



# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Fiscal Year 2022



## **REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE**

*Prepared pursuant to Art. 123-bis of Legislative Decree no. 58/98, as amended  
(traditional management and control structure)*

For the fiscal year ended **December 31, 2022**

Approved by the Board of Directors on March 22, 2023

### **INDUSTRIE DE NORA S.P.A.**

*Registered office in Via Bistolfi 35, 20134 - Milan (MI)*

*Tax code and registration number in the Company Register at the Chamber of Commerce of Milan -  
Monza - Brianza - Lodi 03998870962*

Website: [www.denora.com](http://www.denora.com)

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## GLOSSARY

**Shareholders' Meeting:** the Shareholders' Meeting of the Issuer.

**Multiple Voting Shares:** it indicates the multiple voting shares issued pursuant to Article 5.6 of the Issuer's By-laws.

**Ordinary Shares:** it indicates the ordinary shares of the Issuer, listed on Euronext Milan.

**Code/Corporate Governance Code:** the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.

**Italian Civil Code:** the Italian Civil Code.

**Board of Statutory Auditors:** the Issuer's Board of Statutory Auditors.

**Corporate Governance Committee:** the Italian Committee for Corporate Governance of listed companies, promoted by Borsa Italiana S.p.A., along with ABI, Ania, Assogestioni, Assonime and Confindustria.

**Board/Board of Directors:** the Issuer's Board of Directors.

**Date of the Report:** the date of approval of this Report by the Board of Directors of IDN.

**Trading Date:** the date from which IDN shares have been trading on Euronext – Milan, *i.e.*, June 30, 2022.

**IDN or Issuer or Company:** Industrie De Nora S.p.A., the Issuer of the shares to which the Report refers.

**Fiscal Year:** the fiscal year to which the Report refers.

**IDN Group or Group:** collectively IDN and the companies directly or indirectly controlled by it pursuant to Art. 93 of the Consolidated Law on Finance.

**Listing:** admission to trading of IDN shares on Euronext - Milan.

**Consob Issuers' Regulation:** the Regulation issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) on issuers.

**Consob Market Regulation:** the Regulation issued by Consob with resolution no. 20249 of 2017 on markets.

**RPT Regulation:** the Regulation issued by Consob with resolution no. 17221 of March 12, 2010 (as subsequently amended) on related party transactions.

**Report:** the report on corporate governance and ownership structures that companies are required to prepare and publish pursuant to Art. 123-*bis* of the Consolidated Law on Finance.

**Remuneration report:** the report on the remuneration policy and compensation paid that companies are required to prepare and publish pursuant to Art. 123-*ter* of the Italian Consolidated Law on Finance and 84-*quater* of the Consob Issuers' Regulation.

**Consolidated Law on Finance:** the Legislative Decree no. 58 of February 24, 1998.

Where not otherwise specified, the Corporate Governance Code's definitions of **directors, executive directors, independent directors, significant shareholder, chief executive officer (CEO), board of directors, control body, business plan, concentrated ownership company, large company, sustainable success, top management** shall also be used by reference.

## INTRODUCTION

Industrie De Nora S.p.A. (the “**Company**”, the “**Issuer**” or “**IDN**”) is a company whose shares are traded - as from June 30, 2022 (the “**Trading Date**”) – on the stock market organized and managed by Borsa Italiana S.p.A., i.e., Euronext – Milan (respectively, “**Euronext - Milan**” and “**Listing**”).

Previously, the Company's shares were not traded on any regulated market and, therefore, the Company had adopted corporate governance measures suitable to its characteristics. Starting from the Trading Date, the Company has implemented the corporate governance structure described in this Report.

The Report - which was prepared with reference to the “*Format for the report on corporate governance and ownership structures*” issued by Borsa Italiana S.p.A. in January 2022 – was approved by the Board of Directors in its meeting held on March 22, 2023 and is available for consultation on the Company's website at [www.denora.com](http://www.denora.com) in the section “*Governance - Corporate Governance - Shareholders' Meeting*”.

## 1.0 ISSUER PROFILE

### *Description of the Issuer's activities*

IDN is the parent company of the De Nora Group, an international leader in the development, production and sale of innovative products, technologies and solutions for electrochemical processes<sup>1</sup> and energy transition<sup>2</sup>, as well as systems and equipment for water treatment and disinfection<sup>3,4</sup>. In particular, De Nora Group is the main global supplier of metal electrodes for the chlor-alkali market, for the electronics industry as well as for the refining of nickel and cobalt<sup>5</sup>. The De Nora Group also plays a pivotal role in the global production of components for energy transition solutions, thanks to the investments in research and development made over the last years, established partnerships with major players in an expected fast-growing market, and significant production capacities for the manufacture of electrodes and components for the production of green hydrogen through the alkaline electrolysis of water<sup>6</sup>.

### *Consolidated non-financial statement*

Since its inception, the Group has based its strategy towards a sustainable business model, capable of creating competitive advantages for the Company by combining economic and/or financial objectives with social and environmental considerations. Its innovative process aims, indeed, to safeguard a sustainable growth that encompasses respect for the environment and for the rights of people in business development and along the entire value chain.

For information on the sustainability policy adopted by the Issuer and the De Nora Group, as well as the sustainability strategic plan, please refer to the “Non-financial Consolidated Statement” prepared and published by the Company in compliance with the provisions of Legislative Decree 254/2016 and the Regulation adopted with Consob Resolution no. 20267/2018, which outlines the main policies applied by the Company, the management models and the main activities carried out by the Group in relation to the issues expressly referred to in Legislative Decree 254/2016 (environmental, social causes, personnel, respect for human rights, corruption), as well as the main risks identified related to the aforementioned issues. The “Non-financial Consolidated Statement” can be retrieved at [www.denora.com](http://www.denora.com), section “*Investor Relations*” and section “*Governance - Corporate Governance - Shareholders' Meeting*”.

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<sup>1</sup> Source: Roland Berger Hydrogen and Electrodes Market Report, 2021.

<sup>2</sup> Source: Roland Berger, Hydrogen and Electrodes Market Report, 2021.

<sup>3</sup> More precisely, the Group develops systems for the generation of substances and products currently being registered as biocidal products *in situ*, according to the requirements of Regulation (EU) No. 528/2012 of the European Parliament and of the Council, of 22 May 2012, concerning the making available on the market and use of biocidal products.

<sup>4</sup> Source: Amane Advisors, Report on industry segment view (Water Market), 2021.

<sup>5</sup> Source: Roland Berger, Hydrogen and Electrodes Market Report, 2021. In particular, as of December 31, 2021 the Group reached an annual production capacity of approximately 10 million electrodes, and plans to further expand its production capacity in the energy transition sector through targeted investments of about Euro 160 million between 2022 and 2025 (compared to a total projected investment of about Euro 300 million over the same reference period).

<sup>6</sup> Source: Roland Berger, Hydrogen and Electrodes Market Report, 2021. As of the Date of the publication of the Prospectus, the Group was the leading specialist supplier of components for AWE technology.

### *Governance model adopted by the Issuer*

The Company is organized according to the traditional management and control structure pursuant to Articles 2380-*bis et seq.* of the Italian Civil Code, which provides for the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

The Company does not qualify as a “large company” under the Corporate Governance Code. It qualifies as a “concentrated ownership company”, instead.

The Board of Directors leads the Issuer with the aim of pursuing its sustainable success, *i.e.* the creation of long-term value for the shareholders, taking into account also the interests of the Issuer's other major stakeholders, as better described in the following paragraphs 4.1, 8 and 9.

### *Statement on the nature of SME of the Issuer*

As of the Date of the Report, the Issuer does not qualify as a SME pursuant to Art.1, paragraph 1, letter *w-quater.1)* of the Consolidated Law on Finance and Art. 2-*ter* of the Issuers' Regulation.

Moreover, as communicated to the market on June 21, 2022, the Company's Board of Directors, pursuant to Articles 70, paragraph 8 and 71, paragraph 1-*bis*, of the Issuers' Regulation, resolved to adhere, effective from the Trading Date, to the opt-out regime provided for by the aforementioned articles, which provides the right to derogate from disclosure obligations on explanatory documentation, as stated in Annex 3B of the Issuers' Regulation in the event significant mergers, demergers, capital increases by contribution of assets in kind, acquisitions and transfers.

## **2.0 INFORMATION ON THE OWNERSHIP STRUCTURES (pursuant to Art. 123-bis, paragraph 1, Italian Consolidated Law on Finance) AS AT THE DATE OF THE REPORT**

### *(a) Share capital structure (pursuant to Art. 123-bis, paragraph 1, letter a), Italian Consolidated Law on Finance)*

As of the Date of the Report, the share capital of IDN, fully subscribed and paid up, amounts to Euro 18,268,203.90, divided into:

- no. 43,899,499 ordinary shares, with no par value, corresponding to the same number of voting rights,
- no. 157,785,675 multiple voting shares, pursuant to Art. 120, paragraph 1, of the Consolidated Law on Finance and Art. 5.6, letter (i), of the By-laws, corresponding to an aggregate amount of 473,357,025 voting rights since each share grants no. 3 (three) voting rights in shareholders' meetings.

Issuance and circulation of ordinary shares is governed by the applicable legislation. As of the Date of the Report, no shares are subject to restrictions on voting rights. The same information is summarised in **Table 1** of this Report.

For information on the existing incentive plans adopted by IDN, please refer to the Remuneration Report (pages 23-23), available on the Issuer's website at [www.denora.com](http://www.denora.com), in the section “*Governance - Corporate Governance - Shareholders' Meeting*”. As of the Date of the Report, there are no other financial instruments that give the right to subscribe newly issued shares.

Finally, pursuant to Art. 2443 of the Italian Civil Code, the Extraordinary Shareholders' Meeting held on February 18, 2022 resolved to grant the Board of Directors, effective as of the Trading Date of the Company's shares on Euronext Milan, for a period of five years from the date of said resolution, the power to increase the share capital to service share-based incentive plans, free of charge and divisible, also in several tranches, for a maximum amount of Euro 20 (twenty) million, through the issue of ordinary shares with no par value, having the same characteristics as those in circulation, carrying standard rights, with the exclusion of option rights pursuant to Article. 2441, paragraphs five and eight of the Italian Civil Code, at an issue value equal to the accounting parity of the ordinary shares at the date of execution of the proxy through the assignment of a corresponding amount of profits and/or profit reserves as resulting from the last financial statements approved from time to time pursuant to Article 2349 of the Italian Civil Code.



*(b) Restrictions on the transfer of shares (pursuant to Art. 123-bis, paragraph 1, letter b), Italian Consolidated Law on Finance)*

Pursuant to Art. 5.5 of the By-laws, the shares of IDN are freely to transfer. Issuance and circulation of shares is governed by current legislation.

As at the Date of the Report, there are no statutory restrictions on the transfer of shares.

Please note that, pursuant to IDN Shareholders' Agreement (as defined in paragraph 2 (g) below), SNAM S.p.A. and Asset Company 10 S.r.l. have undertaken not to transfer, for the entire duration of the IDN Shareholders' Agreement (and any subsequent renewal) their respective shares, in whole or in part, to a competitor (as defined in the IDN Shareholders' Agreement itself) of the Company or to a third party that controls or is controlled by a competitor of the Company.

For information on the aforementioned shareholders' agreement, please refer to the relevant essential information published on the Issuer's website [www.denora.com](http://www.denora.com), Section "Governance - Documents and Procedures".

*(c) Relevant shareholders (pursuant to Art. 123-bis, paragraph 1, letter c), Italian Consolidated Law on Finance)*

On the basis of the information received pursuant to the applicable regulations (and, in particular, pursuant to the provisions of Art. 120 of the Italian Consolidated Law on Finance), as well as the results of the Shareholders' Ledger, the Shareholders who hold, directly or indirectly, equity investments greater than 3 % of voting rights in IDN are the following:<sup>7</sup>

Beneficial Owner	Direct Shareholder	% on share capital	% on voting rights
Federico De Nora S.p.A.	Federico De Nora S.p.A.	45.39	52.052
Federico De Nora	Federico De Nora	3.28	3.839
Michele De Nora	Norfin S.p.A.	6.13	7.036
Snam S.p.A.	Asset Company 10 S.r.l.	25.79	29.506

The same information is summarised in **Table 1** of this Report.

As of the Date of the Report, the Company does not hold treasury shares.

*(d) Securities that grant special rights (pursuant to Art. 123-bis, paragraph 1, letter d), Italian Consolidated Law on Finance)*

The Company has not issued any securities that grant special control rights.

The Company has issued multiple voting shares. Art. 5.6 of the By-laws provides that multiple voting shares grant the right to 3 (three) votes in the ordinary and extraordinary Shareholders' Meetings of the Company. The multiple voting shares are not listed on Euronext.

*(e) Employee participation in shareholding systems for exercising voting rights (pursuant to Art. 123-bis, paragraph 1, letter e), Italian Consolidated Law on Finance)*

At the Date of the Report, there is no system for employees participation in shareholding that provides for a mechanism for exercising voting rights other than that applicable to shareholders in general.

*(f) Restrictions on voting rights (pursuant to Art. 123-bis, paragraph 1, letter f), Italian Consolidated Law on Finance)*

As at the Date of the Report, there are no restrictions on voting rights.

<sup>7</sup> Pursuant to Article 118, paragraph 3-bis, of the Issuers' Regulation, only shareholding equal to or greater than 3% of the total number of voting rights referring to the shares subject to communication are taken into account for the purposes of this table.



(g) *Agreements among shareholders (pursuant to Art. 123-bis, paragraph 1, letter g), Italian Consolidated Law on Finance)*

The Issuer is aware of the existence of a material shareholders' agreement pursuant to Art. 122 Italian Consolidated Law on Finance, in force at the Date of the Report and concerning, *inter alia*, IDN shares.

In particular, on April 11, 2022, Federico De Nora, FDN S.p.A., Norfin S.p.A., SNAM S.p.A. ("**SNAM**") and Asset Company 10 S.r.l, a wholly owned subsidiary of SNAM, entered into shareholders' agreement, as subsequently amended, on May 27, 2022, June 21, 2022 and February 1, 2023, respectively ("**IDN Shareholders Agreement**") aimed, *inter alia*, at regulating certain aspects of the governance of IDN as well as the terms and conditions for the exercise of some administrative and operational rights in connection with the shareholdings held by the parties in the Company's share capital, effective as of June 30, 2022, the trading date of the Company's ordinary shares on Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A.

For additional information on the IDN Shareholders' Agreement, please refer to the relevant essential information published on the Issuer's website [www.denora.com](http://www.denora.com), Section "Governance/Corporate Documents and Procedures".

(h) *Change of control clauses (pursuant to Art. 123-bis, paragraph 1, letter h), of the Consolidated Law on Finance) and statutory provisions on takeover bids (pursuant to Art. 104, paragraph 1-ter, and 104-bis, paragraph 1)*

As of the Date of the Report, the Issuer has entered into a facilities agreement which, as is customary in financial transactions of this type, contain a clause granting the lenders the right to seek the immediate repayment in the event of a change of control of the Company. More specifically, on May 5, 2022, the Company and De Nora Holding US Inc. ("**De Nora Holdings US**"), as borrowers and guarantors, signed a senior loan agreement for a total amount of Euro 200,000,000 and USD 100,000,000 with, *inter alia*, Unicredit S.p.A., as agent bank of the Facilities Agreement, as defined below (the "**Agent Bank**"), Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Intesa Sanpaolo S.p.A, Mediobanca - Banca di Credito Finanziario S.p.A. and UniCredit S.p.A., as mandated lead arrangers and bookrunners of the Facilities Agreement, as defined below, and Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A, Intesa Sanpaolo S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., Mediobanca International (Luxembourg) S.A., UniCredit S.p.A., Unicredit Bank AG – New York Branch, Intesa Sanpaolo S.p.A. – New York branch and Banca Popolare di Sondrio S.C.p.A., as financing banks (the "**Lenders**") (the "**Facilities Agreement**"). The facilities are divided into (i) a medium/long-term credit facility in favour of the Company referred to as Facility A1, aimed at repaying, in whole or in part, the existing financial debt of the companies belonging to the Group, including the financial indebtedness arising from a previous facility agreement, and supporting the Issuer's working capital requirements and general needs and (ii) a medium/long-term credit facility in favour of De Nora Holding US called Facility A2, aimed at repaying, in whole or in part, the Group's existing financial indebtedness (as defined under the Facilities Agreement), including financial indebtedness arising from a previous facility agreement, and supporting the working capital needs and general needs of De Nora Holding US.

The Facilities Agreement provides for full early repayment obligations upon the occurrence of certain events, including that of a change of control. Indeed, early repayment of the outstanding amount of the facilities is required, together with interest accrued, expenses and fees in the event that (i) following the Issuer's Listing:

- a. any person (other than any Member of the De Nora Family) or group of persons acting in agreement (other than a group of persons acting in agreement which includes any Member of the De Nora Family that holds at least the majority of the voting rights attributable to that group of persons considered collectively) holds a percentage of voting rights in the Issuer such that such person or group of persons acting in agreement is obliged to launch a mandatory takeover bid on the Issuer's shares pursuant to the Italian Consolidated Law on Finance); and/or<sup>8</sup>
- b. any person (other than any Member of the De Nora Family) or group of persons acting in agreement (other than a group of persons acting in agreement which

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<sup>8</sup> Pursuant to the Facilities Agreement, Members of the De Nora Family means Mr Federico De Nora and/or his wife and/or brother and/or any of their children (when adults).

includes the Members of the De Nora Family who hold at least the majority of the voting rights attributable to this group of persons considered collectively) (I) holds (directly or indirectly) a higher percentage of shares with voting rights in the Issuer than that held, directly or indirectly, by the Members of the De Nora Family or (II) acquires direct control or indirect of the Issuer (pursuant to Art. 93 of the Consolidated Law on Finance, i.e. the case in which the majority of the directors are not appointed from the list submitted by any Member of the De Nora Family (alone or in a group of persons who act in agreement in which the Members of the De Nora Family hold at least the majority of the voting rights attributable to that group of persons with considered);

as well as **(ii)** at any time the issuer ceases to hold, directly or indirectly, a stake equal to 100% of the share capital of De Nora Holding US, or loses the right to determine the composition or to remove the majority of the members of the Board of Directors or otherwise equivalent body of De Nora Holding US.

On September 23, 2022, the Issuer also entered into a shareholders' agreement with thyssenkrupp Projekt 1 GmbH ("**tk Projekt**"), a company indirectly controlled by thyssenkrupp AG ("**thyssenkrupp**"), which confirms the terms of the partnership between the two companies as part of the previous joint venture agreement signed in 2013 in relation to the operation and governance of thyssenkrupp nucera AG & Co. KGaA ("**tk nucera**"), a global technology leader for green hydrogen plant solutions. As of the Date of this Report, IDN holds 34% of tk nucera. The shareholders' agreement governs the cases of exit (*i.e.*, exit rights) reserved for tk Projekt and the Issuer, as well as certain extraordinary termination cases in the event that, *inter alia*, a competitor of the Issuer or of tk nucera acquires control of one of the two Parties, respectively. In particular, if a competitor of tk nucera acquires control of IDN, tk Projekt would have the right to sell the shares of tk nucera, or to terminate the shareholders' agreement and/or exercise an option right to purchase the shares held by the Issuer in tk nucera. Pursuant to the shareholders' agreement, a IDN change of control refers to the case where any person (other than any Member of the De Nora Family) or group of persons acting in agreement (other than a group of persons acting in agreement which includes the Members of the De Nora Family who hold at least the majority of the voting rights attributable to this group of persons, collectively) (I) acquires the direct or indirect control of the Issuer (pursuant to Art. 93 of the Italian Consolidated Law on Finance and/or (II) holds (directly or indirectly) a percentage of shares with voting rights in the Issuer higher than 25% or 30%, depending on the case, pursuant to Art. 106, paragraph 1 and 1-*bis* (as applicable) of the Italian Consolidated Law on Finance, being understood, however, that exceeding such thresholds will not determine any change of control of IDN if the Members of the De Nora Family continue to hold, directly or indirectly, a percentage of voting rights higher than the percentage of voting rights held by such third parties.<sup>9</sup>

The By-laws do not derogate from the provisions on the passivity rule pursuant to Art. 104, paragraphs 1 and 1-*bis*, of the Italian Consolidated Law on Finance and do not provide for the application of the neutralization rule set forth in Art. 104-*bis*, paragraphs 2 and 3 of the Italian Consolidated Law on Finance.

(i) *Power to increase share capital and authorization to purchase treasury shares (pursuant to Art. 123-*bis*, paragraph 1, letter m), Italian Consolidated Law on Finance)*

On February 18, 2022, the Issuer's Extraordinary Shareholders' Meeting resolved to grant the Board of Directors, effective from Trading Date, pursuant to Art. 2443, paragraph two, of the Italian Civil Code, on one or more instances within a maximum term of five years from the date of the resolution, the power to increase the share capital, free of charge and divisible, also in several tranches, pursuant to Art. 2349 of the Italian Civil Code, for a maximum amount of Euro 20 (twenty) million through the issuance of

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<sup>9</sup> Pursuant to the shareholders' agreement signed with tk Project, Members of the De Nora Family means Mr. Federico De Nora, and/or his brother and/or the respective wives and/or any of their children (when adults).

ordinary shares with no par value, excluding option rights pursuant to Art. 2441, fifth and eighth paragraph, of the Italian Civil Code, to be assigned to the beneficiaries (identified by the Board of Directors) of incentive plans based on ordinary shares of the Company.

As of the Date of the Report, the Company has not resolved on the authorization, pursuant to Art. 2357 of the Italian Civil Code, to purchase of treasury shares of the Company.

(j) *Management and coordination activities (attività di direzione e controllo) (pursuant to Art. 2497 et seq. of the Italian Civil Code)*

As of the Date of the Report, the Issuer is controlled by Federico De Nora S.p.A., pursuant to Art. 2359, paragraph 1, of the Italian Civil Code and Art. 93 of the Consolidated Law on Finance. However, the Company is not subject to management and coordination activities (*attività di direzione e controllo*) pursuant to Art. 2497 et seq. by Federico De Nora S.p.A. since it operates under conditions of full management autonomy and, in particular: (i) the main decisions relating to the management of the business of the Company and its subsidiaries are taken in full autonomy by the Company's bodies (in particular, the approval of the strategic, industrial and financial plans and budgets of the Company and the Group, as well as the assessment of the adequacy of the organisational, administrative and contractual structure of the Company and the Group, are the responsibility of the Company's Board of Directors); (ii) the Company operates in full autonomy in the management of relations with customers and suppliers; (iii) Federico De Nora S.p.A. does not perform any centralised cash pooling function in favour of the Company; and (iv) the Board of Directors of Federico De Nora S.p.A. and that of the Company are two separate bodies and no resolution has ever been passed by the Company's Board of Directors that has been affected by the parent company. More generally, the Company is not subject to any directive, nor has it ever received or is receiving instructions issued by Federico De Nora S.p.A. in relation to any matter, including, but not limited to, decisions relating to the implementation of extraordinary operations or the definition of strategies.

