussion, giving leave to speak to all those who have the right to take part in discussion pursuant to Article 9 below. He must intervene to avoid abuse or disruptions to the proper course of the meeting.

Article 9

All those who attend as representative of shareholdings have the right to speak only on each of the items opened to discussion.

Those wishing to speak must ask the chairman for leave to do so, by presenting him with a written request containing an indication and a brief description of the subject to which the request refers, after the chairman has read out the agenda items and until he declares discussion of the item to which the request to speak refers to be over. If two or more requests are submitted simultaneously, the chairman gives leave to speak according to the alphabetical order of the last names of the persons so requesting.

The chairman can authorise the submission of verbal requests to speak by means of a show of hands.

Members of the Board of Directors and statutory auditors can ask to speak during discussion.

Company employees and directors and employees of Group companies or any advisors present may be asked to speak where this is deemed useful by the chairman in relation to the matter to be discussed.

Article 10

The chairman and, at his request, directors, statutory auditors, employees and advisors, will reply to speakers at the end of each spoken comment or after all spoken comments have been made on an individual agenda item.

Article 11

The chairman may, having regard to the subject and the importance of individual agenda items, determine the period of time available to each speaker to make his comment, which must not exceed five minutes. At the end of this time, the chairman can ask the speaker to conclude his comment within the next two minutes. Those who have already taken part in discussion can ask to speak again for a second five-minute period including to make any declarations of their voting intentions.

Article 12

The proceedings of shareholders' meetings generally last just one session. During the latter the chairman may, if he deems it appropriate and if the shareholders' meeting does not object, interrupt proceedings for a period of no more than three hours.

The chairman must adjourn the meeting to no more than three days later in the case provided for in Article 2374 of the Italian Civil Code or if he deems it necessary and as long as the shareholders' meeting does not object. In this case, after having consulted with the Board of Statutory Auditors, he will simultaneously specify the date and time of the new meeting to continue proceedings.

Article 13

It is the chairman's responsibility to maintain order during the meeting so as to ensure the proper conduct of proceedings, to repress abuse, and also to mediate or prevent the occurrence of situations of conflict within the shareholders' meeting. To this end, and unless the shareholders' meeting objects, he can withdraw leave to speak in the following cases:

- if the speaker speaks without having leave to do so or if he speaks about items not on the agenda or continues to speak beyond the allotted time;
- following a warning, if the spoken comment is irrelevant to the item being discussed;
- if the speaker makes rude or offensive statements or assumes rude or offensive attitudes;
- in the case of incitement to violence and disorder.

Article 14

If one or more of those present prevent others from discussing or through their behaviour provoke a situation such as to impede the proper conduct of the meeting, the chairman will warn the perpetrator of such conduct to stop behaving in that manner.

If this warning has no effect, the chairman will, unless the shareholders' meeting objects, order the persons previously warned to be expelled from the meeting room for the entire duration of the discussion.

Article 15

After all spoken comments have been made, the chairman concludes by declaring the discussion of the individual agenda item to be over.

Article 16

Before starting voting operations, the chairman re-admits to the meeting anyone previously excluded from the same under Article 14 above. The measures described in Articles 13 and 14 can also be taken, if the appropriate conditions are met, during the voting stage, while still allowing those for whom such measures are taken to exercise their voting rights, if any.

Article 17

Depending on circumstances, the chairman can also order that voting on each item take place after conclusion of discussion of each item or at the end of discussion of all agenda items.

Article 18

Unless otherwise provided by law or by the Articles of Association, voting takes place using the open vote system.

Taking into account the number of votes pertaining to each shareholder, the chairman adopts one of the following methods:

- a) roll call;
- b) completion of voting papers;
- c) show of hands;
- d) standing and sitting;
- e) use of appropriate electronic devices.

Article 19

The chairman takes appropriate measures to ensure orderly voting processes.

Article 20

Once votes and counts have been completed, the chairman declares passed the motion obtaining the favourable vote of the majority required by law or by the Articles of Association.

Article 21

After voting on all agenda items has been completed and the respective results announced, the chairman declares the shareholders' meeting to be over.

Article 22

The minutes of the shareholders' meeting contain either directly or attached:

- the text of motions put to the vote;
- a summary of spoken comments and of the replies given;
- the outcomes of voting, indicating the votes cast (broken down into for, against, and abstentions).

The chairman is able to give the notary or secretary – for attachment to the minutes and for the sake of completeness of information – any documents read or presented during the meeting, as long as these are considered to be relevant to the matters and items discussed.

Article 23

For any matter not covered by these Rules, reference should be made to the provisions of the Italian Civil Code, to special laws and to the Articles of Association.

Article 24

Any amendment to these Rules must be approved by the ordinary general meeting of shareholders with the quorums required for the valid convening and resolutions of the latter, as well as with the formalities required by law and by the Articles of Association and, in addition, must also be expressly passed by the Board of Directors.

Annex 3

Guidelines for the Internal Control and Risk Management System

1. INTRODUCTION

The Internal Control and Risk Management System ("ICRMS") is an essential element of the corporate governance system of Esprinet S.p.A. ("Company") and of its subsidiaries and/or associates (collectively the "Group").

It is defined as a set of rules, behaviours, policies, procedures and organisational structures that aim to enable the main operational risks to be identified, measured, managed and monitored thereby helping to safeguard the Company's assets, the efficiency and effectiveness of company processes, the reliability of financial information, compliance with laws and regulations and with the articles of association and internal procedures.

This system is integrated into the more general organisational, administrative and corporate governance structures adopted by the Group and takes into consideration the reference models and best practices existing nationally and internationally. The degree to which the system is integrated, more specifically, is measured by the degree of homogeneity, interdependence and integration of its various players and members.

The Company combines the control activities and procedures which are compulsory as a result of legislative interventions or interventions on the part of supervisory authorities with those adopted through management policy choices, where necessary expanding their scope of application where deemed necessary.

Therefore, in the integrated system, an important role is offered by organisation and control systems developed in accordance with the provisions of Legislative Decree 231/01 (administrative liability of bodies), including the control system in relation to occupational health and safety pursuant to Legislative Decree 81/01, of Law 262/05 on the protection of savings (introduction of the role of Financial Reporting Officer), of the Italian Data Protection Act as well as in relation to established organisational models for control in specific areas such as "quality".

By pursuing the goal of an effective and cost-efficient ICRMS as a whole, a procedure is required which enables risks to be identified and assessed as well as a synergic approach to the design of controls in the various areas of application within the Company.

The ICRMS minimises the impact of these risks on the Company's activities and provides reasonable (albeit not absolute) reassurance that the Company and the Group as a whole is not hampered, in the achievement of its operational goals or in the orderly and lawful conduct of its business, by circumstances or factors which may be reasonably foreseen, while recognising that no control process can provide absolute protection from the risks inherent in business activities or from the possibility that fraudulent breaches of laws and regulations or Company procedures, human errors or extraordinary events may cause harm.

The ICRMS, defined on the basis of the best national and international practice, is built on the following three levels of control:

- level 1: operational units identify and assess risks and define specific actions to deal with and manage these;
- level 2: units responsible for risk control define methods and tools for managing risks and carry out risk monitoring activities;
- level 3: the Internal Audit unit provides independent assessments on the entire ICRMS.

2. TASKS RELATING TO THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

2.1 Bodies and individuals in the Internal Control and Risk Management System

The following table gives a brief summary of the bodies and individuals that play a role in the ICRMS and identifies that role and the main functions performed by each of the players:

BODY	ROLE IN THE INTERNAL CONTROL SYSTEM				
	ASSESSMENT	SUPERVISION	SYSTEM DESIGN	SYSTEM IMPLEMENTATION AND MANAGEMENT	PERFORMANCE OF CONTROLS
Board of Directors	√		√	√	
Board of Statutory Auditors	√				
Supervisory Board Legislative Decree 231/01	√		√	√	√
Internal Control and Risk Committee	√				
Chief Executive Officer		√	√	√	
Director in charge of the internal control and risk management system		√	√	√	
Head of Internal Audit	√	√			
Risk Manager		√		√	
Risks Committee		√			
Financial Reporting Officer (Law 262/05)	√			√	√
Data Protection Officer		√		√	√
Internal Audit - Level 3					√
Operational managers (management)- Level 1					√

2.2 Role and responsibilities of the Board of Directors

The Board of Directors, in its capacity as strategic supervisory body, has final responsibility for the ICRMS and periodically checks its suitability while also promoting a culture that promotes control functions at all levels of the Company.

In particular, the Board of Directors, following consultation with the CRC:

- defines these guidelines in order to ensure that the main risks are correctly identified and appropriately measured, managed and monitored and, in the final analysis, checks that the risks assumed are compatible with the company objectives set;
- periodically assesses, at least once a year, the adequacy and effectiveness of the ICRMS having regard to the characteristics of the company and to the risk profile assumed;
- approves, at least once a year, the work plan prepared by the Head of the Internal Audit unit, having consulted with the Board of Statutory Auditors and the Director in charge of the ICRMS (hereinafter also "Director in charge");

- d) describes, in the corporate governance report, the essential components of the ICRMS and expresses its opinion on the adequacy of the latter;
- e) issues the Organisation, Management and Control Model pursuant to Legislative Decree 231/01;
- f) assesses, following consultation with the Board of Statutory Auditors, the results described by the independent auditors or by the independent audit firm in the letter of suggestions and in the report on fundamental issues emerging during auditing.

In order to carry out correctly the tasks assigned to it, the Board obtains support from specific appointed bodies.

Therefore, the Board of Directors:

- sets up the CRC and grants the latter powers to advise and make proposals in relation to the ICRMS and appoints its members;
- identifies a Director in charge who is responsible for designing, implementing and operating an effective ICRMS;
- upon the Director in charge's proposal and having consulted with the CRC and with the Board of Statutory Auditors:
 - (i) appoints and dismisses the Head of the Internal Audit Unit and organises his activities, ensuring that he is given appropriate resources for performing his responsibilities, and defines his remuneration in line with company policies;
 - (ii) appoints the Supervisory Board pursuant to Legislative Decree 231/01.

At least once a year, the Board of Directors carries out a self-evaluation of the structure, composition and functioning of the Board itself and of the internal committees.

2.3 Role and responsibilities of the Chief Executive Officer

The Chief Executive Officer is responsible for implementing these guidelines for the ICRMS with the support of the CRC and for ensuring that all necessary actions to create the system are adopted.

In particular, the Chief Executive Officer carries out the following tasks:

- a) is responsible for identifying the main company risks, taking into account the characteristics of the activities carried out by the issuer and by its subsidiaries and refers these periodically to the Board for examination;
- b) implements and updates the guidelines defined by the Board of Directors, taking care of the design, creation and management of the internal control and risk management system and constantly checking that it is appropriate and effective in line with changes in operating conditions and in the legislative and regulatory framework;
- c) checks and issues the organisational procedures and measures necessary to implement the ICRMS;
- d) checks and approves the activities for identifying the main risks faced by the Company (strategic, operational, financial and compliance) which are carried out by the Director with the support of the Risk Manager, taking into account the characteristics of the activities performed by Group companies, promoting the measures necessary to reduce and manage those risks and submitting these to the Board of Directors for assessment and final examination;

In carrying out his duties, the Chief Executive Officer is supported by the Director in charge, with whom he shares the same responsibilities in terms of design, creation, management and supervision of the ICRMS.

2.4 Role and responsibilities of the Director in charge of the Internal Control and Risk Management System

The Director in charge of the ICRMS:

- a) identifies and monitors the trend of the main risks faced by the Company, taking into account the activities performed within the group and submitting these periodically to the Board of Directors for evaluation;
- b) implements the guidelines for the ICRMS defined by the Board of Directors and oversees the design, implementation and management of the ICRMS, while constantly checking its suitability and effectiveness;
- c) ensures that the ICRMS is adapted in line with changes in operating conditions and in the legislative and regulatory framework;
- d) can ask the Internal Audit unit to carry out checks on specific operational areas and on compliance with internal rules and procedures in the performance of company operations and reports at the same time to the Chairman of the Board of Directors, the Chairman of the CRC and the Chairman of the Board of Statutory Auditors;
- e) reports in a timely manner to the CRC (or to the Board of Directors) about problems and critical issues emerging in the performance of its activity or which it has learned about, so that the CRC (or Board of Directors) can take the appropriate steps;
- f) proposes to the Board of Directors, after hearing the opinion of the CRC, the appointment, dismissal and remuneration of the Head of Internal Audit.

The primary responsibility of the Director in charge is to share with the CEO the tasks of designing, implementing and managing the ICRMS, by which is meant the set of processes designed by the Company and by the Group for (i) the identification, handling and management of those risks, (ii) the determination of the respective criteria for compatibility with the principles of sound and prudent management and (iii) the continual maintenance of such risks, with particular respect to the residual risks from mitigation activities, within the limits of acceptability and in line with the goals of creating and preserving value established by the Board of Directors. These activities are carried out coherently with the techniques, methodologies and principles of the leading international models of reference and, in particular, according to the typical ERM-Enterprise Risk Management approach.

In carrying out his tasks, the Director in charge obtains cooperation and support from the various bodies and individuals that make up the ICRMS and, in particular, the Risk Manager, the Head of Internal Audit and the Risks Committee.

2.5 Role and responsibilities of the Head of Internal Audit

The Head of Internal Audit, who is not responsible for any operational area and reports to the Board of Directors and is part of the Chief Executive Officer's staff, has the following responsibilities:

- a) checks, both on an ongoing basis and in relation to specific requirements and in line with international standards, that the ICRMS is operational and suitable, using an Audit Plan approved by the Board of Directors and based on a structured process of analysis and prioritisation of the main risks;

- b) prepares periodic reports containing appropriate information about his activities, the ways in which risk management is conducted and observance of the plans defined to contain such risks; these reports contain an assessment of the suitability of the internal control and risk management system;
- c) prepares timely reports about events of particular importance;
- d) sends the reports referred to in points b) and c) to the Chairmen of the Board of Statutory Auditors, CRC and Board of Directors as well as to the Director in charge;
- e) checks, as part of the Audit Plan approved by the Board of Directors, the reliability of the information systems including the accounting systems.

As part of his duties and responsibilities, the Head of Internal Audit has direct access to all useful information for carrying out his task.

In particular, the Head of Internal Audit operates via an organised structure dedicated to Internal Audit which also supports the Head of Internal Audit in carrying out checks on specific operational areas and on compliance with internal procedures and rules in the conduct of management operations.

As part of the control activities to be carried out under the supervision of the Head of Internal Audit, the Internal Audit unit prepares both an annual plan of checks ("Audit Plan") to be examined by the CRC and to be approved by the Board of Directors, and, at least once every six months, a report to be submitted to the Board of Directors, the Director in charge, the CRC and the Board of Statutory Auditors.

On the instruction of the FRO, to whom it is functionally accountable with respect to this kind of activity, the Internal Audit unit can carry out checks on the system of administrative/accounting control provided for in Law 262/05.

Furthermore, on the instruction of the Supervisory Board, the Internal Audit unit may carry out checks on the system of controls provided for in the Organisation, Management and Control Model pursuant to Legislative Decree 231/01.

2.6 Role and responsibilities of the Risk Manager

The responsibilities of the Risk Manager are as follows:

- a) implement, develop and keep constantly updated a system aimed at identifying, assessing, managing and monitoring risks upon the typical principles of ERM;
- b) support the unit manager ("risk owner") in the assessment and management of the risks controlled;
- c) cooperate with the risk owner in developing processes and procedure aiming at mitigating risks in each corresponding area;
- d) promote the risk culture within the company.

The Risk Manager is responsible for presiding over the process of the company risk management through the ERM, proposing, if necessary, to the ICRMS agents any further activities to adjust the internal control system. The Risk Manager revises the risk matrix and also the corresponding management and monitoring system (ERM) at least once per year and presents the results to the CEO, to the Director in charge, to the Risk Committee and to the Head of Internal Audit.

Twice per year, he also informs the Director in charge, the Control and Risk Committee, the Statutory Auditor and the Supervisory Board about the risk control activity.

2.7 Role and responsibilities of the Risks Committee

The Risks Committee, made up of the CEO, Director in charge, Head of Internal Audit, Group Administrative Manager and Group Management Control Manager and the Risk Manager, has the duty to support the CEO and Director in charge in carrying out the institutional duty of

identifying the main company risks, especially those emerging as a result of entering into new areas of activity and/or business or connected with changes in general and sectoral legislation. Therefore, the Risks Committee supports the CEO and Director in charge, while bearing in mind that these two individuals do not devote the whole of their time to the duties carried out in connection with the ICRMS, in updating and maintaining the map of main company risks defined at the start of each tax years and approved by the Board of Directors. It helps the company bodies in the process of identifying new risk areas and supplies, where possible or recommended on the grounds of particular urgency, an initial indication about the actions to be carried out in order to introduce or streamline and/or improve the controls aimed at mitigating the risks identified.

2.8 Role and responsibilities of the Internal Control and Risk Management Committee

As far as the ICRMS is concerned, the CRC is responsible for supporting the Board of Directors' decisions and assessments by carrying out appropriate investigative activities, so that the main risks faced by the Company and by the Group are correctly identified and adequately measured, managed and monitored, and, for relevant matters, assists the Board of Directors in decisions concerning the approval of periodic financial reports.

In this area, the CRC:

- a) assists the Board of Directors to carry out its designated tasks in relation to internal control and risk management relating to:
 - i. establishing the guidelines for the ICRMS;
 - ii. periodically checking that the ICRMS is effective and appropriate to the company's characteristics and risk profile assumed;
 - iii. ascertaining that the main risks faced by the Company are adequately identified and managed;
 - iv. approving, at least once a year, the work plan prepared by the Head of Internal Unit, having consulted with the Board of Statutory Auditors and the Director in charge;
 - v. evaluating, after consultation with the Board of Statutory Auditors, the results described by the independent auditor in any letter of suggestions and in the report on the fundamental issues emerging during auditing;
 - vi. describing, in the corporate governance report, the main characteristics of the internal control and risk management system and expressing its opinion on the overall adequacy of the latter.
- b) assesses, together with the Financial Reporting Officer and after consultation with the independent auditor and the Board of Statutory Auditors, whether accounting principles are being used correctly and consistently for the purposes of preparing the consolidated financial statements;
- c) expresses opinions on specific aspects relating to the identification of the main risks faced by the Company;
- d) examines the periodic reports on the assessment of the ICRMS and those of particular importance which are prepared by the Internal Audit unit;
- e) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit unit;

- f) can ask the Internal Audit unit to carry out checks in specific operational areas and to report at the same time to the Chairman of the Board of Statutory Auditors;
- g) performs any additional duties that are assigned to it by the Board of Directors;
- h) reports to the Board, at least upon the approval of the financial statement and the approval of the half-yearly financial report, on the activities conducted and the suitability of the internal control and risk management system;
- i) expresses its opinion on the proposals for the appointment and dismissal of the Head of Internal Audit – ensuring that it has sufficient resources to carry out its duties – and on the remuneration proposals, in accordance with company policies;
- j) assesses the comments that emerge from the Supervisory Board's reports pursuant to Law no. 231/2001 and from the surveys and examinations carried out by third parties.

With regard to the organisation and management models provided for under Legislative Decree 231/2001, the CRC follows closely the respective maintenance and update activities by acquiring sensitive information.

Finally, the CRC, with reference to the Procedure for Related Party Transactions approved by the Board of Directors on 26 November 2010, in accordance with the CONSOB Regulation containing provisions about related party transactions, adopted under resolution no. 17221 of 12 March 2010 as subsequently amended by resolution no. 17389 of 23 June 2010, having met the requirements in terms of composition, carried out the tasks of committee appointed to carry out the following activities:

- with respect to "less important" transactions, without prejudice to the decision-making structure adopted by the Company through the granting of delegations and powers and, previously, the approval of transactions, express a reasoned non-binding opinion on the Company's interest in carrying out the transaction and on the appropriateness and substantial correctness of the respective conditions;
- with respect to "more important" transactions, participate in the negotiation and investigation of those transactions, through receiving complete and timely information flows and to express, for the benefit of the Board of Directors, a prior favourable reasoned opinion on the Company's interest in carrying out the transaction and on the appropriateness and substantial correctness of the respective conditions.

The Chairman of the Board of Statutory Auditors (or another auditor he may designate) or other auditors may participate in the works of the CRC.

2.9 Role and responsibility of the Supervisory Board pursuant to Legislative Decree 231/01

The ICRMS is supplemented, with respect to the part concerning preventing the risk of administrative offences being committed and, therefore, with respect to compliance, by the Ethical Code and by the "Organisation, Management and Control Model" pursuant to Legislative Decree 231/01 ("Model").

The Board of Directors appoints a Supervisory Board with the task of monitoring:

- a) compliance with the stipulations of the Model, in relation to the various kinds of offence covered by Legislative Decree 231/01 and by subsequent laws that have extended the scope of application of that decree;

- b) the effectiveness of the Model with respect to the company structure and to its actual ability to prevent offences from being committed;
- c) the advisability of updating the Model, where there is a need to adapt the latter to changes in the Company's circumstances and/or legislative changes.

