

**corporate governance**  
report 2020

# CONTENT

PRELIMINARY REMARKS .....	<b>2</b>
GROUP STRUCTURE AND SHAREHOLDERS .....	<b>3</b>
CAPITAL STRUCTURE .....	<b>4</b>
BOARD OF DIRECTORS .....	<b>5</b>
EXECUTIVE MANAGEMENT .....	<b>12</b>
COMPENSATION, SHAREHOLDINGS AND LOANS .....	<b>13</b>
SHAREHOLDERS' PARTICIPATION .....	<b>13</b>
CHANGE OF CONTROL AND DEFENCE MEASURES .....	<b>13</b>
AUDITORS .....	<b>14</b>
INFORMATION POLICY .....	<b>18</b>
NON-APPLICABILITY/NEGATIVE DISCLOSURE .....	<b>19</b>
ANNEX 1: DEFINITIONS .....	<b>21</b>
CONTACTS .....	<b>22</b>

## Preliminary remarks

LM group's Corporate Governance Report 2020 follows the SIX Swiss Exchange Directive on Information relating to Corporate Governance entered into force on 2 January 2020 and takes into account the Swiss Code of Best Practice for Corporate Governance and the Dutch Corporate Governance Code. Please note that the Company, being Dutch, is not subject to the Swiss Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC).

All disclosures required by the Dutch Corporate Governance Code are included in the documents hereby, Consolidated Financial Statements, Directors' Report and available on the Company's corporate website. To avoid duplication of information, cross-referencing to other reports is made in some sections, namely: the Annual Report 2020, the Consolidated Financial Statements 2020 of lastminute.com NV, as well as the Articles of Association of lastminute.com NV. The Dutch Corporate Governance code can be found on [www.MCCG.nl](http://www.MCCG.nl).

The Consolidated and the Company's Financial Statements of lastminute.com NV 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and in accordance with book 2, part 9 of the Dutch Civil Code.

Where necessary, these disclosures have been extended to comply with the requirements of the SIX Swiss Exchange Directive Financial Reporting.

# 1 - Group structure and shareholders

## 1.1 Group structure

Management is determining operating segments based on the information reviewed and managed by the Group chief operating decision maker.

On this basis, the Group has defined the main following operating segments:

- Online Travel Agency (OTA), which includes the intermediation of touristic services and organization of dynamic packages. It represents the traditional business of the Group.
- Meta-search (META), which includes the business generated in our websites focused on directing traffic, in exchange for a commission, to the sites of OTAs, airlines, hotel providers and other direct providers.
- Media, which includes the sale of online advertising primarily on the proprietary OTA and META websites and database and, to a lesser extent, on third party partners' available spaces.
- Other Segments: which includes the ventures that constitute a separate operating segment.

OTA, META, Media and Other Segments jointly referred to as "Group"

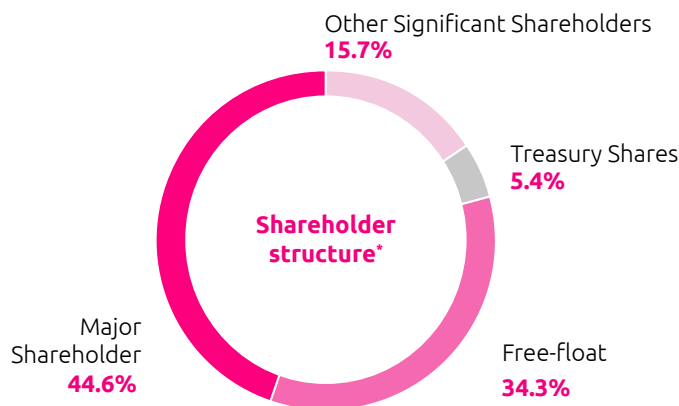
OTA, META and Media jointly referred to as "lastminute.com"

Group subsidiaries are listed in Note 33 of the Consolidated Financial Statements.

lastminute.com NV is registered in The Netherlands, with its statutory seat at Prins Bernhardplein 200, 1097 JB Amsterdam. LM group's shares are listed on the SIX Swiss Exchange (ISIN code: NL0010733960) in Zurich. On 31 December 2019, the market capitalization of LMN was CHF 204,123,832. For further information, refer to our website on <https://lmgroup.lastminute.com/investor-relations/share-information.aspx>. No other Group's affiliated or associated companies are listed as of 31 December 2020.

## 1.2 Significant shareholders

Significant shareholders and significant groups of shareholders as of 31 December 2020 are reported below:



The Shareholders Agreement signed among Freesailors Cooperatief U.A., Micheli Associati Srl and Mr. Francesco Signoretti on 1 April 2014, and renewed on 27 April 2017, expired on 27 April 2020.

Starting from the expiration of the Shareholders Agreement, Freesailors Cooperatief U.A., Micheli Associati Srl and Mr. Francesco Signoretti were only significant shareholders.

Mr. Francesco Signoretti is no longer a significant shareholder starting from February 2021 because his ownership has decreased under 3%.

Further disclosures have been published on the reporting and publication platform of the Disclosure Office of SIX Swiss Exchange pursuant to art. 120 of the Financial Market Infrastructure Act and the corresponding provisions of the FINMA Financial Market Infrastructure Ordinance and can be accessed through the following link: <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>

As of 31 December 2020 the Group held 647,805 own shares. For more details please refer to Note 26 of the Consolidated Financial Statements.

There are no cross-shareholdings.

## 2 - Capital structure

As of 31 December 2020, the Company has an issued share capital of EUR 116,642.19 divided into 11,664,219 fully-paid bearer shares with a nominal value of EUR 0.01 each.

Under Dutch law, a company's authorized share capital sets out the maximum number of shares that the company may issue without amending its articles of association. Under the Articles of Association, the Company's authorized capital amounts to EUR 181,100 and is divided into 18,110,000 Shares, each with a nominal value of EUR 0.01. The concept of conditional share capital is not known under Dutch law and thus there is no conditional share capital. Further, also the concept of authorized share capital as known under Swiss law deviates from the concept applicable under Dutch law.

