

# DIVERSITY POLICY OF THE BOARD OF DIRECTORS OF TXT E-SOLUTIONS S.P.A.

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## Objective

This Diversity Policy (the “**Policy**”), adopted by the Board of Directors of TXT e-solutions S.p.A. (“**TXT**” or the “**Company**”), describes the optimal characteristics of the composition of the Board itself so that it can carry out its tasks in the most effective manner, by making decisions that can actually take advantage of the contribution of a multitude of qualified viewpoints, able to examine the issues under discussion from different perspectives.

This Policy is adopted in implementation of the provisions of art. 123-*bis*, paragraph 2, letter d-*bis*) of Legislative Decree no. 58 of 24 February 1998 (so-called “**Consolidated Law on Finance**”).

The Policy refers exclusively to the composition of the Board of Directors of TXT. A separate policy is provided for the composition of the Company’s Board of Statutory Auditors.

## Guiding Principles

The Company’s Board of Directors is fully aware of the fact that diversity and inclusion are two fundamental elements of the business ethos of an international Group like TXT that operates in several countries. In particular, the promotion of diversity as a core element of the medium/long-term sustainability of company activities represents a reference paradigm, as much for employees and as for members of the administration and control bodies of TXT.

The Board of Directors of TXT, in observance of the prerogatives of Shareholders at the time of the designation and appointment of its members, hopes to pursue an objective, as regards its composition, whereby it brings together people from entrepreneurial, managerial and professional backgrounds, including from the international domain, who bring different qualities, and it also hopes that account is taken of the importance of a balanced gender representation as well as the benefits that may stem from its members being from different age brackets and having different lengths of service.

The Board of Directors of TXT also considers it a priority to create an open and collaborative atmosphere and an inclusive environment within the Board itself, in which all Directors are able to make the best of their potential and maximise their contribution.

## Types of diversity and associated objectives

Also based on the outcomes of the *board review* performed on an annual basis pursuant to art. 1.C.1, letter g) of the Corporate Governance Code for listed companies ("**Corporate Governance Code**"), to which the Company adheres, as regards its composition, the Board of Directors of TXT believes that:

- (i) it is important to continue to ensure that at least one third of the Board of Directors is composed of Directors from the least represented gender, at the time of the appointment and equally so over the course of its mandate;
- (ii) the international scope of TXT Group activities should be taken into consideration, ensuring the presence of Directors who have gained adequate experience in the international domain;
- (iii) in order to pursue balance between the needs for continuity and renewal in management, it would need to ensure a balanced combination of different lengths of service - as well as different age brackets - within the Board of Directors;
- (iv) the non-executive Directors must be individuals from an entrepreneurial, managerial, professional, academic or institutional background, to ensure diverse and complementary skill-sets and experiences. In particular:
  - a. entrepreneurial and managerial figures must have gained experience in positions of responsibility, possess business judgment skills and must be highly strategy and results-oriented;
  - b. professionals must have acquired experience in positions of responsibility in the area of professional practices, advisory firms or other public or private organisations and have carried out their professional activities with a special focus on business activities.
  - c. individuals from academic or institutional backgrounds must possess the necessary skills for pursuing the TXT Group's business goals;
- (v) in consideration of the diversity of the roles held by the Chairperson and the Chief Executive Officer, it is believed that they must possess the most appropriate skills to effectively fulfil their respective tasks. In particular:
  - a. the Chairperson must have the authority to ensure, over the course of the mandate, correct and transparent management of the functioning of the Board of Directors, within which he/she is responsible for creating a strong spirit of cohesiveness, at the same time representing a guarantor for all Shareholders. He/she should also have had adequate corporate governance training. He/she should have experience in managing strategically important and business-specific themes in a Board setting, as well as expertise in the economic-financial and legal domains;
  - b. the Chief Executive Officer should be a person with authority, as well as a recognised strategic vision and in-depth knowledge of the software and IT services markets or in other similar, pertinent or related sectors and their evolution. He/she should have adequate economic-financial expertise, as well as have gained significant experience and success in top management positions in companies of suitable dimensions and/or complexity and characterised by the international scope of the activities performed. He/she should also possess recognised leadership skills and a management style geared towards an ability to create a team spirit between employees.

To ensure that the Board of Directors of TXT is able to fulfil its duties in the most effective manner, in addition to the diversity requirements indicated above, it is essential that all Directors allow enough time to diligently carry out their tasks, taking account of both the number and quality of offices held in the administration and control bodies of other companies and the commitment required from them by the additional work and professional activities performed and by the associative roles held.

## **Policy implementation method**

In consideration of the ownership structures of TXT, the Board of Directors has, up until now, saw fit to refrain from presenting its list of candidates at the time of its various renewals, given Shareholders have not encountered problems in preparing adequate applications.

Therefore, this Policy intends, first and foremost, to direct the applications formulated by Shareholders at the time of renewal of the entire Board of Directors, ensuring adequate consideration of the benefits which may derive from a balanced composition of said Board, in line with the various diversity criteria indicated above. The Board of Directors also takes account of the guidelines of this Policy if called to appoint or propose candidates to the office of Director, taking into consideration any reports received from Shareholders:

- (i) in the event of co-optation, if Independent Directors have to be replaced;
- (ii) if, in the case of the renewal of the Board of Directors, it is foreseeable that the required number of Directors may not be obtained from the lists presented by the Shareholders, so that the outgoing Board can therefore formulate applications to be presented to the Shareholders' Meeting;
- (iii) if, in the case of early termination of the engagement of the Chief Executive Officer with respect to the ordinary expiry of the mandate, he/she is called to identify the new Chief Executive Officer, taking account of any indications received from the Shareholders, from whose list the Chief Executive Officer whose engagement was terminated early was taken.

## **Monitoring of implementation of the Policy and its updating**

The Board of Directors of TXT is responsible for monitoring the results deriving from the implementation of this Policy and its updating.

Milan, 11 December 2018