\* \* \*

The information required by Art. 123-bis, paragraph 1, letter i), "*agreements between the Company and the directors, members of the management board or supervisory board, which provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases as a result of a takeover bid*", is contained in the section of the Remuneration Report available on the Issuer's website at [www.denora.com](http://www.denora.com), Section "*Governance – Corporate Governance - Shareholders' Meeting*".

The information required by Art. 123-bis, first paragraph, letter l), first part "*the provisions applicable to the appointment and replacement of directors ... if different from the legislative and regulatory ones applicable on a supplementary basis*", are outlined in the section of the Report specific to the Board of Directors.

The information required by Art. 123-bis, first paragraph, letter l), second part "*the provisions applicable to the amendment of the By-laws, if different from the legislative and regulatory ones applicable on a supplementary basis*", are outlined in the section of the Report dedicated to the Shareholders' Meeting (see section 13 of this Report).

### **3.0 COMPLIANCE (pursuant to Art. 123-bis, paragraph 2, letter a), first part, Italian Consolidated Law on Finance)**

The Board of Directors has adopted the Corporate Governance Code, available to the public on the Borsa Italiana website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

The Company and its material subsidiaries are not subject to any non-Italian legal provisions which may affect the Company's *corporate governance* structure.

## **4.0 BOARD OF DIRECTORS**

### **4.1 ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors plays a central role within the company organization and is in charge of the functions and responsibility connected to the strategy and organizational structure, as well as verifying

the existence of the control procedures necessary to monitor the performance of the Issuer and the companies of the group to which it belongs.

The Board of Directors has the broadest powers for the ordinary and extraordinary management of the Company and has the right to carry out all acts deemed necessary and functional for the purposes of achieving the corporate object, with the exception of the powers that in compliance with the law and By-laws are assigned to the Shareholders' Meeting. Pursuant to Art. 19 of the By-laws, in addition to the powers granted by law, the Board of Directors resolves on:

- A. mergers and demergers, in the cases provided for by the applicable law;
- B. the opening or closing of secondary offices;
- C. which directors have the power to represent the Company;
- D. the reduction of the share capital in the event of the withdrawal of one or more shareholders;
- E. adjusting the By-laws to regulatory provisions;
- F. the transfer of the registered office within the national territory.

Pursuant to Art. 2.2 of the Board of Directors' Regulations, approved on March 9, 2022, the Board of Directors has also the powers set forth in the Code, including:

- the review and approval of the business plan of the Issuer and the Group, also on the basis of the analysis of the relevant matter for the generation of long-term value;
- monitoring periodically the implementation of the business plan, as well as the assessment of the general performance of operations, comparing periodically the results achieved with those planned;
- defining the nature and level of risk compatible with the strategic objectives of the Issuer, including in its assessments all the elements that may be relevant to the Issuer's sustainable success;
- the definition of the Issuer's corporate governance system and the structure of the group and the assessment on the adequacy of the organisational, administrative and accounting structure of the Issuer and its material subsidiaries, with particular reference to the internal control and risk management system (see Section 9 of this Report);
- the resolutions regarding the transactions of the Issuer and its subsidiaries that have a significant strategic, economic, equity or financial importance for the Issuer itself, establishing the general criteria for identifying significant transactions;
- the adoption, upon proposal of the chairperson, in agreement with the Chief Executive Officer, of a procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to inside information (see Section 5 of this Report).

The attribution of these competences to the Board of Directors does not exclude the concurrent competence of the Shareholders' Meeting in the same matters. Pursuant to the IDN Shareholders' Agreement, decisions relating to certain confidential matters will be the exclusive responsibility of the Board of Directors and may not be delegated to members of the Board of Directors. For information on the aforementioned shareholders' agreement, please refer to the relevant essential information published on the Issuer's website [www.denora.com](http://www.denora.com), Section "*Governance / Documents and Procedures*".

With reference to sustainability issues, the Board is also responsible for the Non-Financial Consolidated Statement, verifying, with the assistance of the Control, Risk and ESG Committee, that it is drafted and published in compliance with the provisions of Legislative Decree 254/2016. The administrative body is also involved in the annual assessment on the materiality analysis, aimed at identifying the most relevant sustainability issues both from the point of view of the Group and from internal and external stakeholders. In addition, the Board of Directors, also through the support of the Control, Risk and ESG Committee, receives periodic updates on the various sustainability initiatives, such as, for example, new specific projects, updates on the ESG reporting process and on ESG objectives and communication and engagement activities in relation to sustainability issues, including those with the financial community.

Sustainability matters were also considered in defining the Group's strategy and in defining the remuneration and incentive policies of the Chief Executive Officer and of top management, whose variable remuneration is also linked to certain ESG targets.

In relation to the areas mentioned above, the Board of Directors during the fiscal year has performed the following activities:

- on January 19, 2022, it approved the business plan for the period 2022-2025, drawn up in the context of the Listing, subsequently updated on May 4, 2022, and has monitored its implementation throughout the Fiscal Year, assessing the general operating performance and periodically comparing the results achieved with those planned;
- on February 18, 2022, the Issuer's Board of Directors adopted the procedures on the management of inside information, insider register and internal dealing, as required by the applicable legislation (see Section 5 of this Report) and the engagement policy to provide guidelines on the dialogue of the Company with the generality of shareholders and other parties involved in order to ensure an orderly and systematic dissemination of transparent, complete and timely disclosure on its activities (see Section 12 of this Report).

At the meeting of March 22, 2023, the Board of Directors assessed the adequacy of the organisational, administrative and accounting structure of the Issuer and of the subsidiaries of strategic importance, with particular reference to the internal control and risk management system (see paragraph 9 of the Report), with respect to the Fiscal Year in question.

In consideration of the recent Listing and in light of Art. 2.3 of the Board of Directors' Regulations, the Board did not carry out any assessment on the functioning of the Board itself and its Committees, as well as their size and composition. The Board of Directors shall carry out this assessment at the time of the renewal of the Board of Directors in office (see Paragraph 7 of the Report).

During the year, without prejudice to all the activities carried out for the purposes of admission to listing, the Board did not draw up proposals to be submitted to the Shareholders' Meeting regarding the corporate governance system, as it considered that the latter, in its current structure, is already fit to the needs of the Company.

For further information on: (i) the composition, functioning, appointment and self-evaluation of the Board of Directors, please refer to Sections 4.3 and 4.4 of this Report, respectively; (ii) the internal control and risk management system, please refer to Section 9 of this Report.

For a description of the Issuer's remuneration policy, please refer to Section I of the Remuneration Report available on the Issuer's website at [www.denora.com](http://www.denora.com), Section "Governance – Corporate Governance - Shareholders' Meeting".

#### **4.2 APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, paragraph 1, letter I), first part, Italian Consolidated Law on Finance)**

Pursuant to Art. 13 of the By-laws, the Company is governed by a Board of Directors composed of a minimum of 5 (five) and a maximum of 12 (twelve) members, either shareholders or non-shareholders. The Shareholders' Meeting, before their appointment, shall determine the number of members of the Board of Directors within the aforementioned limits.

The directors are appointed for a period of three years, or for the shorter period established by the Shareholders' Meeting at the time of their appointment, and can be re-elected. Their appointment expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their term, except in case of earlier termination or resignation as provided for by the law and by the By-laws.

The directors are appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders, in compliance with the applicable laws and regulations in force from time to time, also with regard to the regulations concerning gender balance.

Each list must indicate which candidates meet the independence requirements established by the laws and regulations in force from time to time. Each list must include at least one candidate meeting the independence requirements indicated by the applicable law and regulations, to be indicated at the top of the list. Lists that present a number of candidates equal to or greater than 3 (three) must be made



up of candidates belonging to both genders, in accordance with the regulations in force from time to time concerning the balance between genders.

Only those shareholders who, alone or together with other shareholders, hold shares (whether ordinary shares or multi-voting shares) representing a percentage of the share capital not less than that established for the Company by the laws and regulations in force from time to time, are entitled to submit lists. The call notice of the Shareholders' Meeting called to deliberate on the appointment of the Board of Directors states the percentage share of the share capital required for the submission of candidate lists.

Each shareholder (as well as (i) shareholders belonging to the same group, meaning the parent company, including non-corporate bodies, pursuant to Art. 2359 of the Italian Civil Code and Art. 93 of Legislative Decree No. 58/1998 and each company controlled by, or under the common control of, the same company, or (ii) shareholders that are parties to the same shareholders' agreement pursuant to Art. 122 of Legislative Decree No. 58/1998, or (iii) shareholders that are otherwise related to each other by virtue of relevant relations according to applicable laws and/or regulations in force at the time) may submit or concur to the submission of only one list, under penalty of the list being disqualified. Each candidate may only appear on one list under penalty of ineligibility.

Together with each list, within the terms provided for by the laws and regulations in force from time to time, each candidate shall file a declaration to accept their appointment, also certifying, under their own responsibility, that there are no causes of ineligibility and incompatibility, and that they meet the requirements prescribed by the regulations in force for the respective positions. Together with the declarations, a *curriculum vitae* will be filed for each candidate concerning their personal and professional competencies, with an indication of their suitability to qualify as independent, pursuant to the laws and regulations in force, as well as any codes of conduct on corporate governance that may have been adopted by the Company. Lists for which the aforementioned requirements are not observed shall be considered as not submitted.

Appointed directors must inform the Board of Directors without delay if they lose their independence requirements, as well as of the occurrence of grounds for ineligibility or incompatibility. If a director no longer meets the independence requirements, they will not be terminated if the requirements continue to be met by the minimum number of directors required by the laws and regulations in force from time to time.

Each person entitled to vote (as well as (i) shareholders belonging to the same group, meaning the parent company, including non-corporate bodies, pursuant to Article 2359 of the Italian Civil Code and Article 93 of Legislative Decree No. 58/1998 and each company controlled by, or under the common control of, the same company, or (ii) shareholders that are parties to the same shareholders' agreement pursuant to Article 122 of Legislative Decree No. 58/1998, or (iii) shareholders that are otherwise related to each other by virtue of relevant relations according to applicable laws and/or regulations in force at the time) may only vote for one list.

At the end of the vote, the candidates from the two lists with the highest number of votes will be elected, according to the following criteria:

- A. a number of directors equal to the total number of directors to be elected, except for 1 (one), shall be drawn from the list that has obtained the majority of votes cast, in the sequential order in which they appear on the list;
- B. the last remaining director, who shall in any case meet the independence requirements established by the laws and regulations in force from time to time, shall be taken from the list that came second by number of votes obtained ("minority list"), which shall not be connected in any way, not even indirectly, with the shareholders who submitted or voted for the list that came first by number of votes.

In the event of a tie between lists, a new vote will be held by the entire Shareholders' Meeting and the candidates who obtain a simple majority of votes will be elected.

If, at the end of the voting, not enough directors are elected who meet the independence requirements provided for by the laws and regulations in force, the candidates who do not meet such requirements, elected as the last in numerical order on the list that obtained the highest number of votes, shall be excluded and shall be replaced by the next candidate that meets the independence requirements drawn from the same list as the excluded candidates. This procedure, if necessary, will be repeated until the

number of independent directors to be elected is completed. Furthermore, if the candidates elected in the manner described above do not ensure the composition of the Board of Directors in accordance with the laws and regulations in force from time to time concerning gender balance, the candidate of the most represented gender elected last in numerical order in the list that received the highest number of votes shall be replaced by the first candidate of the least represented gender that is not elected in the same list in numerical order. This replacement procedure shall take place until it is ensured that the composition of the Board of Directors complies with the applicable regulations on gender balance. If this procedure ultimately fail to secure the aforementioned result, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority, subject to the submission of nominations of persons belonging to the less represented gender.

If only one list is submitted, the directors shall be taken from the list submitted, provided that it has obtained the approval of the simple majority of the votes cast, and if the number of directors thus elected does not correspond to the number of board members determined by the Shareholders' Meeting, or if no list is submitted, or if the list submitted does not allow for the appointment of independent directors in compliance with the laws and regulations in force, the Shareholders' Meeting shall resolve with the legal majorities; all of which shall be subject to compliance with the applicable regulations in force concerning gender balance.

For the appointment of directors who, for whatever reason, were not appointed pursuant to the above procedures, the Shareholders' Meeting shall resolve with the legal majorities, in such a way as to ensure that the composition of the Board of Directors complies with the law and the By-laws.

The list system of voting applies only in the case of the appointment of the entire Board of Directors.

The Shareholders' Meeting, including during the term of appointment, may vary the number of directors, always within the limit set forth in Section 13.1 of the By-laws, and shall make the relevant appointments with the legal majorities. The directors thus elected will leave along with the other appointees.

If one or more directors step down from their position during the financial year, Art. 2386 of the Italian Civil Code shall apply. In any case, the replacement of outgoing directors is carried out by ensuring the presence of the necessary number of directors who meet the independence requirements established by law and in compliance with the applicable regulations in force concerning gender balance.

The loss of the independence requirements laid down by law and/or the regulations in force at the time for a director does not constitute grounds for forfeiture of office if the minimum number of members - as provided for by the law and regulations in force at the time - in possession of the aforesaid independence requirements remains in office.

The By-laws of the Issuer do not provide for the possibility for the outgoing Board of Directors to submit a list.

The Company is not subject to further regulatory provisions, in addition to those set forth in the Italian Consolidated Law on Finance, regarding the composition of the Board of Directors.

For information on the role of the Board of Directors and the Board committees in the processes of self-evaluation, appointment and succession of directors, please refer to Section 7.

Finally, the IDN Shareholders' Agreement contains some ad hoc provisions on the appointment and composition of the members of the Board of Directors. For information on the aforementioned shareholders' agreement, please refer to the relevant essential information published on the Issuer's website [www.denora.com](http://www.denora.com), Section "Governance - Documents and Procedures".

#### **4.3 COMPOSITION (pursuant to Art. 123-bis, paragraph 2, letters d) and d-bis), Italian Consolidated Law on Finance)**

The Board of Directors of the Issuer in office at the Date of the Report has 12 members, appointed by the Ordinary Shareholders' Meeting of the Issuer on March 9, 2022 (on the basis of the provisions of the By-laws in force at the date of the appointment and therefore prior to the Trading Date, without application of the slate vote), as subsequently supplemented by the ordinary Shareholders' Meeting of April 28 and June 20, 2022, and shall remain in office for three financial years, thus until the date of approval of the financial statements as at December 31, 2024.

The provisions on slate vote contained in the By-laws will only apply from the first renewal of the Board of Directors following the Trading Date.



On April 28, 2022, the Ordinary Shareholders' Meeting of the Issuer resolved to appoint, with effect from the Trading Date, the director Stefano Venier to replace the director Marco Alverà, originally appointed on March 9, 2022 and who had subsequently notified his resignation. The director Stefano Venier, like the other directors appointed on March 9, 2022, took office on the Trading Date and shall remain in office until the approval of the financial statements as at December 31, 2024.

On June 20, 2022, the Ordinary Shareholders' Meeting of the Issuer resolved to appoint Alessandro Garrone as a director of the Company, again with effect from the Trading Date. Therefore, the director Alessandro Garrone, like the other directors appointed on March 9, 2022, took office on the Trading Date and shall remain in office until the approval of the financial statements as at December 31, 2024.

On October 13, 2022, the Issuer's Board of Directors, with the favourable opinion of the Nomination and Remuneration Committee, resolved to appoint Paola Rastelli as director of the Company by co-optation, replacing Alessandra Pasini, who resigned on September 29, 2022. Pursuant to Article 2386 of the Italian Civil Code, Paola Rastelli shall remain in office until the next Shareholders' Meeting, which may confirm her appointment.

The Board of Directors is composed of executive and non-executive directors, all with professional skills and expertise appropriate to the tasks assigned to them. In addition, as there are 10 non-executive directors (out of 12), two of whom are independent pursuant to Art. 148, paragraph 3, of the Italian Consolidated Law on Finance (as referred to in Art. 147-ter, paragraph 4, of the Italian Consolidated Law on Finance), as well as pursuant to Art. 2 of the Corporate Governance Code, it is deemed that (i) the number and expertise of the non-executive members is such as to ensure that they have significant weight in the adoption of board resolutions and to guarantee effective monitoring of management, and that (ii) a significant number of the non-executive directors are independent. The resumes of the Directors are available on the Issuer's website at [www.denora.com](http://www.denora.com), "Governance" section.

The following table shows the composition of the Issuer's Board of Directors at the end of the Fiscal Year, with details of the respective office held.

Name and surname	Office held
Federico De Nora	Chairperson of the Board of Directors <sup>(*)</sup>
Paolo Enrico Dellachà	Chief Executive Officer <sup>(**)</sup>
Stefano Venier	Non-Executive Director
Maria Giovanna Calloni	Non- Executive Director <sup>(***)</sup>
Mario Cesari	Non-Executive Director
Michelangelo Mantero	Non-Executive Director
Teresa Cristiana Naddeo	Non- Executive Director <sup>(****)</sup>
Elisabetta Oliveri	Non- Executive Director <sup>(****)</sup>
Paola Rastelli <sup>(*****)</sup>	Non-Executive Director
Sami Petteri Pelkonen <sup>(****)</sup>	Non-Executive Director
Giovanni Toffoli	Non- Executive Director <sup>(****)</sup>
Alessandro Garrone	Non- Executive Director <sup>(****)</sup>

<sup>(\*)</sup> Director with delegated powers pursuant to art. 2381 of the Italian Civil Code.

<sup>(\*\*)</sup> Executive director.

<sup>(\*\*\*)</sup> Independent director pursuant to Art. 147-ter, paragraph 4, and 148, paragraph 3, of the Italian Consolidated Law on Finance and Art. 2 of the Corporate Governance Code.

<sup>(\*\*\*\*)</sup> Director who left office following voluntary resignation on December 23, 2022, effective as of December 31, 2022.

<sup>(\*\*\*\*\*)</sup> Director who left office following voluntary resignation on March 10, 2023, with immediate effect.

After the end of the Fiscal Year:

- on February 1, 2023, with the favourable opinion of the Nomination and Remuneration Committee, the Board of Directors resolved to appoint by co-optation Roberto Cingolani as non-executive independent director of the Company, replacing Sami Petteri Pelkonen, who resigned on December 23, 2022;
- on March 22, 2023, the Board of Directors, with the favourable opinion of the Nomination and Remuneration Committee, resolved to appoint Paola Bonandrini as a non-executive director of the Company, replacing Paola Rastelli, who resigned on March 10, 2023.

Pursuant to Art. 2386 of the Italian Civil Code, Roberto Cingolani and Paola Bonandrini will remain in office until the next Shareholders' Meeting, which may confirm their appointment. As at the Date of the Report, therefore, the Board of Directors is composed of 12 directors, six of whom are independent.

For further details, please refer to **Table 2** and **Table 4** in the appendix to this Report.

## *Diversity criteria and policies in the composition of the Board and in the company organization*

The regulations relating to gender requirements pursuant to the provisions of Art. 147-ter, paragraph 1-ter, of the Italian Consolidated Law on Finance will be applicable to the Issuer starting from the first renewal of the corporate bodies following the Trading Date. Moreover, at the Date of the Report, since there are four directors out of twelve belonging to the less represented gender (in the persons of Maria Giovanna Calloni, Teresa Naddeo, Elisabetta Oliveri and Paola Bonandrini), the composition of the Board of Directors is already compliant, on a voluntary basis, with the regulations on gender-balance pursuant to the provisions for newly listed companies.

As at the Date of the Report, taking into account that the management and control bodies were appointed prior to the Trading Date, as well as the recent Listing and of the fact that the company qualifies as a company "with concentrated ownership", the Issuer has adopted the criteria for compliance with the gender quotas provided for by law, but has not adopted an *ad hoc* policy in relation to the composition of the Board of Directors in office with regard to aspects such as age, training and professional background.

However, the Company believes that the qualitative and quantitative composition of the Board of Directors in office ensures sufficient diversification in terms of skills, age, experience and gender. With more specific regard to gender diversity, although Article 147-ter, paragraph 3, of the Consolidated Law on Finance, as amended by Law No. 160 of December 27, 2019, stipulates that the provisions on gender balance shall apply as of the first renewal of the Board of Directors following the listing, providing that, for such first renewal, the less represented gender shall obtain at least one-fifth of the directors elected on the occasion of the first renewal and at least two-fifths of the directors elected on the occasion of the next five consecutive terms of office (in any case rounded upwards), the current composition of the Issuer's Board of Directors, as of the Trading Date, already complies, on a voluntary basis, with such requirements.

## *Maximum number of offices held in other companies*

Although it does not qualify as a large company pursuant to the Corporate Governance Code, the Issuer's Board of Directors on a voluntary basis has defined, with its resolution adopted on February 18, 2022, the following general criteria regarding the maximum number of management and control offices in other companies that are compatible with an effective performance of the role of director of the Company:

### **1. Executive Directors**

Executive directors who are granted management powers and/or managerial functions in the Company, or in a material subsidiary, or in the parent company when the office also concerns the Company, are not allowed to be appointed as executive director in other companies listed on regulated markets (including foreign markets) or in companies of significant size, as defined below, other than the Company and the companies directly or indirectly controlled by the Company itself.

However, they may be appointed for the role of non-executive director and/or statutory auditor in no more than 2 companies listed on regulated markets (including foreign markets) or companies of significant size, as defined below, other than companies that are otherwise directly or indirectly controlled by the Company.

### **2. Non-Executive Directors**

Non-executive directors (independent or not) are allowed to take on executive director positions in no more than 2 companies listed on regulated markets (including foreign) or companies of significant size. However, they are allowed to take on a non-executive director position and/or statutory auditor in no more than 5 companies listed on regulated markets (including foreign markets) and/or companies of significant size.

For the purposes of the afore-mentioned limits to the maximum number of offices:

- i. every company, Italian or foreign, with consolidated net equity exceeding Euro 1 billion is to be considered a "company of significant size";
- ii. if a director holds offices in several companies belonging to the same Group, only one office held within that group is taken into account for the purposes of calculating the number of offices;
- iii. any position as chair of the administrative body is considered to have a double weight.

Moreover, the Board of Directors has the right to grant motivated exceptions, for exceptional and/or transitory cases, conflicting with the aforementioned criteria. In any case, the Board of Directors ensures, also by monitoring the frequency of participation in the Board and the Board Committees activities, that the directors have adequate time and can dedicate sufficient attention and diligence to the performance of their duties.

#### **4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (pursuant to Art. 123-bis, paragraph 2, letter d), Italian Consolidated Law on Finance)**

In application of the provisions of the Corporate Governance Code, on March 9, 2022, the Board of Directors has approved the Board Regulations governing the composition, duties, rules and procedures for the functioning of the Company's administrative body, also in order to ensure effective management of the reporting to the Board (the "**Board Regulations**").