In accordance with Dutch law and the Articles of Association, Shares shall be issued pursuant to a resolution passed by the Company's general meeting of shareholders, upon the proposal of the Board of Directors containing the price and further terms and conditions of the issue. Under the Articles of Association, the Company's general meeting of shareholders may delegate the authority to issue Shares to the Board of Directors, for a fixed period not exceeding five years and in a resolution specifying the number of Shares that may be issued and any further conditions. Such designation may be renewed each time for a period not exceeding five years.

Movement in recognized amounts are detailed in Note 26 of the Consolidated Financial Statements.

All shareholders have the right to receive, pro-rata to their shareholding, any dividend, participation on available earnings or any liquidation proceeds following the repayment of the share capital. There are no participation or profit-sharing certificates.

As of 31 December 2020, there are no outstanding bonds and bonds convertible into, or options to acquire, shares. A cash settled share based long term incentive plan is in place. See Note 16 of the Consolidated financial statements for further information. No stock option programs have been in place throughout the year.

Non-voting equity securities do not exist for a Dutch public limited company.

The Shares may be transferred as book-entry securities. Under Swiss law, the booking of the Shares in the share account of the acquirer is sufficient for the transfer of the Shares. The Shares are freely transferable and no limitations on transfer and no voting right restrictions apply. Being the Company listed in Switzerland, the regulatory law that is applicable for managing the shares is the Swiss law.

Further information on the Capital Structure is provided in Note 26 of the Consolidated Financial Statements and in the Articles of Association currently in force, refer to: [https://imgroup.lastminute.com/~/\\_media/Files/B/Bravofly-Rumbo-Group/documents/governance-documents/articles-of-association-19-may-2015.pdf](https://imgroup.lastminute.com/~/_media/Files/B/Bravofly-Rumbo-Group/documents/governance-documents/articles-of-association-19-may-2015.pdf)

### 3 - Board of Directors

The Company has a one-tier board structure with a board of directors (the “**Board of Directors**” or the “**Board**”) consisting of executive directors and non-executive directors. The Board shall consist of at least one Executive Director and at least two Non-Executive Directors. The majority of the Board shall be composed of Non-Executive Directors. All the Non-Executive Directors meet the independence requirements established by the Dutch Corporate Governance Code.

The Board believes that it should generally consist of no fewer than three and no more than nine members. This range permits diversity of experience without hindering the effective discussion or diminishing individual accountability. The chairman of the Board (the “**Chairman**”) shall be a Non-Executive Director. The new directors, independently from their gender, have been selected due to their skills and support to strategic decisions that they can afford during the year. Gender diversity will be one of the criteria of selection for future replacement of directors.

The table below lists the composition of the Board as of 31 December 2020:

Name	Year of birth	Gender	Nationality	Qualification	1st Election	Expires
<b>Ottonel Popesco</b>	1957	Male	French	Non-executive Director, Chairman of the Board of Directors	2013	2021
<b>Fabio Cannavale</b>	1965	Male	Italian	Executive director, Group CEO	2013	2021
<b>Marco Corradino</b>	1968	Male	Italian	Executive Director, COO, lastminute.com CEO	2016	2021
<b>Roberto Italia</b>	1966	Male	Italian	Non-executive director	2013	2021
<b>Laurent Foata</b>	1971	Male	French	Non-executive director	2018	2021
<b>Anna Gatti</b>	1972	Female	Italian	Non-executive director	2017	2021

On July 30, 2020 Mr. Marcello Distaso resigned from his role of Non-executive Director.

Unless otherwise stated, the non-executive members of the Board of Directors have no significant business relationships with LM group. Mr. Fabio Cannavale and Mr. Marco Corradino are the founders of the Group and act as directors in certain subsidiaries of the Group. Transactions of significance to the Company with major shareholders (more than 10%) require approval of the non-executive directors and are agreed on terms customary in the market. No Non-executive director has been a member of the management of the Company or one of the Company’s subsidiaries in the three financial years preceding the period under review.

In accordance with article 14 of the Articles of Association, the Board may agree on a division of the duties of the Board between one or more Non-Executive Directors and one or more Executive Directors.

The duty to supervise the performance of duties by the Executive Directors cannot be taken away from the Non-Executive Director by a division of duties. The chairmanship of the Board, the making of proposals for the appointment of a Director and the adoption or the assessment of the remuneration of the Executive Directors may not be assigned to an Executive Director.

In case of a Director’s absence, his duties and powers shall be carried out by the other Directors. In the event that all Directors are absent, their duties and powers shall be temporarily entrusted to a person designated by the general meeting of shareholders of the Company (the “General Meeting”).

### 3.1 Professional background and other activities and functions

#### **Ottonel Popesco**

*Non-executive Director, Chairman of the board of directors*

Ottonel Popesco held an MBA from Sorbonne University, a M.Sc. in economics from Bucharest Academy, an Ingénieur professionnel de France-diploma from Société Nationale des Ingénieurs Professionnels de France. He was one of the co-founders of Cavotec Group NV, served as its Group CEO and Board member for over a decade during the listing at the NASDAQ OMX, NZX. He was Chairman of the international Port Equipment Manufacturers Association Brussels-PEMA and member of various Boards worldwide acting in different industries.

Ottonel Popesco passed away in February 2021.

#### **Fabio Cannavale**

*Executive Director, lm holding CEO*

Fabio Cannavale holds a diploma in engineering from Politecnico di Milano and an MBA from INSEAD, Fontainebleau, France. In 2004, he co-founded Volagratis.com (a predecessor of the Company) and acted as Chairman of the Company from that time until February 12, 2016, when he was elected to serve as CEO of the Company at the 2016 EGM. He started his career as a consultant, working between 1989 and 1996 for A.T. Kearney and for McKinsey & Company. Between 1996 and 1998, he launched The Floating Village in Venezuela, an innovative concept of a holiday village built on boats. Between 1999 and 2001 Mr. Cannavale was a member of the management team of eDreams, an online travel start-up. Between 2001 and 2004, he worked for his family-owned businesses and collaborated with a not-for-profit entity. He is also a member of the board of directors of Cavotec SA.