In order to carry out its functions, the Board of Directors grants the Supervisory Board the following powers:

- to check the efficiency and effectiveness of the Model including in terms of conformity between the actual operational arrangements adopted and the procedures formally specified by the Model;
- to check that the requirements of effectiveness and efficiency of the Model continue to be fulfilled over the course of time;
- to encourage the updating of the Model, by putting forward proposals to the Chairman of the Board of Directors, where necessary, with respect to possible updates and alterations to be made in the form of amendments and/or additions which become necessary as a result of significant breaches of the provisions of the Model, significant changes in the organisational structure of the Company and/or in the ways in which the Company's activities are carried out or legislative changes;
- to report promptly to the Chairman of the Board of Directors any established breaches of the Model which may cause liability to arise for the Company, so that appropriate action can be taken;
- to promote and define initiatives for the distribution of the Model and for staff training and raising staff awareness about compliance with the principles contained in the Model;
- to promote and devise communication and training initiatives with respect to the content of Legislative Decree 231/01, to the effect of the legislation on the Company's activities and to behavioural standards;
- to provide clarifications about the meaning and application of the provisions contained in the Model;
- to provide an effective channel of internal communication for the transmission of significant information within the meaning of Legislative Decree 231/01, while guaranteeing the protection and confidentiality of the informant;
- to put forward and submit for the approval of the Chairman of the Board of Directors an estimate of the expenditure necessary to carry out correctly the tasks assigned;
- to gain unrestricted access to any unit of the Company – without the need for any prior consent – in order to request information, documentation and data considered necessary to carry out the tasks laid down in Legislative Decree 231/01;
- to request significant information from partners, advisors and external partners, regardless of what they are called;
- to encourage the imposition of any disciplinary measures resulting from established breaches of this Model.

The Supervisory Board prepares an annual plan of the activities that it intends to carry out, including the schedule of checks on the operating protocols adopted, which is forwarded to the Board of Directors for information.

The Supervisory Board continually notifies the results of its activities to the Chairman of the Board of Directors and to the Chief Executive Officer and/or the Director in charge.

In addition, every six months, the Supervisory Board prepares an activity report and provides the Board of Directors and the Board of Statutory Auditors with a detailed description of the activities performed.

If invited, the Chairman of the Supervisory Board or, if he is unable, another member of the Supervisory Board indicated by the latter, may take part in meetings of the Board of Statutory Auditors and of the CRC.

2.10 Role of the Financial Reporting Officer

The Financial Reporting Officer ("FRO") is, pursuant to the provisions of Law 262/05, responsible for the administrative/accounting control system.

In particular, the Financial Reporting Officer must:

- a) certify, by means of a written declaration, that the Company's financial reporting documents and communications released to the market, including interim reports, tally with documentary evidence and accounting books and records;
- b) establish appropriate administrative and accounting procedures for drawing up the individual and consolidated financial statements, or suggest amendments to the existing procedures, as well as any other financial disclosures;
- c) certify, jointly with the Chief Executive Officer, by means of a report attached to the individual financial statements, semi-annual report and consolidated financial statements:
 - i) the adequacy, based on the Company's characteristics, of the administrative/accounting procedures and the effective application of those procedures over the period in question;
 - ii) correspondence between the documents to which the certification relates and the accounting books and records and their ability to give a true and fair view of the economic and financial situation of the Company and of all of the Group companies included within the scope of consolidation.

The checks carried out by the FRO consist in analysing the internal flows relevant for accounting purposes and evaluating the correct operation of the system of administrative/accounting controls, in examining and approving the company procedures that have an impact on the individual and consolidated financial statements and on the documents to be certified and in analysing, through appropriate technical support, the role played by the company's information systems in ensuring that procedures and controls are adequate.

The FRO reports to the Board of Directors on the state of the system of internal controls over financial reporting at the time of approval of the financial statements and the half-yearly financial report.

2.11 Role and responsibilities of the Data Protection Officer

The Data Protection Officer ("DPO") is responsible for carrying out, in full autonomy and independence, the following tasks and functions:

- a) inform and provide advice to companies in the Esprinet Group and to employees processing personal data regarding the obligations deriving from the GDPR Regulation and other national or EU data protection provisions;
- b) monitor compliance with the GDPR Regulation, other national or EU provisions concerning data protection and the policies adopted by the companies of the Esprinet Group regarding the protection of personal data, including the attribution of responsibilities, awareness and training of personnel involved in the processing and related control activities;
- c) provide an opinion on any impact assessments that may have been prepared and monitor their performance pursuant to Article 35 of the GDPR Regulation;
- d) cooperate with the Personal Data Protection Authority;

- e) act as a point of contact with the Personal Data Protection Authority for matters relating to processing of personal data, including prior consultation as referred to in Article 36, and, where appropriate, consultations on any other matter;
- f) keep the register of processing activities under the responsibility of the controller and follow the instructions given.

The duties of the Data Protection Officer concern all data processing by the companies of the Esprinet Group.

2.12 Role and responsibilities of the Board of Statutory Auditors

The Board of Statutory Auditors carries out the typical supervisory activities laid down by national law to establish conformity with the law and with the articles of association and compliance with the principles of correct administration.

The Board of Statutory Auditors also monitors:

- a) the adequacy of the Company's organisational structure with respect to the relevant aspects, of the internal control system and of the administrative/accounting system and the reliability of the latter in giving a true and fair view of management events;
- b) the means of concretely implementing the rules of corporate governance laid down by codes of conduct drawn up by companies managing regulated markets or by trade associations which the Company has publicly declared that it has incorporated;
- c) the adequacy of the instructions given by the Company to its subsidiaries.

In carrying out its activities, the Board of Statutory Auditors may ask the Internal Audit unit to carry out checks on specific areas of operation or transactions of the Company. The Board of Statutory Auditors exchanges, in a timely manner with the CRC, important information on carrying out the respective duties and functions.

As the Committee for Internal Control and Auditing ("CICA"), as established by Art. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors monitors:

- a) the financial reporting process;
- b) the effectiveness of the internal control, internal audit and, where applicable, risk management systems;
- c) the statutory auditing of annual account and consolidated accounts;
- d) the independence of the independent auditor or independent audit firm, in particular with regard to the provision of non-audit services to the body entrusted with the auditing of the accounts.

The independent auditor or the independent audit firm presents a report to the CICA on the fundamental issues emerging during the audit and on the major shortcomings found in the system of internal controls with respect to the financial reporting process. They must also confirm annually to the CICA their independence and any non-audit services supplied to the Group's companies and periodically discuss the risks relating to their independence as well as the measures adopted to limit or neutralise these. The Board of Statutory Auditors observes the general conformity of the form and content of the financial statements with the law, the correct adoption of current accounting principles and the correspondence of the financial statements with the facts and information which have come to the attention of the Board of Statutory Auditors by virtue of its participation in the meetings of the corporate bodies and of the exercise of its supervisory duties and inspection and control powers.

The Board of Statutory Auditors expresses an opinion to the Shareholders' Meeting on the

appointment and dismissal of the independent auditors. The Board of Statutory Auditors assesses not only the independence of the independent auditors but also their technical suitability in relation to the latter's organisation in terms of the breadth and complexity of the duties. In expressing the aforementioned opinion, the Board of Statutory Auditors takes into account the remuneration owed to the Independent Auditors for the audit plan submitted.

2.13 Role and responsibilities of management and employees

The Group's management and employees, each according to the respective responsibilities and tasks assigned within the Company's organisation, must help to ensure that the ICRMS operates effectively insofar as it is part of their responsibility to enable the Company to achieve its goals. Any shortcomings observed must be reported to the line manager.

They must therefore have the necessary knowledge, preparation and capacity to act and operate as part of the ICRMS and they must be able to carry out the tasks inherent in their role and to fulfil their responsibilities. Each individual employee therefore has the right and duty to have full knowledge and understanding of the Company and of the Group, of the latter's operating mechanisms, goals, markets in which it operates and the risks to which it is exposed on a daily basis.

3. GENERAL GUIDING PRINCIPLES AND CRITERIA FOR IDENTIFYING THE MAIN RISKS FACED BY THE COMPANY

3.1 The ICRMS consists of the set of rules, behaviours, policies, procedures and organisational structures which, taken together, enable the Company and the Group to:

- a) improve the efficiency and effectiveness of management operations, allowing an appropriate response to operational, financial, legal or other risks which may obstruct the achievement of the Company's goals;
- b) ensure the quality of the internal and external reporting system, through the use of an appropriate recording system and processes that generate a flow of significant and reliable information within and outside the company organisation;
- c) facilitate compliance with rules and regulations as well as internal procedures;
- d) allow an adequate degree of protection for company assets from inappropriate or fraudulent use which may ultimately cause financial losses.

3.2 Controls involve, in different roles and according to their respective responsibilities, the Board of Directors, the Chief Executive Officer, the Director in charge, the CRC, the Head of Internal Audit, the Risk Manager, the Risks Committee, the Internal Audit unit, the FRO, the Supervisory Board, the management and supervisory bodies of subsidiary companies and all staff. Besides the rules in questions, the latter must comply with the instructions and principles contained in these Guidelines.

3.3 The ICRMS, while recognising that no control process can provide absolute protection from the risks inherent in business activities or from the possibility that fraudulent breaches of laws and regulations or Company procedures, human errors or extraordinary events may cause harm to the Company or to the Group, must:

- guarantee the necessary separation between operational and supervisory functions and must therefore be structured in order to avoid or minimise conflict of interest situations in terms of the allocation of the respective responsibilities;
- facilitate the identification, measuring, management and adequate monitoring of the risks assumed;
- establish control activities at each operational level and clearly identify tasks and responsibilities, with particular regard to supervision and intervention and correction of any irregularities observed;
- ensure reliable information systems and suitable reporting processes at the various levels to which control functions are assigned;
- guarantee that the anomalies found are reported in a timely manner to appropriate levels of the Company;
- enable the recording of each management event and, in particular, each operation with an appropriate degree of detail.

3.4 The ICRMS is subject to periodic examination and checking, taking into account changes in company operations and in the relevant context.

3.5 The ICRMS must enable the various types of risk to which the Company and the Group are exposed over time (strategic, operational, financial, compliance) to be tackled in a reasonably timely manner.

- 3.6** The ICRMS must enable the Company's and the Group's degree of exposure to the various risk factors to be identified, measured and controlled and must manage the overall exposure according to pre-defined risk scoring methodologies.
- 3.7** The ICRMS must indicate, *inter alia*, suitable procedures to highlight anomalous situations that may constitute indicators of the inefficiency of the risk measuring and control systems.
- 3.8** In line with the general guiding principles of the ICRMS, the following remain unaffected:
- the provisions set out in the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001;
 - the set of administrative and accounting rules and procedures for the preparation of accounting documents and other economic and financial disclosures prepared by the FRO as required by law.

Annex 4

Code of Ethics

1. Scope of application of the Ethical Code and persons to whom the Code applies

The Ethical Code is applicable to all activities carried out by or in the name and on behalf of Esprinet S.p.A. and its subsidiary companies ("Group" or "Group Companies").

The Ethical Code:

- sets out the conducts and governs the set of rights, duties and responsibilities that the Group expressly assumes towards its stakeholders;
- defines the ethical criteria adopted for ensuring a correct equilibrium between expectations and interests of the various stakeholders;
- contains principles and guidelines of conduct in possible areas of ethical risk.

For this reason, the Boards of Directors of Esprinet S.p.A. and of the subsidiary companies have adopted this Ethical Code, compliance with which is of vital importance for the correct functioning, reliability and reputation of the Group, these being key factors in its success.

The Code illustrates the values and behavioural standards which the Group and the Persons to whom the Code applies indicated below must observe.

The Group is committed to promoting the dissemination and observance of the principles contained in this Code in compliance with the behavioural rules defined herein.

The purpose of the Ethical Code is to guide the Group's behaviours and operations in both internal and external dealings, with the focus being on complying fully with current laws in all countries in which it operates as well as complying with internal procedures.

The stipulations of the Code – and the respective penalties in the event of breach – apply to all those who, directly or indirectly, permanently or occasionally, work with the Group.

In particular, the Code applies to the following persons:

- all employees and colleagues, including occasional colleagues, of Group Companies;
- directors, members of the board of statutory auditors, representatives and agents;
- professionals who (individually or as members of a professional association) provide services in the interest of Group Companies, without any exception;
- advisors, agents.

All persons indicated in the paragraph below shall hereinafter collectively be defined as "Persons" or, in the singular, "Person to whom the Code applies".

It is the duty of all Persons to whom the Code applies to be familiar with the content of this Code, to understand its meaning and, where necessary, to take the initiative in asking for clarifications about the Code and to report any shortcomings.

All Persons to whom the Code applies must be familiar and comply with the laws applicable in all contexts in which they operate and, if there exist any doubts as to how to act, they may contact the Supervisory Board (see final paragraph of this Code) to ask for clarifications and instructions.

The Group is committed to promoting an understanding of the Code among the Persons to whom the Code applies, to including their contribution in the definition of its content and to providing suitable tools to ensure that the Code is fully and effectively applied.

This Code forms an integral part of the Organisation, Management and Control Model ("Model") of Group Companies. Any behaviour contrary to the letter and spirit of the Ethical Code will be punished in accordance with the provisions of the Code.

By complying with the Model, the Persons to whom the Code applies, as indicated below, help to preserve the image and good reputation of the Group.

2. Group's mission

To be the best technology distributor operating in its relevant markets, assuring shareholders an above-average return on investment thanks to a precise, professional, honest, fast, reliable and innovative management of customers and suppliers relationship, achieved by an attentive enhancement and exploitation of the skills and innovative capability of its personnel.

3. Corporate values

- **Observance of rules**

No result can be pursued by violating rules or applicable regulations;

- **The quest of excellence**

We run to win and not to participate, taking point one for asserted;

- **Results orientation**

We work towards an objective and it has to be achieved;

- **Seriousness of approach**

Success is founded on ethical trading, professionalism, and a spirit of sacrifice;

- **Team power**

Victory is possible only if my colleague runs for me and I run for him/her and not if we run against each other;

- **Innovation**

Value is created by inventing new ways of satisfying customers and vendor needs;

- **An entrepreneurial spirit at all levels**

Innovation requires every employee not only to come up with new ideas, but also to have the courage to promote them within into the Company and, if accepted, to turn them into new sources of competitive advantage.

A. Behavioural standards

4. Business management principles

4.1 Management of operations

Each operation and transaction shall be correctly recorded, authorised, verifiable, legitimate, consistent and appropriate. All actions and operations performed by Group Companies shall be suitably recorded so that the decision-making, authorisation and implementation process can be checked.

A suitable means of traceability is provided for each record so that checks can be made at all times to establish the characteristics and reasons for the operation and identify the persons who authorised, performed, recorded and checked it.

4.2 Performance of tasks and agreements

The Persons to whom the Code applies shall perform their tasks and duties diligently, accurately, efficiently and professionally, in compliance with the law, and applying the General Principles of the Ethical Code and the provisions of the Model.

They must therefore use the necessary diligence according to the nature of the service and the interests of the Group and observe the provisions governing performance and the working rules given by the Group.

All Company activities shall be recorded and evidenced by suitable documentation conforming to legislation, regulations and the procedures of the Model, to allow a check to be made on the decision-making, authorisation and performance process, and to ensure the traceability of individual actions and/or stages of the operational cycle.

4.3 Administration and accounting

The Group shall comply with the laws and regulations regarding the drafting of the annual and interim accounts and all kinds of similar documentation required by current legislation.

The accounts of Esprinet S.p.A. and of Group Companies shall be drafted in accordance with laws and with local and/or international Accounting Standards.

All Annual Accounts and periodic reports which require auditing shall be audited by the appointed auditors.

Company information and data supplied to third parties and accounting entries evidencing the Company's operations shall be transparent, accurate and complete.

The observance of such a principle is assured even in relationships towards the public subjects appointed to the tax collection, always ensuring the completeness and accuracy of the data provided for the relevant calculation.

The Group's employees shall guarantee their full cooperation to ensure that the Company's operations are portrayed in a correct and timely manner in its accounting system.

For each transaction, a suitable amount of supporting documentation shall be maintained which ensures that the appropriate authorisation and the financial reasons for the transaction can be identified.

The supporting documentation shall be easily obtainable and filed in accordance with suitable criteria which allow it to be consulted easily by the internal control bodies and by suitably authorised external organisations and institutions.

All Persons to whom this Code applies who become aware of omissions, tampering, falsification or negligence in accounting records or entries or the supporting documentation shall report the facts in a timely manner to their superior and/or to the Supervisory Board.

4.4 Information

The Group shall protect the confidentiality of the information and data in its possession, operating in compliance with current laws and regulations applicable.

The disclosure of information on any ground, either inside or outside the Group, shall comply with the Laws, Regulations and Procedures in force, and with the principles of transparency and appropriate behaviour.

Information shall be clear, complete, truthful and not misleading so that recipients are able to take informed decisions.

A reminder is given that it is necessary to comply with the confidentiality undertakings laid down by data protection laws.

The Group shall identify and indicate to the Persons to whom the Code applies the channels, forms and managers responsible for communication actions from and to third parties and the market, establishing suitable procedures for the disclosure of price-sensitive information.

In the course of communication activities aimed at third parties, whether price-sensitive or not, the Persons to whom the Code applies shall use the channels and forms identified by the Group or inform the Department Managers of their reporting and communication activities.

4.5 Confidential information

All Persons to whom the Code applies are obliged not to use confidential information for purposes unrelated to the performance of their duties and tasks and not to disclose or use such information in a manner that may cause harm to the Group.

Anyone who gives false, exaggerated or biased information, or performs simulated operations or other stratagems designed to generate a significant alteration in the price of financial instruments or the appearance of an active market for them (art.181 Leg. Decree 58/1998 – manipulation of financial instruments), shall be liable for criminal and administrative penalties.

In addition, anyone who improperly disseminates or uses privileged information, meaning information of specific content which is not available to the public, relating to financial instruments, which, if it became public, would considerably influence their price, is liable to criminal and administrative penalties.

More specifically, action may be taken against anyone in possession of "privileged information" due to a shareholding in a company, or the exercise of a function, job or appointment who:

- buys, sells or performs other operations, directly or indirectly, on financial instruments using that information;
- without good reason discloses the information, or advises others on the basis of that information to perform some of the operations specified above;

In the event of doubt, it is necessary to comply with the company procedure regarding "Price Sensitive Information" and "Internal Dealing".

4.6 Conflict of interests

Members of company bodies, employees and partners must not conduct business, for their own benefit or that of third parties, which competes with the Group Companies.

If a Person to whom the Code applies, either directly or indirectly (i.e. close relatives), finds himself in a situation of actual or potential conflict with the interests of the Group, he shall inform his superior and/or contact person, who shall be responsible for assessing (either alone or with the involvement of the appropriate bodies and/or those identified by the legislation) whether a conflict actually exists, and what measures should be taken.

For related party transactions and Internal Dealing, the Group has published a specific procedure, to which reference can be made for further details.

4.7 Company property

Each Person to whom the Code applies shall protect and diligently use the Company property and equipment placed at his disposal for the performance of tasks and duties, avoiding improper use thereof which could damage them or reduce their efficiency, and shall not use them for personal purposes. Computer systems (hardware/software) and communication systems (telephones/fax/Internet connections, etc.) in particular shall be used in accordance with the security procedures and rules/regulations in force in the Company.

4.8 Dealings with Supervisory Authorities and Boards

It is expressly prohibited to prevent or hamper, through the concealment of documents or other stratagems, the performance of supervisory or auditing activities legally entrusted to shareholders, to other company bodies or to external auditors.

It is also prohibited to make to the public supervisory authorities, in the communications required by law and in order to hamper the performance of supervisory duties, false material facts, even if subject to appraisal, on the economic or financial situation of the Group Companies or to conceal, using other fraudulent means, facts which should have been disclosed. This principle is also applicable to information about property owned or managed by Group Companies on behalf of third parties.

It is not permitted, in any form, to knowingly hinder the duties of the public supervisory authorities.

It is, finally, prohibited to carry out illegal transactions involving the shares or stocks of Group Companies and transactions to the detriment of creditors.

4.9 Share Capital

It is prohibited to perform share capital reductions, mergers or demergers in violation of the laws protecting creditors.

It is prohibited to fictitiously form or increase the share capital of Group Companies, through allocation of the company's shares or stocks at a lower value than their face value, mutual subscription of shares or stocks; significant overvaluation of goods in kind or receivables, or the assets of Group Companies in the case of transformation.

It is prohibited to engage in any simulated or fraudulent behaviour aimed at determining a majority in shareholders' meeting in order to obtain an unfair profit for oneself or for others.

In addition, it is prohibited, including by means of simulated conducts, to return the contributions made by shareholders or release them from the obligation to make such, except in the cases of lawful reduction of share capital.

It is prohibited to distribute profits or advance profits not actually achieved or allocated to reserve or to distribute unavailable reserves.

4.10 Checking of financial flows

Group Companies and their employees must never perform or be involved in activities involving the purchase, receiving, concealment, laundering (i.e. acceptance or handling) or use in economic or financial activities of money, goods or other assets originating from criminal activities in any form or manner.

Group Companies and their employees must previously check the information available (including financial and reputational information) about commercial counterparts and suppliers, in order to determine their respectability and the legitimacy of their activities before entering into business relations with them.

In dealings with commercial counterparts and suppliers, Group Companies and their employees must comply with company procedures and must guarantee the transparency and traceability of operations.

