



**Diversity policy
of the management and control boards
of Garofalo Health Care S.p.A.**

INTRODUCTION

As per Article 123-*bis*, paragraph 2, letter d-*bis*, of Legislative Decree No. 58 of February 24, 1998 ("CFA") and the recommendations contained in the Corporate Governance Code of the Corporate Governance Committee promoted by Borsa Italiana S.p.A. (January 2020 edition) (the "**Corporate Governance Code**"), the Board of Directors of Garofalo Health Care S.p.A. ("**GHC**" or the "**Company**"), taking into account the indications received from the Appointments and Remuneration Committee, has approved this document (the "**Diversity Policy**" or the "**Policy**") which provides non-binding indications on aspects such as gender, age, educational and professional background, to be taken into account in order to identify a qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors of the Company that is optimal to ensure the effective discharge of the duties and responsibilities entrusted to the management and control bodies through the presence of individuals who, on the one hand, ensure a sufficient diversity of viewpoints and, on the other hand, are equipped with the skills necessary for a good understanding of the Company's business, risks and the long-term opportunities for GHC.

§ 1. - SCOPE OF APPLICATION AND ADDRESSEES

The Policy, drafted taking into account the legislative and regulatory provisions on the diversity of corporate boards, the particular nature and complexity of the sector in which GHC operates, in addition to the results of the self-assessment process carried out by the Board of Directors over the years, is addressed in particular to those involved in the selection and appointment process of the members of the Board of Directors, and therefore:

- i. to the shareholders who, pursuant to law and the By-Laws, intend to submit slates of candidates for the appointment of the corporate boards;
- ii. the Shareholders' Meeting called to resolve on the appointment of the Board of Directors and the Board of Statutory Auditors;
- iii. to the Board of Directors of the Company where it is necessary to replace one of its members pursuant to Article 2386 of the Civil Code.

However, the requirements of professionalism, good standing and independence, in addition to any incompatibility and/or lapse of office, provided for by law, regulations and the By-Laws, remain valid.

§ 2. - RELEVANT DIVERSITY PROFILES

We outline below the optimal characteristics for the composition of the Board of Directors and the Board of Statutory Auditors in view of the objectives of this Policy.

§ 2.1 - BOARD OF DIRECTORS

Given that, as per Article 25 of the By-Laws, the Company is administered by a Board of Directors comprising not less than 7 members and no more than 11 members, that the Directors are required to meet the *pro tempore* regulations and the requirements of the By-Laws and that a number of independent directors not less than the minimum established by law as per Article 147-ter, paragraph 4 and 148, paragraph 3 of the CFA, is required, in terms of the general and personal characteristics of the members of the Board of Directors, the Company, in accordance with the objective to ensure adequate expertise and levels of professionalism on the Board:

1. Gender Equality: guarantees, within the composition of the Board of Directors, a balanced gender representation (at least two-fifths of the less-represented gender), in compliance with law, the By-Laws and the Corporate Governance Code;
2. Diversity of age and seniority of office: guarantees within the Board of Directors:
 - a. the continuity of an adequate number of Directors on a Board whose term is expiring, approximately between one third and one half, thus ensuring that a good part of the overall experience and skills of the Board of Directors continues to be represented also on the renewal of the body;
 - b. a balanced combination of different age groups, in order to ensure the creation of a proper balance between managerial, professional and prospective experience, innovation and risk appetite, typically varying with age;
3. Diversity of professional and managerial skills: ensures the presence within the Board of Directors of professional and personal profiles of high quality, authority and competence, ensuring good complementarity and integration; in particular, it is believed that the following areas can bring

important skills to the Board: (i) experience in managerial roles in sectors comparable in complexity and size to those in which GHC operates; (ii) regulation in the health sector; (iii) dynamics of the economic-financial system; (iv) direct experience in digital transition projects; (v) actual experience in environmental, social and governance (ESG) issues.

Moreover, in line with the provisions of the Corporate Governance Code, the Board of Directors shall include at least one person with adequate knowledge and experience in financial matters or remuneration policies, in addition to at least one person with adequate knowledge and experience in accounting and finance or risk management.

4. Geographical origin and international experience: this guarantees attention to the principle of balance in terms of the geographical origin of directors and their educational and professional experience, including that gained internationally, with a view to raising the quality of the dialogue and debate;

5. Personal characteristics: ensures that an assessment of soft skills, such as social skills, communication skills, character traits and mindset, is also put in place to best capitalize on a positive dynamic within the Board of Directors, with particular reference to:

- i. collaboration and ability to influence;
- ii. a focus on results;
- iii. decision-making skills;
- iv. teamwork and inclusiveness.

In the composition of the Board of Directors, therefore, an objective of integrating different professional profiles should be pursued, acknowledging the importance, for the proper functioning of the board, of a complementarity of experience and skills, of styles and culture, to be combined with the diversity of gender, age and seniority in office.