#### **Marco Corradino**

*Executive Director, LM holding COO, LM group CEO*

Marco Corradino holds a degree in Political Science from the University of Genoa and holds a Master Degree in marketing, communication and sales management from Publitalia (Milan, Italy). In 2004, Marco Corradino co-founded with Fabio Cannavale Volagratis, the first search engine for low cost flights in Italy and the foundation for what was to become Bravofly Rumbo Group and subsequently lastminute.com group. Marco Corradino, an entrepreneur and business angel, has been covering different offices within the Group and is now its Chief Operating Officer as well as CEO of LM group and Executive Board Member of the Company since 12 February 2016.

#### **Roberto Italia**

*Non-executive Director*

Roberto Italia graduated in Economics from LUISS University, Rome, Italy, and holds an MBA from INSEAD, Fontainebleau, France. He started with the Telecom Italia Group in 1990 and since 1994 has been active in private equity with Warburg Pincus, Henderson Private Capital and, more recently, with Cinven. In 2013 he launched Red Black Capital and co-founded Space Holding as well as Redseed. In 2020 he joined Verlinvest as its CEO. Mr. Italia is today a director of Space Holding and of Red Black Capital, CEO of Verlinvest SA, and Chairman of Avio SpA.

#### **Laurent Foata**

*Non-executive Director*

Laurent Foata is heading Ardian's Growth team, in charge of private equity investments in fast growing European companies. He has worked on more than 80 private equity transactions and has over 20 years of experience in the industry. His track record spans various domains of information technologies, from software and IT services to digital marketing and web merchants. Laurent began his career in 1995 within BNP Paribas' private equity arm. He holds a MBA and a Masters in Law.

### **Anna Gatti**

#### *Non-executive Director*

Anna Gatti holds a Doctor of Philosophy in Business Administration and Management from Bocconi University, a post-doctoral Program in Organizational Behavior from Stanford University and a Doctor of Philosophy in Criminology from Trento University. She started in 2002 as research associate at the University of California Berkeley and then acted as Senior Economist at the United Nations (World Health Organization) until 2004 when she became a successful Partner of MyQube (Telecom Italia Venture Fund) generating direct investments in high-tech start-ups with particular focus on fixed and mobile telecommunications. In 2007 she held the position of Head of International Consumer Operations at Google and from 2008 she was Head of International Online Sales and Operations at YouTube. In 2011 she moved to Skype becoming Sr. Director of Advertising and New Monetization and in 2012 Anna co-founded Loopai Inc. (Artificial Intelligence Start-up) covering as well the position of CEO until 2015. She has been appointed board member for Buongiorno (2007-2012), Piquadro (2013-2016), Gtech/IGT (2014-2015), Banzai (2014-2015), Rai Way (2014-2020), WiZink Bank from 2020 to present and Fiera Milano from 2020 to present. She covers as well the office of non-executive director in Intesa Sanpaolo's board since May 2019.

Anna is also Professor of Strategy and Entrepreneurship at SDA Bocconi in Milan and Director of the Lab for Life Science&Technology Innovation (LIFT Lab) at the same academic institution.

The above profiles of the members of the Board of Directors provide information on their activities and commitments in addition to their functions at the lastminute.com group. Other than as described above, the members of the Board of Directors do not engage in any other activities or perform any other functions which are significant to the Group.

### **3.2 Elections, terms of office and areas of responsibility**

The members of the Board of Directors are individually elected and appointed by the Company's general meeting of shareholders. A resolution of the Company's general meeting of shareholders to appoint a director may be passed by an absolute majority of the valid votes cast.

Directors are appointed for a period of one year starting on the day after the day of the annual general meeting of the Company's shareholders in which they are appointed and ending on the day of the subsequent annual general meeting of the shareholders that will be held in the year following the year of their appointment. Directors may immediately be reappointed.

The Company's general meeting of shareholders may at any time suspend or remove any director. A resolution to remove or suspend a director may be passed by an absolute majority of the valid votes cast. The Board of Directors may also suspend any executive director. If a director is suspended, the Company's general meeting of shareholders shall within three months of the date on which suspension has taken effect resolve either to dismiss such director, or to terminate or continue the suspension (which resolution to continue the suspension may be adopted only once and for a maximum period of three months), failing which the suspension shall lapse.

The Selection, Appointment and Remuneration Committee is responsible for seeking and evaluating individuals qualified to become Directors, reviewing background checks respecting such individuals, and selecting or recommending that the Board selects the Director nominees for the next Annual General Meeting. Any group of shareholders representing at least 3% of the capital of the Company may request the Board of Directors in writing to include additional Director nominees, at least sixty days before the date on which the meeting is convened.

The Board of Directors is the ultimate governing body of the Group. It is responsible for the ultimate supervision of the Group. The Board attends to all matters which are not reserved for the General Meeting or another governance body of the Group by law, the Articles of Association or specific regulations issued by the Board of



Directors.

The Board has the following main duties:

- a) the ultimate direction of the Group, in particular the conduct, management and supervision of the business of the Group, and the provision of necessary directions;
- b) the determination of the Group's organisation;
- c) the determination of accounting and financial control principles, as well as the principles of financial planning;
- d) the appointment and removal of the Committees' members;
- e) the ultimate supervision of the Chairman, in particular with respect to his compliance with the law, the Articles of Association, instructions given from time to time by the Board;
- f) the preparation of the Annual Report, the General Meeting and execution of its resolutions;
- g) the notification of the court in the event of over indebtedness;
- h) the discussion and approval of:
  - the Group's long-term strategy and annual investment budget;
  - major financial operations;
  - any significant policy issue dealing with the Group's or the Group's general structure or with financial, commercial and industrial policy;
  - Corporate Governance Principles of the Group;
  - the review of and decision on any report submitted to the Board;
  - the Group's annual risk assessment.

### 3.3 Internal organisational structure

#### 3.3.1 Allocation of tasks within the Board of Directors

Name	Board of Directors	SAR Committee*	Audit Committee	Risk Supervisory Committee
Otonel Popesco	Chair	Member	Member	Chair
Fabio Cannavale	Member	-	-	-
Marco Corradino	Member	-	-	-
Roberto Italia	Member	Member	Chair	Member
Laurent Foata	Member	Chair	-	-
Anna Gatti	Member	-	-	Chair

\* Selection, Appointment and Remuneration Committee.

