



GUIDELINES AND RECOMMENDATIONS OF THE BOARD OF
DIRECTORS ON THE QUANTITATIVE AND QUALITATIVE
COMPOSITION OF THE BOARD OF DIRECTORS

March 14, 2022

INTRODUCTION

In line with Recommendation No. 23 of the Corporate Governance Code, approved by the Corporate Governance Committee in January 2020, with which AdB S.p.A. complies (respectively, the “Corporate Governance Code” and the “Company” or “AdB”), the Board of Directors of the company (the “Board”) in view of its upcoming conclusion of mandate on April 26, 2022 - approval date by the Shareholders’ Meeting of the 2021 Annual Accounts (the “Shareholders’ Meeting”) - has prepared and approved, at the meeting of March 14, 2022, this Report presenting “GUIDELINES AND RECOMMENDATIONS OF THE BOARD OF DIRECTORS ON THE QUANTITATIVE AND QUALITATIVE COMPOSITION OF THE BOARD OF DIRECTORS“ (the “GUIDELINES”).

The Board provides Shareholders with its opinion in these guidelines, in view of the administration and management experience of the issuer, as it nears the conclusion of its three-year term of office, on the qualitative and quantitative composition of the Board, which is considered optimal in terms of, among other factors, expertise, experience, seniority and gender - considering the characteristics and present and future objectives of the Company.

The Guidelines take into account, among other factors,

- the most stringent corporate governance requirements for companies which, such as AdB, have shares listed on the Euronext STAR Milan, and the reasonable expectations of investors, with a view to stakeholder engagement;
- the focus on, also in view of its strong strategy in this regard, of AdB on sustainable long-term success, which requires the close consideration and development - within the scope of the ESG principles - of its governance;
- the results of the annual self-assessment process on the size, composition and functioning of the Board for 2021, which was overseen by the Chairman of the Board of Directors (the “Self-Assessment”).

The Shareholders are invited to read and take into due consideration the indications contained in the Guidelines, without prejudice to their right to carry out independent and different assessments on the best composition of the Board of Directors, in the hope that the differences between the candidates and the indications contained in this document will be limited.

1. COMPANY GOVERNANCE MODEL

In order to best identify the candidates to be proposed for the new Board of Directors, the Board firstly considers it appropriate to draw the attention of Shareholders to the key elements of the governance model adopted by AdB.

The Company adopts a traditional governance model, based on the appointment, by the Shareholders' Meeting, of the Board of Directors, which entrusts management duties to the executive directors and, in particular, to the Chief Executive Officer.

The By-Laws in particular require that the Board:

- comprises 9 (**nine**) members (Article 13);
- is chaired by the first candidate on the slate obtaining the highest number of votes (Article 14);
- may assign its powers, within the limits set out in Article 2381 of the Civil Code and as per Article 20.4 of the By-Laws, to one or more of its members and/or to an executive committee, establishing the content, limits and any means for the exercise of such powers;
- upon the proposal of the Chairperson and in agreement with the Chief Executive Officer, may delegate powers to its members for single acts or classes of acts (Article 20);

The Board has set up the following internal committees, all of which have 3 members, the majority of whom are independent:

- the Remuneration Committee (the “**RemCom**”);
- the Control, Risk and Sustainability Committee (the “**CRSC**”); which also acts as the Related Parties Committee;

collectively, the “**Committees**”.

Pursuant to:

- the Corporate Governance Code "*a significant component of the non-executive directors is independent*" and, as the Company is not a "*large*" company within the meaning of the Code,
 - "*the Board of Directors includes at least two independent members, other than the Chairperson*";
 - the chairing of the Committees should be assigned to the Independent Directors;
- Article 13 of the By-Laws "*the Directors are appointed by the Shareholders' Meeting on the basis of slates presented by shareholders in which the candidates are listed by means of progressive numbering not exceeding the number of members to be elected. **Each slate should include at least three candidates***"

*considered independent in accordance with law, indicating separately these candidates”, and also “for the appointment of directors, which for any reason are not elected in accordance with the above procedure, **the Shareholders’ Meeting decides by statutory majority in order to ensure the presence of the necessary number of directors considered independent in accordance with law**”.*

- Article 147-ter of Leg. Decree No. 58/1998 (“CFA”) “*at least one of the members of the Board of Directors, or two where the Board of Directors comprises more than seven members, must meet the independence requirements established for Statutory Auditors in Article 148, paragraph 3, and, where the By-Laws so provide, the additional requirements set out in codes of conduct drawn up by companies managing regulated markets or by trade associations*”.

