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## **REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE 2021**

**pursuant to art. 123-bis of Legislative Decree no. 58 of February 24, 1998**

Issuer: Falck Renewables S.p.A.

Year to which the Report refers: 2021

Date of approval of the Report: March 10, 2022



**FALCK RENEWABLES**

[www.falckrenewables.com](http://www.falckrenewables.com)

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## GLOSSARY

**Code/CG Code:** the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.

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

**Non-Financial Statement:** the Consolidated Statement of a Non-Financial Nature prepared in implementation of European Directive No. 2014/95/EU, transposed into national law by Legislative Decree No. 254/2016

**Executive Officer:** Manager responsible for preparing the company's financial reports

**Financial year/year 2021:** the company's financial year 2021

**Group:** Falck Renewables S.p.A. together with its subsidiaries

**Model:** the Organization and Management Model pursuant to Legislative Decree 231/2001

**Issuers' Regulations:** the Regulations issued by Consob with Resolution no. 11971 of 1999 (as subsequently amended) concerning issuers.

**Report:** the Report on Corporate Governance and Ownership Structure 2021 pursuant to art. 123-bis of the Consolidated Law on Finance.

**Control system:** the internal control and risk management system

**Company or Falck Renewables:** Falck Renewables S.p.A.

**Articles of Association:** the articles of association adopted by Falck Renewables S.p.A. as last amended on 17 November 2020

**Consolidated Finance Act/TUF:** Legislative Decree no. 58 of 24 February 1998.

## INTRODUCTION

Falck Renewables S.p.A. adopts the principles of the Code of Ethics as a reference model for its own corporate governance, implementing the recommendations contained therein.

Pursuant to article 123-bis, paragraphs 1, 2 and 3 of the Consolidated Law on Finance, the Report provides information on the corporate governance system and ownership structure of Falck Renewables S.p.A. and its adherence to the Code.

The information contained in this Report is for the year 2021 and, with reference to specific issues, updated to the day of March 10, 2022, the date of the meeting of the Board of Directors that approved the Report, together with the draft Financial Statements.

The Report has been prepared with reference to the *format for the* report on corporate governance and ownership structure of Borsa Italiana (9th edition of January 2022), available at the following address:

<https://www.borsaitaliana.it/comitato-corporate-governance/documenti/format2022.pdf>

## 1. ISSUER PROFILE

Falck Renewables develops, designs, builds and manages plants for the production of energy from renewable sources, with an installed capacity of 1385 MW (1349 MW according to IFRS 11 reclassification) in Italy, Great Britain, United States, Spain, Norway, Sweden and France, diversified in wind, solar, biomass and *waste-to-energy* technologies.

The Group is an international player in renewable energy technical consulting and third party *asset* management, through its subsidiary Vector Renewables, which provides services to clients with a total installed capacity of approximately 4,000 MW, thanks to experience gained in more than 40 countries.

In addition, Falck Renewables provides highly specialized *energy management* and *downstream* services to both energy producers and consumers.

Falck Renewables' commitment to the promotion of sustainable development in the territories in which it operates constitutes its concrete contribution to the achievement of 9 *Sustainable Development Goals* set out in the United Nations 2030 Agenda.



The Company has long been committed to sustainability, in environmental, social and governance terms, paying the utmost attention to the impact created in the areas in which it operates and among local communities, including through the adoption of specific procedures.

With a Board of Directors' resolution of March 2, 2021, the Company updated the Sustainability *Framework document* aimed at defining the Group's approach to sustainability. In particular, the main features highlighted in the aforementioned document are the following: integration with *risk management*; alignment with the new industrial plan; declination of the analysis on sustainability in economic and productive capital (generation of economic value over the long term, sustainability of risks, relations with the authorities in the regulatory field), social and relational capital (*supply chain* management; relations with local communities and local development), environmental and climate capital (fight against climate change; environmental management and protection), and human capital (development of resources; health and safety; equal opportunities and *business integrity* and *corporate governance*).

In 2020 the Company became a member of the Global Reporting Initiative (GRI) and the commitment to sustainability continued, with specific attention paid to updating the materiality matrix and the mapping of external stakeholders, with a corresponding in-depth analysis of their perception.

*The corporate governance* structure adopted by the Company is based on the recommendations and standards contained in the Code, in the conviction, on the one hand, that having a structured system of rules enables the Company to operate in accordance with criteria of maximum efficiency and, on the other hand, that ensuring maximum transparency helps to increase the Company's reliability with investors.

The Company has adopted a traditional administration and control model, characterised by the presence of a management body, the Board of Directors, and a control body, the Board of Statutory Auditors.

The Company's *governance* structure consists of the following bodies:

- a) Shareholders' Meeting;
- b) Board of Directors: which operates through the Managing Director, in his capacity as executive director, within the limits of the powers delegated to him. The Board of Directors is assisted by advisory committees, namely the Control and Risk Committee, the Remuneration Committee and the *Sustainable Strategy Committee*;
- c) Board of Auditors;
- d) Auditing Firm.

They constitute *governance* tools:

- a) the Code of Ethics, the latest update of which was approved by the Board of Directors on July 21, 2020;
- b) the Model, the latest update of which was approved by the Board of Directors on 23 June 2021, together with the guidelines for managing relations with the Public Administration, which form an integral part of it;
- c) the procedure for transactions with related parties, adopted by the Board of Directors on 12 November 2010 and last updated on 23 June 2021;
- d) the procedure for the processing and public disclosure of insider information and for keeping the Register of persons with access to Inside Information, the latest update of which was approved by the Board of Directors on July 18, 2017;
- e) *the Internal Dealing Procedure*, the latest update of which was approved by the Board of Directors on June 14, 2017;
- f) *Corporate Governance Regulations*, the latest update of which was approved by the Board of Directors on April 15, 2021;
- g) the guidance on the accumulation of offices adopted by the Board of Directors on April 27, 2017.

The above documents are available on the website [www.falckrenewables.com](http://www.falckrenewables.com) in the sections Business Ethics and Corporate Governance.

In 2021, the Company published, on a mandatory basis, its first Non-Financial Statement for the fiscal year beginning January 1, 2020. The document can be found at

<https://www.falckrenewables.com/it/media/dettaglio-documenti/dichiarazione-consolidata-di-carattere-non-finanziario-dlgs-30122016-n-254>

The Company does not fall within the definition of an SME pursuant to Article 1, paragraph 1, letter w-quater.1) and Article 2-ter of the Issuers' Regulations.

## **2. INFORMATION ON SHAREHOLDERS' EQUITY (*pursuant to article 123-bis, paragraph 1 of the Consolidated Law on Finance*) AS OF 31 DECEMBER 2021 AND CHANGES AFTER THE END OF THE FINANCIAL YEAR**

### **a) Capital Structure**

As at 31 December 2021, the Company had a subscribed and paid-up share capital of EUR 291,413,891 divided into 291,413,891 ordinary shares with no par value, listed on Euronext STAR Milan managed by Borsa Italiana S.p.A.

There are no shares carrying voting rights other than common shares.

Except as described in paragraph (d) below, each share of the Company's Common Stock shall entitle the holder to one vote.

On September 15, 2020, the board of directors of Falck Renewables S.p.A. resolved to issue a *senior unsecured equity-linked green* bond loan in the amount of Euro 200 million and maturing on 23 September 2025 (the "**Bond Loan**" or the "**Loan**") reserved for qualified investors. The placement of the Bond Loan commenced on September 15, 2020 and closed on September 16, 2020.

The transaction was settled by issuing the convertible bonds and paying the subscription price on September 23, 2020.

On November 13, 2020, the aforementioned convertible bonds were admitted to trading on the multilateral trading facility, known as "Vienna MTF", managed by the Vienna Stock Exchange, with trading commencing on November 17, 2020.

Subsequently, on November 17, 2020, the Company's Extraordinary Shareholders' Meeting approved:

- (i) the convertibility of the Bond; and
- (ii) the proposal to increase the share capital in cash, for consideration and in divisible form with the exclusion of pre-emption rights pursuant to art. 2441, paragraph 5 of the Italian Civil Code, to service the conversion of the Bond Loan.

The proceeds from the issuance of the Bonds have heretofore been and will continue to be used, where appropriate together with cash available to the Company or to be raised subsequently, to finance and/or refinance projects that fall within the definition of *Eligible Green Assets, as reflected in the Company's Green Financing Framework*, prepared in accordance with the *Green Bond Principles* published by the *International Capital Markets Association* (ICMA) in 2018 and the *Green Loan Principles* published by the *Loan Market Association* (LMA) in May 2020.

The Loan gives the bondholders the right to request conversion of the bonds into newly issued ordinary shares and the Company the right to repay the Loan in advance and in full at its par value.

No share-based incentive plans involving increases, including free increases, in share capital have been introduced.

After the closing of the Exercise, on February 25, 2022 Green BidCo S.p.A. promoted a voluntary cash tender offer on the Bond, aimed exclusively at qualified investors pursuant to Article 35-bis, paragraph 3, of the Issuers' Regulations, with a closing date scheduled for March 4, 2022 and a settlement date scheduled for March 9, 2022.



As at the date of approval of this Report, the Company has a subscribed and paid-up share capital of EUR 297,354,827, divided into 297,354,827 ordinary shares with no nominal value, listed on Euronext STAR Milan managed by Borsa Italiana S.p.A..

<b>SOCIAL CAPITAL STRUCTURE</b>				
	N° Actions	% with respect to share capital	Listed (indicate markets) / unlisted	Rights and obligations
Ordinary shares	297,354,827	100%	Listed on MTA (Euronext STAR Milan)	Rights and obligations for ordinary shares
Multiple voting shares	–	–	–	–
Shares with limited voting rights	–	–	–	–
Shares without voting rights	–	–	–	–
More	–	–	–	–

#### **b) Restrictions on the transfer of securities**

There are no statutory restrictions on the transfer of outstanding securities or approval clauses affecting their free transfer.

#### **c) Significant shareholdings in the capital**

At December 31, 2021 the Company was indirectly controlled, pursuant to Articles 2359 of the Italian Civil Code and 93 of the Consolidated Law on Finance, by Finmeria S.r.l. (through Falck S.p.A. - 60%). Through the completion of the Transaction (as defined in Section 16 below, to which reference should be made), which took place on February 24, 2022, indirect control of Falck Renewables was acquired by IIF Int'l Holding LP, which (i) indirectly controls Green BidCo S.p.A., new direct controlling shareholder of Falck Renewables, and (ii) acts by its general partner IIF Int'l Holding GP LLC.

Therefore, as at the date of approval of this Report, based on the Shareholders' Register and taking into account the notifications received in compliance with the law and other available information, the following persons hold, directly or indirectly, shares in the Company equal to or higher than 3% of the share capital:

<b>SIGNIFICANT SHAREHOLDINGS IN THE CAPITAL</b>			
Declarant	Direct shareholder	Share on ordinary capital	Share % of voting capital
IIF Int'l Holding LP (acting through its <i>general partner</i> IIF Int'l Holding GP LLC)	Green BidCo S.p.A.	<b>60.00%</b>	<b>60.00%</b>

#### d) Securities conferring special rights

No securities granting special rights of control have been issued.

On May 7, 2020, the Shareholders' Meeting, in extraordinary session, resolved to approve the amendment of Article 9 of the Articles of Association in order to introduce the so-called increase in voting rights pursuant to art. 127-quinquies of the Consolidated Law on Finance.

In particular, pursuant to art. 9 of the Articles of Association, each ordinary share grants 2 (two) votes, if both the following conditions are met: (a) the share has belonged to the same person, by virtue of a real right legitimizing the exercise of the voting right, for a continuous period of at least 24 (twenty-four) months; and (b) the recurrence of the condition set out in the previous point is attested by the continuous registration, for a period of at least 24 (twenty-four) months, in a special "Special List" kept by the Company.

The procedures for entering, maintaining and updating the Special List are set out in the specific Regulations approved by the Board of Directors on May 7, 2020 and available on the Company's website in the "*Investor Relations* - Increased Vote" section (<https://www.falckrenewables.com/investor-relations/voto-maggiorato> - the "**Increased Vote Regulations**").

During FY 2020, the first entries in the Special List took place. In application of the provisions of art. 143-quater, paragraph 5, of the Issuers' Regulation, the Company published, in the above-mentioned section, the Shareholders with an interest of more than 3% of the share capital who requested to be included in the Special List. As at December 31, 2021, the following Shareholders were registered.

DECLARANT	DATE OF LISTING	PARTICIPATION FOR WHICH REGISTRATION IN THE LIST HAS BEEN REQUESTED	OVERALL PARTICIPATION
FALCK S.p.A. (Parent Company: Finmeria S.r.l. )	June 25, 2020	no. 174,848,336 shares (60%)	no. 174,848,336 shares (60%)

Following the completion of the Transaction (as defined in Section 16 below, to which reference should be made) on February 24, 2022, the Company removed Falck SpA from the Special List pursuant to article 11 of the Regulation on Majority Voting. At the date of approval of this Report no Shareholder was included in the Special List.

#### e) Employee stock ownership: mechanism for exercising voting rights

The incentive plan adopted by the Company does not envisage that the voting rights related to the shares assigned are exercised by subjects other than the beneficiaries of the plan. For further information on this plan, reference should be made to the information document prepared pursuant to art. 84-bis of the Issuers' Regulations and published on the Company's website at the address <https://www.falckrenewables.com/etica-governance/assemblea-azionisti#07-05-2020>.

#### f) Restrictions on voting rights

There are no restrictions on the exercise of voting rights.

### g) Share holder agreements

As at the date of this Report, the Company is not aware of any agreements in force between relevant shareholders pursuant to art. 122 of the Consolidated Law on Finance.

### h) *Change of control* clauses and statutory provisions on takeover bids

A medium- to long-term bank loan agreement entered into by the Company and the Bond provide for early redemption clauses upon the occurrence of a "*change of control*."

Specifically:

- 1) On June 12, 2015, the Company entered into a loan agreement (as amended from time to time, the "**Agreement**") with a *pool of* leading financial institutions as the lenders, for a maximum amount of EUR 325,000,000.00 and with a final maturity date of December 31, 2023, which also includes a clause for the immediate and automatic cancellation of the loan and mandatory early repayment in favor of the lenders in the event of a "change in control", which, following the closing of the Transaction (as defined in Section 16 below, to which reference should be made) on February 24, 2022, will only occur if the "Investors" (as defined in the Contract: i.e., IIF Int'l Holdings LP and any of its "Associates" or its "Related Funds" - and, in each of the foregoing cases, their successors - and any other member of the "IIF Group," as defined in the definitions used in the Agreement) cease, directly or indirectly, to have the power (arising from stock ownership, delegation, contract, mandate or otherwise) to: (a) exercise, or control the exercise of, more than 50% of the maximum number of votes that could be cast at a shareholders' meeting of the Company; and (b) appoint or remove all, or a majority, of the directors or other equivalent officers of the Company.
- 2) As is customary in financial market practice, the Bond provides for specific consequences in the event of a "*change of control*", such as the right of each bondholder to request, alternatively, (i) the early repayment of the bonds at their nominal value or (ii) the payment of a new conversion price, lower than the original one and based on the time elapsing between the "*change of control*" event and the maturity of the bonds, all in accordance with the terms and conditions set out in the Bond regulations (*Terms and Conditions*). Pursuant to the regulations of the Loan, a change of control shall be deemed to have occurred if one or more persons in concert with each other acquire control of the Company or the possibility of exercising a dominant influence, pursuant to art. 93 of the Consolidated Law on Finance, over the Company's Shareholders' Meeting and the right to appoint or remove all or the majority of the Company's directors.

The Company does not derogate from the provisions on the *passivity rule*, pursuant to art. 104, paragraphs 1 and 1-bis of the Consolidated Law on Finance, and the Articles of Association do not provide for the application of the neutralisation rules set out in art. 104-bis, paragraphs 2 and 3, of the Consolidated Law on Finance.

### i) Powers to increase share capital and authorisations to purchase own shares

The Board of Directors has no powers to increase the share capital pursuant to art. 2443 of the Italian Civil Code.

The authorization to purchase treasury shares pursuant to and by effect of Article 2357 of the Italian Civil Code, resolved by the Ordinary Shareholders' Meeting of May 7, 2020 up to a maximum of 3 million ordinary shares of the Company, up to 1.7878% of the share capital, taking into account the treasury shares already held by the Company and any shares held by subsidiaries, expired on November 7, 2021.