Group Companies and their employees must always comply with anti-money-laundering laws in any competent jurisdiction.

It is prohibited to falsify or put into circulation (by accepting, buying and/or selling) bank notes, coins, public credit cards, revenue stamps and watermarked paper in the interest and/or benefit of Esprinet S.p.A. and its subsidiaries.

Anyone who, as payment, receives false or stolen bank notes or coins or public credit cards, through dealings attributable to Group Companies, is obliged to inform their superiors so that the appropriate reports can be made.

Furthermore, Group Companies and their employees must never be involved in the purchase or receiving of counterfeit goods.

The Group is also actively engaged, through prior control activities, in the suppression of terrorism financing.

5. Principles in dealings with stakeholders

5.1 Honesty and integrity in relationships

The conduct of relations of all types and levels shall be based on transparency, appropriate behaviour, honesty, integrity and fairness. Relations of all types and levels shall not involve any discrimination on the ground of age, sex, race, nationality, personal or social status, religion, political convictions, or membership of organisations and/or associations not conflicting with the law in force.

5.2 Fair competition

The Group supports and seeks to uphold the value of fair competition, rejecting behaviour contrary to this principle, whether it is collusive, predatory and/or constitutes abuse of a dominant position.

Fair competition on the market is interpreted by the Group as involving the supply of high-quality services and products, which meet customers' needs and comply with the contractual undertakings.

5.3 Protection and best use of Human Resources

Human resources are considered a primary value for achieving the Group's goals, due to the professional contribution they make as part of a relationship based on fairness, correct behaviour and mutual trust.

The Group shall protect and promote the value of human resources and encourage their professional growth and is committed to avoiding discrimination of all kinds and guaranteeing equal opportunities, and offering working conditions which respect individual dignity and safe, healthy workplaces, in compliance with current standards and workers' rights.

Relations between the different levels of the hierarchy (relating to different levels of responsibility within the Group) shall be based on the principles set out above.

The Group does not allow the conduct of employment relations not governed by agreed and formalised contracts.

In order to improve the skills and expertise of each employee so that they can reach their full potential, the competent company units must:

- apply criteria of merit and professional competence in making any decision relating to employees;
- select, recruit, train, pay and manage employees without any discrimination, ensuring that they enjoy equal and fair treatment regardless of sex, age, nationality, religion and ethnicity;
- ensure that each employee has equal opportunities in relation to all aspects of the employment relationship, including, but not limited to, professional recognition, pay, refresher and professional training courses, etc.

It is also prohibited for the competent departments to employ former employees of the Public Administration (or their relatives) who were actively and personally involved in business negotiations with Group Companies or in approving requests made by Companies to the Public Administration.

The Group Companies undertake:

- to respect fundamental human rights;
- to prevent child exploitation;
- not to use forced labour or labour carried out in conditions of slavery or servitude.
- not to use workers without a proper residence permit.

The Group also stipulates that in its internal and external working relationships the following is not permitted:

- reduction or maintenance in a state of subjection through violence, threat, deception, abuse of authority, exploitation of a situation of physical or mental inferiority or of a

situation of need or through the promise or giving of sums of money or other benefits to those with authority over the person;

- harassment of any kind such as the creation of a hostile working environment for individual workers or groups or workers, unjustified interference with the work of others and the creation of obstacles and barriers to the careers prospects of others;
- sexual harassment, by which is meant making the career development opportunities or other benefits conditional upon the provision of sexual favours or offers of private interpersonal relationships which are unwanted by and which may upset the victim.
- use of non-EU workers without a residence permit.

All employees must not work under the effects of alcoholic substances or drugs or substances which produce an analogous effect and must not consume such substances during their work.

Chronic addition to alcohol and drugs which has an impact on work or which may disrupt the normal conduct of working activities will be regarded in the same vein as the previous paragraph.

It is strictly prohibited to use company premises, in any way, for the trafficking of narcotic substances and pornographic material and to keep such substances and material on the premises of Group Companies, warehouses, outbuildings or in any other place otherwise connected with the Group.

It is strictly prohibited to promote organised and cross-border crime in any way or form.

5.3.1 Occupational Health and Safety

The Group adopts measures aimed at promoting improvements in the health and safety of workers in all work-related aspects and ensures that this objective is constantly pursued. The Group adopts all appropriate measures to guarantee the health and safety of workers, including activities to prevent occupational hazards, information and training, and ensures that these measures are constantly updated.

To that end, the Group adopts a management system that explains policies, aims, activities, roles and responsibilities in relation to health and safety.

The principle is thus guaranteed of constant improvement aimed at consolidating a safety culture at all levels.

5.4 Dealings with Customers and Suppliers

Relations with customers and suppliers shall be conducted in accordance with the law, the general principles of the Ethical Code and the provisions of the Model.

Additionally for Suppliers, a specific code of conduct is in force governing relationship principles.

In particular, relations with customers shall be based on appropriate behaviour, politeness and helpfulness. In dealings with suppliers, selection processes shall be based on an objective competitive comparison (in terms of quality, price, performance guarantees and after-sales service), with no favouritism or discrimination.

It is not permitted to offer money, gifts or other benefits (e.g. promises of recruitment) – directly or via an intermediary – to managers/employees of a customer/supplier or to their relatives, in order to obtain advantages for Group Companies.

Directors, managers or contacts of Group Companies agree not to allow or engage in any form of bribery, including payments or other forms of benefits granted personally to Directors or

employees or contacts of customers/suppliers with the aim of improperly influencing business decisions and causing harm to them.

All activities involving contractual relations with customers and involving the creation and management of relations with suppliers shall be documented and traceable, to aid the performance of the supervision activities delegated by Group Companies to the Supervisory Board in the implementation of the Model.

5.5 Dealings with public authorities and institutions

In dealings with public authorities and institutions, whether Italian or foreign, the Persons to whom the Code applies shall act in compliance with Laws, Regulations and the Model, i.e. fairly and honestly, without exerting any improper influence (for example in the form of gifts, offers of work, use of confidential information, actions that may harm its integrity or reputation, etc.) on the other party's decisions in order to obtain favourable treatment, even if the request comes from representatives of those Bodies.

All activities involving relations with public authorities and institutions, whether Italian or foreign, shall be documented and traceable, to aid the performance of the supervision activities delegated by Group Companies to the Supervisory Board in the implementation of the Model.

It is prohibited to offer cash or gifts to managers, officials or employees of public authorities or their relatives, whether they are Italian or from other countries, even if the request comes from representatives of those persons, except in the case of gifts or clothing of low value, by which is meant costing less than €100.

The Group classes unlawful payments made directly by Italian parties and/or organisations or their employees, and those made by parties acting on their behalf in Italy or abroad, as bribery.

It is prohibited to offer and/or accept any valuable item, service or favour in order to obtain or solicit favourable treatment in the course of dealings with the public authorities.

In countries or situations in which it is customary to offer gifts to customers or other parties as a courtesy, such gifts shall be of an appropriate nature and value, shall not conflict with the legislation in force in that country, and shall not under any circumstances be interpretable as a request for favours and/or special terms.

When business negotiations, requests and/or dealings with the public authorities are being conducted, the personnel involved shall not seek to influence the decisions of the other party, including the officials who negotiate or take decisions on behalf of the public authorities. It is also prohibited for the personnel involved to follow up any unlawful request made by representatives of the public authorities.

In the specific case of a tender procedure with the public authorities, the Company shall operate in compliance with the law and correct commercial practice.

If Group Companies use an external organisation and/or party to represent them in their dealings with public authorities, the same directives shall be applied to that organisation and/or third party, its employees and/or staff as to the Persons to whom this Model applies.

Moreover, the Group Companies shall not be represented by third parties whose involvement could give rise to a conflict of interest.

In the course of business negotiations, requests and/or dealings with the public authorities, the following actions shall not be taken (either directly and/or indirectly):

- examining and/or proposing business and/or employment opportunities which could personally benefit the employees of the public authority;
- offering and/or supplying gifts (of any kind or nature);
- requesting and/or obtaining confidential information which could compromise the integrity or reputation of one or both Parties.

5.6 Gifts and benefits

The Persons to whom the Code applies are expressly prohibited from offering and receiving gifts (either directly or through third parties) to/from any party which could be interpreted as exceeding normal business practices or courtesy, or be understood to imply a request for preferential treatment in the conduct of any business associated with the Company.

If a Person to whom the Code applies receives offers and/or requests for gifts or benefits (except in the case of customary gifts of low value), he shall immediately inform his superior and/or contact person, who shall be responsible for assessing the directives and parameters to be used to handle this particular case, whether there is an actual risk of deviation from the provisions of the legislation and the Model, and what measures should be taken.

5.7 Environmental protection

The Group Companies' business is based on the principle of environmental and public health protection, in compliance with the specific applicable regulations.

The Group is committed to safeguarding the environment as a primary asset and to promoting internally the rational use of resources and a focus on the pursuit of innovative solutions to guarantee energy saving.

6. Monitoring and sanctions

Group Companies have set up an internal Supervisory Board which has autonomous powers of initiative and control. The Supervisory Board is entrusted, inter alia, with the duties of monitoring, checking and dissemination of the Ethical Code.

Any (actual and/or potential) breach of the aforementioned General Principles, of the provisions of the Ethical Code and of the Model may be notified by any party to the Supervisory Board, which will report it to the appropriate internal body, namely:

- Chief Executive Officer
- Internal Control Committee
- Board of Statutory Auditors

Breaches may be reported through the following communication channels:

1. electronic mail: ODV@esprinet.com;
2. traditional mail: SUPERVISORY BOARD - Esprinet S.p.A. Via Energy Park 20 – 20871 Vimercate (MB)

Compliance with the provisions of the Ethical Code shall be considered an essential part of employees' contractual obligations.

Non-compliance and/or breach of the rules of conduct set out in the Ethical Code on the part of employees constitutes a breach of the obligations arising from the working relationship and gives rise to the application of the disciplinary sanctions laid down by law and by collective bargaining agreements.

Sanctions shall be proportional to the severity and nature of the facts.

Responsibility for managing disciplinary proceedings and for imposing sanctions lies with the specially delegated units, which will follow the relevant company provisions.

In the event of breaches of the Ethical Code by Directors, the Supervisory Board shall notify the Board of Directors and the Board of Statutory Auditors of that circumstance so that they can take the appropriate measures as required by law.

The Group has implemented a more detailed sanction system, based on the general principles contained in this Ethical Code.

Any behaviour contrary to the provisions of this Code by colleagues, suppliers, advisors and commercial partners connected to Group Companies by a contractual relationship other than an employment relationship may result, in more serious situations, in the termination of the contractual relationship.

This does not affect – where the conditions so exist – the right to take action to claim compensation for any damage suffered by Group Companies.

7. Approval of the Code and amendments

This Ethical Code is approved by resolution of the Boards of Directors of Group Companies.

Any amendment/addition that becomes necessary, including legislative changes, shall be defined by Esprinet S.p.A. and incorporated by its subsidiary companies.

Annex 5

CODE OF CONDUCT FOR RESPONSIBLE MANAGEMENT OF THE ESPRINET GROUP SUPPLY CHAIN

1. Foreword

The Esprinet Group (hereinafter also referred to as the "Group" or "Group Companies") wishes to establish trade relations with its vendors and business partners based on transparency, correctness and business ethics. The development of transparent and lasting relationships with vendors, attention to quality, safety and respect for the environment and compliance with existing regulations are objectives to be pursued with a view to consolidating the value created in favour of stakeholders.

Therefore, in connection with the Code of Ethics adopted by Esprinet S.p.A. and its subsidiaries, the Group has defined a Code of Conduct designed to guide relations throughout its supply chain.

2. Scope and Recipients

The Code of Conduct defines the guidelines to which contractors, consultants, professionals, vendors and business partners (hereinafter referred to as "Recipients") of the Esprinet Group Companies must adhere, as well as any subcontractors, acting either as individuals or as part of a company.

In their working relationship with the Group Companies, the Recipients must therefore comply with the provisions of this document and also guarantee the conduct of the subcontractors they involve in their work in the name or on behalf of the Group Companies.

The Group has chosen to adopt this value instrument with the objective of adopting impartial conduct focused on transparent assessment of procurement.

This document completes and strengthens the principles contained in the Laws and, in general, in all external and internal regulatory sources, with specific reference to the ethical profile of corporate behaviour, and is an integral part of all the contracts and agreements entered into by the Group.

Observance by the Recipients of the Principles contained in this Code of Conduct constitutes an essential requirement for the establishment of a business relationship with Group Companies; similarly, the failure, even partial, to respect the principles set forth herein may result in the termination of the relationship in place with the same.

3. General principles in supply chain management

The selection process of the subjects identified above as Recipients is based on an objective competitive comparison (of quality, price, performance warranties and assistance), avoiding any form of favouritism or discrimination.

Business relations with Recipients are conducted in mutual respect of the following criteria:

- impartiality;
- cost-effectiveness;
- transparency;
- loyalty;
- professional fairness,

avoiding relationships that can generate personal benefits, conflicts of interest or damage to the same Recipients. In particular, purchasing processes are characterized by:

- equal opportunities for each vendor, giving the opportunity to compete to those in possession of the requested pre-requisites, excluding preferential treatment;
- reciprocal loyalty, transparency and collaboration in all conduct, both in pre-contractual and contractual relationships;
- the pursuit of the highest competitive advantage, by adopting objective and documentable criteria, through fair competition.

In this respect, the Group particularly appreciates the adoption by its vendors of ethical standards of conduct and the earning of quality management system certifications, environmental management system certifications, social certifications and certifications related to the health and safety of workers.

4. Working conditions

The Recipients undertake to respect the fundamental rights of their employees, including:

- respect for equal opportunities;
- respect for the personal dignity, privacy and rights of each individual;
- respect for the applicable national minimum wage;
- respect for the working time established by applicable laws;
- the right of free association of employees;
- the prohibition of child labour;
- the prohibition of use of narcotic drugs and the consumption of alcohol during work;
- the prohibition of forced labour;
- the prohibition of use of workers without a valid residence permit.

The Recipients reject any discrimination based on political and trade union opinions, religion, racial or ethnic origin, nationality, age, sex, sexual orientation, state of health, marital status, invalidity, physical appearance, economic-social status and, in general, any individual characteristic of the human person.

5. Health and safety

The Recipients undertake to comply with the requirements of the Workplace Health and Safety Law applied in the territorial context in which they operate, to disseminate and consolidate a culture of safety, developing risk awareness, promoting responsible behaviour by all employees

and associates and working to preserve the health and safety of staff, especially by implementing preventive actions.

6. Environment

The Recipients undertake to comply with the applicable environmental protection standards in the country in which they carry out their activities in order to preserve the quality of the territory in which they operate and to promote better use of natural resources.

They are also called upon to comply with the regulatory provisions governing the use of hazardous substances in the production of consumer goods (such as the so-called RoHS 2 European Directive), drawing up technical documents and declarations of conformity, preserving them in the timing and manner prescribed by the regulations and marking the product correctly. Group Companies must verify the correct fulfilment of the Recipient's obligations by requesting support documentation and carrying out testing and control activities.

7. Relations with the Public Administration

In relations with the Public Administration and Institutions, whether national or foreign, the Recipients must act in accordance with the Laws, Regulations and the company provisions, that is, with fairness and loyalty, without improperly affecting in any way the counterpart's decisions in order to obtain preferential treatment and without consenting to illicit requests, or any other form of undue influence, from representatives of the Public Administration.

All relations with the Public Administration and Institutions, national or foreign, conducted in the name and on behalf of the Group or that may have implications for the Group and its activities, must be documented and traceable.

8. Business Principles

Compliance with the provisions of the Law

The Recipients hold as an essential principle the compliance with the laws and regulations in force in all countries in which they operate. In no case may the pursuit of the interests of the Group justify and make it acceptable to behave in a manner contrary to the provisions of the Law.

The Group Companies will neither initiate nor continue any relationship with Subjects who do not comply with this principle.

If any of the provisions in this document conflicts with national laws in force in the country of the supplier, the latter will prevail.

The Recipients must not perform or be involved in activities involving purchasing, receiving, concealing, recycling (i.e. acceptance or processing) or the use in economic or financial activities of money, goods or other benefits coming for criminal activity in any form or manner. Nor must they be involved either directly or indirectly in any form of financing of terrorist organizations.

Prohibition of corruption

The Group prohibits any form of corruption, including the corruption of private individuals. The Recipients, for their part, undertake not to admit or enact any form of corruption, including

payments or other forms of personal benefits to Directors or employees or representatives of Group companies with the purpose of improperly influencing corporate decisions.

Transparency of financial information

The Recipients undertake to disclose information about activities, structures, the financial situation and performance in accordance with current rules and regulations.

Intellectual property

The Group respects the intellectual property rights of others and makes no unauthorized use of such property, and thus requires the Recipients to comply with laws in force regarding intellectual property rights.

More specifically, the Recipients undertake to protect the industrial property rights (trademarks, patents, distinctive signs, designs, industrial models, original work, etc.) belonging to them and those of others. It is therefore forbidden to counterfeit or alter trademarks or distinctive signs, national or foreign, of industrial products, or patents, designs or industrial models, national or foreign, as it is forbidden to use, bring into the country, hold for sale, put up for sale, otherwise put in circulation, manufacture or use in an industrial manner objects or other goods that have been counterfeited or altered, and realized by wrongfully exploiting industrial property titles or in violation of them.

To this end, the Recipients are called upon to define company procedures and protocols for the protection of the intellectual property rights of others and to adhere to them strictly.

Fair business and antitrust

In many countries, there are Laws and Regulations that prohibit illegal restrictions on trade, commonly known as antitrust regulations. These regulations are intended to:

- protect consumers and competitors from unfair business practices;
- promote and protect healthy competition.

Laws and Regulations vary from country to country, but generally prohibit agreements or actions that reduce competition without benefiting consumers.

In any case, the Recipients are required to abstain from any unethical behaviour in any way contrary to the rules protecting competition. In particular, and provided that the fact does not constitute another offence, any unlawful agreement to distort competition is forbidden.

Conflict of interest

The Recipients are required to report any relationship with an employee, administrator, special representative with power of attorney, agent or business broker of the Group Companies that could create situations, even if only apparent, of direct conflict of interest.

Labour intermediation

The Recipients act in compliance with applicable laws prohibiting intermediation in the hiring of labour and therefore refrain from any conduct in violation thereof, such as relying, in any form, on mere job performance, except for the cases expressly permitted by current labour legislation and in accordance with the procedures envisaged.

Conduct and management of operations

In their work for the Group Companies, the Recipients must ensure that every operation and transaction is properly registered, authorized, verifiable, legitimate, consistent and appropriate. All actions and operations must be properly registered in order to make it possible to verify the decision-making, authorization and execution process.

For each record, an appropriate element of traceability is provided to be able to carry out, at any time, controls of the characteristics and the reasons for the operation and to identify who authorized, carried out, registered and verified the operation itself.

9. Application and reporting

Acceptance obligation

The Code of Conduct is an integral part of all the contracts and agreements entered into by Group companies with the Recipients. The Recipients' respect for the principles contained in this Code of Conduct constitutes an essential requirement for the establishment of a business relationship with the Group; in parallel, the failure, even partial, to respect the principles set out in the Code of Conduct will result in the termination of the business relationship in place.

Acceptance of the Code of Conduct is an indispensable condition for inclusion in the List of Approved Suppliers. The Code of Conduct must be signed for acceptance by the owner or legal representative of the Recipient of the Code of Conduct and attached to the documents submitted in the bidding phase.

Equivalence with other codes

The Esprinet Group appreciates and attributes great value to the initiatives taken autonomously by the Recipients to define principles of conduct and to monitor their correct implementation throughout their own supply chain.

In fact, if the Recipient has adopted his/her own Code of Ethics, the provisions of which are in line with what is stated in this document, that code shall be accepted as an alternative to subscribing to this Code of Conduct.

Violations

Violation of the rules contained in this Code of Conduct may result in the termination of the contractual relationship in the most serious cases.

The Group Companies' Supervisory Boards are responsible for monitoring compliance with the Code of Conduct and are ready to satisfy any requests for information or further explanation.

Reporting obligation and modes

The Recipients of the Code of Conduct have the obligation to report the following to the above-mentioned Supervisory Board:

- any attempt made by another competitor or interested party to disrupt the regular conduct of the procedure and/or the performance of the contract;
- any abnormal request or claim made by Group contacts or by anyone who could affect decisions relating to the assignment or stipulation of a contract and its execution;

- any relationship with an employee, administrator, special representative with power of attorney, agent or business broker of the Group that could create situations, even if only apparent, of direct conflict of interest.

Reports can be sent via the following communication channels:

1. e-mail: ODV@esprinet.com;
2. traditional mail: Supervisory Board - Esprinet S.p.A. Via Energy Park 20 20871 - Vimercate (MB) However, no anonymous or unsigned reports will be considered.

Publicity and information

The Group agrees to adequately disseminate and publicize this Code of Conduct using the appropriate tools and channels of communication, including, where possible, publication on its Internet sites.

Approval and changes

This Code of Conduct is approved by resolution of the Boards of Directors of the Group Companies.

Any change/addition that becomes necessary, even of a regulatory nature, will be defined by Esprinet S.p.A. and transposed by its subsidiaries.

