



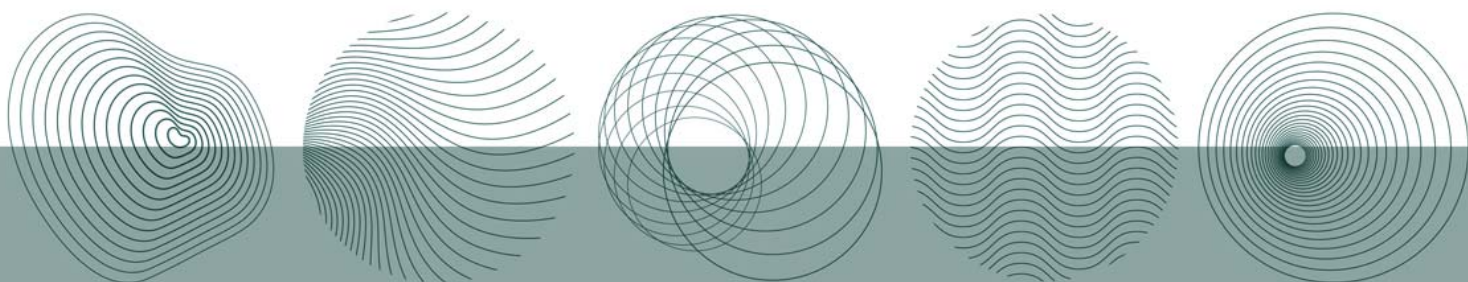
Falck Renewables

PURE POWER TO GROW

2020 REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

pursuant to art. 123-bis of Italian Legislative Decree 58 of 24 February 1998

Issuer: Falck Renewables S.p.A.
Operating period the Report refers to: 2020
Date of approval of the Report: 11 March 2021



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GLOSSARY

Code/Code of Conduct: The Code of Conduct of listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria

Non-Financial Statement: the Consolidated Statement of Non-Financial information prepared in compliance of the European Directive no. 2014/95/EU, implemented into national law with Italian Legislative Decree no. 254/2016

Financial Reporting Officer: Manager responsible for preparing the company's financial reports

Operating period: operating period the Report refers to

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

Model: Organisation and Management Model pursuant to Italian Legislative Decree 231/2001

Issuer's Regulations: the Regulation, issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) on the topic of issuers.

Report: the 2020 Corporate Governance and Share Ownership Report pursuant to art. 123-bis Italian Consolidated Finance Act

Control System: the internal control and risk management system

Company: Falck Renewables S.p.A.

Articles of Association: the Articles of Association adopted by Falck Renewables S.p.A. as lastly amended on 17 November 2020

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

INTRODUCTION

Falck Renewables S.p.A. adopts the provisions of the Code, following its recommendations, as the reference model for its own corporate governance.

Pursuant to article 123-bis, paragraphs 1, 2 and 3 of the Consolidated Finance Act, the Report provides the information referring to the operating period, unless otherwise expressly stated, with regard to the corporate governance system and the share ownership structure of Falck Renewables S.p.A. as well as its compliance with the Code.

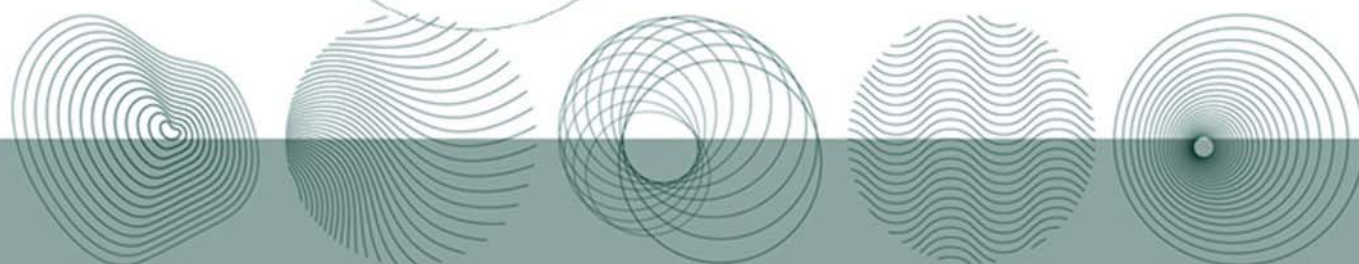
The Report is preceded by an "Executive Summary" which indicates the main elements that characterise the corporate governance system.

The Report was prepared in accordance with the format for corporate governance and share ownership reports of Borsa Italiana (VIII Edition of January 2019), available at the following address:

<https://www.borsaitaliana.it/comitato-corporate-governance/documenti/format2019.en.pdf>



EXECUTIVE SUMMARY
of the report on corporate
governance and ownership
2020 Financial Year

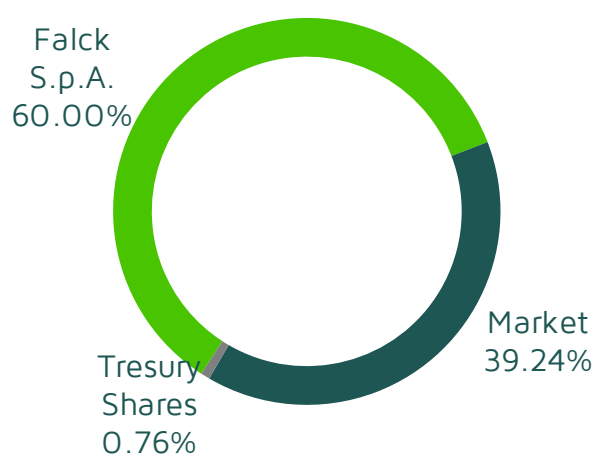


MAIN HIGHLIGHTS OF FALCK RENEWABLES

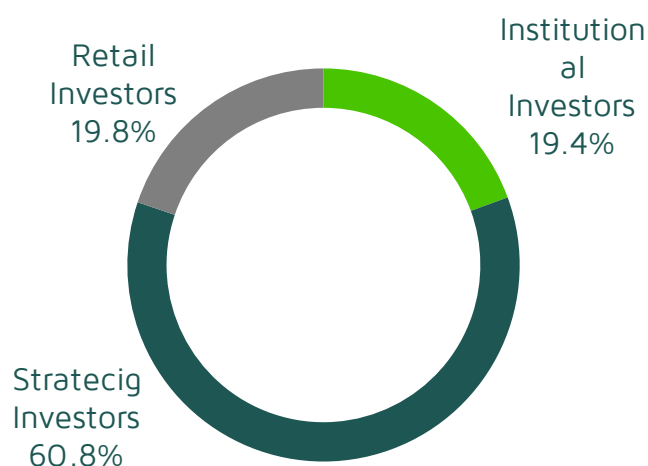
Figures in millions of Euros (consolidated values)	2019	2020	Change
Revenues	374.5	384.4	3%
EBITDA	204.0	197.2	-3%
EBIT	114.4	111.3	-3%
FNC	720.8	705.5	-2%
Capitalisation as at 30/12	1.387.1	1920.4	38%
Employees	499	553	11%
Sector	Production of electricity from renewable sources (wind, Waste-to-Energy, biomass and photovoltaic plants), provision of management services for plants for the production of renewable energy and the development and sale of plants, also to third parties		

SHAREHOLDERS

BREAKDOWN OF SHAREHOLDERS



TYPE OF SHAREHOLDING INVESTORS



OTHER SHAREHOLDERS' CHARACTERISTICS

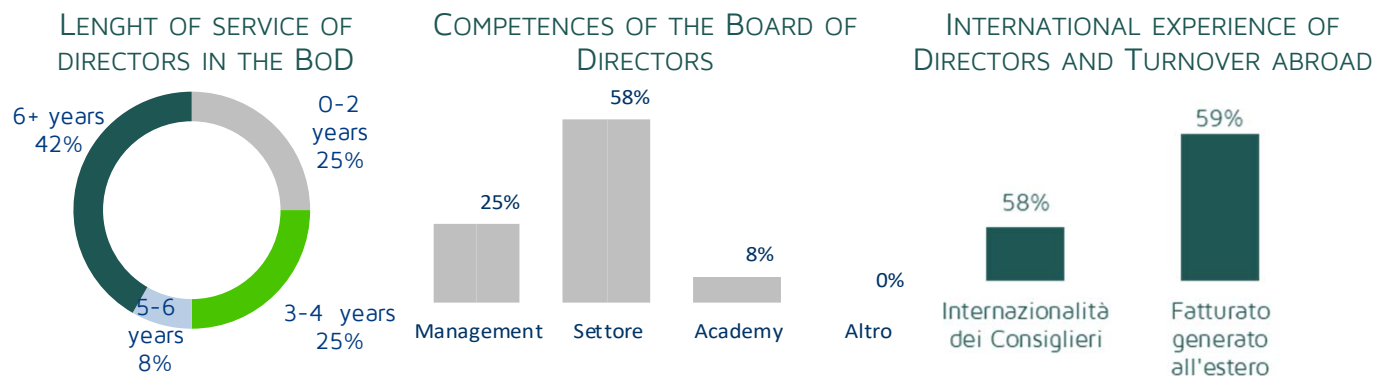
	Yes/No	% of corporate capital
Presence of Shareholder Pact	no	
Shares held by Top Management	yes	0.04%
Shareholding thresholds for the filing of lists	yes	1.00%

COMPOSITION OF THE BOARD OF DIRECTORS

STRUCTURE OF THE BOARD OF DIRECTORS

Director	Office	Role	M/m	CCR	RemCo	SSC
Enrico Falck	Chairman	Executive	M			P
Guido Corbetta	Deputy Chairman	Non-Executive	M			
Toni Volpe	Chief Executive Officer and General Manager	Executive	M			C
Federico Falck	Director	Non-Executive	M			
Filippo Marchi	Director	Non-Executive	M			
Andrew Lee Ott	Director	Independent	M			C
Elisabetta Caldera	Director	Independent	M	C	P	
Nicoletta Giadrossi	Director	Independent	M		C	C
Georgina Grenon	Director	Independent	M			C
Marta Dassù	Director	Independent	M			C
Paolo Pietrogrande*	Director	Independent	M	P	C	
Silvia Stefini	Director	Independent	m	C		

CCR: Control and Risk Committee, RemCo: Remuneration Committee, SSC: Sustainability Strategy Committee, M: Majority, m: minority, P: Chairman, C: component, * Lead Independent Director.

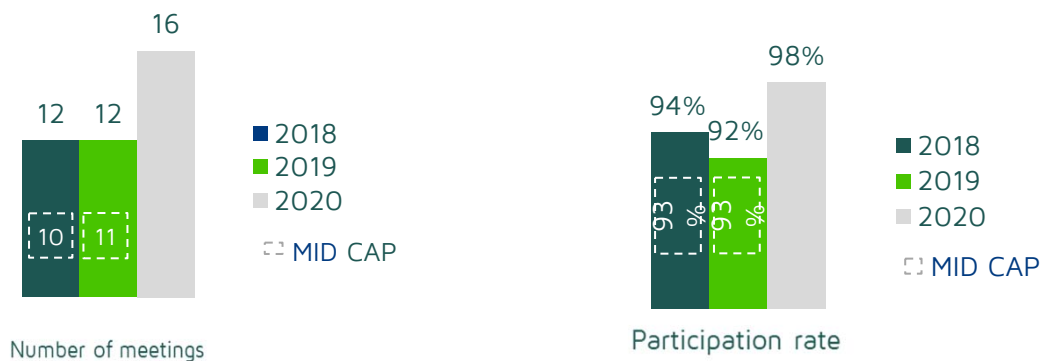


DEVELOPMENT COMPARED TO PREVIOUS MANDATE

	Previous mandate (2017-2019)	Current mandate (2020-2022)	MID CAP (2019 financial years)
Number of Directors	12	12	10.8
Directors elected by minority interests	1	1	1.2
% of women on the Board of Directors	41.7%	41.7%	36.6%
% of independent directors	58.3%	58.3%	52%
Average age of Directors	54.6	56.8	58.1
Executive nature of Chairman	Yes	Yes	
Existence of Lead Independent Director	Yes	yes	

OPERATION OF THE BOARD OF DIRECTORS

NUMBER OF MEETING OF THE BOARD OF DIRECTORS AND PARTICIPATION RATE



OFFICES OF DIRECTORS OR STATUTORY AUDITOR OF FALCK RENEWABLES DIRECTORS IN OTHER COMPANIES

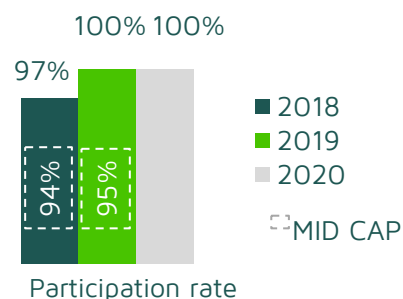
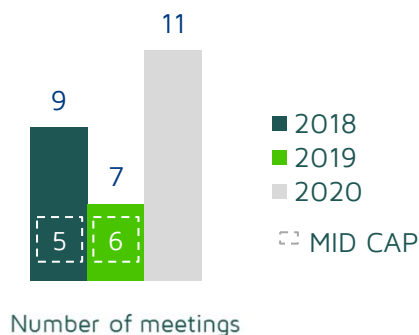
	Other unlisted companies of significant size			
	Exec. Dir.	Non-Exec. Dir.	Indep. Dir.	Statutory Auditor
Enrico Falck	-	2	-	-
Guido Corbetta	-	5	1	-
Toni Volpe	-	-	-	-
Federico Falck	-	2	-	-
Filippo Marchi	-	1	-	-
Andrew Lee Ott	-	-	-	-
Elisabetta Caldera	-	-	-	-
Nicoletta Giadrossi	-	2	1	-
Georgina Grenon	-	-	-	-
Marta Dassù	-	-	1	-
Paolo Pietrogrande	-	1	2	-
Silvia Stefini	-	1	-	-

BOARD EVALUATION PROCESS

	Performance	Evaluating party
Board evaluation	yes	External company

REMUNERATION

NUMBER OF MEETING OF THE REMUNERATION COMMITTEE AND PARTICIPATION RATE



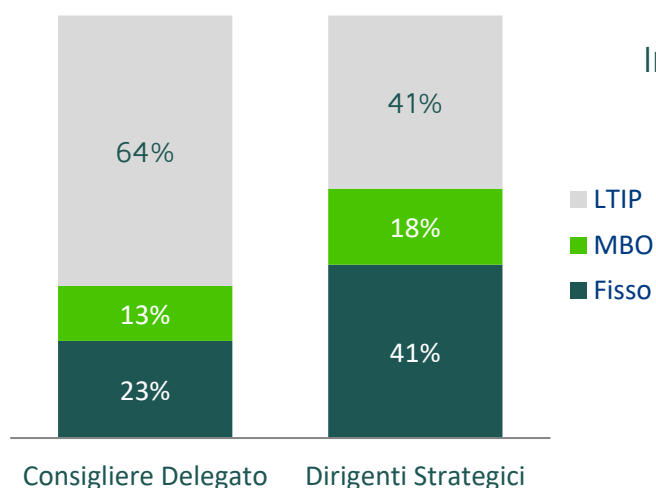
INCENTIVE SYSTEMS SHORT TERM (MBO)

	No	Yes
Existence of a short-term incentive system		X
MBO parameters for the Chief Executive Officer	Weighting	
NFP / EBITDA	Condition on/off	
EBITDA	35%	
Development pipelines	45%	
Community engagement	10%	
Gender diversity	10%	

INCENTIVE SYSTEMS LONG TERM (LTIP)

	No	Yes
Existence of a long-term incentive system		X
LTIP Vehicles		
Cash (three-year period)		X
Financial instruments		X
LTIP Parameters for the Chief Executive Officer	Weighting	
NFP/EBITDA	Condition on/off	
Three-year cumulative EBITDA	Condition on/off	
Price of FKR shares	100%	

THEORETICAL PAY FOR THE CHIEF EXECUTIVE OFFICER AND STRATEGIC DIRECTORS

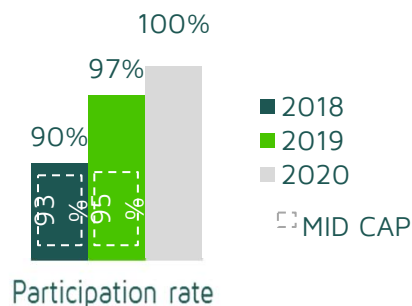
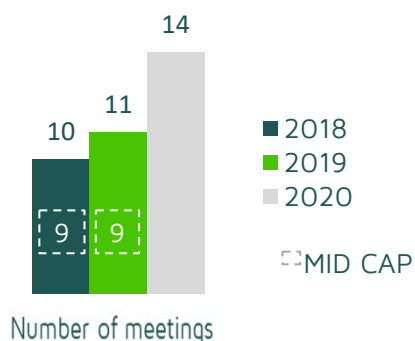