At the end of the Financial Year, the Company held 2,210,000 treasury shares, equal to 0.7584% of the share capital.

On March 3, 2022, certain executives of the Group received a total of 1,600,501 shares of the Company free of charge under the "2020-2022 Stock Grant Plan" Incentive Plan. Therefore, as of the date of approval of this Report, the Company holds 609,499 treasury shares, representing 0.2% of its current share capital.

## **I) Management and coordination activities**

At the balance sheet date, the Company was subject to management and coordination activities, pursuant to articles 2497 and following of the Italian Civil Code, by Falck S.p.A..

Following completion of the Transaction (as defined in Section 16 below, to which reference should be made), which took place on February 24, 2022, indirect control of Falck Renewables pursuant to article 2359, paragraph 1, no. 1, and paragraph 2 of the Italian Civil Code and article 93 of the Consolidated Law on Finance was acquired by IIF Int'l Holding LP, which (i) indirectly controls Green BidCo S.p.A., direct controlling shareholder of Falck Renewables, and (ii) acts by its general partner IIF Int'l Holding GP LLC. As at the date of approval of this Report, given the recent completion of the Transaction, no systematic or ongoing actions have been taken that could constitute the exercise of management and coordination activities over the Company by Green BidCo S.p.A. (direct controlling shareholder of the Company), IIF Int'l Holding LP (ultimate indirect controlling entity of the Company) or any other entity that is part of the Company's control chain. Moreover, the majority of the Company's Board of Directors is currently made up of the same independent directors who were in office before Green BidCo S.p.A. took over the Company's share capital.

Pursuant to the provisions of the Italian Civil Code, the Company exercises management and coordination activities over a number of subsidiaries, having made the disclosure required by Article 2497-*bis* of the Italian Civil Code.

## **3. COMPLIANCE**

The Company adheres to the CG Code which is publicly available on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

The Company and its strategically important subsidiaries are not subject to non-Italian law provisions that could affect the Company's *corporate governance* structure.

## **4. BOARD OF DIRECTORS**

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

The Board of Directors, which is responsible for the management of the Company, plays a central role within the corporate organization and is in charge of the structures and responsibilities for strategic and organizational policies and the definition of the rules of corporate governance.

The Board of Directors guides the Company towards achieving sustainable success; it has defined the strategies of the Company and the Group and constantly monitors their implementation. The Board has defined the corporate governance system that is most suitable for carrying out the business activity and pursuing its strategies, taking into account the powers of autonomy granted by the law.

Pursuant to Article 20 of the By-laws, the Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of the Company, thus being able to carry out all the acts it deems appropriate, including acts of disposal, with the sole exception of those which the law expressly reserves for the Shareholders' Meeting; the Board of Directors is competent to resolve on mergers in the cases provided for in Articles 2505 and 2505-bis of the Italian Civil Code, the establishment and closure of secondary offices, the reduction of the share capital in the event of

withdrawal by shareholders, the adjustment of the Articles of Association to comply with mandatory regulations, and the transfer of the registered office within Italy. Transactions with related parties are approved in compliance with the related procedures adopted by the Company, with the right to implement the derogation procedures set out therein and regulated for urgent cases, including those related to corporate crisis situations.

The Board of Directors is reserved, in particular:

- a) the definition of the corporate governance system of the Company and the Group, as well as the Group's corporate structure;
- b) examination and approval of the business plan of the Company and the Group, also based on the analysis of the issues that are important for the generation of value in the medium/long term;
- c) periodic monitoring of the implementation of the business plan as well as assessment of the general operating performance, periodically comparing the results achieved with those planned;
- d) the definition of the nature and level of risk compatible with the strategic objectives of the Company and the Group, including in its assessments all risks that may be relevant to the long-term sustainable success of the Company and the Group;
- e) periodic assessment of the adequacy of the organizational, administrative and accounting structure of the Company and the Falck Renewables Group, with particular reference to the internal control system and risk management;
- l) resolving on transactions carried out by the Company and its subsidiaries within the limits set out by the law, when such transactions have a significant impact on the Company's strategy, profitability, assets and liabilities or financial position, establishing the general criteria for identifying significant transactions;
- m) the adoption, on the proposal of the Chairman in agreement with the Managing Director, of a procedure for the internal management and external communication of documents and information concerning the Company and the Group, with particular reference to inside information

In addition, the Board of Directors has identified the following matters, which are reserved to its exclusive jurisdiction, as "Committed Acts":

- a) assumption and amendment of new bank credit lines relating to medium/long-term loan agreements;
- b) financial transactions in derivative instruments, or in other financial instruments, which are not related to the Company's ordinary operations;
- c) Approval of investments in facilities and/or changes to existing facilities that are equal to or greater than 70 million euros per individual investment;
- d) authorise the participation of direct and indirect subsidiaries - by virtue of the Business Plan and/or individual projects subsequently approved - in tenders, bids and competitions (for the provision of services or management of plants, as well as for the development and/or construction of any type of industrial plant and/or the performance of any activity included in the corporate purpose) both public and private, in Italy and abroad, where the overall commitment for the Group is equal to or greater than EUR 70 million;
- e) to authorize transactions by direct and indirect subsidiaries aimed at entering into, subscribing, amending and terminating active and passive commercial contracts on the free market for electricity and the related environmental securities, including transactions via derivatives with reference to the prices of electricity and environmental securities, with a unit value of more than

- 60 million euros;
- f) in general, transactions in excess of those established for the Chief Executive Officer and/or the Chairman of the Board of Directors and the Chief Executive Officer under joint signature.

The Board of Directors established the general criteria to identify the transactions carried out by the Company and its subsidiaries that have a significant impact on the Company's strategy, income statement, balance sheet or financial situation; more specifically, these transactions are those subject to the examination and approval of the Board itself, since they exceed the limits of the powers conferred by it on the delegated bodies.

During FY 2021, the Board of Directors did not deem it necessary or appropriate to draw up justified proposals to be submitted to the Shareholders' Meeting for the definition of a corporate governance system that is more functional to the company's needs.

By resolution dated April 15, 2021, the Board of Directors adopted a policy for managing dialogue with the Company's general shareholders. See Section 12 for details.

#### **4.2 APPOINTMENT AND REPLACEMENT**

Article 17 of the Articles of Association in force provides that the Board of Directors, in compliance with the law and regulations, is appointed on the basis of the list voting mechanism, in observance of the *pro tempore* regulations in force concerning the balance between genders.

Each shareholder, the shareholders who are members of a relevant shareholders' agreement pursuant to art. 122 of the Consolidated Law on Finance, the parent company, the subsidiaries and those subject to joint control pursuant to art. 2359 of the Italian Civil Code, can submit or take part in the submission of one single list. Each person entitled to vote may only vote for one list. Each candidate may appear on only one list under penalty of ineligibility.

According to the Articles of Association, the right to submit a list is granted to those shareholders who, individually or jointly with other shareholders, hold - on the day the list is filed with the Company - a percentage of share capital with voting rights equal to the minimum percentage set out by Consob by means of regulations, or any different percentage set out by law. It should be noted that this reference threshold was set at 1% of the share capital by Consob executive resolution no. 60 of January 28, 2022.

The lists of candidates, duly signed, shall be filed at the Company's registered office at least twenty-five days prior to the date set for the first call of the meeting, together with the certificate issued by an intermediary authorised by law, which proves the ownership of the number of shares necessary to submit the lists at the time of filing. This certification can be produced even after the filing of the list, provided that it is received by the Company within the deadline set out by the rules and regulations in force for the publication of the lists by the Company.

Lists containing three or more candidates must be composed of candidates belonging to both genders, in compliance with the current *pro tempore* regulations on gender balance. Lists submitted without complying with the above-mentioned provisions shall be considered as not submitted.

Moreover, the following must be deposited: (i) statements in which each candidate accepts his/her candidacy and under his/her responsibility confirms that there are no reasons for ineligibility and incompatibility, as well as that he/she complies with the requirements for his/her office; (ii) a *curriculum vitae* for each candidate concerning personal and professional details, as well as any independence requirements. Any incompleteness or irregularity concerning individual candidates shall only lead to the elimination of the name of the candidate in the list that will be put to the vote.

The lists, together with the related *curricula vitae*, are published on the Company's website by the deadlines required by law.

The election of the Board of Directors shall be conducted as follows:

- a) The Directors to be elected, except one, are taken from the list that obtained the highest number of votes, in the order in which they are listed;
- b) the remaining Director is taken from the minority list that is not connected in any way, not even indirectly, with those who have submitted or voted the list referred to in letter a) above and that obtained the second highest number of votes. To this end, lists that did not obtain a percentage of votes equal to at least half of the one required for the submission of lists shall not be taken into account.

Moreover, if the candidates elected according to the above-mentioned procedures do not ensure the composition of the Board of Directors in compliance with the applicable *pro tempore* regulations concerning the balance between genders, the candidate of the most represented gender elected as last in the progressive order in the list that obtained the highest number of votes shall be replaced by the first candidate of the less represented gender not elected from the same list according to the progressive order. This replacement procedure shall be carried out until the composition of the Board of Directors complies with the *pro tempore* regulations in force concerning the balance between genders. Finally, if this procedure does not lead to the above-mentioned result, the replacement will be carried out by means of a resolution taken by the Shareholders' Meeting by relative majority, subject to the submission of candidates belonging to the less represented gender.

If only one list is submitted or admitted to the vote, all the Directors shall be taken from this list, subject to compliance with the *pro tempore* rules in force concerning the balance between genders. If no list is submitted or if the number of Directors elected is lower than the number established by the Shareholders' Meeting, the Shareholders' Meeting shall be reconvened in order to appoint the whole Board of Directors.

If, during the year, one or more Directors leave office, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting, this will be done pursuant to art. 2386 of the Italian Civil Code, ensuring compliance with the applicable requirements as well as with the *pro tempore* regulations in force concerning the balance between genders. If, on the other hand, the majority of Directors appointed by the Shareholders' Meeting no longer holds office, those who remain in office shall call the Shareholders' Meeting in order to replace the missing ones.

The Company is not subject to additional rules regarding the composition of the Board of Directors.

Refer to Section 7 for information on the role of the Board of Directors and Board committees in the director self-evaluation, nomination and succession processes.

#### 4.3. COMPOSITION

Pursuant to Article 17 of the Articles of Association, the Company is governed by a Board of Directors comprising a minimum of seven and a maximum of fifteen directors.

The Company's Board of Directors in office at the close of Fiscal Year 2021 consists of 12 members and was appointed by the Annual General Meeting of Shareholders on May 7, 2020 for a term of three fiscal years until the approval of the financial statements for the year ended December 31, 2022.

At that Meeting, two lists were submitted for the appointment of the Board of Directors:

The **first list** (the so-called **majority list**) was submitted by the shareholder "Falck S.p.A." by virtue of holding 174,848,336 ordinary shares of the Company representing 60% of the shares with voting rights at the Shareholders' Meeting, with the following candidates: 1. Enrico Ottaviano Falck; 2.

Guido Giuseppe Maria Corbetta; 3. Toni Volpe; 4. Federico Francesco Sergio Falck; 5. Andrew Lee Ott; 6. Nicoletta Giadrossi; 7. Elisabetta Caldera; 8. Paolo Pietrogrande; 9. Georgina Grenon; 10. Marta Dassù; 11. Filippo Claudio Neil Marchi; 12. Elisabetta Falck, obtaining 74,60% of the votes of those present at the meeting (equal to approximately 60,04% of the votes with respect to the share capital).

The **second list** (the so-called **minority list**) was submitted by the following funds ARCA Fondi SGR S.p.A. (manager of the funds: Arca Economia Reale Equity Italia, Arca Economia Reale Bilanciato Italia 30, Arca Azioni Italia); Eurizon Capital S.A. (manager of the fund Eurizon Fund comparto Italian Equity Opportunities); Eurizon Capital SGR S.p.A. (manager of the funds: Eurizon Progetto Italia 20, Eurizon PIR Italia 30, Eurizon Progetto Italia 70, Eurizon Azioni Italia, Eurizon PIR Italia Azioni, Eurizon Azioni PMI Italia, Eurizon Progetto Italia 40); Pramerica SGR S.p.A. (manager of the funds: Pramerica MITO 25 and MITO 50), holders of a total of 3,842,487 ordinary shares of the Company, representing 1.31857% of the shares with voting rights at the Meeting, with the following candidate: 1. Silvia Stefini, obtaining 25,30% of the votes of those present at the Meeting (equal to approximately 20,36% of the votes with respect to the share capital).

The above-mentioned lists did not have any connection with each other.

It should be noted that on February 24, 2022, in the context of the completion of the Transaction (as defined in Section 16 below, to which reference should be made), Enrico Falck, Executive Chairman of the Company's Board of Directors and member and Chairman of the *Sustainable Strategy Committee*, as well as Federico Falck, Filippo Marchi and Guido Corbetta, non-executive and non-independent directors, resigned their positions as members of the Company's Board of Directors with immediate effect.

Following the resignation of the above-mentioned directors, on the same date the Board of Directors appointed the following new directors by co-optation: Olov Mikael Kramer, John Hoskins Foster, Mark Alan Walters and Sneha Sinha, who will remain in office until the next Shareholders' Meeting currently scheduled for April 28, 2022.

The Board of Directors also appointed (i) Director Olov Mikael Kramer as Executive Chairman of the Company's Board of Directors and as a new member and Chairman of the *Sustainable Strategy Committee*, and (ii) Director John Hoskins Foster as Vice Chairman of the Board of Directors.

Therefore, the Board of Directors in office at the date of approval of this Report is composed as follows (also in light of the assessment of the independence of non-executive directors conducted by the Company's Board of Directors on March 1, 2022):

1. Olov Mikael Kramer - Executive Chairman
2. John Hoskins Foster - Vice President
3. Toni Volpe - Managing Director
4. Mark Alan Walters - Director
5. Andrew Lee Ott - Independent Director
6. Nicoletta Giadrossi - Independent Director
7. Elisabetta Caldera - Independent Director
8. Paolo Pietrogrande - Independent Director
9. Georgina Grenon - Independent Director
10. Marta Dassù - Independent Director
11. Sneha Sinha - Director
12. Silvia Stefini - Independent director

The Board of Directors is composed of executive and non-executive directors, all of whom have adequate experience, expertise and professionalism.



Non-executive directors bring their specific expertise to board discussions, contributing to informed decision-making and paying particular attention to areas where conflicts of interest may arise. The number and skills of the non-executive directors are such as to ensure that they have significant weight in the adoption of board resolutions and to guarantee effective monitoring of management. A significant component of the non-executive directors is independent.

Table no. 1 attached at the end of this Report, referring to the 2021 financial year, contains information on the list to which they belong, on the characteristics held by each Director (executive or non-executive, in possession or not of the independence requirements pursuant to the Code and/or the Consolidated Law on Finance) and on the attendance of each Director at the Board's meetings, as well as the composition of the Remuneration Committee and of the Control and Risk Committee as at December 31, 2021 (unchanged as at the date of this Report) and information on the attendance of each member at the meetings of the Committee to which they belong.

The list of the other main offices held by each Director in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies is attached to this Report *under A*); the *curricula vitae* of the Directors are available on the website <https://www.falckrenewables.com/it/etica-governance/consiglio-di-amministrazione>.

#### 4.3.1. Diversity Criteria and Policies

The Board of Directors believes that an adequate composition of the Board, with the presence of different managerial and professional skills, as well as with regard to aspects such as gender, age brackets and seniority in office, is a fundamental prerequisite for effective management of the company. In particular, the presence of a considerable number of independent directors (currently 85% of the whole Board) helps to ensure a critical and impartial view of the Board's work. In order to ensure a balanced combination of profiles, skills and experience, also within the Company, the presence of some Directors - who, due to their deep knowledge of the Company and its development over the years, can contribute to maintain a long-term vision and preserve the corporate culture - was deemed important. With this in mind, the appointment to the Board of some representatives of the Company's reference shareholders has also been considered useful in order to ensure a balanced corporate governance structure, capable of creating value in the long term, to the benefit of both shareholders and all the Company's other *stakeholders*.

The Board of Directors believes that the aforesaid objectives can be achieved through the guidelines expressed to the shareholders, from time to time, prior to the appointment of the new Board of Directors, on the managerial and professional figures whose presence on the Board is deemed appropriate, also considering the criteria of gender diversity.