Considering the combined requirements of the above provisions, we confirm the effective and appropriate functioning of the Board, considering the number of directors as provided by the By-Laws (nine), the presence of at least 2 independent directors is mandatory, which it is deemed necessary (among others, in consideration of the requirements for issuer’s trading in the Euronext STAR Milan) to increase to at least 4 (four), in continuity with the present governance structure, in addition to establishing the optimal composition of the internal Board Committees.

2. ASSESSMENT ON THE OPTIMAL QUANTITATIVE COMPOSITION

From a quantitative point of view, the number of members of the Board of Directors must be appropriate to the size and organisational complexity of the Company.

The size of the Board of Directors must be large enough to allow for diverse input, and for the **establishment of Committees**, but it must not be oversized, as this could reduce the incentive for each member to fully engage in the undertaking of their duties or render organisation and discussion difficult.

The presence of an **adequate number of non-executive members** with well-defined roles and tasks, who effectively act as a **counterbalance** to the Company's executives and management, favours internal dialogue within the body to which they belong.

In addition, each of the Committees shall be composed, as a general rule, of **3 (three) to 5 (five) members**, all of whom shall be non-executive and the majority of whom shall be independent. Committees should preferably be distinguished from each other by at least one member, and where there is a minority elected director, he or she should serve on at least one committee.

Considering that

- i) the current Board of Directors comprises 9 (nine), of which 4 (four), independent as per the CFA and the Self-Governance Code, and 1 (one) as per the CFA;
- ii) the self-assessment and the analysis of the Issuer's recent administration and management experience was positive with regard to *size and composition of the Board of Directors, which is adequate with regard to the size, complexity of the organisational structure and in view of the business of the Company and the Group*,

the Board assesses 9 (nine) Directors as the optimal quantitative size of the Board.

This assessment, in line with the current By-Laws, was carried out in order to ensure the effective functioning of the Board, avoiding that any decision making deadlocks may arise.

In order to ensure a correct composition of the Committees and that the Directors have the necessary time to take part in the Committees' activities, it is also recommended that the Shareholders identify at least 4 (four) Independent Directors, as per the CFA and the Self-Governance Code.

3. ASSESSMENT OF THE BOARD OF DIRECTORS ON THE OPTIMAL QUALITATIVE COMPOSITION OF THE COMPANY OF THE BOARD OF DIRECTORS

3.1 *Good standing*

Pursuant to:

- Article 147-quinquies of the CFA “*individuals executing management and control duties must fulfil the good standing requirements established for members of corporate boards by the regulation issued by the Ministry for Justice in accordance with Article 148, paragraph 4;*”
- **Ministerial Decree No. 162/2000**, the candidates should not:
 - a) be the subject of prevention measures imposed by the legal authorities as per Law No. 1423 of December 27, 1956, or Law No. 575 of May 31, 1965 and subsequent amendments and supplements, except where discharged;
 - b) have been convicted of an irrevocable offense, except where discharged:
 - 1) imprisonment for one of the offences under the rules governing banking, financial and insurance activities and the rules covering markets and financial instruments, tax affairs and payment instruments;
 - 2) imprisonment for one of the offences under section No. XI of book V of the Civil Code and Royal Decree No. 267 of March 16, 1942;
 - 3) imprisonment for a period of not less than six months for an offence against the public sector, public confidence, heritage, public order or public finances;
 - 4) imprisonment for a period of not less than one year for any offence with criminal intent;

Those to whom one of the penalties provided for in paragraph 1, letter b) has been applied at the request of the parties may not be elected, except in the case of the nullification of the offense.