INDEMNITY AND NON-COMPETE AGREEMENTS

	Yes/No
Early termination	Yes
End of mandate pay	Yes
Non-compete agreements	No

CONTROL AND RISK SYSTEM

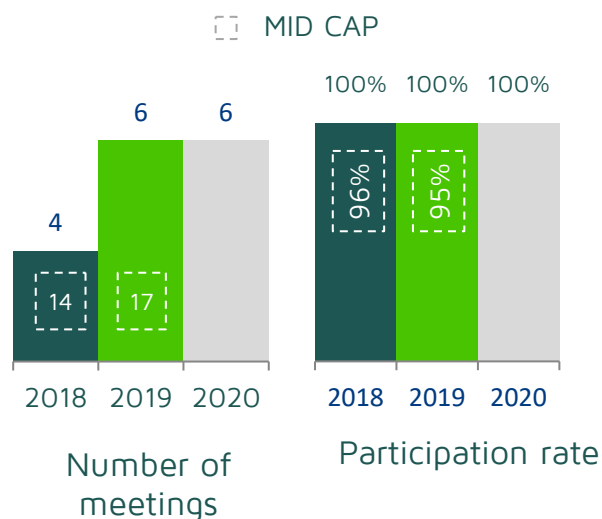
NUMBER OF MEETINGS OF THE CONTROL AND RISK COMMITTEE AND PARTICIPATION RATE



COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

NUMBER OF MEETINGS OF THE BOARD OF STATUTORY AUDITORS AND PARTICIPATION RATE

Statutory Auditors	Office	Indep. pursuant to Code of Conduct	Other Offices
Dario Righetti	Chairman	x	6
Patrizia Paleologo Oriundi	Standing auditor	x	8
Giovanna Conca	Standing auditor	x	2
Daniela Delfrate	Alternate auditor		
Domenico Busetto	Alternate auditor		



MAIN ELEMENTS OF THE CONTROL AND RISK SYSTEM

	Yes/No
Presence of the Risk Management function	yes
Is there an Enterprise Risk Management plan?	yes
Presence of succession plans	yes

SUSTAINABILITY

Falck Renewables is an international pure play in the field of renewable energy, active in the development, design, building and management of plants for the production of electricity from renewable sources.

Falck Renewables' commitment to the promotion of a sustainable development of the areas in which it operates represents its effective contribution to the achievement of the 9 Sustainable Development Goals set by the 2030 United Nations Agenda.



In 2020 the Company started to fulfil its obligations with regard to its first Non-Financial Information Statement.

The Company has been for some time committed to sustainability at environmental, social and governance level, paying the greatest attention to the impact it has on the territories in which it operates and on the local communities, also through the adoption of specific procedures.

With resolution of the Board of Director of 2 March 2021, the Company adopted the Sustainability Framework document, aimed at defining the Group's approach to sustainability. In particular, the main elements highlighted in the above document are as follows: integration with risk management; alignment with the new business plan; development of sustainability analysis into economic and productive capital (generation of economic value in the long term, sustainability of risks, relations with authorities in the regulatory environment), social and relational capital (supply chain management; relations with local communities and local development), environmental and climate capital (climate change; management and protection of the environment), 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 has further pursued its commitment on the issue of sustainability, with specific attention paid to the updating of the materiality matrix and mapping of external stakeholders, with a corresponding deeper analysis of the latter's perceptions.

1. ISSUER'S PROFILE

The Company, together with its subsidiaries, develops, designs, builds and manages plants for the production of energy from renewable sources, with an installed capacity of 1,196 MW in 2020 (1,159 MW on the basis of the IFRS 11 reclassification) in Italy, Great Britain, United States, Spain, Norway, Sweden and France, for over two and a half billion kWh per year, diversified into wind, solar, biomass and waste-to-energy technologies. The objective for 2025 is to reach a total installed capacity of 2,300 MW.

The Group is an international player in technical consultancy for third party renewable energy and asset management through its subsidiary Vector Cuatro, which supplies services for a total installed capacity of around 3 GW, thanks to an experience accrued in more than 40 countries.

The Group has increased its business perimeter in the service sector, focusing also on the development and implementation of Energy Management and energy efficiency and flexibility activities.

The Company is also committed to build a genuine and lasting relationship with the territory in which it operates and those who live there, becoming the representative of the United Nations' Sustainable Development Goals.

The corporate governance adopted by the Company is inspired by the recommendations and regulations included in the Code in the belief, on the one hand, that having a structured rules system allows the Company to operate in accordance to maximum efficiency criteria and, on the other, that ensuring maximum transparency contributes to improving the Company's reliability for investors.

It is noted that, following the resolution of 3 December 2020, the Board of Directors reviewed its own Corporate Governance Regulation to align it with the new content of the Corporate Governance Code, approved by the Corporate Governance Committee of Borsa Italiana S.p.A. on 31 January 2020 and which will apply from 2021.

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

The Company's governance structure is composed of the following bodies:

- a) Shareholders' Meeting;
- b) Board of Directors: which operates through the Managing Director, as executive director, within the limits of the powers assigned to them. The Board of Directors is assisted by advisory Committees and in particular by the Control and Risks Committee, the Remuneration Committee and the Sustainable Strategy Committee;
- c) Board of Statutory Auditors;
- d) Independent Auditors.

The following constitute the governance instruments:

- a) the Code of Ethics, whose last update was approved by the Board of Directors on 21 July 2020;
- b) the Model, whose last update was approved by the Board of Directors on 3 December 2020;
- c) the procedure for transactions with related parties, adopted by the Board of Directors on 12 November 2010;
- d) the procedure for the processing and disclosure of privileged information to the public and for the maintenance of the Register of people with access to Privileged Information, whose last update was approved by the Board of Directors on 18 July 2017;
- e) the Internal Dealing Procedure, whose last update was approved by the Board of Directors on 14 June 2017;

- f) the Corporate Governance Regulation, whose last update was approved by the Board of Directors on 3 December 2020;
- g) the guidelines relating to the total number of offices adopted by the Board of Directors on 27 April 2017.

The above mentioned documents are available on the company's website www.falckrenewables.eu, in the Corporate Ethics and Corporate Governance section.

SME qualification

In the 2020 operating period, the Company lost its SME qualification pursuant to art. 1, paragraph 1, letter w-quater.1) of the Consolidated Finance Act as its capitalisation exceeded the reference threshold in the 2018-2020 three year period.

The loss of the SME qualification on the part of the Company involves the application of a further threshold relevant for the purposes of the disclosure obligation of relevant shareholdings, pursuant to art. 120 of the Consolidated Finance Act, of 3% of capital (referring, in the case of companies that envisage the increase of the vote as Falck Renewables with respect to the overall voting rights).

2. DISCLOSURES on the SHARE OWNERSHIP STRUCTURE (pursuant to article 123-bis of the Consolidated Finance Act) as at 31 December 2020

a) Capital structure

The Company has a fully underwritten and paid up corporate capital of €291,413,891, divided into 291,413,891 ordinary shares without a nominal value, listed on the MTA market (STAR Sector) managed by Borsa Italiana S.p.A.

There are no voting shares other than ordinary shares.

With the exception of what is described in paragraph d) below, each Company ordinary share gives right to one vote.

On 15 September 2020 the Board of Directors of Falck Renewables S.p.A. resolved the issue of a senior unsecured equity linked green loan bond for an amount of € 200 million with maturity on 23 September 2025 (the "Loan Bond" or the "Loan") reserved to qualified investors. The placing of the Loan Bond was launched on 15 September 2020 and closed on 16 September 2020.

The transaction was regulated through the issue of convertible bonds and payment and the payment of the subscription price on 23 September 2020.

On 13 November 2020, the above mentioned convertible bonds were admitted for trading on the multilateral trading system called Vienna MTF, managed by the Vienna stock exchange, with start of trading on 17 November 2020.

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

- (i) the convertibility of the Loan Bond, and
- (ii) the proposal of a divisible increase the corporate capital for cash, with the waiver of option rights pursuant to art. 2441, sub-sections 5 and 8, of the Italian Civil Code, for the conversion of the Loan Bond.

The revenue from the issue of the bonds have been and will continue to be used, if necessary in conjunction with the liquidity available to the Company or to be subsequently received, to finance and/or refinance projects meeting the definition of Eligible Green Asset, as defined by the Company's

Green Financing Framework, drafted in compliance with the Green Bond Principles published by the International Markets Association (ICMA) in 2018 and the Green Loan Principles published by the Loan Market Association (LMA) in May 2020.

The loan assigns the bondholders the right to ask for the conversion of their bonds into newly issued ordinary shares and the Company the option to replay the Loan at its nominal value early and in full.

No incentive plans have been introduced based on shares that involve capital share increases, also without payment)

CORPORATE CAPITAL STRUCTURE				
	N° shares	% of corporate capital	Listed (indicate the markets) / unlisted	Rights and obligations
Ordinary shares	291,413,891	100%	Listed on the MTA market (STAR sector)	Rights and obligations for ordinary shares
Shares with multiple voting rights	–	–	–	–
Shares with limited voting rights	–	–	–	–
Shares with no voting rights	–	–	–	–
Other	–	–	–	–

At the date of preparation of this Report, the corporate capital structure is unchanged.

b) Restrictions on share transfers

There are no statutory restrictions on the transfer of outstanding shares nor any acceptance clauses with an impact on free transfers.

c) Significant holdings of corporate capital

Pursuant to art. 93 of the TUF, the Company is owned by Finmeria S.r.l. through Falck S.p.A. (60%) At the date of the Report, on the basis of the information in the Share Register and taking into account the communications received in accordance with the law and other available information, the following subjects own, directly or indirectly, Company shares accounting for 3% or more of the corporate capital:

SIGNIFICANT HOLDINGS OF CORPORATE CAPITAL			
Declarant	Direct shareholder	% of ordinary corporate capital	% of voting capital
Finmeria S.r.l.	FALCK. S.P.A.	60.00%	60.00%

d) Shares assigning special rights

No shares assigning special rights have been issued.

On 7 May 2020 the Shareholders' Meeting, in an extraordinary session, resolved to approve the amendment of article 9 of the Articles of Association in order to introduce the so-called vote increase pursuant to art. 127 quinquies of the TUF.

In particular, pursuant to art. 9 of the Articles of Association, each ordinary share assigns 2 (two) votes, when both the following conditions are met: (a) the share belonged to the same subject, by virtue of a real right giving voting rights, for a continuous period of at least 24 (twenty-four) months, and (b) the fact described above is attested by the continuous registration, for a period of at least 24 (twenty-four) months, in a specific "Special Register" held by the Company.

The procedures for registration, maintenance and updating of the Special Register are reported in the specific Regulation approved by the Board of Directors on 7 May 2020 and available on the Company's website in the section "Investor Relations - Increased vote" (<https://www.falckrenewables.com/en/investor-relations/increased-voting>).

During the 2020 operating period, the first registrations in the Special Register took place. In application of the provisions of art. 143-quater, paragraph 5, of the Issuers Regulation, the Company has published, again in the above indicated section, the Shareholders with an interest of more than 3% of the corporate capital who have requested to be included in the Special Register. As at 31 December 2020, the following Shareholders were registered.

DECLARANT	DATE OF INCLUSION IN THE REGISTER	SHAREHOLDING FOR WHICH INCLUSION IN THE REGISTER WAS REQUESTED	OVERALL SHAREHOLDING
FALCK S.p.A. (Controlling entity: Finmeria S.r.l.)	25 June 2020	174,848,336 shares (60%)	174,848,336 shares (60%)

e) Employee ownership: mechanism for exercising voting rights

The incentive plan adopted by the Company does not provide for the voting rights of the assigned shares to be exercised by subjects other than the plan's beneficiaries. For more information on this plan, please refer to the information document prepared pursuant to art. 84-bis of the Issuers' Regulation published on the Company's website at the address <https://www.falckrenewables.com/en/corporate-governance/shareholders-meetings#07-05-2020>.

f) Voting rights restrictions

There are no restrictions to the exercise of voting rights.

g) Shareholders' pacts

The Company is not aware of any significant shareholders' pacts pursuant to art. 122 of the TUF.

h) Change of control clause and statutory provisions with regard to Public Tender Offers

The Company has stipulated a medium-long term bank loan and has issued the Loan Bond which include clauses for the early repayment in the event of a "change of control".

In particular:

- 1) On 12 June 2015 the Company signed a financing contract with a pool of leading financial institutions for a maximum amount of €150,000,000.00 ("**Contract**"), which includes a termination clause in favour of the Lenders in case of "change in the share ownership structure or control", a case that occurs when the holding held by Falck S.p.A. in the Company's corporate capital drops to under 50% of the corporate capital with voting rights. On 30 July 2018 the Company signed an amendment to the Contract for the extension of the reimbursement data from 30 June 2020 to 31 December 2023 and the increase of the usable amount up to €325 million.
- 2) The Loan Bond envisages, in accordance with common practices in financial markets, specific consequences on the event of a "change of control", such as the option for each bondholder to alternatively request, (i) the early repayment of the bonds at their nominal value, or (ii) the recognition of a new conversion price, lower than the original and based on the time since the event and the maturity of the bonds, all in accordance with the terms and conditions indicated in the Loan Terms and Conditions regulation.
Pursuant to the Loan regulation, a change of control has taken place when a subject or several subjects jointly acquire control of the Company, or the possibility to exercise a dominant influence pursuant to art. 93 of the TUF, on the Company's Shareholders' Meeting and the right to appoint or revoke all or a majority of the Company's directors.

The Company does not derogate from the passivity rule provisions pursuant to art. 104, paragraph 1 and 2 of the TUF, and the Articles of Association do not provide for the application of the neutralisation rules indicated in art. 104-bis, paragraph 2 and 3 of the TUF.

i) Mandates to increase the corporate capital and authorisation for the purchase of treasury shares

The Board of Directors does not have a mandate to increase the corporate capital pursuant to art. 2443 of the Italian Civil Code.

The Ordinary Shareholders' Meeting of 7 May 2020 authorised the Board of Directors, pursuant to art. 2357 of the Italian Civil Code, for a period of 18 months from the date of the Shareholders' Meeting resolution (i.e. until 7 November 2021), to purchase, in one or more tranches, a maximum of 3 million of the Company's shares, up to 1.7878% of the corporate capital, taking into account the treasury shares already held by the Company and those possibly held by subsidiaries.

The purchase transactions must take place in compliance with articles 2357 et seq. of the Italian Civil Code, article 132 of the TUF, article 144-bis of the Issuers Regulation of Regulation (EU) 596/2014 and Delegated Regulation (EU) 2016/1052, as well as the market practices pro tempore in force (where applicable).

No treasury shares were purchased since the date of the Shareholders' Meeting. Therefore, at the date of this Report, the Company holds 2,210,000 treasury shares, accounting for 0.7584% of the corporate capital.

l) Direction and coordination activities

The Company is subject to direction and coordination activities, pursuant to article 2497 et seq. of the Italian Civil Code, by the parent company Falck S.p.A. which practically carries out coordination activities and/or issues uniform strategic directives, notwithstanding the autonomy and independence of the Company and its relative corporate bodies.

The Company exercises direction and coordination activities pursuant to the Civil Code on various subsidiaries, having given the necessary notice pursuant to article 2497-bis of the Italian Civil Code.

Please note that:

- the information required by art. 123-bis, paragraph 1, letter i) of the TUF, on the agreements between the Company and the directors that include indemnity in case of resignation or dismissal without just cause are included in the remuneration report published pursuant to art. 123-ter of the TUF;
- the information required by art. 123-bis, paragraph 1, letter l) of the TUF, relating to the rules applicable to the appointment and replacement of directors, as well as amendment to the Articles of Association, are illustrated in section 4.1 of this Report dedicated to the Board of Directors.

3. COMPLIANCE

At the meeting of 28 February 2019, the Board of Directors approved the accession to the July 2018 version of the Code, which is available to the public on the website of the Corporate Governance Committee at the page <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.en.htm>.

With resolution of 3 December 2020, the Board of Directors reviewed its own Corporate Governance Regulation to align it with the new content of the Corporate Governance Code, approved by the Corporate Governance Committee of Borsa Italiana S.p.A. on 31 January 2020 and which will apply from 2021.