#### 3.3.2 Tasks and area of responsibility for each Committee of the Board of Directors

The powers and responsibilities of each Committee are established in the applicable Committee Charter, which is approved by the Board. Each Committee is entitled to engage external counsels.

The members of the Board (each a "Director") are collectively responsible for the management of the Group. The Board shall review and regularly monitor the effectiveness of the Group's fundamental operating, financial and other business plans, policies and decisions, including the execution of its strategies and objectives. The Board shall seek to enhance long-term shareholder value.

The Executive Directors are responsible for the day-to-day management of the Group.

The Non-Executive Directors are responsible for proper and independent supervision of the performance of duties by the Executive Directors.

The Chairman shall ensure the proper and independent functioning of the Board.

The Board of Directors is charged with the management of the Group, subject to the restrictions contained in the Articles of Association. Each Director owes a duty to the Group to properly perform the duties assigned to him or her and to act in the corporate interest of the Group. Under Dutch law, the corporate interest extends to

the interests of all corporate stakeholders, such as stockholders, creditors, employees, customers and suppliers. The members of the Board of Directors are appointed by the general meeting of shareholders. A resolution of the general meeting of shareholders to appoint a director may be passed by an absolute majority of the valid votes cast. Directors are appointed for a period of one year.

In accordance with the Articles of Association and the Dutch Corporate Governance Code, the Board of Directors has installed the following internal Committees with consultative and advisory duties:

- Selection, Appointment and Remuneration Committee (“SAR Committee”);
- Audit Committee
- Risk Supervisory Committee (“RS Committee”)

in each case consisting of non-executive directors only.

#### *SAR Committee*

The SAR Committee is an expert committee supporting the Board of Directors in the performance of its duties; pursuant to the applicable terms of reference adopted by the Boards of Directors, the SAR Committee has the following duties:

- a)** drafts selection criteria and appointment procedures for non-executive directors;
- b)** periodically assesses the size and composition of the Board of Directors and proposes a composition profile of the Board of Directors, including monitoring and assessment of trends in the area of corporate governance;
- c)** at least once a year assesses the performance of the CEO, other executives and individual directors, reports their findings to the Board of Directors and sets the CEO’s and the directors’ compensation levels based on this evaluation;
- d)** formulates proposals for appointments and reappointments to the Board of Directors, and prepares a description of the role and capabilities required for a particular appointment;
- e)** supervises the policy of the Board of Directors on the selection criteria and appointment procedures for senior management;
- f)** formulates proposals for the Board of Directors concerning the remuneration policy for the members of the Board of Directors, the committees and the management, and proposes remuneration of the individual members of the Board of Directors, committees and the management within the framework of that remuneration policy (as adopted by the Company’s general meeting of shareholders), which are submitted to the Company’s general meeting of shareholders for approval;
- g)** oversees the implementation and administration of the Company’s compensation and benefit plans, in particular the incentive compensation and equity-based plans of the Company (and, to the extent appropriate, the significant subsidiaries of the Company);
- h)** prepares the remuneration report on the remuneration of the Board of Directors; and
- i)** develops and recommends to the Board of Directors the criteria for selecting directors and assessing director independence, seeks and evaluates individuals qualified to become directors, reviews background checks and selects or recommends that the Board of Directors selects the director nominees.

In 2020, the SAR Committee has performed its duties in accordance with its duties as set out above.

#### *Audit Committee*

Pursuant to the applicable terms of reference for the audit committee adopted by the Boards of Directors, the audit committee has the following duties:

- a)** advises the Board of Directors on financial reporting, risk management, group-wide compliance with relevant legislation, articles of association, rules and group instructions;
- b)** establishes, reviews and updates periodically a code of conduct and ensures that the management has created a system to enforce such code;
- c)** supervises the preparation of the Company’s financial statements, the Company’s financial reporting process

- and system of internal business controls and risk management;
- d)** supervises the Company's internal and external audit process and its internal and external auditor's qualifications, independence and performance;
- e)** obtains timely reports from the independent auditor and reviews them regarding critical accounting policies as well as treatments of financial information within the IFRS that have been discussed with the management; and
- f)** reviews the Company's annual and interim financial statements and other public disclosures, prior to publication.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the Company.

The Committee shall meet at least four times annually, or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Committee will maintain minutes of meetings and reports activities, their findings and recommendations to the plenary Board of Directors on a regular basis. The Committee shall meet privately in separate sessions at least annually with management, the director of the internal auditing department, the independent auditors, and as a committee to discuss any matters that the Committee believes should be discussed, such as a significant financial risk exposure and the step management has taken to monitor, control and report such exposures. In addition, the Committee, or its Chair, will communicate with management and the independent auditors to review the Company's financial statements and significant findings prior to the filing of such statements with the SIX Swiss Exchange.

The independent auditors are ultimately accountable to the Committee. The Committee shall have the ultimate authority to select, evaluate and, where appropriate, replace the independent auditors. The external auditor is generally expected to attend the relevant meetings of the audit committee. The findings of the external auditor, the audit approach and the risk analysis are also discussed at these meetings.

In 2020 the Audit Committee has performed his duties in accordance with the duties as set out above and the requirements of the Dutch Corporate Governance Code.

#### *Risk Supervisory Committee*

The Risk Supervisory Committee makes all necessary preparations in order to facilitate the decision-making process by the Board in relation to obligations arising from the EU Regulation 2016/679 ("GDPR") as well as other national or European Union data protection legislation; pursuant to the applicable terms of reference adopted by the Boards of Directors, the Risk Supervisory Committee has the following duties:

- a)** support and audit the Group Data Protection Officer ("DPO") in the context of providing advice to the Group companies as well as to their employees on obligations arising from GDPR rules, as well as other national or European Union data protection provisions;
- b)** monitor the compliance with GDPR rules and the other national or EU provisions relating to data protection and the data protection policies of the Group, including the assignment of responsibilities, awareness and training of personnel who participates in the data processing activities and related control activities;
- c)** collect information to identify the processing activities performed by the Group, analyze and verify the processing in terms of the compliance with GDPR rules and carry out any activity of information, advice and direction towards the Group;
- d)** review the qualifications, performance and independence of the operation of the Company's internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;

- e) supervise the provision of DPO (choice of policies, application and assessment of the effects of new rules, information about the handling of estimated items, etc.);
- f) each year evaluating its own performance and the adequacy of its Terms of Reference.