3.2 *Independence*

Pursuant to:

- the Corporate Governance Code “*a significant component of the non-executive directors is independent*” and, as **NDI** is not a “*large*” enterprise within the meaning of the Code, “*the board of directors includes at least two independent directors, other than the chairperson.*”
- Article 20 of the By-Laws “*the Directors must possess the requisites required by the pro tempore legal regulations in force and by the By-Laws of the company. Moreover, a number of Directors not lower than the minimum number envisaged by the applicable legal provisions and regulations must comply with the independence requirements set out in Articles 147-ter, paragraph 4, and 148, paragraph 3, of the CFA and the Self-Governance Code issued by Borsa Italiana S.p.A.*”
- Article 147-ter of the CFA “*at least one of the members of the Board of Directors, or two where the Board of Directors comprises more than seven members, must meet the independence requirements established for Statutory Auditors in Article 148, paragraph 3, and, where the By-Laws so provide, the additional requirements set out in codes of conduct drawn up by companies managing regulated markets or by trade associations.*”

Pursuant to the combined requirements of the above-mentioned provisions and taking into account the provision contained in the By-Laws that determines the number of Directors (nine), the Board reminds the Shareholders that the presence of at least 2 independent Directors is compulsory; moreover, it recommends - also for the reasons already mentioned above - to identify **at least 4 (four) independent Directors pursuant to the CFA and Corporate Governance Code**, in order to ensure the best possible composition of the Committees.

In any case, the Board:

- i) considers that all its members, both executive and non-executive, should act with independence of judgement and, therefore, asks them to closely consider situations that could create **conflicts of interests** and potentially hinder the directors' **independence and judgement**;
- ii) informs the Shareholders' Meeting in general terms that the authorisations granted to date in accordance with Article 2390 of the Civil Code have enabled the Company to draw on the professionalism, experience and skills of the Directors who hold positions in competing companies. These in turn represent a resource and a valuable opportunity for comparison and exchange of information and best practices - at all times within the limits of fair competition and confidentiality - for the Board, all of which comes in addition to the professionalism ensured by the majority of the members of the Board of Directors. Even the assumption of more executive roles by the Directors during the concluded mandate (authorised in accordance with Article 2390 of the Civil Code) never jeopardised their proper conduct and management and in fact represented an opportunity to share information and engage in detailed discussions for strategic and decision-making purposes in general and in the exclusive interest of the Company. These are contributions that are all the more valuable in the context of the ongoing pandemic situation. In fact, the ability to act in competition also seems applicable to Non-Executive Directors, considering that the functions which remain assigned to the Board, even after having fully delegated its powers, are management functions, which, moreover, compete with the activities carried out by the delegated bodies, which the Board can replace at any time; consequently, even a Non-Executive Director retains the ability to significantly influence the management of the competing company. Article 2390 of the Civil Code requires authorisation for all Directors and not only for those to whom powers are delegated, thereby acknowledging that it is not pertinent, for the purposes of the need for the Shareholders' Meeting consent, whether or not an executive role is taken on within the Board.
- iii) recommends that candidates should not be in one of the situations referred to in Article 2390 of the Civil Code, having the role of senior executive or director, executive or non-

executive , in airport management companies operating in geographical areas that are strictly competing with the Company as they operate within the catchment area of the Bologna airport operator.

4. *DIVERSITY*

With Law No. 120 of July 12, 2011, gender quotas for the composition of the corporate boards of listed companies were introduced in Italy. The law amended Article 147-*ter* of the CFA, requiring that directors are appointed on the basis of a criterion that ensures gender balance.

In December 2019, with the passage from the House to the Senate of the tax decree linked to the Budget Law 2020 (Legs. Decree No. 124/2019), a number of changes were introduced to the legislation on gender balance on the administration and control Boards of listed companies, with introduction

of a number of amendments, such as, among others:

- a new period of validity of the restriction, of a further **six mandates** (instead of the three provided for by Law No. 120/11);
- the percentage that the under-represented gender must obtain on the administration and control boards has been increased **from one third to two fifths** of directors (rounded up to the higher unit) and of statutory auditors.

On the other hand, the principle of progressiveness and the sanctions imposed by **Consob in the event of violation of the regulations in question** remain unchanged.

In order to ensure a balance between genders, these provisions are also included in the By-Laws, stating that the slates must include candidates of both genders, at least to the minimum extent required by law with regards to the composition of the Board of Directors.