The Company and its subsidiaries with strategic significance are not subject to non-Italian law provisions able to influence the Company's corporate governance structure.

In 2020 the Company fulfilled its obligations with regard to its first Non-Financial Information Statement.

4. BOARD OF DIRECTORS

4.1. Appointment and replacement

Article 17 of the applicable Articles of Association require the Board of Directors to be appointed, in accordance with legal and statutory provisions, on the basis of the list vote mechanism, in compliance with the applicable *pro tempore* regulations relating to gender balance.

Each shareholder, shareholders in a shareholders' pact significant pursuant to article 122 of the TUF, the controlling entity, subsidiaries and companies subject to joint control pursuant to article 2359 of the Italian Civil Code, may submit or contribute to the submission of a single list. Each entity authorised to vote may only vote for one list.

Every candidate may be included in only one list under penalty of ineligibility.

The Articles of Association indicate that shareholders who, individually or jointly with other shareholders, on the day in which the list is to be filed with the Company, hold shares of the corporate capital with voting rights in a minimum percentage established by Consob with regulation or another percentage that may be determined by the law.

Please note that this reference threshold was established at 1% of the corporate capital by Consob resolution no. 44 of 29 January 2021.

The lists of candidates, duly undersigned, must be filed at the Company's head office at least 25 days before the day set for the shareholders' meeting in first call, together with the relevant certification issued by a legally authorised intermediary proving the ownership, at the time of filing of the list with the Company, of the number of shares necessary for the submission of lists. This certification may be produced also after filing the list as long as it reaches the Company by the deadline set by the applicable laws and regulations for the publication of lists by the Company.

Taking into account that the 2020 Budget Law (Law no. 160 of 27 December 2019) has amended the rules relating to gender balance in governing and control bodies of listed companies (rule introduced by Law no. 120 of 12 July 2011 and incorporated in articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis, of Italian Legislative Decree no. 58 of 24 February 1998) introducing the new division criterion which requires that at least two fifths of Directors and Standing Auditors must belong to the less represented gender starting from the first renewal after the date of entry into effect of the law, the Board of Directors, with resolution of 25 February 2020, amended the sixth paragraph of article 17 of the Articles of Association requiring that lists submitting a number of candidates of three or more must be composed of candidates from both genders, in accordance with the applicable *pro tempore* regulation relative to gender balance.

The lists submitted without compliance with the above mentioned provisions are considered not to have been submitted.

The following must also be filed: (i) statements from the individual candidates accepting their candidature and attesting, on their own responsibility, to the non-existence of causes for ineligibility and incompatibility, as well as that they meet the requirements for their respective offices; (ii) for each candidate, a *curriculum vitae* relating to their personal and professional characteristics as well as any independence requirements. Any omission or irregularity relative to individual candidates will merely involve the elimination of the name of the candidate from the list that will be put to the vote.

The lists, accompanied by the relative *curricula vitae*, are published on the Company's website by the statutory deadline.

The election of the Board of Directors will proceed as indicated below:

- a) all Directors to be elected but one will be taken in the progressive order in which they are listed from the list that receives the most votes;
- b) the remaining Director is taken from the minority list that is not in any way linked, not even indirectly, to those who have submitted or voted for the list at point a) above and which receives

the second highest number of votes. To this end, no account will be taken of lists that have not achieved a percentage of votes equal to at least half of the percentage required for submission of the lists.

Furthermore, if it has not been possible to ensure with the above mentioned procedure a composition of the Board of Director that complies with the applicable *pro tempore* rules relating to gender balance, the candidate of the more represented gender elected last in the list's progressive order will be replaced with the first non-elected candidate of the less represented gender from the same list in accordance to the progressive order. This replacement procedure will apply until a composition of the Board of Directors is ensured that complies with the applicable *pro tempore* rules relating to gender balance. Lastly, if the above procedure does not ensure the finally indicated result, the replacement will take place with a relative majority resolution of the Shareholders' Meeting, subject to submission of candidatures of subjects from the less represented gender.

In the case where a single list has been submitted or admitted to the vote, all the directors are drawn from this list, notwithstanding compliance to the applicable *pro tempore* rules relating to gender balance. In the case where no list has been submitted or fewer directors have been elected than the number determined by the Shareholders' Meeting, the Meeting itself must be convened again for the appointment of the entire Board of Directors.

If, during the operating period, one or more directorships becomes vacant, as long as the majority is still constituted by Directors appointed by the Shareholders' Meeting, the Board will proceed pursuant to article 2386 of the Italian Civil Code, ensuring compliance with applicable requirements as well as in accordance with the applicable *pro tempore* rules relating to gender balance. However, in the case where there is no longer a majority of directors appointed by the Shareholders' Meeting, those still in office must convene the Shareholders' Meeting to fill the vacant directorships.

The Company is not subject to further regulations relating to the composition of the Board of Directors.

The Board of Directors, with reference to the recommendations of application criterion 5.C.2 of the Code of Conduct, during the meeting on 28 February 2019, subject to the prior preparatory work of the then Human Resources and Appointments Committee, resolved to adopt a Policy with regard to the appointment and replacement of Directors ("Policy"), with particular reference to the appointment and replacement of the Chairman and the Managing Director in case of termination earlier than the natural expiry of the mandate.

In the process for the selection of replacements, the Policy envisages the involvement, for different reasons, of the Chairman (in the case of early termination of the mandate of the Managing Director or non-executive Directors) or of the Deputy Chairman (in the case of early termination of the Chairman's mandate) as well as other directors identified on an ad hoc basis, the Remuneration Committee and professionals external to the Company, operating in the head hunting sector.

The Policy is subject to annual evaluation by the Remuneration Committee which reports to the Board of Directors, proposing the adoption of any amendments to the Policy itself.

4.2 Composition

Pursuant to article 17 of the Articles of Association, the Company is administered by a Board of Directors composed of a minimum of seven and a maximum of 15 directors.

The Company's Board of Directors in office at the date of this Report is composed of 12 members and was appointed by the ordinary Shareholders' Meeting of 7 May 2020 for a period of three operating periods, up to the approval of the operating period closing on 31 December 2022.

On occasion of this Shareholders' Meeting, two lists have been submitted for the appointment of the Board of Directors:

The first list (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, which represent 60% of the shares with voting rights in 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. Marco Agostini, receiving 74.60% of the votes at the Shareholders' Meeting (equivalent to around 60.04% of the corporate capital votes).

The second list (so called minority list) was submitted by the following ARCA Fondi SGR S.p.A. funds (operator of funds: Arca Economia Reale Equity Italia, Arca Economia Reale Bilanciato Italia 30, Arca Azioni Italia); Eurizon Capital S.A. (operator of the Eurizon Fund section of Italian Equity Opportunities); Eurizon Capital SGR S.p.A. (operator of 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. (operator of funds: Pramerica MITO 25 and MITO 50), holders of a total of 3,842,487 Company ordinary shares representing 1.31857% of shares with voting rights at the Shareholders' Meeting with the following candidate: 1. Silvia Stefini, achieving 25.30% of the votes of the Shareholders present in the Shareholders' Meeting (equal to approximately 20.36% of votes with respect to the corporate capital).

The lists indicated above were not connected.

The Board of Directors, in accordance with the Articles of Association and the applicable rules relating to gender balance (both the applicable *pro tempore* rules and the more restrictive regulations effective from 1 January 2020 with reference to the corporate bodies appointed after that date), unchanged from appointment to the date of this Report, is composed as follows:

1. Enrico Ottaviano Falck - Chairman
2. Guido Giuseppe Maria Corbetta - Deputy Chairman
3. Toni Volpe - Executive Officer
4. Federico Francesco Sergio Falck - 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. Filippo Claudio Neil Marchi - Director
12. Silvia Stefini - Independent Director

Table 1 annexed at the end of this Report includes information relating to the lists to which they belong, the characteristics of each Director (executive or non-executive, meeting the independence requirements pursuant to the Code and/or the TUF or otherwise) and the attendance of each Director to the meetings of the Remuneration Committee and the Control and Risks Committee as at 31 December 2020 (unchanged at the date of this Report) and information relating to the attendance of each member to the meetings of the Committees to which they belong.

The list of other offices held by each Director in other companies listed in regulated markets, also abroad, in financial, banking, insurance companies or companies of significant size is reported in annex sub A) to this Report; the Directors curricula vitae are available on the website <https://www.falckrenewables.com/en/corporate-governance/shareholders-meetings#07-05-2020>, as an annex to the list elected during the above mentioned Shareholders' Meeting.

4.2.1. Diversity criteria and policies

The Board of Directors considers that an adequate composition of the same, with the presence of diverse managerial and professional competences, as well as in relation to aspects such as gender, age and seniority in office, represents an essential prerequisite for effective company management. In particular, the presence of a significant number of independent directors (currently 58% of the entire Board) contributes to guaranteeing a critical and impartial point of view on the work of the Board. For a balanced combination of profiles, competences and experience accrued also within the Company, it is also considered to be important to have the presence of some directors who, because of their in-depth knowledge of the Company and its development over the years, can contribute to maintaining a long-term view and preserve its corporate culture. From this point of view, the appointment to the Board of some of the Company's reference shareholders is considered to be useful in order to guarantee a balanced corporate governance structure, able to create value in the long term, for the benefit both of the shareholders and of all the other Company's stakeholders.

The Board of Directors considers that the above mentioned objectives can also be achieved through the guidelines expressed by the shareholders, from time to time, before the appointment of the new Board of Directors, on the managerial and professional profiles whose presence on the Board is considered to be opportune, also taking into account gender balance criteria.

Please note that on 18 July 2019 the Board of Directors adopted a policy on diversity and inclusion.

4.2.2. Maximum number of offices held in other companies

With resolution of 27 April 2017, the Board of Directors expressed its guidelines relating to the maximum number of offices held by directors or auditors in companies listed on regulated markets (also abroad), in financial, banking, insurance companies or companies of significant size, with the objective of guaranteeing compatibility with the effective performance of the office of director or auditor. The document is available on the Company's website at the page <https://www.falckrenewables.com/corporate-governance> ("Guidelines in relation to the maximum number of offices held").

The Guidelines on the maximum number of offices held requires Company Directors to accept their office when they consider to be able to dedicate sufficient time to the performance of their tasks, also taking into account the number of offices held in governing and control bodies in the following other types of companies ("Relevant Companies"): *i.* companies listed in regulated markets, also abroad; *ii.* financial, banking or insurance companies; *iii.* companies of significant size, intended as companies with an Equity (on a separate basis, or where consolidated financial reports are drawn, on a consolidated basis) equal or higher than the Company's consolidated Equity for the reference year, which are not directly or indirectly part of the Company's group.

The tasks assigned to each Director in the governing and/or control bodies of Relevant Companies must comply with the defined criteria below:

a) with regard to Executive Directors, each of these may not hold: (i) the office of executive director or auditor in any Relevant Company; b) the office of non-executive director or auditor in no more than 2 (two) Relevant Companies.

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

The Board of Directors, subject to the prior preparatory activities of the Remuneration Committee, in the meeting of 11 March 2021 checked that all Directors meet the criteria defined in the Guidelines relating to the maximum number of offices.

4.2.3. Induction Programme

Initiatives were promoted during the operating period aimed at providing Directors and Auditors, with particular reference to newly appointed ones, with an adequate understanding of the reference sector,

corporate and Group dynamics and their evolution, as well as of the reference legal and self-regulatory framework. In particular, meetings have focussed on the following corporate governance issues: disclosure of non-financial information (Italian Legislative Decree 245/2016), administrative responsibility of companies and entities (Italian Legislative Decree 231/2001), Shareholders' Right Directive II and elaborations on the new Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A. on 31 January 2020 and which will be applicable from 2021.

4.3 Role of the Board of Directors

The Board of Directors, which has the mandate to manage the Company, plays a central role in terms of the company's organisation and manages all the structures and responsibilities for strategic and organisational guidelines and the definition of corporate governance regulations.

Pursuant to article 20 of the Articles of Association, the Board of Directors holds the widest powers for the ordinary and extraordinary management of the Company, and is therefore able to undertake all the actions considered to be opportune, also in terms of disposals, with the only exclusion of those powers reserved by the law to the Shareholders' Meeting; the Board of Directors has the power to resolve on mergers in the cases indicated by articles 2505 and 2505-*bis* of the Italian Civil Code, the institution and closure of secondary offices, the reduction of the corporate capital in case of withdrawal by shareholders, the amendment of the articles of association to comply with mandatory regulation provisions, the transfer of the registered office within the national territory. Transactions with related parties are approved in accordance with the provisions of the relative procedure adopted by the Company, with the option of activating the derogated procedures laid down therein in case of urgency also linked to company crisis situations.

The Board of Directors, in compliance to the provisions of article 19, second paragraph of the Articles of Association, meets every time the Chairman, or, in case of their absence or impediment, the Deputy Chairman considers it necessary, normally at least quarterly, or when a written request is submitted by at least three of its components.

The resolutions of the Board are valid, pursuant to article 19 of the Articles of Association, if the majority of Directors in office are present; resolutions are taken by the absolute majority of those present.

During 2020 the Board of Directors met 16 times; the average duration of Board meetings in the 2020 operating period was of two hours and 46 minutes.

The calendar of institutional meetings for the current operating period (available on the website <https://www.falckrenewables.com/en/media/documents-detail/corporate-events-fiscal-year-2021>) establishes that the Board will meet four times. In the 2021 operating period, the Board has already met three times.

It is good practice, where possible and except in case of urgency or when there is the need to safeguard specific confidentiality needs, to make available to Directors and Auditors, at least five days in advance, the necessary documentation and information necessary and useful in order to knowingly discuss and deliberate on the issues on the agenda.

Please note in this regard that the Company avails itself of a specific software package that exclusively allows Directors and Auditors, through reserved and dedicated passwords, to access the documentation for the meetings of the Board of Directors and of the Board's own internal Committees.

During 2020, the above mentioned five days deadline was generally respected and, when this was not possible, the Chairman in any case ensured the provision of adequate additional information during the course of the meetings.

The CFO, Paolo Reneddu, who also acts as the Financial Reporting Office, normally attends the meetings of the Board of Directors.

The Board of Directors

- a) examines and approves the annual budgets and the strategic, industrial and financial plans of the Company and of the Group, periodically monitoring their implementation;
- b) defines the corporate governance system of the Company and of the Group, as well as the corporate structure of the Group;
- c) availing itself of the preliminary investigations of the Control and Risks Committee and through the proposals of the Managing Director, defines the nature and level of risk compatible with the strategic objectives of the Company and of the Group, including in its evaluations all the risks that might be relevant from the point of view of the sustainability of the Company's and of the Group's business in the medium and long term;
- d) also establishes the frequency, in any case no less than quarterly, with which the delegated bodies must report to the Board with regard to the activities carried out in the exercise of the powers delegated to them;
- e) periodically evaluates the adequacy of the organisational, administrative and accounting structure of the Company and of the Group, prepared by the Chief Executive Director and, for the parts for which they are competent, by the Financial Reporting Officer, with particular reference to the internal control and risk management system, availing itself of the preliminary investigations of the Control and Risks Committee;
- f) on the proposal of the Remuneration Committee, defines a policy for the remuneration of directors and of key management personnel;
- g) having examined the proposals of the Remuneration Committee and after hearing the opinion of the Board of Statutory Auditors, determines the remuneration of the Managing Director and of other directors with special duties (in particular the Chairman and any Deputy Chairmen); lastly, also determines, if the Shareholders' Meeting has not already done so, the allocation of the overall remuneration due to the members of the Board;
- h) evaluates the general management performance, taking into consideration, in particular, the information received by delegated bodies as well as periodically comparing results achieved with those forecasted;
- i) resolves with regard to the operations of the Company and of its subsidiaries when these operations have a significant strategic, economic, financial or assets relevance for the Company; to this end, it establishes general criteria to identify operations of significant relevance;
- j) carries out the evaluation of the independence of directors after the appointment of the same and, subsequently, on the occurrence of circumstances relevant to their independence, and in any case annually;
- k) at least once a year carries out an evaluation, the so called "Board Evaluation", on the operation of the Board itself and of its Committees as well as on their size and composition, also taking into account elements such as the professional, experience, also managerial, and gender characteristics of its members, as well as their seniority in office;
- l) taking into account the evaluation referred to in letter k), expresses its views to the shareholders, before the appointment of the new Board, on the managerial and professional figures whose presence on the Board is deemed to be opportune, taking into account the recommendations received by the Remuneration Committee;
- m) having heard the opinion of the Control and Risks Committee, approves the Report;
- n) approves the Group's Code of Conduct, Model and the appointment of the Supervisory Board provided for therein;
- o) with the prior opinion of the Control and Risks Committee, identifies the director in charge of the internal control and risk management system;
- p) on the proposal of the director in charge of the internal control and risk management system, in agreement with the Chairman of the Board of Directors, with the prior favourable opinion of the Risk and Control Committee and having consulted the Board of Statutory Auditors, appoints, revokes and defines, in accordance with the company's policies, the remuneration of the Internal Audit Manager;
- q) with the prior favourable opinion of the Control and Risks Committee and having consulted the Board of Statutory Auditors, the Chairman of the Board of Directors and the Managing Director, approves the Audit plan prepared by the Internal Audit Manager;
- r) in order to ensure the correct management of corporate information, adopts, on the proposal of the Managing Director, formulated jointly with the Chairman of the Board of Directors, a procedure for the internal management and communication to the public of documents and information related to

- the Company and the Group, with particular reference to privileged information ("Procedure for processing privileged information and communicating it to the public and for the maintenance of the Register of persons with access to Privileged Information");
- s) appoints and revokes the Financial Reporting Officer, with the prior opinion of the Board of Statutory Auditors, in accordance with the criteria established in art. 23 of the Company's articles of association;
 - t) evaluates whether to adopt a plan for the succession of executive directors subject to the preparatory activities of the Remuneration Committee.