Annex 6

Extract of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 of Esprinet S.p.A.

INTRODUCTION

Over time, the directors of Esprinet S.p.A. have established for the Company an organisational, administrative and accounting structure that is consistent with the governance objectives laid down by Article 2086 of the Italian Civil Code.

This structure is instrumental not only for achieving the economic objectives that shareholders impose, but also for the timely identification of any crisis factors or loss of business continuity that arise.

The aim is to protect all stakeholders, including employees and the areas in which the Company carries on its business, according to the principles of Sustainable Success, which is the main objective of the directors of Esprinet S.p.A.

In the belief that the commission of offences or violation of the regulations of markets in which the Company operates is in itself a crisis factor (not to mention the heavy fines that may result), the Organisational and Management Model laid down by Legislative Decree No. 231/2001, which aims to prevent these offences, is considered an integral and essential part of the entire organisational structure of Esprinet S.p.A..

The Document representing the Model pursuant to Legislative Decree No. 231/2001, which can be found below, has been updated on a number of occasions by the Board of Directors (as indicated in ANNEX 2) and the latest version shown here was approved at the meeting of 15 April 2020.

This document gives an account of i) the assessment of the risk of the offences expressly referred to in Legislative Decree No. 231/2001 being committed; ii) the identification of sensitive activities, in order to verify in which areas/sectors of activity and in what manner the above offences could hypothetically occur; iii) the identification of the existing control system with reference to the "control principles" applied.

An account is also given of the following iv) the rules for the identification, composition and operation of the Supervisory Board and the reporting to and from that Body; v) the disciplinary system applicable in the event of breach of the rules referred to in the Model; vi) the system for managing cash flows; vii) the essential features of the Company's system for fulfilling all obligations in terms of complying with the standards envisaged in Article 30 of Legislative Decree No. 81/2008 on the protection of health and safety in the workplace; viii) the methods for updating the Model.

The provisions of the Model are supplemented by the provisions of the Code of Ethics which establishes the principles of conduct that guide all those who work at Esprinet and for Esprinet.

1 ESPRINET'S GOVERNANCE MODEL AND ORGANISATIONAL STRUCTURE

1.1 Esprinet

Esprinet S.p.A., and its subsidiaries, (which together form the "Esprinet Group" or the "Group") is engaged in the wholesale and retail distribution of information technology and consumer electronics in Italy and Spain and has a total of approximately 47,000 resellers-customers and over 500 brands in its portfolio.

The Group is active in the following business areas, in Italy, Spain and Portugal:

- "business-to-business" (B2B) distribution of Information Technology (IT) and consumer electronics;

- "business-to-consumer" (B2C) distribution of IT and consumer electronics;

In the Italian market, the predominant activity is the distribution of IT products (hardware, software and services) and consumer electronics.

In addition to more traditional computer products (PCs, printers, copiers, servers, packaged software, etc.), the company also distributes consumables (cartridges, toners, magnetic media, etc.), networking (modems, routers, switches) digital and "entertainment" products (smartphones, cameras, video cameras, video games, etc.) and large and small household appliances (televisions, washing machines, refrigerators, etc.).

The Company's **mission** is to excel in the distribution of information technology and consumer electronics in the relevant markets, as a result of lawful, meticulous, professional, honest, fast, reliable and innovative management of its dealings with customers and suppliers, and scrupulously valuing the skills and capabilities of its personnel.

The primary task of management is also the pursuit of "sustainable success" as a principle of corporate governance laid down by the Corporate Governance Code, which is based on the creation of long-term value for the benefit of shareholders, and taking into account the interests of significant stakeholders for the Company.

It is committed to the constant improvement of safety and of the environment, in particular to preventing accidents, occupational diseases, pollution and compliance with the relevant laws.

The values on which the Company's activities are based are:

- *Compliance with the applicable laws* and ethical principles;
- *Raising staff awareness* of environmental and safety issues and of the importance of each person contributing to prevent accidents and to improve the general conditions of safety at work and the environmental efficiency of the organisation;
- *Seeking excellence*: trying to offer the best available service;
- *Results oriented*: working towards a goal, and acting to achieve this whilst also paying close attention to the applicable laws and the ethical principles that Esprinet believes to be of primary importance;
- *Professionalism*: success is based on business ethics, observance of rules, ensuring full customer satisfaction, professionalism and a spirit of sacrifice;
- *Team spirit*: victory is only possible if the whole team is in tune with each other;
- *Innovation*: value is created by inventing new ways of meeting the needs of customers and suppliers;
- *Entrepreneurial spirit*: innovation requires every employee not only to come up with new ideas, but also to have the courage to put forward their ideas to the Company and, when they are accepted, to turn them into new sources of competitive advantage.

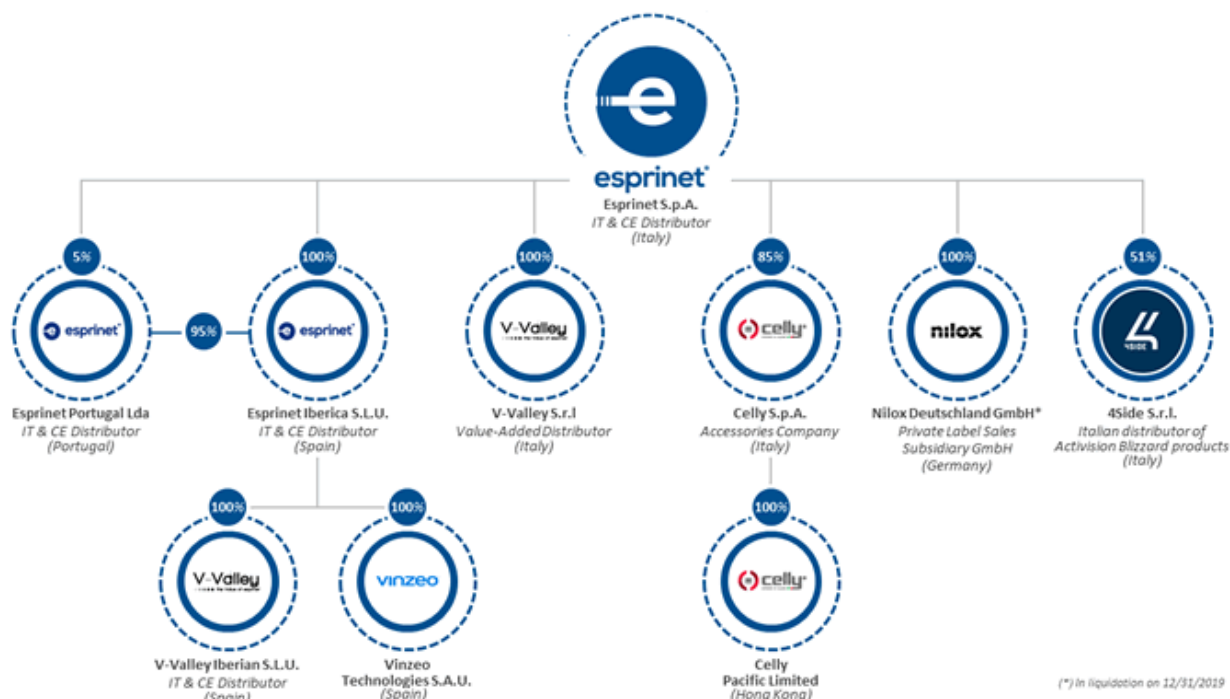
1.2 The Group headed by Esprinet

The current structure of the Esprinet Group consists of:

- The Italy subgroup, including the Italian companies controlled by Esprinet S.p.A. (V-Valley S.r.l., Celly S.p.A., and 4Side S.r.l.);
- The Spain sub-group, represented by the Spanish companies Esprinet Iberica S.L.U., Vinzeo Technologies S.A.U., V-Valley Iberian S.L.U., to which is added the Portuguese company Esprinet Portugal Lda.
- Nilox Deutschland GmbH.

All Group Companies, except Nilox Deutschland, has its own Organisational Model.

A brief description of the companies belonging to the Group is given below.



Italy subgroup

V-Valley S.r.l.

Formed in June 2010 under the company name Master Team S.r.l. and changed in September to V-Valley S.r.l., it has its registered office at Via Energy Park 20, Vimercate (MB) and is wholly owned by Esprinet S.p.A...

This company, operational since December 2010, carries out all activities relating to the distribution of "value" products (essentially high-range servers, storage and networking, virtualisation, security, bar-code scanning).

Celly S.p.A.

An Italian company active in the wholesale and retail distribution of accessories for mobile devices, now managed and coordinated by Esprinet S.p.A.

4Side S.r.l.

In March 2019, Esprinet S.p.A. acquired 51% of the shares of 4Side S.r.l., a company that recently entered into a four-year agreement for the marketing and exclusive distribution of Activision Blizzard products in Italy. The company's mission is to become the leading independent Italian distributor in the gaming entertainment sector by developing a complete portfolio of video game and merchandising manufacturers.

Spain subgroup

Esprinet Iberica S.L.U.

The company was originally set up by the Group in order to handle Spanish acquisitions made between the end of 2005 and the end of 2006 and has been operating since 2007 following mergers in 2007. It achieves its turnover in the core business from the B2B distribution of IT and consumer electronics.

The company owns offices and warehouses in Zaragoza, which is located around only 300 km from the major Spanish cities (Madrid, Barcelona, Bilbao and Valencia) which together account for over 80% of IT consumption in Spain.

Vinzeo Technologies S.A.U.

Vinzeo was set up in 2000 as a result of a merger between Spanish distributors of accessories and telephone products and was acquired by the Group on 1 July 2016.

The company holds important distribution contracts in the volume IT market (including HP, Samsung, Acer, Asus, Toshiba, Lenovo) as well as the value-added segment (particularly Hewlett-Packard Enterprise). Vinzeo has been an important distributor of Apple products since 2009, including iPhone (since 2004) and Apple Watch (since 2015).

The operational headquarters are in Madrid, with peripheral locations in Barcelona and Bilbao, while the warehouse is located in Saragozza, near Esprinet Iberica.

V-Valley Iberian S.L.U.

On 30 November 2016, Esprinet S.p.A. acquired the "VAD-Value Added Distributor" business unit of Itway Iberica S.A.U., a company based in Barcelona and part of the Group controlled by Itway S.p.A., operating in the IT sector through the design, manufacture and distribution of solutions and technologies.

Its business area is the distribution in Spain and Portugal of computer security software, networking and server operation software.

The company operates in Barcelona and Madrid.

Esprinet Portugal Lda

In April 2015, the Portuguese company Esprinet Portugal Lda was formed to further develop the Group's distributive activities in Portuguese territory until that date by the Spanish subsidiary Esprinet Iberica.

1.3 The Governance Model

In accordance with the Corporate Governance Code for Listed Companies adopted and subsequently updated by the Corporate Governance Committee of Borsa Italiana S.p.a. and within the intention of constantly and progressively bringing its governance into line with legislative developments, the Company has developed a series of governance instruments which can be summarised as follows:

Ethical Code

The Ethical Code summarises the guiding principles behind the ethical/corporate responsibilities on which individual behaviour must be based: it is the key instrument for the promotion of ethics within the Group as well as a means of guaranteeing and upholding the Company's reputation so that it can create trust externally.

The adoption of important ethical principles to prevent offences constitutes an essential part of the system of preventative control, identifying the Company's values and the most important rights and duties of those who work with or for the Company in any capacity.

The adoption of the Ethical Code is, in general, a reflection of a business context in which the primary objective is to meet as best as possible the needs and expectations of customers and stakeholders, through:

- continual promotion of a high standard of internal professionalism;
- full and constant compliance with current legislation in the countries in which it operates;
- conformity of its activities with the principles of consistency and transparency and associated controls;
- rules governing dealings with third parties (suppliers, customers, public authorities) in order to avoid possible episodes of corruption.

Powers of attorney and delegations

The Company has defined a system of powers of attorney consistent with its organisational structure in order to formally grant powers and responsibilities for the management of company business.

Organisation Chart and Organisational Structure

These briefly describe the Company's structure, hierarchical relationships and relevant aspects of organisational units, their activities and their mutual relations.

Handling of corporate information

In order to monitor the circulation of privileged information before it is made available to the public and to ensure compliance with the confidentiality requirements of applicable law, the Board of Directors, in its resolution of 7 April 2006, approved the Regulations for the Management of Privileged Information, updated on 28 July 2017 following legislative changes, and created a Register of Persons who have Access to such Information.

The Regulations govern the internal management and the external disclosure of significant information particularly with regard to privileged information about the Company and its subsidiaries. In particular, they:

- define the confidentiality duties imposed on all persons who have access to such information, stipulating, *inter alia*, that information may only be disclosed by reason of their working or professional activities;
- provide for the creation of a Register of Persons who have Access to Privileged Information and the method of maintaining and updating the Register, identifying the Company's CFO as the officer responsible for it and the Chief Executive Officer as his substitute.

The Register lists the people who have occasional or regular access to important or privileged information. The Register was created in the form of a Group Register and is kept and managed on behalf of the subsidiaries too.

Internal Dealing

Since 1 January 2003, Esprinet has benefitted from an Internal Dealing Code of Conduct.

The Code of Conduct governs market disclosure obligations, within the time periods and subject to the thresholds defined in the above Regulations, with respect to transactions, relating to Esprinet shares, which are carried out by "significant persons" (i.e. persons who, by virtue of the post that they hold within the Company, have privileged information about the Company's prospects and persons closely connected to the latter), as well as shareholders who hold at least 10% of the Company's share capital.

Relations with shareholders and rules governing shareholders' meetings

Ongoing dialogue with Shareholders and, in particular, with institutional investors is engaged under the instructions of the Chief Executive Officer, who obtains assistance, within the Company, from a restricted number of colleagues who are particularly suited and specifically appointed to offer the maximum assistance possible. Additional contributions come from outside, for specific contractual relationships, from qualified professionals who deal both with the management of legal relations and also with communication.

As regards the functioning of shareholders' meetings, the Company follows a set of Rules approved by the ordinary shareholders' meeting and not attached to the Articles of Association. A copy of these Rules is handed over to the shareholders, together with a copy of the current Articles of Association, at shareholders' meetings.

The Company by-laws do not stipulate any particular rules which depart from the provisions of the Civil Code regarding the exercise of shareholder rights.

Internal control system

The Board of Directors defines the guidelines for the internal control system, which is understood to be the set of processes designed to monitor the efficiency of the Company's operations, the reliability of financial information, compliance with laws and regulations and the safeguarding of the Company's assets.

The internal control system thus designed and continually implemented is capable of effectively controlling the typical risks of corporate management, including the activities of subsidiaries, and of monitoring the Company's and the Group's economic and financial situation.

The Companies has appointed an executive director for the internal control system to whom the duties summarised below are assigned:

- to identify the main risks faced by the Company taking account of the characteristics and activities carried out by the Company;
- to implement the guidelines defined by the Board of Directors, by designing, establishing and managing the internal control system;
- to constantly check the adequacy, effectiveness and efficiency of the internal control system;
- adapt the system to changes in operational conditions and in the legislative and regulatory framework;
- to propose to the Board of Directors, after consultation with the Control and Risks Committee, the appointment, dismissal and remuneration of the Head of Internal Audit, with the latter being chosen from those who meet the necessary requirements of independence and capability.

Appointments were also made, as provided for in the Corporate Governance Code for Listed Companies issued by Borsa Italian, of the Head of Internal Control and the Financial Reporting Officer pursuant to Law 262/2005.

Data Protection Management System

The Company has set up a model to manage the obligations arising from Regulation (EU) 2016/679 on personal data, which includes information related to processing, in close correlation with the corporate ERM model and the relevant risk analysis, with the consequent issue and updating of the Company's policy on IT security and therefore also on processing instructions and the use of company instruments.

The Company has also updated and issued, in conjunction with the processing information, the policy statements to be made available to data subjects and the relevant legal basis, managing consent where applicable.

Finally, Esprinet has appointed a Data Protection Officer who, with the collaboration of the Internal Audit department, has set up and planned the relevant audits.

Certifications

The Esprinet Group is committed to achieving excellence in its management systems related to quality, the environment, safety and ethics, and embraces the philosophy that underlies every management system, that is, the constant need for improvement, thus ensuring visibility and value in the market.

The guidelines and operational criteria that underpin the Esprinet Group's integrated quality, safety and environmental management system are: complete customer satisfaction, the optimal use of resources, the quality of the internal and external environment, the utmost attention to the safety of associates in the workplace, the involvement of personnel.

With its decisive stance on quality, Esprinet S.p.A. has chosen to ensure compliance with legislation, regulations and commitments in all areas, and particularly in terms of the environment and health and safety at work, by maintaining the following certifications:

- Quality, according to the UNI EN ISO 9001:2015 international standard;
- Occupational Health and Safety, according to the OHSAS 18001 standard: 2007;
- Environmental management systems, according to the UNI EN ISO 14001 standard: 2015.

Esprinet S.p.A. has been certified since 1999 in terms of Quality Systems and since 2009 in terms of its Safety and Environmental System covering the following domain:

- Sale and distribution of products (ICT, consumer electronics, office and stationary products) and IT services, by handling and warehousing, packaging and shipping;
- Assembly and integration of hardware and software platform systems.

In particular

Occupational Health and Safety

The Company has a *risk assessment document* for all sites of the Esprinet Group, in accordance with Legislative Decree No. 81/2008, which contains an exhaustive list of risky activities, prevention and protection measures and the programme of measures appropriate to ensure that safety procedures improve over time.

The Company has also adopted an occupational health and safety management system certified in accordance with the British Standard OHSAS 18001:2007

The company system for managing health and safety at work also requires the monitoring of the rules and directives of the competent Authorities, so as to be able to promptly comply with the requirements laid down including in the event of health emergencies.

Environmental management system

Esprinet is also committed to achieving excellence in its environmental management system and constantly strives to improve all corporate processes.

For the purposes of quality, Esprinet S.p.A. has decided to ensure compliance with legislation, regulations and commitments in all areas, and particularly in terms of the environment, reflected by its maintenance of UNI EN ISO 14001 certification: 2015, relating to product sale and distribution (ICT, consumer electronics, office and stationery products) and IT services, by handling storage, packaging and shipping, and relating to the assembly and integration of hardware and software platform systems.

1.4 The institutional structure

A description is given below of Esprinet's institutional structure.

Shareholders' meeting

The shareholders' meeting, properly constituted, represents all shareholders and its resolutions, adopted in compliance with the law and with the Company's Articles of Association, are binding on all shareholders, even if they do not attend the meeting or dissent. The Board of Directors calls ordinary or extraordinary shareholders' meetings which are to be held at the registered office or at any other place indicated in the notice of meeting, as long as it is in Italy. Shareholders' meetings can also be called, in the cases laid down by law, by the Chairman of the Board of Statutory Auditors or by at least two members of the Board of Statutory Auditors, after having advised the Chairman of the Board of Directors.

The ordinary shareholders' meeting must be called at least once a year within 120 days of the end of the financial year.

Shareholders' meetings are chaired by the Chairman of the Board of Directors or, if he is absent or unavailable, by the Deputy Chairman, if appointed, and, in their absence, by another person

designated by the shareholders' meeting. It is the responsibility of the Chairman of the Meeting to ascertain that the meeting has been properly convened, to establish the identity and eligibility of those present, to manage the proceedings of the Meeting on the basis of the approved Rules Governing Shareholders' Meetings, and to verify and announce the results of votes.

Unless the minutes are drawn up by a notary, the Chairman is assisted by a secretary, who need not be a shareholder, appointed by the Meeting, in accordance with the Company by-laws.

Board of Directors

The Company is managed by a Board of Directors, which is appointed by the Shareholders' Meeting and consists of a variable number of members of no less than 7 (seven) and no more than 13 (thirteen). It is the responsibility of the Ordinary Shareholders' Meeting to determine the number of members based on slates of candidates submitted and signed by shareholders in accordance with Article 13 of the Company's Articles of Association.

The Board – if the Shareholders' Meeting has not already done so – elects from among its members the Chairman and possibly also a Deputy Chairman. It can also appoint a secretary from outside its members.

Meetings are chaired by the Chairman or, if he is absent or unavailable, by the Deputy Chairman, if appointed, or by the most senior director in terms of age.

The Board of Directors plays a central role in the organisation of the Company, being vested with extensive powers for the ordinary and extraordinary management of the Company. It is responsible for the strategic direction and organisation of the Company and for checking the existence of the controls necessary to monitor the performance of the Company and of the Group.

The Board examines and approves the Company's strategic choices and all economic and financial transactions which are regarded as significant insofar as they may materially affect the Company's activities and performance. The Board also approves any related party transactions, without any limit except that of the at least minimum legal and financial basis of the relationship. Finally, the Board can, within legal limits, delegate its powers to an Executive Committee, determining the content, limits and possible methods of exercising the delegated powers pursuant to Article 16 of the Articles of Association.

Powers to represent the Company and to sign on behalf of the Company lie separately with the Chairman and with the Deputy Chairman of the Board of Directors (if appointed), and, within the limits of their powers, with the directors to whom the Board of Directors has delegated its powers.

There is also the position of Chief Executive Officer, who remains in office for a term of three years and is responsible for the Company's operations, for the implementation of rules and regulations and for the autonomy of the operating structure.

