



POLICY REGARDING THE DIVERSITY OF THE BOARD OF
DIRECTORS AND THE BOARD OF STATUTORY AUDITORS OF
PARMALAT S.p.A.

Approved by the Board of Directors at the meeting of October 30, 2018

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1. Foreword

This Policy was adopted by the Board of Directors of Parmalat S.p.A. (“Parmalat” or the “Company”) in accordance with the laws and regulations governing sustainability issues and the provisions of the Corporate Governance Code, as published by the Corporate Governance Committee of Borsa Italiana S.p.A., version updated in July 2018 (“Corporate Governance Code”), which the Company adopted.

More specifically, the policy governing the diversity of management and control bodies (“Diversity Policy” or “Policy”) is being adopted in implementation of the provisions of Article 123-*bis*, Section 2, Letter d-*bis*, of Legislative Decree No. 58 of February 24, 1998, as amended (“TUF”), pursuant to which companies who are issuers of securities are required to provide a *“description of the diversity policies applied with regard to the composition of their administration, management and control bodies concerning such issues as age, gender breakdown and training and professional development, as well as a description of the objectives, implementation modalities and results of the abovementioned policies.”*

The Company intends to apply diversity criteria, including those concerning gender, to the composition of the Board of Directors and the Board of Statutory Auditors, while complying with the priority objective of ensuring that their members possess adequate competencies and professional skills, taking also into account the provisions of the Corporate Governance Code, which recommends that at least one-third of the members of the Board of Directors and the Board of Statutory Auditors belong to the least represented gender, both at the time of appointment and during the course of their mandate, and that the issuers adopt measures to promote equal treatment and opportunities among genders within their corporate organizations and monitor the concrete implementation of those policies.

This Policy refers to the composition of Parmalat’s Board of Directors and Board of Statutory Auditors.

2. Scope of Implementation and Purpose

This Policy describes the criteria required to achieve a composition of the Company’s Board of Directors and Board of Statutory Auditors that will enable directors and statutory auditors to perform their respective management and oversight duties, adopting decisions based on the contribution of a plurality of qualified viewpoints, professional skills and experience.

This document has been reviewed in advance by the Nominating and Compensation Committee, which rendered a favorable opinion at its meeting of October 25, 2018, and was later approved by the Board of Directors, based on a favorable opinion by the Board of Statutory Auditors, at the meeting of October 30, 2018.

3. General Principles

The Company's Board of Directors and Board of Statutory Auditors are aware of the fact that diversity and sense of belonging are two fundamental elements of the corporate culture of a multinational group; more specifically, maximizing the benefits of diversity, as a fundamental element for the sustainability of business activity over the medium/long-term, represents a reference paradigm both for the employees of the Parmalat Group and the members of the Company's management and control bodies.

The Company's Board of Directors and its Board of Statutory Auditors respect the prerogatives attributed to shareholders with regard to the nomination and election of their representatives, with the expectation that the composition of these bodies will reflect the objective of integrating diverse managerial and professional profiles, with special emphasis on the economics, accounting, legal and financial fields, and that, as required by the Corporate Governance Code, attention will be given to the inclusion of independent members and the achievement of a balanced gender representation (with at least one-third of the members belonging to the least represented gender), taking also into account the benefits that could derive from the presence of members of different age groups and with different seniority.

In addition, the Company's management and control bodies view as a priority the ability to maintain and strengthen, internally, a collaborative, loyal and synergistic climate under which each director and statutory auditor will be able to best express his/her professional skills and maximize his/her contribution.

4. Diversity Criteria and Objectives in the composition of the Board of Directors

The composition of the Board of Directors must comply with the provisions of the applicable laws and regulations in effect at any given time. In addition to the requirements of the relevant laws and the Company Bylaws, the following recommendations should also be taken into account:

- a) from a quantitative standpoint, the number of members to be elected should be adequate for the size and complexity of the organizational structure of the Company and the Group;

- b) from a qualitative standpoint, the Board of Directors must reflect a high degree of diversification in terms of competencies and professional skills suitable in terms of the assigned functions, age and gender parity.

In light of the above and taking also into account the fact that the Company is subject to the oversight and coordination exercised by B.S.A. S.A., Parmalat's Board of Directors believes that its optimum composition must meet, in addition to the professionalism requirement, the following additional requirements:

- a) a majority of directors who are non-executive and independent or meet the independence requirements applicable pursuant to law and the Corporate Governance Code;
- b) gender parity; even though the relevant provisions of Law No. 120 of 2011 are no longer applicable, in accordance with the provisions of the Corporate Governance Code, the Company believes that at least one-third of its Board members must continue to belong to the least represented gender, both at the time of appointment and during the course of their mandate, even though this approach is not governed by specific provisions of the Company Bylaws and/or regulations. Specifically regarding gender diversity, in connection with the filing of slates of candidates for the election of a new Board of Directors, the Company recommends that shareholders supply, together with the submitted slate filing documents, an adequate disclosure as to whether or not the slate is consistent with the gender diversity objective specified in this Policy;
- c) presence of members who have developed adequate experience at publicly traded companies and with complex and/or international contexts;
- d) a balanced combination of members with different seniority and of different ages within the Board of Directors;
- e) presence of members who have overall competencies regarding the sector within which the Company operates;
- f) presence of members with managerial and/or professional and/or academic and/or institutional profiles sufficient to create a combination of diverse and complementary competencies and who have developed experience in positions of responsibility at industrial groups of significant size and/or complexity, professional firms, consultancies or other public or private organizations.

