



**Digital Bros**  
digital entertainment



**Digital Bros S.p.A.**

## **Guidelines to the shareholders for the appointment of the Board of Directors**



**Digital Bros S.p.A.**

Registered office: Via Tortona 37, 20144 Milan - Italy

Tax code and VAT No. 09554160151

Authorised share capital: Euro 6,024,334.80

Subscribed share capital: Euro 5,706,014.80

Reg. Soc. Trib di Milano 290680-Vol. 7394 C.C.I.A.A. 1302132  
- Court of Milan

The document is available on the website [www.digitalbros.com](http://www.digitalbros.com) in the  
Governance/Shareholders' Meeting section

## **PREMISE AND REFERENCE CONTEXT**

The current Board of Directors (the “**Board of Directors**” or the “**Board**”) of Digital Bros S.p.A. (“**Digital Bros**” or the “**Company**”), in agreement with what provided by the Art.4, Recommendation 23 of the Corporate Governance Code approved by the Committee for the Corporate Governance of Borsa Italiana for listed companies (the “**Code**”), after having received the favorable opinion of the Nomination Committee hereby suggests the number and the composition of the Board of Directors to be elected that will be submitted to the Shareholders in view of the new office of the Board of Directors that will be made during the Shareholders’ meeting convened for the approval of the Financial Statements for the fiscal year ended on 30 June 2023. This document wants to identify the numbers of Directors and their experience based on the work performed by the last three years office of the Board of Directors, the strategic evolution of the Company and the sector, as well as considering the results of the self-assessment on the functioning of the Board itself and its Committees referring to the fiscal years of the expiring Board mandate (2020-2023).

This document was approved by the Board on 3 July 2023 and made available on the Iinfo storage mechanism and on the website [www.digitalbros.com](http://www.digitalbros.com) in the Governance/Shareholders' Meeting section.

### **1. QUANTITATIVE ASPECTS**

#### **Size of the new Board of Directors**

The article 16 of the By-laws of Digital Bros<sup>1</sup> provides that the Company is managed by a Board of Directors made by a minimum number of five directors to a maximum number of eleven, who will serve for a period not exceeding three financial years and could be re-elected. Following the corporate governance best practices, the number of members of the Board must be adapted both to the size and complexity of the company and to the number and composition of the Board Committees. In this regard, it should be noted that the current composition of the Board is nine Directors with three internal Board committees: the Remuneration Committee, the Nomination Committee and the Controls and Risk Committee (also serving as the Related Party Transactions Committee). It should also be noted that, according to the regulations applicable to issuers with financial instruments listed on the Euronext STAR Milan segment,

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<sup>1</sup> Available on the website [www.digitalbros.com](http://www.digitalbros.com) in the Governance/Shareholders' Meeting section

in the Boards of Directors composed of nine to fourteen members, at least three Directors must have the independence requirements pursuant to art. 148, paragraph 3, of the T.U.F. and art. 2, Recommendation 7 of the Code (the "Independent Directors").

The outgoing Board of Directors considers the current number of nine Directors to be adequate.

## **2. QUALITATIVE ASPECTS**

### **Composition of the Board of Directors**

The Code recommends the Board to be made by Directors with professionalism and skills appropriate to the office. The Code highlights how the number and skills of Non-Executive Directors must be to ensure their influence in the Board decisions to guarantee effective monitoring of management.

The Code also recommends that issuers apply diversity criteria, including gender diversity, for the composition of the board of directors, in compliance with the priority of ensuring adequate competence and professionalism for its members.

The future composition should consider the actual and future needs of the Company, as well as the necessity of having an adequate diversity of gender, age and seniority, taking into account the applicable legal and regulatory provisions. Digital Bros considers diversity a value that contributes positively to the effectiveness of the action of the corporate bodies.

In the composition of the management and control bodies, Digital Bros pursues the objective of the integration of different professional profiles, recognizing the importance of a complementarity of experiences and skills, to be combined with gender and age diversity for the proper functioning of the bodies themselves.

The actual recommendation, addressed to the Shareholders who will present the lists of candidates, about the professionalism and skills deemed necessary for an optimal composition of the Board of Directors, wants to stress the importance of:

- (i) maintaining the current composition of the Board of Directors in terms of the percentage of Executive, Non-Executive Directors and Independent Directors;
- (ii) considering the number of offices and the availability of time which the candidates for the role of Director could guarantee in fulfilling their role, considering them the key elements for the effective office;

- (iii) recognizing the differences in the background (in particular international experience) and gender diversity;
- (iv) ensuring that the distribution of Directors by age groups and seniority is balanced in order to ensure an effective exchange of experience within the Board;
- (v) ensuring complementarity of diversified skills.

### **General skills and professional expertise**

With regards to professional experience requirements, in line with international best practices, and without prejudice to compliance with any provisions of law and regulations applicable from time to time, the Board recommends that candidates for the role of Director preferably have one or more of the following professional expertise:

- a) expertise in the sector in which the Digital Bros Group operates;
- b) entrepreneurial and/or managerial experience;
- c) international vocation and experience, with a specific focus on foreign markets;
- d) competence in the control and risk management system, with specific expertise in, accounting and financial matters;
- e) competence in sustainability, social responsibility and innovation;
- f) competence in corporate governance (audit, legal, corporate, remuneration, etc.).