In 2020, the RS Committee has performed its duties in accordance with its duties as set out above.

Table below shows frequency of meetings during the year 2020:

Meetings held in 2020	Frequency	Average duration
Board of Directors	Bimестrial	4 hours
SAR Committee	Half-yearly	1.5 hours
Audit Committee	Quarterly	1.5 hours
RS Committee	Quarterly	1 hour

In 2020, all board members attended all the Board of Directors meetings, while the Committees meetings have been held with full or majority attendance of the relevant members. In particular, It is confirmed the full attendance to the SAR Committee and to the Audit Committee meetings; at the Risk Committee only a total of 2 absences have been recorded that have not affected the majority of the attendances at each meeting.

### 3.3.3 Work methods of the Board of Directors and its Committees

The Board expects to have at least four regularly scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the Group's business. At least annually, the Board shall devote a meeting to a review of the Group's long-term strategic and business plans.

The Chairman shall establish and distribute in advance the agenda for each Board meeting. Any director is free to suggest potential items for the agenda.

Attendance by any non-Director at Board meetings is subject to the discretion of the Board, however, the Board encourages management to bring officers and managers into Board meetings from time to time, when such managers can provide additional insight into the matters being discussed and/or have potential as future members of senior management. Board approval should be sought if the Chairman or Chief Executive Officer (CEO) wishes to add additional personnel as attendees at Board meetings on a regular basis.

Board resolutions shall be passed and elections shall be carried by the absolute majority of votes cast. In the event of equality of votes, the Chairman shall have the casting vote.

Resolutions may be taken in written form, by way of a telephone, or video conference. A Board member that cannot attend the Board meeting can express its vote by email addressed to the Chairman.

An Executive Director may grant another Executive Director a written proxy to represent him at a Board meeting.

A Non-Executive Director may grant another non-Executive Director a written proxy to represent him at a Board meeting.

The discussions and resolutions shall be reported in minutes of the meeting and such minutes shall be signed by the Chairman and the meeting's secretary. The minutes shall be approved by the Board at its next meeting.

Resolutions approved by email must be included in the minutes of the next meeting of the Board.

The above mentioned operational rules may be applied on the Committees.

### 3.4 Information and control systems of the board vis-à-vis management

The Board of Directors is informed on a regular basis about significant matters involving the Group and the Group's business.

The Chairman and the CEO ensure the proper information flow between the Management and the Board of Directors. The Board of Directors receives regular and ad-hoc reports from the Board's Committees, the Chairman and the CEO. The minutes of Committees' meetings are made available to the full Board.

Furthermore, the Audit Committee reviews the financial performance and assesses the effectiveness of the internal and external audit processes as well as the internal risk management organisation and processes.

The role of the external and internal auditors is as follows:

- external auditors (PwC Netherlands) who conduct their audit of lastminute.com NV and the Group in compliance with Dutch law including Dutch Standards on Auditing;
- external auditors (PwC Switzerland) who (i) conduct the audit of the Swiss companies in compliance with Swiss law and in accordance with Swiss Auditing Standards and with International Standards on Auditing and (ii) act as point of reference for all the local audit components responsible for the audit of the Group subsidiaries;
- Group internal auditors which have a direct reporting line to the Audit Committee. It comprises people with a significant experience travelling worldwide and completing audit assignments.

## 4. Executive Management

In 2015, a management body was formally established (Executive Management) and it consists of all corporate managers with strategic responsibility for the Group. The table below shows the composition of the Executive Management as of 31 December 2020.

### 4.1 Members of the Executive Management

Name	Year of birth	Nationality	Current Function
<b>Fabio Cannavale</b>	1965	Italian	Executive Director, LM holding CEO
<b>Marco Corradino</b>	1968	Italian	Executive Director, lm holding COO, lm group CEO
<b>Sergio Signoretti</b>	1964	Italian	Chief Financial Officer

### 4.2 Professional background and other activities and functions

#### **Fabio Cannavale**

*Executive Director, lm holding CEO*

Please refer to section 3.1 of this corporate governance report.

#### **Marco Corradino**

*lastminute.com Chief Executive Officer – Executive Director*

Please refer to point 3.1 of this corporate governance report.

#### **Sergio Signoretti**

*Chief Financial Officer*

Sergio Signoretti is a chartered accountant and graduated in Economics at the State University in Rome. Sergio has extensive experience in the financial services industry, having managed as CEO of CartaLis (IGT-Lottomatica group) the startup of the initiative and led the development of the current second issuer of prepaid cards in Italy. Formerly he was CEO of Lottomatica Videolot Rete (IGT- Lottomatica Group) and he held positions as Head of planning and control in diversified multinational contexts (manufacturing, telco, gaming) among which Omnitel Vodafone and Lottomatica. He is an Angel Investor member of Italian Angels for Growth, an association of Italian and foreign investors in start-up capital ventures.

### 4.3 Management contracts

LM group does not have management contracts delegating portions of its management to third parties not belonging to the Group.

## 5 - Compensation, shareholdings and loans

Please refer to the Compensation Report 2020.

## 6 - Shareholders' participation

The participatory rights of shareholders are defined in LM's Articles of Association. Each share of the Company carries one vote and is entitled to vote on any shareholders' meeting of the Company. The Company's shareholders are only entitled to attend the general meeting in person, or represented by a person holding a written proxy, to address the meeting and to vote at the meeting, if the shareholder has lodged documentary evidence to the Board of Directors of his voting rights. The requirement for a written proxy is also met if the proxy is recorded electronically. The registration process is described in the notice for the general meeting.

One or more shareholders of the Company, entitled to make such a request according to the law, may request the Board of Directors in writing to include items for the meeting in the agenda, at least sixty days before the date on which the meeting is convened.

Unless another majority is prescribed under Dutch law or in the Articles of Association (art. 20 and art. 21), resolutions of the Company's general meeting of shareholders shall be adopted by an absolute majority of votes cast in a meeting at which at least one third of the issued capital is represented.