It should be noted that on July 18, 2019 the Board of Directors adopted a policy on *diversity* and inclusion.

#### 4.3.2. Maximum accumulation of positions held in other companies

In a resolution dated April 27, 2017, the Board of Directors expressed its orientation regarding the maximum number of positions as director or statutory auditor held in companies listed on regulated markets (including foreign markets), in financial, banking, insurance companies or companies of significant size, with the aim of ensuring compatibility with effective performance of the office of director or statutory auditor. The document is available on the Company's website at <https://www.falckrenewables.com/storage/app/media/pdf/orientamento-in-materia-di-cumulo-di-incarichi-di-falck-renewables-spa.pdf> (the "**Guideline on the accumulation of offices**").

The guideline on the accumulation of offices envisages that the Directors of the Company accept the office when they deem that they can devote the necessary time to the diligent performance of their duties, also taking into account the number of offices held in management and control bodies in the

following other companies (the "**Significant Companies**"): *i.* companies with shares listed on regulated markets, including foreign markets; *ii.* financial, banking or insurance companies; *iii.* companies of significant size, i.e. companies with a Shareholders' Equity (on an individual basis, or when preparing consolidated financial statements, consolidated) equal to or greater than the consolidated Shareholders' Equity of the Company. financial, banking or insurance companies; *iii.* *companies of significant size, i.e. companies with a Shareholders' Equity (on an individual basis or, if preparing consolidated financial statements, on a consolidated basis) equal to or higher than the consolidated Shareholders' Equity of the Company for the year of reference, which do not belong directly or indirectly to the group headed by the Company.*

The positions held by each Director in the management and/or control bodies of Relevant Companies must comply with the criteria set out below:

a) as regards Executive Directors, each of them cannot hold: (i) the position of executive director or statutory auditor in any Relevant Company; b) the position of non-executive director or statutory auditor in no more than 2 (two) Relevant Companies.

b) as regards non-executive Directors, each of them (whether independent or not) may hold the office of director or auditor in no more than 10 (ten) Relevant Companies.

At its March 10, 2022 meeting, the Board of Directors verified that all Directors in office met the criteria set forth in the Guidance on Combination of Positions.

#### **4.3.3. Induction Programme**

During the year, initiatives were promoted aimed at providing Directors and Statutory Auditors with an adequate knowledge of the reference sector, of corporate and Group dynamics and their evolution, as well as of the reference regulatory and self-regulatory framework. In particular, the meetings focused on the following *corporate* governance issues: Non-financial Documentation pursuant to Legislative Decree no. 254/2016 and Mandatory Takeover Bids.

#### **4.4. FUNCTIONING OF THE BOARD OF DIRECTORS**

The Board of Directors has adopted regulations defining the operating rules of the body itself and its committees, in order to ensure, in particular, effective management of the Board's reporting.

In compliance with the provisions of Article 19, second paragraph of the Articles of Association, the Board of Directors meets every time the Chairman or, in case of his absence or impediment, the Vice-Chairman deems it necessary, usually at least on a quarterly basis, or when a written request is made by at least three of its members.

The notice of convocation of the Board of Directors' meetings is usually drafted in both Italian and English, as well as the information material. Pursuant to art. 19 of the Articles of Association, Board resolutions are valid if the majority of the Directors in office is present; resolutions are passed by the absolute majority of those present.

The Chairman, through and with the assistance of the Secretary, shall ensure that adequate and complete information is available on the matters to be examined and discussed at Board meetings. This documentation is made available on the same day as the meeting is called, i.e. five days before the meeting, and in any case as soon as it is available and in compliance with the procedure "*Operating instructions for reporting to the Board of Directors and the Board of Statutory Auditors*" adopted by the Company.

All pre-meeting documentation and, in general, documentation relating to matters dealt with during Board meetings is made available to Directors and Auditors on a dedicated document platform which guarantees its security, avoiding the direct distribution of paper documents or by e-mail, with access restricted by means of confidential credentials and *passwords*. For reasons of confidentiality and, in particular, *insider trading* and *market abuse*, the documentation may not be printed, downloaded, modified or sent by e-mail or other means.

During FY 2021, the aforesaid five-day deadline was generally met and, where this was not possible, the Chairman ensured that adequate information was provided during Board meetings.

The documentation made available is supplemented (and, where necessary, replaced) by other material provided during the meeting itself, or by additional information gathered and/or prepared in preliminary meetings held also on an informal basis.

The order of discussion of the items on the agenda is established by the Chairman, who may vary the order in the case of matters considered of greater importance to be examined first. In any case, the Chairman reserves adequate time for all the items on the agenda in order to deal with them fully.

The resolutions of the Board of Directors are taken as a whole and - as a rule - upon proposal of the Chairman, but each Director is entitled to suggest different wording. Any dissent expressed during the discussion or vote is duly recorded in the minutes together with the reasons.

Board meetings are recorded in audio format to facilitate minutes, with the recording destroyed once the minutes have been submitted to the Board.

The meetings of the Board of Directors of the Company are usually attended by the *CFO*, who also holds the position of Manager in charge of drawing up the corporate accounting documents, Paolo Rundeddu.

During Fiscal Year 2021, the Board of Directors met fourteen times; the average length of Board meetings in Fiscal Year 2021 was two hours and twenty minutes.

The institutional meeting schedule for the current fiscal year (available at <https://www.falckrenewables.com/it/media/dettaglio-documenti/calendario-degli-eventi-societari-2022>) calls for the Board to meet four times. In FY 2022, the Board has already met seven times.

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

The Chairman of the Board of Directors plays a liaison role between the executive directors and the non-executive directors, oversees the formation of the agenda and the effective functioning of the Board's work.

The Chairman, with the help of the Secretary, ensures that Directors are constantly and adequately informed about the items on the agenda, as well as about any subsequent developments and the general performance of the Company's management, so that each Director can act in an informed manner when carrying out his/her role. This information is usually provided in advance of Board meetings, including through the transmission of further documentation or the holding of preliminary meetings with individual Directors, managers and heads of Company departments and/or external consultants in the run-up to the meeting.

If the documentation made available to the Directors is particularly complex and voluminous, the Chairman, with the help of the Secretary, shall ensure that it is accompanied by summary documents including the most significant and relevant points for the decisions on the agenda.

Should it not be possible to provide the necessary information well in advance, the Chairman, with the help of the Secretary, shall ensure that adequate and timely information is provided during the Council sessions.

The President, during the Fiscal Year, with the assistance of the Secretary of the Board, oversaw:

- that the activities of the board committees with investigative, propositional and advisory functions be coordinated with those of the Board of Directors;
- in agreement with the Managing Director, the participation of the Company's managers and those of the Group's companies, who are responsible for the relevant corporate departments according to the subject, in the Board's meetings, also upon request of individual directors, in order to provide any necessary information on the issues on the agenda;
- that all members of the Board of Directors have been able to participate, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of the Company

itself, as well as of the principles of proper risk management and of the reference regulatory and self-regulatory framework.

The Chairman ensured that the Board was in any case informed, by the first useful meeting, on the development and significant contents of the dialogue with all shareholders.

#### **4.5.1. Secretary of the Board of Director**

The Board of Directors has appointed Giovanni Stucchi, *Group General Counsel*, as Secretary of the Board, assessing that he meets the requirements of professionalism and experience at the time of his appointment.

During the year, the Secretary supported the Chairman in convening, organizing and carrying out activities, as well as preparing and collecting documentation for Board meetings.

The Secretary supported the Chairman in all of his activities and provided impartial assistance and advice to the Board of Directors on all matters relevant to the proper functioning of the system of corporate governance

The Chairman ensured that the Board was in any case informed, by the first useful meeting, on the development and significant contents of the dialogue with all the shareholders.

### **4.6. EXECUTIVE DIRECTORS**

#### **4.6.1. Managing Directors**

The Board of Directors has granted the Chief Executive Officer, Toni Volpe, broad powers for the organization and management of the Company. Mr. Volpe is primarily responsible for the management of the Company.

In addition to signing on behalf of the Company and legally representing the Company vis-à-vis third parties and in court, within the limits of the respective mandate pursuant to art. 22 of the Articles of Association, the Managing Director is vested with all powers of ordinary and extraordinary management of the Company that are not reserved to the Board of Directors.

By resolution of May 7, 2020, the Board of Directors delegated the following powers, with the right to sub-delegate, to the Chief Executive Officer and General Manager, Toni Volpe, in all areas of the Company and the Group:

- a) Perform any act deemed appropriate for ordinary and extraordinary administration, except for Commitment Acts which shall remain the exclusive responsibility of the Board of Directors;
- b) to prepare, in agreement with the Chairman, the annual *budgets* and the strategic, industrial and financial plans of the Company and the Group, to be submitted for approval to the Board of Directors;
- c) Execute the resolutions of the Board of Directors and, as part of its strategic direction and coordination activities, ensure that the resolutions are adopted by the boards of directors of the subsidiaries, including:
  - acquire or transfer, in any form whatsoever (and, therefore, by way of example, by way of contributions, mergers, demergers or other operations that produce the same effects) equity investments and/or company branches or assets in general;
  - to authorise, to the extent of the Company's competence and granting, where necessary, loans for the relevant amounts, direct or indirect subsidiaries to acquire or sell, in any form whatsoever (and, therefore, by way of example, by way of contributions, mergers, demergers or other transactions having the same effects) equity investments and/or company branches or assets in general.

With regard to participation in tenders, bids or competitions up to a maximum value of 20 million euros:

- to authorise, insofar as it is within the Company's sphere of competence and, where necessary, to grant loans for the relevant amounts, the participation of direct and indirect subsidiaries - by virtue of the Business Plan and/or individual projects subsequently approved - in public and private tenders, bids and competitions (for the provision of services or facility management, as well as for the development and/or construction of any type of industrial plant and/or the performance of any activity included in the corporate purpose), both Italian and foreign.

It should be noted that investments from 20 to 70 million euros are subject to the joint signature of the Managing Director and Chairman, and that for values above 70 million euros the competence of the Board of Directors remains unchanged.

In addition, all other investments involving acquisitions or disposals in any form that do not relate to the renewable energy sector remain subject to the €5 million limit.

- d) to prepare, together with the Manager in charge of drawing up the corporate accounting documents, the draft annual financial statements and other periodic accounting documents (half-yearly financial report and interim management reports), or extraordinary documents, to be submitted to the Board of Directors for approval;
- e) to define and amend the organisational structure of the Company and the Group, to be submitted to the Board of Directors for information, and to implement it;
- f) to define the general corporate structure of the Company and the Group to be submitted to the Board of Directors, and see to its implementation;
- g) to hire and dismiss personnel of any order and rank, including managers and executives with strategic responsibilities, with the exception of general managers and the head of the *Internal Audit* department; entering into, amending and terminating individual employment contracts, establishing remuneration and whatever else is appropriate and/or necessary for the Company's personnel, including managers and executives with strategic responsibilities with reference to executives with strategic responsibilities, the definition and/or variation of the economic position takes into account the remuneration policy approved by the Board of Directors as well as the Procedure for Transactions with Related Parties, approved by the Board of Directors of the Company on 23 June 2021;
- h) to determine, within the scope of its delegated powers, the powers to be granted, by means of special proxies, for the management of the Company and to define the power structure for the other companies of the Group;
- i) to implement, on the basis of the decisions taken by the Board of Directors, the guidelines of the internal control and risk management system, the adequacy and effectiveness of which it periodically checks, ensuring that the main corporate risks are identified and managed appropriately and that the necessary controls are put in place to monitor the performance of the Company and the Group;
- j) to manage institutional relations, in agreement with the Chairman of the Board of Directors, as well as relations with the Company's shareholders.

#### **4.6.2. Chairman of the Board of Directors**

The Chairman of the Board of Directors has the duties and powers reserved to him by law and by the Articles of Association, as well as any powers conferred on him by the Board of Directors.

In particular, the Chairman coordinates the work of the Board of Directors and participates actively, in concert with the CEO, in the definition of the annual budgets, strategic, industrial and financial plans of the Company and the Falck Renewables Group to be proposed for approval to the Board of Directors.

The Board of Directors has granted executive powers to the Chairman, which may be exercised as an alternative to the Managing Director should the latter be unable to act.

Therefore, the Chairman of the Board of Directors is not the main person responsible for the management of the Company but, due to the specific role he plays in the elaboration of corporate strategies, he is to be qualified as an "executive director".

#### **4.6.3. Disclosures to the Board by Directors/Delegated bodies**

The Managing Director keeps the Board of Directors and the Board of Statutory Auditors regularly informed of the most significant events.

The Managing Director reported to the Board on the activities carried out in the exercise of his powers, as well as on the general performance of the Company and its investee companies at least on a quarterly basis.

#### **4.6.4 Other Executive Directors**

There are no Executive Directors other than the Chief Executive Officer and the Chairman of the Board of Directors.

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

The current Board of Directors consists of twelve directors, seven of whom are independent; their number and expertise are adequate in relation to the size of the Board and the Company's business.

Each of the independent directors currently in office meets both the independence requirements set out in the Consolidated Law on Finance and the additional ones identified by the Code.

In implementing the provisions of the Code, the Board of Directors:

- during the first meeting following its reappointment, it assessed the existence of the independence requirements for each of the non-executive Directors, announcing the outcome of its assessments through a press release issued to the market;
- it assessed during the year - as well as upon the occurrence of circumstances relevant to independence - the continuing existence of the independence requirements for each of the non-executive Directors;
- the occurrence of circumstances relevant to independence
- in carrying out the above assessments, it considered all the information available and in particular that provided by the Directors under assessment, evaluating all the circumstances that appear to compromise the independence identified by the Consolidated Law on Finance and the Code and applying all the criteria set out in the Code with regard to the independence of directors.

Each Non-Executive Director has provided all information necessary or useful for the Board's evaluations.

The Board of Statutory Auditors has verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of the non-executive Directors, agreeing with the results reached by the Board of Directors.

This verification is acknowledged during the approval of the Report as well as in the report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to art. 153 of the Consolidated Law on Finance.

The Independent Directors met three times during the Year to review possible financial *partnership* scenarios that the Company might consider, to assess the progress of the Company's search for a financial partner, and to define the responsibilities incumbent on the Independent Directors.

The meetings lasted an average of two hours each.

The independent Directors, in continuity with the previous year, for the first meeting made use of the Head of Internal Audit as secretary, having assessed his specific *status* of independence from the company's *management*, reporting directly to the Board of Directors. However, due to the desirability

of maintaining the confidentiality of the search for a financial partner, the subsequent meetings were managed independently, and as of November with the technical support and as secretary, an external legal firm.

In view of the Transaction (as defined in Section 16 below, to which reference should be made), the Independent Directors, in full autonomy, have already activated the selection process and defined the selection criteria for the legal and financial advisors who will support the mandatory takeover bid.

No minutes of the meetings were taken, but the Lead Independent Director reported on the activity and outlined the recommendations at the first available Board meeting.

It is clearly understood that the Independent Directors remain in any case free to meet or just consult each other without any formality, should they deem it appropriate.

The Directors who qualified as independent did not expressly undertake to maintain their independence during their term of office and, in the event of loss thereof, to resign, but only to promptly notify the Company of the occurrence of any acts or facts that would alter the declaration of independence.

The number of independent Directors and their respective competences are deemed adequate in relation to the size of the Board of Directors and the activity carried out by the Company, and such as to enable the establishment of the Board's internal Committees in accordance with the Code's indications.

#### **4.7.1 Lead Independent Director**

In order to enhance the role of Independent Directors, the Board of Directors, with a resolution of May 7, 2020, appointed the Chairman of the Control and Risk Committee, Paolo Pietrogrande, as *Lead Independent Director*. This figure acts as a point of reference and coordination of the requests and contributions of the non-executive Directors and, in particular, of the Independent Directors, coordinating the meetings of the Independent Directors only.

## **5. MANAGEMENT OF CORPORATE INFORMATION**

At the meeting of May 12, 2006, the Board of Directors, at the proposal of the Chief Executive Officer, approved the Procedure for the handling and disclosure to the public of privileged information and for keeping the Register of persons with access to privileged information (the "**Procedure**"), which defines internal roles and responsibilities, with particular regard to the assessment of the privileged nature of the information and the formalities to be adopted in the event of recourse to delayed disclosure to the market, methods of disclosure to third parties and public disclosure of privileged information, as well as powers and responsibilities with regard to keeping the said Register. This procedure takes into account the obligations imposed on listed companies with regard to *market abuse* and was most recently updated on July 18, 2017.