Board of Statutory Auditors

The Board of Statutory Auditors is appointed by the Shareholders' Meeting, remains in office for 3 years and consists of 3 acting members and 2 substitute auditors who meet the requirements of integrity and professionalism laid down by current legislation. Members are appointed according to the procedure stated in Article 19 of the Company's Articles of Association.

Financial Reporting Officer pursuant to (Law 262/2005)

The Board of Directors, with mandatory input from the Board of Statutory Auditors, appoints, within the Company's administrative section, a Financial Reporting Officer (with suitable qualifications, specific experience in finance and control, and a record of ethical conduct) (as provided by Law 262/2005), granting that person the powers and resources necessary to fulfil his duties and determining his term of office.

In addition, Esprinet has set up the following Committees in accordance with the provisions of the Corporate Governance Code for Listed Companies, whose role is offer advice and put forward proposals with respect to the matters for which they are competent and to report directly to the Board of Directors (as described in the Rules governing Committees):

- The **Control and Risks Committee** consists of non-executive directors, the majority of whom are independent and at least one of whom has suitable experience in accounting and financial matters.

The Committee is responsible for assisting the Board, through its powers to investigate, make proposals and advise, in order to ensure that the main risks faced by the Company and its subsidiaries are correctly identified and appropriately measured, managed and monitored. It shall also determine the extent to which such risks are compatible with the management of the Company consistent with the strategic objectives identified. Specifically, the Committee is assigned the following duties:

- assist the Board in carrying out activities related to the internal control system, in particular in defining the guidelines for that system, in carrying out regular checks on the adequacy and functioning of the system and in establishing that the main risks faced by the Company are identified and adequately managed;
 - assess, together with the financial reporting officer and the auditors, having previously consulted with the Board of Statutory Auditors, whether the accounting principles used are adequate for the purposes of preparing the consolidated financial statements;
 - express opinions, at the request of the Chief Executive Officer and/or the executive director entrusted with internal control, on specific aspects relating to the identification of the main risks faced by the Company and to the design, creation and management of the internal control system;
 - examine the work plan drawn up by the Head of Internal Audit, as well as the periodic reports prepared by the latter, at least once every six months, in addition to the activities of the Financial Reporting Officer;
 - report to the Board of Directors, at least at the time of the approval of the financial statements and the half-year financial report, on the activities performed and on the adequacy of the internal control system;
 - express its opinion on the proposals made by the executive director entrusted with Internal Control on the Board of Directors with respect to the appointment and dismissal of the Head of Internal Audit and on proposals regarding remuneration, in line with the Company's policies;
 - assess the comments that emerge from the reports of the Head of Internal Audit, from the communications issued by the Board of Statutory Auditors and by individual members of the Board, from the reports and management letters of the Independent Auditors, from the reports of the Supervisory Board pursuant to Legislative Decree No. 231/2001 and from the surveys and examinations carried out by third parties;
 - to express opinions to the Board of Directors on the rules of transparency and substantive and procedural correctness of related party transactions and those in which a director holds a personal or third party interest, and to carry out the duties ascribed to the committee under the Consob regulation concerning related party transactions adopted under Resolution 17221 of 12 March 2010 as subsequently amended by Resolution 17389 of 23 June 2010.
- **Appointments and Remuneration Committee:** the committee comprises at least three non-executive directors, the majority of whom are independent, and is appointed by the Board of Directors. The Committee elects a Chairman from within and, at the latter's proposal, appoints a Secretary, who need not be a member. Members remain in office for the duration of their tenure as Director, unless fully or individually replaced by resolution of the Board of Directors.

The Committee is asked to prepare nomination proposals for the post of members of the Board of Directors (analysing the specific qualities of candidates and drawing up a detailed report on their personal and professional characteristics), to put forward proposals to the Board concerning the remuneration of the Chief Executive Officers - and those who vested with particular duties - and concerning the criteria for determining the compensation payable to senior management. The Committee is also asked to resolve on share incentive schemes (stock option plan approved by the Company).

The Committee meets whenever the Chairman of the Committee deems this appropriate or is asked to meet by the Chairman of the Board of Directors and, in any event, before each meeting of the Board of Directors called to resolve on the aforementioned matters.

- **Independent Committee:** Comprises three non-executive and independent members of the Board (the same as the Control and Risks Committee, when this exclusively comprises independent directors).

As part of the duties identified by the Board of Directors in the Related Party Transactions procedure adopted by the Company, the Committee expresses a prior substantiated opinion on the Company's interest in carrying out the Related Party Transaction and on the appropriateness and substantial correctness of that Transaction. In relation to Related Party Transactions, the Committee has the right to be assisted, at the Company's expense, by one or more independent experts of its own choosing.

1.5 The organisational structure

Esprinet's Organisational Structure is represented below.



A description is given below of the activities carried out by the Departments and Divisions into which the Company is divided.

- **Group Controlling, Credit & Treasury:** is responsible for management control, final analysis of the structure of company margins and costs and for the *ex post* checking of budget/actual variance. It is also responsible for granting loans to customers, within the sphere of autonomy defined as part of the Group Risk Policy, for debt recovery and lending services to customers. It then manages treasury activities;

- **Group Finance Department:** is responsible for defining and managing the financial policies that support the business of the Company and its subsidiaries, for managing relations with credit institutions in relation to ordinary finance transactions.
It also carries out activities, in close liaison with the *Controlling Group*, to coordinate and manage the annual planning cycle (budget, revised budget, forecast) and the multi-annual business plan.
The department also supports the Chief Executive Officer in assessing the feasibility and management of extraordinary finance transactions and, in general, in analysing the economic/financial suitability of significant investments (capital budgeting).
Lastly, through the Corporate Affairs Office and the Legal Office, it manages the corporate and legal affairs of the Group's Italian companies with particular responsibility for dealings with shareholders and with the bodies in charge of the organisation and management of regulated markets (Consob, Borsa Italiana).
- **Human Resources Management Department (HR office):** is responsible for managing human resources within the Group companies and, more specifically, for recruitments, dismissals, job rotations, relations with external bodies (public or third parties bound by contract), staff training and development, searching and selection, management of staff disputes;
- **Group Communication Department:** is responsible for preparing and implementing the marketing plan of the Company and its subsidiaries, as well as the related external communication initiatives.
- **Group Technology Department:** is responsible for the development and maintenance of the information systems and associated infrastructures of the Company and of its subsidiaries. It also provides technical support to internal users (helpdesk);
- The Department is responsible, at group level, for creating and maintaining websites, for creating computer tools and for managing the Company's data warehouses.
- **Group Internal Auditing Department:** supports management in implementing and maintaining a structured and formalised system for identifying, measuring, managing and monitoring the main risks faced by the Company and checks that the procedures of the internal control system are correctly applied. It is also responsible for the Health, Safety, Environment & Privacy and for the correct application of health and safety rules and regulations, respect for the environment and for privacy, for the Operational & Quality area, and has the duty to control the effectiveness and efficiency of company processes in terms of risk management and governance of the "Quality System" and the Finance & Compliance area which is responsible for the correct application of risk management rules and procedures in the administrative/accounting sphere and in the area of financing reporting and for checking the constant observance of current legislative stipulations.
- **Group Administration & Risk Management Department:** is responsible for all activities in relation to general accounting, sales, costs and filing. It is responsible for drawing up and publishing the separate interim and annual financial statements of the Group's Italian companies as well as the consolidated financial statements. It coordinates with the external auditors, with the Board of Statutory Auditors and with the tax authorities.
- **Group Back Office Department:** includes the Supply Chain Division, which manages transportation activities and logistics - from acceptance to dispatch of goods, including goods handling operations with the help of an external company), the Purchasing Department, which has the task of managing purchases of goods based on instructions issued by Product Marketing and monitoring all related activities (placing an order, receiving goods, managing returns) and, finally, the General Services Department, which includes facility management activities.
- **Business Operations Manager:** coordinates the activities of the Sales & Marketing divisions by defining and implementing the sales strategies for the group's Italian associates, with responsibility for volumes of sales and sales margins on products.

In particular, the Country Manager Italy manages the following organisational structures:

- **It Volume area, It Value area, Office products Area and Consumer Electronics Area:** these different departments are concerned, within their own business segments, with managing supplier relationships and studying the relevant markets, for marketing initiatives and dedicated commercial policies, purchase planning, stock management and controlling the sales margin on products, as well as training and support for the salesforce.

2 ESPRINET'S ORGANISATION AND MANAGEMENT MODEL

2.1 Introduction

To support the important process of identifying, measuring, managing and monitoring the main risks which may impact on the correct management of the Company's business, Esprinet has carried out an analysis of its own organisational system, with the help of specialist consultants, with a view to adopting an Organisational and Management Model compliant with the stipulations contained in Legislative Decree No. 231/2001. The adoption and implementation of the Model represents for Esprinet not only a means of preventing the offences set out in Legislative Decree No. 231/2001 but, in particular, a strategic factor in ensuring the constant improvement of the Corporate Governance system.

In drawing up the Model, account was taken not only of the legislative developments since 2001 but also of the latest version of the Guidelines issued by Confindustria, last updated on 21 July 2014.

The Model is a coherent set of principles and rules that:

- regulate the internal functioning of the Company and determine the ways in which the Company relates to the outside world;
- govern the operation of a system for monitoring sensitive activities, aimed at preventing the commission or attempted commission of the offences laid down in Legislative Decree No. 231/2001.

The Model, as approved and subsequently updated on several occasions, is made up of the following constituent parts:

- process of identifying the Company's activities within which the offences laid down in Legislative Decree No. 231/2001 may be committed ("map of sensitive activities");
- definition and application of general control principles and specific protocols in relation to the sensitive activities identified;
- process of identifying ways of managing financial resources capable of preventing offences from being committed;
- Supervisory Board;
- Ethical Code (cf. para. 1.3 of the General Part of this Model);
- Disciplinary System to sanction breaches of the provisions contained in the Model;
- identification of a plan for communicating the Organisational Model to staff and persons that interact with the Company.

Pursuant to Article 6, paragraph 1, letter a) of the Decree, Organisational and Management Models are documents issued by the senior management as a collective body. Therefore, the adoption of this Model constitutes the prerogative and responsibility of the Board of Directors.

The updating of the Model is entrusted to the Chairman of the Board of Directors, at the express delegation of the latter.

Amendments made by the Chairman, including on the instructions of the Supervisory Board, must be ratified by the Board of Directors at its first meeting after the amendment in question.

Aside from those circumstances that require the immediate updating of the Model (such as changes in the Company's internal structure and/or changes in the ways in which the Company's activities are carried out, legislative changes, etc.), this Model is in any case regularly reviewed.

2.2 The Guidelines issued by Confindustria

This Model takes account of the "Guidelines for the construction of Organisational, Management and Control Models pursuant to Legislative Decree No. 231/2001" approved by Confindustria and last updated on 21 July 2014.

In particular, Confindustria initially approved the text of its Guidelines on 7 March 2002 and also provided methodological information for identifying areas at risk and for the structuring of the Model.

Subsequently, on 3 October 2002, Confindustria prepared a "*Supplementary appendix to the Guidelines for the construction of Organisational, Management and Control Models pursuant to Legislative Decree No. 231/2001 to cover the crimes introduced by Legislative Decree No. 61/2002*" with the aim of extending the rules set out in Legislative Decree No. 231/2001 against corporate crime, ensuring greater transparency of procedures and processes within the company and, therefore, guaranteeing more effective control over managers' actions, particularly with regard to the Supervisory Board; on 9 April 2008, Confindustria made further amendments in relation to the following categories of offences: market abuse, virtual child pornography, female genital mutilation, cross-border organised crime, manslaughter, serious or grievous bodily harm committed as a result of the breach of occupational health and safety rules and money laundering.

On 21 July 2014, a new version of the Guidelines was then approved, adapting the previous 2008 text to new legislation, case law and practice that had taken place in the meantime. Specifically, the main changes and additions to the General section relate to: the new chapter on the features of criminal liability and the summary table of predicate offences; the disciplinary system and sanctioning mechanisms; the Supervisory Board, particularly with regard to its composition; and the phenomenon of groups of companies.

The special section dedicated to the exploration of crimes through appropriate case studies was substantially revised, in order not only to deal with new types of predicate offences, but also to introduce a schematic method of analysis that is more easily accessible to the operators concerned.

The Guidelines suggest the use of risk assessment and risk management methodologies which are broken down into the following stages:

- identification of **risk areas**, designed to establish in which company area/sector the detrimental events identified in Legislative Decree No. 231/2001;
- preparation of a **control system** with the capacity to prevent risks through the adoption of specific protocols.

The most important components of the control system proposed by Confindustria are:

- Ethical Code;
- organisational system;
- manual and computerised procedures;
- powers of authorisation and signature;
- control and management systems;
- staff information and training.

These must be inspired by the following principles:

- verifiability, documentability, coherence and consistency of each operation;
- application of the principle of segregation of duties (no person can independently manage an entire process);
- documentation of controls;

- establishment of an adequate system of sanctions for infringements of the rules of the code of ethics and the procedures set forth in the Model;
- identification of the requirements of the Supervisory Board (autonomy, independence, professionalism and continuity of action);
- reporting obligations on the part of the Supervisory Board.

2.3 The project to create and to update Esprinet's Organisational and Management Model

The Model, as prescribed by the Decree and recommended by the Confindustria Guidelines and by best practices, was prepared and subsequently updated several times according to the methodological stages described below.

Stage 1 - Organisational analysis and identification of sensitive processes

Identifying the processes and activities within which the offences expressly laid down in Legislative Decree No. 231/2001 may be committed and to identify the "key officers", i.e. individuals with an in-depth knowledge of those processes/activities and the control mechanisms currently in place.

Stage 2 - As-Is Analysis

Analysing and formalising, for each sensitive process/activity:

- main stages;
- functions and roles/responsibilities of the internal and external parties involved;
- existing control mechanisms;

in order to establish in which areas/sectors of activity and in which ways the types of offences set out in Legislative Decree No. 231/2001.

Mapping of sensitive processes/activities and the identification of the existing control system with reference to "control principles" (see paragraph 2.4).

Stage 3 - Gap Analysis

Identifying any areas of weakness and the respective improvements necessary to ensure that the Organisational Model is capable of preventing the offences laid down in Legislative Decree No. 231/2001. To that end, a Gap Analysis was carried out between the current model ("As is") and the model to aim for ("To be") with particular reference, in terms of compatibility, to the system of delegations and powers, to the system of company procedures and to the characteristics of the body to which to assign the duty to supervise the functioning and observance of the Model.

Stage 4 - Drawing-up of the Organisational and Management Model

Drafting and updating the Company's Organisational, Management and Control Model, on the basis of the results of the previous stages and following a comparison with the relevant best practices, and according to the strategic choices of the Company's decision-making bodies and the degree of strategic alignment with the existing internal control system. The Model is divided into the following parts:

- **General Part**, containing a description of the relevant legislative panorama, the activities carried out by the Company and a definition of the structure required to implement the Model such as the functioning of the Supervisory Board and the system of sanctions;
- **Special Part**, the content of which consists in identifying the Company's activities that may be at risk of the commission of the offences laid down in the Decree, with an indication of the respective control protocols.

As recommended by the Confindustria Guidelines, the Model therefore fulfils the following functions:

- to inform all those who work for and on behalf of Esprinet of the need for strict compliance with the Model, the breach of which entails severe disciplinary sanctions;
- to punish any behaviour which, inspired by a mistaken company interest, is contrary to laws, regulations or, more generally, principles of correctness and transparency;
- to provide information about the serious consequences that could arise for the Company (and therefore for all of its employees, managers and directors) from the imposition of the fines and prohibitions laid down in the Decree and from the possibility that these may also be imposed as a precautionary measure;
- to enable the Company to exercise constant control and careful supervision over sensitive processes so that it can intervene promptly if risks should emerge.

2.4 Definition of control principles

The system of controls, developed by the Company on the basis of the instructions supplied in the Confindustria Guidelines and according to national and international “best practices”, was created by applying the control principles defined below to individual sensitive activities:

- **Regulations:** existence of suitable Company instructions to provide principles of conduct, operating procedures for carrying out sensitive activities as well as procedures for filing important documentation;
- **Traceability:** i) each operation in relation to the sensitive activity must, where possible, be adequately documented; ii) the process of decision-making, authorisation and execution of the sensitive activity must be verifiable ex post, including through suitable documentation and, in each case, the situations and ways in which the records made may be deleted or destroyed must be documented in detail;
- **Segregation of tasks:** separation of tasks and responsibilities between the person authorising, carrying out and checking those activities. This segregation is guaranteed by the involvement, within the same macro-process, of several persons in order to guarantee independence and objectivity of processes. Segregation of duties is also achieved through the use of computer systems that only authorise certain operations for clearly identified and authorised persons;
- **Powers of attorney and delegations:** powers of authorisation and signature assigned must be: i) consistent with the organisational and managerial responsibilities assigned, specifying, where necessary, the thresholds for approval of expenditure; ii) clearly defined and well-known within the Company. It is necessary to define the roles to which the power is assigned to bind the Company to specific expenditure, specifying the limits and nature of that expenditure.
- **Monitoring activities:** aimed at the periodic/timely updating of delegations and of the control system consistently with the decision-making system as well as the entire organisational structure. Concerns the existence of process controls carried by the heads of the competent units or by an external body.

2.5 Persons to whom the Model applies

This model applies to all those appointed to manage, administer, direct or control the Company, including on a de facto basis, and to all employees, appropriately trained and informed about the content of the Model, according to procedures defined according to the degree of responsibility assigned to them.

As regards agents, consultants and suppliers in general, since these are external parties, they are not directly obliged to comply with the rules laid down in the Model nor can they, in the event of breach of those rules, be subject to a disciplinary sanction.

The Company therefore distributes the Ethical Code to the latter, according to specific company rules, and will stipulate, in the various contracts drawn up with them, specific termination clauses or penalties in the event of breach of the rules contained in that Code.

3 SUPERVISORY BOARD

3.1 Esprinet's Supervisory Board: requirements

Based on the stipulations of the Decree, the Company may be excluded from liability arising from the commission, in its interest and to its advantage, of offences on the part of senior managers or persons supervised and managed by the latter, if the management body has adopted and effectively implemented an Organisational, Management and Control Model capable of preventing such offences and has entrusted the duty of supervising the functioning and observance of the Model and ensuring that it is updated to a body which has autonomous powers of initiative and control.

The assigning of the above tasks to an autonomous board, together with the correct and effective performance of those tasks, is therefore an essential condition for achieving an exclusion of the liability laid down in the Decree.

The main requirements of the Supervisory Board (such as those also laid down in the Confindustria Guidelines) can be summarised as follows:

- autonomy and independence: the board must be inserted as a staff unit in the highest possible hierarchical position and must report to the highest operational level of the Company;
- professionalism: the board must have a wealth of knowledge, tools and techniques necessary to carry out its activities effectively;
- continuity of action: the effective and constant implementation of the Organisational Model is facilitated by the presence, among the members of the board, of a function which, by virtue of the tasks performed, guarantees constant activity within the company.

The Guidelines stipulate that the Supervisory Board may have one or more members. What is important is that, as a whole, the same body is able to meet the requirements set out above.

In accordance with the stipulations of the Decree and following the Confindustria Guidelines, Esprinet SpA has identified its own Supervisory Board so that it is able to ensure, in relation to its organisational structure and to the degree of risk of the commission of the offences laid down in the Decree, the effectiveness of the controls and activities for which the body is created.

3.2 General principles in terms of the establishment, appointment and replacement of the Supervisory Board

The Company's Supervisory Board is established by resolution of the Board of Directors which identifies its members. The latter remain in office for the period specified at the time of appointment, which is no more than three years (at the end of which they may be re-elected) or until they are dismissed in accordance with the specifications of this paragraph.

At the end of that period, the Supervisory Board remains in office until the next meeting of the Board of Directors at which the new appointments (or re-elections) are made.

If, during the term of office, one or more members of the Supervisory Board cease to be a member of the Board, the Board of Directors will replace the latter by passing a board resolution: in this case, the new member will step down at the same time as the other members previously appointed.

Any compensation for carrying out the role of member of the Supervisory Board is fixed by the same Board of Directors that made the appointment.

Appointment as a member of the Supervisory Board is conditional upon meeting subjective eligibility requirements.

In particular, the person appointed to hold the post of member of the Supervisory Board must issue a statement certifying the absence of:

- actual or potential conflicts of interests with the Company so as to undermine the independence required by the role and duties of the Supervisory Board;
- direct or indirect ownership of shareholdings to such an extent that he is able to exercise significant influence over the Company;
- directorships - in the three years preceding the appointment as a member of the Supervisory Board - in companies that have gone insolvent or other insolvency proceedings;
- conviction, including one not confirmed by a final judgment, or plea-bargained sentence, in Italy or abroad, for the offences laid down in the Decree or other offences harming professional morality;
- conviction, including one not confirmed by a final judgment, for an offence that involves the permanent or temporary exclusion from public offices or the temporary exclusion from management positions in legal entities and companies.

Where any of the grounds for ineligibility stated above should apply to a person already appointed, the latter will automatically step down from office. In that case, the Board of Directors will make the appropriate replacements at its own initiative.

In order to guarantee the necessary freedom and independence for members of the Supervisory Board, they may only be dismissed from office for just cause by means of a special resolution of the Board of Directors.