Extraordinary general meetings of the Company's shareholders shall be convened as often as deemed necessary by the Board of Directors or at the request to the Board of Directors by one or more shareholders jointly representing at least one-tenth of the issued share capital.

For details concerning convocation and notification of the General Meeting please see from art. 16 to 19 of the Articles of Association, refer to: <https://res.cloudinary.com/lastminute-contenthub/image/upload/DAM/Artwork/lmgroupp/documents/governance-documents/2020/article-of-association-31-july-2020.pdf>

No voting rights may be exercised for any shares held by the Company or its subsidiaries. The Company or its subsidiaries may not exercise voting rights in respect of shares for which it or its subsidiaries have a right of usufruct or a pledge. No other voting right restrictions apply to the shares of the Company. Furthermore, there are no procedures or conditions for abolishing voting rights restrictions laid down in the Articles of Association.

On 26 March 2015, the Group established a cash-settled share-based payment arrangement. Directors and selected key employees were offered the opportunity to participate. Plan participants are required to make an equity co-investment contribution in cash ("the initial contribution") as limited partners of a limited partnership entity. Under the terms of the plan, the Group contributes an amount equal to three times the initial contribution ("the Group Contribution"). The limited partnership entity which administers the arrangement purchases the LM shares, and Group shares equivalent is computed for both the initial and the Group Contribution. This equivalent number is equal to the contribution divided by the market price of a Group share at the date of the initial contribution.

## 7 - Change of control and defence measures

### 7.1 Duty to make an offer

Pursuant to the applicable provisions of the Financial Market Infrastructure Act, FMIA, if a person acquires shares of a company with its primary listing at a Swiss stock exchange, whether directly or indirectly or acting in concert

with third parties, which, when added to the shares already held by such person, exceed the threshold of 33 1/3% of the voting rights (whether exercisable or not) of such company, that person must make a bid to acquire all of the listed shares of the company. A company's articles of association may either eliminate this provision of the FMIA or may raise the relevant threshold to up to 49% ("opting-out" or "opting-up" respectively). The Articles of Association do not contain an opting-out or an opting-up provision.

There is no obligation to make a bid under the foregoing rules if the voting rights in question are acquired as a result of a gift, succession or partition of an estate, a transfer based upon matrimonial property law, or execution proceedings.

These rules apply to the Company and its shareholders despite the Company being incorporated in the Netherlands. Since the Dutch rules on public takeovers and mandatory bid rules do not apply to a Dutch company listed at SIX Swiss Exchange, no exception applies to the application of Swiss takeover rules and, consequently, mandatory bid rules.

## **7.2 Clauses on change of control**

There are no change-of-control clauses benefiting Board members or members of the management. Under certain scenarios, a change in control would result in the accelerated vesting of pre-existing employee stock options so that all such options could be exercised immediately.

## **8 - Auditors**

### **8.1 Duration of the mandate and term of office of the lead auditor**

During the extraordinary general meeting held on 31 July 2020 ("EGM") the shareholders of the Company resolved upon the appointment of KPMG Accountants N.V. ("KPMG") to provide the Company with financial audit services for the accounting reference year 2020.

### **8.2 Auditing fees**

The total of the auditing fees for the auditors in 2020 amounts to EUR 621 thousand, of which KPMG, including network firms, in their capacity as Group auditors, received EUR 544 thousand.

### **8.3 Additional fees**

Additional fees of EUR 4 thousand were paid to the auditors (other than KPMG Netherlands) for 2020 audit related services.

### **8.4 Information instruments pertaining to the external audit**

KPMG presents to the Audit Committee a detailed report on the conduct of the Financial Statements audit, the findings on significant financial accounting and reporting issues together with the findings on the internal control system as well as an overview of issues found during the interim audit.

The Audit Committee reviews annually the appropriateness of retaining KPMG as the auditor of LM group, prior to proposing to the Board and to the Annual General Meeting of LMN the election of KPMG as auditors. The Audit Committee assesses the effectiveness of the work of the auditors in accordance with Swiss and Dutch law, based on their understanding of the Group's business, control, accounting and reporting issues, together with the way in which matters significant at Group level or in the statutory accounts are identified and resolved. The Audit Committee is also informed on the work of KPMG through regular briefings and information presented by the head of the Internal Audit Department. The lead auditor is rotated every five years in accordance with Dutch law. Audit fees are ultimately approved by the Audit Committee.

The Group and KPMG have agreed on clear guidelines as to audit services which it is appropriate for KPMG to provide. These guidelines ensure KPMG's independence in their capacity as auditors to the Group. KPMG monitors its independence throughout the year and confirms its independence to the Audit Committee annually.

## 8bis. Internal control and risk management system

### 8.1bis Principles of the internal control and risk management system

The Group has adopted and is committed on promoting and maintaining an internal control and risk management system, to be understood as a set of all of the processes, procedures and tools necessary or useful in order to manage and monitor business activities with the objective of ensuring compliance with laws, protecting corporate assets, managing activities in the best and most efficient manner and providing accurate and complete accounting and financial data, including financial reporting.

The Board of Directors approved the “Guidelines of the Board of Directors on Internal Auditing” (the “Guidelines”) that define the system of internal control and risk management as a set of organisational structures, rules and procedures to enable the identification and management of the risks in line with the Group’s objectives. An effective system of internal control and risk management assists in leading the Group in line with pre-established goals, promoting reasoned decision-making. The Group’s Board of Directors has identified the Audit Committee as responsible for the supervising of the internal control and risk management system. The Audit Committee defines the guidelines for the internal control and risk management system and annually reviews the operation of the Group’s internal risk management and control systems with regard to the characteristics of the Group and the risk profile assumed, as well as its efficacy, so that the main risks facing the Group and its subsidiaries can be correctly identified and adequately measured, managed and monitored. During 2019, the internal control and risk management system has been integrated with new framework, rules and procedures in order to ensure the compliance with the obligations arising from GDPR rules, as well as other national or European Union data protection provisions.