For information on the regulations for the functioning of the Nomination and Remuneration Committee and the Control, Risk and ESG Committee, please refer to Section 6 of the Report.

Pursuant to Art. 15 of the By-laws, the Board is convened at the registered office or at a different location indicated in the call notice by the Chairperson or, in the absence or incapacity thereof, by the Vice-Chairperson, if one has been appointed. The Board may also be convened by the auditors, or when a written request is made by at least 2 (two) directors to deliberate on a specific matter to be indicated in the request. In accordance with the By-laws and the Board Regulations, the Board of Directors shall be convened by notice, sent by registered letter or e-mail, at least 3 (three) days before the date set for the meeting, or, in cases of urgency, at least 1 (one) day before the date set for the meeting. Board meetings may also be held by means of remote telecommunication, provided that all participants can be identified and that such identification is recorded in the relevant minutes, and they are allowed to follow the discussion and intervene in real time and on equal terms in the discussion of the items on the agenda.

Pursuant to Article 5 of the Board Regulations, the documentation relating to the discussion of the items on the agenda is made available to the directors and statutory auditors by the competent corporate structures by means of a communication sent to the e-mail address indicated by the involved subjects and at the same time on a special confidential computer portal, suitable for preserving the confidentiality of the data and information provided. As a rule, the documentation is sent by the third day prior to the date set for the meeting. In case of urgency, the documentation is made available as quickly as possible, in any case at least twenty-four hours before the meeting. In any event, the directors and statutory auditors are notified in advance if it is not possible to comply with the timing indicated above or if the Chairperson deems it appropriate, in relation to the content of the topic and the related resolution, that the documentation be provided directly during the meeting. If it is not possible to provide the documentation sufficiently in advance, the Chairperson, with the help of the Secretary, ensures that adequate and timely analyses are carried out during the Board meetings.

The Chairperson also ensures that the necessary time is dedicated to the discussion of each item on the agenda, encouraging board debate. The Chairperson establishes the order of discussion of the items on the agenda, which may also vary from that indicated in the notice of call.

In compliance with the provisions of the By-laws and the Board Regulations, the resolutions of the Board of Directors are recorded in minutes signed by the person chairing the meeting and by the secretary.

Pursuant to Art. 10 of the Board Regulations, directors and statutory auditors are required to keep confidential all documents, news, information and data acquired in the performance of their respective functions even after the expiry of the mandate, to refrain from seeking and using confidential information for purposes not compliant with their assignment as well as to comply with the rules adopted by the Company for the dissemination of the aforementioned documents and information. The parties invited to participate in the Board meetings, as well as those of the Committees, are required to comply with the same confidentiality obligations to which the directors and statutory auditors are subject, pursuant to the previous paragraph, in any event without prejudice to any further confidentiality obligations imposed on them under any applicable law, including sectoral law, or under specific confidentiality agreements to which they are contractual parties.

In implementation of Art. 3, Recommendation 18 of the Corporate Governance Code, the Regulations also define the professionalism requirements and the powers of the Secretary of the Board (see Section 4.5 below).

Although the Listing took place recently, during the year ended December 31, 2022, the Board of Directors met 15 (fifteen) times. The meetings of the Board of Directors had an average length of three hours each.

During the current year and up to the Date of the Report, the Board of Directors met 3 (three) times and another 3 (three) meetings are scheduled, listed in the calendar of the main corporate events in 2023 (available on the Issuer's website [www.denora.com](http://www.denora.com), Section "Investor Relations/Financial Calendar") on the following dates:

- May 10, 2023: approval of the consolidated financial results as at March 31, 2023;
- July 31, 2023: approval of the Half-Year Financial Report as at June 30, 2023;
- November 8, 2023: approval of the consolidated financial results as at September 30, 2023.

For further details, please refer to **Table 2** in the appendix to this Report.

#### 4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Shareholders' Meeting of March 9, 2022 appointed Mr Federico De Nora as Chairperson of the Board of Directors of the Company.

The Chairperson convenes the Board of Directors pursuant to Art. 15 of the By-laws. Pursuant to Art. 23 of the By-laws, the Chairperson also exercises the functions provided for by the laws and regulations in force and by the By-laws.

In addition, pursuant to the Board Regulations and in line with the provisions of the Corporate Governance Code, the Chairperson of the Board coordinates the instances of executive and non-executive directors and oversees the effective functioning of the Board. Without prejudice to the responsibilities established by the legislative and regulatory provisions in force, by the By-laws and by the recommendations of the Code, in addition to what has already been stated in paragraph 4.4 above, the Chairperson is responsible for the following:

- a) that the preliminary information and any complementary information provided during the meetings are adequate to enable directors to act in an informed manner in the performance of their role;
- b) that the activities of the Committees are coordinated with the activities of the management body;
- c) in agreement with the Chief Executive Officer of the Company (CEO), that the executives of the Company and the executives of the companies of the group, the managers of the corporate functions competent in the subject matter in question, as well as individuals or consultants external to the Company, attend Board meetings, also upon request of each director, to provide the necessary insights on the items on the agenda;
- d) that all members of the management and control bodies participate, after their appointment and during their office, in initiatives aimed at providing them with adequate knowledge of the industries in which the Company operates, of the business dynamics and their development also with a view to the sustainable success of the Company itself, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference;
- e) the adequacy and transparency of the self-evaluation process of the Board of Directors, with the appointment committee.

The Chairperson of the Board, Federico De Nora, is not the Chief Executive Officer, he does not have significant management powers and does not have a specific institutional role in the development of corporate strategies.

Although he does not have an operational role and does not hold significant management powers, the Chairperson has been granted certain powers pursuant to Article 2381 of the Italian Civil Code, functional to the performance of his duties (see paragraph 4.6 of this Report).

During the fiscal year, the Chairperson, with the support of the Secretary, (i) has coordinated the activities of the committees with that of the Board, by organizing the agendas of the various bodies, as well as the related items on the agenda (ii) has ensured that, in agreement with the CEO, the Board meetings were also attended by executives of the Issuer and the Group it heads, to provide the appropriate details on the items on the agenda. In particular, during the fiscal year, the Chairperson, in

agreement with the CEO, has invited the following Company's executives, employees and consultants to participate in the meetings of the Board of Directors, so that they could provide the most accurate and detailed information and clarifications to Directors and Statutory Auditors:

- Mr Matteo Lodrini (Chief Financial Officer and Financial Reporting Manager),
- Ms Silvia Bertini, attorney, Group General Counsel;
- Mr Marco Porro, in his capacity as Investor Relator,
- Mr Claudio Vitacca, in his capacity as head of Internal Audit.

In consideration of the recent Listing and in light of Art. 2.3 of the Board of Directors' Regulations, the Board did not carry out any self-evaluation on the functioning of the Board itself and its Committees. The Chairperson of the Board will be adequately involved in this assessment at the time of the renewal of the Board of Directors in office (see Paragraph 7 of the Report).

The Chairperson is not the main person responsible for the management of the Company (CEO) (see Paragraph 4.6 below). As of the Date of the Report, the Chairperson of the Board of Directors, Federico De Nora (i) is the father of Giacomo De Nora and Niccolò De Nora, who jointly hold 72% of the share capital of Federico De Nora S.p.A. (of which 17,500,000 (seventeen million five hundred thousand) shares equal to 70% of the share capital as bare ownership (*nuda proprietà*) and 500,000 (five hundred thousand) shares equal to 2% of the share capital in full ownership), subject that controls the Issuer pursuant to Art. 93 of the Consolidated Law on Finance; (ii) holds 7,000,000 (seven million) shares of Federico De Nora S.p.A. (equal to 28% of the share capital) and the right of usufruct without voting rights on 17,500,000 (seventeen million five hundred thousand) shares of Federico De Nora S.p.A. (equal to 70% of the share capital) whose bare ownership (*nuda proprietà*) in joint ownership *pro indiviso* belongs to Giacomo De Nora and Niccolò De Nora, without prejudice to the provisions of Art. 2352, paragraph 1, of the Italian Civil Code, the right to vote on these shares belongs jointly to the bare owners Giacomo De Nora and Niccolò De Nora who exercise it through their mother Francesca Cassinelli, who acts as their common representative, without prejudice to her absence of decision-making autonomy on her part regarding the exercise of voting rights (the common representative Francesca Cassinelli is indeed responsible for expressing the voting intentions of Giacomo De Nora and Niccolò De Nora, also acting as a third party arbitrator in the event of a conflict between them) and (iii) is the holder of 6,619,560 multiple-vote shares of the Issuer (equal to 3.28% of the share capital).

### Induction Programme

In the context of the Listing, the members of the Board of Directors participated, together with the members of the Board of Statutory Auditors, in initiatives aimed at raising their knowledge of the principles of proper risk management as well as of the regulatory and self-regulatory framework of reference, and were informed about the regulations applicable to companies listed on regulated markets.

After the Trading Date, the members of the Board of Directors and the Board of Statutory Auditors also participated in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Company operates, of the Company's dynamics and their development, and examined in depth the contents of the procedures on the management of inside information, insider register and internal dealing, as well as transactions with related parties adopted by the Company pursuant to applicable regulations through the participation in extensive webinars organized in collaboration with the Company's legal advisors.

The members of the Board of Directors, also taking into account their respective expertise and their professional background, have in-depth knowledge of the business sector in which the Issuer and the Group operate, the business dynamics and their evolution.

During the 2023 financial year, the Chairperson of the Board of Directors, with the assistance of the Secretary of the Board, shall evaluate further useful initiatives to be taken for Induction Programme, for the purposes of Recommendation 12, letter d) of the Corporate Governance Code. In addition, the Chairperson coordinates with the Lead Independent Director (see paragraph 4.7 of this Report) to assess the initiatives to be adopted in order to ensure that the directors receive constant, complete and timely updates.

### Secretary of the Board

Pursuant to Art. 14.2 of the By-laws and Art. 4 of the Board Regulations, the Board, on the proposal of the Chairperson, appoints a Secretary, chosen also outside its own members, who meets the appropriate requirements of professionalism and experience gained, preferably, in the legal and



corporate field. In the event of the absence or impediment of the Secretary, again on the proposal of the Chairperson, the Board may appoint replacements for individual meetings.

Pursuant to the Board Regulations, the Secretary supports the activities of the Chairperson and assists him in particular in the performance of the functions assigned to him (as indicated above). The Secretary provides, with impartiality of judgement, assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.

On March 9, 2022, the Board appointed Ms Simona Antonini as permanent secretary of the Board.

## **4.6 EXECUTIVE DIRECTORS**

### **Chief Executive Officers**

At the Date of the Report, the Company has appointed as CEO, Mr Paolo Dellachà, who qualifies as the chief executive office of the Company for the purposes of the Corporate Governance Code.

The CEO Paolo Dellachà, in addition to the powers of ordinary administration relating to the assumption of ordinary commitments and the execution of payments by single deed or for interrelated transactions up to the amount of €5,000,000 (five million) with single signature, and which are not reserved to the exclusive competence of the Board of Directors, has all the powers identified below, within the limits established from time to time for each of them, to be exercised with single signature, unless otherwise indicated:

#### **Representation**

- representing the Company in all business of ordinary administration, both in Italy and abroad, with the exception of those that by law or the By-laws are reserved to the Shareholders' Meeting or the Board of Directors;
- representing the Company, supervising and overseeing the relations and external relations activities carried out by the Company and the group it heads with entities, institutions, authorities, bodies and third parties, both national and international, public and private, including (by way of example only), the Commissione Nazionale per le Società e la Borsa - CONSOB, Borsa Italiana S.p.A., the press, the media in general, economic and trade associations, the financial community, the scientific community, investors and stakeholders;
- developing and implementing the plans and strategies for communicating to the market and targeting investors and stakeholders;
- representing the Company and overseeing its correct and timely fulfilment of the communication and disclosure obligations towards the public and the authorities;
- representing the Company before any public safety authority, trade union, fire brigade, chamber of commerce and Companies' Registers, in Italy and abroad, with all powers to carry out activities, formalities and procedures; to file petitions, declarations, complaints and claims that are necessary or appropriate;
- representing the Company before customs offices, port authorities, railway companies, public and private shipping companies in general, post offices, in Italy and abroad, in all transactions, including shipping, customs clearance, release and collection of goods, valuables, packages, bills, mail, including registered and insured mail, issuing receipts and discharges, drafting and signing applications, declarations, certifications and communications pursuant to applicable legislation, including those relating to customs and intra-Community operations, including all those necessary to carry out import and export operations of raw materials, finished and semi-finished products;
- representing the Company before public and private entities, institutions, authorities, bodies, including supranational entities, in Italy and abroad, carrying out activities and transactions (including participation in tenders, deposits and releases thereof, the withdrawal of securities, valuables, goods, amounts of money; signing the relative petitions and issuing the relative discharges and releases and exonerating the authorised intermediaries from all liability in this regard) at all Ministries, Public Debt Offices, the Cassa Depositi e Prestiti, the Intendenza di Finanza, municipal and provincial treasuries, the Commissione Nazionale per le Società e la Borsa - Consob, Borsa Italiana S.p.A., the Bank of Italy and other credit and/or financial institutions, Regions, Provinces and Municipalities as well as at post offices, telegraphic, customs, railway, airline and maritime offices and in general at any public and private office in Italy and abroad;

### **Occupational health, safety and hygiene and environmental protection:**

– acting as employer and the responsible party for the protection of the environment, with all powers and with sole signing authority and in full decision-making and spending autonomy in compliance with Company procedures to provide for any decision and initiative in the area of health, occupational safety, hygiene and environmental protection, being able to act with the same prerogatives as the Board of Directors and to

replace it with regard to decision-making and financial functions autonomy; all without any limitation, so that it has the powers, duties and responsibilities falling within said matters under the Board of Directors, in accordance with the By-laws;

– for the purposes of carrying out the assignment, the CEO is expressly assigned the ownership of the employment relationship with regard to the employees of the Company, including those operating in the decentralised production units, with the power, to be exercised in compliance with corporate procedures, to hire, dismiss and adopt disciplinary measures, to organise work, to assess risks, to verify the implementation of his directives. In his capacity as employer and responsible party for environmental protection, the CEO:

– must ensure the correct application of all legal provisions issued and to be issued in the areas of operation in question and must ensure full compliance with all provisions, circulars, measures and implementing regulations, including the National Collective Labour Agreement provisions;

– keep itself constantly up-to-date with regard to the issuance of new provisions in the entrusted matters, as well as with regard to the best available techniques to be applied, in accordance with the provisions of the law; may make use of the collaboration of consultants, as well as of the work of managers, supervisors and subordinate personnel in general, also through the issuance of internal circulars and provisions, within the scope of a coordinated organisation and implementation activity of the safety and environmental protection measures provided for by law, carrying out systematic supervision of their effective and correct implementation;

– where deemed functional for the achievement of the assigned targets, may delegate management duties in the matters falling within his area of competence, with the sole limit of the choices of top management and/or company policy and the obligations that the law deems - as regards safety and hygiene at work - to be non-delegable, in particular with reference to the limits set out in Art. 17 of Legislative Decree No. 81/2008 on the delegation of occupational health and safety functions;

– may use of the budget defined by the Board of Directors for the exercise of the powers, without prejudice to the duty and possibility of ordering purchases and expenses even beyond the limit set therein whenever, with regard to occupational safety, environmental protection and safety of third parties, it is deemed necessary and urgent, along with the power to also establish the priority of execution of the interventions;

– in his capacity as employer and responsible party for the protection of the environment, is also granted the following powers:

– representing the Company before all authorities and entities, both public and private, in order to obtain permits, concessions, licenses, clearances, opinions, authorisations and other measures necessary for the performance of corporate activity, in addition to the powers inherent in the management of the correspondence relating to the deeds under his area of competence, the signing of the deeds necessary for obtaining and issuing authorisations, permits, extensions, deferrals and concessions, the signing of certifications, warnings and reports and other similar deeds, the hiring, the dismissal and the application of disciplinary measures set forth in the National Collective Labour Agreement, the protection of workers' privacy, as well as in general all powers relating to the full management of existing employment relationships; representing the Company before all authorities and entities, both public and private, in order to obtain permits, concessions, licenses, clearances, opinions, authorisations and other measures necessary for the performance of corporate activity;

– representing the Company before all judicial authorities and arbitration boards also in the matters covered by this resolution;

– appointing agents and special attorneys for the performance of certain acts or categories of acts, sub-delegating part of the powers delegated thereto and within the set-out limits.

### **Data Controller pursuant to Regulation (EU) 679/2016 on data protection**



1) granting the CEO Paolo Dellachà all the powers to implement any initiative, intervention, measure, contractual obligation, deed and/or commitment necessary for the correct performance of the assignment, as well as the organisational, guidance, directives, management, supervision and control functions that are the responsibility of the Data Controller pursuant to Regulation (EU) 679/2016 on data protection.

2) In particular, Mr Dellachà is granted the following powers:

A. implementation of adequate technical and organizational measures and internal policies to ensure, and be able to demonstrate, that the processing is carried out in compliance with the applicable legislation in force and in particular with Regulation (EU) 679/2016. These measures are reviewed and updated on a regular basis in order to ensure their full compliance with the regulations. In particular: Mr Dellachà must:

(a) implement appropriate technical and organisational measures, such as pseudonymisation, aimed at effectively implementing data protection principles, such as minimisation, and integrate the necessary safeguards into the processing in order to meet the requirements of Regulation (EU) 679/2016 and protect the rights of the data subjects, taking into account the state of the art and the costs of implementation, as well as the nature, scope, context and purposes of the processing, in addition to different probabilities and severity for the rights and freedoms of natural persons represented by the processing, both at the time of determining the means of data treatment and at the time of the processing itself;

(b) adopt adequate technical and organisational measures to ensure that, by default, only the personal data necessary for each specific purpose of the data treatment are processed. This obligation applies to the amount of personal data collected, the scope of the processing, the storage period and accessibility.

(c) preparing and maintaining suitable internal procedures so that personal data are processed exclusively within the limits of the provisions of Art. 6 and Regulation 679/2016;

(d) preparing and maintaining suitable internal procedures to allow data subjects to exercise the rights referred to in Articles 15 – 22 (access; correction; cancellation; limitation; portability; objection);

(e) preparing and maintaining suitable internal procedures to be adopted in the event of a personal data breach, in compliance with Articles 33 and 34 of Regulation (EU) 679/2016;

B. where it is necessary or in any case appropriate to adopt a register of the processing activities carried out by the Company pursuant to Art. 30 of Regulation (EU) 679/2016, to draw up and keep this document under his own responsibility. In particular: Mr Dellachà must ensure that this Register is up-to-date.

C. carrying out a preliminary assessment, pursuant to Art. 35 of Regulation (EU) 679/2016, of the impact of data processing, when a specific processing carried out through the use of new technologies may present a high risk for the rights and the freedom of natural persons and this also in consideration of the nature, object, context and purposes of the processing. In particular: Mr Dellachà must perform the preliminary impact assessment if the Company intends to carry out:

(a) a systematic and comprehensive assessment of personal aspects relating to natural persons, based on automated processing, including profiling, and on which decisions having legal effects or significantly affecting such natural persons are based;

(b) the processing, on a large scale, of particular categories of personal data referred to in Art. 9, paragraph 1, or of data relating to criminal convictions and offences referred to in Art. 10 of Regulation (EU) 679/2016;

(c) systematic large-scale surveillance of an area accessible to the public.

In particular, if the data protection impact assessment indicates that the processing would present a high risk in the absence of measures adopted by the Company to mitigate the risk, Mr Dellachà must consult the Supervisory Authority pursuant to Art. 35 of Regulation 679/2016.

- D. carrying out an assessment on whether to adopt the codes of conduct referred to in Art. 40 or a certification mechanism referred to in Art. 42 of Regulation (EU) 679/2016;
- E. representing the Company before the Supervisory Authorities and other data subjects;
- F. appointing within the Company the persons authorized to process the data, granting them, individually or by area of competence or with specifically assigned duties, the relative powers and related responsibilities;
- G. appointing as data processors pursuant to Art. 28 of Regulation (EU) 679/2016 those subjects who process personal data on behalf of the Company and who offer sufficient guarantees to put in place adequate technical and organizational measures so that the processing meets the requirements of current legislation and ensures the protection of the rights of the data subjects. To this end, Mr Dellachà must enter into specific contracts or other legal acts that bind the data processors to the Company and that define the subject matter and duration of the processing, the nature and purpose of the processing, the type of personal data and the categories of data subjects, as well as the obligations and the rights of the Data Controller.
- H. appointing, if necessary or in any case appropriate, the Data Protection Officer (“DPO”) pursuant to Articles 37 et seq. of Regulation (EU) 679/2016;

3) to confer to Mr Dellachà full management and decision-making autonomy for the performance of activities related to the Company's compliance with data protection regulations and for the adoption of the relative measures, implementing corporate and group procedures.

4) to confer to Mr Dellachà full financial autonomy as regards the charges relating to the performance of activities concerning the Company's compliance with the legislation on data protection, with the broadest spending autonomy within the limits established by the budget for these activities and with the only obligation to promptly inform the Board of the initiatives adopted. In the event that the expenses required for these activities exceed the aforementioned thresholds established in the annual budget, Mr Dellachà shall promptly inform the Board of the Company, so that the most appropriate measures can be adopted in relation to these situations. In cases of serious urgency and necessity, Mr Dellachà may adopt, without spending limits, all appropriate measures and measures to avoid or limit damages, promptly informing the Board of the Company.

5) to confer to Mr Dellachà all the decision-making and signature powers that are necessary for the performance of activities related to compliance with the legislation on personal data protection.

6) to confer all the powers mentioned above with the right to sub-delegate, in compliance with the provisions of Regulation (EU) 679/2016.