In accordance with the aforementioned Procedure:

- press releases relating to periodic accounting information and concerning extraordinary transactions, which require a Board resolution, are approved by the Board of Directors;
- for the purposes of fulfilling market disclosure obligations, the assessment of whether information is "price sensitive" is carried out under the direct responsibility of the Managing Director, who is called upon to assess the reports received from within the organisation, and who is advised by the CFO (manager responsible for preparing the Company's financial reports), the *General Counsel*, the *Communication & Sustainability Department*, *Institutional Affairs* and the *Investor Relator*;
- in all other cases in which a Board resolution is not envisaged, the management of public disclosures is handled by the Chief Executive Officer, who is also responsible for assessing from time to time the "materiality" of the facts pursuant to Article 7 of Regulation (EU) No. 596/2014 ("MAR");
- Directors, Statutory Auditors, managers, employees, collaborators and consultants are required to keep confidential the documents and information acquired in the performance of their duties;

- the internal and third party circulation of documents relating to confidential information is subject to particular attention in order to avoid prejudice to the Company and the Group;
- press releases prepared pursuant to art. 17 MAR are always disseminated by the Company in compliance with legal and regulatory provisions; the Company makes use of the eMarket SDIR dissemination system and the eMarket STORAGE storage mechanism managed by Spafid Connect S.p.A.;
- every official statement, every relationship with the press, with financial analysts and institutional investors and with other media concerning the Group must be authorised in advance by the Managing Director.

The Procedure can be found at [www.falckrenewables.com/etica-governance](http://www.falckrenewables.com/etica-governance).

With regard to the obligations to disclose transactions carried out by persons exercising functions of administration, control or management, as well as persons closely associated with them, as provided for in art. 19 of the MAR, the Board of Directors approved the "*Internal Dealing Procedure*" governing the information flows from the obligated parties, identified by the legislation in force at the *time*, as well as by the Procedure itself, to the Company, Consob and the public.

More specifically, the *Internal Dealing Procedure* is intended to:

- identify the persons within the Company who are obliged to make the communications ("Relevant Persons");
- define the methods of communication to the Company, by Relevant Persons and persons closely associated with them, as defined in the *Internal Dealing Procedure*, of information relating to transactions in shares, debt securities, derivatives and other financial instruments linked to them;
- define the procedures for the management by the Company of communications received from its Significant Entities, as well as from persons closely associated with them, and for the fulfilment of the dissemination obligations incumbent on it, identifying the person responsible for the receipt, management and dissemination to the public of such communications;
- regulate the so-called "*black-out periods*", *i.e.* the periods during which Relevant Persons are forbidden to carry out transactions on their own behalf or on behalf of third parties, directly or indirectly, in specific periods of the year.

The *Internal Dealing Procedure* can be found at [www.falckrenewables.com/etica-governance](http://www.falckrenewables.com/etica-governance).

## 6. INTERNAL COMMITTEES OF THE BOARD

The Board of Directors has set up an internal Remuneration Committee and a Control and Risk Committee, which has also been identified as the competent Committee pursuant to the Procedure for Transactions with Related Parties, in order to issue opinions on the subject and, in general, for all matters relevant to compliance with the said procedure.

The members of the Board's internal committees were appointed following the renewal of the Board of Directors at the Board meeting held on May 7, 2020 and will expire when the current Board of Directors ceases to hold office, namely on the date of the Shareholders' Meeting to approve the financial statements for the year ended December 31, 2022.

The establishment and operation of the Board's internal committees, which have propositional and advisory functions, shall meet the following criteria:

- a) Committees shall consist of not less than three members and their work shall be coordinated by a chairperson;
- b) the duties of the individual Committees, if not already governed by the Code and/or the Regulations of the Board of Directors, are set out in the resolution with which they



- are established and may be supplemented or amended by a subsequent Board resolution;
- c) minutes are kept of each Committee meeting, and the Committee Chairman reports to the first available Board of Directors meeting; minutes of meetings are made available to each Committee member;
  - d) in carrying out its duties, each Committee has the right to access the information and corporate functions necessary to carry out its tasks, as well as to make use of external consultants, under the terms set out by the Board. The Company provides the Committees with adequate financial resources to carry out their duties;
  - e) the Chairman of each Committee may invite the Chairman of the Board, the Managing Director, the other Directors and, by informing the Managing Director, the members of the corporate departments responsible for the specific issues to single meetings;
  - f) the members of the Board of Statutory Auditors are invited to attend the meetings of each Committee;
  - g) the results of the preliminary activities conducted by the Committees are presented to the Board of Directors;
  - h) Committees shall report to the Council on their activities at each Council meeting.

### 6.1 Additional Committees - ***SUSTAINABLE STRATEGY COMMITTEE***

The Board of Directors has established an internal *Sustainable Strategy Committee* whose mission is to ensure that the Company's strategy is based on the analysis of issues relevant to the generation of long-term value with a view to sustainable success.

The *Sustainable Strategy Committee* is composed of six members, two executive (the Chairman and the Managing Director) and four non-executive and independent (Andrew Lee Ott, Georgina Grenon, Marta Dassù and Nicoletta Giadrossi). Its members have adequate skills in relation to the tasks they are called upon to perform, as assessed by the Board of Directors at the time of their appointment.

The *Sustainable Strategy Committee* in relation to its mission performs the following major tasks:

- a) assists the Board of Directors, in an investigative and advisory capacity, in its assessments and decisions related to the creation of long-term sustainable value for all of the Company's stakeholders;
- b) identifies and analyses, with the support of the Sustainability function and the Managing Director, the *best practices* related to ESG indices, both at national and international level;
- c) assesses the suitability of the Sustainability Report to correctly represent the business model, the Company's strategies, the impact of its activities and the performance achieved, in coordination with the Control and Risk Committee;
- d) coordinates with the Chief Executive Officer and the Audit and Risk Committee in defining and developing the *Sustainability Framework* adopted by the Company for approval by the Board of Directors;
- e) monitors the implementation of Board decisions related to the sustainable success of the Company and assessing progress in creating value for all stakeholders in the Group;
- f) periodically assesses the economic reference scenarios fundamental to the Group's strategy and the opportunities for long-term value creation for all stakeholders proposed by the CEO;
- g) identifies social and macroeconomic projections, innovative processes and technological changes and market parameters that may impact the Company's sustainable strategy in the medium to long term.

The *Sustainable Strategy Committee* shall meet as often as the Chairman of the *Sustainable Strategy Committee* deems appropriate or as requested by another member of the *Committee* and, in any

event, at least four times per year.

The Board of Statutory Auditors is also invited to attend the meetings of the *Sustainable Strategy Committee*, which can also be held by audio or video conference, as well as the heads of the Company's and/or Group's structures, if deemed appropriate and upon decision of the Chairman.

The Group *General Counsel* is appointed secretary of the *Sustainable Strategy Committee until the end of the three-year term of office of the Board of Directors*. The contents of the meetings and the decisions taken are recorded in the minutes. The minutes are drawn up by the Secretary, signed by the Chairman and the Secretary, and recorded in the special Minutes Book of the *Sustainable Strategy Committee*. An archive of the *Committee has been set up in the Legal & Corporate Affairs department and contains the Minutes Book of the Sustainable Strategy Committee*. The documentation relating to the activities of the *Committee*, if not attached to the minutes of the meetings, is kept in electronic format and archived through the Board of Directors' documentation sharing site.

The *Sustainable Strategy Committee* has the right to access the information and company structures necessary to carry out its tasks and may make use, at the Company's expense, of external consultants, within the limits of the budget approved by the Board of Directors, after checking that the consultants are not in situations that would concretely compromise their independence of judgment.

The *Sustainable Strategy Committee* met four times during Financial year 2021 and the average length of the meetings was one hour and forty-four minutes.

## **7. SELF-EVALUATION AND SUCCESSION OF DIRECTORS - NOMINATION COMMITTEE**

### **7.1 SELF-ASSESSMENT AND DIRECTOR SUCCESSION**

The Board of Directors carries out an annual assessment of the size, composition and actual functioning of the Board itself and its Committees, also considering its role in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

In Financial year 2021, the Board of Directors did not deem it necessary to proceed with the *Board Evaluation* activity last performed with respect to Financial year 2020.

The self-assessment process, with the support of the Compensation Committee, is coordinated by the Chairman, who is responsible for monitoring the implementation of any improvement actions defined as a result of this assessment.

The process is usually carried out with the help of qualified external *advisors by means of interviews with the Directors, on the basis of questionnaires and interviews during which they are given the opportunity to express a quantitative assessment and, if necessary, a qualitative comment on the single issues examined*.

The Board of Directors, with the support of the Remuneration Committee, has adopted a *Policy* regarding the succession of the Managing Director and executive directors, with particular reference to the appointment and replacement of the Chairman and the Managing Director in the event of their leaving office before their natural expiry date.

In the process of selecting replacements, the *Policy* envisages the involvement, in various capacities, of the Chairman (in the event of early termination of office of the Managing Director or of the non-executive Directors) or of the Vice-Chairman (in the event of early termination of office of the Chairman) as well as of other directors identified *ad hoc*, of the Remuneration Committee and of professional persons external to the Company, operating in the *headhunting* sector.

The *Policy* is subject to annual evaluation by the Compensation Committee, which reports to the Board of Directors proposing the adoption of any changes to the *Policy*.

As part of the succession procedure and the structure of the related powers, the Chairman is the person appointed by the Board of Directors to replace, also temporarily, the Managing Director when he/she is unable to perform his/her functions or in case of resignation or revocation of the latter.

## 7.2 NOMINATION COMMITTEE

The Board of Directors - in line with the Code's recommendations concerning the creation of an Appointment Committee - approved to assign the advisory and recommendation functions of the Appointment Committee, as set out in the Code itself, to the Remuneration Committee, to which reference should be made.

## 8. REMUNERATION OF DIRECTORS - REMUNERATION COMMITTEE

For complete information on the remuneration of Directors, reference should be made to the Remuneration Report drafted pursuant to Article 123-ter of the Consolidated Law on Finance, approved by the Board of Directors, upon proposal of the Remuneration Committee, and published in accordance with the law.

The Compensation Report is available on the Company's website at <https://www.falckrenewables.com/etica-governance/relazione-sulla-remunerazione>.

### 8.1 REMUNERATION OF DIRECTORS

#### 8.1.1. Remuneration policy

The Policy for the Remuneration of Directors, members of the Board of Statutory Auditors and *top management* of the Company is functional to the pursuit of the sustainable success of the Company itself and takes into account the need to have, retain and motivate people with the competence and professionalism required by their role in the Company.

The Compensation Policy is developed by the Board of Directors consistent with the recommendations of the Code through a transparent process.

The Board of Directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the Remuneration Policy, in light of the results achieved and other circumstances relevant to its implementation.

The Board of Directors, upon proposal of the Remuneration Committee, defines a Remuneration Policy for executive Directors and other Directors holding specific offices, for managers with strategic responsibilities and for the Board of Statutory Auditors. Every three years, the Board submits to the Shareholders' Meeting a report describing this policy or whenever it is necessary to make changes to the Remuneration Policy.

The remuneration of Directors, both executive and non-executive, is defined by taking into account the remuneration practices widespread in the reference sectors and for companies of similar size, making use of an independent consultant if necessary.

#### 8.1.2. Remuneration of Executive Directors and *top management*

The remuneration of executive Directors and key management personnel is defined so as to align their interests with the pursuit of the priority objective of creating value for the shareholders in the long term. For the Directors who have been delegated management powers or who carry out, even only de facto, functions related to the management of the company, as well as for the executives

with strategic responsibilities, a significant part of the remuneration is linked to the achievement of specific performance objectives, including non-economic objectives, indicated in advance and determined in line with the guidelines contained in the Remuneration Policy. The remuneration of non-executive Directors is proportionate to the commitment required from each of them, also taking into account their possible participation in one or more Committees.

Upon termination of office and/or termination of the relationship with an executive director (or a general manager), the Board discloses detailed information on the subject, by means of a press release issued to the market, following the internal processes that lead to the allocation or recognition of any indemnity and/or other benefits. The market disclosure includes the information set out in Recommendation 31 of the Code.

The Remuneration Policy for Executive Directors and key management personnel is defined by the Board in line with the criteria set out below:

- a) the fixed component and the variable component are adequately balanced according to the strategic objectives and risk management policy of the Company, also taking into account the business sector in which it operates and the characteristics of the business actually carried out, providing however that the variable part represents a significant part of the total remuneration;
- b) there are maximum limits for variable components;
- c) *the performance* objectives - i.e. the economic results and any other specific objectives to which the payment of the variable components is linked (including the objectives defined for the share-based remuneration plans) - are predetermined, measurable and linked to the creation of value for the shareholders in the long term. They are consistent with the strategic objectives of the Company and are aimed at promoting its sustainable success, including, where relevant, also non-financial parameters;
- d) there are contractual agreements that allow the Company to demand the restitution, in whole or in part, of variable components of remuneration paid (or to withhold sums subject to deferral), determined on the basis of data that subsequently prove to be manifestly incorrect and of other circumstances identified by the Company in the contractual agreements;
- e) the indemnity that may be envisaged for the termination of the directorship is established with clear and predetermined rules, which define the maximum limit of the overall sum that may be paid, linking it to a certain amount or a certain number of years of remuneration.

### 8.1.3. Share-based compensation plans

The share-based remuneration plans for Executive Directors and *top management* encourage alignment with the interests of shareholders over the long term. To this end, in preparing these plans, the Board ensures that:

- a) shares, options and any other rights granted to directors to purchase shares or be compensated based on share price performance have an average *vesting* period of at least three years;
- b) the *vesting referred to in point a)* is subject to predetermined and measurable *performance* objectives.

#### 8.1.4. Remuneration of non-executive directors

The Remuneration Policy for non-executive Directors provides for a remuneration appropriate to the expertise, professionalism and commitment required by the tasks assigned to them within the Board and its Committees; such remuneration is not linked - except for an insignificant part - to the Company's financial *performance* objectives. Non-executive Directors are not subject to share-based remuneration plans, unless the Shareholders' Meeting decides otherwise.

## 8.2 REMUNERATION COMMITTEE

The Board of Directors has established an internal Remuneration Committee (hereinafter also referred to as "**RemCo**") consisting solely of non-executive, independent Directors, chaired by an independent Director.

### 8.2.1 Composition and functioning of the Remuneration Committee

The Remuneration Committee is composed exclusively of non-executive and independent Directors: namely Elisabetta Caldera (Chairman), Paolo Pietrogrande and Nicoletta Giadrossi.

At least one member of the RemCo shall have appropriate knowledge and experience in finance or compensation policy, as deemed appropriate by the Board of Directors at the time of appointment. The RemCo shall meet whenever its Chairperson deems it appropriate or another Committee member requests it, and in any event at least four times a year.

The RemCo, on the proposal of its President, has appointed a secretary until the expiration of the three-year term of office of the Board of Directors, chosen from outside its membership, who is entrusted with the task of taking minutes of meetings.

Meetings of the RemCo are called by its Chairman, also through the secretary appointed for *this purpose*, by means of a notice indicating the date, place, time of the meeting and the relevant agenda. The notice is sent to all members of the RemCo and the Board of Auditors, also by e-mail, at least three days before the date set for the meeting or, in case of urgency, at least one day before. In case of impediment or absence of the Chairman of the RemCo, the functions of chairing the meeting are carried out by the oldest member.

For the validity of the RemCo meetings the presence of the majority of the members in office is required. The decisions of the RemCo are taken by absolute majority of those present; in case of a tie, the vote of the person presiding prevails.

The members of the Board of Statutory Auditors are also invited to RemCo meetings, which can also be held in audio or video conference, as well as - if deemed appropriate and upon decision of its Chairman - the heads of the Company's and/or Group's structures in relation to the needs connected to the individual items on the agenda.