The Group’s internal control and risk management system is based on a set of integrated controls. Management is primarily responsible for applying the internal control and risk management system, since control activities are an integral part of management processes. Management must therefore foster an environment positively oriented that promotes to the controls and must specifically manage “line controls”, consisting of all the control activities that individual operating units or companies perform on their own processes. There are various operating units involved in the internal control and risk management system, based on specific allocations of responsibility. These units are set within the corporate structure at three different levels of the corporate structure, and they interact as shown in the diagram below. Specifically, LMN’s risk management system comprises the following three levels of internal control:

- **Level One:** identification, evaluation and monitoring of risks inherent to the individual Group processes. The Group departments that bear the individual risks, and are responsible for identifying, measuring and managing them as well as for implementing the necessary controls, are located at this level;
- **Level Two:** monitoring of the main risks to ensure that they are effectively and efficiently managed and processed, and monitoring of the adequacy and functioning of the controls put in place to protect against the main risks; support for Level One in defining and implementing adequate management systems for the main risks and related controls. This level contains Group personnel charged with coordinating and managing the main control systems. The functions mainly involved are Corporate Operating Office and DPO, People Office and Security;
- **Level Three:** independent and objective verification of the operating effectiveness and adequacy of Levels One and Two, and in general of all risk management methods. This activity is performed by the Internal Audit Department, which performs his activity under the direction and guidance of the Guidelines.

Internal representations received from management, management reviews, reviews of the design and



effectiveness of the internal controls and reviews are integral parts of LMN's risk management approach. On the basis thereof, it can be stated that LMN's internal controls over financial reporting provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies, based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis and confirms that these controls have functioned properly in the financial year 2020 .

In accordance with best practice 1.4.3 of the Dutch Corporate Governance Code dated December 2016, the board of directors confirms that:

- this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis;
- this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

### 8.2bis Risk Management System

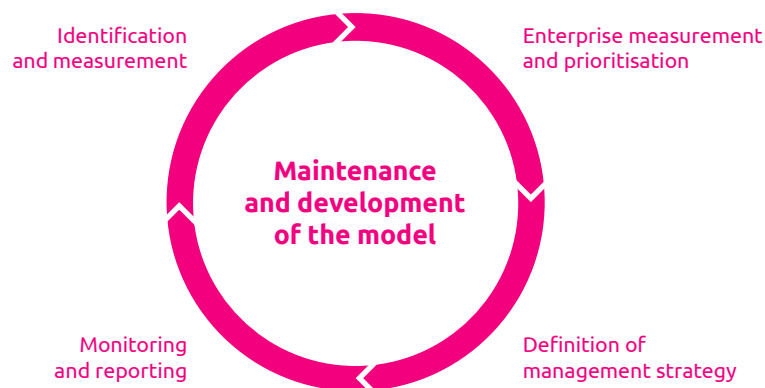
The Group has adopted rules, procedures and organizational structures to identify and manage the main risks that could affect the achievement of its strategic objectives.

The main risks and the relevant plans for managing said risks are submitted to the Audit and/or the Risk Supervisory Committees or, if the case may be, directly to the Board of Directors.

The scope of the risks identification phase is to point out any dangerous event both pertaining to the corporate processes of the Group and external to them that may affect the achievement of the corporate objectives. Risks are measured by way of defined grading scales of probability and impacts that concerns, both quantitative (e.g. economic and financial impacts) and more qualitative and intangible (e.g. reputational impact, health, safety-related) aspects.

Management actions and possible specific interventions are identified for all risks, with the relevant implementation timeframes, associated with a type of risks' management among those codified.

Below is a graphical representation of how the Group's risk management process works:



The main risks identified, monitored and managed by the Group are the following:

- Business Risk, being the risk arising from increased competition with possible subsequent loss of market share

- in comparison with other market players;
- Financial Risk, being the risk associated with financing operations, financial transactions and the risk of fulfilling the obligation linked to loans;
- Fraud Risk, being the risk arising from illegal or wrongdoing acts committed on the organization or by the organization or for the organization by internal or external sources;
- Cyber Security Risk, being the risk resulting from breakdowns in internal procedures, processes, people and systems; and
- Compliance Risk, being the risk resulting from changes in laws and regulations applicable to the Group (e.g. Tax law, GDPR and other material applicable laws).

### 8.3bis Internal Audit

The role, duties and responsibilities of the Internal Auditor are defined and formalised by the Board of Directors in the Guidelines.

The Board of Directors appoints the Internal Auditor. The Internal Auditor is appointed for an unlimited term and may be dismissed by the Board of Directors. At least once during the course of the mandate granted to it by the Shareholders' Meeting, the Board of Directors assesses whether to reappoint the Internal Auditor, basing its decision on factors including rotation criteria.

The Board of Directors has appointed Mr. Paolo Vassallo as Head of the Internal Audit Department.

The Internal Audit Department performs audit activities in full independence in accordance with the instructions of the Board of Directors; the Audit Committee oversees the activities of the Internal Audit Department. The Internal Audit Department activities are carried out ensuring the maintenance of the necessary conditions for independence and the necessary objectivity, competence and professional diligence provided for in the international standards for the professional practice of the Internal Audit and in the code of ethics issued by the Institute of Internal Auditors.

Within the process of approving the audit schedule, once a year the Board of Directors approves the budget required for the Internal Audit department to perform its responsibilities. According to the Guidelines, the Internal Audit has autonomous spending powers to assess, analyse and evaluate the internal control and risk management system and/or the related activities, and, in an exceptional and urgent circumstances that requires additional funds, it may ask the Board of Directors to extend the budget for the purposes of fulfilling its duties.

The Internal Audit Department: (i) verifies, both on a continual basis and in relation to specific requirements, in compliance with international standards, the functioning and suitability of the internal control and risk management system via an audit schedule, approved by the Board of Directors, after consultation with the Audit Committee, based on a structured process of analysing and prioritising the main risks; (ii) is not responsible of any operational area, and has direct access to all information that is useful for carrying out its duties; (iii) prepares periodic reports containing appropriate information on its work, on how risks are managed and on compliance with the plans set up to limit them. These reports contain an evaluation of the suitability of the internal control and risk management system; (iv) prepares timely reports on events of particular importance; (v) submits the reports to the Audit Committee and the Board of Directors; and (vi) verifies, in the context of the audit schedule, the reliability of the IT systems used, including the accounting systems.