#### **Judicial, administrative and arbitration procedures**

– representing the Company before any judicial and administrative and arbitration authority, in Italy or abroad, including, but not limited to, the Court of Cassation, the Constitutional Court, the Court of Auditors, the Council of State, the Commissione Nazionale per le Società e la Borsa -CONSOB, the Bank of Italy in any proceedings, at any stage and level of judgement and in arbitration proceedings, with the power to carry out any act relating to such proceedings and, including, but not limited to, representing the Company in administrative, civil, criminal and arbitration proceedings, or in labour matters, pursuant to Art. 420 of the Italian Code of Civil Procedure, granting the necessary powers of attorney to general or special attorneys; proposing and waiving summons, appeals, complaints, appeals, claims, civil action; appointing and dismissing lawyers, litigation attorneys and technical consultants; accepting, deferring, reporting and taking oaths, including decision-related; signing compromises and transactions; appointing or dismissing arbitrators, including non-ritual, amicable and equitable arbitrators, referring disputes or assessments to arbitrators; electing and revoking the election of domicile; deferring interrogations and responding to them, settling, accepting waivers from others; stipulating, modifying and resolving compromises and arbitration clauses;

– filing with any Judicial or Police Authority, a complaint or lawsuit against any accountable party, forming a civil party, on behalf of the Company, in any criminal proceedings;

– representing the Company in bankruptcy proceedings, filing petitions for declarations of bankruptcy and claims, attending creditors' meetings and exercising voting rights in such proceedings in the name and in the interest of the Company, accepting arrangements, also with statutory beneficiaries, accepting liquidations or distributions, filing oppositions and injunctions to whomsoever justified, requesting seizures also from third parties, making in related proceedings the declaration of third-party pledge;

### **Permits, authorizations and licenses**

- carrying out at public administrations, entities and offices, public and private (including customs offices and agencies), in Italy and abroad, all the acts and operations necessary to obtain concessions, licences, authorisations in general necessary or useful for the exercise of the corporate activity;
- representing the Company before any other administrative authority, public administrations, entities and offices, public and private, in Italy and abroad to obtain licenses, permits or authorisations in general necessary or useful for the exercise of the corporate activities;

### **Human resources and employment relationships**

- with an individual signature, also in implementation of the remuneration policy approved by the Board of Directors, hiring and dismissing employees of the Company, adopting all necessary disciplinary measures against said personnel, drafting internal regulations with the express right to establish duties and qualifications; deciding on salaries, signing employment letters and requests for clearance to the Ministry of Labour and Employment Office; and in general all powers relating to the full management of existing employment relationships;
- hiring and dismissing Company executives, adopting all necessary disciplinary measures, with the express right to sign employment letters, and exercising all powers relating to the full management of the employment relationships in place with the aforementioned managers, subject to the favourable opinion of the Chairperson and without prejudice to the powers attributed to the CEO in the capacity as employer and responsible party for protecting the environment of the Company;
- in agreement with the Chairperson, managing, also in implementation of the remuneration policy approved by the Board of Directors, the human resources policy of the Company, for which to provide, again jointly with the Chairperson, the guidelines and ensuring, after their definition, motivation, training, remuneration and development;
- in consultation with the Chairperson, providing guidance to the Nomination and Remuneration Committee on the remuneration of key management personnel;
- representing the Company before trade unions and company organisations in general, and in all relations with such organisations, including negotiations and the stipulation of collective company agreements;
- representing the Company before the Provincial Labour Office and related conciliation commissions, before all Entities, Offices and Bodies of the Ministry of Labour in general, and the Labour Court for all levels of jurisdiction, regarding the conclusion of any contract and the negotiation, definition and settlement of any dispute and litigation, whether individual or collective, also in out-of-court or arbitration proceedings, concerning employment contracts in general and all economic and legal relations between employers and employees, with the power to appoint and dismiss lawyers and consultants for the completion of such procedures;

### **Purchases, consultancy and other contracts**

- except as indicated in the following point, entering into, amending and terminating all deeds and contracts of a commercial nature having as their object the purchase, exchange, lease, free loan of movable property or the purchase of services of any kind, in Italy or abroad, necessary or appropriate for the Company's ordinary operations, excluding the purchase of equity investments by third parties (other than the companies of the group headed by the Company) in other companies and businesses and with the exclusion of the purchase, exchange or lease of real estate, including contracts for the purchase of raw materials, materials in general and capital goods; insurance contracts and leases of real estate, also exceeding nine years, with the exclusion of contracts between the Company and the natural persons who are partners of the parent company, also through third parties; leasing contracts in general; contracts for the purchase, sale and exchange of motor vehicles and trucks and with the power to establish, reduce, cancel registration of liens on such vehicles; carrying out any operation inherent to motor vehicles and motorbikes in general, signing the related contracts and representing the Company in any obligation fulfilment with the P.R.A. All this up to a maximum amount of Euro 5,000,000 (five million) per individual transaction or a series of linked transactions with single signature; up to a maximum amount of Euro 15,000,000 (fifteen million) per individual transaction or series of related transactions with joint signature with the Chairperson of the Board of Directors Federico De Nora or with the attorney Matteo Lodrini;

- stipulating purchase contracts, including framework purchase agreements, of noble metals, such as, for example, iridium, ruthenium, platinum, palladium and rhodium and/or other raw materials, such as, by way of example, nickel and titanium, up to an amount of Euro 15,000,000 (fifteen million) per single transaction or series of transactions related with single signature; up to an amount of Euro 100,000,000 (one hundred million) per individual transaction or series of transactions associated with joint signature with the Chairperson of the Board of Nora Federico or with the attorney Matteo Lodrini
- purchasing and selling equity investments, companies or business units from or to other companies of the group headed by the Company up to a maximum amount of Euro 30,000,000 (thirty million) per single transaction with single signature; up to an amount of Euro 50,000,000 (fifty million) per individual transaction with joint signature with the attorney Matteo Lodrini;
- entering into, amending and terminating consultancy contracts up to a maximum amount of Euro 2,500,000 (two million five hundred thousand) per single transaction with single signature; up to an amount of Euro 5,000,000 (five million) per individual transaction with joint signature with the attorney Matteo Lodrini;
- entering into, amending and terminating distribution, franchising, agency and representation contracts up to a maximum amount of Euro 2,500,000 (two million five hundred thousand) per single transaction with single signature; up to an amount of Euro 5,000,000 (five million) per individual transaction with joint signature with the attorney Matteo Lodrini.
- entering into, amending and terminating all commercial deeds and contracts concerning the sale and supply of goods and services relating to the ordinary management of the Company (excluding the sale to third parties – other than the companies of the group headed by the Company itself – equity investments in other companies, companies and business units and contracts entered into by the Company and the natural persons who are partners of the parent company also through third parties), up to a maximum amount of Euro 25,000,000 (twenty-five million) per individual transaction;

### **Intellectual property**

- negotiating, stipulating, modifying and terminating secrecy agreements for the protection of corporate information of a secret and confidential nature;
- submitting applications and carrying out at any public or private office in Italy and abroad any necessary, preparatory, functional or in any case related act to register, modify, maintain, extinguish patents, trademarks, designs, trademarks, utility models, domain names copyright and any intellectual property right in general; appointing, for this purpose, consultants, lawyers, professionals and correspondents, in Italy and abroad, giving them the relative mandates;
- carrying out any act and making any declaration, in Italy and abroad, as well as granting and revoking consultancy assignments to consultants, lawyers, professionals and correspondents in the field of industrial and intellectual property, in Italy and abroad, granting them the relative mandates that enable them to file, register, renew, extinct and protect all industrial and intellectual property rights of the Company, such as (but not limited to) trademarks, patents, utility models, designs and domain names;
- granting and revoking consultancy assignments; providing the necessary mandates, to consultants, lawyers, professionals and correspondents in the field of industrial and intellectual property, in Italy and abroad, in order to provide administrative, court and out-of-court protection, in Italy and abroad, of all the Company's intellectual and industrial property titles and rights;
- entering into, amending and terminating contracts for the purpose of purchasing, selling or licensing the use of patents, trademarks, utility models, copyrights and any intellectual property rights in general and the rights related to their exercise, as well as entering into, amending and terminating research and development contracts, in Italy or abroad, if necessary or appropriate for the Company's core business, up to a maximum amount of Euro 5,000,000 (five million) per individual transaction and for higher amounts with the joint signature of the Chairperson;
- entering into, amending and terminating contracts for the purpose of purchasing, selling or licensing the use of patents, trademarks, utility models, copyrights and any intellectual property rights in general and the rights related to their exercise, as well as entering into, amending and terminating research and development contracts, in Italy or abroad, by or in favour of companies in the group headed by the Company, without limitation of amount;

## **Insurance**

- entering into, amending and terminating private insurance contracts and agreements, without amount limits;
- collecting indemnities and compensation from insurance companies on behalf of the Company, issuing receipts;

## **Banking and financial transactions**

- Except as indicated in the following point, collecting and making payments in the name and on behalf of the Company up to a maximum amount of Euro 5,000,000 (five million) per individual transaction or series of transactions associated with a single signature; up to an amount of Euro 15,000,000 (fifteen million) per individual transaction or series of transactions associated with a joint signature with the Chairperson of the Board of Directors, Federico De Nora, or with the attorney Matteo Lodrini

- arranging and withdrawing from bank current accounts to make payments for noble metals, such as, for example, iridium, ruthenium, platinum, palladium and rhodium and/or other raw materials such as, for example, nickel and titanium, also by issuing checks or ordering by correspondence, using both cash and cash equivalents and credit lines granted up to a maximum amount of Euro 15,000,000 (fifteen million) with single signature and up to Euro 100,000,000 (one hundred million) with joint signature with the attorney Matteo Lodrini or with the Chairperson of the Board of Directors Federico De Nora

- demanding, collecting and issuing receipts, in the name and on behalf of the Company, of bills of exchange, sums of money, values, interest, credit instruments and credits in general; issuing drafts on customers; opening and closing current accounts; carrying out any transaction, receivable or payable, in Italy or abroad, in domestic or foreign currency, with banks, credit institutions, or other financial institutions; posting and telegraphing if necessary to execute the powers herein conferred, designating the persons who shall operate on such accounts, conferring upon them the necessary powers for deposit and withdrawal operations within the limits of the availability and/or credit lines previously agreed upon and obtained and in particular withdrawing or in any case using, in the manner that may be required, cheques, letters of credit, etc. at banking institutions both in Italy and abroad, with the power to issue full and discharging receipts for all amounts of money pertaining to the Company that are paid or credited for any reason whatsoever;

- entering into, amending or terminating loans or credit facilities with credit or other financial institutions, negotiating the relevant contractual terms and conditions, up to a maximum amount of Euro 50,000,000 (fifty million) signed individually and Euro 100,000,000 (one hundred million) signed jointly with the attorney Matteo Lodrini;

- stipulating, amending or terminating loans or credit facilities from or in favour of companies of the group headed by the Company without amount limits;

- providing sureties and requesting credit and insurance institutions to issue guarantees for the fulfilment of the Company's obligations when this is for executing commitments already undertaken or is required by law or administrative authorities, with single signature up to Euro 30,000,000 (thirty million) and, with joint signature with the attorney Matteo Lodrini, up to a maximum amount of Euro 50,000,000 (fifty million) per individual transaction.

- setting up security deposits;

- entering into contracts for the transfer of receivables to third parties and performing any other transaction related to the transfer of receivables, including the provision of guarantees in favour of third parties;

## **Auctions and tenders**

- participating and competing in auctions, including judicial auctions and tenders called by private parties, or national or foreign public entities, with the power to execute and sign any deed necessary to acquire and perform the transaction; taking on contracts for works, services and supplies performing all operations and entering into all related deeds and contracts with the entities concerned;

- formulating, signing and submitting estimates and offers for products and services marketed by the Company, including offers for tenders and contracts called in any form, by any public or private entity (such as, by way of example, open procedures, restricted procedures, negotiated procedures, informal tenders), and through any method of participation in tenders (e.g. through a single Company,

consortium and/or r.t.i. (temporary grouping or association of enterprises) established or being established); signing the relevant contracts, deeds or documents and performing all the necessary formalities, including substitute declarations, declarations on the Company's By-laws and possession of the requisites required by law also on the part of the Company's directors and its employees, and the notarial deeds required by special laws;

- appointing, for each individual contract, tender or for groups of related tenders, a trusted technician whenever special scientific and technical knowledge is required;
- delegating for each individual contract, tender or groups of related tenders a designated person in charge of carrying out the inspection where required by particular scientific and technical knowledge or by the tender or contract documentation;
- signing the deed of incorporation of any temporary grouping or association of enterprises (r.t.i.) in the event of the award of tenders or even during the tender;
- representation of the Company in subsidiaries and associates
- representing the Company and exercising voting rights in the Shareholders' Meetings of subsidiaries and affiliated companies, with the exception of resolutions relating to the following matters: changes in share capital, issuance of bonds, merger or demerger operations; amendments to the By-laws; adoption of stock option plans; purchase or sale of companies or business units where subject to authorisation by the Shareholders' Meeting pursuant to Art. 2364, paragraph 1, no. 5 of the Italian Civil Code; listing on any regulated market;

#### **Company signature**

- signing correspondence and any other document requiring the signature of the Company and concerning the business included in the delegated powers, with the signature being preceded by the Company name and the title "CHIEF EXECUTIVE OFFICER";

#### **Sub-delegating power**

- appointing agents and special attorneys for the performance of certain acts or categories of acts, sub-delegating part of the powers delegated thereto and within the set-out limits.

#### **Chairperson of the Board of Directors**

As specified in section 4.5 above, the Chairperson of the Board of Directors is not the chief executive officer, does not have significant management powers and does not have a specific institutional role in the development of corporate strategies.

Although he does not have an operational role and does not hold any significant management powers, in addition to the functions described above, the Chairperson of the Board of Directors, Federico De Nora, is attributed the following powers pursuant to art. 2381 of the Italian Civil Code, functional to the fulfilment of his duties:

- supervising and overseeing external relations activities carried out by the Company and the group it heads with entities, institutions, authorities, bodies and third parties, both national and international, public and private, including (by way of example only), CONSOB, Borsa Italiana S.p.A., the press, the media in general, economic and trade associations, the financial community, the scientific community, investors and stakeholders;
- following, promoting and protecting, in line with the programs approved by the competent Board bodies, the image of the Company and of the group it heads in Italy and abroad;
- promoting the performance, by the Board of Directors, of the primary task of determining and pursuing the strategic objectives of the Company and the group;
- supervising the performance of corporate affairs and the correct implementation of the decisions adopted by the competent corporate bodies;
- overseeing the organization of initiatives and training and refresher programs addressed to directors and statutory auditors (so-called induction programme) to provide them with an adequate knowledge of the business sector in which the Company operates, of the Company dynamics and

their evolution, of the principles of proper risk management, and of the regulatory and self-regulatory framework of reference;

- ensuring that the documentation relating to the agenda is sent to the directors, well in advance of the date of the board meetings, in order to allow for the timely acquisition of complete information as well as effective participation of the Company's directors in the work of the Board;
- supervising and ensuring, with the support of the competent Company functions, adequate information flows between the Board of Directors of the Company and the other corporate bodies, as well as with the administrative and Company functions;

#### **Contracts, collections and payments**

- except as indicated in the following point, entering into contracts for the purchase of goods and services pertaining to the Company's core business (excluding the purchase from or sale to third parties, other than the companies of the group headed by the Company, of equity investments in other companies, businesses and business units, and contracts entered into by the Company and the natural persons who are shareholders of the parent company, including through third parties), up to an amount of Euro 10,000,000 (ten million) per single transaction or series of related transactions with a single signature; up to an amount of Euro 15,000,000 (fifteen million) per single transaction or series of linked transactions with a joint signature with the Chief Executive Officer, Paolo Dellachà, or with the attorney, Matteo Lodrini;
- stipulating purchase contracts, including framework purchase agreements, of noble metals, such as, for example, iridium, ruthenium, platinum, palladium and rhodium and/or other raw materials, such as, by way of example, nickel and titanium, up to an amount of Euro 15,000,000 (fifteen million) per single transaction or series of transactions related with single signature; up to an amount of Euro 100,000,000 (one hundred million) per individual transaction or series of transactions associated with joint signature with the Chief Executive Officer Paolo Dellachà or with the attorney Matteo Lodrini.
- Except as indicated in the point below, collecting and executing payments in the name and on behalf of the Company up to a maximum amount of Euro 10,000,000 (ten million) per transaction or series
- of related transactions; up to an amount of Euro 15,000,000 (fifteen million) per individual transaction or series of transactions associated with joint signature with the Chief Executive Officer, Paolo Dellachà, or with the attorney Matteo Lodrini;
- arranging and withdrawing from bank current accounts to make payments for noble metals, such as, for example, iridium, ruthenium, platinum, palladium and rhodium and/or other raw materials such as, for example, nickel and titanium, also by issuing checks or ordering by correspondence, using both cash and cash equivalents and credit lines granted up to a maximum amount of Euro 15,000,000 (fifteen million) with single signature and up to Euro 100,000,000 (one hundred million) with joint signature with the attorney Matteo Lodrini or with the Chief Executive Officer Paolo Dellachà.
- entering into contracts for the sale of goods and services pertaining to the Company's core business (excluding the purchase from or sale to third parties, other than the companies of the group headed by the Company, of equity investments in other companies, businesses and business units, and contracts entered into by the Company and the natural persons who are shareholders of the parent company, including through third parties), up to an amount of Euro 10,000,000 (ten million) per single transaction or series of related transactions with a single signature; up to an amount of Euro 15,000,000 (fifteen million) per single transaction with a joint signature with the Chief Executive Officer, Paolo Dellachà;

#### **Purchase and sale of equity investments and companies/business units**

- purchasing and selling shareholdings, companies or business units from or to other companies of the group headed by the Company up to a maximum amount of Euro 20,000,000 (twenty million) per individual transaction with a single signature, without prejudice to the application of the regulations in force from time to time and the procedure adopted by the Company on related party transactions;



### **Judicial, administrative and arbitration procedures**

- representing the Company before any judicial and administrative and arbitration authority, in Italy or abroad, including, but not limited to, the Court of Cassation, the Constitutional Court, the Court of Auditors, the Council of State, the Commissione Nazionale per le Società e la Borsa -CONSOB, Borsa Italiana S.p.A., the Bank of Italy in any proceedings, at any stage and level of judgement and in arbitration proceedings, with the power to carry out any act relating to such proceedings and, including, but not limited to, representing the Company in administrative, civil, criminal and arbitration proceedings, or in labour matters, pursuant to Art. 420 of the Italian Code of Civil Procedure, granting the necessary powers of attorney to general or special attorneys; proposing and waiving summons, appeals, complaints, appeals, claims, civil action; appointing and dismissing lawyers, litigation attorneys and technical consultants; accepting, deferring, reporting and taking oaths, including decision-related; signing compromises and transactions; appointing or dismissing arbitrators, including non-ritual, amicable and equitable arbitrators, referring disputes or assessments to arbitrators; electing and revoking the election of domicile; deferring interrogations and responding to them, settling, accepting waivers from others; stipulating, modifying and resolving compromises and arbitration clauses;
- filing with any judicial or police authority, a complaint or lawsuit against any accountable party, forming a civil party, on behalf of the Company, in any criminal proceedings;
- representing the Company in bankruptcy proceedings, filing petitions for declarations of bankruptcy and claims, attending creditors' meetings and exercising voting rights in such proceedings in the name and in the interest of the Company, accepting arrangements, also with statutory beneficiaries, accepting liquidations or distributions, filing oppositions and injunctions to whomsoever justified, requesting seizures also from third parties, making in related proceedings the declaration of third-party pledgee;

### **Representation of the Company in subsidiaries and associates**

- representing the Company and exercising voting rights in the Shareholders' Meetings of subsidiaries and affiliated companies, with the exception of resolutions relating to the following matters: changes in share capital, issuance of bonds, merger or demerger operations; amendments to the By-laws; adoption of stock option plans; purchase or sale of companies or business units where subject to authorisation by the Shareholders' Meeting pursuant to Art. 2364, paragraph 1, no. 5 of the Italian Civil Code; listing on any regulated market;

### **Sub-delegating power**

- appointing agents and special attorneys for the performance of certain acts or categories of acts, sub-delegating part of the powers delegated thereto and within the set-out limits.

### **Executive Committee (pursuant to Art. 123-bis, paragraph 2, letter d), Italian Consolidated Law on Finance)**

At the date of this Report, the Issuer has not appointed an Executive Committee.

### **Reporting to the Board by the directors/delegated bodies**

The Chief Executive Officer has reported to the Board of Directors and the Board of Statutory Auditors at the Board meetings, on the activities carried out, the general performance of operations and its foreseeable evolution, as well as on the most significant transactions, based on their size or characteristics, carried out by the Company and other subsidiaries with strategic importance.

### **Other Executive Directors**

Without prejudice to what is described in the previous paragraphs, at this Date of the Report there are no other executive directors pursuant to the Corporate Governance Code.

## **4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTORS**

### **Independent Directors**

The Issuer, in order to align its corporate governance system with the laws and regulations applicable to companies with shares listed on a regulated market, as well as with the principles laid down in the Corporate Governance Code, has, effective as of the Trading Date, in accordance with Art. 2 of the Corporate Governance Code, appointed an adequate number of independent directors, in the persons of Maria Giovanna Calloni, Teresa Cristiana Naddeo, Elisabetta Oliveri, Giovanni Toffoli and Alessandro Garrone, who also meet the independence requirements set forth in the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Law on Finance, as well as Article 2 of the Corporate Governance Code.<sup>10</sup>

The fulfilment by the directors in office of independence requirements was first verified by the Board of Directors at the meeting held on the appointment date on March 9, 2022, and, again on July 5, 2022, after the Trading Date. Each non-executive director has provided all the elements necessary or useful for the Board's assessments.

In particular, the Board has assessed, on the basis of the information made available by the involved parties and/or in any case available, the existence of the independence requirements with respect to:

- a) Art. 148, paragraph 3, of the Consolidated Law on Finance as referred to in Art. 147-ter, paragraph 4, of the Consolidated Law on Finance;
- b) of Art. 2, Recommendation 7, of the Corporate Governance Code;
- c) the provisions of the Criteria of Significance (as defined below).

For the purpose of applying Art. 2, recommendation 7, first paragraph, of the Corporate Governance Code, the Board of Directors has defined a policy on quantitative and qualitative criteria to assess the significance of relationships, including non-economic ones, capable of compromise the independence of its members and the members of the Board of Statutory Auditors of the Company (the "**Criteria of Significance**" or the "**Criteria**").

With particular reference to the quantitative criteria, any commercial, financial or professional relationship that the director or statutory auditor - whose independence is being assessed - has or has had, directly or indirectly, in the financial year in which the declaration of independence is provided (or in the three financial years preceding the date on which the declaration is provided) (the "**Reference Period**") with the following parties (jointly, the "**Relevant Persons**"), is relevant:

- (i) the Company, the companies it controls, the party that, also together with others through a Shareholders' Agreement, controls the Company, and
- (ii) the related executive directors or top management.

The aforementioned relations with the Relevant Persons are to be considered as a rule significant – and therefore capable of compromising the independence of the director or auditor – if they have entailed, whether individually or cumulatively considered, an economic recognition of more than Euro 200,000.

For the purposes of the above, the relationships with the Relevant Person by a close family member of the Director or Statutory Auditor are also relevant, more specifically: (i) the parents, (ii) the children, (iii) the spouse not legally separated and (iv) cohabitants (each, the "**Close Family Member**").

Where relations with Relevant Persons are engaged by the director or statutory auditor indirectly - for example, through subsidiaries or companies of which he/she is an executive director, or as a partner of a professional firm or consulting company - existing relations or relations entertained during the Reference Period that concern, individually or cumulatively considered, an annual economic recognition exceeding Euro 250,000 shall be considered significant.