All members should have a personal: authority, standing, strong communication skills and the ability to work in a team and interact with top management.

It is recommended that, when presenting the candidates, Shareholders will provide adequate evidence, also confirmed by the curriculum vitae of each candidate, of the alignment of the skills of the candidates indicated in their lists compared to those identified by the Board and listed above.

### **Profiles of particular relevance**

As part of the self-assessment process, the Board of Directors has also identified specific skills, experience and/or professionalism relevant to the performance of specific tasks of Board members and the Board committees.

### **Chairman of the Board of Directors**

In addition to the relevant characteristics for all Directors, the Board believes that the Chairman should, in particular:

- represent a guarantee for all Shareholders and a point of reference for the dialogue with all stakeholders, promoting transparent and correct management of the Board of Directors;
- possess a specific understanding of the corporate governance framework;
- possess leadership, independence and intellectual honesty, synthesis, mediation and strong communication skills.

#### Executive Directors, including Chief Executive Officers

In addition to the characteristics relevant to all Directors, the Board believes that Executive Directors and Chief Executive Officers should have, in particular:

- understanding of the main sectors in which Digital Bros operates or in any case of other sectors having with these relevance to technological level and innovation and industrial characteristics;
- expertise in the legal sector, with particular reference to compliance, risk management and/or auditing and high financial expertise;
- competence and sensitivity on sustainability issues;
- high strategic orientation, intellectual independence, leadership and integrity.

#### Non-Executive Directors, including Independent Directors

In addition to the characteristics relevant to all Directors, the Board believes that Non-Executive Directors and Independent Directors should have, as recommended by the Code:

- experience in entrepreneurial and/or managerial management of business and company, also gained in listed companies;
- competence and sensitivity on sustainability issues;
- adequate experience in finance, remuneration policies and/or risk management.

#### Board committees

On the basis of the results of the self-assessment performed, the Board of Directors considers appropriate to maintain continuity with the current structure of the Board Committees with

regard to the areas of internal control and risk management, nomination, remuneration and related parties, also in terms of tasks, functioning and size, as such Committees are considered effective for the performance of the tasks assigned to them and adequate to guarantee the appropriate safeguards to which they are responsible in the respective areas.

The Board of Directors also considers appropriate to set up a special internal board committee to which specific tasks and responsibilities in the field of sustainability, with a composition both in terms of numbers and of the skills required, and operation in line with that of the other existing internal board committees, without prejudice to what is necessary to reflect the value, including strategic and business, of sustainability profiles for Digital Bros and the Group.

### **Independence**

It is important to keep a significant presence of Independent Directors such as to ensure, in terms of number, competence and authority, that their opinion could have a significant influence in the decision-making process of the Board of Directors, without prejudice to the recommendation already expressed regarding the Executive Directors whose presence guarantees continuity and specialized understanding of the company, the sector and the market in which the Company operates. To this extent, Art. 16 of the By-laws provides that a number of Directors must meet the independence requirements established by law and regulatory provisions as well as by the provisions of the Code.

Digital Bros is not qualify as a large company with concentrated ownership pursuant to the Code, and the Board of Directors is currently made of one third of Independent Directors.

Pursuant to Recommendation 7 of the Code, the Board identified the quantitative and qualitative criteria for assessing the independence of each Director. For further details, please refer to paragraph 4.7 – "Independent Directors and Lead Independent Directors" of the Report on Corporate Governance and Ownership Structure, available at [www.digitalbros.com](http://www.digitalbros.com) in the Governance / Corporate Governance Reports section.

### **Time commitment and number of offices**

The availability of time to dedicate to the office, due to the nature, quality and complexity, is a requirement that the candidate Directors must ensure, also in relation to the effort needed in the Board Committees.

In this regard, since it is recognized that the number of other offices already held represents a significant indicator for assessing the correct availability of time to dedicate to any assignment in Digital Bros, the Board considers compatible with an effective performance of the office of Director a limit of five offices in other companies listed on regulated markets (including foreign ones), in financial, banking, insurance or sizeable companies. Offices held in other companies of the Digital Bros Group are not considered.

In order to assess the needed availability of time, the following information is reported, for information purposes only, without prejudice to what could be needed in view of the proposed establishment of an additional Board Committee covering sustainability:

	NUMBER OF MEETINGS	AVERAGE DURATION
Board of Directors	11	1 hour and 10
Control and Risk Committee	6	1 hour and 20
Remuneration Committee	5	1 hour and 10
Related Party Transactions Committee	5	1 hour and 10
Nomination Committee	1	1 hour

**3. RECOMMENDATIONS TO SHAREHOLDERS SUBMITTING A LIST**

In compliance with Recommendation 23 of the Code, the outgoing Board of Directors recommends that Shareholders who intend to submit a list containing more than half of the members to be elected provide adequate information in the documentation submitted for the filing of the list, regarding the correspondence of the list with the orientation expressed by the administrative body, also with reference to the diversity criteria provided for in Principle VII and Recommendation 8 and to indicate its candidate for the office of Chairman, whose appointment will take place in accordance with the procedures provided for by the By-law.