Audit work are performed by the Internal Audit Department using an integrated approach, focusing on:

- Operational aspects: effectiveness and efficiency of business processes;
- Compliance aspects: compliance with laws and Group policies and procedures;
- Financial aspects: reliability of financial reporting.

In relation to compliance aspects, it should be noted that during 2019 the Internal Audit Function has been appointed as responsible for carrying out control activities on GDPR / Privacy topics, according to a 3 years GDPR Audit Plan approved by the Audit Committee. The focus of the GDPR audit is to determine whether the

organisation has implemented adequate policies and procedures to regulate the processing of personal data and adequate security measures to mitigate the potential risk connected to processing of personal data. The scope of the GDPR audit is agreed in consultation with the relevant stakeholders (DPO) to identify relevant data protection risks within the organization. The 3 years audit plan can be divided into three main pillars:

- Compliance Audit, in order to have an initial complete audit to verify that all components are correctly set up (fully done in 2019);
- Data Audit, in terms of audit on personal data management process (started in 2019 and to be completed during the three-years period);
- Audit on outsourcers, checks on processing activities entrusted to third parties (started in 2019 and to be completed during the three-year period).

#### **8.4bis. The Group's internal regulatory system**

In accordance with the evolving process aimed at continually improving the effectiveness and efficiency of its internal control and risk management system, lastminute.com group has adopted its own Regulatory System. The base of the Group's internal regulatory system is represented by the Code of Conduct, adopted by the Board of Directors on 14 April 2014. The Code of Conducts explicitly states the ethical guidelines, values and responsibilities that the Group acknowledges, accepts, shares and assumes, both within and outside the business. The values stated in the Code form a shared system that expresses lastminute.com group's culture of corporate ethics and inspires the strategic thinking and performance of corporate activities that have to be carried out in a transparent, honest and fair way, in good faith, and in full compliance with competition protection rules. All that in respect of the legitimate interests of every stakeholder.

The Group's regulatory system comprises the following levels: (i) Group's Policies (Level 1), (ii) Procedures (Level 2).

Group's Policies are indicated below:

- Code of Conduct;
- Whistle-blower Rules;
- Remuneration Policy;
- Dividend Policy;
- Privacy Policy;
- Insider Regulations;
- Power of Attorney Policy;
- GDPR and Security Policies;
- Modern Slavery Act Policy;
- Related Parties Transactions Policy; and
- Policy on Transactions of Directors and Management.

## **9 - Information policy**

### **9.1 Investor Relations – guiding principles**

The Group is committed to managing an open and consistent communication policy with shareholders, potential investors and other interested parties. The objective is to ensure that the perception of those parties about the historical record, current performance and future prospects of the Group is in line with management's understanding of the actual situation of the Group. The guiding principles of this policy are that the Group gives equal treatment to shareholders in equal situations, that any price-sensitive information is published in a timely fashion and that the information is provided in a format that is as full, simple, transparent and consistent as possible.

## 9.2 Methodology

The Group prepares detailed audited Financial Statements and the Annual Report, in order to communicate the results of the business. These are complemented by the Half-Yearly Report. It also publishes quarterly press releases including unaudited business results, moreover it publishes press releases at the time of any potentially price-sensitive event. Major announcements could be accompanied by a presentation which anyone can choose to access, whether or not that person is a shareholder. Furthermore, the Group has an active investor relations program, including both group meetings and one-to-one meetings. This includes presentations at the time of the Group's full-year and half-year results. The Group also has a programme of roadshows, which take place in most financial centres around the world, and hosts themed events for institutional investors and investment analysts at which members of line management give an overview of their particular areas of responsibility. These meetings focus either on recently announced financial results, recent corporate activity or the longer-term strategy of the Group.

The Group utilises its website <https://imgroup.lastminute.com/> to ensure a rapid and equitable distribution of information. There are links to non-financial information that may be of interest to investors, such as the Articles of Association, Code of Conduct, Whistle-blower Rules, Dividend and Remuneration policy. A Group calendar of relevant dates is displayed on website (<https://imgroup.lastminute.com/>). The Investor Relations Department can be contacted, either through the Web site or e-mail.

Link to push service: <https://imgroup.lastminute.com/site-services/alert-service.aspx>

Link to pull service: <https://imgroup.lastminute.com/media/press-releases.aspx>

## 10 - Non-applicability/ negative disclosure

It is expressly noted that any information not contained or mentioned herein is either non-applicable or its omission is to be construed as a negative declaration (as provided in the SIX Swiss Exchange Corporate Governance Directive and the Commentary thereto).

**2020 organizational structure:**



Amsterdam, 25 March 2021

**The Board of Directors,**  
Executive Board Members

Mr. F. Cannavale  
Mr. M. Corradino

## Annex 1: Definitions

As used in this Corporate Governance Report in capitalized form, the following terms shall have the following meaning:

- **“Company”** shall refer to lastminute.com NV, with a registered seat based in Amsterdam (The Netherlands), Prins Bernhardplein 200.
- **“Board”** and/or **“Board of Directors”** shall refer to the Company’s board of directors.
- **“CEO”** shall mean chief executive officer.
- **“Group”** and/or **“LM group”** shall refer to the Company and all of its direct and indirect subsidiaries, including the Other Segments.
- **“Group CEO”** shall mean the CEO of the Group.
- **“lastminute.com”** shall refer to the business pillar OTA, META and Media.
- **“lastminute.com CEO”** shall mean the CEO of lastminute.com.
- **“Media”** shall mean the sale of online advertising primarily on the proprietary OTA and META websites and database and, to a lesser extent, on third party partners’ available spaces.
- **“META”** (Meta-search) shall mean the business generated in the Group websites focused on directing traffic, in exchange for a commission, to the sites of OTAs, airlines, hotel providers and other direct providers.
- **“OTA”** (Online Travel Agency) shall mean the intermediation of touristic services and organization of dynamic packages. It represents the traditional business of the Group.
- **“Other Segments”** shall refer to the ventures that constitute a separate operating segment.

## Contacts

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