The content of the meetings and the decisions taken are recorded in the minutes. Minutes are drawn up by the Secretary, signed by the Chairman and the Secretary and recorded in the specific RemCo Minutes Book. The RemCo archives, in which the Remuneration Committee Minutes Book is kept, are located at the Legal & Corporate Affairs Department. Documentation relating to RemCo's activities, when not attached to the minutes of meetings, is kept in electronic format and archived via the Board of Directors' documentation sharing site.

No Director or manager attends RemCo meetings at which proposals are made to the Board of Directors regarding his or her compensation.

The RemCo shall report in writing on its activities at the first available meeting of the Board of Directors.

### 8.2.2 Functions of the Remuneration Committee

The RemCo plays an investigative, propositional and advisory role in relation to aspects concerning the Group's organisational structure, remuneration policies and human resources development, as

well as the appointment of Directors and the succession plans for Directors and key management personnel, and has carried out the following main tasks:

- a) assists the Board in developing the Compensation Policy;
- b) presents proposals or expresses opinions to the Board of Directors on the remuneration of executive Directors, of other Directors holding specific offices, as well as on the setting of *performance* targets related to the variable component of this remuneration, both in the short and long term;
- c) monitors the concrete application of the Remuneration Policy, verifying, in particular, the effective achievement of the *performance* objectives;
- d) periodically assesses the adequacy and overall consistency of the Remuneration Policy and *top management*, making use in this regard of the information provided by the Managing Director;
- e) Evaluates annually the development and succession plans for executives with strategic responsibilities proposed by the Chief Executive Officer, providing recommendations and opinions to the Board of Directors;
- f) supports the Board of Directors in the self-evaluation process of the Board itself and its Committees, providing the preliminary investigation for the possible assignment of the task to an external consultant.

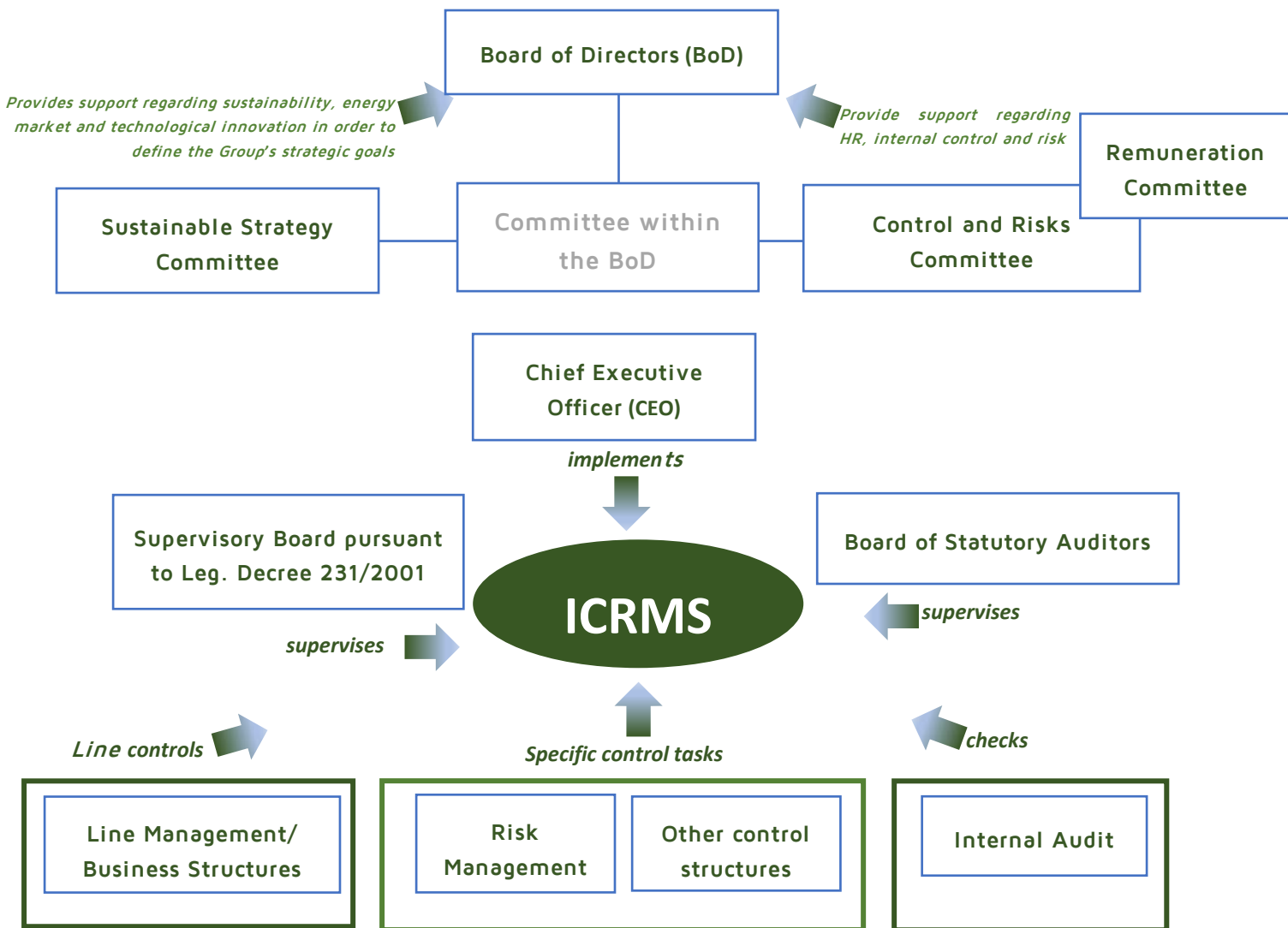
Specifically, during Fiscal Year 2021, RemCo has:

- assessed the adequacy, overall consistency and concrete application of the policy adopted for the remuneration of executive directors and managers with strategic responsibilities;
- prepared the remuneration policy and the remuneration report, which was submitted to the Board of Directors for approval and then to the General Meeting for a vote;
- evaluated, together with the Control and Risk Committee, the adequacy of the organisational structure, providing opinions and recommendations to the Board of Directors;
- reviewed the outcomes of the *board evaluation*;
- updated the succession plans and in particular that of the CEO;
- identified and determined the measure of targets for the annual incentive (MBO 2021) of the Chief Executive Officer, these targets were submitted to the Board of Directors for approval;
- carried out an assessment of the level of achievement of the targets for the annual incentive scheme (MBO 2020) for the Managing Director, entrusting the Company's *Chief Financial Officer* with the task of calculating them;
- carried out checks on the *engagement survey* carried out by the Company and on the *diversity and inclusion* policy implemented by the Company;
- carried out preliminary investigation and assessment of the proposal for an extraordinary *management* bonus and examined the explanatory report for the amendment of the remuneration report, which was submitted to the Board of Directors for approval and then to the General Meeting for a vote;
- carried out preliminary analysis regarding the level of achievement of the 2021 MBOs.

In the performance of its duties, the RemCo has had access to the information and corporate functions necessary for the performance of its tasks, has financial resources at its disposal and may avail itself, at the Company's expense, of external consultants within the limits of the budget approved by the Board of Directors, subject to verification that the consultants are not in situations that concretely compromise their independence of judgment.

The RemCo met 11 times in Financial year 2021 and already met 3 times in 2022; the average length of the meetings was one hour and twenty minutes.

## 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL AND RISK COMMITTEE



The Company's system of internal control and risk management (the "**Control System**" or "**ICRMS**") is the set of rules, procedures and organizational structures designed to enable the effective and efficient identification, measurement, management and monitoring of the Group's principal risks in order to contribute to the sustainable success of the Company and the Group.

The Control System is integrated into the more general organizational and corporate governance structures adopted by the Company; it is effective and contributes to the management of the Company in a manner consistent with the strategies and corporate objectives defined by the Board of Directors, encouraging informed decision-making.

It is structured in such a way as to be able to contribute to ensuring the safeguarding of the company's assets, the efficiency and effectiveness of corporate processes, the reliability of the information provided to the corporate bodies and the market, compliance with laws and regulations as well as with the Articles of Association and internal procedures.

In particular, the Control System, defined taking into account the reference models and the existing national and international *best practices*, is divided into the following three control levels:

- a) Level 1: Departments/Facilities implement line controls in operational processes, identify and assess the risks identified and implement the management actions defined;
- b) Level 2: the Departments/Facilities that oversee the risk assessment and control process define the risk management methods and tools, ensuring their consistency with corporate objectives;
- c) Level 3: the *Internal Audit* department carries out independent checks on the Control System as a whole.

The methods and mechanisms for the concrete implementation of the control principles are reflected in the documentation produced and updated by the Company to define the rules of conduct, the division of tasks and the delegation of responsibilities. This includes:

- the provisions relating to the corporate and organisational structure and the related delegations of power;
- the mechanisms for segregating functions within the organisation (also reflected in the company's information systems through specific approval *workflows*), aimed at avoiding an excessive concentration of decision-making/authorisation, implementation/execution, accounting and verification/control powers and functions;
- policies for the development and professional growth of staff;
- The systems for defining corporate objectives and verifying and monitoring corporate *performance*;
- management and economic-financial *reporting* systems as well as internal and external communication systems;
- the body of company procedures, including those envisaged within the scope of the Model and the administrative and accounting procedures for preparing the annual financial statements, the consolidated financial statements and any other communication of a financial nature, established pursuant to Law no. 262 of December 28, 2005 and subsequent amendments (hereinafter also referred to as the "Law 262/2005");

#### Main instruments for monitoring the Group's operational objectives:

- a) planning and management control: the Company's and the Group's business strategies and objectives are defined through *business planning processes* and the annual *budget* and monitored through the internal periodic *reporting* process.
- b) risk identification and assessment: the *Global Risk Management* structure, which reports to the Managing Director, is operational. The structure has the task of managing and coordinating *risk management* activities and processes for the Company and the Group. In particular, the structure has the role of:
  - *managing Corporate Risk Assessment, Investment Risk Management, Energy Risk Management and Counterparty Risk Management* activities, supporting *Business Lines, Divisions and Staff* structures in identifying and assessing risks and in *risk reporting* activities, in accordance with *Corporate Governance* rules and Group *policies*
  - define, in agreement with the *Process Owners*, the *Business Continuity* strategy of the Group, coordinating the *Business Impact Analysis* activities and the definition of the Business Continuity Plans.
- c) corporate procedures: the Group has a set of procedures/operating instructions that govern internal corporate processes.



With regard to the financial reporting process, the design and implementation of the accounting and administrative control system of the Company involved an analysis aimed at identifying the main risk factors existing on the "relevant" processes in terms of potential impact on the financial reporting, broken down into the following phases:

- *Risk identification*: the process of identifying and assessing risks connected with economic, equity and financial reporting, which was conducted in order to identify the processes that have a significant impact on the formation of said reporting, involved the following activities:
  - identify the main balance sheet items/accounting areas at risk and the related significant administrative processes, based on qualitative and quantitative criteria (for example, significance, calculation complexity, level of subjectivity of the balance sheet items, etc.);
  - identification, for each relevant item of the financial statements/information, of the significant administrative-accounting areas, and of the relative accounting processes/flows;
  - identification of controls to protect against the risks identified.
- *Documentation of administrative-accounting controls*: controls to protect against risks have been formalised in administrative and accounting procedures, which define the responsibilities and control rules to be followed by the various company structures involved in various ways in administrative and accounting management, with particular reference to the processes involved in the periodic closing of accounts.

The accounting and administrative control system is assessed every six months, in terms of the adequacy and effective application of the key controls identified in the administrative and accounting procedures. The assessment is carried out, in the defined areas (processes and companies), with the support of an external *advisor*, coordinated by the Manager in charge and the Head of the *Internal Audit* Department. The audit plan is organized through a logic of rotation of processes and companies aimed at obtaining a reasonable coverage of administrative and accounting processes.

*The Internal Audit* department communicates the results of its six-monthly checks not only to the Manager in charge, but also to the Chairman of the Board of Directors, the Managing Director, the Chairman of the Control and Risk Committee, the Chairman of the Board of Statutory Auditors and the Chairman of the Supervisory Board.

Following the completion of the activities for the preparation of the draft half-yearly financial statements/interim report, the Managing Director and the Manager in charge of preparing the Company's financial reports submit the reports and statements pursuant to art. 154-bis of the Consolidated Law on Finance to the Board of Directors, which takes its own decisions and authorises their publication.

#### Main tools to support the Group's reporting objectives:

- a) accounting and financial reporting: the Company's accounting and administrative control system consists of a series of procedures and operational documents (Accounting Manual, operating instructions for financial statements and *reporting* and closing calendars, administrative and accounting procedures pursuant to Law no. 262/2005), which govern the processes of gathering, processing, representing and disseminating economic and financial information.
- b) non-financial information: for the purposes of preparing the Non-Financial Statement and the Sustainability *Report*, the Company has defined a specific Group procedure that defines roles, responsibilities and activities relating to the process of *reporting* data and *ESG (Environmental, Social and Governance)* information.
- c) privileged information: the Company has adopted a Procedure for the processing and communication to the public of Privileged Information and for keeping a Register of persons having access to Privileged Information which, in line with the indications of the Code and in line with the reference legislation, is aimed at regulating the management and processing of Privileged Information, as well as the procedures to be observed for the communication, both inside and outside the company, of documents and information concerning the Company and the companies it controls, with particular reference to Privileged Information. The Procedure also

regulates the institution and constant updating of a Register of persons who have access to Inside Information.

The Board of Directors, with the support of the Control and Risk Committee, has defined the guidelines for the Control System in line with the Company's strategies and, at the time of approving the draft financial statements and the Report, having acknowledged the assessments made by the Control and Risk Committee which, in turn, examined the assessments made by the Head of the *Internal Audit* Department, assessed the adequacy of the Control System with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness.

## 9.1. CHIEF EXECUTIVE OFFICER

The Board of Directors has assigned the *Chief Executive Officer* to establish and maintain the internal control and risk management system.

The *Chief Executive Officer*, during the Financial Year:

- a) has identified the main corporate risks, taking account of the characteristics of the activities carried out by the Company and its subsidiaries, and has periodically submitted them for examination by the Board of Directors, after consulting the Control and Risk Committee;
- b) implemented the guidelines defined by the Board of Directors, overseeing the design, implementation and management of the internal control and risk management system, constantly checking its adequacy and effectiveness;
- c) entrusted the *Internal Audit* department with the task of carrying out checks on specific areas of operation and on compliance with internal rules and procedures in the execution of corporate transactions, while at the same time informing the Chairmen of the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors;
- d) reported promptly to the Control and Risk Committee on problems and critical issues that emerged during the performance of its activities or of which it became aware, so that the Committee could take the appropriate initiatives.

## 9.2. CONTROL AND RISK COMMITTEE

The Board of Directors has established an internal Audit and Risk Committee (hereinafter also referred to as the "**CRC**") comprised solely of non-executive, independent Directors, chaired by an independent Director.

### 9.2.1 Composition and functioning of the Control and Risk Committee

The Risk Control Committee is composed exclusively of non-executive and independent Directors: namely Paolo Pietrogrande (Chairman), Silvia Stefini and Elisabetta Caldera.

Its members have adequate expertise in relation to the tasks they are called upon to perform, as assessed by the Board of Directors at the time of their appointment. In particular, at least one member of the RAC has adequate experience in accounting and finance and risk management; at least one other member of the Committee has adequate experience in corporate governance of listed companies.

The CRC meets whenever its Chairman deems it appropriate or when requested by another member or by the Chief Executive Officer.

The JRC has appointed the head of the *Internal Audit* department as secretary of the JRC for the three-year term of the Board of Directors

CRC meetings are called by its Chairman, also through the Secretary, by means of a notice containing the date, place, time of the meeting and the relevant agenda. The notice of call is sent to all members of the CRC and the Board of Auditors, also by e-mail, at least three days before the date set for the meeting or, in case of urgency, at least one day before;

In case of impediment or absence of the Chairman, the meeting is chaired by the oldest member. For the CRC meetings to be valid, a majority of the members in office must be present. The decisions of the CRC are taken by absolute majority of those present; in case of a tie, the vote of the person presiding prevails.

The members of the Board of Statutory Auditors are also invited to the meetings of the CRC, which can also be held in audio or video conference, as well as - if deemed appropriate and upon decision of its Chairman - the heads of the Company and/or Group structures as well as the Independent Auditors, according to the needs connected to the single items on the agenda.