With particular reference to the remuneration received, also in the Reference Period, by the director or auditor, the amount of any additional remuneration paid to the latter by the following, is relevant:

- (i) the Company,
- (ii) one of its subsidiaries, and/or

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<sup>10</sup> After the end of the Financial Year, on February 1, 2023, the Board of Directors co-opted Roberto Cingolani as non-executive and independent director. As at the Report Date, therefore, the Board of Directors is composed of 12 directors, six of whom are independent.

(iii) the parent company, even indirectly,

with reference to professional engagements or consultancy and regarding the fixed remuneration for the office held and the remuneration provided for participation in the committees (or bodies) recommended by the Code or provided for by the legislation in force. The additional remuneration is normally considered significant – and therefore capable of compromising the independence of the director and/or statutory auditor concerned – if equal to the fixed remuneration received in the reference year for the performance of the office of director or statutory auditor.

Being a Close Family Member of a person in one of the circumstances described above also constitutes a cause affecting the independence of the director or auditor.

In the event that the director or statutory auditor is also a partner in a professional firm or consulting company, the professional relationships of the firm and/or consulting company with the Relevant Persons shall also be qualified as significant - regardless of the quantitative parameters set out above - if they (a) may have an effect on his or her position and role within the professional firm or consulting company; or (b) otherwise relate to important operations of the Company and the group the Company heads. The significance of the aforementioned relationships is assessed taking into account the overall professional activity normally carried out by the director or statutory auditor, the duties normally assigned to him/her, as well as the relevance that such relationships may have for the director or statutory auditor in reputational terms within their organisation.

Lastly, the Board of Directors may, giving adequate reasons at the time of passing resolutions: (i) take into consideration those relations which, although lacking in content of an economic nature or economically insignificant, are particularly significant for the prestige of the director or statutory auditor concerned or capable of concretely affecting his/her independence and autonomy of judgement; (ii) assess, on the basis of the concrete circumstances, the fulfilment and/or maintenance of the independence requirements for a director or statutory auditor despite the presence of one of these Criteria of Significance.

In defining the Criteria of Significance, the Board of Directors has, among other things, taken into account the recommendations of the Code and the clarifications provided in “*Q&A functional to the application of the Corporate Governance Code - 2020 edition*” published on the website of the Corporate Governance Committee.

During the Fiscal Year, no meetings were held solely for independent directors, as per recommendation 5 of the Corporate Governance Code, as the Issuer does not qualify as a large company.

On January 17, 2023, a first meeting of the independent directors was held, on a voluntary basis, since the Company has included in its Board Regulations (as defined below) the principles of recommendation 5 of the Corporate Governance Code, in order to assess the following issues deemed of interest with respect to the functioning of the administrative body and company management:

- the need to strengthen the information flows involving the Board of Directors and the Board Committees, also through the participation of corporate officers from outside the Board of Directors at its meetings
- the proposal to organize additional board induction activities, aimed at providing them with adequate knowledge of the business sectors in which the company operates, of the company dynamics and their evolution, in line with the provisions of recommendation 12, letter (d), of the Corporate Governance Code.

The meeting was coordinated by Ms Maria Giovanna Calloni, as Lead Independent Director.

### **Lead Independent Director**

As mentioned in paragraph 4.5 above, since the Chairperson of the Board of Directors is a representative of the legal entity that controls the Issuer, on March 9, 2022 the Board of Directors appointed as Lead Independent Director the independent director Maria Giovanna Calloni.

The Lead Independent Director also acts as a member of the Nomination and Remuneration Committee and Chairperson of the Related Parties Committee and (a) represents a point of reference for and coordinates the instances and contributions of the non-executive directors and, in particular, of the independent ones; and (b) coordinates, when convened, the meetings of the independent directors only.

## 5.0 MANAGEMENT OF CORPORATE INFORMATION

On February 18, 2022, the Board of Directors adopted the following procedures regarding the management of inside information, insider register and internal dealing, in force from the Trading Date:

- (i) the "*Internal Procedure to Manage and Process Inside Information and Reporting of Documents and Information to the Outside*" (the "**Procedure for the Management of Inside Information**");
- (ii) the "*Procedure to keep and update the register of persons with access to inside information (Insider Lists)*" ("**Procedure for the Insider Register**");

aimed at regulating and governing the methods of monitoring, internal circulation and communication to the market and to the public of inside information in compliance with Articles 7 and 17 of the MAR Regulation, as well as the establishment, maintenance and updating of the register of persons who have access to Inside Information ("insider register") in compliance with art. 18 of the MAR Regulation; and

- (iii) the "*Internal Dealing Procedures*" (the "**Procedure for Internal dealing**").

aimed at regulating and governing the management of disclosure obligations deriving from the internal dealing regulations pursuant to art. 19 of the MAR Regulation and art. 152-*octies* of the Issuers' Regulation with regard to transactions on the Shares, on debt instruments issued by the Issuer, as well as on derivative instruments or other financial instruments linked to them.

For more information, please refer to the text of the procedures available on the website [www.denora.com](http://www.denora.com), Section "*Governance / Market Abuse*".

The members of the Board of Directors and the Board of Statutory Auditors also participated in initiatives aimed at examining in depth the contents of the procedures on the management of inside information, insider register and internal dealing, as well as transactions with related parties adopted by the Company pursuant to applicable regulations through the participation in dedicated webinars organised in collaboration with the Company's legal advisors.

## 6.0 INTERNAL BOARD COMMITTEES (pursuant to Art. 123-bis, paragraph 2, letter d), Italian Consolidated Law on Finance)

On March 9, 2022, the Company's Board of Directors, in accordance with the recommendations on corporate governance contained in the Corporate Governance Code, established, with effect from the Trading Date:

- a control, risk and ESG committee, pursuant to Art. 1 and 6 of the Corporate Governance Code ("**Control, Risk and ESG Committee**") composed of three directors, the majority of whom are independent, in the persons of the following directors: Teresa Naddeo (as Chairperson), Giovanni Toffoli and Alessandra Pasini, the latter having resigned on September 29, 2022 and replaced by Paola Rastelli with resolution of the Board of Directors on October 13, 2022 (see Section 9 of the Report);
- an appointments and remuneration committee, pursuant to Articles 4 and 5 of the Corporate Governance Code, approving the operating regulations of the Committee itself ("**Nomination and Remuneration Committee**"), composed of three directors, the majority of whom are independent, in the persons of the following directors: Elisabetta Oliveri (as Chairperson), Mario Cesari and Maria Giovanna Calloni (see Sections 7 and 8 of the Report).

After the end of the Fiscal Year, on 22 March 2023, the Board of Directors appointed Paola Bonandrini as a member of the Control, Risk and ESG Committee, to replace Director Paola Rastelli, who resigned on 10 March 2023.

The Board of Directors of the Company has also appointed a Related Parties Committee. For more information on the composition, powers and functioning of this committee, please refer to Section 10 of this Report. The Company has not established an Executive Committee (see Section 4.6 of the Report).

In determining the composition of the Committees, the Board prioritised the expertise and experience of the members, avoiding an excessive concentration of offices. Each committee has its own regulations governing its powers and functioning. These regulations provide, *inter alia*, that:

- each Committee meets when convened by its Chairperson, whenever the Chairperson deems it appropriate, but at least every six months, or when requested by the Executive Directors or the Chairperson of the Board of Auditors or the Chairperson of the Board of Directors or two members of the same Committee;
- the notice of call, with an indication of the day, time and place of the meeting and the list of agenda items to be discussed, accompanied by the necessary documentation for the discussion, is sent by the Chairperson or by the secretary, according to the Chairperson's instructions, at least five days before the date set for the meeting;
- the meetings of the Committee are chaired by the respective Chairperson or, in the event of his/her absence or impediment, by the independent member chosen by those present and then recorded in the Minutes.

Each committee has access to information and to corporate functions and structures, ensuring appropriate functional and operational contacts with these for the performance of its tasks. In addition, each Committee may make use of external consultants, at the expense of the Company, and in any case within the limits of any budget approved by the Board of Directors.

### *Control, Risk and ESG Committee*

The Control, Risk and ESG Committee assists the Board of Directors with reference to the control and risk functions, in compliance with the provisions of Art. 6 of the Corporate Governance Code. The Control, Risk and ESG Committee has also been assigned the responsibilities regarding ESG and sustainable development set forth in Article 1 of the Corporate Governance Code. For further information, please refer to Section 9 of this Report.

### *Nomination and Remuneration Committee*

In consideration of the organizational needs of the Company, the operating methods and the size of its Board of Directors, the Company has established a single Nomination and Remuneration Committee pursuant to Articles 4 and 5 of the Corporate Governance Code, with investigative, advisory and propositional functions vis-à-vis the Board of Directors.

The Nomination and Remuneration Committee carries out all the tasks assigned to it by the Corporate Governance Code. For further information, please refer to Section 7 of this Report.

*Additional committees (other than those provided for in the regulations or recommended by the Code)*

On March 9, 2022, in consideration of the Company's organizational requirements, its activities and the size of its Board of Directors, the Company's Board of Directors has established an *ad hoc* committee with advisory and proposal-making functions to be included in the definition of the Group's main development objectives on the basis of the analysis of the sector and market trends as well as in the planning of strategies (the "**Strategies Committee**"), in line with the provisions of Recommendation 1, letter (a) of the Corporate Governance Code.

On the basis of what was discussed at the meeting of the Board of Directors on March 9, 2022 by the members of the Board of Directors in office at the Date of the Prospectus, the Board of Directors, in accordance with the provisions contained in the IDN Shareholders' Agreement, resolved to appoint Federico De Nora, Paolo Enrico Dellachà, Mario Cesari, *Marco Alverà*, subsequently replaced with resolution of the Board of Directors on May 4, 2022 with Stefano Venier and *Alessandra Pasini*, replaced with resolution of the Board of Directors on October 13, 2022 with Paola Rastelli, as members of the Strategies Committee, and to appoint Paolo Enrico Dellachà as Chairperson of the Strategies Committee.

After the closure of the Fiscal Year, the Board of Directors:

- resolved, on February 1, 2023, to increase the number of members of the Strategies Committee to 6 (six) and appointed Mr. Roberto Cingolani as a new member of the Committee;
- appointed, on March 22, 2022, Paola Bonandrini to replace as member of the Strategies Committee Director Paola Rastelli, who resigned on March 10, 2023.

The responsibilities of the Strategies Committee are as follows:

- support, advice, proposes, evaluates and assists, on a non-binding basis, the Company's Board of Directors in defining the Group's main development objectives according to the analysis of the sector and market trends and, in particular, in relation to (a) entering new markets, both geographically and in terms of business, to be submitted to the review and assessment of the Board of Directors of the Company; (b) business plans and/or industrial and/or strategic plans as well as amendments to business plans and/or industrial and/or strategic plans previously approved by the Board of Directors; (c) alliances and/or business partnerships, including relevant decisions and implementation initiatives, to be submitted to the review and assessment of the Board of Directors of the Company (d) extraordinary transactions (meaning acquisitions, mergers, demergers, contributions, capital increases or reductions or disposals or divestments of non-performing business lines) to be submitted to the Company's Board of Directors for review and assessment; (e) industrial investment or industrial restructuring projects to be submitted to the Company's Board of Directors for review and assessment; and (f) financial streamlining programmes to be submitted to the Company's Board of Directors for review and assessment;
- support, advice, assessment and assistance, on a non-binding basis, to the Board of Directors of the Company in planning cross-selling strategies in order to maximize value for the Company and its shareholders.

The Strategies Committee meets when convened by its Chairperson, whenever the Chairperson deems it appropriate, or when at least two members of the same Committee so request. The notice of call, with an indication of the day, time and place of the meeting and the list of agenda items to be discussed, accompanied by the necessary documentation for the discussion, is sent by the Chairperson or by the secretary, according to the Chairperson's instructions, at least five days before the date set for the meeting. In cases of urgency, the deadline may be shorter: in any case, at least twenty-four hours before the date set for the meeting, all the documentation necessary to support the meeting must be made available to the Strategies Committee. The resolutions of the Strategies Committee require votes by an absolute majority of the members in office, with the exception of some resolutions pertaining to the hydrogen/energy transition business for which *ad hoc* majorities are required. The Minutes of the meetings of the Strategies Committee are recorded.

For further details, please refer to **Table 3** in the appendix to this Report.



## 7.0 SELF-EVALUATION AND SUCCESSION OF DIRECTORS – NOMINATION COMMITTEE

### 7.1 SELF-EVALUATION AND SUCCESSION OF DIRECTORS

In consideration of the recent Listing and in light of Art. 2.3 of the Board of Directors' Regulations, the Board was not able to assess the functioning of the Board itself and its Committees, as well as their size and composition. The Board of Directors' Regulations require the self-evaluation to be carried out on a three-year basis, as the Issuer qualifies as a “non-large” and “concentrated ownership” company pursuant to the Corporate Governance Code.

Furthermore, at the Date of the Report, again in consideration of the recent Listing, no plan for the succession of the Chief Executive Officer and the Executive Directors has been adopted.

However, in this regard, the Board of Directors, although the Company does not qualify as a “large company” for the purposes of Recommendation 24, is performing an assessment, with the support of the Nomination and Remuneration Committee, to verify the necessity of the adoption of a plan for the succession of the Chief Executive Officer and the Executive Directors and adequate procedures for the succession of top management.

### 7.2 NOMINATION AND REMUNERATION COMMITTEE

*Composition and functioning of the Nomination and Remuneration Committee (pursuant to art. 123-bis, paragraph 2, letter d), Italian Consolidated Law on Finance)*

On March 9, 2022, the Board of Directors of IDN established the Nomination and Remuneration Committee.

Without prejudice to the powers provided for in the Corporate Governance Code, the duties, powers and operating rules of the Nomination and Remuneration Committee are governed by the specific regulation, approved by the Board of Directors at the meeting of March 9, 2022.

The Committee in office at the Date of the Report will remain in office until the approval of the financial statements for the year 2024, and is composed of the following Directors:

Elisabetta Oliveri	Non-Executive and Independent Director – Chairperson
Maria Giovanna Calloni	Non-Executive and Independent Director
Mario Cesari	Non-Executive Director

In compliance with the provisions of the Corporate Governance Code, the Nomination and Remuneration Committee is composed only of Non-Executive Directors, the majority of whom are independent and is chaired by an independent director. The Chair was chosen from among the independent directors. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies. In this regard, the Board of Directors at the meeting of March 9, 2022, deemed that all members of the Nomination and Remuneration Committee met this requirement.

For further details, please refer to **Table 3** in the appendix to this Report.

The Nomination and Remuneration Committee meets when convened by its Chairperson, whenever the Chair deems it appropriate, but at least every six months, or when requested by the executive directors or the Chairperson of the Board of Statutory Auditors or the Chairperson of the Board of Directors or two members of the same Committee. The meetings of the Nomination and Remuneration Committee are attended by the Chairperson of the Board of Statutory Auditors (or another statutory auditor designated by him) and the other statutory auditors may also attend. The Chair of the Nomination and Remuneration Committee has the right to invite to the meetings of the Committee other persons whose presence may be of assistance to the better performance of the Committee's functions. Minutes are taken of the Committee meetings and the Chair of the Committee reports (i) to the Board of Directors at the first meeting, and in any case at least every six months, on the activities carried out, and (ii) to the Shareholders' Meeting, on an annual basis, at the time of the approval of the financial statements regarding the procedures for exercising their functions.

The Board of Directors has not assigned a fixed budget to the Nomination and Remuneration Committee, leaving it with full spending autonomy for the exercise of the functions assigned to it, subject to verification of the same Board of Directors.

## **Functions of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is assigned the following duties:

- assisting the Board of Directors in defining the optimal composition of the management body and its committees and in the self-assessment activities of the management body and its committees;
- assisting the Board of Directors in identifying candidates for the office of director in cases of co-optation in accordance with the Company's By-laws;
- supporting the administrative body in the preparation, updating and implementation of any plan for the succession of the Chief Executive Officer and the other executive directors, as well as in activities that involve ascertaining the adequacy of the procedures for the succession of Key Management Personnel;
- assisting the Board of Directors in defining the remuneration policy for directors and key management personnel;
- periodically assessing the adequacy, overall consistency and practical application of the Remuneration Policy for directors and Key Management Personnel;
- submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors who hold particular offices as well as on the setting of performance objectives related to the variable component of this remuneration, monitoring the application of the decisions adopted by the Board and the actual achievement of performance objectives;
- expressing an assessment on particular and specific issues for which the Board of Directors has requested its examination.

The Nomination and Remuneration Committee also verifies the remuneration package assigned to the Head of Internal Audit, to ensure it is consistent with the Group's remuneration policies and with the role and tasks assigned to it.

No director takes part in the meetings of the Committee in which the proposals to the Board of Directors relating to their remuneration have been formulated, except in the case such proposals that concern the generality of the members of the Committees established within the Board of Directors.

The Nomination and Remuneration Committee has the right to access information and to the corporate functions and structures, ensuring suitable functional and operational links with them for the performance of its duties. The Committee may make use of external consultants, at the Company's expense, and in any case within the limits of any budget approved by the Board of Directors, subject to verification that these consultants are not in situations that actually compromise their independence of judgement and, in particular, do not provide the Human Resources function, directors or Key Management Personnel with services of such significance as to concretely compromise the independence of judgement of the consultants.

During the financial year, 4 meetings of the Committee were held with a total attendance of 100%. The activities of the Nomination and Remuneration Committee included:

- (i) the definition of the Company's Remuneration Policy;
- (ii) the review and approval of the Remuneration Report;
- (iii) the support to the Board of Directors in the appointment by co-optation of the director Paola Rastelli.

The meetings were coordinated by the Chair and were duly recorded in the Minutes. The meetings of the Nomination and Remuneration Committee were attended by the members of the Board of Statutory Auditors, as well as (i) Ms Silvia Bertini, attorney, Group General Counsel; (ii) Mr Graziano Marcuccio, Chief Human Resources Officer; and (iii) Mr Corrado Samuelli, Compensation Manager.

The meetings of the Nomination and Remuneration Committee lasted an average of one hour. The table in Annex 1 indicates the participation of each member in the meeting of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has already scheduled 5 meetings for the current year, three of which already held as of the Date of the Report, aimed at the appointment by co-optation of the Director Roberto Cingolani, at reviewing and approving the Remuneration Report and the revision of the Report on Corporate Governance and Ownership Structures and to the appointment by co-optation of the Director Paola Bonandrini, without prejudice to the right to meet whenever deemed necessary (in the form and manner indicated in the relevant regulation) and, in any event, at least once a year on the occasion of the review of the Remuneration Report to be submitted to the Board of Directors and the



Shareholders' Meeting for approval. For further details, please refer to Table 3 in the appendix to this Report.

## **8.0 REMUNERATION OF THE DIRECTORS - REMUNERATION COMMITTEE**

### **8.1 REMUNERATION OF THE DIRECTORS**

The Board of Directors of the Company shall submit to the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2022 the remuneration policy that governs the remuneration of the members of the Board of Directors, and of the other executives with strategic responsibilities and, without prejudice to the provisions of Art. 2402 of the Italian Civil Code, of the members of the Board of Statutory Auditors of the Company, in compliance with Art. 123-*ter* of the Consolidated Law on Finance and on which, on March 13, 2023, the Nomination and Remuneration Committee expressed a favourable opinion.

The Remuneration Report, with a description of the remuneration policy of the De Nora Group in Section I, is the first one prepared by the Issuer in compliance with the regulations applicable to companies with financial instruments listed on a regulated market and with the involvement of the Nomination and Remuneration Committee.

Section II of the Remuneration Report includes, inter alia, information on any agreements between the Company and the members of the Board of Directors that provide for indemnities in the event of resignation or dismissal without just cause or termination of the employment relationship as a result of a takeover bid.

For a description of the remuneration policy and compensation paid during the year, please refer to the Remuneration Report available on the Issuer's website at [www.denora.com](http://www.denora.com), Section "*Governance – Corporate Governance – Shareholders Meetings*".

### **8.2 REMUNERATION COMMITTEE**

For information on the composition and functioning, as well as the operations performed by the Nomination and Remuneration Committee, please refer to paragraph 7.2 of this Report.

Further information on the Nomination and Remuneration Committee is available in Table 3, Annex 1, of this Report and in the Remuneration Report available on the Issuer's website at [www.denora.com](http://www.denora.com), Section "*Governance – Corporate Governance – Shareholders Meetings*".

## 9.0 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL, RISK and ESG COMMITTEE

The internal control and risk management system adopted by IDN, in compliance with the recommendations of Art. 6 of the Corporate Governance Code, is the set of rules, procedures and organizational structures aimed at allowing, through an adequate process of identification, measurement, management and monitoring of the main risks relating to the Company and its subsidiaries, a sound and correct management of the Company, consistent with its strategic objectives, also in order to contribute to its sustainable success.

This internal control system contributes to guaranteeing the protection of company assets, the efficiency and effectiveness of company operations, compliance with laws and regulations, as well as the reliability, accuracy, trustworthiness and timeliness of financial disclosures.

The Board of Directors defines the principles concerning the coordination and information flows between the various parties involved in the internal control and risk management system in order to maximize the efficiency of the system itself, reduce the duplication of activities, guarantee an effective performance of the duties of the control body.

More specifically, with the support of the Control, Risk and ESG Committee, the Board:

- a) defines the guidelines of the internal control and risk management system in line with the strategies of the Company and assesses, at least once a year, the adequacy of the system, based on the characteristics of the Company and the risk profile assumed, as well as its effectiveness;
- b) appoints and dismisses the head of the internal audit function, defining his/her remuneration in line with company policies, and ensuring that he/she is provided with adequate resources to carry out his/her duties and, in the case of an external party, is also fulfilling the appropriate requirements of professionalism, independence and organisation;
- c) approves, at least once a year, the work plan prepared by the head of the internal audit function, after consulting the Board of Statutory Auditors and the Chief Executive Officer;
- d) assesses the opportunity to adopt measures to ensure the effectiveness and impartiality of judgement of the other company functions involved in the management and control system, verifying that they are equipped with adequate professionalism and resources;
- e) assigns to the appropriately established body (see Section 9.4 below) the supervisory functions pursuant to Art. 6, paragraph 1, letter b) of Legislative Decree No. 231/2001;
- f) assesses, after consulting the control body, the results presented by the statutory auditor in a letter of suggestions and in the additional report addressed to the control body;
- g) describes, in the report on corporate governance, the main characteristics of the internal control and risk management system and the methods of coordination among the parties involved, indicating the reference models and national and international best practices; expresses its overall assessment of the adequacy of the system itself and gives an account of the choices made regarding the composition of the supervisory body as referred to in letter e) above.

In exercising these functions, the Board relies on the collaboration of the Chief Executive Officer pursuant to the Corporate Governance Code (see paragraph 9.2 of the Report), the Control and Risk Committee (see paragraph 8 of the Report), the Head of the Internal Audit Function (see paragraph 9.3 of the Report); it also takes into account the organization and management models adopted by the Issuer and by the Group Companies headed by the Issuer pursuant to Legislative Decree 231/2001 (see paragraph 9.4 of the Report).