Therefore, considering the composition of the Board of Directors with 9 (nine) members, it will be necessary to appoint at least 4 (four) Directors belonging to the under-represented gender.

5. PROFESSIONALITY AND SKILLS

The outgoing Board of Directors also recommends to the Shareholders to ensure that the Issuer is provided with an administrative body composed of persons:

- a. fully aware of the obligations and powers inherent in the functions each of them is called upon to perform (administration and management function; executive and non-executive functions; independent members, etc.);
- b. with professionalism and experience adequate to the position to be held, also within the Internal Committees, and calibrated with regard to the operational and size features of the Issuer;
- c. with differing expertise among all members and suitably diversified, so that each Director - both within the Committees to which he/she belongs and in corporate decisions - can effectively contribute to identify and implement adequate strategies, as well as to ensure an effective risk management in all areas of the Issuer;
- d. have adequate time and resources for the diligent and knowledgeable performance of the duties of a director;
- e. that they direct their actions towards the overall interest of the Issuer, irrespective of the corporate structure that voted them or the list from which they were taken; they act with a sense of responsibility and independence of judgement.

It is therefore essential that the Non-Executive Directors also possess and express - generally and with a diversified range of skills - adequate knowledge of regulatory profiles and/or activities and/or businesses that are relevant to the Issuer's activities, and/or accompanied by expertise in technical-infrastructural and/or economic-financial matters and/or with knowledge of risk management and control, as this knowledge is essential for the effective performance of their roles.

5.1. Chairperson of the Board of Directors

On the basis of the positive experience of the concluding term and also in view of the Self-Assessment results, the Chairperson of the Board of Directors should be:

- a non-executive director;
- have significant capacity of communicating with local stakeholders primarily, in addition to those nationally and particularly in institutional settings;
- be able to demonstrate considerable authority and recognised standing and proven experience in corporate governance matters for listed companies;
- maintain a balanced role between executive and non-executive members of the Board and

between the directors selected from the various slates.

Therefore, in continuity with the past, the Board wishes that the role of Chairperson - although not independent - is entrusted to a person with experience and strong propensity to foster constructive discussion within the Board, by improving internal dialogue and therefore the contributions of members in the constructive taking of collective decisions.

Moreover, in addition to having significant experience in listed companies, the Chairperson must be able to guarantee the proper functioning of the Board of Directors, also in terms of his ability to organise the Board's work, circulate information and coordinate between the various corporate bodies (Board of Statutory Auditors and Committees) and between these and management.

5.2 Chief Executive Officer

The Board of Directors considers that the Chief Executive Officer should:

- ensure continuity and specialist knowledge of the Company and the Group's markets;
- act with authority, as well as a recognized strategic vision, so as to
 - further consolidate the Company's already demonstrated capacity for resilience with respect to adverse factors (such as, for example, the effects of the pandemic and, in perspective, also international conflicts);
 - tap into new opportunities for business and corporate development, continuing on the path of sustainable success already embarked on by AdB, featuring an industrial focus based on the integration of ESG principles into its growth plans;
- have top management experience with listed companies of a similar complexity, size and development path, including international, as AdB;
- have significant industry-specific business skills, as well as economic and financial expertise;
- have strong team leadership and interpersonal skills;
- demonstrate
 - an appropriate consideration of transparency to the Corporate Boards, in terms of communication with the Board and the sharing of strategic decisions and proposals with the Directors,
 - an aptitude for mitigating the concentration of roles, so as to focus more on strategic activities, making use of a structured system of delegation of powers to the Company's top management ;

- a propensity to encourage significant opportunities for direct reporting to the Board by its top management, where this is in the interest of the company.

Conclusions

In conclusion, the Board of Directors underlines that the candidate profiles to be presented on the slates for the appointment of the new Board of Directors should as far as possible be complementary in terms of professional background and skills, so as to ensure strong internal dialogue, efficient functioning and the overall suitability of the Board and the Committees for the fulfilment of their duties. Shareholders are therefore invited to present slates with candidates possessing an optimal combination of the characteristics outlined above and who can also guarantee the availability of an adequate amount of time to diligently perform the tasks assigned.