To that end, "just cause" for revoking the duties and powers granted to the member of the Supervisory Board may, for example, be understood to mean:

- serious negligence in carrying out the tasks associated with the post;
- "*absence of supervision or insufficient supervision*" - as provided for in Article 6, paragraph 1, letter d) of the Decree - which may also result from a conviction, including one not confirmed by a final judgment, imposed on the Company pursuant to Legislative Decree No. 231/2001 or from a plea-bargained sentence;
- the termination of another office in the case where this is an express requirement for appointment as a member of the Supervisory Board.

In view of the particular nature of the powers of the Supervisory Board and of the associated professional content, the Board may, in carrying out its supervisory and control duties, be supported by dedicated staff. In addition, it may obtain help from the units present within the Company which may, from time to time, be necessary and may also use external consultants where this is necessary to carry out its duties as effectively and independently as possible.

3.3 Economic resources assigned to the Supervisory Board

In order to operate autonomously and with more appropriate tools to ensure that it carries out effectively the tasks assigned by this Model, as provided for in the Decree, the Supervisory Board asks the Board of Directors for a budget and the latter provides those funds following prior discussion.

3.4 Duties and powers of the Supervisory Board

The Supervisory Board has its own rules regulating the performance of its activities.

The Supervisory Board is given the task of monitoring:

- compliance with the stipulations of the Model, in relation to the various kinds of offence covered by the Decree and by subsequent laws that have extended the scope of application of that decree;
- the effectiveness of the Model with respect to the company structure and to its actual ability to prevent offences from being committed;
- the advisability of updating the Model, where there is a need to adapt the latter to changes in the Company's circumstances and/or legislative changes.

In particular, in order to carry out its duties, the following powers are assigned to the Supervisory Board:

- to check the efficiency and effectiveness of the Model including in terms of conformity between the actual operational arrangements adopted and the procedures formally specified by the Model;
- to check that the requirements of effectiveness and efficiency of the Model continue to be fulfilled over the course of time;
- to encourage the updating of the Model, by putting forward proposals to the Chairman of the Board of Directors or to the Chief Executive Officer, where necessary, with respect to possible updates and alterations to be made in the form of amendments and/or additions which become necessary as a result of: i) significant breaches of the provisions of the Model; ii) significant changes in the internal structure of the Company and/or in the ways in which the Company's activities are carried out; iii) legislative changes;
- to report promptly to the Chairman of the Board of Directors any established breaches of the Model which may cause liability to arise for the Company, so that appropriate action can be taken;
- to promote initiatives for the distribution of the Model and for staff training and raising staff awareness about compliance with the principles contained in the Model;
- to promote and devise communication and training initiatives with respect to the content of Legislative Decree No. 231/2001, to the effect of the legislation on the Company's activities and to behavioural standards;
- to provide clarifications about the meaning and application of the provisions contained in the Model;
- to promote the implementation of an effective channel of internal communication for the transmission of significant information within the meaning of Legislative Decree No. 231/2001, while guaranteeing the protection and confidentiality of the informant;
- to put forward and submit for the approval of the Board of Directors an estimate of the expenditure necessary to carry out correctly the tasks assigned;
- to gain unrestricted access, in compliance with current laws, to any Company Division in order to request information, documentation and data deemed necessary to carry the duties provided for in Legislative Decree No. 231/2001;
- to request significant information from partners, advisors and external partners, regardless of what they are called;
- to encourage the imposition of any disciplinary measures resulting from established breaches of this Model.

The results of the activities carried out by the Supervisory Board are reported to the Company's senior management.

In particular, two reporting channels are assigned to the Supervisory Board:

- the first, continuously, to the Chairman and to the Chief Executive Officer;
- the second, at least every six months in written form, to the Board of Directors and to the Board of Statutory Auditors.

The reporting will concern:

- the activities carried out by the Supervisory Board;
- any critical aspects emerging both in terms of company conducts or internal events and in terms of the effectiveness of the Model.

Minutes are taken of the meetings of the Supervisory Board and a copy of the minutes is kept by the Supervisory Board.

Responsibility for minute-taking may be entrusted to an external party chosen by the Supervisory Board, which is bound by a duty of confidentiality with respect to the proceedings minuted.

When carrying out its tasks, the Supervisory Board of Esprinet S.p.A. ensures appropriate coordination with the Supervisory Boards of the Group's other companies, through periodic meetings and by sharing documents relating to the supervisory activities performed.

The Board of Directors, the Board of Statutory Auditors, the Chairman and the Chief Executive Officer have the right to convene the Supervisory Board at any time.

3.5 Reporting duties to the Supervisory Board - Information flows

3.5.1 Reporting duties in relation to official deeds

In order to facilitate the monitoring of the effectiveness of the Model, information on the following matters must be forwarded to the Supervisory Board:

- measures and/or information coming from the judiciary, from judicial police bodies or from any other authority, which reveal that investigations are being conducted in relation to the offences laid down in the Decree, including those commenced against unknown persons;
- reports prepared by the heads of the company departments involved in the sensitive activities indicated in the Model (including the independent auditors) in relation to their control activities, which may reveal facts, actions, events or omissions which are critical in terms of observance of the provisions of the Decree;
- information on the actual implementation of the Organisational Model at all company levels, highlighting any disciplinary proceedings brought and any sanctions imposed (including measures towards employees) or measures for filing such procedures together with the respective reasons.

3.5.2 Reporting of offences or irregularities in the context of the employment relationship (whistleblowing)

Law 179/2017 introduced the obligation for all companies adopting an Organisational Model pursuant to Legislative Decree No. 231/01 to implement a system that allows its employees to report any illegal activities of which they have become aware by reason of their work (whistleblowing), inserting into Article 6 of Legislative Decree No. 231/2001, paragraph 2-*bis* which required the Organisational Model to provide for:

- a) one or more channels that allow the persons indicated in Article 5, paragraph 1, letters a) and b) to submit, in order to protect the integrity of the entity, detailed reports of unlawful conduct, significant pursuant to this decree and based on precise and consistent facts, or violations of the organisational and management model of the entity, of which they have become aware by reason of their work; such channels ensure the confidentiality of the identity of the informant during the management of such reporting;*
- b) at least one alternative reporting channel capable of guaranteeing the confidentiality of the informant's identity by computerised means;*
- c) a prohibition on retaliation or direct or indirect discrimination against the informant for reasons related, directly or indirectly, to such reporting;*

d) in the disciplinary system adopted pursuant to paragraph 2, letter e), sanctions against any person who violates the measures to protect the informant, and any person who fraudulently or as a result of gross negligence submits reports that turn out to be unfounded.

The term "unlawful" means the commission - or possible commission - of an offence which incurs the liability of entities pursuant to Legislative Decree No. 231/01. Such offences are listed in Legislative Decree No. 231/01.

The term "irregularity" refers to any violation of the rules laid down in the Code of Ethics and/or in Esprinet S.p.A.'s Organisational, Management and Control Model.

Serious violations of the procedures and regulations adopted by Esprinet are also considered "irregularities".

This rule aims to encourage workers to cooperate in the detection of possible fraud, danger or other serious risks that may be detrimental to customers, colleagues or the Company's reputation and integrity, by introducing specific protections in favour of whistle-blowers. To this end, the rule is twofold: on the one hand, by requiring entities and businesses to create an organisational procedure that allows anyone who believes they should flag or report an offence to act without jeopardising their personal position as a result of the complaint; on the other hand, by providing a system of substantial and procedural safeguards aimed at preventing any form of retaliation by the employer as a result of such reports or complaints.

Reports must be based on precise and consistent facts and the Company will not be bound to take into account reports, anonymous or otherwise, that at first sight appear irrelevant, unfounded or lacking in details. In full compliance with the above legislation, the Company has adopted a specific procedure ("Policy for the prevention of fraud and breaches of the Code of Ethics and for the handling of whistleblowing reports" – DIS01001) that identifies the methods to be used to submit reports about possible offences, for the management of such communications and indicates the person appointed to receive them. In particular, the procedure identifies the Chairman of the Supervisory Board as the person appointed to receive and handle reports.

Reports may be submitted in writing, possibly also anonymously as an alternative, through the appropriate confidential information channels, in the following manner:

- by letter to the Chairman of the SUPERVISORY BOARD - Esprinet S.p.A., c/o Energy Park 20871 Vimercate (MB)
- via the whistleblowing platform accessible from any browser (including mobile devices) at the following address <https://esprinet.eticainsieme.it>. This latter method provides the maximum safeguards to protect the informant's confidentiality.

Reports concerning any verified or presumed breach of the Model, received by the Chairman of the Supervisory Board through the whistleblowing platform, must be reported to the other members of the Supervisory Board and collected and handled by the Supervisory Board.

Any retaliatory or discriminatory conduct against the informant or in any way intended to violate the measures to protect the informant (duty of confidentiality in respect of the informant's identity) put in place by the governing bodies or by persons acting on behalf of the Company, and the conduct of persons who, fraudulently or as a result of gross negligence, make complaints that turn out to be groundless, will be sanctioned in the manner laid down in chapter 5.

3.5.3 Reporting duties on the part of Company representatives or third parties

Within the Company, the Supervisory Board is also made aware of any information relating to the implementation of the Model, including information from third parties.

Such information generally consists of disclosures relating to the likely commission of the crimes laid down in the Decree in relation to the Company's activities or to conducts which are not in line with the rules of conduct adopted by the Company.

The reporting flow, not governed by the whistleblowing regulations referred to in the preceding point, and indicated in paragraph 3.5.1 or in the Special Section, must be channelled to the Supervisory Board.

Such reports may be sent through the following communication channels:

1. email: ODV@esprinet.com;

2. traditional mail: SUPERVISORY BOARD - Esprinet S.p.A. c/o Energy Park 20871 Vimercate (MB);

The Supervisory Board acts to ensure the confidentiality of the informant's identity, without prejudice to the obligations laid down by law and the protection of the rights of the Company or of persons accused mistakenly and/or in bad faith.

Any act or omission aimed at avoiding having to report to the Supervisory Board constitutes a disciplinary offence.

4 THE DISCIPLINARY SYSTEM

4.1 General principles

An essential factor in the effective implementation of the Model is the preparation of a suitable disciplinary system and sanctions to punish any infringement of the rules of conduct established in the Model to prevent the offences laid down in the Decree and, in general, of the internal procedures established by the Model (see Article 6, paragraph 2(e) and Article 7, paragraph 4(b)).

Disciplinary sanctions are applied regardless of whether an offence is actually committed and, therefore, regardless of the commencement and outcome of any criminal proceedings.

The rules of conduct imposed by the Model are assumed by the Company entirely autonomously in order to guarantee maximum compliance with the aforementioned Decree which is binding on the Company.

Moreover, the principles of timely and immediate response mean that it is inappropriate to delay the imposition of the disciplinary sanction pending the outcome of any proceedings brought before the courts (cf. Confindustria Guidelines, chapter III, point 4, page 50).

All employees, directors and colleagues of Esprinet S.p.A. are subject to the disciplinary system and sanctions specified in this Model as are all those persons who have contractual relations with the Company (agents, consultants and suppliers in general), within the framework of these relations.

The disciplinary system outlined below also applies to persons who:

- violate the protective measures provided for workers who have submitted reports, such as, by way of example, the prohibition on retaliation and measures to protect the identity of the informant;
- fraudulently or as a result of gross negligence submit false reports;
- in any case, breach the rules and provisions of the whistleblowing procedure.

The procedure for imposing the sanctions set out in this chapter takes account of the particular characteristics arising from the legal status of the subject against whom the action is taken. In any event, the retaliatory or discriminatory dismissal of the person reporting the offences referred to in paragraphs 3.5.2 and 3.5.3 shall be null and void. Any change of duties pursuant to Article 2103 of the Italian Civil Code or any retaliatory or discriminatory measure adopted against the informant shall also be null and void.

Finally, in the event of disputes arising from the imposition of disciplinary sanctions or demotion, dismissal, transfer or subjection of the informant to another organisational measure having

direct or indirect negative effects on his/her working conditions, the Employer is required to demonstrate that such measures are not in any way a consequence of the whistleblowing. The Supervisory Board checks that adequate information is given to all of the parties specified above, as from the start of their relationship with the Company, about the existence and content of this system of sanctions.

4.2 Measures against employees

Conducts adopted by employees in violation of the individual rules of conduct laid down in this Model are defined as disciplinary offences.

Obstructing the work of the Supervisory Board is classed as a disciplinary offence.

In the event of doubt as to the legitimacy of the request for information or documents made by the Supervisory Board, the employee has the right to consult with his line manager. If the refusal persists, the Supervisory Board may consult with the Chairman of the Board of Directors, who, in observance of current laws, will call a meeting with the worker so that he can hand over the information and documents required by the Supervisory Board.

As regards the sanctions that may be imposed on clerical workers and professional employees, these are taken from the sanctions set out in the Company's disciplinary system and/or in the system of sanctions provided by the National Collective Bargaining Agreement for employees of commercial and services companies, in observance of the procedures laid down in Article 7 of the Workers' Statute and any special laws applicable.

Esprinet S.p.A.'s disciplinary system is therefore made up of the rules of the Italian Civil Code and of the rules laid down in the aforementioned NCBA. In particular, the disciplinary system describes the conducts sanctioned according to the importance of the individual offences considered and the sanctions actually imposed based on the severity of the offences committed. In relation to the foregoing, the Model refers to the sanctions and categories of sanctionable acts laid down in the existing system of sanctions under the aforementioned NCBA, in order to bring any breaches of the Model into the categories provided by the aforementioned provisions.

The conducts that constitute a breach of the Model, together with the corresponding sanctions, are as follows:

1. a **"verbal warning"** is issued to any worker who breaches one of the internal procedures/guidelines laid down in the Model (for example, fails to observe the prescribed rules, neglects, without just reason, to send the requested information to the Supervisory Board, fails to carry out checks, etc.) or, when carrying out activities in sensitive areas, acts in a manner contrary to the stipulations of the Model. These conducts constitute a failure to observe the instructions given by the Company;
2. a **"written warning"** is issued to any worker who commits a repeated breach of the procedures/guidelines laid down in the Model or, when carrying out activities in sensitive areas, repeatedly acts in a manner contrary to the stipulations of the Model. These conducts constitute a repeated failure to observe the instructions given by the Company;
3. a **"fine"** (of no more than 4 hours' normal pay) is imposed on any worker who, negligently carrying out the work assigned to him, breaches the internal procedures/guidelines laid down in the Model or, when carrying out activities in sensitive areas, acts in a manner contrary to the stipulations of the Model;
4. the sanction of **"suspension"** from work and from pay for a period of no more than 10 days is imposed on any worker who has breached the internal procedures/guidelines laid down in the Model or, when carrying out activities in sensitive areas, has acted in a manner contrary to the stipulations of the Model more than three times in the calendar year where such breaches are sanctioned by the imposition of a fine. These conducts, constituting a failure to observe the instructions given by the Company, represents acts contrary to the interests of the Company;

5. the sanction of "**dismissal without notice**" is imposed on any worker who, when carrying out activities in sensitive areas, acts in a manner contrary to the stipulations of the Model to such extent that the measures laid down in Legislative Decree No. 231/2001 are applied to the Company, as well as any worker who commits the breaches described in point 4 more than three times in the calendar year. That conduct causes the Company to lose all confidence in the worker and causes serious moral and/or material harm to the Company.

The type and extent of each of the sanctions illustrated above will be determined taking into account:

- the intentionality of the behaviour or the degree of negligence, carelessness or inexperience including with regard to the foreseeability of the event;
- the overall behaviour of the worker, taking into account the existence or otherwise of disciplinary procedures against him, within the limits permitted by law;
- the worker's tasks;
- the functional position of the individuals involved in the acts constituting the breach;
- other particular circumstances that accompany the disciplinary offence.

None of this affects the Company's right to claim compensation for the damage arising from the breach of the Model by an employee. Any compensation sought will be proportional to the:

- level of responsibility and autonomy and of the employee who committed the disciplinary offence;
- possible existence of previous disciplinary measures in relation to that person;
- degree of intentionality of his behaviour;
- severity of the effects of that behaviour, by which is meant the level of risk to which the Company reasonably believes it was exposed - pursuant to Legislative Decree No. 231/2001 - as a result of the censured conduct.

The body responsible for the actual implementation of the disciplinary measures described above for non-management employees is the Personnel Department, which will apply the sanctions on the instructions of the Supervisory Board, having also consulted with the line manager of the person who committed the censured conduct.

In each case, the Supervisory Board receives timely notification of any action concerning disciplinary proceedings against a worker for breach of this Model, from the time of the disciplinary dispute.

The aim of this is partly to ensure the necessary involvement of the Supervisory Board in the procedure for imposing sanctions owing to breach of the Model, in the sense that a disciplinary sanction for a breach of the Model cannot be imposed without previously informing the Supervisory Board of the content of the charge made and of the type of sanction intended to be imposed.

The Supervisory Board is also notified of any archiving measures in relation to the disciplinary proceedings described in this chapter.

Workers must be given immediate and detailed information about the introduction of any new provision.

4.3 Measures against managers

Where managers are responsible for breaching the rules laid down in this Model or, when carrying out activities in areas of risk, for acting in a manner contrary to the stipulations of the Model, the procedure to be followed will be to apply against those responsible the measure deemed most appropriate in accordance with the Civil Code, with the Workers' Statute and with the Collective Bargaining Agreement for managers of commercial and services companies,

following the procedure illustrated for other categories of employees which is set out in point 4.2 above.

As a specific sanction, the manager may also have any powers of attorney granted to him suspended.

The body responsible for the actual imposition of the disciplinary measures described above for managers is the Board of Directors. Individual documents of the disciplinary procedure since the dispute may be signed by the Chairman who must report to the Board of Directors. The latter remains exclusively competent to adopt the measure concluding the disciplinary procedure.

The Supervisory Board is required to be involved in the procedure for imposing sanctions on managers owing to breach of the Model, in the sense that a sanction for a breach of the Model cannot be imposed on a manager without previously informing the Supervisory Board.

The Supervisory Board must likewise be notified of any archiving measure in relation to the disciplinary proceedings described in this chapter.

4.4 Measures against Directors

In the event of breaches on the part of Directors, the Supervisory Board will immediately inform the Board of Directors and the Board of Statutory Auditors, which will take the actions laid down by current legislation which they deem appropriate.

4.5 Measures against external contractors and Partners

Specific contractual clauses inserted into letters of engagement or into partnership agreements provide for termination of the contractual relationship or the right of withdrawal if external contractors (project workers, agents, consultants, including those belonging to Group companies and also member of supervisory bodies such as statutory auditors and members of the Supervisory Board) or other natural or legal persons in any way connected with the Company by a contractual relationship, act in a manner contrary to the guidelines indicated in this Model and the Ethical Code, in such a way as to bring about the risk of commission of an offence envisaged in the Decree.

Such cases do not affect the right to claim compensation if harm is caused to the Company from such conducts such as, for example, where the sanctions laid down in the Decree are imposed on the Company, including on a precautionary basis.

The Supervisory Board checks that the clauses described in this point are included in the contracts entered into by the Company.

5 INFORMATION AND TRAINING

In order to guarantee that the Model and the Ethical Code are implemented effectively, the Company ensures that the content and principles of the Model are correctly disseminated both within and outside of its organisational structure.

In particular, the Company's aim is to extend the dissemination of the content and principles of the Model not only to its own employees but also to parties which, although they are not formally classified as employees, work permanently or occasionally towards the achievement of the Company's goals by virtue of contractual relations.

Communication and training activities differ according to the target audience but must, in each case, be based on principles of completeness, clarity, accessibility and continuity in order to enable the various recipients to fully understand those company provisions which they are required to observe and the ethical standards on which they must base their behaviour.

In particular, e-learning activities are provided alongside classroom learning for professional

profiles that are more heavily exposed to the areas of risk identified. Appropriate intermediate and final tests are also applied to check understanding of course content. Participation in training is mandatory and is specifically monitored to ascertain that recipients are benefitting from it.

5.1 Employees

All employees are required to:

- familiarise themselves with the principles and content of the Model, including by means of participating in training activities;
- understand the operating procedures to be followed in carrying out their activities;
- contribute actively, according to their role and responsibilities, to the effective implementation of the Model, reporting any shortcomings observed in the latter.

In order to ensure that its communication activities are both effective and rational, the Company encourages employees to familiarise themselves with the content and principles of the Model to the extent determined by the position and role that they hold.

Proper training is ensured for resources already present in the company at the time of adoption of the Model as well as those recruited later. Training is therefore carried out:

- at the time of first adoption of the Model (collective formation);
- At the time of entry into service (including individual training);
- upon changes in duties that involve a change in the relevant performance for the purposes of the Model (including individual training in the form of specific and personal instructions);
- to coincide with the introduction of substantial changes to the Model or, even prior to the emergence of new events that are particularly significant in relation to the Model (collective training).

Employees can access and consult documentation comprising the Model directly on the Company's intranet in a dedicated area.

New employees are invited, at the time of recruitment, to consult the documentation constituting the Model and are asked to sign a declaration confirming that they are familiar with and agree to comply with the principles of the Model described therein.

In order to promote an understanding of the provisions laid down in Legislative Decree No. 231/2001 and of the rules adopted through the Model, the Company provides a training course for its managers, employees and partners engaged in the areas where there is a risk of the commission of the offences laid down in the Decree.