On the basis of the deliberations of the Board of Directors, the following matters, reserved for the exclusive competence of the Board of Directors and qualified as "Commitments", are added to the tasks listed above;

- a) agreement of and amendments to new bank credit lines relating to medium-long term Financing Contracts;
- b) financial transactions in derivative instruments, or any other financial instrument, not linked to the Company's normal operations;
- c) approval of investments in plants and/or changes to existing plants for an amount of or over €70 million for individual investment;
- d) authorisation of the participation of directly or indirectly controlled companies, by virtue of the Business Plan and/or individual projects subsequently approved, to competitions, tenders and bids (for the supply of services or management of plants, as well as the development and/or construction of any type of industrial plant and/or the performance of any activities included in the corporate object) both public and private, both Italian and abroad, if the overall value of the tender for the Group is of or over € 70 million;
- e) authorisation of the transactions of directly or indirectly controlled companies, to finalise, underwrite, amend and resolve active and passive commercial contracts on the electricity free market and environmental securities linked to it, including transactions through derivative instruments with reference to electricity prices and environmental securities, for a unit value over €60 million;
- f) generally, transactions for amounts in excess of those established by the Managing Director and/or Chairman of the Board of Directors and the Managing Director jointly.

The Board of Directors has established the general criteria to identify the transactions of the Company and of its subsidiaries that have a relevant strategic, economic, capital or financial significance for the same Company; in particular, these transactions coincide with those reserved for the examination and approval of the same Board, as exceeding the limits of the powers assigned by the same to the delegated bodies.

During the 2020 operating period, the Board of Directors met 16 times, carrying out tasks reserved to the same, as described here. In particular, it has:

- periodically evaluated the general management performance, taking into account in particular the information received by the delegated bodies, which have reported to the Board with regard to the activities carried out in the exercise of the powers assigned to them, on occasion of the meetings of the same Board;
- examined the strategic, industrial and financial plans of the Company and of the Group, periodically monitoring their implementation;
- periodically evaluated the adequacy of the organisational, administrative and accounting structure of the Company and of the Group, prepared by the Managing Director and, for the parts for which they are competent, by the Financial Reporting Officer, with particular reference to the internal control and risk management system, availing itself of the preliminary investigations of the Control and Risks Committee.

4.3.1. The Board of Directors' Self-Evaluation

In accordance with the provisions of the Code of Conduct, the Board of Directors carries out, at least once a year, an evaluation of the size, composition and functioning of the Board itself and of its Committees. The Chairman, with the special authorisation of the Board of Directors, coordinates the Board Evaluation activities.

With a procedure coordinated by the Remuneration Committee, the Board of Directors has carried out its evaluation in relation to 2020 on the composition, operation and information flows of the Board itself, the participation to the strategic guidelines process and on the efficacy of its Committees.

The Board of Directors self-evaluation took place in November 2020, with reference to the operating period to 31 December 2020, and it was performed in line with the most advanced methodologies at international level, with the assistance of the advisor EY.

The process was carried out through an interview with Directors, on the basis of a questionnaire, during which the same expressed a quantitative evaluation and a possible qualitative comment in relation to the individual items under consideration.

The main topics analysed during the interviews related to:

- the actions proposed in the previous evaluation;
- the effectiveness of the overall operation of the Board and in relation to key topics;
- the size and composition of the Board;
- the operation of Board Committees.

On completion of this process, with the prior examination on the part of the Remuneration Committee of the aggregate data collected, a summary report of the considerations identified in the course of the evaluation was presented to the Board of Directors in the meeting of 2 March 2020, as well as a comparison with best practices and the procedures adopted by the Company's Board of Directors.

A positive outcome was defined by the evaluation process, in which all Directors took part, which confirmed the effectiveness of the work carried out by the Board of Directors. Overall, Directors expressed their full satisfaction and appreciation in relation to the size, composition and operation of the Company's Board of Directors and its Committees.

In particular, the evaluation highlighted:

- the active participation to the self-evaluation process which has characterised each director with the clear desire to contribute to the excellence of the body they are part of;
- the balance at numbers level but also in terms of skills present in the Board which promote discussion of different topics in a fluid and efficient manner, thanks to the increase in managerial profiles;
- the efficient and balanced role performed by the Chairman in the direction of Board debates;
- the high standing in terms of experience and skills of the Managing Director in the corporate management of the Company;
- the optimal relationship between the Managing Director with the Chairman and Top Managers, with the latter frequently taking part in board meetings in order to provide necessary additional information on the issues on the agenda;
- the collaboration climate in which the board meetings take place.

The area for improvement highlighted relate mainly to the issues indicated below, in relation to which the necessary corrective actions are being taken: in terms of balance of the profiles represented in the Board, a possible expansion of financial and legal competences has been noted, as well as a greater background presence of professorial/academic types in a Board where corporate experience prevails; with respect to age diversity, the possibility has been highlighted of promoting a partial rejuvenation of the Board; improve the time management of board meetings by consistently reducing the impact of presentations and expositions on individual items so as to devote more time to board discussions; to encourage the homogeneous participation on the part of all Board members, it was highlighted that it

might be more effective to manage Board meetings in Italian with a simultaneous interpreter for the only English-speaking Director; to have a structured induction plan for newly appointed Directors.

The external observation of the Board of Directors by privileged observers (i.e. the Board of Statutory Auditors, the Secretary of the Board of Directors and the Secretary of the Remuneration Committee) has, on one hand, underlined the improvement of the operation of the new bod compared to the previous one, also through the addition of Directors from abroad and with experience in the area of governance. However, on the other had, it has essentially confirmed some of the areas for improvement, already identified by the Board evaluation, in particular in terms of the operation of dialectics during board meetings, also because of he use of the English language, which make participation of all present to the debate less easy.

The Shareholders' Meeting did not authorise in general and preventively derogations to the ban on competition provided by article 2390 of the Italian Civil Code.

4.4 Delegated bodies

In the meeting on 7 May 2020, the Board of Directors appointed Enrico Ottaviano Falck as Chairman of the Board of Directors, Guido Giuseppe Corbetta as Deputy Chairman and Toni Volpe as Managing Director of the Company. Toni Volpe has also held the role of General Director of the Company since 22 February 2016.

Pursuant to article 22 of the Articles of Association, the signing power and the power to legally represent the company with respect to third parties and in judicial matters rest separately with the Chairman and, within the limits of their respective mandates, with the Deputy Chairman and the Managing Directors.

4.4.1. Managing Directors

The Board of Directors has assigned the Managing Director Toni Volpe, full powers for the organisation and the management of the Company.

In addition to the signing power and the power to legally represent the company with respect to third parties and in judicial matters, the Managing Director also has the powers necessary for the ordinary and extraordinary management of the Company that are not reserved to the competence of the Board of Directors.

With resolution of 7 May 2020, the Board of Directors delegated the Managing Director and Director General Toni Volpe the following powers, with authority to sub-delegate, in all sectors of the Company and of the Group:

- a) performance of any action deemed to be opportune for ordinary and extraordinary management, with the exception of the Commitments that remain the exclusive responsibility of the Board of Directors;
- b) preparation, with the Chairman, of the annual budgets and the strategic, industrial and financial plans of the Company and of the Group, to be submitted for the approval of the Board of Directors;
- c) implementation of the resolutions of the Board of Directors and, in the context of strategic direction and coordination activities, ensuring that the resolutions are adopted by the board of directors of subsidiary companies, including:
 - acquisition or transfer, in any form (and, therefore, for example, through assignments, mergers, demergers or other operations that achieve the same effects), of shareholdings and/or business branches or assets generally;
 - authorisation, as far as it is the Company's competence and conceding, where necessary, for loans for the relative amounts, to directly or indirectly controlled companies to acquire or transfer, in any form (and, therefore, for example, through assignment, mergers, demergers or other operations that achieve the same effects) shareholdings and/or business branches or assets generally.

With regard to the participation to proposals, tenders or bids up to the maximum value of €20 million:

- authorisation, as far as it is the Company's competence and conceding, where necessary, for loans for the relative amounts, the participation of directly or indirectly controlled companies, by virtue of the Business Plan and/or individual projects subsequently approved, to competitions, tenders and bids (for the supply of services or management of plants, as well as the development and/or construction of any type of industrial plant and/or the performance of any activities included in the corporate object) both public and private, both Italian and abroad.

It is specified that investments from €20 to €70 million are subject to the joint signature of the Managing Director and of the Chairman, and for values over €70 million the competence of the Board of Directors remains unchanged.

Furthermore, all other investments implying acquisition or transfers in any form that do not relate to the renewable energy sector remain subject to the limit of €5 million.

- d) preparation, with the Financial Reporting Officer, of the annual financial statements and the other periodical accounting documents (interim financial report and interim management reports), or extraordinary ones, to be submitted for the approval of the Board of Directors;
- e) definition and amendment of the corporate structure of the Company and of the Group, to be submitted for information to the Board of Directors, and provisions for its implementation;
- f) definition of the general corporate structure of the Company and of the Group to be submitted to the Board of Directors, and provisions for the implementation of the same;
- g) recruitment and dismissal of all levels of personnel, including managers and key management personnel, with the exception of general managers and the Internal Audit manager; stipulation, amendment and resolution of individual work contracts establishing retributions and what else is opportune and/or necessary for personnel of the Company, including managers and key management personnel; with reference to key management personnel, the definition and/or amendment 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 12 November 2010;
- h) determination, in the context of their delegations, of the powers to be conferred, though specific proxies, for the management of the Company and definition of the power structure for other companies of the Group;
- i) execution, on the basis of the decisions of the Board of Directors, of the guidelines of the internal control and risk management system, the adequacy and effectiveness of the which is periodically verified, ensuring that the main corporate risks are adequately identified and managed and that the necessary controls for monitoring the performance of the Company and of the Group are implemented;
- j) management of institutional relationships, in agreement with the Chairman of the Board of Directors, as well as of relationships with the Company's shareholders.

4.4.2. Chairman of the Board of Directors

The Chairman of the Board of Directors has the competences and the powers assigned to them by the law and by the Articles of Association, as well as any assignments possibly conferred by the Board of Directors.

In particular, the Chairman coordinates and organises the activities of the Board of Directors, is responsible for its orderly operation, acts as a link between executive and non-executive directors, defines the agenda, guides the running of the relative meetings and ensures that the members of the Board are provided, with reasonable advance with respect to the date of the meetings (unless in the case of need and urgency), the documentation and the information necessary to allow the Board to express itself with awareness of the matters put forward for its examination and approval.

The Chairman of the Board of Directors, in cooperation with the lead independent director, ensures that directors receive complete and timely information flows.

The Chairman, also on request of one or more directors, may request the Managing Director that the managers of the Company and those of the companies of the Group, in charge of the pertinent areas related to the agenda, attend Board meetings to provide the necessary additional information on the issues included in the agenda.

In order to promote awareness in directors and auditors of the tasks and responsibilities inherent to their office, the Chairman, in agreement with the Managing Director, ensures that they are able to participate, after appointment and during their time in office, to initiatives aimed at providing them with an adequate knowledge of the business sector in which the Company and the Group operate, of the company's dynamics as well as the reference legal framework.

The Chairman has received specific powers from the Board of Directors for the coordination of the operations of the Internal Audit structure. The Chairman reports to the Board every six months with regard to the exercise of this power.

The Chairman also supervises the application of the internal Corporate Governance Regulation, approved by the Board of Directors, and its periodical updating, taking into consideration the needs of the Company and the developments within the regulatory environment.

With resolution of 7 May 2020, the Board of Directors conferred to the Chairman executive powers that can be exercised in the place of the Managing Director in the case the latter is not available.

Therefore, the Chairman of the Board of Directors is not the main officer responsible for the management of the Company and indirectly holds a shareholding in the same Falck S.p.A., first reference shareholder and related party to the Company.

Because of the special role reserved in the execution of corporate strategies, the Chairman is qualified as "Executive Director".

4.4.3. Information to the Board

The Managing Directors ensure the Board of Directors and the Board of Statutory Auditors are kept up to date with regard to events of major significance.

The Managing Director reports to the Board with regard to the performance of the powers delegated to them as well as on the general performance of the Company and of the subsidiaries at least on a quarterly basis.

4.5 Other executive Directors

There are no other executive Directors other than the Managing Director and the Chairman of the Board of Directors.

Please also note that in the meeting of 7 May 2020 the Board of Directors, in consideration of his vast experience and the offices held in the past, assigned the Director Federico Falck the task to supervise specific activities, such as: i) assistance and support to both the operational and institutional activities of the Chairman; ii) support for the promotion of high level relationships of the Group with financial Institutes, institutional Entities and opinion leaders both at Italian and international level in order to promote the image of the Group, facilitating its presence in international financial and business environments; iii) support in the participation in category associations, both national and international; iv) facilitation in the search for business opportunities in markets in which the Group is present and in those of potential interest, proposing the realisation of agreements and strategic partnerships in order to grow the activities portfolio.

For similar reasons, again in the meeting of 2020, the Board of Directors assigned the Director Filippo Marchi the task to oversee specific activities such as: (i) assistance and support to the Chairman and Managing Director with regard to reference competitive and market scenarios for the production of electricity from renewable resources; (ii) assistance and support to the Managing Director with regard to the development activities of the renewable sources plants; (iii) facilitation of the search for business

opportunities in the markets in which the Group is present and in those of potential interest, proposing the realisation of strategic agreements and alliances in order to grow the activities portfolio.

These activities do not include legal representation, expense delegations and/or powers and are carried out, according to necessity, in coordination with the Chairman and the Managing Director in accordance with the procedures, corporate regulations as well as the applicable laws and regulations.

4.6 Independent Directors

The Board of Directors in office is composed of 12 directors, seven of which are independent; the latter are, with regard to number and competences, adequate in relation to the size of the Board and the activities carried out by the Company.

Each of the independent directors currently in office meets both the independence criteria defined by the TUF and the further criteria identified by the Code (both in the currently applicable version approved in July 2018 and the version approved on 31 January 2020, which became applicable from 1 January 2021).

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

- has evaluated, in the first session after its renewal, the presence of the independence requirements set by the Code and the TUF for Directors claiming to be independent at the time of the submission of the list, notifying the market of the outcome of the evaluation through a press release pursuant to article 3 of the Code;
- on occasion of the approval of the Report, it has evaluated the persistence of the independence requirements set by the Code and the TUF for each of the above mentioned Directors;
- in carrying out the above mentioned evaluations, it has applied all the criteria set by the Code as well as those provided by the TUF checking, in particular, the non existence of trading, financial and professional relationships with the Company.

The Board of Statutory Auditors has checked the application of the criteria and the verification procedures adopted by the Board of Directors for the evaluation of the independence of non-executive Directors, agreeing on the outcome reached by the Board of Directors.

This verification is confirmed during the approval of the Report as well as in the report of the Board of Statutory Auditors to the Shareholders' Meeting set by article 153 of the TUF.

Independent Directors have met twice during the operating period to formulate contributions with regard to the operation of the Board of Directors and for in-depth analyses relative to the content of the Board evaluation. Following the appointment of new Independent Directors, a meeting was held for a preliminary evaluation of the risks and opportunities from the point of view of the stakeholder.

It remains clearly understood that independent Directors are in any case free to meet or simply to consult with each other informally, whenever they consider it to be necessary.