The Board of Directors, in the meeting of March 22, 2023, taking into account, inter alia, the indications provided in the half-yearly report of the Control, Risk and ESG Committee, expressed a positive assessment on the adequacy, effectiveness and actual functioning of the system of internal control and risk management of the Issuer and its subsidiaries of strategic importance, taking into account the characteristics of the company and the risk profile assumed.

At the meeting of November 8, 2022, the Board of Directors also approved the work plan prepared by the Head of the Internal Audit Function, after consulting the Board of Statutory Auditors and the Chief Executive Officer.

## 9.1 CHIEF EXECUTIVE OFFICER

On March 9, 2022, the Board of Directors appointed the Paolo Dellachà as Chief Executive Officer, effective from the Listing date. As such, the Chief Executive Officer is responsible for establishing and maintaining the internal control and risk management system in implementation of recommendations 32 and 34 of the Corporate Governance Code, as well as the additional powers provided for in those recommendations.

In consideration of the recent listing, in the course of the 2022 financial year, the Chief Executive Officer, as the person responsible for the establishment and maintenance of the internal control and risk management system: (i) oversaw the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically submitted them to the Board for review; (ii) implemented the guidelines defined by the Board, taking care of the design, implementation and management of the internal control and risk management system, constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and to the legislative and regulatory framework.

In addition, it is within the Chief Executive Officer's prerogatives to entrust the internal audit function with the power to carry out checks on specific operational areas and on the compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chairperson of the Board, the Chair of the Control, Risk and ESG Committee and the Chairperson of the Board of Statutory Auditors.

During the Fiscal Year, the Chief Executive Officer did not exercise this power. Finally, if problems and critical issues arise in the performance of his activities, or of which he has been informed, he will promptly inform the Control, Risk and ESG Committee so that this body can take the appropriate actions.

## 9.2 CONTROL, RISK AND ESG COMMITTEE

On March 9, 2022, the Board of Directors of IDN has established the Control, Risk and ESG Committee.

Without prejudice to the powers provided for in the Corporate Governance Code, the duties, powers and operating rules of the Control, Risk and ESG Committee are governed by the specific regulation, approved by the Board of Directors at the meeting of March 9, 2022.

The Committee in office at the Date of the Report will remain in office until the approval of the financial statements for the year 2024, and is composed of the following Directors:

Teresa Naddeo	Non-Executive and Independent Director – Chairperson
Giovanni Toffoli	Non-Executive and Independent Director
Paola Rastelli (*)	Non- Executive Director

(\*) Subsequently, on March 22, 2023, the Board of Directors appointed Paola Bonandrini to replace Director Paola Rastelli, who resigned on March 10, 2023.

In compliance with the provisions of the Corporate Governance Code, the Control, Risk and ESG Committee is composed only of Non-Executive Directors, the majority of whom are independent and is chaired by an independent director. At least one member of the committee has adequate knowledge in accounting and finance or risk management. In this regard, respectively in the meeting of March 9, 2022 for the Directors Teresa Naddeo and Giovanni Toffoli and in the meeting of October 13 for the Director Paola Rastelli, the Board of Directors deemed that all members of the Control, Risk and ESG Committee met this requirement.

For further details, please refer to **Table 3** in the appendix to this Report.

The Control, Risk and ESG Committee meets when convened by its Chairperson, whenever the Chair deems it appropriate, but at least every six months, or when requested by the Executive Directors or the Chairperson of the Board of Auditors or the Chairperson of the Board of Directors or two members of the same Committee; The meetings of the Control, Risk and ESG Committee are attended by the Chairperson of the Board of Statutory Auditors (or another statutory auditor designated by him) and the other statutory auditors may also attend. The Chair of the Committee has the right to invite to the meetings of the Committee other persons whose presence may be of assistance to the better performance of the Committee's functions. The meetings of the Control, Risk and ESG Committee meetings are recorded in the minutes.

The Chair of the Control, Risk and ESG Committee reports (i) to the Board of Directors at the first possible meeting, and in any case at least every six months, on the activities carried out, and (ii) to the Shareholders' Meeting, on an annual basis, at the time of approval of the financial statements regarding the procedures for exercising his functions.

The Board of Directors has not assigned a fixed budget to the Control, Risks and ESG Committee, leaving it with full spending autonomy for the exercise of the functions assigned to it, subject to verification of the same Board of Directors.

### **Functions of the Control, Risk and ESG Committee**

The Control, Risk and ESG Committee assists the Board of Directors in carrying out the tasks relating to: (i) defining the guidelines of the internal control and risk management system in line with the Company's strategies; (ii) the periodic assessment, at least once a year, of the adequacy and effectiveness of the internal control and risk management system with respect to the characteristics of the Company and the risk profile assumed; (iii) the appointment, dismissal and remuneration of the Head of the Internal Audit function, as well as the adequacy of the resources assigned to the latter for the performance of his/her functions; (iv) the approval, at least once a year, of the work plan prepared by the Head of the Internal Audit function; (v) the assessment of the opportunity to adopt measures to ensure the effectiveness and impartiality of judgement of the other company functions involved in the controls, verifying that they have adequate professionalism and resources; (vi) the attribution of supervisory functions to the control body or a body specifically established pursuant to Art. 6, paragraph 1, lett. b) of Legislative Decree no. 231/2001; (vii) the description, in the report on corporate governance, of the main characteristics of the internal control and risk management system and the methods of coordination between the parties involved, indicating the reference models and national and international best practices, to assess its overall adequacy and account for the choices made regarding the composition of the supervisory body; and (viii) the assessment, after consulting the Board of Statutory Auditors, of the results set out in the reports of the independent auditors and in any letter of suggestions as well as in the report on the fundamental issues that have emerged during the statutory audit.

The Committee, in assisting the Board of Directors:

- assesses, after consulting the manager in charge of preparing corporate accounting documents, the statutory auditor and the board of statutory auditors, the correct application of the accounting standards and their consistency for the purposes of preparing the consolidated financial statements;
- assesses the suitability of periodic financial and non-financial information to correctly represent the business model, the strategies of the Company, the impact of its activities and the performance achieved;
- expresses opinions on specific aspects relating to the identification of the main business risks and supports the assessments and decisions of the administrative body relating to the management of risks arising from prejudicial events of which the latter has become aware;
- reviews the periodic reports and those of particular importance prepared by the Internal Audit function;
- monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
- may ask the Internal Audit function to carry out audits on specific operating areas, simultaneously informing the Chairperson of the Board of Statutory Auditors;
- reports to the Board of Directors, at least every six months, at the time of the approval of the annual and half-yearly financial report on the activities carried out, as well as on the adequacy of the internal control and risk management system;
- performs the additional tasks assigned to it by the Board of Directors.

The Control, Risk and ESG Committee is also the body responsible for the environment, corporate governance and sustainability, also for the purposes of assessing the sustainability report containing non-financial information pursuant to European Directive 2014/95/EU and in particular:

- performs support and advisory functions for the Board of Directors with regard to sustainability, meaning the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain, as well as in relation to the following matters: (a) compliance with the Company's corporate governance principles in accordance with the Corporate Governance Code, applicable laws and national and international best practices, making proposals in this regard to the Board of Directors; (b) drafting of company policies on diversity; (c) monitoring of the Company's positioning on the financial markets with particular attention to its positioning in compliance with sustainability indices;
- also reviews the contents of the sustainability report and periodic non-financial information, as well as analyses the use of the standards adopted for the preparation of non-financial reports to be reviewed and approved (as appropriate) by the Board of Directors;
- reviews and assesses the sustainability policies aimed at ensuring the creation of value over time for the majority of shareholders and for all other stakeholders in the medium-long term in compliance with the principles of sustainable development as well as the guidelines, objectives, and consequent sustainability processes and the sustainability report submitted annually to the Board of Directors, including, in particular, the sustainability report; in particular, it carries out, to this end, analysis and review activities on: (a) corporate policies of the Company and the Group on human rights, business ethics and integrity, diversity and inclusion; (b) corporate policies of the Company and the Group for the integration of environmental, social and governance issues into the business model; (c) initiatives undertaken by the Company and the Group to respond to issues relating to climate change and other relevant environmental issues; (d) purposes and methodologies adopted by the Company and the Group in their sustainability reporting; (e) any sustainable finance initiative;
- oversees international initiatives on environmental, social and governance matters and proposes the Group's potential adherence to them by the Company and the Group, in order to strengthen the international reputation of the Company and the Group.

The Control, Risk and ESG Committee has the right to access the information and company functions necessary for the performance of its duties, and may make use, at the Company's expense, within the limits of the budget approved by the Board of Directors, of external consultants who do not find themselves in situations that compromise their independence of judgement. The Board of Statutory Auditors and the Committee promptly exchange relevant information for the performance of their respective duties.

During the financial year, 4 meetings of the Committee were held with a total attendance of 100%. The activities of the Control, Risk and ESG Committee included:

- (i) the definition of the materiality matrix for the purpose of preparing the first Group non-financial consolidated statement;
- (ii) the preparation of the audit plan for the year 2023;
- (iii) the support provided to the Board of Directors for the review of the periodic financial and non-financial information.

The meetings were coordinated by the Chair and were duly recorded in the Minutes. The meetings of the Control, Risk and ESG Committee were attended by the members of the Board of Statutory Auditors and Mr Claudio Vitacca, Head of the Internal Audit function, as well as, depending on the items on the agenda, the following were also invited: (i) Silvia Bertini, attorney, Group General Counsel; (ii) Mr Matteo Lodrini, Chief Financial Officer; (iii) Ms Nicoletta Galati, Compliance Manager; and (iv) Mr Stefano Casalino, Finance & Consolidation Director.

The meetings of the Control, Risk and ESG Committee had an average duration of two hours. The table in Annex 1 indicates the participation of each member in the meeting of the Control, Risk and ESG Committee.

The Control, Risk and ESG Committee has already scheduled for the current year 9 meetings of which five already held at the Date of the Report, without prejudice to the right to meet whenever deemed necessary (in the forms and manners provided in the relative regulation).

For further details, please refer to **Table 3** in the appendix to this Report.



### 9.3 HEAD OF THE INTERNAL AUDIT FUNCTION

Also to support the internal audit and risk management system, on March 9, 2022, the Company established, with effect from the Trading Date, the Head of Internal Audit function, pursuant to recommendation 36 of the Corporate Governance Code, appointing (effective from May 2, 2022), with the favourable opinion of the Board of Statutory Auditors and having verified the fulfilment of requirements of professionalism, independence and organization, Mr Claudio Vitacca as Head of the Internal Audit function, in charge of verifying that the internal audit and risk management system is functioning, adequately and consistently with the guidelines defined by the Board of Directors.

The remuneration of the Head of the Internal Audit function was defined by the Board of Directors in line with company policies before the Listing. On March 9, the Board of Directors resolved not to allocate a fixed budget to the head of the internal audit function, but to give them full spending autonomy for the exercise of the functions assigned to them, within the limits of the general annual budget allocated to the internal audit function and without prejudice to any additions and amendments deemed necessary, which may be examined and approved by the Board of Directors at any time. In line with the recommendations of the Corporate Governance Code, the head of the internal audit function is not responsible for any operational area and reports on their work to the Board of Directors. The Head of the Internal Audit function has direct access to all useful information for the performance of the assignment and is supported by the various company functions in obtaining the documentation and information necessary for the performance of his/her duties.

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On November 8, 2022, the Board of Directors has approved the Audit Plan prepared by the Head of the Internal Audit function, in consultation with the Board of Statutory Auditors. The Chief Executive Officer voted in favour of approving the Audit Plan as part of the Board vote; as indicated in Section 9.1, the Director in charge of the internal control and risk management system is the Chief Executive Officer.

The Head of the Internal Audit function, during the financial year:

- has verified, on a continuous basis and in relation to specific needs and in compliance with international standards, the functioning and suitability of the internal control and risk management system, using the 2022-2023 audit plan, based on a structured process of analysis and prioritisation of key risks;
- *has prepared periodic reports* containing adequate information on its activities, on the way in which risk management is conducted and on compliance with the plans defined for their containment, as well as an assessment of the suitability of the internal control and risk management system, and has forwarded them to the chairmen of the Board of Statutory Auditors, the Control, Risk and ESG Committee and the Board of Directors, as well as to the Chief Executive Officer, except in cases where the purpose of these reports specifically concerned the activities of these individuals;
- has verified, in the 2022-2023 audit plan, the reliability of information systems, including accounting reporting systems.

No events of particular significance occurred during the financial year that required a specific report by the head of the Internal Audit function.

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### 9.4 ORGANIZATIONAL MODEL pursuant to Legislative Decree 231/2001

On December 20, 2012, the Issuer has adopted an Organisation, Management and Control Model as provided for by Legislative Decree. 231/2001 (the "**231 Model**"), subsequently revised and most recently updated on August 3, 2022, in order to create a system of rules aimed at preventing the adoption of unlawful conduct considered potentially relevant for the purposes of the application of said regulation, and consequently proceeded to set up the supervisory body pursuant to Art. 6, paragraph 1, letter b) of Legislative Decree 231/2001 (the "**Supervisory Body**").

Model 231 consists of (i) a general part, which governs the overall functioning of the organization, management and control system adopted; and (ii) several special parts, containing the general principles of conduct and the control protocols for each of the predicate offences considered relevant.

At the date of this Report, the Supervisory Body is composed of Mr Gianluca Sardo (Chairperson of the Supervisory Body) and Mr Silvio Necchi, appointed by the Board of Directors of the Issuer on February

18, 2022 and by Mr Claudio Vitacca (the latter as an internal member in compliance with Recommendation 32 of the Corporate Governance Code), appointed by the Board of Directors of the Issuer on August 3, 2022. The Supervisory Body thus composed meets the requirements of autonomy, independence, professionalism and continuity of action applicable.

The Supervisory Body has been assigned the following tasks:

- supervision of the effectiveness of the 231 Model, i.e. ensuring that the conduct carried out within the Company complies with the 231 Model also by carrying out periodic checks, as well as verify its consistency with (i) the company procedures that implement it and (ii) the Code of Ethics;
- assessment of the effectiveness of the 231 Model, i.e. verifying, also in view of the evolution and changes that have taken place at company level, that the 231 Model prepared is concretely suitable to prevent the occurrence of the predicate offences contemplated in the Decree, as subsequently updated; and
- assessment of the appropriateness of proposing updates or amendments to Model 231, in order to align it with changes in the corporate structure and regulatory changes, including through a periodic review of the areas at risk of offences.

The internal control system outlined by Model 231 was adopted by the Group's Italian operating companies (namely the Issuer, De Nora Italy S.r.l., De Nora Water Technologies Italy S.r.l. and De Nora Isia S.r.l., with the exception of Capannoni S.r.l. and the newly established De Nora Italy Hydrogen Technologies S.r.l.).<sup>1112</sup>

The provisions contained in the 231 Model are completed by those of the Code of Ethics, revised in October 2015, which aims to ethically guide the actions of the Companies of the De Nora Group and whose provisions are consequently binding for the conduct of all directors, managers, employees, consultants and anyone who establishes, for any reason, a relationship of collaboration with the companies of the De Nora Group.

The Code of Ethics is available on the website at the address "[www.denora.com/it/governance/governance-and-business-ethics/code-of-ethics.html](http://www.denora.com/it/governance/governance-and-business-ethics/code-of-ethics.html)".

## 9.5 INDEPENDENT AUDITORS

On February 18, 2022, the Shareholders' Meeting resolved, with effect from the Trading Date, to appoint PricewaterhouseCoopers S.p.A., as audit firm of the Company's accounts for nine financial years (expiring, therefore, at the approval of the financial statements as at December 31, 2030), pursuant to Articles 13 and 17 of Legislative Decree 39/2010.

The Board has acknowledged the additional report prepared by the Independent Auditors, sent to the Board by the Chairperson of the Board of Statutory Auditors on March 2, 2022, which confirmed the successful outcome of the statutory audit. The Independent Auditors did not send a letter of suggestions to the Board of Directors.

## 9.6 MANAGER IN CHARGE OF PREPARING CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS:

On February 18, 2022, the Issuer's Board of Directors appointed Mr Matteo Lodrini, Chief Financial Officer of the Company, as the manager in charge of preparing corporate accounting documents (*dirigente preposto*), effective from the Trading Date (the "**Manager in charge**"), recognizing in the latter, a person suitable to cover this function, also in consideration of the professionalism requirements set forth in Art. 20 of the By-laws, pursuant to which the Manager in charge must be an expert in administration, finance and control and must meet the integrity requirements established for Directors.

Pursuant to Art. 20 of the By-laws, the Board of Directors (i) appoints and dismisses the Manager in charge of preparing the corporate accounting documents, subject to the mandatory but non-binding

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<sup>11</sup> For the sake of completeness, starting from January 1, 2023, De Nora Isia S.r.l. was merged by incorporation into De Nora Water Technologies Italy S.r.l.

<sup>12</sup> At the date of this report, De Nora Italy Hydrogen Technologies S.r.l. started the preparatory activities for the adoption of Model 231.

opinion of the Board of Statutory Auditors; (ii) determines his term of office and (iii) grants adequate powers and means by which to perform his duties. The manager in charge of preparing the company's financial reports shall be appointed from among persons that have significant professional experience in accounting, economics and finance, for at least five years, and shall also have any additional requirements established by the Board of Directors and/or the legal and regulatory provisions in force from time to time.

The Manager in charge of preparing corporate accounting documents shall set up adequate administrative and accounting procedures for the preparation of the separate financial statements and the consolidated financial statements, as well as any other financial communication. The deeds and communications of the Company disclosed to the market and relating to accounting information, including interim reports, must be accompanied by a written declaration from the Manager in charge of preparing corporate accounting documents, in which the latter certifies the correspondence with the documentary results, books and accounting records.

During the course of the Fiscal Year, the Board did not envisage the necessity of adopting further measures to ensure the effectiveness and impartial judgement of the other corporate functions involved in the control system, as it considered that they already had adequate resources and requirements of professionalism and, where necessary, independence.

## **9.7 COORDINATION AMONG THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The Company, in order to ensure continuous coordination between the various parties involved in the internal control and risk management system, has provided that, as a general rule, all periodic meetings shall take place at the same time and jointly between the Control, Risk and ESG Committee, the Head of the Internal Audit function, the Board of Statutory Auditors, the Manager in charge of preparing corporate accounting documents, and the Supervisory Board. This makes it possible to maximise the efficiency of the internal control and risk management system implemented by the Company, also with a view to a timely exchange of information between all parties involved, while reducing the risk of any duplication of activities.

The Company has adopted measures to comply with the provisions of Art. 15 of the Consob Market Regulations. In particular, the Company (i) has made available to the public the financial statements prepared for the purpose of drawing up the consolidated financial statements of subsidiaries, incorporated and governed by the laws of non-EU countries, having significant relevance; (ii) has acquired from the aforementioned companies the By-laws, as well as the composition and powers of the corporate bodies and (iii) has ascertained that these companies provide the Independent Auditors with the information they need to conduct the audit of annual and interim accounts and that they have an administrative-accounting system capable of regularly providing IDN management and the Independent Auditors with the income statement, balance sheet and financial data required to prepare the consolidated financial statements. These measures adopted by the Company specifically concern the following subsidiaries established and governed by the law of countries outside the European Union and of significant importance, as identified pursuant to the provisions of Title VI, Chapter II, of the Issuers' Regulation: (i) DNC - De Nora Elettrodi (Suzhou) Co, Ltd.; (ii) DNB - De Nora do Brasil Ltda; (iii) PEL - De Nora Permelec Ltd; (iv) DNT - De Nora Tech, LLC; (v) CAPUS - Capannoni U.S.A., LLC; (vi) DNUS - De Nora Holdings US, Inc.; (vii) DNUK - De Nora Holding UK Ltd.; (viii) DNWTINC - De Nora Water Technologies, LLC (former DNWTINC); (ix) DNMAR\_US - De Nora Marine Technologies, LLC; (x) DNC\_P - De Nora Elettrodi (Suzhou) Co, Ltd. Shanghai Pudong Branch.

## 10.0 DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

### *Related Party transactions procedure*

On February 18, 2022, the Issuer's Board of Directors has adopted, with effect from the Trading Date, a procedure for the management of transactions with related parties (the "**RPT Procedure**") pursuant to the regulation adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended with resolution no. 21624 of December 10, 2020 (the "**RPT Regulation**") aimed at defining the rules relating to the identification, instruction, approval and execution of transactions with related parties concluded directly by the Company or through subsidiaries. On July 5, 2022, the RPT Procedure was submitted for the opinion of the Related Parties Committee and final approval of the Board of Directors pursuant to Article 4 of the RPT Regulation.

The RPT Procedure establishes the rules governing the methods for identifying, approving and managing transactions with related parties of the Company to ensure the transparency and substantial and procedural correctness of transactions with related parties, carried out directly or through subsidiaries pursuant to the Art. 93 of the Consolidated Law on Finance or in any case subject to management and coordination activities.

In addition, the Company, as a newly listed company pursuant to Art. 3 of the RPT Regulation, applies to transactions with related parties, including those of significant relevance (as identified pursuant to Annex 3 of the RPT Regulations), as an exception to Art. 8 of the RPT Regulations, a procedure that takes into account the principles and rules provided for transactions of lesser importance pursuant to Art. 7 of the RPT Regulation.

For more information on the RPT Procedure, please refer to the procedure available on the website [www.denora.com](http://www.denora.com), Section "Governance/Corporate Documents and Procedures".

### *Related Parties Committee*

The Company's Board of Directors, by resolution of March 9, 2022, has established the Related Parties Committee pursuant to the RPT Regulations and the RPT Procedure (the "**Related Parties Committee**"), approving the related rules of operation, effective as of the start date of trading of the Shares on Euronext Milan. The Related Parties Committee carries out the functions and duties set forth in by the RPT Procedure, the RPT Regulations and the regulations in force from time to time.

At the same meeting, the Board of Directors of the Company has appointed the members of the Related Parties Committee, effective from the Trading Date of the Shares on Euronext Milan, in the persons of Maria Giovanna Calloni, who also holds the role of Chairperson, Teresa Naddeo and Elisabetta Oliveri.

If the nature, size and characteristics of the transaction so require, the Related Parties Committee or, as the case may be, the persons replacing it, have the right to be assisted, at the Company's expense, by one or more independent experts of its choice, through the acquisition of appropriate assessments and/or fairness and/or legal opinions.

During the year, the Related Parties Committee met four times, with an average duration of about 1 (one) hour. For the current year, the Committee has scheduled 4 (four) meetings, of which one has already been held at this Date of the Report.

For further details, please refer to **Table 3** in the appendix to this Report.