The Company also promotes specific training activities for members of the corporate offices, management staff or those with representative duties.

5.2 Other recipients

The content and principles of the Model must also be communicated to third parties that have contractual relations with the Company or which represent the Company but without employee status (for example: commercial partners, consultants and other external partners, howsoever named).

To that end, the Company provides third parties with a copy of the Ethical Code and will ask them to formally certify that they have read the document.

Annex 7

Regulation of the Control and Risks Committee

Article 1

This Regulation ("**Regulation**") governs the operations of the Control and Risks Committee ("**Committee**") established by a resolution of the Board of Directors ("**Board**") of ESPRINET S.P.A. ("**Company**") on 7 May 2018.

Article 2 – Composition

- 2.1 The Committee is appointed by the Board and is composed of at least three non-executive directors. All members of the Committee are independent in the Company's opinion, based on the situations, albeit not absolute, of non-independence set out in Art. 3 of the Code of Corporate Governance for Listed Companies. At least one member of the Committee shall have adequate experience in accounting and financial matters or in risk management, to be evaluated by the Board upon appointment.
- 2.2 The Committee shall remain in office for as long as its members serve as Company directors.
- 2.3 If one or more Committee members should step down from office for any reason, the Board shall replace them by adopting an appropriate resolution.
- 2.4 The Board shall appoint the Chairman, who shall be responsible for coordinating and planning the Committee's activities and for chairing the respective meetings.
- 2.5 The Board shall appoint a secretary, who need not be one of the Committee members, and who shall be given the task of preparing the minutes of meetings.

Article 3 – Duties

The Committee shall be responsible for assisting the Board, through its powers to investigate, make proposals and advise, in order to ensure that the main risks faced by the Company and its subsidiaries are correctly identified and appropriately measured, managed and monitored. It shall also determine the extent to which such risks are compatible with the management of the Company consistent with the strategic objectives identified.

In this respect, the Committee is ascribed the following tasks:

- a) to assist the Board in carrying out its tasks in relation to internal control and risk management attributed to it by the Corporate Governance Code for Listed Companies relating to:
 - i. establishing the guidelines for the Internal Control and Risk Management System;
 - ii. checking periodically that this is effective and appropriate to the company's characteristics and risk profile assumed;
 - iii. ascertaining that the main risks faced by the Company are adequately identified and managed;
 - iv. approving, at least once a year, the work plan prepared by the Head of the Internal Audit unit, having consulted with the Board of Statutory Auditors and the director in charge of the internal control and risk management system;
 - v. evaluating, after consultation with the Board of Statutory Auditors, the results described by the independent auditor in any letter of suggestions and in the report on the fundamental issues emerging during auditing;

- vi. describing, in the corporate governance report, the main characteristics of the internal control and risk management system and expressing its opinion on the overall adequacy of the latter;
- b) to express opinions on specific aspects relating to the identification of the main risks faced by the Company;
- c) to examine the periodic reports on the assessment of the internal control and risk management system and those of particular importance which are prepared by the Internal Audit unit;
- d) to monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit unit;
- e) to ask the Internal Audit unit to carry out checks in specific operational areas and to report at the same time to the Chairman of the Board of Statutory Auditors;
- f) to perform any additional duties that are assigned to it by the Board;
- g) to report to the Board, at least upon the approval of the financial statement and at the end of each half year, on the activities conducted and the suitability of the internal control and risk management system;
- h) to express its opinion on the proposals for the appointment and dismissal of the Head of the Internal Audit Unit drawn up by the Director in charge of the internal control and risk management system – ensuring that it has sufficient resources to carry out its duties – and on the remuneration proposals, in accordance with company policies;
- i) to assess the comments that emerge from the Supervisory Board's reports pursuant to Law no. 231/2001 and from the surveys and examinations carried out by third parties;
- j) to express opinions to the Board of Directors on the rules of transparency and substantial and procedural correctness of related party transactions and those in which a director holds a personal or third party interest, and to carry out the duties ascribed to the committee under the CONSOB regulation concerning related party transactions adopted under resolution no. 17221 of 12 March 2010 as subsequently amended by resolution no. 17389 of 23 June 2010.

Article 4 – Calling, running and minuting of meetings

- 4.1** The Committee shall meet as often as necessary to ensure its own tasks are carried out correctly and shall be convened at the company's registered office (or at another place specified by the Chairman) at the initiative of the Chairman or following a written request from any of its members. The Committee may have access to the information and company departments necessary to carry out its tasks and may make use of external consultants at the company's expense, within the limits of the budget approved by the Board.
- 4.2** The notice of meeting, stating the date, time and place for the meeting and the topics to be discussed, shall normally be sent by the secretary, at the request of the Chairman, at least five days prior to the date set for the meeting; in urgent cases this period may be reduced to 24 hours.
- 4.3** Committee meetings may also be held over the telephone, provided that all participants can be identified and that such identification is included in the respective minutes, and participants are able to follow the discussions and speak in real time on the topics being addressed, and may exchange documentation if required.
- 4.4** Committee meetings shall be chaired by the Chairman, or if he is absent or unavailable, by the eldest Committee member.

- 4.5 The Chairman of the Board of Statutory Auditors (or another Auditor he may designate) or other auditors may participate in Committee meetings. The Chairman may occasionally invite other members of the Board to Committee meetings, or invite persons whose presence may be useful for the correct performance of the Committee's duties.
- 4.6 For Committee meetings to be validly held, a majority of active members must be present. The Committee takes decisions by an absolute majority of those present.
- 4.7 Minutes are taken of Committee meetings. The secretary draws up the minutes of the meetings. Minutes are signed by the Chair of the meeting and by the secretary.

Article 5 – Expenses

- 5.1 The Committee shall have an annual expenditure budget allocated by the Board for the performance of its tasks.
- 5.2 Committee members shall be reimbursed for expenses incurred when taking part in meetings.

Article 6 – Amendments to the Regulation

The Committee shall periodically verify the suitability of this Regulation and shall submit any amendments or additions to the Board of Directors.

Annex 8

Regulation of the Appointment and Remuneration Committee

Article 1

This Regulation ("**Regulation**") governs the operations of the Appointment and Remuneration Committee ("**Committee**") established by a resolution of the Board of Directors ("**Board**") of ESPRINET S.P.A. ("**Company**" or "**Parent Company**") on 7 May 2018.

Article 2 – Composition

- 2.1** The Committee is appointed by the Board and is composed of at least three non-executive directors. All members of the Committee are independent in the Company's opinion, based on the situations, albeit not absolute, of non-independence set out in Art. 3 of the Code of Corporate Governance for Listed Companies. At least one member of the Committee shall have adequate knowledge and experience in financial matters or remuneration policies, to be evaluated by the Board upon appointment.
- 2.2** The Committee shall remain in office for as long as its members serve as Company directors.
- 2.3** If one or more Committee members should step down from office for any reason, the Board shall replace them by adopting an appropriate resolution.
- 2.4** The Board shall appoint the Chairman of the Committee, who shall be responsible for coordinating and planning the Committee's activities and for chairing the respective meetings.
- 2.5** The Board shall appoint a secretary, who need not be one of the Committee members, and who shall be given the task of preparing the minutes of meetings.

Article 3 – Duties

- 3.1** The Committee has the following duties:
- i. propose candidates to the Board for the office of director, as provided for in Art. 2386, first paragraph, of the Civil Code, if it is necessary to substitute an independent director;
 - ii. draw up opinions about the Board's size and composition and express recommendations about:
 - a) the professionals deemed appropriate to sit on the Board;
 - b) the maximum number of director or auditor posts which might be considered compatible with their responsibility to carry out effectively the duties of director of the Company, taking into account the involvement of directors in the internal board committees;
 - c) individual problems that might arise if the shareholders' meeting, to meet organisational requirements, authorises, in advance, general exemptions from the prohibition on competition provided for in Art. 2390 of the Civil Code;
 - iii. periodically assess the suitability, overall consistency and concrete application of the **remuneration policy** for chief executive officers and managers with strategic responsibilities by using, in that connection, the information supplied by the chief executive officers and by making proposals on the matter to the Board of Directors;
 - iv. present proposals to the Board regarding the remuneration of the chief executive officers, general manager and deputy general managers, where present in the company's organisation chart, and of the directors appointed to certain positions as

well as the setting of performance targets associated with the variable component of that remuneration, monitoring the application of the decisions taken by the Board and checking, in particular, that the performance targets are actually achieved and their assessment criteria. It is understood that no director will take part in the Committee meetings in which proposals are made to the Board about their remuneration;

- v. instruct the preparation of a plan for the succession of executive directors, if the Board decides to adopt such;
- vi. with reference to companies that belong to the Group:
 - a) express an opinion to the Board of the Parent Company about the candidates for the post of director, including the chief executive officer or the general manager in cases where the presence of one or more chief executive officers is not provided for;
 - b) express an opinion to the Board of the Parent Company on the proposals for determining the total remuneration owed to the board members of the subsidiaries.

3.2 With reference to remuneration plans based on financial instruments or otherwise (e.g. stock option plans, share grants, phantom stock options, etc.), the Committee presents to the Board its recommendations about the use of such plans and about all relevant technical aspects associated with their formulation and application. In particular the Committee draws up proposals for the Board about the incentive scheme deemed most appropriate and monitors the evolution and application over time of the plans approved by the company bodies.

Article 4 – Calling, running and minuting of meetings

- 4.1** The Committee meets as often as necessary to ensure its own tasks are carried out correctly and shall be convened at the company's registered office (or at another place specified by the Chairman) at the initiative of the Chairman or following a written request from any of its members, and in any case, always prior to the meeting of the Board called to decide upon the remuneration of directors with specific roles and/or the senior managers of the company. The Committee may have access to the information and company departments necessary to carry out its tasks and may make use of external consultants at the company's expense, within the limits of the budget approved by the Board.
- 4.2** The notice of meeting, stating the date, time and place for the meeting and the topics to be discussed, shall normally be sent by the secretary, at the request of the Chairman, at least five days prior to the date set for the meeting; in urgent cases this period may be reduced to 24 hours.
- 4.3** Committee meetings may also be held over the telephone, provided that all participants can be identified and that such identification is included in the respective minutes, and participants are able to follow the discussions and speak in real time on the topics being addressed, and may exchange documentation if required.
- 4.4** Committee meetings shall be chaired by the Chairman, or if he is absent or unavailable, by the eldest Committee member. The Chairman may occasionally invite other members of the Board to Committee meetings, or invite persons whose presence may be useful for the correct performance of the Committee's duties.
- 4.5** For Committee meetings to be validly held, a majority of active members must be present.
- 4.6** The Committee takes decisions by an absolute majority of those present.
- 4.7** Minutes are taken of Committee meetings. The secretary draws up the minutes of the meetings. Minutes are signed by the Chair of the meeting and by the secretary.

Article 5 – Reporting

The Committee shall report to the Board on all activities that it conducts.

Article 6 – Expenses

- 6.1** The Committee shall have an annual expenditure budget allocated by the Board for the performance of its tasks.
- 6.2** Committee members shall be reimbursed for expenses incurred when taking part in meetings.

Article 7 – Amendments to the Regulation

The Committee shall periodically verify the suitability of this Regulation and shall submit any amendments or additions to the Board.

Annex 9

System of management delegations of Esprinet S.p.A.

CHAIRMAN MR MAURIZIO ROTA:

A1. SOLE SIGNING AUTHORITY:

Maurizio Rota in his role as Chairman with sole signing authority

- ***RELATIONS WITH STATE AND QUASI-STATE BODIES AND RELATIONS WITH INSTITUTIONS***

To represent the Company in all dealings with the various ministries, state or quasi-state bodies in general, local authorities, chambers of commerce, social security and pensions agencies, anti-trust authorities, privacy authorities, CONSOB, Borsa Italiana S.p.A., the Bank of Italy and other similar authorities both in Italy and abroad.

To receive, create and release cautionary deposits in dealings with government ministries, public debt offices, the Bank for Deposits and Loans, tax authorities, customs authorities, municipal authorities, regional authorities and any other public entity both in Italy and abroad.

- ***TAXES AND DUTIES***

To represent the Company in relations with any government and local tax office, both in Italy and abroad, with the option of delegating such authority to licensed professionals.

To sign and file, also via computerised systems, returns for direct and indirect taxes, Intrastat forms and tax and statistical forms and questionnaires; to accept and reject official tax assessments; to reach agreements and settlements; to insist on recognition of roles; to present appeals, complaints and documents; to appoint defence counsel for the presentation of appeals and memoranda to any tax office or commission; to accept tax refunds, including interest; to issue receipts; to make payment without any limit on the amounts and to carry out any operations necessary to pay any direct or indirect tax, levy or duty.

- ***DISPUTES, ARBITRATION AND LEGAL PROCEEDINGS INITIATED BY THE COMPANY***

To sue third parties, including state and/or quasi-state institutions both in Italy and abroad, and consequently to represent the Company in proceedings started by the Company before any judicial authority both in Italy and abroad including the Supreme Court, the Constitutional Court, the Court of Accounts and the Council of State at all levels of judgement and in all countries.

To nominate and revoke lawyers and solicitors, for the cases referred to above, granting them all suitable powers and establishing their fees.

To settle or conciliate all lawsuits or disputes initiated both in and out of court, take part in arbitration proceedings, including the possibility to request judicial arbitration, and to appoint and revoke arbitrators and establish their powers.

To accept, defer, refer and take oaths including decision-making oaths.

To apply for precautionary or judiciary seizures and confiscation, concerning debtors or third-parties, provide statements concerning third parties in cases of seizure or confiscation, in compliance with the provisions of current laws, and ensure rulings are enforced.

To represent the Company in bankruptcy proceedings, enforced administrative liquidation, pre-bankruptcy settlements and the supervised administration of third-party debtors, exacting payments on account or in full settlement and issuing receipts, and to advance claims and impugnments and vote in these procedures.

- ***DISPUTES, ARBITRATION AND LEGAL PROCEEDINGS AGAINST THE COMPANY***

To represent the Company in proceedings against the Company before any judicial authority both in Italy and abroad including the Supreme Court, the Constitutional Court, the Court of Accounts and the Council of State at all levels of judgement and in all countries.

To nominate and revoke lawyers and solicitors, for the cases referred to above, granting them all suitable powers and establishing their fees.

To settle or conciliate all lawsuits or disputes initiated both in and out of court, take part in arbitration proceedings, including the possibility to request referral to a justice of the peace, and to appoint and revoke arbitrators and establish their powers.

To accept, defer, refer and take oaths including decision-making oaths.

- ***BANK, POST OFFICE AND SURETY TRANSACTIONS***

To pay any sum owed by the Company up to a limit of €5,000,000.00 (five million euro) for each individual operation, issuing cheques, making bank transfers including via computerised systems, collecting bills of exchange or direct debits and in general operating on the Company's current accounts or depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To issue promissory notes, accept drafts and in general carry out any promissory transactions up to a limit of €5,000,000.00 (five million euro) for each individual transaction.

To carry out money transfers up to a limit of €10,000,000.00 (ten million euro) between Company current accounts, depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To carry out operations on the Company's post office accounts, issue cheques and also transfer cheques to third parties up to a limit of €5,000,000.00 (five million euro) for each individual transaction.

To ask banks and/or insurance companies to issue guarantees up to the amount of €5,000,000.00 (five million euro) for each transaction.

To open and close current accounts, to open credit facilities for importing goods against cash payments or against acceptance agreements, foreign currency deposits, foreign exchange operations, rentals, the use or disposal of safe deposit boxes, strong boxes and compartments of safes, and the creation or closure of deposits.

To enter into agreements with banks for every form of banking operation, including the granting of credit facilities to the Company in various forms such as, for example, simple current account overdrafts, trade and financial discount credit lines, and the acceptance of drafts or advances in foreign currencies for all types of imports, with the specific exclusion of medium-term borrowing transactions including taking out loans.

To enter into agreements with banks for carrying out operations aimed at neutralising foreign exchange risks on cash operations.

- ***POST AND CERTIFIED EMAIL***

To receive from post offices and transport companies all types of recorded delivery letters, parcels and objects, issuing the relevant receipts and releases.

To send and collect letters, packages and parcels, including recorded-delivery and insured items.

To send and receive letters and documents relating to the Company by means of Certified Email.

- **DELEGATION OF POWERS**

To nominate proxies to delegate powers with separate signing authority.

- **SIGNATURE**

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before his signature the words "esprinet s.p.a." or alternatively "Esprinet S.p.A." "The Chairman of the Board of Directors".

A.2 JOINT SIGNING POWERS

Maurizio Rota in his role as Chairman with joint signing powers with Alessandro Cattani in his role as Chief Executive Officer and Valerio Casari in his role as Managing Director are granted the following administrative powers to be exercised with the joint signature of at least two of them.

- **BANK, POST OFFICE AND SURETY TRANSACTIONS**

To pay any sum owed by the Company over the limit of €5,000,000.00 (five million euro) for each individual operation, issuing cheques, making bank transfers including via computerised systems, collecting bills of exchange or direct debits and in general operating on the Company's current accounts or depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To issue promissory notes, accept drafts and in general carry out any promissory transactions over a limit of €5,000,000.00 (five million euro) for each individual transaction.

To carry out money transfers over a limit of €10,000,000.00 (ten million euro) between Company current accounts, depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To carry out operations on the Company's post office accounts, issue cheques and also transfer cheques to third parties over a limit of €5,000,000.00 (five million euro) for each individual transaction.

To ask banks and/or insurance companies to issue guarantees above the amount of €5,000,000.00 (five million euro).

- **DELEGATION OF POWERS**

To nominate proxies for the delegation of powers with joint signing authority provided such powers are granted to other Company Directors or to Company employees at the level of Manager.

- **SIGNATURE**

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before their signatures the words "esprinet S.p.A." or alternatively "Esprinet S.p.A." and respectively: "The Chairman of the Board of Directors", "The Chief Executive Officer" and "The Managing Director" or alternatively "The Chief Financial Officer".

Maurizio Rota, in his role as Chairman of the Board of Directors having joint signing powers with Alessandro Cattani in his role as Chief Executive Officer

- **RENTAL, LEASING AND PURCHASING OF MOVABLE AND IMMOVABLE**

PROPERTY

To sign, amend and terminate rental and leasing contracts lasting over six years for movable and immovable property, with the right of first refusal at the end of such leasing contracts without any limitation.

To acquire, sell, mortgage or transfer property with a unit value of less than Euro 2,000,000.00 (two million euro).

- ***DELEGATION OF POWERS***

To nominate proxies for the delegation of powers with joint signing authority provided such powers are granted to other Company Directors or to Company employees at the level of Manager.

- ***SIGNATURE***

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before their signatures the words "esprinet S.p.A." or alternatively "Esprinet S.p.A." and respectively: "The Chairman of the Board of Directors" and "The Chief Executive Officer".

CHIEF EXECUTIVE OFFICER ALESSANDRO CATTANI (CEO)

B1. SOLE SIGNING AUTHORITY

Alessandro Cattani in his role as Chief Executive Officer

- ***RELATIONS WITH STATE AND QUASI-STATE BODIES AND RELATIONS WITH INSTITUTIONS***

To represent the Company with the various ministries, state or quasi-state bodies, local authorities, chambers of commerce, social security and pensions agencies, anti-trust authorities, privacy authorities, CONSOB, Borsa Italiana S.p.A., the Bank of Italy and other similar authorities both in Italy and abroad.

To receive, create and release cautionary deposits in dealings with government ministries, public debt offices, the Bank for Deposits and Loans, tax authorities, customs authorities, municipal authorities, regional authorities and any other public entity both in Italy and abroad.

To represent the Company and enter into contracts with post office and telecommunications agencies.

To represent the Company in dealings with institutional and non-institutional investors, as well as qualified operators as defined by Article 25 of Consob Resolution 11522/1998 as subsequently amended.

- ***PURCHASE OF GOODS, MERCHANDISE AND SERVICES***

To enter into, sign and terminate agreements including framework agreements.

To purchase as part of long- and short-term contracts, exchange, contract out and import goods, merchandise and services relating to the Company's typical business, with power to establish the price, terms and conditions, and to sign the relevant contracts and deeds, including freight and insurance contracts concerning the merchandise and products purchased by the Company.

To agree on rebates, discounts, payment extensions, surcharges, penalties and, in general, all supply conditions for purchases.

To purchase from and/or exchange with third parties, including those belonging to the Group, or confer within the Company, motor vehicles, with the fullest power to determine the relevant method, price and conditions, performing all the necessary formalities at the relevant Public Register office and all other competent offices.

To permit entries and cancellations of privileges on motor vehicles,

undertaking the relative deeds and appropriate formalities with the relevant offices and releasing the Offices themselves and in particular the competent Public Automobile Registry office from all liabilities.

To sign approval forms for both temporary and definitive imports, as well as forms approving free-of-charge items, Italian Currency Exchange Office forms, declarations of price consistency, consular invoices, requests for certification of origin and documents in general certifying the origin, value and nature of products imported by the Company, and to sign all customs control statements and invoices for imported merchandise.

To prepare all statements and all documents necessary for making purchases abroad.

To sign letters concerning the forwarding to banks of documents demonstrating imports.