The content of the meetings and the decisions taken are recorded in the minutes. The minutes are drawn up by the Secretary, signed by the Chairman and the Secretary and recorded in the special CRC Minute Book. The Legal & Corporate Affairs department has set up an archive of the CRC in which the Minutes of the Control and Risk Committee are kept. Documentation relating to the activities of the CRC, if not attached to the minutes of meetings, is kept in electronic format and archived via the Board of Directors' documentation sharing site.

The CRC shall report in writing on its activities at the first available meeting of the Board of Directors.

### 9.2.2. Functions assigned to the Control and Risk Committee

The Audit and Risk Committee plays an investigative, propositional and advisory role and has been charged by the Board of Directors with:

- a) to support the Board in carrying out the tasks assigned to it by the Code with regard to internal audit and risk management;
- b) to assess, after consulting the Manager in charge of drawing up the corporate accounting documents, the Independent Auditors and the Board of Statutory Auditors, the correct use of the accounting standards adopted and their uniformity with a view to drawing up the consolidated financial statements;
- c) to assess the suitability of periodic financial and non-financial information to fairly represent the Company's *business* model, strategies, the impact of its activities and the *performance* achieved, in coordination with the *Sustainable Strategy Committee*;
- d) to review the content of the Consolidated Non-Financial Statement governed by Legislative Decree No. 254 of December 30, 2016, expressing its opinion in relation to the adequacy of the measurement system and compliance with the reference reporting standards to support the Board of Directors called upon to approve these documents;
- e) to express opinions on specific aspects relating to the identification of the main corporate risks, including those connected with the *Sustainability Framework*, supporting the assessments and decisions of the Board of Directors relating to the management of risks deriving from prejudicial facts of which the latter has become aware;
- f) to examine the periodic reports and those of particular importance prepared by the *Internal Audit* function;

- g) to monitor the autonomy, adequacy, effectiveness and efficiency of the *Internal Audit* function.

On the occasion of the approval of the annual and half-year financial reports, the Control and Risk Committee reported to the Board of Directors on the activities carried out and on the adequacy of the internal control and risk management system. It also assisted the Remuneration Committee, to the extent of its competence, in assessing the adequacy of the remuneration policy and its implementation with respect to the organisational structure, with particular reference to the internal control and risk management system.

The JRC, in FY 2021, did not deem it necessary to have the *Internal Audit* department conduct audits of specific operational areas.

In carrying out its duties, the CRC has access to the information and company structures necessary for the performance of its tasks, has financial resources at its disposal and can avail itself, at the Company's expense, of external consultants, within the limits of the budget approved by the Board of Directors, subject to verification that the consultants are not in situations that compromise their independence of judgement.

The Company identified the Control and Risk Committee as the competent Committee pursuant to the Procedure for Transactions with Related Parties. This Committee, which is made up exclusively of non-executive and independent directors, operates for the purpose of issuing the opinions provided for by the Procedure for Transactions with Related Parties and, in general, for all matters relevant to compliance with the procedure itself.

During FY2021, the Audit and Risk Committee carried out preliminary and/or in-depth investigations into the following issues:

- Accounting Standards;
- Related Parties;
- *Risk Management*;
- Sustainability/Non-Financial Statement (DNF);
- Compliance (*Modern Slavery and Human Trafficking Statement*, Organization and Management Model pursuant to Legislative Decree 231/2001);
- *Internal Auditing*;
- Corporate Governance (Report on Corporate Governance and Ownership Structure)
- Updating of Group projects (*Business Continuity, Cyber Security, ERP, Tax Control Framework*)

The Audit and Risk Committee met 12 times during Financial year 2021 and already 4 times in 2022; the average duration of the meetings was one hour and fifty-three minutes.

### **9.3. HEAD OF THE INTERNAL AUDIT FUNCTION**

*The Internal Audit* structure is internal to the Company and carries out its activities for the Company and for the companies of the Falck Renewables Group.

Siro Tasca is the Head of the Company's *Internal Audit* Department and the person in charge of verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the Board of Directors.

The head of the *Internal Audit* department is not responsible for any operational area and reports hierarchically to the Board of Directors. He has direct access to all information useful for the performance of his duties.

The Board of Directors has defined his remuneration in line with company policies and has ensured that he is provided with adequate resources to carry out his duties. In particular, the variable

remuneration of the Head of the *Internal Audit department*, for reasons of independence, is exclusively linked to parameters connected with the department's operations. Every year the objectives of the Head of Internal Audit are approved (final balance and assignment) by the Board of Directors, after the Control and Risk Committee has been consulted and the Board of Auditors has been consulted.

The head of *Internal Audit*, in the chorus of the Financial Year:

- a) verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, by means of an *Audit Plan*, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks;
- b) has drawn up 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 sent them to the Chairmen of the Board of Auditors, the Control and Risk Committee and the Board of Directors, as well as to the *Chief Executive Officer*, except in cases where the subject of these reports specifically concerns the activities of these parties;
- c) verified, as part of the *Audit Plan*, the reliability of information systems including accounting systems.

*The Audit Plan* for the year 2021, prepared on the basis of a *risk-based* approach, was approved by the Board of Directors on January 26, 2021, subject to the favourable opinion of the Audit and Risk Committee, rendered on January 20, 2021, and after consulting the Board of Statutory Auditors, the Chairman of the Board of Directors and the *Chief Executive Officer*.

During 2021, the Head of the *Internal Audit* department periodically reported to the Chairman of the Board of Directors, the Board of Statutory Auditors and the Control and Risk Committee, as well as to the *Chief Executive Officer*, expressing his assessment of the suitability of the internal control and risk management system; no particularly significant events occurred that required specific reports. The head of the *Internal Audit* department regularly took part in the work of the Control and Risk Committee, of which he is Secretary, and of the Supervisory Body, of which he is a member.

#### **9.4. ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001**

The Company adopts and keeps constantly updated, with specific resolutions of the Board of Directors, the Organization and Management Model pursuant to Legislative Decree no. 231 of June 8, 2001 ("**Model**"), for the prevention of crimes committed in the interest or to the advantage of the Company.

The adoption of the Model, which finds its necessary premise in the Code of Ethics, allows for the pursuit of rigour, transparency and a sense of responsibility in internal and external relations and offers the shareholders adequate guarantees of an efficient and correct management, sensitizing all those who work in the name and on behalf of Falck Renewables to follow, in the performance of their functions, linear and correct behaviour in order to prevent the risk of committing the crimes set forth in the Decree.

The Model, which has been modified over the years in order to bring it up to date with the new legal provisions on the subject, consists of a general part in which are described, among other things, the contents of the Decree, the objectives and functioning of the Model, the duties of the Supervisory Body and the system of sanctions, and fifteen separate "Special Parts" concerning the following types of offences provided for by Legislative Decree 231/2001: "Special Section A - Crimes committed in

relations with the Public Administration"; "Special Section B - Computer crimes and unlawful data processing"; "Special Section C - Organized crime and transnational crimes"; "Special Section D - Crimes against industry and commerce"; "Special Section E - Corporate Crimes"; "Special Section F - Crimes against the individual"; "Special Section G - Market abuse"; "Special Section H - Manslaughter or serious or very serious injuries committed in violation of occupational health and safety regulations"; "Special Section I - Receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin as well as selflaundering"; "Special Section J - Crimes related to violation of copyright"; "Special Section K - Induction to not make statements or to make false statements to the judicial authorities"; "Special Section L - Environmental crimes"; "Special Section M - Corruption between private individuals"; "Special Section N - Employment of citizens of third countries whose stay is irregular"; "Special Section O - Tax crimes".

The Board of Directors has appointed a Supervisory Body with a collegial composition and autonomous powers of initiative and control, which is responsible for supervising the effectiveness, adequacy, functioning and observance of the Model, and for ensuring that it is constantly updated. This Body is currently made up of two external members, Giovanni Maria Garegnani (Chairman) and Luca Troyer, plus an internal member, Siro Tasca, Head of the Company's *Internal Audit* department, and will cease to hold office upon the natural expiry of the term of office of the Board in office, which is expected with the Shareholders' Meeting held to approve the financial statements for 2022. The Supervisory Body has adopted a set of Regulations which, in compliance with the principles set out in the Model, governs the way in which it operates, identifying, in particular, the powers, tasks and responsibilities assigned to it.

Lastly, the Model was updated with the resolution of June 23, 2021 with the inclusion of tax offences and smuggling offences among the predicate offences, insofar as they are potentially applicable to the Company. On this occasion, the composition, eligibility and honourability requirements of the Supervisory Body, its functions and powers and information flows were specified. It has also been expressly indicated what conduct by the recipients of the Model is punishable and the relative sanctions.

The Board of Directors has also approved the "Guidelines for the management of relations with the Public Administration", which contain a summary of the principles of conduct and the rules of conduct that the Company adopts in its relations with the Public Administration, also in order to prevent unlawful conduct that could give rise to liability pursuant to the Decree.

The Model is communicated by the Company to its Italian subsidiaries, which shall endeavour to adopt their own Model and appoint the Supervisory Body, following the principles and contents of the Company's Model, without prejudice to their own specificities. Furthermore, the Company requires its subsidiaries based abroad, in the management of activities that present a risk of committing crimes of the same nature as those provided for in the aforementioned Decree, to adopt a document called "*Compliance Program*" that recalls the principles of conduct defined in the general part and in the prevention protocols set out in the Model, in compliance with the laws applicable in the countries to which they belong or where they operate.

The general part of the Model can be found at <https://www.falckrenewables.com/etica-governance>.

## 9.5. AUDITING COMPANY

PricewaterhouseCoopers S.p.A, with registered office in Milan, Piazza Tre Torri 2, was appointed for the legal audit of the Company's accounts by the Shareholders' Meeting of April 15, 2019, upon justified proposal of the Board of Statutory Auditors.

This appointment was made for the nine-year period 2020-2028 and will therefore expire with the approval of the financial statements as of December 31, 2028.

It should be underlined that most of the companies consolidated line by line are audited by PricewaterhouseCoopers S.p.A.

## **9.6. MANAGER IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS**

The Board of Directors of the Company, during the meeting held on July 30, 2009, after hearing the opinion of the Board of Statutory Auditors, resolved to appoint Paolo Rundeddu, who holds the position of *CFO*, as Manager in charge of preparing the company's financial reports, in possession of the requirements of integrity set out in art. 147-quinquies of the Consolidated Law on Finance and the requirements of professionalism set out in art. 23 of the Articles of Association, i.e. having at least three years of uninterrupted experience in management tasks in the administration, finance and control areas at public entities or companies operating in the credit, financial, insurance, securities, commercial and IT sectors, carrying out activities related to those carried out by the Company, either directly or through its subsidiaries.

The Manager in charge is responsible for the internal control system concerning financial information and, to this end, he prepares the administrative and accounting procedures for the preparation of periodic accounting documents and any other financial communication, by certifying - together with the Managing Director and by means of a specific report annexed to the annual financial statements, the abridged half-yearly financial statements and the consolidated financial statements - their adequacy and effective implementation during the period to which the said documents refer.

Pursuant to art. 154-bis of the Consolidated Law on Finance, the Board of Directors shall ensure that the Manager in charge of preparing the company's financial reports has adequate powers and means to perform the tasks assigned to him, as well as to effectively comply with the said procedures.

The Executive in Charge:

- a) occupies an executive position, reporting directly to the company's top management;
- b) has direct responsibility for the organizational structure necessary to adequately guarantee the performance of its activities;
- c) has access to the Company's information and documents deemed relevant to the performance of its duties, including contracts with third parties;
- d) may participate *ad audiendum*, at the invitation of the Board of Directors, in meetings of the Board that deal with issues relevant to the duties of the Manager;
- e) has the power to dialogue with every administrative and control body;
- f) has the powers to supervise existing company procedures and authorise new ones when they have an impact on the accounting information, including interim information, subject to certification;
- g) must be able to rely on the company's IT systems in order to have an accounting system that is suitable for ensuring the adequacy of procedures and controls; consequently, it has the right to take part in the process of defining and implementing the IT systems that have an impact on the economic, equity and financial situation;
- h) may make use, where necessary and/or appropriate, of the collaboration of other corporate organisational units, other than those organised by him/her as a manager of the Company, in order to carry out the assignment in accordance with the procedures that will be agreed with them;

- i) within the limits of the competences and functions assigned to him, the Manager in charge has powers of inspection and control and can make requests for information, data and their processing, to other company organisational units and other companies belonging to the Falck Renewables Group;
- j) the organisational units of the companies involved must respond promptly to the Manager in charge without the need for further authorisation;
- k) proposes the annual *budget* relating to its structure and the tasks assigned to it to the Board of Directors.

In addition, the Executive in charge of Financial Reporting has identified an adequate dedicated organisational structure (in terms of number and level of resources) and is provided with a budget that is adequate for the functions and tasks assigned to him, dedicated and approved each year by the Board of Directors. Within the scope of the powers conferred on him, the Executive in Charge may also make use of external consultants, within the limits of the budget approved by the Board of Directors.

For the purposes of traceability and transparency, the Manager Responsible for Financial Reporting prepares the most appropriate methods of filing documents with an impact on the company's accounting information.

The Manager in charge is empowered to carry out controls on any procedure or company process, which have or may have an impact on the economic, equity or financial situation of both the Company and the Group. Furthermore, the Manager in charge can propose structural changes to the components of the internal control system that are considered inadequate and, if these are not implemented, be put in a position to take countermeasures and report promptly to the Board of Directors.

The Manager in charge of preparing the Company's financial reports provides periodic information to the Supervisory Body set up pursuant to art. 6, letter b) of Legislative Decree no. 231 of June 8, 2001, and to the Control and Risk Committee.

### 9.6.1 Risk Management

A *Risk Management* structure within the Company and reporting to the Managing Director is in place, with the role of supporting the Company and the Group in identifying, assessing and prioritising risks, taking account of corporate objectives and the characteristics of the activities carried out by the Group; the function also supports the organisation in identifying and developing appropriate actions to mitigate the main corporate risks identified.

*The Risk Management* structure periodically reports on the Group's risk profile and its evolution to the Managing Director, the Control and Risk Committee and the Board of Auditors, as well as to the head of the *Internal Audit* function.

The person in charge of the *Risk Management* structure is Antonino Callaci

## 9.7 COORDINATION BETWEEN THOSE INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Board of Directors has adopted its own Corporate Governance Regulations (the "**Regulations**"), which contain the Company's self-regulatory rules, also defined on the basis of the provisions of the Code, i.e. the system of expectations to which the Company's corporate bodies conform their conduct and actions.



The main purpose of the Regulations is to make the Company's management and control model explicit and to define the responsibilities and tasks of the various corporate structures and bodies in an effective and efficient manner.

The control body and the Control and Risk Committee shall promptly exchange information relevant to the performance of their respective duties. All members of the control body are invited and participate in the work of the Audit and Risk Committee.

## 10. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

In order to ensure transparency and substantial and procedural correctness of transactions with related parties carried out directly or through subsidiaries and to comply with the provisions set out by Consob in this regard by means of Resolution no. 17221 of March 12, 2010, subsequently amended and supplemented (Consob Regulation), by means of a resolution dated November 12, 2010 and having obtained the favourable opinion of the Control and Risk Committee, which is made up exclusively of independent directors and also acts as Committee for Related Parties ("**Committee**"), the Company adopted a procedure pursuant to art. 4 of the Consob Regulation ("**Procedure**"). In the meeting of June 23, 2021, the Board of Directors of Falck Renewables, following the opinion of the Committee issued on June 11, 2021, lastly updated the Procedure to incorporate the amendments introduced to the Issuers' Regulations and the Markets Regulations implementing the *Shareholder Rights Directive* (EU) 2017/828 (SHRD II) approved by Consob with Resolutions no. 21623 and no. 21624 of December 10, 2020 (published in the Official Gazette no. 317 of December 22, 2020).

The purpose of the Procedure is to regulate the process of implementation (approval and execution) of transactions with related parties and is available on the Company's *website* <https://www.falckrenewables.com/etica-governance>.

The Procedure identifies and defines related parties, significant transactions, excluded transactions and less significant transactions.

Relevant transactions are those transactions in which at least one of the following relevance indices, applicable depending on the specific transaction, is higher than 5%:

- value relevance index: this is the ratio between the countervalue of the transaction and the shareholders' equity, taken from the Company's most recently published consolidated balance sheet, or, if greater, the Company's capitalisation recorded at the end of the last trading day included in the reference period of the most recently published periodic accounting document (annual or half-yearly financial report or interim management report);
- asset significance ratio: this is the ratio between the total assets of the entity involved in the transaction and the total assets of the Company;
- liability relevance ratio: this is the ratio between the total liabilities of the entity acquired and the total assets of the Company.