The Directors qualified as independent are not expressly committed to maintain their independence during their mandate and, in case of the loss of the same, to resign, but only to promptly communicate to the Company the arising of any acts or facts that affect their independence declaration.

In terms of number and respective competences, Independent Directors are considered to be adequate in relation to the size of the Board of Directors and the activities carried out by the Company and such as to allow the constitution of Committees within the Board in accordance with the indication of the Code.

4.7. Lead Independent Director

With resolution of 7 May 2020, for the purpose of enhancing the role of independent Directors, the Board of Directors appointed the Chairman of the Control and Risks Committee, Paolo Pietrogrande, as Lead Independent Director. This role acts as a reference and coordination point for questions and contributions of non-executive directors and, in particular, independent directors. The Lead Independent

Director cooperates with the Chairman in order to ensure that directors receive complete and timely information flows.

The Lead Independent Director may also convene - independently or on request of other Directors - special meetings of only independent Directors for the discussion of issues from time to time considered to be of interest with respect to the operation of the Board or the company's management.

5. PROCESSING OF CORPORATE INFORMATION

in the meeting of 12 May 2006, on proposal of the Managing Director, the Board of Directors, approved the Procedure for the processing and disclosure of privileged information to the public and for maintaining the Register of persons with access to privileged information (the "Procedure") which defines the internal roles and responsibilities, with particular regard to the evaluation of the privileged nature of information and the formalities to be adopted in case of delay in the diffusion of privileged information to the public, as well as the competences and responsibilities necessary for the maintenance of the same Register. This procedure takes into account the obligations imposed on listed companies in connection with the issue of market abuse and was lastly updated on 18 July 2017.

In accordance with the above mentioned Procedure:

- press releases relating to periodical accounting information and relative to extraordinary operations that require a Board resolution are approved by the Board of Directors;
- in order to meet the obligations of disclosure to the market, the evaluation relating to the qualification of information as "privileged" is carried out under the direct responsibility of the Managing Director, called to evaluate the notifications received within the organisation, who avails himself of the consultancy of the CFO (the Financial Reporting Officer), of the General Council, of the Communication & Sustainability, Institutional Affairs as well as Investor Relations Structures;
- in all other cases for which a Board resolution is not necessary, the disclosure to the public is managed by the Managing Director, who is responsible for the evaluation from time to time necessary with regard to the "relevance" of facts pursuant to article 7 of (EU) Regulation no. 596/2014 ("MAR");
- Directors, Auditors, managers, employees, collaborators and consultants are required to maintain documents and information acquired in the performance of their functions confidential;
- the internal circulation to third parties of documents relating to confidential information is subject to careful attention in order to avoid adverse effects to the Company and the Group;
- the press releases drawn up pursuant to article 17 MAR are always circulated by the Company in compliance with the legal and regulatory provisions; the Company uses the eMarket SDIR circulation system and the eMarket STORAGE platform managed by Spafid Connect S.p.A.;
- every official declaration, every relationship with the press, with financial analysts and institutional investors and with other means of communication relating to the Group must be previously authorised by the Managing Director.

The Procedure can be found on the website <https://www.falckrenewables.com/en/corporate-governance>.

In relation to the obligations of disclosure of transactions carried out by persons that exercise administration, control or direction functions as well as persons strictly linked to them, indicated by art. 19 of the MAR, the Board of Directors has approved the "Internal Dealing Procedure" governing information flows from responsible subjects, identified by the applicable pro tempore regulation as well as the same Procedure, with respect to the Company, Consob and the public.

More specifically, the Internal Dealing Procedure is finalised at:

- identifying Company subjects obliged to make disclosures ("Relevant Subjects");
- defining the Company's procedure for disclosures by Relevant Subjects and persons strictly associated with them, as defined by the Internal Dealing Procedure, of the information relative to transactions on shares, debt securities, derivative instruments, as well as other financial instruments linked to them;

- defining the management procedures by the Company of the communications received from its own Relevant Subjects, as well as persons strictly associated with them, and for meeting the disclosure obligations imposed on the same, identifying the subject responsible for receiving, managing and communicating these disclosures to the public;
- disciplining “black out periods”, that is to say the closed periods for Relevant Subject for carrying out transactions, on their account or on behalf of third parties, directly or indirectly, in specific periods of the year.

The Internal Dealing Procedure can be found on the website <https://www.falckrenewables.com/en/corporate-governance>.

6. COMMITTEES WITHIN THE BOARD

The Board of Directors has constituted the Remuneration Committee and the Control and Risks Committee, which has also been identified as the Committee responsible for the Procedure for Transactions with Related Parties, operating for the purpose of issuing opinions on the issue and, generally, relating to the purposes of the above mentioned procedure.

In order to assist the Company's top management in performing their strategic roles in a more structured way, the Board of Directors has also decided to constitute the Sustainable Strategy Committee, a collegiate body with advisory, inquiry and support functions with regard to sustainability, energy markets and technological innovation.

The Committees represent an internal articulation of the Board of Directors, their composition and their operations comply with the general criteria of the Code and have a consultative and recommendatory role.

The members of the Control and Risks Committee and of the Remuneration Committee are all non-executive and independent directors. The Sustainable Strategy Committee, however, is composed of six members: two executive membered and four non-executive and independent members.

The components of the Board's internal Committees were appointed following the renewal of the Board of Directors in the meeting of 7 May 2020 and their office will expire at the end of the mandate of the Board of Directors in office, and precisely on the date of the Shareholders' Meeting for the approval of the financial statements for the operating period as at 31 December 2022.

No committees have been constituted other than those required by the Code.

7. APPOINTMENTS COMMITTEE

Complying with the recommendations of the Code of Conduct with regard to the institution of an Appointments Committee, the Board of Directors resolved to assign the consultative and recommendatory functions of the Appointments Committee, prescribed by the same Code, to the Remuneration Committee.

8. REMUNERATION COMMITTEE

The Remuneration Committee is composed of three Directors, all non-executive and independent: Elisabetta Caldera (Chairman), Paolo Pietrogrande and Nicolett Giadrossi.

At least one member of the Committee has adequate experience of remuneration policies, human resources management and finance, assessed by the Board of Directors at the time of appointment.

8.1. Functions of the Remuneration Committee

The Remuneration Committee has approved its own Regulation which has also been approved by the Board of Directors. This Regulation which, in addition to regulating the terms and procedures for calling and directing meetings defining the competences of the Chairman, requires the Committee to have investigative, consultative and recommendatory functions on aspects relating to the organisational structure, the remuneration policies and the development of the Group's human resources, as well as the appointment of directors and succession plans for directors and key managers.

The Remuneration Committee carries out the functions indicated below:

- a) it puts forward proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other directors with special responsibilities, as well as on the determination of performance objectives linked to the variable component, both short-term and long-term, of such remuneration, also with reference to retention plans; it monitors the application of the decisions adopted by the same Board verifying, in particular, the effective achievement of the performance objectives;
- b) it periodically evaluates the adequacy, overall coherence and actual application of the general policy adopted for the remuneration of executive directors, other directors with special duties and key management personnel, availing itself at this regard of the information provided by the Managing Director;
- c) annually evaluates the adequacy of the organisational structure, putting forward opinions and recommendations to the Board of Directors; this evaluation is carried out with the Control and Risks Committee, the latter for the part that relates to the evaluation and adequacy of the Control System;
- d) assists the Control and Risks Committee in the evaluation of matters on the issue of sustainability, with specific reference to social aspects relating to the human capital;
- e) annually evaluates the development and succession plans of key management personnel proposed by the Managing Director, putting forward recommendations and opinions to the Board of Directors;
- f) expresses an opinion to the Board of Directors with regard to candidates for the office of director in the case indicated by art. 2386, paragraph one, of the Italian Civil Code, ensuring the respect of the provisions relating to the minimum number of independent directors and quotas reserved to the less represented gender;
- g) undertakes preliminary work with regard to the periodical verifications of the independence and integrity requirements of directors and on the absence of incompatibility and ineligibility reasons for the same;
- h) expresses recommendations to the Board of Directors with regard to any problematic issues linked to the application of the non-competition ban in respect of Directors pursuant to art. 2390 of the Italian Civil Code, when the Shareholders' Meeting, for organisational reasons, has authorised in general and preventively derogations to the same ban;
- i) supports the Board of Directors in the annual self-evaluation process, carrying out the preliminary work for the assignment of the task to an external consultant; provides the Board of Directors with an evaluative opinion with regard to the size, the composition and operation of the same Board and its committees, as well as with regard to its competences and the managerial and professional figures whose presence on the Board is considered to be opportune;
- j) expressed its guidelines relating to the maximum number of offices held by directors or auditors in other companies listed on regulated markets, also abroad, in financial, banking, insurance companies or companies of significant size, that might be considered to be compatible with the effective performance of the office of director of the Company;
- k) carries out tasks assigned to the same in the policy relative to succession plans (with particular reference to the revision of the same policy and the preliminary work to be carried out in relation to the appointment of the same directors).

The activities of the Remuneration Committee have been supported, at the expense of the company, by studies or opinions drafted by external consultants, where the Remuneration Committee itself has identified such need. The Committee has preventively evaluated that consultants are not in situations that may compromise their independence of judgement.

The Board of Statutory Auditors and, on invitation, when deemed to be necessary and by decision of the Chairman, the managers of the Company's and Group's structures attend the meetings of the Remuneration Committee in relation to needs linked to individual items on the agenda.

No Director takes part in the meeting of the Committee where proposals to the Board are formulated relative to their remuneration.

Lastly, it is specified that adequate financial resources are made available to the Remuneration Committee for the performance of its tasks.

During 2020 the Control and Risks Committee met 11 times and three times already in 2021; the average duration of meetings was of one hour and 17 minutes.

The meeting of the Committee are regularly minuted and coordinated by its Chairman.

The Committee reports on the activities carried out at the first available meeting of the Board of Directors.

In particular, during 2020 the Committee:

- evaluated the adequacy, overall coherence and actual application of the policy adopted for the remuneration of executive directors, other directors with special duties and key management personnel;
- drafted the remuneration policy and the remuneration report which was submitted for the approval of the Board of Directors and then subsequently to the vote of the Shareholders' Meeting;
- together with the Control and Risks Committee, evaluated the adequacy of the organisational structure, providing opinions and recommendations to the Board of Directors.

9. REMUNERATION OF DIRECTORS

For further details on the remuneration of Directors please refer to the Remuneration Report drafted pursuant to article 123-ter of the TUF and approved by the Board of Directors, on proposal of the Remuneration Committee, in the same meeting that approved this Report, which will be published in accordance with the law.

The remuneration of Directors and of key management personnel is defined at a level sufficient to motivate management to achieve the Company's strategic objectives, to attract, retain and motivate persons with the professional qualities required to successfully manage the Company and defined so as to align their interests with the pursuit of the priority objective of creating value for shareholders in the medium-long term. For directors who are to be assigned management powers or who carry out, also only in practice, functions relating to the management of the company as well as for key management personnel, a significant part of remuneration is linked to the achievement of specific performance objectives, also of a non-economic nature, previously indicated and determined in accordance with the guidelines in the remuneration policy. The remuneration of non-executive directors is proportional to the commitment required of each of them, also taking into account the possible participation to one or more Committees.

The indemnity that may be provided for the termination of the directorship with reference to executive Directors is so defined that its overall sum is not higher than a determined amount or a determined number of years of remuneration;

The following are currently provided for the Managing Director:

- indemnity in case of early termination of the Office of Director and Managing Director
- indemnity for end of Managing Director mandate, including the non-renewal by the Board of Directors.

There are no agreements in place for Key Management Personnel regulating *ex ante* the economic aspects relating to the possible early resolution of the employment relationship on the initiative of the Company or of the individual. In such cases the following apply: (i) for Italian employees, the provisions of the National Collective Labour Agreement for Executives of Companies providing goods and services

in relation to termination of employment without just cause by the Company; (ii.) for employees appointed by group companies abroad, the applicable regulations in the reference country.

There are no agreements that require the assignment or maintenance of non-monetary benefits in favour of subjects that have come to the end of their mandate ("post retirement perks").

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

10. CONTROL AND RISKS COMMITTEE

The Control and Risks Committee composed of three Directors, all non-executive and independent: Paolo Pietrogrande (Chairman), Silvia Stefini and Elisabetta Caldera.

At least one component of the Committee has an adequate knowledge and experience of financial and accounting matters or risk management; at least one other component of the Committee has an adequate experience of corporate governance in listed companies considered to be such by the Board at the time of appointment.

10.1 Risk, Control and Sustainability Committee

The Control and Risks Committee has approved its own Regulation which has also been approved by the Board of Directors. This Regulation, in addition to discipline the terms and modes for the convocation and direction of meetings defining the competences of the Chairman, envisages the Control and Risks Committee to be assigned the investigative, consultative and recommendatory functions required by the Code, in addition to other tasks. In particular, the Committee:

- a) supports the Board of Directors in the definition of the Control System guidelines, so that the main risks relating to the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, also determining the degree of compatibility of such risks with a management of the company that is consistent with the identified strategic objectives;
- b) evaluates, with the Financial Reporting Officer, having consulted the independent auditor and the Board of Statutory Auditors, the correct use of the accounting standards adopted and their consistency in the preparation of the consolidated financial statements;
- c) having consulted the Board of Statutory Auditors, supports the Board of Directors in the evaluation of the results reported by the independent auditor in any letter of suggestions and in the report on the fundamental issues identified by the audit;
- d) express its opinion to the Board of Directors with regard to the identification of the Director in charge of the Control System;
- e) having consulted the Board of Statutory Auditors, expresses an opinion on the proposal of the Chairman of the Board of Directors, relative to the appointment, revocation, assignments of tasks and remuneration, defined in accordance with the company's policies, of the Internal Audit Manager;
- f) expresses opinions on specific aspects relating to the identification of the main corporate risks;
- g) having consulted the Board of Statutory Auditors, the Chairman of the Board of Directors and the Managing Director, examines and expresses its opinion on the Audit Plan prepared by the Internal Audit Manager;
- h) at least on an annual basis, expresses its opinion to the Board of Directors with regard to the adequacy of the Control System with respect to the characteristics of the company and the risk profile assumed, also evaluating the description of the main characteristics of the Control System and the coordination procedures among subjects involved with it, expressed in this Report. To this end, it examines, among other things:
 - the periodical reports on the evaluation of the Control System, as well as those of particular relevance prepared by the Internal Audit structure; as well as
 - the risks identified by the Managing Director, with the support of the manager of the Risk Management structure;

- i) may request the Internal Audit structure to carry out verifications on specific operational areas, with simultaneous communication to the Chairmen of the Board of Statutory Auditors and of the Board of Directors as well as to the Managing Director;
- j) monitors the autonomy, adequacy, efficiency and effectiveness of the Internal Audit structure;
- k) assists, for the part of its competence, the Human Resources and Appointments Committee in the evaluation of the adequacy of the organisational structure, with particular reference to the Control System;
- l) assists, for the part of its competence, the Sustainable Strategy Committee in the evaluation of the sustainability report and, when the requirements are met, the non-financial information statements pursuant to Italian Legislative Decree 254/2016;
- m) reports to the Board of Directors, on occasion of the approval of the annual and interim financial statements, on the activities carried out and on the adequacy and effectiveness of the Control System;
- n) supports, with adequate preparatory activities, the evaluations and the decisions of the Board of Directors relative to the management of risks deriving from prejudicial events the Board of Directors becomes aware of;
- o) where required, provides a preliminary opinion to the Board of Directors on occasion of the approval of significant transactions put in place by the Company;
- p) exchanges information with the Board of Statutory Auditors with regard to the structure and management of the Control System;
- q) examines the corporate rules and procedures linked to the Control System, with particular reference to the Model and exchanges information with the Supervisory Board with regard to the aspects of the Control System relevant for the purposes of Italian Legislative Decree 231/2001;
- r) performs the functions assigned to it by the Company's Procedure for Transactions with Related Parties;
- s) supervises on the compliance and periodical updating of the corporate governance rules adopted by the Company and also applied to its subsidiaries;
- t) carries out functions assigned to it by the Group's Code of Conduct, examining with the support of the Manager of the Internal Audit structure, in particular, any notifications of violations or possible violations of the principles included in the same Code of Conduct;
- u) carries out further tasks assigned to it by the Board of Directors.

It is specified that the Company identified, with resolution of 12 November 2010, the Committee competent for the purposes of the Procedure for Transactions with Related Parties. Composed exclusively of non-executive and independent directors, this Committee operates to issue the opinion required by the Procedure for Transactions with Related Parties and, generally, with regard to what is relevant for the purposes of compliance with the same procedure.