## 11.0 BOARD OF STATUTORY AUDITORS

### 11.1 APPOINTMENT AND REPLACEMENT

The Shareholders' Meeting elects the Board of Statutory Auditors, consisting of 3 (three) standing auditors ("Standing Auditors"), and determines their remuneration. The Shareholders' Meeting also elects 3 (three) alternate auditors ("Alternate Auditors"). The powers, duties and term of office of the Statutory Auditors are those established by law. Those who exceed the limits to the number of permitted positions, or for whom there are causes of ineligibility and disqualification, or who do not meet the requirements of integrity and professionalism established by the laws and regulations in force, cannot be elected as Statutory Auditors, and if elected, shall forfeit their position.

The Statutory Auditors and Alternate Auditors are appointed by the Shareholders' Meeting, in compliance with the applicable rules on gender balance, on the basis of lists submitted by the shareholders, in compliance with the applicable legal and regulatory provisions in force from time to time, in which the candidates must be listed in numerical order and must not exceed the number of members of the body to be elected. Each list, if it contains more than one candidate, must consist of two sections: one for the appointment of standing auditors and one for the appointment of alternate auditors. The first of the candidates in each section must be selected from among statutory auditors entered in the appropriate register and must have exercised the activity of statutory audit for a period of no less than three years.

Lists that present a total number of candidates equal to or greater than 3 (three) must be made up of candidates belonging to both genders, in accordance with the regulations in force concerning the balance between genders. Only shareholders who, alone or together with other shareholders, own shares (be they Ordinary Shares or Multiple Voting Shares) representing a percentage of the share capital not lower than the percentage laid down for the Company by the laws and regulations in force from time to time are entitled to submit lists. The call notice of the Shareholders' Meeting called to deliberate on the appointment of the Board of Statutory Auditors indicates the percentage shareholding required for the submission of lists of candidates. Each shareholder (as well as (i) shareholders belonging to the same group, meaning the parent company, including non-corporate bodies, pursuant to Art. 2359 of the Italian Civil Code and Art. 93 of Legislative Decree No. 58/1998 and each company controlled by, or under the common control of, the same company, or (ii) shareholders that are parties to the same shareholders' agreement pursuant to Art. 122 of Legislative Decree No. 58/1998, or (iii) shareholders that are otherwise related to each other by virtue of relevant relations according to applicable laws and/or regulations in force at the time) may submit or concur to the submission of only one list, under penalty of the list being disqualified.

Each candidate may only appear on one list under penalty of ineligibility. Together with each list, within the deadline for submission prescribed by current legislation, declarations must be filed by each candidate accepting their candidacy and certifying, under their own responsibility, that there are no causes of ineligibility and incompatibility, and that the regulatory and statutory requirements for the position are met. Any list for which the above terms are not observed shall be deemed not to have been submitted. Together with the declarations, a curriculum vitae will be filed for each candidate regarding personal and professional characteristics and a list of directorships and auditing positions held by each candidate in other companies shall be included. For the submission, filing and publication of lists, the provisions of the law and regulations in force from time to time shall apply.

The lists are divided into two sections: one for candidates for the office of Standing Auditor and the other for candidates for the office of Alternate Auditor. Each person entitled to vote (as well as (i) shareholders belonging to the same group, meaning the parent company, including non-corporate bodies, pursuant to Article 2359 of the Italian Civil Code and Article 93 of Legislative Decree No. 58/1998 and each company controlled by, or under the common control of, the same company, or (ii) shareholders that are parties to the same shareholders' agreement pursuant to Article 122 of Legislative Decree No. 58/1998, or (iii) shareholders that are otherwise related to each other by virtue of relevant relations according to applicable laws and/or regulations in force at the time) may only vote for one list. The election of Auditors shall be conducted as follows: (a) from the list that obtained the highest number of votes cast at the Shareholders' Meeting, 2 (two) standing members and 2 (two) alternate members shall be drawn, in the sequential order in which they are listed in the sections of the list; (b) the remaining standing member - who shall assume the position of Chairperson of the Board of Statutory Auditors - and the other alternate member shall be drawn from the list that came second by number of votes obtained and that is not connected in any way, not even indirectly, with the shareholders who submitted



or voted for the list that came first by number of votes, according to the progressive order in which they are listed in the sections of the list.

In the event that several minority lists have obtained the same number of votes, the oldest candidate on the list, standing auditor and alternate auditor, shall be elected; in the event that only one list is submitted, the entire Board of Statutory Auditors shall be drawn from that list, provided that it has obtained the approval of the simple majority of votes. In the event that only one list has been filed by the deadline for the submission of lists, or only lists submitted by shareholders who, on the basis of the declarations made pursuant to paragraph 9, letter b) of this Article, are connected with each other pursuant to Article 144-quinquies, first paragraph, of Consob Regulation 11971/1999, lists may be submitted up to the third calendar day following that date. In that case, the percentage of the share capital required for the presentation of the list is reduced to half. If the above procedures do not ensure that the composition of the Board of Statutory Auditors, vis-à-vis its standing members, complies with the applicable regulations on gender balance, the necessary replacements will be made, from among the candidates for the position of Standing Auditor of the list that obtained the highest number of votes, according to the progressive order in which the candidates are listed. In the event that the statutory and regulatory requirements are no longer met, the auditor shall forfeit their position. If, for any reason, a statutory auditor steps down from their position during the year, they shall be replaced, where possible, by the alternate auditor belonging to the same list as the outgoing auditor or, failing that, if the auditor taken from the list obtaining the second highest number of votes leaves their position, they shall be replaced by the next candidate on the same list to which the outgoing auditor belonged, or, secondarily, by the first candidate on the list obtaining the second highest number of votes. This is without prejudice to the fact that the chairpersonship of the Board of Statutory Auditors shall remain in the hands of the auditor presented by the list that came second by number of votes obtained ("minority list") and that the composition of the Board of Statutory Auditors shall comply with the regulations in force concerning gender balance.

In the case that the Shareholders' Meeting has to appoint standing and/or alternate auditors necessary to complete the Board of Statutory Auditors, the following procedure is followed if it is necessary to replace auditors taken from the list that obtained the majority of votes cast, the appointment is made by relative majority vote without list constraints; if it is necessary to replace auditors taken from the list that obtained the second highest number of votes, the Shareholders' Meeting replaces them by relative majority vote, selecting them where possible from among the candidates indicated in the list to which the auditor to be replaced belonged, or from the minority list that obtained the second highest number of votes. If the application of these procedures does not allow, for any reason, the replacement of the auditors designated by the minority, the Shareholders' Meeting shall proceed with a relative majority vote, subject to the submission of nominations by shareholders who, alone or jointly with others, hold shares representing at least the percentage referred to above in relation to the list submission procedure; However, in ascertaining the results of this last vote, the votes of shareholders who, according to the communications made pursuant to the applicable regulations, hold, even indirectly or jointly with other shareholders, who are parties to a shareholders' agreement pursuant to Article 122 of Legislative Decree No. 58/1998, a relative majority of the votes that can be exercised at the Shareholders' Meeting, as well as shareholders that control, are controlled or are subject to joint control by the same. The replacement procedures referred to in the preceding paragraphs must in any case ensure compliance with the applicable rules on gender balance. Outgoing auditors are eligible for re-election.

## 11.2 COMPOSITION AND FUNCTIONING (pursuant to art. 123-bis, paragraph 2, letters d) and d- bis), Italian Consolidated Law on Finance)

The Board of Statutory Auditors in office at the Date of the Report was appointed by the Shareholders' Meeting of March 22, 2022 and consists of 3 (three) standing auditors and 3 (three) alternate auditors.

The following table lists the composition of the Issuer's Board of Statutory Auditors at the end of the year, with details of the respective office held:

Name and Surname	Office
Marcello Del Prete	Chairperson of the Board of Statutory Auditors
Guido Sazbon	Standing Auditor
Beatrice Bompieri	Standing Auditor
Pierpaolo Giuseppe Galimi	Alternate Auditor
Gianluigi Lapietra	Alternate Auditor



There were no changes in the composition of the Board of Statutory Auditors after the closing date of the Fiscal Year. The resumes of the Statutory Auditors are available on the Issuer's website at [www.denora.com](http://www.denora.com), Section "Governance".

The meetings of the Board of Statutory Auditors can also be held via remote telecommunication, provided that all the participants can be identified and their identification is recorded in the relevant minutes and that they are allowed to follow the discussion and intervene in real time in the discussion of the topics addressed, exchanging documentation if necessary.

The Board of Statutory Auditors may, after notifying the Chairperson of the Board of Directors, convene the Shareholders' Meeting or the Board of Directors. The relevant powers may also be exercised by at least 2 (two) Statutory Auditors in the event the Shareholders' Meeting is convened, and by at least 1 (one) Statutory Auditor in the event the Board of Directors is convened. The resolutions of the Board of Statutory Auditors must be recorded in the Minutes, drawn up in compliance with the regulations in force at the time.

The powers, duties and term of office of the Statutory Auditors are those established by law.

Although the Listing took place recently, during the year ended December 31, 2022, the Board of Statutory Auditors met five times with the regular attendance of its members. The meetings of the Board of Statutory Auditors lasted an average of three hours.

During the current year and up to the Date of the Report, the Board of Statutory Auditors met 7 (seven) times and will be held in total at least 12 times during the current 2023 financial year.

For further details, please refer to **Table 5** in the appendix to this Report.

In carrying out its activities and with particular reference to the internal control and risk management system, the Board of Statutory Auditors coordinated with the Internal Audit function and the Control, Risk and ESG Committee. For more information on the methods of this coordination, please refer to Section 9 above.

With reference to the Fiscal Year, the Board of Statutory Auditors carried out its own self-assessment, even in the absence of a specific recommendation of the Corporate Governance Code, adopting the best practice recommended by the National Council of Chartered Accountants and Accounting Experts. The activity was carried out with each statutory auditor filling in a questionnaire concerning the size, composition and functioning of the Board of Statutory Auditors as a whole, the activities carried out and the thematic areas addressed. The results of the self-assessment with reference to the Fiscal Year were sent to the Board of Directors in view of the meeting of March 22, 2023 and provided an extremely positive picture of the functioning and adequacy of the Board of Statutory Auditors.

#### *Diversity criteria and policies*

The regulations relating to gender requirements pursuant to the provisions of Art. 148 of the Italian Consolidated Law on Finance will be applicable to the Issuer starting from the first renewal of the corporate bodies following the Trading Date. Moreover, at the Date of the Report, the Board of Statutory Auditors is already made up of Statutory Auditors of both genders and its composition is already compliant, on a voluntary basis, with the regulations on gender balance pursuant to the provisions for newly-listed companies.

As at the Date of the Report, taking into account that the management and control bodies were appointed prior to the Trading Date, as well as the recent Listing, the Issuer has adopted the criteria for compliance with the gender quotas provided for by law, but has not adopted an *ad hoc* policy in relation to the composition of the Board of Statutory Auditors in office with regard to aspects such as age, training and professional background. However, it is believed that the qualitative and quantitative composition of the Board of Statutory Auditors in office ensures sufficient diversification in terms of skills, age, experience and gender. In fact, with regard to the composition of the Board of Statutory Auditors in office, it is specified that: (i) in the Board of Statutory Auditors there are two standing auditors of the male gender and one standing auditor of the female gender; as for the alternate auditors, there is one member of the female gender and two of the male gender; (ii) the Board of Statutory Auditors is characterised by the age diversity of its members, considering that the age of the auditors is between 55 and 58 years; (iii) all the members of the Board of Statutory Auditors are Chartered Accountants and Auditors.

The Board of Directors shall draw up a diversity policy proposal in relation to the composition of the management and control bodies at the time of the renewal of said bodies in view of the relative Shareholders' Meeting for their appointment.

### *Independence*

The Board of Statutory Auditors assesses the independence of its members with respect to: a) Art. 148, paragraph 3, Italian Consolidated Law on Finance; b) Art. 2, Recommendation 7, of the Corporate Governance Code; c) the provisions of the Criteria of Significance (see Section 4.3 of this Report).

The members of the Board of Statutory Auditors have declared that they meet the independence requirements pursuant to the applicable legal and regulatory provisions. The fulfilment by the Statutory Auditors in office of independence requirements was first verified by the Board of Directors at the meeting held on the appointment date on March 22, 2022, and, again on July 5, 2022, after the Trading Date. Each Statutory Auditor has provided all the elements necessary or useful for the Board's assessments.

The list of administration and control positions held, as at December 31, 2022, by the members of the Board of Statutory Auditors pursuant to Art. 148-bis of the Consolidated Law on Finance and related implementing provisions is provided in the appendix to this Report.

For further details, please refer to **Table 6** in the appendix to this Report.

### *Remuneration*

The remuneration of the Statutory Auditors is commensurate with the commitment required, the importance of the role held, as well as the size and sectoral characteristics of the Company. In compliance with Recommendation 29 of the Corporate Governance Code, the Company believes that the remuneration of the Statutory Auditors determined by the Shareholders' Meeting of March 22, 2022 is adequate for the competence, professionalism and commitment required by the relevance of the role held and the size and sectoral characteristics of the company as well as its position.

With regard to the remuneration paid during the year to the control bodies for any reason and in any form, please refer to Section II of the Remuneration Report.

### *Interest management*

As it is believed that it is an ethical duty to inform the other Statutory Auditors and the Chairperson of the Board of Directors in the event that a Statutory Auditor has, on his own behalf or on behalf of third parties, an interest in a specific transaction of the Issuer, there is no obligation specific on the matter.

## 12.0 RELATIONS WITH SHAREHOLDERS

### *Access to information*

In compliance with the recommendations of the Corporate Governance Code, the Issuer has created a special section of its website, called “*Investor Relations*”, (<https://www.denora.com/it/investors>) where all information concerning the Issuer and the De Nora Group that is relevant to its shareholders and that is required by the rules, including regulations, applicable to companies listed on a regulated market is made available to the public.

Furthermore, the Board of Directors ensures that an Investor Relator is identified and periodically assesses the advisability of setting up a corporate structure in charge of this function, which would establish an ongoing dialogue with shareholders in general and with institutional investors in particular, in compliance with the rules and procedures governing the disclosure of inside information.

In this regard, on February 18, 2022, the Board of Directors has appointed Marco Porro as manager of the Investor Relator & ESG Manager function, granting him all the powers necessary to carry out this task.

For the sake of completeness, on February 1, 2023 the Board of Directors of the Company has appointed Ms Chiara Locati as the new Investor Relator & ESG Manager of the Company, replacing Marco Porro, who resigned on December 29, 2022.

### *Dialogue with the shareholders*

On February 18, 2022, the Board of Directors has approved an engagement policy to regulate the guidelines on the dialogue of the Company with the generality of shareholders and interested parties in order to ensure an orderly and systematic dissemination of transparent, complete and timely disclosure on its activities, in implementation of the provisions of Art. 1, principle IV of the Corporate Governance Code (the “**Engagement Policy**”).

The Engagement Policy governs, *inter alia*, the methods of communication with shareholders, the topics of dialogue, the role of the Investor Relator and the involvement of other corporate bodies. The Policy also envisages that if an investor, despite the dialogue carried out with the investor relations divisions of the Company and if necessary with other top managers of the Company who are knowledgeable on the matters being discussed, have further questions on significant aspects of the matters dealt with therein, they may ask for said meeting to be followed up by a meeting with one or more Company representatives.

During the Fiscal Year, the Issuer regularly organised meetings with shareholders and other potential investors, to provide continuously updated information concerning its activities, strategies and performance, with particular regard to aspects related to the Energy Transition business, and ad hoc conference calls for the presentation of the results for the period to shareholders and other relevant representatives of the financial community (e.g., financial analysts, investors, rating agencies, and other financial stakeholders).

For more details, please refer to the text of the Engagement Policy available on the Issuer's website at [www.denora.com](http://www.denora.com), Section “*Investor Relations*”.

## 13.0 SHAREHOLDERS' MEETING

In the context of the Listing, the Shareholders' Meeting of March 9, 2022 has approved a new text of the By-laws, subsequently amended by the Shareholders' Meeting of June 20, 2022 in force from the Trading Date.

Ordinary and Extraordinary Shareholders' Meetings are generally held in the Municipality where the registered office of the Company is located, unless otherwise resolved by the Board of Directors and provided that it is in Italy. The Board of Directors may provide, in relation to individual meetings, that those entitled to attend the meeting and exercise voting rights may participate in the meeting by electronic means, including exclusively. In this case, the call notice shall specify, also by means of reference to the Company's website, the aforesaid methods of participation (omitting, in the case of a Shareholders' Meeting held exclusively by means of telecommunications, the indication of the physical location of the meeting).

The Ordinary Shareholders' Meetings and Extraordinary Shareholders' Meetings are usually held in single call as per law. The Board of Directors may, however, if it deems it appropriate and by expressly stating so in the call notice, determine that the Ordinary and Extraordinary Shareholders' Meetings be held in several calls. Shareholders' Meetings shall be called within the terms prescribed by the laws and regulations in force from time to time, by means of a call notice to be published on the Company's website, as well as in the manner prescribed by the laws and regulations in force from time to time with not less than the minimum notice required by law with respect to the date established for the Shareholders' Meeting.

Entitlement to participate in the Shareholders' Meeting and to exercise voting rights is governed by the legislation in force.

Those entitled to vote may be represented at the Shareholders' Meeting in accordance with the law, by means of a proxy issued in the manner provided for by the applicable regulations. The proxy may also be notified to the Company electronically, in the manner specified in the call notice. The Company does not avail itself of the power provided by law to designate the representative to whom shareholders may grant proxy with voting instructions on all or some of the proposals on the agenda of the Shareholders' Meeting. The conduct of the Shareholders' Meetings is governed by special regulations approved by resolution of the Ordinary Shareholders' Meetings (see *infra*).

The Shareholders' Meeting is chaired by the Chairperson of the Board of Directors or, in the absence or incapacity thereof, by the Vice-Chairmen (if appointed) or the Chief Executive Officer, if appointed and present; failing this, the Shareholders' Meeting shall elect its own Chairperson. The Chairperson of the Shareholders' Meeting is assisted by a secretary, who may or may not be a shareholder, appointed by those present, and who may appoint one or more scrutineers. In cases provided for by law or when deemed appropriate by the Chairperson, the minutes shall be drawn up by a notary public chosen by the Chairperson, acting as secretary.

The resolutions of the Shareholders' Meeting shall be recorded in minutes, drawn up in accordance with the legislation in force at the time and signed by the Chairperson and the secretary or the notary public chosen by the Chairperson.

The Shareholders' Meeting resolves on all matters within its competence by law. The resolutions of the Shareholders' Meeting are adopted with the majorities required by law. The resolutions of the Shareholders' Meeting, passed in accordance with the law and these By-laws, are binding on all Shareholders, even if they have not attended or dissented.

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On February 18, 2022, the Company has approved, by resolution of the ordinary Shareholders' Meeting of the Issuer, a regulation applicable to the Shareholders' Meetings in order to allow the orderly and functional conduct of their meetings.

For further details, please refer to the Shareholders' Meeting regulations available on the Company's website at the address: <https://www.denora.com/it/governance/corporate-governance/shareholders-meetings.html>

\*\*\*

No Shareholders' Meetings of the Issuer were held after the Trading Date.

\*\*\*

The Company has issued 157,785,675 multiple voting shares. Art. 5.6 of the By-laws provides that multiple voting shares grant the right to 3 (three) votes in the ordinary and extraordinary Shareholders' Meetings of the Company. The multiple voting shares are not listed on Euronext.

For further information, please refer to the By-laws available on the website [www.denora.com](http://www.denora.com), Section "Governance".

\*\*\*

As at the Date of the Report, the Board did not deem it necessary to draw up proposals to be submitted to the Shareholders' Meeting regarding:

- a) choice and characteristics of the corporate model;
- b) size, composition and appointment of the Board and term of office of its members;
- c) breakdown of the administrative and equity rights of the shares;
- d) percentages established for the exercise of the prerogatives set forth for the protection of minorities.

#### **14.0 ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to Art. 123-bis, paragraph 2, letter a), second part, Italian Consolidated Law on Finance)**

The Company has not adopted corporate governance practices other than those required by the laws and regulations in force.



## 15.0 CHANGES AFTER THE END OF THE REFERENCE FINANCIAL YEAR

Subsequent to the close of the financial year and until the approval of this Report by the Board of Directors on March 22, 2022, the following changes have taken place in the Company's corporate governance structure:

- on February 1, 2023, the Company's Board of Directors co-opted Roberto Cingolani, with the favourable opinion of the Nomination and Remuneration Committee, as the new non-executive independent Director of the Company, to replace Sami Petteri Pelkonen, who resigned on December 29, with effect from December 31, 2022;
- On February 1, 2023 the Board of Directors of the Company has appointed Ms Chiara Locati as the new Investor Relator & ESG Manager of the Company, replacing Marco Porro, who resigned last December 29, 2022.
- on March 22, 2023, the Board of Directors co-opted, with the favourable opinion of the Nomination and Remuneration Committee, Paola Bonandrini as new non-executive Director, as well as member of the Control, Risk and ESG Committee and of the Strategies Committee, to replace Director Paola Rastelli, who resigned on March 10, 2023.

## **16.0 CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

The content of the letter of the Chair of the Corporate Governance Committee of January 25, 2023 and the recommendations contained therein were submitted to the Board of Directors at the meetings of February 1, 2023 and March 22, 2023.

The Board therefore has acknowledged that the Company's governance system is substantially aligned with the contents of the recommendations formulated by the Corporate Governance Committee.

The recommendations formulated in the letter were also submitted to the attention of the Board of Statutory Auditors on February 1, 2023 and March 22, 2023, to the attention of the Nomination and Remuneration Committee of March 13, 2023 (relating to the recommendations on remuneration), and to the attention of the Control, Risk and ESG Committee on March 21, 2023.

\* \* \*

This Report was approved by the Board of Directors on March 22, 2023.

Milan, March 22, 2023

On behalf of the Board of Directors

The Chairperson

Federico De Nora

## TABLES

**TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE AS OF THE DATE OF THE REPORT**

SHARE CAPITAL STRUCTURE				
	No. shares	No. of voting rights	Listed (indicate markets) / not listed	Rights and obligations
Ordinary shares <sup>(1)</sup>	43,899,499	43,899,499	Yes (Euronext Milan)	Rights and obligations provided by the law and the by-laws
Multiple voting shares	15,785,675	473,357,025	No	Multiple voting shares, which are equally indivisible, confer the same rights as ordinary shares, except for the following circumstances: (i) each multiple voting share entitles the holder to three votes pursuant to Article 2351 of the Civil Code at the Company's ordinary and extraordinary shareholders' meetings and in compliance with any legal limits; (ii) shall automatically convert into Ordinary Shares at the rate of 1 (one) Ordinary Share having the same characteristics as the Ordinary Shares for each Plural Voting Share (without the need for resolution either by the Special Meeting of Shareholders holding Plural Voting Shares, nor by the Shareholders' Meeting of the Company) in the event of a Transfer (as defined in the Articles of Incorporation) of Plurality Voting Shares to persons who are not already holders of Plurality Voting Shares, except if the transferee (each of the transferees referred to in (1), (2) and (3), an "Authorized Transferee") is: (1) an Affiliate of a shareholder who is already a holder of Multiple Voting Shares; (2) an Affiliate of the transferor or (3) an Affiliate of the Effective Holder or one of the Effective Holders of the transferor, provided that in such event, if the transferee loses its status as an Authorized Transferee after the completion of the Transfer, all Plural Voting Shares held by it shall be automatically converted into Common Shares, at the rate of 1 (one) Ordinary Share having the same characteristics as the Ordinary Shares for each Multiple Voting Share, except in the event that the Multiple Voting Shares are reTransferred by said transferee to the transferor with effect <i>ex nunc</i> from the date on which the transferee has lost the status of Authorized Transferee; (iii) may be converted, in whole or in part, and even in several tranches, into Ordinary Shares at the simple request of the holder thereof, to be sent to the Chairman of the Board of Directors of the Company and in copy to the Chairman of the Board of Statutory Auditors, at the rate of 1 (one) newly issued ordinary share having the same characteristics as the Ordinary Shares for each Multiple Voting Share.