In case of significant transactions, the Committee shall be involved in a timely manner during the negotiation and preliminary stage, by receiving a complete and updated information flow; the opinion of the Committee shall be annexed to the minutes of the Committee's meetings (both in case of significant and minor transactions); the Committee shall verify in advance the independence of the expert that was eventually selected, by taking into account the economic, equity and financial reports indicated in paragraph 2.4 of Annex 4 of the Consob Regulation.

The Company has not identified materiality thresholds lower than those indicated above. However, the Board of Directors retains the right to identify, on the proposal of the Managing Director, from time to time, transactions to which the rules laid down for transactions of greater importance should be applied, even if the materiality ratios are lower than the materiality thresholds.

Transactions excluded from the Procedure are:

1. the resolutions passed by the Shareholders' Meeting concerning the remuneration payable to the members of the Board of Directors pursuant to Article 2389, paragraph 1 of the Italian Civil Code;
2. resolutions concerning the remuneration of Directors holding specific offices, whose amount is included in the one previously determined by the Shareholders' Meeting pursuant to art. 2389, third paragraph of the Italian Civil Code;
3. the resolutions passed by the Shareholders' Meeting concerning the remuneration payable to the members of the Board of Statutory Auditors pursuant to Article 2402 of the Italian Civil Code;
4. Transactions resolved by the Company and addressed to all shareholders on equal terms, including:
  - (i) option capital increases, also to service convertible bonds, and free capital increases pursuant to Article 2442 of the Italian Civil Code;
  - (ii) full or partial spin-offs in the strict sense of the word, with proportional share allocation criteria;
  - (iii) reductions in share capital through reimbursement to shareholders pursuant to Article 2445 of the Italian Civil Code and purchases of treasury shares pursuant to Article 132 of the Consolidated Law on Finance;
5. transactions of small amounts which, taken individually, have an economic value not exceeding 300,000 euros, whether the related party is a legal entity or a natural person;
6. are also excluded from the Procedure, without prejudice to the information to be provided in the interim management report and the annual management report:
  - 6a. the remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to art. 114-bis of the Consolidated Law on Finance and the related implementing transactions;
  - 6b. resolutions concerning the remuneration of Directors holding specific offices, as well as of the other Managers with strategic responsibilities, provided that
    - (i) the Company has adopted a remuneration policy approved by the Shareholders' Meeting;
    - (ii) the Committee was involved in the definition of the remuneration policy;
    - (iii) the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments
7. ordinary transactions carried out at arm's length or *standard* conditions, i.e. those that are part of the Company's ordinary operating activities; operating activities are understood to be all (i) the Company's main revenue-generating activities and (ii) all management activities that cannot be classified as "investment" or "financial";
8. operations to be carried out on the basis of instructions for stability purposes given by Supervisory Authorities, or on the basis of instructions issued by the Company for the execution of instructions given by Supervisory Authorities in the interest of the stability of the Falck Renewables Group.

Minor transactions are all those that are not major transactions and those other than minor transactions.

Finally, the Procedure governs the approval processes for transactions carried out through subsidiaries and the information to be provided on transactions with related parties.

Each Director is obliged to inform the other Directors and the Board of Statutory Auditors of any interest he/she may have, on his/her own account or on behalf of third parties, in a given Company transaction, specifying its nature, terms, origin and scope; if he/she is a Managing Director, he/she must also refrain from carrying out the transaction, informing the Board of the same.

## 11. BOARD OF STATUTORY AUDITORS

### 11.1 APPOINTMENT AND REPLACEMENT

The Board of Statutory Auditors is appointed by means of list voting, pursuant to art. 24 of the Articles of Association and the applicable legal and regulatory provisions in force, as well as in compliance with the *pro tempore* regulations in force concerning the balance between genders.

The Board of Statutory Auditors is appointed according to a transparent procedure, on the basis of lists submitted by the shareholders and filed at the Company's registered office at least twenty-five

days prior to the date set for the Shareholders' Meeting on first call, together with the information expressly required by art. 144-sexies of the Issuers' Regulations.

Article 24, second paragraph, of the Articles of Association provides that the lists that include a total number of candidates equal to or higher than three must be composed of candidates belonging to both genders, in compliance with the *pro tempore* regulations in force concerning the gender balance, with regard to both candidates for the position of Standing Auditor and candidates for the position of Substitute Auditor. This is also in consideration of the *Communication containing clarifications regarding the amendments to the provisions of articles 147-ter and 148 of Legislative Decree 58/98 (TUF) on gender balance in the bodies of listed companies made by Law no. 160 of December 27, 2019 ("Budget Law 2020")* published by Consob on January 30, 2020, in which the Authority proposed to apply to corporate bodies formed by three members the rounding down to the lower unit.

The lists of candidates must be accompanied - without prejudice to any other provision, including *pro-tempore* regulations in force - by the declarations with which each candidate accepts the candidature and states that there are no reasons for ineligibility and incompatibility, as well as the existence of the requirements set out by law and by the Articles of Association for the respective offices and the list of management and control positions held in other companies, if any.

Shareholders who intend to submit a list of candidates must hold, at the time of submission of the list, a minimum shareholding equal to the one determined pursuant to art. 147-ter of the Consolidated Law on Finance.

It should be noted that this reference threshold was set at 1% of the share capital by Consob executive resolution no. of January 28, 2022.

If, by the deadline for submitting lists, only one list has been deposited, or only lists submitted by shareholders who are connected with each other pursuant to art. 144-quinquies of the Regulation on Issuers, lists can be submitted until the third day following that date. In this case, the reference thresholds are reduced by half.

The election of a Standing Auditor, who will chair the Board of Statutory Auditors, and of an Alternate Auditor is reserved to minorities.

In the event of a tie between the minority lists, the eldest candidates shall be elected to the position of Standing Auditor and the oldest candidates shall be elected to the position of Substitute Auditor, provided that the *pro tempore* regulations on gender balance are complied with.

The lists, together with the related *curricula vitae*, are published on the Company's *website* by the deadlines required by law.

The Auditors must meet the independence requirements set out in the Consolidated Law on Finance, as well as the professionalism and honourableness requirements set out in regulations issued by the Ministry of Justice, in agreement with the Ministry of Economy and Finance.

With regard to professional requirements, at least one Standing Auditor and at least one Substitute Auditor shall be chosen among those enrolled in the register of legal auditors established by law, who have carried out legal auditing activities for at least three years. For those Auditors who do not meet the above-mentioned requirement, art. 24 of the Articles of Association sets out the subjects and sectors of activity strictly related to those of the Company, in which they must have at least three years' experience, as required by the said ministerial regulation.

In addition to the requirements of applicable laws, all members of the Company's Board of Statutory Auditors are chosen from among persons who can be qualified as independent, including on the basis of the criteria set out in the Code, with reference to directors, having more regard to substance than to form.

## 11.2 COMPOSITION AND OPERATION

The Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting of May 7, 2020 for a term of three years and will expire with the Shareholders' Meeting to approve the financial statements for the year ended December 31, 2022.

The **first list** (the so-called **majority list**) was submitted by the shareholder "Falck S.p.A." by virtue of owning 174,848,336 ordinary shares of the Company representing 60% of the shares with voting rights at the Shareholders' Meeting, with the following candidates: 1. Patrizia Paleologo Oriundi - Standing Auditor; 2. Giovanna Conca - Standing Auditor; 3. Franco Aldo Abbate - Standing Auditor; 4. Daniela Delfrate - Alternate Auditor; 5. Fabio Artoni - Alternate Auditor, obtaining 74,54% of the votes of those present at the Meeting (equal to approximately 06% of the votes with respect to the share capital).

The **second list** (the so-called **minority list**) was submitted by the following funds ARCA Fondi SGR S.p.A. (manager of the funds: Arca Economia Reale Equity Italia, Arca Economia Reale Bilanciato Italia 30, Arca Azioni Italia); Eurizon Capital S.A. (manager of the fund Eurizon Fund comparto Italian Equity Opportunities); Eurizon Capital SGR S.p.A. (manager of the funds: Eurizon Progetto Italia 20, Eurizon PIR Italia 30, Eurizon Progetto Italia 70, Eurizon Azioni Italia, Eurizon PIR Italia Azioni, Eurizon Azioni PMI Italia, Eurizon Progetto Italia 40); Pramerica SGR S.p.A. (manager of the funds: Pramerica MITO 25 and MITO 50), holders of a total of 3,842,487 ordinary shares of the Company, representing 1.31857% of the shares with voting rights at the Shareholders' Meeting, with the following candidates: 1. Dario Righetti - Standing Auditor; 2. Domenico Busetto - Substitute Auditor, obtaining 125.3531857% of the votes present at the Meeting (equal to approximately 20.40% of the votes with respect to the share capital).

The lists above did not have any connection with each other.

As of the date of this Report, the Board of Statutory Auditors in office, which complies with current legislation on gender balance, is made up as follows:

### Statutory Auditors

1. Dario Righetti - Chairman
2. Patrizia Paleologo Oriundi
3. Giovanna Conca

### Alternate Auditors

1. Daniela Delfrate
2. Domenico Busetto

The remuneration of the Board of Statutory Auditors was set at the time of appointment at a total of EUR 175,000 gross per annum, of which EUR 75,000 gross per annum for the Chairman of the Board of Statutory Auditors and EUR 50,000 gross per annum for each Standing Auditor. This remuneration is in line with the competence, professionalism and commitment required by the importance of the role held within the Company, also taking into account the business sector in which it operates and the characteristics of the business actually carried out.

Table 2 attached at the end of this Report contains information - referring to the financial year - concerning the list to which they belong, their characteristics and the attendance of each Auditor at the meetings of the Board.

The list of the main offices held by each Auditor in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large-sized companies is attached to this Report *under B*); the personal and professional details of each Auditor are available on the website <https://www.falckrenewables.com/etica-governance/assemblea-azionisti#07-05-2020>, as an attachment to the list elected during the above-mentioned Meeting.

Eight meetings of the Board of Statutory Auditors were held during the year, lasting an average of approximately two hours. Eight meetings are planned for the 2022 financial year, of which two have already been held.

The Board of Auditors:

- assessed, at the first meeting following its appointment, the independence of its members;
- assessed during the year - and also when circumstances relevant to independence occurred - whether its members still meet the independence requirements;
- in carrying out the above-mentioned assessments, it considered all the information made available by each member of the Board of Statutory Auditors, assessing all the circumstances that appear to compromise the independence identified by the Consolidated Law on Finance and by the Code and applying all the criteria set out in the Code with regard to the independence of the Directors, thus confirming their existence.

The Company, by virtue of its adherence to the Code, believes that an Auditor who, on his or her own behalf or on behalf of a third party, has an interest in a particular Company transaction shall promptly and fully inform the other Auditors and the Chairman of the Board of Directors of the nature, terms, origin and extent of his or her interest.

The Board of Statutory Auditors has supervised the independence of the Independent Auditors, verifying both their compliance with the relevant regulatory provisions and the nature and extent of any services other than the legal audit of the accounts provided to the Company and its subsidiaries by the Independent Auditors and the entities belonging to their network.

In carrying out its activities, the Board of Statutory Auditors liaised with the company structures, the Supervisory Body and the Control and Risk Committee.

The coordination methods are represented by the constant presence of at least one member of the Board of Statutory Auditors at the meetings of the Control and Risk Committee, in which the head of the *Internal Audit* department also takes part, *and at* those of the Remuneration Committee and the *Sustainable Strategy Committee*.

## 12. RELATIONS WITH SHAREHOLDERS

The Company actively strives to establish an ongoing dialogue with shareholders, institutional investors and the market, in order to ensure the systematic dissemination of complete, correct and timely information on its business, in compliance with the confidentiality requirements that some information may require and with the procedure for the handling and disclosure to the public of inside information.

Information to investors, the market and the *media* on periodic reports, events and significant transactions is ensured by press releases, *analyst conference calls* and meetings with institutional investors and financial analysts also attended by members of *top management (roadshows)*: during 2021 all meetings were held in virtual mode.

Moreover, the information is disseminated to the public by means of publication on the Company's website ([www.falckrenewables.com](http://www.falckrenewables.com)), where an easily identifiable and accessible "*Investor Relations*" section is available, containing economic and financial information, as well as data and documents of interest to shareholders in general, so as to allow the latter to exercise their rights in an informed manner.

In the "*Ethics and Governance*" section it is possible to access all relevant information regarding the *governance* system, the Company's corporate bodies and shareholders' meetings, the regulations, the procedure for transactions with related parties and the Model.

Since the Company's listing in 2002, and compulsorily since 2004 on the occasion of its admission to the Euronext STAR Milan segment, the *Investor Relations* structure in charge of managing relations with shareholders, investors and analysts has been operational.

The *Investor Relations Manager* can be contacted at the following numbers:

Via Alberto Falck 4/16 - 20099 Sesto San Giovanni (Milan)

Tel. +39 02.2433.3338

E-mail: [giorgio.botta@falckrenewables.com](mailto:giorgio.botta@falckrenewables.com)

By resolution dated April 15, 2021, the Board of Directors, upon the joint proposal of the Chairman and the Chief Executive Officer, adopted a policy for managing dialogue with the Company's general shareholders ("**Engagement Policy**").

The purpose of the Engagement Policy is to formalize the process of communication and interaction with the market, aware of the fact that a systematic dialogue between the Shareholders and the Company contributes to the achievement of sustainable long-term success of the Company. The general principles of the Engagement Policy are those of transparency, timeliness, fairness, symmetry and equity in the dissemination of information so as to ensure equal treatment of all Shareholders and compliance with the provisions of the law and the Code.

Specifically, the general principles of engagement are broken down into the following modes of action:

- two-way proactive interaction between the Company and its Shareholders in order to encourage the latter's engagement in the Company's activities and to consolidate their sense of belonging through constant and effective constructive dialogue aimed at aligning the interests of the Shareholders themselves with those of the Company;
- support the Board of Directors in obtaining information and requests from Shareholders regarding Board Accountability and Management Accountability issues;
- opening up of channels for discussion and dialogue with Shareholders;
- respect for equal treatment of Shareholders by establishing appropriate measures to avoid information asymmetries.

The Engagement Policy is available on the Company's website in the "Corporate Governance - Documents and Procedures" section <https://www.falckrenewables.com/it/etica-governance>.

### 13. SHAREHOLDERS' MEETINGS

Pursuant to art. 13 of the Articles of Association, the Ordinary and Extraordinary Shareholders' Meeting is convened by means of a notice published on the Company's website and in compliance with the other modalities set out by the law and regulations in force, as well as - if mandatory or whenever the Board of Directors deems it necessary - in the Official Journal of the Italian Republic or in the daily newspaper "Il Sole 24 Ore", "Corriere della Sera", "Milano Finanza" or "Avvenire".

The convocation of the Shareholders' Meeting, which may take place in Italy even outside the municipality where the registered office is located, the right to attend and representation at the meeting are governed by law.

The notice of call may also contain the date of any subsequent calls. The Board of Directors may establish, should it deem it advisable, that the Ordinary and Extraordinary General Meetings be held following a single call.

Pursuant to art. 135-undecies of the Consolidated Law on Finance, the Company indicates for each Shareholders' Meeting a person to whom a proxy with voting instructions on the proposals on the agenda may be given by the end of the second trading day prior to the date set for the Meeting. The notice of call indicates the identity of the person designated by the Company for the conferral of proxies. The proxy may be notified electronically to the Company in accordance with one of the methods provided for in the applicable regulations.

The regular constitution of the ordinary and extraordinary meetings and the validity of the relevant resolutions are governed by the law and the articles of association.

Pursuant to article 14 of the Articles of Association, the applicable provisions of law and regulations apply to participation in the Shareholders' Meetings.

The legitimacy to attend the Meeting and exercise the voting right is certified by a communication to the Company made by the intermediary, in compliance with its accounting records, in favour of the person entitled to vote, based on the evidence relating to the end of the accounting day of the seventh trading day prior to the date set for the Meeting on first call.