In view of the diversity of the roles performed by the Chairman and the Chief Executive Officer, the Company believes that they must possess adequate competencies for an effective performance of their respective duties. More specifically:

- a) the Chairman should be a person with sufficient experience and authority to ensure, during his/her term of office, a correct, efficient and effective handling of the activities of the Board of Directors. He/She should also have an adequate knowledge of corporate

governance, economic-financial and/or managerial issues and acquired significant experience serving on the Boards of Directors of companies of significant size and/or complexity, preferably listed on the stock market;

- b) the Chief Executive Officer should be a person with authority, acknowledged leadership ability and a profound knowledge of the market in which the Company operates. He/She should have acquired significant experience at the helm of companies of significant size and/or complexity and possess adequate competencies in the economic-financial field.

In order to enable Parmalat's Board of Directors to discharge its duties most effectively, in addition to the requirements listed above regarding diversity, the Company believes that it is of fundamental importance for all directors to devote sufficient availability of their time to an accurate and mindful performance of their tasks, taking into account any other positions held within management and control bodies at other companies and the commitment required of them for any other work or professional activities they may perform.

5. Diversity Criteria and Objectives in the composition of the Board of Statutory Auditors

The composition of the Board of Statutory Auditors must comply with the provisions of the applicable laws and regulations in effect at any given time. In addition to the requirements of the relevant laws and the Company Bylaws, considering also the experience developed in the course of the mandate, the following recommendations should also be taken into account regarding the composition of the Board of Statutory Auditors:

- a) the statutory auditors must be selected among persons who qualify as independent, based also on the criteria set forth for directors in the Corporate Governance Code;
- b) even though the relevant provisions of Law No. 120 of 2011 are no longer applicable, at least one-third of the elected members and alternates of the Board of Statutory Auditors should consist of statutory auditors belonging to the least represented gender, both at the time of appointment and during the course of their mandate, even though this approach is not governed by specific provisions of the Company Bylaws and/or regulations. Specifically regarding gender diversity, in connection with the filing of slates of candidates for the election of a new Board of Directors, the Company recommends that shareholders supply, together with the submitted slate filing documents, an adequate disclosure as to whether or not the slate is consistent with the gender diversity objective specified in this Policy;

- c) at least one statutory auditor should have developed adequate experience at publicly traded companies and with complex and/or international contexts;
- d) a balanced combination of members with different seniority and of different ages within the Board of Directors should be established;
- e) there should be a presence of members who have overall competencies regarding the sector within which the Company operates;
- f) there should be a presence of members with managerial and/or professional and/or academic and/or institutional profiles sufficient to create a combination of diverse and complementary competencies and experiences.

The Company believes that the Chairman should be a person with sufficient authority to ensure an adequate handling of the tasks of the Board of Statutory Auditors and coordination with any other activities performed by other parties involved with the internal control and risk management system.

In order to enable Parmalat's Board of Statutory Auditors to discharge its duties most effectively, in addition to the requirements listed above regarding diversity, the Company believes that it is of fundamental importance for all directors to devote sufficient availability of their time to an accurate and mindful performance of their tasks, taking into account any other positions held within management and control bodies at other companies (in compliance with the provisions of existing laws) and the commitment required of them for any other work or professional activities they may perform.

6. Implementation Modalities of the Diversity Policy

When an entirely new control body is being elected or changes are being made in its composition, the Board of Directors and, when required, the Nominating and Compensation Committee shall express their recommendations regarding the composition of the management body, in line with the diversity criteria and the objectives stated in this Policy. These recommendations shall be described in the report to shareholders on the election of the Board of Directors.

The Board of Directors and, when required, the Nominating and Compensation Committee shall also take into account the composition criteria stated in this Policy when one or more directors terminated before the end of their term of office need to be replaced, it being understood that all composition requirements applicable pursuant to law and the Company Bylaws will continue to apply.

When a new control body is being elected, the Board of Statutory Auditors shall express its recommendations regarding its composition, in line with the diversity criteria and the objectives stated in this Policy. These recommendations shall be described in the report to shareholders on the election of the Board of Statutory Auditors.

7. Monitoring the Policy's Implementation and Updating

Parmalat's Board of Directors, with the support of the Nominating and Compensation Committee, is responsible for monitoring the results deriving from the implementation of this Policy and any of its updates.

Any amendments that may be made to the applicable regulation shall be understood to have been automatically incorporated in this Policy and any provisions that make reference to them shall be viewed as having been amended accordingly.

A description of the results deriving from the implementation of this Policy is provided in the Report on Corporate Governance and the Company's Ownership Structure, published pursuant to Article 123-*bis* TUF, starting in the year following the implementation of the policies described in this document.