§.2.2 - BOARD OF STATUTORY AUDITORS

Given that, pursuant to Article 34 of the By-Laws, the Board of Statutory Auditors is made up of 3 (three) standing members and 2 (two) alternate members, that the statutory auditors are chosen among those who satisfy the requirements - also with regard to the accumulation of offices - set out by current legislation and regulations, including professionalism and independence, and that,

pursuant to Article 148, paragraph 1-*bis* of the CFA, at least two fifths of the standing members of the Board shall be the from the less-represented gender, with regard to the personal characteristics of the members of the Board of Statutory Auditors, the Company - in compliance with the objective of ensuring adequate expertise and professionalism of the members of the control board:

1. Diversity of age and seniority of office: ensures that the Board of Auditors possesses:
 - a. a continuity of presence, thus ensuring that a large part of the overall experience and expertise of the supervisory body continues to be represented even if the body is renewed;
 - b. a balanced combination of different age groups, in order to ensure the creation of a proper balance between managerial, professional and prospective experience, innovation and risk appetite, typically varying with age.
2. Diversity of professional and managerial skills: ensures the presence of figures with different skills and training and professional backgrounds in the composition of the Board of Statutory Auditors in order to guarantee the integration of a plurality of knowledge and points of view within the control board. The members of the Board of Statutory Auditors shall also possess, as a whole, adequate knowledge of the sector in which GHC operates, i.e. with reference to the healthcare business, or shall have gained experience in other listed companies.

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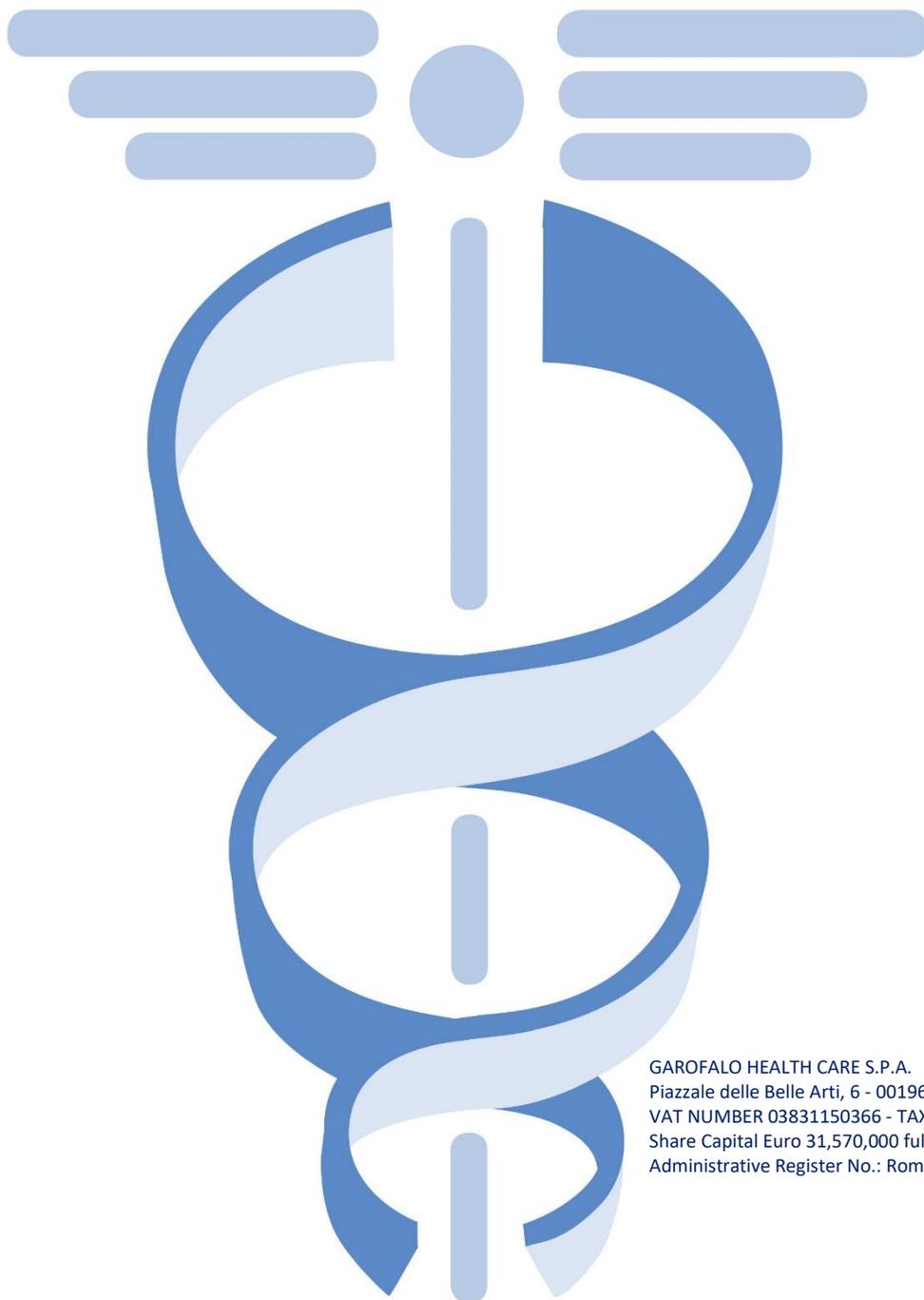
§.3 - PROCEDURE FOR ADOPTION AND REVISION OF THE POLICY

This Diversity Policy is approved by the Board of Directors, upon recommendation of the Appointments and Remuneration Committee.

The Policy so adopted by the Board of Directors may be amended by the Board upon recommendation of the Committee.

The Board Committees support the Board of Directors on the implementation of the Policy and on the assessment and evaluation of the implementation and circulation methods, also for the purposes of the description of this Policy within the Corporate governance and ownership structure report, as required by Article 123-*bis*, paragraph 2, letter d-*bis*, CFA. In any case, the Board of Directors shall verify on an annual basis, during the self-assessment process and taking into account

the results thereof, whether it is appropriate to make any changes to the diversity policy, with the support of the Appointments and Remuneration Committee.



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