Communications must be received by the Company by the end of the third trading day prior to the date set for the Meeting. This does not affect the right to attend and vote if the notifications are received by the Company after the above-mentioned deadlines, provided that they are received before the start of the meeting's work on single call.

The main powers of the Shareholders' Meeting, as well as the shareholders' rights and the procedures for exercising them, are governed by the applicable laws and regulations.

The Articles of Association foresee the possibility to express the vote electronically and to intervene at the Meeting by means of telecommunications if this is foreseen in the notice of call.

Within the time limits set out by law, the Company publishes on its website the documents to be submitted to the examination and approval of the Shareholders' Meeting, as well as the form that Shareholders may use for proxy.

The conduct of Shareholders' Meetings is governed by the Regulations for Shareholders' Meetings ("**Regulations**"), which are available on the Company's website in the section "Corporate Governance - Documents and Procedures" <https://www.falckrenewables.com/it/etica-governance>, and which govern the procedures for taking part in them, the verification of legitimacy, with particular reference to the collection of proxies, the powers of the Chairman with regard to the constitution of the Meeting, the opening of proceedings, discussions and the procedures for voting and the counting of votes.

As provided for by art. 3 of the Regulations, the operations to verify the legitimacy of those who intend to attend or participate in the Meeting are carried out by personnel appointed by the Company well in advance of the time set out in the notice of call.

Those attending as representatives of one or more eligible voters must document their eligibility.

Each shareholder is provided with the complete *set of* documents needed to attend the Meeting.

Pursuant to article 6 of the Regulations, each shareholder has the right to take the floor on each of the items on the agenda put forward for discussion, to make observations and to put forward proposals.

A request for the floor may be made until the Chairman has declared the discussion on the subject to be closed.

Speeches must be clear and concise, strictly pertinent to the subjects discussed and must be given in the time deemed appropriate by the Chairman.

The Chairman or, upon his invitation, whoever is assisting him, answers the questions and issues raised by the speakers immediately or at the end of all the speeches.

The Chairman also explains the answers provided by the Company to the questions asked before the Meeting pursuant to art. 127-ter of the Consolidated Law on Finance, which he deems to be of general interest, and answers the questions received within the time limits that have not yet been answered.

Multiple submissions with the same content can only be answered once.

Each person entitled to vote may state the reason for his or her vote in the time strictly necessary.

Voting shall be by show of hands.

Once voting has been completed, the Chairman announces the results, declaring approved those resolutions which have obtained the favourable vote of the majority required by law, by the Statute or by the Regulations.

The Regulations are published on the page <https://www.falckrenewables.com/etica-governance> in the section "Corporate Governance - Documents and Procedures".

Those who intend to leave the Meeting before the end and in any case before a vote must notify the staff in charge of updating the votes.

Ten Directors and two Statutory Auditors attended the Annual General Meeting held on April 29, 2021.

Eight Directors and two Statutory Auditors attended the Special and Regular Meeting held on December 14, 2021.

The Board of Directors did not deem it necessary to draw up reasoned proposals on the definition of the corporate governance system to be submitted to the Shareholders' Meeting.

#### **14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES**

The corporate governance practices adopted by the Company are those required by law and applicable regulatory obligations as well as those set forth in the Code.

As explained above, the Company has adopted the Model pursuant to Legislative Decree no. 231/2001.

##### **14. 1 Whistleblowing" reporting system**

The Company has set up a system for reporting any irregularities or violations of the applicable regulations and internal procedures, which guarantees the anonymity of the reporting party, in line with existing national and international *best practices*.

The Whistleblowing Portal (available on the Company's website at <https://www.falckrenewables.com/it/etica-governance/whistleblowing>) is available to those (employees, customers, suppliers, business partners, lenders, consultants, collaborators) who, in good faith and in accordance with ethical principles of integrity, wish to report on the aspects referred to therein.

#### **15. MORE INFORMATION**

##### **15.1 Regulatory simplification adopted by CONSOB: adherence to the OPT-OUT regime**

The Board of Directors, having acknowledged the regulatory simplification process adopted by Consob with resolution no. 18079 of January 20, 2012, adhered to the *opt-out* regime pursuant to Articles 70, paragraph and 6 71, paragraph 1, of the Issuers' Regulation no. 11971/99 (as amended and supplemented). As a result of this adherence, the Company may waive the obligation to publish the prescribed disclosure documents in the event of significant mergers, spin-offs, capital increases by means of contributions in kind, acquisitions and disposals.

#### **16. CHANGES SINCE THE END OF THE REPORTING PERIOD**

On October 19, 2021, IIF Int'l Acquisitions Ltd., a public limited company (*exempted company limited by shares*) with its registered office at Uglan House, South Church Street, George Town, KY1-1104, Grand Cayman, Cayman Islands, registered in the local commercial register under MC number 184347 ("**IIF**"), and Falck S.p.A, a joint stock company with registered office at Corso Venezia 16, Milan, registered in the ordinary section of the Milan companies register under no. 00917490153, entered into a share purchase agreement (the "**Agreement**") regarding the acquisition by IIF of the entire stake held by Falck S.p.A. in Falck Renewables, amounting to 174,848,336 shares representing 60% of the share capital of Falck Renewables (the "**Transaction**").

On February 24, 2022, the Company was informed of the completion of the Transaction, which gave rise to the obligation for Green BidCo S.p.A. to promote a mandatory takeover bid, pursuant to Articles 102 and 106, paragraph 1, of Legislative Decree no. 58 of February 24, 1998 on the remaining share capital of the Company. In this regard, on February 24, 2022 Green BidCo S.p.A. published the notice pursuant to Article 102, paragraph 1, of Legislative Decree no. 58 of February 24, 1998, in which it announced that, through this bid, it intends to achieve the delisting of the Company's ordinary shares from Euronext Milan.



Following completion of the Transaction, indirect control over Falck Renewables pursuant to and for the purposes of articles 2359, paragraph 1, no. 1, and paragraph 2 of the Italian Civil Code and 93 of the Consolidated Law on Finance was acquired by IIF Int'l Holding LP, which (i) indirectly controls Green BidCo S.p.A., direct controlling shareholder of Falck Renewables, and (ii) acts by its general partner IIF Int'l Holding GP LLC.

Following completion of the Transaction, legal control over Falck Renewables pursuant to and for the purposes of articles 2359, paragraph 1, no. 1, of the Italian Civil Code and 93 of the Consolidated Law on Finance was acquired by Green BidCo S.p.A..

Finally, it should be noted that, at the date of approval of this Report, the Company's Board of Directors resolved to make certain amendments (effective as of the date of approval of this Report and, therefore, not applicable to the 2021 financial year) to Falck Renewables' "*Corporate Governance Rules*", which contain, inter alia, the rules and procedures for the functioning of the Board of Directors and its committees. The "*Corporate Governance Regulations*", as last amended, are available on the Company's *website* in the "Corporate Governance - Documents and Procedures" section (<https://www.falckrenewables.com/it/etica-governance>).

## 17. SUMMARY TABLES

**17.1. Table 1: Structure of the Board of Directors and Committees as of December 31, 2021.**

BOARD OF DIRECTORS													CRC		RemCo		SSC	
Charge	Components	Year of birth	Date of first appointment	In office since	In office until	List ..	Exec.	Non-Esec.	Independent of CG Code.	Indep. TUF	N.other assignments ...	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Enrico Falck	1975	10/11/03	07/05/20	app. bil. 2022	M	X				2	14/14					4/4	C
Vice Chairman	Guido Corbetta	1959	26/07/10	07/05/20	app. bil. 2022	M		X			5	14/14						
Chief Executive Officer - ◊	Toni Volpe	1972	04/02/16	07/05/20	app. bil. 2022	M	X				1	14/14					4/4	M
Director ◦	Paolo Pietrogrande	1957	27/04/17	07/05/20	app. bil. 2022	M		X	X	X	3	14/14	12/12	C	11/11	M		
Director	Elisabetta Caldera	1970	29/04/14	07/05/20	app. bil. 2022	M		X	X	X	-	14/14	12/12	M	11/11	C		
Director	Nicoletta Giadrossi	1966	07/05/20	07/05/20	app. bil. 2022	M		X	X	X	3	14/14			11/11	M	4/4	M
Director	Federico Falck	1949	21/02/02	07/05/20	app. bil. 2022	M		X			2	13/14						
Director	Filippo Marchi	1969	29/04/14	07/05/20	app. bil. 2022	M		X			1	13/14						
Director	Andrew Lee Ott	1962	07/05/20	07/05/20	app. bil. 2022	M		X	X	X	-	14/14					4/4	M

Director	Marta Dassù	1955	27/04/17	07/05/20	app. bil. 2022	M		X	X	X	1	14/14					4/4	M
Director	Georgina Grenon	1972	27/04/17	07/05/20	app. bil. 2022	M		X	X	X	-	14/14					4/4	M
Director	Silvia Stefini	1964	07/05/20	07/05/20	app. bil. 2022	m		X	X	X	2	14/14	12/12	M				

-----DIRECTORS TERMINATED DURING THE REPORTING YEAR-----

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No. of BoD meetings held during the year: 14	Audit and Risk Committee: 12	Remuneration Committee: 11	Sustainable Strategy Committee: 4
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**Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to art. 147-ter of the Consolidated Law on Finance): 1.00%.**

**LEGEND**  
**CRC** - Control and Risk Committee  
**RemCo** - Remuneration Committee  
**SSC** - Sustainable Strategy Committee

**NOTES**  
The symbols below should be entered in the "Load" column:  
- This symbol indicates the director in charge of the internal control and risk management system.  
◇ This symbol indicates the person primarily responsible for the management of the issuer (Chief Executive Officer or CEO).  
○ 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 shows the list from which each director was taken ("M": majority list; "m": minority list; "BoD": list submitted by the BoD).  
\*\*\* This column shows the number of offices as director or auditor held by the person concerned in other companies listed on regulated markets, including foreign ones, in financial, banking, insurance or large-sized companies. In the Corporate Governance Report the offices are indicated in full.  
(\*). This column shows the attendance of Directors at Board and Committee meetings (indicate the number of meetings attended with respect to the total number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).  
(\*\*). This column indicates the status of the director within the Committee: "C": chairman; "M": member.

## 17.2. Table 2: Structure of the Board of Statutory Auditors

BOARD OF AUDITORS									
Charge	Components	Year of birth	Date of first appointment	In office since	In office until	List **	Independent of CG Code	Attendance at College Meetings ...	N.other assignments ....
President	Dario Righetti	1957	07/05/20	07/05/20	app. bil. 2022	m	x	8/8	9
Standing Auditor	Patrizia Paleologo Oriundi	1957	07/05/20	07/05/20	app. bil. 2022	M	x	8/8	7
Standing Auditor	Giovanna Conca	1958	29/04/14	07/05/20	app. bil. 2022	M	x	8/8	4
alternate auditor	Daniela Delfrate	1965	07/05/20	07/05/20	app. bil. 2022	M			
alternate auditor	Domenico Busetto	1957	07/05/20	07/05/20	app. bil. 2022	m			
----- AUDITORS WHO RESIGNED DURING THE YEAR -----									
<b>Number of meetings held during the reporting year: 8</b>									
<b>Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to art. 148 of the Consolidated Law on Finance): 1.00%.</b>									
<b>NOTES</b>									
* The date of first appointment of each auditor means the date on which the auditor was appointed for the first time (ever) to the Board of Statutory Auditors of the issuer.									
** This column shows the list from which each auditor was taken ("M": majority list; "m": minority list).									
*** This column shows the Auditors' participation in the meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the total number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).									
**** This column shows the number of offices of director or auditor held by the person concerned pursuant to art. 148-bis of the Consolidated Law on Finance and the related implementing provisions contained in the Consob Issuers' Regulations. The complete list of offices is published by Consob on its website pursuant to art. 144-qui quiesdecies of the Consob Issuers' Regulations.									

### 17.3. Annex A) to the Report on Corporate Governance and Ownership Structure

List of the main offices held (as at December 31, 2021) by each Director in other companies listed on regulated markets, including foreign ones, in financial, banking, insurance or large-sized companies.

ADVISORS	COMPANY	CHARGE
ENRICO FALCK	FALCK S.p.A. Compagnia Fiduciaria Nazionale S.p.A.	Chairman Director
GUIDO CORBETTA	Fontana Finanziaria S.p.A B&D Holding S.p.A. The Equity Club S.r.l.  Feralpi Holding S.p.A. Vitale Barberis Canonico S.p.A.	Director Director Chairman of the Board of Directors  Director Chairman of the Board of Directors
VOLPE TONI	Shoals Technologies Group	Director
ANDREW LEE OTT	-----	No charge
ELISABETTA CALDERA	-----	No charge
NICOLETTA GIADROSSI	Capricorn Energy plc Royal Vopak N.V. Brembo S.p.A.	Chairman Director Director
FEDERICO FALCK	FALCK S.p.A. Banca Popolare di Sondrio Scpa	Director Director
SILVIA STEFINI	Italgas S.p.A. Equor Capital Partners Sgr SpA	Director Director
FILIPPO MARCHI	FALCK S.p.A.	Director
PAOLO PIETROGRANDE	MAPS S.p.A. Neodecortech S.p.A. Edera S.r.l. social enterprise	Independent director Independent director Chairman of the Board of Directors
GEORGINA GRENON	-----	No charge
MARTA DASSU'	Trevi Finanziaria Industriale S.p.A.	Independent Director

## 17.4. Annex B) to the Report on Corporate Governance and Ownership Structure

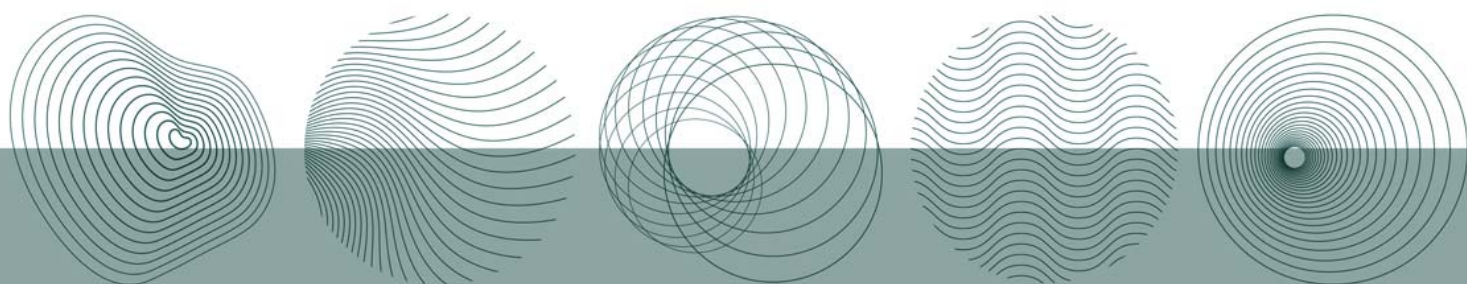
List of the main offices held by each Auditor (as at December 31, 2021) in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large-sized companies

AUDITORS	COMPANY	CHARGE
DARIO RIGHETTI	Luxtottica Group S.p.A. Luxottica S.r.l. Luxottica Italia S.r.l. ENAV S.p.A. Bouygues Intec Italia S.p.A. Farmaè S.p.A. Barberini S.p.A. Salmoiraghi & Viganò S.p.A. SDF Group S.p.A.	Standing Auditor Standing Auditor Standing Auditor Chairman of the Board of Statutory Auditors Standing Auditor Independent Director Standing Auditor Standing Auditor Chairman of the Internal Control Committee
GIOVANNA CONCA	Bank 5 S.p.A. Neva SGR Futura Invest S.p.A. 2i Rete Gas S.p.A.	Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors
PATRIZIA PALEOLOGO ORIUNDI	Helvetia Italia Assicurazioni S.p.A. Helvetia Vita S.p.A. Virgin Active Italia S.p.A. Blend Management S.r.l. Cushman & Wakefield AS Italy S.r.l. Centurvue S.p.A. Ford Credit Italia S.p.A. Silver Fir Capital Sgr SpA LU-VE S.p.A. Recordati Industria Chimica e Farmaceutica S.p.A.	Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Auditor Sole Auditor Standing Auditor Standing Auditor Alternate Auditor Alternate Auditor Alternate Auditor



# Falck Renewables

**PURE POWER TO GROW**



**FALCK RENEWABLES**

[www.falckrenewables.com](http://www.falckrenewables.com)