In the performance of its functions, members of the Control and Risks Committee have the option to question corporate structures to acquire the information necessary for the performance of their tasks, as well as avail itself of external consultants, whose costs are chargeable to the Company.

The Control and Risks Committee meets whenever its Chairman considers it to be opportune or when a request is made by another member of the Committee and, in any case, at least four times a year, near the dates of the examination of the financial statements and consolidated financial statements, the financial report and the interim reports on operations.

The Board of Statutory Auditors and - when considered to be opportune and by decision of the Chairman - the managers of the Company's and/or of the Group's structures, from time invited as useful or necessary in relation to the issues to be covered, including representatives of the Auditing Company, attend the meetings of the Control and Risks Committee.

Lastly, it is specified that adequate financial resources are made available to the Control and Risks Committee for the performance of its tasks.

During 2020 the Control and Risks Committee met 14 times and three times already in 2021; the average duration of meetings was of one hour and 34 minutes.

The meeting of the Committee are regularly minuted and coordinated by its Chairman. The Committee reports on the activities carried out at the first available meeting of the Board of Directors.

In particular, during 2020, the Committee carried out investigative and/or elaboration activities on the following issues:

- *Impairment Test;*
- Accounting standards;
- Related parties;
- *Internal Auditing;*
- Risk Management;
- Corporate Governance;
- Sustainability;
- Projects relative to the Control System;
- Cyber Security;
- Compliance (Model, organisation and activities of the QHSE structure);
- Reports relative to the Code of Conduct and the Compliance Program.

11. SUSTAINABLE STRATEGY COMMITTEE

The Sustainable Strategy Committee is composed of six members: two executive members (the Chairman and the Managing Director) and four non-executive and members (Andrew Lee Ott, Georgina Grenon, Marta Dessù and Nicoletta Giadrossi). Its components must have competences adequate to the tasks they are called to perform assessed by the Board of Directors at the time of appointment.

The Committee's mission is to ensure that sustainability is at the base of the Company's strategy, with the objective of pursuing sustainable success in the long term.

11.1 Functions of the *Sustainable Strategy Committee*

The Sustainable Strategy Committee has approved its own Regulation which has also been approved by the Board of Directors. This Regulation, in addition to discipline the terms and procedures for convening and managing meetings defining the competences of the Chairman, envisages the Sustainable Strategy Committee to be assigned the task to:

- a) assist the Board of Directors, with functions of investigation and consultation, in its assessment and decision-making linked to the sustainable long-term creation of value for all of the Company's stakeholders;
- b) *identify and analyse, with the support of the Communication & Sustainability function and of the Managing Director, best practices in relation to ESG indices both at national and international level;*
- c) periodically evaluate the fundamental reference economic scenarios for the Group's strategy and the opportunities to create value in the long term for all the stakeholders proposed by the Managing Director;
- d) support the Chairman and the Managing Director in the definition and development of the Sustainability Framework adopted by the Company and approved by the Board of Directors;
- e) revision of the annual Sustainability Report and, where necessary, of the Statement of Non-Financial Information, expressing its opinion to support the Board of Directors called to approve such documents;

- f) check the implementation of the decisions of the Board of Directors in relation to sustainability and validate its measurement systems, through which assess progress in the creation of value for all of the Group's stakeholders;
- g) identify and study social and macroeconomic projections, innovative processes, technological changes and the parameter that may have an impact on the Company's sustainability strategy in the medium-long term;
- h) organise a maximum of three event per year with external experts, within the limits of the budget approved by the Board of Directors, for an in-depth analysis of the issues relative to the paragraph above.

In the performance of its functions, members of the Sustainable Strategy Committee have the option to question corporate structures to acquire the information necessary for the performance of their tasks, as well as avail itself of external consultants, whose costs are chargeable to the Company.

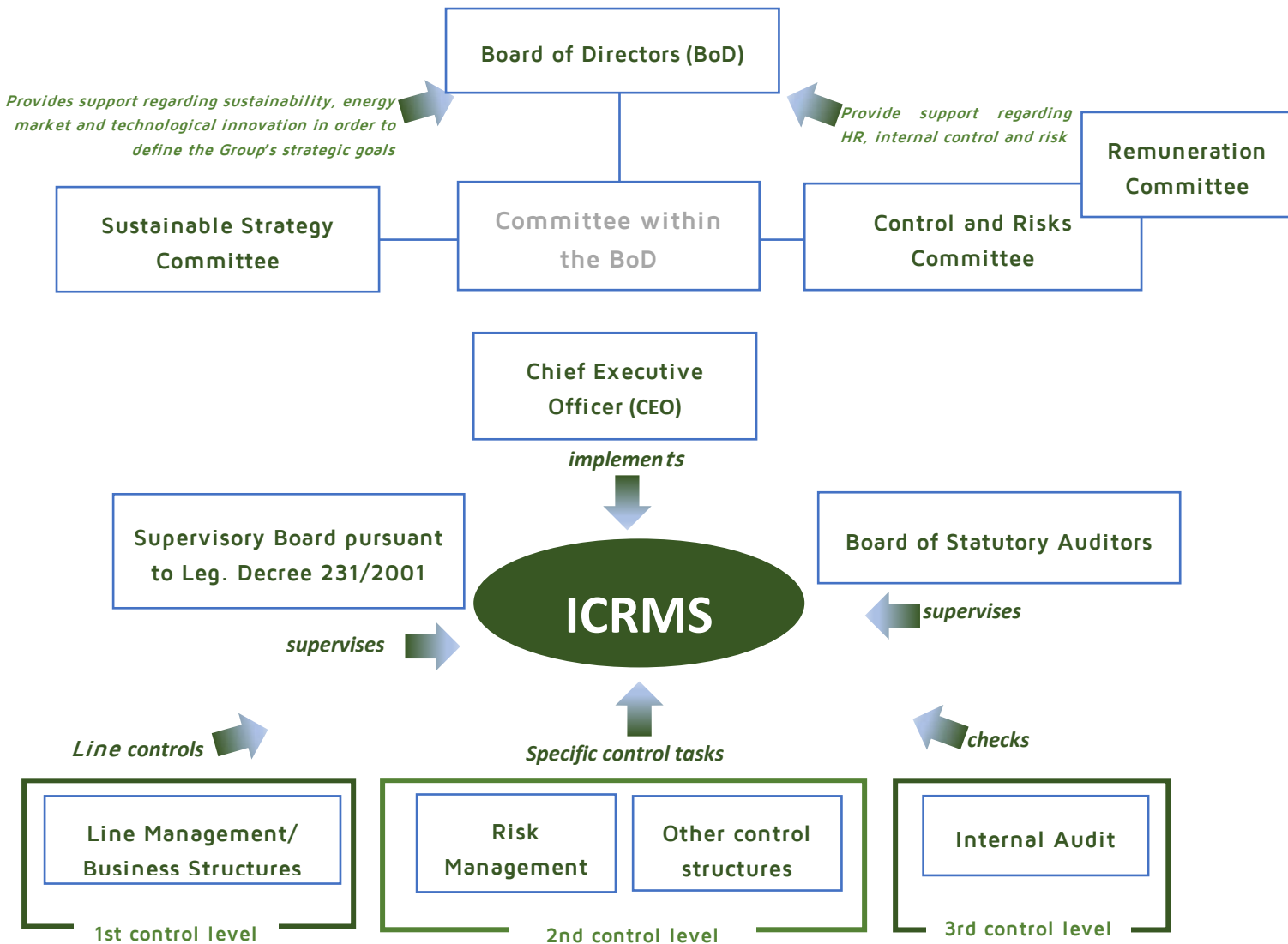
the Sustainability Strategy Committee meets every time the Committee Chairman deems it necessary or if a request is made by another member of the Committee and, in any case, at least four times a year.

The Board of Statutory Auditors as well as, when deemed to be opportune and by decision of the Chairman, other components of the Board of Directors and Company's and Group's structure managers are also invited to attend the meetings of the Sustainable Strategy Committee.

The Sustainable Strategy Committee met four times during the 2020 operating period and once in 2021; the average duration of meetings was approximately two hours.

The meeting of the Committee are regularly minuted and coordinated by its Chairman. The Committee reports on the activities carried out at the first available meeting of the Board of Directors.

12. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM



The Internal Control and Risk Management System ("**Control System**" or "**ICRMS**") of the Company is the set of rules, procedures and organisational structures aimed at allowing the effective and efficient identification, measurement, management and monitoring of the main risks for the Group.

The Control System adopted by the Company has the objective of contributing to a management of the company coherent with the corporate objectives defined by the Board of Directors, promoting responsible decision-making. It must contribute to ensuring the safeguard of corporate assets, the efficiency and effectiveness of corporate processes, the reliability of information provided to the corporate bodies and to the market, the compliance with laws and regulations as well as with the articles of association and internal procedures.

The Board of Directors, with the assistance of the Control and Risks Committee, has defined the guidelines so that the main risks relating to the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, also determining the degree of compatibility of such risks with a management of the company that is consistent with the strategic objectives;

Main instruments to ensure the achievement of the Group's operating objectives:

- a) planning and management control: the corporate strategies and objectives of the Company and of the Group are defined through business planning and annual budget processes and monitored through the internal periodical reporting process.
- b) Risks identification and evaluation: the Global Risk Management structure reporting to the Managing Director is already operational. The structure has the task to manage and coordinate the risk management processes for the Company and the Group. In particular, the structure has the task to:
- manage the activities of the Corporate Risk Assessment, Investment Risk Management, Energy Risk Management and Counterparty Risk Management, supporting Business Lines, Staff Divisions and Structures in the identification and assessment of risks and of the Risk Reporting activities, in accordance with the Corporate Governance rules and the Group's policies. In particular, the Global Risk Management structure, in the context of its own activities, typically relates to the following structures:
 - *Asset Management & Technical Advisory - risks connected with the provision of asset management and technical consultancy services;*
 - *Business Development and M&A - risks connected to growth in terms of installed capacity and assets implemented by expanding and diversifying, also on a geographical basis, projects pipelines;*
 - *Energy Management & Downstream Services - risks connected to the (i) management of operations on energy markets, (ii) energy management and energy efficiency services, (iii) any M&A activities;*
 - *Engineering & Construction - risks linked to the planning, supply and construction of plants;*
 - *ITA and UK Asset Governance - risks linked to the management of the Group's wind power and solar plants located in Italy and in the UK;*
 - *Thermal Generation - risks linked to the management of the Group's thermal plants;*
 - *Group CFO and Group Head of Administration, Finance, Planning & Control (AFP&C), also in the role of Financial Reporting Officer responsible for the preparation of corporate accounting documents - risks linked to economic, capital and financial information disclosed to the markets;*
 - *Group Finance in the context of the AFP&C structure - specific risks linked to the retrieval and management of financial resources;*
 - *Group Tax in the context of the AFP&C structure - specific risks of a tax nature;*
 - *Legal & Corporate Affairs - risks of a legal and corporate nature;*
 - *Digital Transformation & IT - risks linked to the digital transformation of the Group and, generally, the coordination and security of the Group's information systems;*
 - *Group HR & Organization - risks linked to the management and development of human resources and corporate organisation;*
 - *QHSE - risks relative to the quality of processes, safety and health in the workplace and environmental management;*
 - *Communication & Sustainability - risks connected to the Group's image, internal and external communications and sustainability initiatives;*
 - define, in agreement with the Process Owners, the Group's Business Continuity strategy, coordinating the activities of the Business Impact Analysis and the definition of business continuity Plans;
- c) corporate procedures: the Group has a set of procedures / operating instructions that regulates internal corporate processes.

Main instruments to ensure the achievement of the Group's compliance objectives:

- a) Group's Code of Conduct: the Group's companies have adopted the Company's Code of Conduct;
- b) Italian Legislative Decree no. 231 of 8 June 2001 as subsequently amended relating to the administrative responsibilities of entities (hereinafter also the "Decree"): in addition to the Company, the Italian companies of the Group have adopted their own Model;
- c) Law no. 262 of 28 December 2005 as subsequently amended (hereinafter the "Law 262/2005") relating to accounting and financial information: the Company has adopted a set of Group administrative and accounting procedures;

- d) *Compliance Program: meets the needs of a multinational group such as Falck Renewables to prevent the potential risk of penalties for offences committed by its subsidiaries abroad, allowing it to meet global compliance requirements, while still taking into consideration the peculiarities and obligations of local regulations; the Group's companies abroad have adopted the Compliance Program;*
- e) Environment, Health and Safety: in addition to the Company, the Group's companies are provided of a system of organisational procedures and structures dedicated to the management of aspects relating to the protection of the environment and employees' health and safety.
- f) other laws and regulations: these are monitored by the Legal & Corporate Affairs structure with regard to legal and corporate aspects, by the Tax organisational unit with regard to Group tax aspects, by the Country Managers with regard to the aspects linked to the regulations of the sector/countries in which the Group operates, in the context of the Business Line Asset Management & Technical Advisory, and by the Asset Governance, Business Development and M&A, Engineering & Construction Divisions, competent by country / geographical areas, and by the Business Line Energy Management & Downstream Services for the regulatory aspects of the energy markets.

Main instruments to ensure the achievement of the Group's reporting objectives:

- a) accounting reports and financial statements: the accounting reports and financial statements system of the Issuer is constituted by a set of operating procedures and documents (Accounting Manual, operating instructions for the preparation of financial statements and timetables, administrative and accounting procedures pursuant to Law 262/2005), which govern the processes for the collection, processing, representation and communication of economic and financial disclosures.
- b) privileged information: the Company has adopted a Procedure for the processing and disclosure to the public of Privileged Information and for the maintenance of a Register of persons with access to Privileged Information who, in accordance with the indications of the Code and in line with the reference regulations, aims to direct the management and processing of Privileged Information, as well as the procedures to be observed for the disclosure, both within and outside the company, of documents and information relating to the Company and its subsidiaries, with particular reference to Privileged Information. The Procedure also regulates the institution and constant updating of the Register of persons with access to Privileged Information.

At the time of approval of the draft financial statements, having acknowledged the evaluations of the Control and Risks Committee which has in turn examined the evaluations of the manager of the Internal Audit structure, the Board of Directors expressed an evaluation of substantial adequacy and effectiveness of the Control System.

12.1 Director responsible for the internal control and risk management system

The Board of Directors has identified the Managing Director as the Director responsible for the supervision of the operations of the Control System. With the support of the Global Risk Management structure, the Director responsible for the Control System has identified the main corporate risks (strategic, operating, financial and compliance), taking into account the characteristics of activities carried out by the Company and by its subsidiaries and has provided, executing the guidelines defined by the Board of Directors, to manage the Control System, constantly verifying its adequacy and efficiency and adapting it, where necessary, to the dynamic of operating conditions and the legislative and regulatory landscape.

the Director responsible for supervising the operation of the Control System has the power to request the Internal Audit function to carry out verifications on specific operational areas and on the compliance with internal regulations and procedures in the execution of corporate transactions, with simultaneous communication to the subjects indicated by the Code;

During the operating period, the Director responsible for supervising the operation of the Control System has not availed themselves of the above mentioned option, not perceiving the need to do so.

This Director also has the option to report to the Control and Risks Committee or to the Board of Directors with regard to issues and critical matters arising during the performance of their activities or of which they have been made aware, in order for these bodies to take the necessary actions.

This situation did not occur during the operating period.

12.2 The Internal Audit Manager

Siro Tasca is the Company's Internal Audit Manager.

the Internal Audit Manager is not responsible for any operational area and hierarchically reports to the Board of Directors, which has conferred to the Chairman the power to coordinate the operation of this function. The Chairman reports to the Board of Directors every six months with regard to the exercise of this power. The manager of the Internal Audit structure is appointed and revoked by the Board of Directors on the proposal of the Chairman, the opinion of the Control and Risks Committee and having consulted the Board of Statutory Auditors. This set up was adopted in order to strengthen the independence required of the role.

The manager of the Internal Audit structure, in the performance of his functions:

- a) verifies, both on a continuous basis and in relation to specific needs and in compliance with international standards, the functioning and suitability of the Control System, through an Audit Plan, based on a structured process for the analysis and prioritization of the main risks, in the context of which also coordinates with the manager of the Global Risk Management structure. The Audit Plan is approved by the Board of Directors, with the prior favourable opinion of the Control and Risks Committee and after consultation with the Board of Statutory Auditors, the Chairman of the Board of Directors and the Director responsible for the Control System;
- b) has direct access to all information useful for the performance of his task and has access to adequate means for the fulfilment of his responsibilities;
- c) prepares periodical reports including adequate information on his activities, on the manner in which risk management is carried out, as well as on the compliance with the plans defined for their containment; periodical reports include an evaluation of the suitability of the Control System;
- d) timely prepares specific reports on events of particular relevance;
- e) checks, in the context of the Audit Plan, the reliability of information systems, including accounting recording systems;

The above reports are sent to the Chairmen of the Board of Directors, of the Board of Statutory Auditors and the Control and Risks Committee as well as the Managing Director.