- ***SALE OF GOODS, MERCHANDISE AND SERVICES***

To enter into, sign and terminate agreements including framework agreements.

To sell as part of long- and short-term contracts, exchange, contract out and export goods, merchandise and services relating to the Company's typical business, with power to establish the price, terms and conditions, and to sign the relevant contracts and deeds, including freight and insurance contracts concerning the merchandise and products sold by the Company.

To grant rebates, discounts, payment extensions, surcharges, penalties and, in general, all supply conditions for sales.

To sell to and/or exchange with third parties, including those belonging to the Group, motor vehicles, with the fullest power to determine the relevant method, price and conditions, performing all the necessary formalities at the relevant Public Register office and all other competent offices.

To permit entries and cancellations of privileges on motor vehicles, undertaking the relative deeds and appropriate formalities with the relevant offices and releasing the Offices themselves and in particular the competent Public Automobile Registry office from all liabilities.

To sign approval forms for both temporary and definitive exports, as well as forms approving free-of-charge items, Italian Currency Exchange Office forms, declarations of price consistency, consular invoices, requests for certification of origin and documents in general certifying the origin, value and nature of products exported by the Company, and to sign all customs control statements and invoices for exported merchandise.

To prepare all statements and all documents necessary for making sales abroad.

To sign letters concerning the forwarding to banks of documents demonstrating exports.

- ***TENDERS ANNOUNCED BY PUBLIC AUTHORITIES AND FORMATION OF TEMPORARY CONSORTIA OF COMPANIES***

To participate in Tenders announced by public authorities, sign the respective offers and any documents required in order to participate.

To form Temporary Consortia of Companies to participate in Tenders, undertaking the role of agent or principal.

To enter into, sign and terminate regulations for the Temporary Consortia of Companies.

- ***COLLECTIONS***

To request and receive collections of any sum owed to the Company under

any right and for any reason and to issue receipts for total or partial collection.

To negotiate on receivables under dispute, granting discounts and rebates.

To make payments into the Company's bank and post office current accounts, cashing postal and telegraph orders, mandates, cheques and promissory notes and endorsing cheques for payment into such current accounts, bills of exchange but exclusively for collection, discount, receipt and protest, and issuing bank clearances.

- **INSURANCE**

To enter into private insurance contracts or mandates, including insuring credit, signing the relevant policies.

To amend the said insurance contracts and reach agreements, in the case of a claim, on the amount of compensation due from the insurance company, and to issue receipts for the amounts received.

- **CUSTOMER CREDIT**

To authorise the granting of commercial credit facilities to customers for amounts up to €6,000,000.00 (six million euro) in addition to the amounts guaranteed by credit insurance, non-recourse transfers to factoring companies and insurance and banking sureties provided by customers.

- **TAXES AND DUTIES**

To represent the Company in relations with any government and local tax office, both in Italy and abroad, with the option of delegating such authority to licensed professionals.

To sign and file, also via computerised systems, returns for direct and indirect taxes, Intrastat forms and tax and statistical forms and questionnaires; to accept and reject official tax assessments; to reach agreements and settlements; to insist on recognition of roles; to present appeals, complaints and documents; to appoint defence counsel for the presentation of appeals and memoranda to any tax office or commission; to accept tax refunds, including interest; to issue receipts; to make payment without any limit on the amounts and to carry out any operations necessary to pay any direct or indirect tax, levy or duty.

- **DISPUTES, ARBITRATION AND LEGAL PROCEEDINGS INITIATED BY THE COMPANY**

To sue third parties, including state and/or quasi-state institutions both in Italy and abroad, and consequently to represent the Company in proceedings started by the Company before any judicial authority both in Italy and abroad including the Supreme Court, the Constitutional Court, the Court of Accounts and the Council of State at all levels of judgement and in all countries.

To nominate and revoke lawyers and solicitors, for the cases referred to above, granting them all suitable powers and establishing their fees.

To settle or conciliate all lawsuits or disputes initiated both in and out of court, take part in arbitration proceedings, including the possibility to request judicial arbitration, and to appoint and revoke arbitrators and establish their powers.

To accept, defer, refer and take oaths including decision-making oaths.

To apply for precautionary or judiciary seizures and confiscation, concerning debtors or third-parties, provide statements concerning third parties in cases of seizure or confiscation, in compliance with the provisions of current laws, and ensure rulings are enforced.

To represent the Company in bankruptcy proceedings, enforced

administrative liquidation, pre-bankruptcy settlements and the supervised administration of third-party debtors, exacting payments on account or in full settlement and issuing receipts, and to advance claims and impugnments and vote in these procedures.

- ***DISPUTES, ARBITRATION AND LEGAL PROCEEDINGS AGAINST THE COMPANY***

To represent the Company in proceedings against the Company before any judicial authority both in Italy and abroad including the Supreme Court, the Constitutional Court, the Court of Accounts and the Council of State at all levels of judgement and in all countries.

To nominate and revoke lawyers and solicitors, for the cases referred to above, granting them all suitable powers and establishing their fees.

To settle or conciliate all lawsuits or disputes initiated both in and out of court, take part in arbitration proceedings, including the possibility to request referral to a justice of the peace, and to appoint and revoke arbitrators and establish their powers.

To accept, defer, refer and take oaths including decision-making oaths.

- ***CONTRACTS FOR THE SUPPLY OF UTILITIES AND SERVICES***

To enter into, sign and terminate contracts for the supply and provision of all types of utilities and services and, in particular, to represent the Company in dealings with companies supplying energy, telecommunication services and various other services to businesses, including but not limited to:

- the purchase of consumables, stationery and graphic material, office and mobile telephony equipment, office equipment and machinery, and furniture for offices, cash & carry stores and warehouses;
- tenders for services for the movement of goods and materials in warehouses;
- tenders and contracts for the installation, assembly, disassembly, repair, maintenance and demolition of plant, machinery and equipment;
- the provision of security and surveillance services.

To enter into and terminate contracts with sales agents and representatives.

To enter into and terminate agency and/or distribution contracts with national and international principals and agents.

To award and revoke mandates to professionals and/or self-employed staff.

- ***PERSONNEL RELATIONS***

To hire and dismiss employees, including those in management positions, and to define the financial aspects of any settlement of any labour dispute arising with employees.

To represent the Company before any interested body, indicatively: job centres, INPS (Italian social security and pensions agency), INAIL (Italian agency providing insurance against accidents in the workplace), category pension funds and so forth.

To represent the Company in all types of dealings with local and national trade union representatives.

To grant leave of absence, holidays and sabbatical periods to employees, including those in management positions.

To grant promotion, salary increases, bonuses, rewards and fringe benefits of any type to employees, including those in management positions.

- ***BANK, POST OFFICE AND SURETY TRANSACTIONS***

To pay any sum owed by the Company up to a limit of €5,000,000.00 (five million euro) for each individual operation, issuing cheques, making bank transfers including via computerised systems, collecting bills of exchange or direct debits and in general operating on the Company's current accounts or depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To issue promissory notes, accept drafts and in general carry out any promissory transactions up to a limit of €5,000,000.00 (five million euro) for each individual transaction.

To carry out money transfers up to a limit of €10,000,000.00 (ten million euro) between Company current accounts, depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To carry out operations on the Company's post office accounts, issue cheques and also transfer cheques to third parties up to a limit of €5,000,000.00 (five million euro) for each individual transaction.

To ask banks and/or insurance companies to issue guarantees up to the amount of €5,000,000.00 (five million euro) for each transaction.

To open and close current accounts, to open credit facilities for importing goods against cash payments or against acceptance agreements, foreign currency deposits, foreign exchange operations, rentals, the use or disposal of safe deposit boxes, strong boxes and compartments of safes, and the creation or closure of safe deposits.

To enter into agreements with banks for every form of banking operation, including the granting of credit facilities to the Company in various forms such as, for example, simple current account overdrafts, trade and financial discount credit lines, and the acceptance of drafts or advances in foreign currencies for all types of imports, with the specific exclusion of medium-term borrowing transactions including taking out loans.

To enter into agreements with banks for carrying out operations aimed at neutralising foreign exchange risks on cash operations.

- ***FACTORING OPERATIONS***

To sign and terminate factoring contracts, sign credit disposals, collection mandates, advance and discount operations, set up guarantees and complete all forms of operations concerned with factoring, with the option of delegating authority for these powers to third parties.

- ***PURCHASE OF RECEIVABLES***

To sign and terminate agreements to purchase receivables, including as tools to mitigate credit risk, as part of the ordinary course of business.

- ***RENTAL AND LEASING OF MOVABLE AND IMMOVABLE PROPERTY***

To sign, amend and terminate rental contracts for buildings and any other asset lasting no more than six years.

- ***POST AND CERTIFIED EMAIL***

To receive from post offices and transport companies all types of recorded delivery letters, parcels and objects, issuing the relevant receipts and releases.

To send and collect letters, packages and parcels, including recorded-delivery and insured items.

To send and receive letters and documents relating to the Company by means of Certified Email.

- ***DELEGATION OF POWERS***

To nominate proxies to delegate powers with separate signing authority.

- **SIGNATURE**

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before his signature the words "esprinet s.p.a." or alternatively "Esprinet S.p.A." "The Chief Executive Officer".

B2. JOINT SIGNING POWERS

Alessandro Cattani in his role as Chief Executive Officer with joint signing powers with Maurizio Rota in his role as Chairman of the Board of Directors and Valerio Casari in his role as Managing Director are granted the following administrative powers to be exercised with the joint signature of at least two of them.

- **BANK, POST OFFICE AND SURETY TRANSACTIONS**

To pay any sum owed by the Company over the limit of €5,000,000.00 (five million euro) for each individual operation, issuing cheques, making bank transfers including via computerised systems, collecting bills of exchange or direct debits and in general operating on the Company's current accounts or depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To issue promissory notes, accept drafts and in general carry out any promissory transactions over a limit of €5,000,000.00 (five million euro) for each individual transaction.

To carry out money transfers over a limit of €10,000,000.00 (ten million euro) between Company current accounts, depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To carry out operations on the Company's post office accounts, issue cheques and also transfer cheques to third parties over a limit of €5,000,000.00 (five million euro) for each individual transaction.

To ask banks and/or insurance companies to issue guarantees above the amount of €5,000,000.00 (five million euro).

- **DELEGATION OF POWERS**

To nominate proxies for the delegation of powers with joint signing authority provided such powers are granted to other Company Directors or to Company employees at the level of Manager.

- **SIGNATURE**

To sign all Company correspondence relating to documents confirming management powers, affixing before their signatures the words "esprinet S.p.A." or alternatively "Esprinet S.p.A." and respectively: "The Chief Executive Officer", "The Chairman of the Board of Directors" and "The Managing Director" or alternatively "The Chief Financial Officer".

Alessandro Cattani in his role as Chief Executive Officer with joint signing powers with Maurizio Rota in his role as Chairman of the Board of Directors

- **RENTAL, LEASING AND PURCHASING OF MOVABLE AND IMMOVABLE PROPERTY**

To sign, amend and terminate rental and leasing contracts lasting over six years for movable and immovable property, with the right of first refusal at the end of such leasing contracts without any limitation.

To acquire, sell, mortgage or transfer property with a unit value of less than Euro 2,000,000.00 (two million euro).

- **DELEGATION OF POWERS**

To nominate proxies for the delegation of powers with joint signing authority

provided such powers are granted to other Company Directors or to Company employees at the level of Manager.

- **SIGNATURE**

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before their signatures the words "esprinet S.p.A." or alternatively "Esprinet S.p.A." and respectively: "The Chief Executive Officer" and "The Chairman of the Board of Directors".

Alessandro Cattani in his role as Chief Executive Officer and Valerio Casari in his role as Managing Director are granted the following administrative powers to be exercised with joint signature.

- **CUSTOMER CREDIT**

To authorise the granting of commercial credit facilities to customers for amounts over €6,000,000.00 (six million euro) and up to a maximum of €8,000,000.00 (eight million euro) in addition to the amounts guaranteed by credit insurance, non-recourse transfers to factoring companies and insurance and banking sureties provided by customers.

- **ISSUE OF GUARANTEES AND LETTERS OF PATRONAGE**

To issue guarantees to third parties up to €20,000,000.00 (twenty million euro) per transaction and letters of patronage for subsidiaries, pursuant to Article 2359 of the Italian Civil Code.

- **LOANS TO SUBSIDIARIES**

To grant short- and medium/long-term loans to subsidiaries pursuant to Article 2359 of the Italian Civil Code up to a maximum of €20,000,000.00 (twenty million euro).

- **DELEGATION OF POWERS**

To nominate proxies for the delegation of powers with joint signing authority provided such powers are granted to other Company Directors or to Company employees at the level of Manager.

- **SIGNATURE**

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before their signatures the words "esprinet S.p.A." or alternatively "Esprinet S.p.A." and respectively: "The Chief Executive Officer" and the "Managing Director" or alternatively the "Chief Financial Officer".

C. MANAGING DIRECTOR DR. CASARI VALERIO (CFO)

C1. SOLE SIGNING AUTHORITY

Valerio Casari, in his role as Managing Director

- **RELATIONS WITH STATE AND QUASI-STATE BODIES AND RELATIONS WITH INSTITUTIONS**

To represent the Company with the various ministries, state or quasi-state bodies, local authorities, chambers of commerce, social security and pensions agencies, anti-trust authorities, privacy authorities, CONSOB, Borsa Italiana S.p.A., the Bank of Italy and other similar authorities both in Italy and abroad.

To receive, create and release cautionary deposits in dealings with government ministries, public debt offices, the Bank for Deposits and Loans, tax authorities, customs authorities, municipal authorities, regional authorities and any other public entity both in Italy and abroad.

To represent the Company and enter into contracts with the post office and telecommunications agencies.

To represent the Company in dealings with institutional and non-institutional investors, as well as qualified operators as defined by Article 25

of Consob Resolution 11522/1998 as subsequently amended.

- ***COLLECTIONS***

To request and receive collections of any sum owed to the Company under any right and for any reason and to issue receipts for total or partial collection.

To negotiate on receivables under dispute, granting discounts and rebates.

To make payments into the Company's bank and post office current accounts, cashing postal and telegraph orders, mandates, cheques and promissory notes and endorsing cheques for payment into such current accounts, bills of exchange but exclusively for collection, discount, receipt and protest, and issuing bank clearances.

- ***INSURANCE***

To enter into private insurance contracts or mandates, including insuring credit, signing the relevant policies.

To amend the said insurance contracts and reach agreements, in the case of a claim, on the amount of compensation due from the insurance company, and to issue receipts for the amounts received.

- ***CUSTOMER CREDIT***

To authorise the granting of commercial credit facilities to customers for amounts up to €6,000,000.00 (six million euro) in addition to the amounts guaranteed by credit insurance, non-recourse transfers to factoring companies and insurance and banking sureties provided by customers.

- ***CONTRACTS FOR THE SUPPLY OF UTILITIES AND SERVICES***

To enter into, sign and terminate contracts for the supply and provision of all types of utilities and services and, in particular, to represent the Company in dealings with companies supplying energy, telecommunication services and various other services to businesses, including but not limited to:

- the purchase of consumables, stationery and graphic material, office and mobile telephony equipment, office equipment and machinery, and furniture for offices, cash & carry stores and warehouses;
- tenders for services for the movement of goods and materials in warehouses;
- tenders and contracts for the installation, assembly, disassembly, repair, maintenance and demolition of plant, machinery and equipment;
- the provision of security and surveillance services.

To enter into and terminate contracts with sales agents and representatives.

To enter into and terminate agency and/or distribution contracts with national and international principals and agents.

To award and revoke mandates to professionals and/or self-employed staff.

- ***PERSONNEL RELATIONS***

To hire and dismiss employees, provided they are not in management positions.

To grant leave of absence, holidays and sabbatical periods to employees.

To grant promotion, salary increases, bonuses, rewards and fringe benefits of any type to employees, provided they are not in management positions, with the explicit exclusion of the possibility of granting promotions to managers.

- ***BANK, POST OFFICE AND SURETY TRANSACTIONS***

To pay any sum owed by the Company up to a limit of €5,000,000.00 (five

million euro) for each individual operation, issuing cheques, making bank transfers including via computerised systems, collecting bills of exchange or direct debits and in general operating on the Company's current accounts or depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To issue promissory notes, accept drafts and in general carry out any promissory transactions up to a limit of €5,000,000.00 (five million euro) for each individual transaction.

To carry out money transfers up to a limit of €10,000,000.00 (ten million euro) between Company current accounts, depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To carry out operations on the Company's post office accounts, issue cheques and also transfer cheques to third parties up to a limit of €5,000,000.00 (five million euro) for each individual transaction.

To ask banks and/or insurance companies to issue guarantees up to the amount of €5,000,000.00 (five million euro) for each transaction.

To open and close current accounts, to open credit facilities for importing goods against cash payments or against acceptance agreements, foreign currency deposits, foreign exchange operations, rentals, the use or disposal of safe deposit boxes, strong boxes and compartments of safes, and the creation or closure of safe deposits.

To enter into agreements with banks for every form of banking operation, including the granting of credit facilities to the Company in various forms such as, for example, simple current account overdrafts, trade and financial discount credit lines, and the acceptance of drafts or advances in foreign currencies for all types of imports, with the specific exclusion of medium-term borrowing transactions including taking out loans.

To enter into agreements with banks to conduct operations aimed at neutralising foreign exchange risks on foreign exchange transactions.

- ***FACTORING OPERATIONS***

To sign and terminate factoring contracts, sign credit disposals, collection mandates, advance and discount operations, set up guarantees and complete all forms of operations concerned with factoring, with the option of delegating authority for these powers to third parties.

- ***PURCHASE OF RECEIVABLES***

To sign and terminate agreements to purchase receivables, including as tools to mitigate credit risk, as part of the ordinary course of business.

- ***POST AND CERTIFIED EMAIL***

To receive from post offices and transport companies all types of recorded delivery letters, parcels and objects, issuing the relevant receipts and releases.

To send and collect letters, packages and parcels, including recorded-delivery and insured items.

To send and receive letters and documents relating to the Company by means of Certified Email.

- ***DELEGATION OF POWERS***

To nominate proxies to delegate powers with separate signing authority.

- ***SIGNATURE***

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before his signature the words

"esprinet s.p.a." or alternatively "Esprinet S.p.A." "The Managing Director" or alternatively "Chief Financial Officer".

C2. JOINT SIGNING POWERS

Valerio Casari in his role as Managing Director having joint signing powers with Maurizio Rota in his role as Chairman of the Board of Directors and Alessandro Cattani in his role as Chief Executive Officer are granted the following administrative powers to be exercised with the joint signature of at least two of them.

- ***BANK, POST OFFICE AND SURETY TRANSACTIONS***

To pay any sum owed by the Company over the limit of €5,000,000.00 (five million euro) for each individual operation, issuing cheques, making bank transfers including via computerised systems, collecting bills of exchange or direct debits and in general operating on the Company's current accounts or depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To issue promissory notes, accept drafts and in general carry out any promissory transactions over a limit of €5,000,000.00 (five million euro) for each individual transaction.

To carry out money transfers over a limit of €10,000,000.00 (ten million euro) between Company current accounts, depending on the Company's cash resources or credit facilities with banks and in conformity with the contractual provisions regulating relationships with banks.

To carry out operations on the Company's post office accounts, issue cheques and also transfer cheques to third parties over a limit of €5,000,000.00 (five million euro) for each individual transaction.

To ask banks and/or insurance companies to issue guarantees above the amount of €5,000,000.00 (five million euro).

- ***DELEGATION OF POWERS***

To nominate proxies for the delegation of powers with joint signing authority provided such powers are granted to other Company Directors or to Company employees at the level of Manager.

- ***SIGNATURE***

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before their signatures the words "esprinet S.p.A." or alternatively "Esprinet S.p.A." and respectively: "The Managing Director" or alternatively "The Chief Financial Officer", "The Chairman of the Board of Directors" and "The Chief Executive Officer".

Valerio Casari, in his role as Managing Director having joint signing powers with Alessandro Cattani in his role as Chief Executive Officer are granted the following administrative powers.

- ***CUSTOMER CREDIT***

To authorise the granting of commercial credit facilities to customers for amounts over €6,000,000.00 (six million euro) and up to a maximum of €8,000,000.00 (eight million euro) in addition to the amounts guaranteed by credit insurance, non-recourse transfers to factoring companies and insurance and banking sureties provided by customers.

- ***ISSUE OF GUARANTEES AND LETTERS OF PATRONAGE***

To issue guarantees to third parties up to €20,000,000.00 (twenty million euro) per transaction and letters of patronage for subsidiaries, pursuant to Article 2359 of the Italian Civil Code.

- ***LOANS TO SUBSIDIARIES***

To grant short- and medium/long-term loans to subsidiaries pursuant to Article 2359 of the Italian Civil Code up to a maximum of €20,000,000.00 (twenty million euro).

- **DELEGATION OF POWERS**

To nominate proxies for the delegation of powers with joint signing authority provided such powers are granted to other Company Directors or to Company employees at the level of Manager.

- **SIGNATURE**

To sign all Company correspondence relating to documents confirming the delegation of management powers, affixing before their signatures the words "esprinet S.p.A." or alternatively "Esprinet S.p.A." and respectively: "The Managing Director" or alternatively "The Chief Financial Officer" and "The Managing Director".