<sup>(1)</sup> N.B. there is no provision for increased voting rights (*voto maggiorato*)

<b>RELEVANT SHAREHOLDERS<sup>(*)</sup></b>			
<b>Beneneficial Owner</b>	<b>Direct shareholder</b>	<b>% of share capital</b>	<b>% of voting rights</b>
Federico De Nora S.p.A.	Federico De Nora S.p.A.	45.39	52.052
Federico De Nora	Federico De Nora	3.28	3.839
Michele De Nora	Norfin S.p.A.	6.13	7.036
Snam S.p.A.	Asset Company 10 Ltd.	25.79	29.506

*(\*) Pursuant to Article 118, paragraph 3-bis, of the Issuers' Regulations, only holdings equal to or greater than 3% of the total number of voting rights referring to the shares disclosed are taken into account for the purposes of this table*

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AS OF THE END OF THE FISCAL YEAR<sup>(1)</sup>**

BOARD OF DIRECTORS													
Role	Memeber	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. other offices (****)	Participation (*****)
<b>Chairperson</b>	De Nora Federico	1968	June 23, 2003	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X			-	15/15
<b>Chief Executive Officer</b>	Dellachà Paolo Enrico -	1968	June 11, 2009	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A	X				-	15/15
<b>Director</b>	Venier Stefano	1963	April 28, 2022	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X			1	. 9/10
<b>Director</b>	Calloni Maria Giovanna	1964	March 9, 2022	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X	X	X	3	. 6/6
<b>Director</b>	Cesari Mario	1967	January 10, 2012	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X			2	14/15
<b>Director</b>	Mantero Michelangelo	1968	January 10, 2012	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X			-	15/15
<b>Director</b>	Naddeo Teresa	1958	March 9, 2022	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X	X	X	2	5/6
<b>Director</b>	Oliveri Elisabetta	1963	March 9, 2022	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X	X	X	3	6/6
<b>Director</b>	Rastelli Paola	1973	October 13, 2022	October 13, 2022	Meeting financial statements as of 12/31/2022 <sup>(2)</sup>	N/A	N/A		X			-	3/3
<b>Director</b>	Pelkonen Petteri Sami	1966	March 9, 2022	June 30, 2022	December 31, 2022 <sup>(3)</sup>	N/A	N/A		X			-	3/6
<b>Director</b>	Toffoli Giovanni	1968	May 27, 2020	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X	X	X	-	15/15



<b>Director</b>	Garrone Alessandro	1963	June 20, 2022	June 30, 2022	Approval of the financial statements as of 31/12/2024	N/A	N/A		X	X	X	1	4/6
-----DIRECTORS TERMINATED DURING THE FISCAL YEAR -----													
<b>Director</b>	Pasini Alessandra	1973	January 8, 2021	June 30, 2022	September 30, 2022	N/A	N/A		X				12/12

Indicate the number of meetings held during the Fiscal Year: 15 (fifteen)

Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (ex art. 147-ter TUF): N/A

**NOTES**

(1) Please note that the following table shows the members of the Board in office as of the Trading Date. The attendance of individual Board members at Board meetings is instead calculated on the meetings held during the entire 2022 fiscal year, except for Board members Maria Giovanna Calloni, Teresa Naddeo, Elisabetta Oliveri, Alessandro Garrone, and Sami Petteri Pelkonen whose attendance at Board meetings is calculated on the period from the Trading Date to the end of 2022 fiscal year, and Director Paola Rastelli whose attendance at Board meetings is calculated on the period from October 13, 2022 to the end of 2022 fiscal year.

(2) Director Paola Rastelli resigned on March 10, 2023 effective immediately.

(3) Director Sami Petteri Pelkonen resigned on December 23, 2022 effective December 31, 2022.

The symbols below should be entered in the "Role" column:

- This symbol indicates the director in charge of the internal control and risk management system.

o This symbol indicates the *Lead Independent Director* (LID).

(\*) The date of first appointment of each director means the date on which the director was first appointed (ever) to the Board of Directors of the Issuer.

(\*\*) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating "Shareholders") or by the BoD (indicating "BoD"). Please note that the Board of Directors in office as of the Date of the Report was appointed by the Issuer's Ordinary Shareholders' Meeting on March 9, 2022 on the basis of the statutory provisions in force on the date of the relevant appointment and therefore prior to the Trading Starting Date, without the application of list voting (see Section 4.3 of the Report).

(\*\*\*) This column indicates whether the list from which each director was drawn is "majority" (indicating "M"), or "minority" (indicating "m").

(\*\*\*\*) This column shows the number of directorships or auditorships held by the individual in other listed or large companies. In the Corporate Governance Report, all positions are given in full.

(\*\*\*\*\*) This column shows directors' attendance at board meetings (indicate the number of meetings attended compared to the total number of meetings they could have attended; e.g., 6/8; 8/8, etc.).

**TABLE 3: STRUCTURE OF BOARD COMMITTEES AS OF THE END OF THE FISCAL YEAR**

Board Members		RPT Committee		Control, Risk and ESG Committee		Nomination and Remuneration Committee		Strategies Committee	
Role	Components	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairperson	De Nora Federico	-	-	-	-	-	-	N/A <sup>(***)</sup>	<b>M</b>
Chief Executive Officer	Dellachà Paolo Enrico	-	-	-	-	-	-	N/A <sup>(***)</sup>	<b>P</b>
Non-independent non-executive director	Venier Stefano	-	-	-	-	-	-	N/A <sup>(***)</sup>	<b>M</b>
Independent non-executive director	Calloni Maria Giovanna	4/4	<b>P</b>	-	-	4/4	<b>M</b>	-	-
Non-independent non-executive director	Cesari Mario	-	-	-	-	4/4	<b>M</b>	N/A <sup>(***)</sup>	<b>M</b>
Non-independent non-executive director	Mantero Michelangelo	-	-	-	-	-	-	-	-
Independent non-executive director	Naddeo Teresa	4/4	<b>M</b>	4/4	<b>P</b>	-	-	-	-
Independent non-executive director	Oliveri Elisabetta	4/4	<b>M</b>	-	-	4/4	<b>P</b>	-	-
Non-independent non-executive director	Rastelli Paola <sup>(****)</sup>	-	-	3/4	<b>M</b>	-	-	N/A <sup>(***)</sup>	<b>M</b>
Non-independent non-executive director	Pelkonen Petteri Sami	-	-	-	-	-	-	-	-
Independent non-executive director	Toffoli Giovanni	-	-	3/4	<b>M</b>	-	-	-	-
Independent non-executive director	Garrone Alessandro	-	-	-	-	-	-	-	-
<b>-----DIRECTORS TERMINATED DURING THE FISCAL YEAR -----</b>									
Non-independent non-executive director	Pasini Alessandra <sup>(****)</sup>	-	-	1/4	<b>M</b>	-	-	N/A <sup>(***)</sup>	<b>M</b>
<b>No. meetings held during the Financial Year:</b>		<b>4 (four)</b>		<b>4 (four)</b>		<b>4 (four)</b>		<b>0 (zero)</b> <sup>(***)</sup>	
<b>NOTES</b>									
(*) This column shows directors' attendance at committee meetings (indicate the number of meetings attended out of the total number of meetings they could have attended; e.g., 6/8; 8/8, etc.).									
(**) This column indicates the title of the director within the committee: "P": chairman; "M": member.									
(***) The Strategy Committee was convened for the first time on January 20, 2023.									
(****) The participation of Director Alessandra Pasini is calculated from the Trading Date to September 30, 2022, and of Director Paola Rastelli, whose participation in Board meetings is calculated over the period from October 13, 2022 to the end of the 2022 fiscal year.									

**TABLE 4: COMPLETE LIST OF APPOINTMENTS OF THE BOARD**

First and Last Name	Company	Position in the company	Status
Federico De Nora	Federico De Nora S.p.A.	Sole Director	Current
	Frog Valley LLC	Sole Director	Current
	Porsche Club Italy	Director	Current
Paolo Enrico Dellachà	thyssenkrupp Nucera & Co. KGaA	Vice Chairman of the Supervisory Board	Current
Stefano Venier	Snam S.p.A.	Chief Executive Officer	Current
	MIB Trieste School of Management Consortium	Director	Current
Maria Giovanna Calloni	Pininfarina	Independent Director	Current
	Philogen	Independent Director	Current
	Eurogroup S.p.A.	Independent Director	Current
Mario Cesari	De Agostini S.p.A.	Independent Director	Current
	Piovan S.p.A.	Independent Director	Current
	Light Conversion UAB	Chairman of the Board of Directors	Current
	Ischyra Europa GmbH	Sole Director	Current
	PetrolValves SPA	Director	Current
	IPS GmbH	Management board member	Current
	Bantleon GmbH	Management board member	Current
	Essling Capital	Member of the Supervisory Board	Current
Michelangelo Mantero	Xenon Small Cap	Managing Director	Current
	GenCap Advisory S.r.l.	Sole Director	Current
	Bravo Savings Network S.r.l.	Director	Current
	Ninja 4 Ltd.	Sole Director	Current
	ECS Ltd.	Director	Current
	Sacop Ltd.	Director	Current
	Bravo Savings Network S.r.l.	Director	Current
Teresa Cristiana Naddeo	Webuild S.p.A.	Director	Current
	Pirelli S.p.A.	Statutory Auditor	Current
	Dufrital S.p.A.	Statutory Auditor	Current
	Veravita S.p.A.	Statutory Auditor	Current
	Ciec S.r.l.	Director	Current

Elisabetta Oliveri	ERG S.p.A.	Independent Director	Current
	Fincantieri S.p.A.	Independent Director	Current
	Trevi Finanziaria Industriale S.p.A.	Independent Director	Current
	Sagat S.p.A.	Chairman of the Board of Directors	Current
	Stella S.p.A.	Independent Director	Current
	Furio Solinas Onlus Foundation	Chairman of the Board of Directors	Current
Giovanni Toffoli	Adriatica S.p.A.	Chief Executive Officer	Current
	Federchimica - Assofertilizer	Chairman of the Board of Directors	Current
	K-Logistica S.r.l.	Chairman of the Board of Directors	Current
	Adriatica Dunav d.o.o.	Director	Current
	Adriatica Maghreb-F	Director	Current
	Adriatica Hellas Ltd	Director	Current
	Cotafi S.A. - Paradiso	Senior Executive	Current
Alessandro Garrone	ERG S.p.A.	Executive Vice President	Current
	Banca Passadore & C. S.p.A.	Director	Current
	SQ INVEST S.p.A.	Director	Current
	S.I.F. S.N.C. DI ALFREDO LAZZARINO E C.	Director	Current
	La dama di ferro S.S.	Director	Current

**TABLE 5: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AS OF THE END OF THE FISCAL YEAR**

BOARD OF STATUTORI AUDITORS <sup>(1)</sup>									
Role	Components	Year of birth	Date of first appointment (*)	In office since	In office until	List (M/m) (**)	Indep. Code	Attendance at meetings (***)	No. other assignments (****)
Chairperson	Del Prete Marcello1	1965	April 26, 2012 <sup>(2)</sup>	March 22, 2022	Approval of the financial statements as of 31/12/2024	N/A	X	5/5	19
Standing Auditor	Bompieri Beatrice	1968	June 24, 2016 <sup>(3)</sup>	March 22, 2022	Approval of the financial statements as of 31/12/2024	N/A	X	5/5	3
Standing Auditor	Sazbon Guido	1968	March 22, 2022	March 22, 2022	Approval of the financial statements as of 31/12/2024	N/A	X	5/5	85
Alternate auditor	Galimi Pierpaolo Giuseppe	1978	March 22, 2022	March 22, 2022	Approval of the financial statements as of 31/12/2024	N/A	X	N/A	N/A
Alternate auditor	Lapietra Gianluigi	1978	March 22, 2022	March 22, 2022	Approval of the financial statements as of 31/12/2024	N/A	X	N/A	4
Alternate auditor	Piraccini Raffaella	1970	March 22, 2022	March 22, 2022	Approval of the financial statements as of 31/12/2024	N/A	X	N/A	8

Indicate the number of meetings held during the Fiscal Year: 5 (five)

Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (ex art. 148 TUF): N/A

**NOTES**

(\*) The date of first appointment of each auditor means the date on which the auditor was first appointed (ever) to the Board of Statutory Auditors of the Issuer.

(\*\*) This column indicates whether the list from which each Statutory Auditor was drawn is "majority" (indicating "M"), or "minority" (indicating "m"). Please note that the Board of Statutory Auditors in office as of the Report Date was appointed by the Issuer's Ordinary Shareholders' Meeting on March 22, 2022 on the basis of the statutory provisions in force on the date of the relevant appointment and thus prior to the Trading Starting Date, without application of list voting.

(\*\*\*) This column shows the attendance of the auditors at the meetings of the board of auditors (indicate the number of meetings attended out of the total number of meetings they could have attended; e.g. 6/8; 8/8 etc.).

(\*\*\*\*) This column shows the number of positions as director or auditor held by the person concerned pursuant to Article 148-bis TUF and its implementing provisions contained in the Consob Issuers' Regulations. The complete list of positions is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulations.

(1) It should be noted that the members of the Board of Statutory Auditors in office as of the Trading Commencement Date are shown. On the other hand, the attendance of individual Statutory Auditors at meetings of the Board of Statutory Auditors is understood to be calculated on the meetings held during the entire 2022 fiscal year.

(2) Mr. Del Prete subsequently resigned on June 24, 2016, and was subsequently reappointed on April 30, 2019 (a position from which he subsequently resigned on January 8, 2021).

(3) Appointment terminated on April 30, 2019.

**TABLE 6: LIST OF APPOINTMENTS BOARD OF AUDITORS**

*(in other companies and, in particular, corporations, i.e., entities under Book V, Title V, Chapters V, VI and VII of the Italian Civil Code)*

First and Last Name	Society	Position in the company
Marcello Del Prete	A.De Mori SpA	Statutory Auditor
	A2a Airport Energy S.p.A.	Statutory Auditor
	Arkai Italia Societa' Tra Professionisti Srl In Liquidation	Liquidator
	Athena S.p.A.	Statutory Auditor
	Bestrade S.p.A.	Statutory Auditor
	Bto SpA	Chairman of the Board of Statutory Auditors
	Centro Finanziamenti SpA	Statutory Auditor
	Instructional Center S.p.A.	Statutory Auditor
	De Nora Water Technologies Italy S.r.l.	Statutory Auditor
	E.P.M. S.p.A.	Chairman of the Board of Statutory Auditors
	Erfolg S.p.A.	Statutory Auditor
	Exeo S.p.A.	Chairman of the Board of Statutory Auditors
	Federlegno Arredo Eventi S.p.A.	Statutory Auditor
	Lercari Group S.R.L.	Statutory Auditor
	Financial Innovation - Societa' Di Intermediazione Mobiliare S.p.A.	Statutory Auditor
	Reevo SpA	Chairman of the Board of Statutory Auditors
	Relatech S.p.A.	Chairman of the Board of Statutory Auditors
	Sustainability And Inclusion For Food Ltd.	Councilor
Techtronic Industries Italia S.r.l.	Statutory Auditor	
Beatrice Bompieri	Aquafil S.p.a.	Statutory Auditor
	Fnmpay S.p.a.	Statutory Auditor
	TecnoA S.r.l.	Statutory Auditor
Guido Sazbon	Areco Italia S.p.A.	Statutory Auditor
	Atlantica Properties S.p.A.	Statutory Auditor
	ATK Sports S.r.l.	Chairman of the Board of Statutory Auditors
	Baxter S.p.A.	Chairman of the Board of Statutory Auditors
	Baxter World Trade Italy S.r.l.	Chairman of the Board of Statutory Auditors
	Berardi Bullonerie S.r.l.	Chairman of the Board of Statutory Auditors
	Bieffe Medital S.p.A.	Chairman of the Board of Statutory Auditors
	Allen O.E.B. Industriale S.p.A.	Chairman of the Board of Statutory Auditors
	Cadicagroup S.p.A.	Chairman of the Board of Statutory Auditors
	Cadicagroup S.p.A.	External member O.D.V.
	Prado Shipyard S.p.A.	Statutory Auditor
	Prado Shipyard S.p.A.	External member O.D.V.
	Castiglioni Cartotecnica S.p.A.	Chairman of the Board of Statutory Auditors



Computer Center S.p.A.	Chairman of the Board of Statutory Auditors
Chanel Ltd.	Statutory Auditor
Chanel Ltd.	External member O.D.V.
Colcom Group S.p.A.	Statutory Auditor
Conduent Business Solutions Italia S.p.A. (formerly Xerox Business)	Chairman of the Board of Statutory Auditors
Parcel Logistics Consortium S.C.P.A.	Chairman of the Board of Statutory Auditors
Converge S.p.A.	Chairman of the Board of Statutory Auditors
Corcym Ltd.	Statutory Auditor
Corob S.p.A.	Statutory Auditor
Deenova Ltd.	Chairman of the Board of Statutory Auditors
DGS S.p.A.	Chairman of the Board of Statutory Auditors
Diaz 15 S.p.A.	Chairman of the Board of Statutory Auditors
Dierre S.p.A.	Chairman of the Board of Statutory Auditors
Dils S.p.A. Formerly GVA Redilco S.r.l.	Statutory Auditor
Eagle Pictures S.p.A.	Statutory Auditor
Elitechgroup S.p.A.	Chairman of the Board of Statutory Auditors
Exacer Ltd.	Chairman of the Board of Statutory Auditors
It's Here S.p.A.	Statutory Auditor
Fastening Solutions 2 S.p.A.	Chairman of the Board of Statutory Auditors
Fastening Solutions 3 Ltd.	Chairman of the Board of Statutory Auditors
Fi.Mo.Tec. S.p.A.	Chairman of the Board of Statutory Auditors
General Logistic System Italy S.p.A.	Statutory Auditor
Immovi S.p.A.	Statutory Auditor
Immucor Italia S.p.A.	Statutory Auditor
Innovery S.p.A.	Statutory Auditor
I-Tech Holding S.r.l.	Chairman of the Board of Statutory Auditors
Kirey Ltd.	Sole Statutory Auditor
Kirey Holding S.p.A.	Chairman of the Board of Statutory Auditors
Lameplast S.p.A.	Statutory Auditor
Linkem S.p.A.	Statutory Auditor
Luchi Fiduciaria S.r.l.	Statutory Auditor
Lumit S.p.A.	Chairman of the Board of Statutory Auditors
Metalprint S.p.A.	Chairman of the Board of Statutory Auditors
NTC Ltd.	Chairman of the Board of Statutory Auditors
Officine Vica S.p.A.	Statutory Auditor
Olympia 2018 S.p.A.	Statutory Auditor
Pigreco Capital 2 S.p.A.	Statutory Auditor
Prada Holding S.p.A.	Statutory Auditor
Presotto Industrie MOBili S.p.A.	Chairman of the Board of Statutory Auditors

Air Project S.p.A.	Chairman of the Board of Statutory Auditors
Project Drifting S.p.A.	Chairman of the Board of Statutory Auditors
Project Informatica S.r.l.	Chairman of the Board of Statutory Auditors
Sapio Life Ltd.	Statutory Auditor
Sapio Hydrogen Oxygen Production Ltd.	Statutory Auditor
Sarce S.p.A.	Chairman of the Board of Statutory Auditors
SFW S.p.A.	Statutory Auditor
Sinterama S.p.A.	Statutory Auditor
Synthesis Ltd.	Chairman of the Board of Statutory Auditors
Synergo SGR S.p.A.	Chairman of the Board of Statutory Auditors
Systemail AC Ltd.	Sole Statutory Auditor
Slowear S.p.A.	Chairman of the Board of Statutory Auditors
Special Flanges S.p.A.	Sole Statutory Auditor
Step S.p.A.	Statutory Auditor
Sweet Holding S.p.A.	Chairman of the Board of Statutory Auditors
Tapi S.p.A.	Chairman of the Board of Statutory Auditors
Tech 2 S.p.A.	Chairman of the Board of Statutory Auditors
Tech Data Italia S.r.l.	Statutory Auditor
Tecnair S.p.A.	Chairman of the Board of Statutory Auditors
Thaleia AcquiCo S.r.l.	Sole Director
Tip Trailer Services Italy S.r.l.	Chairman of the Board of Statutory Auditors
Tiscali S.p.A.	Statutory Auditor
Trigon S.p.A.	Statutory Auditor
TRS Evolution S.p.A.	External member of the supervisory body
Trussardi S.p.A.	External member of the supervisory body
Valenmedica S.p.A.	Chairman of the Board of Statutory Auditors
V Club S.p.A.	Chairman of the Board of Statutory Auditors
Venpa 3 Ltd.	Statutory Auditor
Vittoria S.p.A.	Chairman of the Board of Statutory Auditors
Xerox Italia Rental Services S.r.l.	Statutory Auditor
Xerox S.p.A.	Chairman of the Board of Statutory Auditors
WayCap S.p.A.	Statutory Auditor
Witor's S.p.A.	Chairman of the Board of Statutory Auditors

Gianluigi Lapietra	Athena S.p.a.	Statutory Auditor
	Bestrade S.p.A.	Statutory Auditor
	E.P.M. S.p.a.	Statutory Auditor
	Techtronic Industries Italia S.r.l.	Statutory Auditor
Raffaella Piraccini	E.C.A.S. - Exercise clinical health activities S.p.A.	Chairman of the Board of Statutory Auditors
	LABOR S.p.A.	Chairman of the Board of Statutory Auditors
	Gradenigo Hospital Presidio S.r.l.	Statutory Auditor
	Calvi S.p.A.	Statutory Auditor
	Siderval S.p.A.	Statutory Auditor
	Repas Lunch Coupon S.r.l.	Statutory Auditor
	Gavezzeno Clinics S.p.A.	Statutory Auditor
	Cellini Nursing Home S.p.A.	Statutory Auditor