The remuneration of the Manager of the Internal Audit structure is established in accordance with the remuneration policy for the Group's management. In particular, the variable remuneration of the Manager of the Internal Audit structure, for reason of his independence, is linked exclusively to parameters linked to the performance of the same structure. Annually, the objectives of the structure's Manager are approved (final figures and assignment) by the Board of Directors, with the prior preparatory activities of the Control and Risks Committee and having consulted the Board of Statutory Auditors.

The Audit plan relative to the year 2020 was carried out on the basis of the planned schedule; the reliability of the information systems, including the accounting recording systems, was also verified within the context of this Plan.

During 2020, the Manager of the Internal Audit structure periodically reported to the Chairman of the Board of Directors, of the Board of Statutory Auditors and of the Risk, Control and Sustainability Committee; there were no events of particular significance requiring special reports.

The Audit Plan relative to the year 2020, prepared on a risk-based approach, was approved by the Board of Directors on 30 January 2020, with the prior favourable opinion of the Control and Risks Committee, provided on 24 January 2020, and having consulted the Board of Statutory Auditors, the Chairman of the Board of Directors and the Director responsible for the Control System;

The manager of the Internal Audit structure regularly participated in the works of the Control and Risks Committee, of which he is Secretary, and of the Supervisory Board, of which he is a component.

12.3 Organisation and Management Model pursuant to Italian Legislative Decree 231/2001

On 10 June 2004 the Board of Directors approved the Model, which takes into account the guidelines of Confindustria and of the Italian best practices on this matter, finalised to prevent the possibility of committing relevant offences pursuant to Italian Legislative Decree 231/2001 (the "Decree") and, consequently, the administrative responsibility of the Company.

The adoption of the Model, which finds its necessary premise in the Code of Conduct, allows to pursue rigour, transparency and a sense of responsibility in internal and external relationships and offers shareholders adequate guarantees of an efficient and correct management, raising awareness in all those who operate in the name and on behalf of Falck Renewables to follow, in the performance of their tasks, linear and correct behaviour in order to avoid the risk of committing the offences referred to in the Decree.

The Model, amended over the years to adapt it to the new law provisions on the matter is composed of a general part, which describes, among other things, the content of the Decree, the Model's objectives and operation, the tasks of the Supervisory Board and the sanctions regime, and 15 separate "Special Parts" relating to the following types of offences referred to in Italian Legislative Decree 231/2001: "Special Part A - Crimes committed in relationships with the Public Administration"; "Special Part B - IT crimes and illegal data processing"; "Special Part C - Organised crime and cross-border crimes"; "Special Part D - Crimes against industry and trade"; "Special Part E - Corporate crimes"; "Special Part F - Crimes against the person"; "Special Part G - Market abuse"; "Special Part H - Homicide and serious injuries through violation of the rules on safety in the workplace"; "Special Part I - Handling of stolen goods, money laundering and utilisation of money, goods or assets of unlawful origin as well as self-laundering"; "Special Part J - Copyright crimes"; "Special Part K - Inducement not to make statements or to make false statements to the judicial authority"; "Special Part L - Environmental crimes"; "Special Part M - Private sector corruption"; "Special Part N - Employment of citizens from third countries whose stay is irregular"; "Special Part O - Tax crimes".

The Company has appointed a Supervisory Board, in collegial form, provided of independent initiative and control powers, instructed to supervise the effectiveness, adequacy, operation and observance of the Model, also ensuring its continuous updating. This Body is currently composed of two external components, Giovanni Maria Garegnani (Chairman) and Luca Troyer, joined by an internal component, Siro Tasca, Manager of the Company's Internal Audit structure, and will be released from this function at the natural expiry of the current Board's mandate, with the Shareholders' Meeting for the approval of the 2022 financial statements.

The Supervisory Board is provided of a Regulation that disciplines, in accordance with the principles of the Model, the operational procedures, identifying, in particular, the powers, tasks and responsibilities assigned to the same.

Lastly, the Model was updated with resolution of 3 December 2020 with the inclusion, in as far as it does potentially apply to the Company, of tax crimes in the list of possible crimes. The requirements for the composition, eligibility and respectability of the Supervisory Board, of its functions, powers and information flows were also updated at the same time. Furthermore, the sanctionable behaviours of the receivers of the Model and the relative sanctions were expressly indicated.

On 3 December 2020 the Board of Directors also approved the "Guidelines for the management of relations with the Public Administration" which include a summary of the principles of behaviour and rules of conduct that the Company has adopted in the context of its relations with the Public Administration, also in order to prevent illicit conducts that may generate a responsibility pursuant to the Decree.

The Model is communicated by the Company to its Italian subsidiaries, which endeavour to adopt one of their own and appoint a Supervisory Board, complying with the principles and contents of the Company's Model, subject to their own specific issues. The Company also requires subsidiaries abroad, in relation to the management of activities that present a risk of commission of offences of the same

nature of those indicated by the Decree, the adoption of a document called "Compliance Program" which includes the principles of behaviour defined in the general part and the prevention protocols included in the Model, in accordance with the laws applicable in their relative countries or where these companies operate.

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

12.4 Independent Auditors

EY PricewaterhouseCoopers S.p.A., with head office in Milan, Piazza Tre Torri 2, has been mandated with the legal audit of the financial statements of the Company by the Shareholders' Meeting of 15 April 2019, on the reasoned proposal of the Board of Statutory Auditors.

This mandate was assigned for the 2020-2028 nine-year period and will therefore expire with the approval of the financial statements as at 31 December 2028.

Please note that most of the companies fully consolidated on a line-by-line basis are audited by PricewaterhouseCoopers S.p.A.

12.5 Financial Reporting Officer

In the meeting of 30 July 2009, the Board of Directors of the Company resolved to appoint Paolo Rundeddu, who has the role of CFO, as Financial Reporting Officer meeting the integrity requirements pursuant to article 147-quinquies of the TUF and of the professional requirements required by article 23 of the Articles of Association, that is to say to have accrued an overall experience of at least three consecutive years in management in the sectors of administration, finance, control in public entities or companies operating in the credit, financial, insurance, property, commercial and IT sectors, carrying out activities similar to those exercised by the Company both directly and through subsidiaries.

The Financial Reporting Officer is responsible for the internal control system in relation to financial information and, to this end, arranges administrative and accounting procedures for the preparation of periodical accounting documentation and any other financial communication, attesting, with the delegated governing bodies, with the dedicated report annexed to the financial statements for the operating period, the abbreviated interim financial statements and the consolidated financial statements, to their adequacy and effective application for the period the above mentioned accounting documents refer to.

Pursuant to art. 154-bis of the TUF, the Board of Directors ensures that the Financial Reporting Officer has adequate powers and means available for the exercise of the tasks assigned to him, as well as in accordance to the above mentioned procedures.

12.6 Coordination between the various parties involved in the Internal Control and Risk Management System.

The elements that constitute the Control System of the Company and of its subsidiaries are based:

- a) in the articulation, integrated in the organisational structure and the corporate governance of the Group and defined taking into account the reference models and existing national and international best practices, of the Control System on three control levels:
 - 1st level: structures carry out the line controls in the operational processes, identify and evaluate the risks identified and implement defined management actions;
 - 2nd level: structures supervising the risk evaluation and control process, define the procedures and the instruments for the management of risks, guaranteeing their coherence with corporate objectives;
 - 3rd level: the Internal Audit structure carries out independent verification activities on the overall Control System.

- b) in the involvement of the various subjects that contribute, each for their own competences, to the implementation of corporate governance:
- the Board of Directors, which carries out a strategic role and evaluates the adequacy of the Control System;
 - the Director responsible for the internal control and risk management system, who arranges for its institution and its maintenance;
 - the Control and Risks Committee, with the task to support, with an adequate preparatory activity, the evaluations and decisions of the Board in relation to the Control System;
 - the Internal Audit manager, tasked to check that the Control System works, adequate and coherent with the guidelines defined by the Board of Directors;
 - the structures in which the company organisation divided, with specific tasks in relation to the management and monitoring of the Control System;
 - the Board of Statutory Auditors, which supervises the effectiveness of the Control System;
- c) in the procedures and mechanisms for the current implementation of the control principles, reflected in the documentation produced and updated by the Company to define the rules of behaviour, the assignment of tasks and the delegations of responsibilities. In this context, the following are included:
- the provisions inherent to the corporate and organisational structure and the relative power delegations;
 - the segregation mechanisms of the functions in the context of the organisation (also reflected in the company information systems through specific approval workflows), finalised at avoiding an excessive concentration of powers and decision-making/authorisation, implementing/executive, accounting and verification/control functions;
 - personnel development and professional growth policies;
 - systems for the definition of corporate objectives and the verification and monitoring of corporate performance;
 - management and economic-financial reporting systems as well as internal and external communication systems;
 - the set of corporate procedures, including those provided by the Model, as well as administrative and accounting procedures for the preparation of the financial statements, the consolidated financial statements as well as any other communication of a financial nature, instituted pursuant to Law 262/2005 as subsequently amended;
- d) in the verification and continuous monitoring processes carried out at various levels within the organisation, both in the context of corporate processes and through independent structures.

12.7 Main characteristics of the risk management and internal control system in relation to the financial information process, pursuant to 123-bis, paragraph 2, letter b), TUF

The design and implementation of the Company's accounting and administrative control system has involved an analysis finalised at identifying the main risk factors present in the "relevant" processes in terms of the potential impact on financial information, articulated into the following stages:

- *Identification of risks*: the process for the identification and evaluation of the risks linked to economic, capital and financial information, which has been carried out in order to identify the processes with a relevant impact on the production of such information, is articulated in the following activities:
 - identify the main items of the financial statements/accounting areas at risk and the correlated relevant administrative processes, on the basis of qualitative and quantitative criteria (for example, significance, complexity of calculation, level of subjectivity of the balance sheet items, etc.);
 - for each item of the balance sheet/relevant information, identification of the significant administrative-accounting areas and of the relative processes/accounting flow feeds;
 - identification of the controls established to monitor identified risks.
- *Documentation of administrative-accounting controls*: the controls for monitoring risks have been formalised in the administrative and accounting procedures which define the responsibilities and the control rules to which the various corporate Structures involved in the administrative and accounting management in various roles must comply with, with particular reference to the processes relevant in the context of the periodical activities for the closure of accounts.

The accounting and administrative control system is evaluated every six months, in terms of its adequacy and of effective application of the key controls identified in the administrative and accounting procedures. The evaluation is carried out in the defined areas (processes and companies), with the support of an external advisor, coordinated by the Financial Reporting Officer and the Manager of the Internal Audit Structure. The verifications plan is organised through a logic of rotation of processes and companies, aimed at achieving a reasonable coverage of administrative-accounting processes.

The Internal Audit structure communicates the outcomes of half-yearly verifications to the Financial Reporting Officer as well as the Chairman of the Board of Directors, the Managing Director, the Chairman of the Control and Risks 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 financial statements/interim financial reports/interim report on operations, the Company's Managing Director and Financial Reporting Officer submit the reports and declarations pursuant to article 154-bis of the TUF to the Board of Directors, which takes the resolutions in its competence and authorises the publication of the same.

13. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

With resolution of 12 November 2010, in order to ensure the transparency and the substantial and procedural correctness of transactions with related parties performed directly or through subsidiaries and to adapt to the dispositions dictated by Consob on this matter with resolution no. 17221 of 12 March 2010 subsequently amended with resolution no. 17389 of 23 June 2010 (Consob Regulation), after obtaining the favourable opinion of the Control and Risks Committee, constituted exclusively of independent directors and tasked with the performance of the functions of the Committee for related parties, the Company adopted a procedure pursuant to article 4 of Consob Regulation ("**Procedure**"). The Procedure has the purpose of disciplining the implementation process (approval and execution) of transactions with related parties and is available on the Company's website <https://www.falckrenewables.com/corporate-governance>.

The Procedure identifies and defines related parties, the transactions of major relevance, the excluded transactions and transactions of minor relevance.

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

- counter value relevance index: it is the ratio between the counter value of the transaction and net equity, drawn from the most recent consolidated balance sheet published by the Company, or, if higher, the Company's capitalisation recognised at the end of the last market day open in the reference period of the most recent periodical accounting document published (annual or interim financial statements or interim report on operations);
- asset relevance index: it is the ratio between the total assets of the entity subject of the transaction and the Company's total assets;
- liability relevance index: it is the ratio between the total liabilities of the entity acquired and the Company's total assets.

The Company has not identified relevance thresholds lower than those indicated above. However, it remains understood that the Board of Directors has the option to identify from time to time, on the proposal of the Managing Director, transactions to which the discipline anticipated for transactions of major significance should apply, even if the relevance indices are lower than the relevance thresholds.

In case of combinations of several transactions, the Company determines first all of all the relevance of each transaction on the basis of the index or indices applicable to it. To verify the exceeding of the above indicated thresholds, the results relative to each index are therefore summed together. If a transaction or several combined transactions are identified as being of major relevance and this result appears to be manifestly unjustified in consideration of specific circumstances, the Company reserves

the right to ask Consob for alternative procedures to be followed in the calculation of the above mentioned indices. To this end, the Company communicates to Consob the essential characteristics of the transaction and the specific circumstances on which the request is based before the conclusion of the negotiations.

These are the transactions excluded from the Procedure:

1. the resolutions of Shareholders' meeting relative to remuneration due to members of the Board of Directors pursuant to 2389, paragraph one, of the Italian Civil Code;
2. the resolutions relating to the remuneration of directors with special duties, whose amount falls within that previously determined by the Shareholders' Meeting pursuant to articles 2389, paragraph three, of the Italian Civil Code;
3. the resolutions of the Shareholders' meeting relative to remuneration due to members of the Board of Statutory Auditors pursuant to 2402, of the Italian Civil Code;
4. small value transactions which, when considered individually, have an economic value no higher than €300,000;
5. also excluded from the Procedure, with the exclusion of the information to be provided in the interim and in the annual management report, are:
 - 5a. remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to article 114-bis of the TUF and the relative executive transactions;
 - 5b. the resolutions on the remuneration of Directors and Directors with special duties as well as other Key Management Personnel on condition that:
 - (i) the resolutions are consistent with the remuneration policy adopted by the Company;
 - (ii) the favourable opinion of the Human Resources and Appointments Committee had been sought in the definition of the remuneration policy;
 - (iii) a report illustrating the remuneration policy has been submitted for the approval or the advisory vote of the Shareholders' Meetings;
6. the ordinary transactions concluded at conditions equivalent to market or standard conditions, or those that fall within the ordinary exercise of the Company's ordinary activities; ordinary activities are intended as the set of (i) the main activities generating revenues for the Company and (ii) all the management activities that cannot be classified as "investment" or "financial" transaction;
7. intracompany transactions, that is:
 - transactions with or between controlled companies, also jointly controlled;
 - transactions with associated companies;
 as long as there are no interests of other related parties in the controlled or associated companies that are considered to be significant;
8. with the exception of the discipline on the transparency of transactions of major relevance, urgent operations with particular conditions are also excluded from the current procedure, where expressly provided for by the articles of association.

Transactions of minor relevance are all those that are not transactions of major relevance and those that are not excluded.

Lastly, the Procedure disciplines the processes for the approval of transactions carried out through controlled companies and the information to be provided on transactions with related parties.

Every director is required to notify the other directors and the Board of Statutory Auditors of every interest that, on their own account or on behalf of third parties, they may have in a determined Company transaction, specifying its nature, terms, origin and extent; in the case of a managing director, the same must also abstain from performing the transaction, delegating the Board with regard to the same.

The Procedure will be reviewed and updated in accordance with regulatory amendments on the issue of transactions with related parties, the Issuers Regulation and the Regulation of markets in implementation of Directive (EU) 2017/8282 on the rights of shareholders (Shareholders Rights Directive 2 - SHRD II) approved by Consob with Resolutions no. 21623 and no. 21624 of 10 December 2020 (published in the Official Gazette no. 317 of 22 December 2020).

The Company will therefore provide to adapt its procedures to the new provisions by 30 June 2021.

14. APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors is appointed with a list vote mechanism pursuant to article 24 of the Articles of Association and to the applicable legislation and regulations as well as in compliance with the applicable *pro tempore* regulations relating to gender balance.

The appointment of the Board of Statutory Auditors, therefore, takes place on the basis of lists submitted by shareholders and filed at the Company's office at least 25 days before the day set for the Shareholders' Meeting in first call, accompanied by the information expressly requested by article 144-sexies of the Issuers' Regulation.

Taking into account that the 2020 Budget Law (Law no. 160 of 27 December 2019) has amended the rules relating to gender balance in governing and control bodies of listed companies (rule introduced by Law no. 120 of 12 July 2011 and incorporated in articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis, of Italian Legislative Decree no. 58 of 24 February 1998) introducing the new division criterion which requires that at least two fifths of Directors and Standing Auditors must belong to the less represented gender starting from the first renewal after 1 January 2020, with resolution of 25 February 2020 the Board of Directors amended the second paragraph of article 24 of the Articles of Association requiring that lists submitting a total number of candidates of three or more must be composed of candidates from both genders, in accordance with the applicable *pro tempore* regulation relative to gender balance, both for candidates to the office of Standing Auditor and candidates to the office of Alternate Auditors. This also in consideration of the Communication clarifying the amendments to the dispositions pursuant to articles 147-ter and 148 of Italian Legislative Decree 58/98 (TUF) on the balance of gender in the bodies of listed companies made by Law no. 160 of 27 December 2019 ("2020 Budget Law") published by Consob on 30 January 2020, in which the Authority has proposed to apply to the corporate bodies formed by three components rounding down to the lowest unit number.

The lists of candidates must be accompanied, notwithstanding any other applicable *pro tempore* provision or regulation, by statements with which the candidates accept their candidature and attest to the non-existence of causes of ineligibility and incompatibility, as well as to their meeting the legal and statutory requirements set for their respective offices and the list of any governing and control offices held in other companies.

The shareholders who intend to submit a list of candidates must be holders at the time of submission of the same of a minimum interest equal to that determined pursuant to art. 147-ter of the TUF. Please note that this reference threshold was established at 1% of the corporate capital by Consob resolution no. 44 of 29 January 2021.

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

Minority shareholders are entitled to elect one standing auditor, who will be the chairman of the Board of Statutory Auditors, and one alternate auditor.

In case of parity of votes in minority lists, the older candidates will be elected to the office of Standing Auditor and Alternate Auditor respectively, notwithstanding the compliance with applicable *pro tempore* regulations relating to gender balance.

The lists, accompanied by the relative *curricula vitae*, are published on the Company's website by the statutory deadline.

Auditors must meet the independence requirements established by the TUF, as well as the professionalism and integrity requirements set by the Ministry of Justice's regulation, in agreement with the Ministry for Economy and Finance.

With regard to the professionalism requirements, at least one of the Standing Auditors and at least one of the Alternate Auditors are chosen from those registered with the Registry of Legal Auditors instituted pursuant to the law, who have audit experience of a period of no less than three years. For auditors not meeting the above mentioned requirement, art. 24 of the Articles of Association establishes the matters and activity sectors strictly relating to the those of the Company, in which the same must have gained an overall experience of at least three years, as required by the above mentioned ministerial regulation.

Furthermore, the Code of Conduct recommends that Auditors are chosen among persons who meet the independence requirements also on the basis of the criteria of the Code itself.

15. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 7 May 2020 for a mandate of three operating periods which will expire with the Shareholders' Meeting approval of the financial statements as at 31 December 2022.

The **first list** (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 which represent 60% of the shares with voting rights in the Shareholders' Meeting, with the following candidates: 1. Patrizia Paleologo Oriundi – Statutory Auditor; 2. Giovanna Conca – Statutory Auditor; 3. Franco Aldo Abbate – Statutory Auditor; 4. Daniela Delfrate – Alternate Auditor; 5. Fabio Artoni – Alternate Auditor, obtaining 74.54% of the votes present in the meeting (equal to approximately 60% of votes with respect to the corporate capital).

The **second list** (so called **minority list**) was submitted by the following ARCA Fondi SGR S.p.A. funds (operator of funds: Arca Economia Reale Equity Italia, Arca Economia Reale Bilanciato Italia 30, Arca Azioni Italia); Eurizon Capital S.A. (operator of the Eurizon Fund section of Italian Equity Opportunities); Eurizon Capital SGR S.p.A. (operator of 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. (operator of funds: Pramerica MITO 25 and MITO 50), holders of a total of 3,842,487 Company ordinary shares representing 1.31857% of shares with voting rights at the Shareholders' Meeting with the following candidates: 1. Dario Righetti – Statutory Auditor; 2 Domenico Busetto – Alternate Auditor, achieving 25.35% of the votes present in the Shareholders' Meeting (equal to approximately 20.40% of votes with respect to the corporate capital).

The lists indicated above were not connected.

At the date of this Report, the Board of Statutory Auditors in office, compliant to the current regulations with regard to gender balance, is composed as follows:

Standing 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 determined at the time of appointment at a gross total of €175,000 per year, of which €75,000 gross per year to the Chairman of the Board of Statutory Auditors and €50,000 gross per year for each of the Standing Auditors.

Table no. 2 in the appendix includes information relating to the list they belong to, their characteristics and the attendance of each Auditor to the meetings of the Board.

The list of the main offices held by each Auditor in other companies listed in regulated markets, also abroad, in financial, banking, insurance companies or companies of significant size is reported in annex sub B); details of the personal and professional characteristics of each Auditor are available on the website <https://www.falckrenewables.com/corporate-governance/shareholders-meetings#07-05-2020>, as an annex to the list elected during the above mentioned Shareholders' Meeting.

During the operating period, the Board of Statutory Auditors held six meetings, of the average duration of two hours and 50 minutes. Six meetings are planned for 2021, two of which have already been held.

The Board of Statutory Auditors;

- has evaluated the independence of its members after their appointment;
- during the operating period, has evaluated the persistence of the independence requirements of its members;
- in the performance of the above mentioned evaluations, it has applied all the powers provided by the Code with reference to the independence of Directors, confirming its persistence.

In compliance with the Code, the Company requires Auditors who, on their own account or on behalf of third parties, have an interest in a specific Company transaction, promptly and fully to inform the other Auditors and the Chairman of the Board of Directors with regard to the nature, term, origin and extent of their interest.

The Board of Statutory Auditors has supervised the independence of the independent auditing company, checking both the compliance to applicable regulatory provisions and the nature and extent of any services other than the audit control provided to the Company and its subsidiaries by the same independent auditing company and by entities belonging to the same network.

The Board of Statutory Auditors, in the performance of its activities, coordinates with corporate structures, with the Supervisory Board and with the Control and Risks Committee.

The coordination procedures involve the permanent presence of at least one component of the Board of Statutory Auditors at the meetings of the Control and Risks Committee, which are also attended by the Manager of the Internal Audit structure.

During the operating period, the Board of Statutory Auditors has participated in the initiative proposed by the Chairman of the Board of Directors and aimed at promoting the knowledge on the part of Auditors of the reference legislative and self-regulatory framework. In particular, meetings have focussed on the following corporate governance issues: disclosure of non-financial information (Italian Legislative Decree 245/2016), administrative responsibility of companies and entities (Italian Legislative Decree 231/2001), Shareholders' Right Directive II and elaborations on the new Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A. on 31 January 2020 and which will be applicable from 2021.

16. RELATIONSHIP WITH SHAREHOLDERS

The Company actively seeks to establish a constant dialogue with shareholders, with institutional investors, as well as with the market, to guarantee the systematic diffusion of complete, correct and timely information on its activities, in the respect of the confidentiality requirements that some information may require and the procedure for the processing and the disclosure to the public of privileged information.

Disclosure to investors, the market and the media relative to periodical statements, events and relevant transactions is ensured with press releases, analyst conference calls and meetings with institutional investors also attended by top management representatives (road shows).

Furthermore, the information is disclosed to the public via publication on the Company's website (www.falckrenewables.com) in the "Investor Relations" section, easily identifiable and accessible,

where economic and financial information can be found, together with data and documents of general interest to shareholders, so as to allow the latter the informed exercise of their rights.

It is possible to access all the relevant information relating to the governance system, the corporate bodies and the Company's Shareholders' Meetings, the regulations, the procedure for transactions with related parts and the Model through the "Ethics and Governance" section.

The Investor Relations structure, responsible for the management of relations with shareholders, investors and analysts, has been operational since the listing of the Company in 2002, and mandatorily since 2004 when the Company was admitted to the STAR segment.

The Investor Relations Manager can be contacted at the following addresses:

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

Tel. +39 02.2433.3338

E-mail: giorgio.botta@falckrenewables.com

17. SHAREHOLDERS' MEETINGS

The Shareholders' Meeting, both ordinary and extraordinary, is convened, pursuant to article 13 of the Articles of Association, through notice published on the Company's website and with the other procedures indicated by the current rules and regulations as well as, where compulsory or in any case whenever the Board of Directors considers it opportune, in the Official Gazette of the Italian Republic or in the newspapers "il Sole 24 Ore" or "Corriere della Sera" or "Milano Finanza" or "L'Avvenire".

The convening of the Shareholders' Meeting, which may take place in Italy also outside of the Municipality where the head office is located, the right to intervene and representation in the Shareholders' Meeting are regulated by law.

The convocation notice may also include the date of any convocations after the first one. The Board of Directors may establish, when they deem it opportune, that the ordinary and the extraordinary Shareholders' Meetings take place after a single convocation.

Pursuant to article 135-*undecies* of the TUF, for each Shareholders' Meeting the Company appoints a subject to whom proxies can be conferred by the end of the second market day open before the date set for the Meeting for voting instructions on the proposals of the day. The convocation notice indicates the identity of the subject designated by the Company for the assignment of proxies. Proxies must be notified to the Company electronically, according to one of the procedures indicated by the current rules and regulations.

The regular constitution of the ordinary and extraordinary Shareholders' Meetings and the validity of the relative resolutions are regulated by the law and by the articles of association.

In accordance with article 14 of the Articles of Association for intervention in Shareholders' Meeting, the applicable law and regulatory provisions apply.

The entitlement to participate to the Shareholders' Meeting and the exercise of the vote is attested in a communication to the Company made by the intermediary, in accordance with their records, in favour of the subject with the right to vote, on the basis of the relative evidence at the end of the accounting date of the seventh market day open before the date set for the Shareholders' Meeting in first call.

The communications must reach the Company by the end of the third open market day before the date set for the Shareholders' Meeting. Entitlement to participate and to the vote remains if the communications are not received by the Company until after the above mentioned deadlines as long as they are received before the beginning of the Meeting in first call.

The main powers of the Shareholders' Meeting, as well as the shareholders' rights and the procedures for their exercise, are regulated by the applicable laws and regulations.

The Articles of Association envisages the possibility of expressing a vote electronically and to participate to the Shareholders' Meeting via telecommunication means when this option is offered in the convocation notice.

Within the terms of the law, the Company publishes the documents to be submitted for the examination and approval of the Shareholders' Meeting on its website, as well as the form that the Shareholders have the option to use to assign their proxy.

The running of the Shareholders' Meetings is governed by the Shareholders' Meeting regulation ("Regulation") which regulates the procedures for participating in the same, the verification of the entitlement, with particular reference to the collection of proxies, the powers of the Chairman with regard to the running of the Shareholders Meeting, the opening of proceedings, the discussion and the procedures for voting and the counting of the votes.

As provided by article 3 of the Regulation, the operations for the verification of the entitlement of those who intend to participate to or attend the Shareholders' Meeting are carried out by personnel instructed by the Company with adequate advance of the convocation notice.

Those who participate to represent one or more having voting rights must document their own entitlement.

On entry each shareholder is handed a complete set of documentation relating to the participation to the Shareholders' Meeting.

Pursuant to article 6 of the Regulation, each shareholder has the right to take the floor on each of the issues for discussion on the agenda, to express observations and make proposals.

Requests to speak can be made until the Chairman declares the discussion on the specific issue closed. Interventions must be clear and concise, strictly relevant to the issues under discussion and must be made within the time considered to be adequate by the Chairman.

The Chairman or who, on his invitation, assists him answers the questions and queries put forward in the interventions immediately or at the end of all interventions.

The Chairman also provides the answers supplied by the Company to the questions put forward before the Shareholders' Meeting pursuant to article 127-ter of the TUF that he considers to be of general interest and answers the questions received that have not yet been answered.

A single answer may be given to several questions on a common issue.

Anyone entitled to vote may explain the reasons for their vote in the time strictly necessary.

The expression of the vote must be explicit, by show of hands.

After voting, the Chairman declares the result of the vote, declaring approved the resolutions that have received favourable vote with the majority required by the law, the Articles of Association and the Regulation.

The Regulation is published on the page <https://www.falckrenewables.com/corporate-governance> in the "Documents and Procedures" section.

Those who intend to leave the Shareholders' Meeting before the end of the proceedings and in any case before voting must advise the personnel in charge of recording votes.

Six Directors and the entire Board of Statutory Auditors attended the Shareholders' Meeting held on 7 May 2020.

Capitalisation was growing until the first few days of March, to then suffer a violent correction due to the impact of the pandemic on the markets. From the end of March to the beginning of October, the share again rose, almost entirely recovering the maximum values reached before the explosion of the pandemic. October was characterised by a marked fall in the capitalisation but experienced a strong recovery from the end of the month, closing at the end of December on maximum levels for the year. There is no evidence of significant changes in the company structure.

18. OTHER INFORMATION

18.1 Regulatory simplification adopted by CONSOB: acceptance of the OPT-OUT regime

The Board of Directors, having taken note of the regulatory simplification process adopted by Consob with resolution no. 18079 of 20 January 2012, endorsed the opt-out regime pursuant to articles 70, paragraph 8 and 71 paragraph 1-bis, of Issuers' Regulation no. 11971/99 (as subsequently amended and supplemented). As a consequence of this acceptance the Company will be able to derogate from the obligations of publication of the information document required for significant transactions for mergers, demergers, increases of capital via conferment of contributions in kind, acquisitions and transfers.

19. FURTHER CORPORATE GOVERNANCE PRACTICES

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

As previously illustrated, the Company has defined a Model pursuant to Italian Legislative Decree 231/2001.

19.1 Whistleblowing notification system

Falck Renewables S.p.A. has set up a system for the notification of any irregularities or violations of the applicable regulations and internal procedures, which guarantees anonymity to the reporting person, in line with the best national and international practices.

The Whistleblowing Portal (accessible from the Company's website at the address <https://www.falckrenewables.com/en/corporate-governance/whistleblowing>) is open to anyone (employees, customers, suppliers, trading partners, lenders, consultants, collaborators) who, in good faith and according to ethical integrity principles, wants to make a report regarding the aspects mentioned therein.

20. CHANGES SINCE THE END OF THE REFERENCE OPERATING PERIOD

The Report takes into account the changes intervened since the end of the reference operating period up to the date of approval of this Report.

There are no significant changes in the structure of the Company's Corporate Governance.

21. SUMMARY TABLES

21.1 Structure of the Board of Directors and of the Committees

BOARD OF DIRECTORS													CCR		RemCo		SSC	
Office	Components	Year of birth	Date of first appointment*	In office from	In office until	List **	Exec.	Non-Exec.	Indep. pursuant to Code of Conduct	Indep. TUF	No. of other offices***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Enrico Falck	1975	10/11/03	07/05/20	approval of 2022 financial statements	M	X				2	16/16					4/4	P
Deputy Chairman	Guido Corbetta	1959	26/07/10	07/05/20	approval of 2022 financial statements	M		X			5	14/16						
Managing Director • ◊	Toni Volpe	1972	04/02/16	07/05/20	approval of 2022 financial statements	M	X				-	16/16					4/4	M
Director ○	Paolo Pietrogrande	1957	27/04/17	07/05/20	approval of 2022 financial statements	M		X	X	X	3	16/16	9/9	P	6/6	M		
Director	Elisabetta Caldera	1970	29/04/14	07/05/20	approval of 2022 financial statements	M		X	X	X	-	16/16	14/14	M	11/11	P		
Director	Nicoletta Giadrossi	1966	07/05/20	07/05/20	approval of 2022 financial statements	M		X	X	X	3	10/10			6/6	M	4/4	M
Director	Federico Falck	1949	21/02/02	07/05/20	approval of 2022 financial statements	M		X			2	16/16						

Director	Filippo Marchi	1969	29/04/14	07/05/20	approval of 2022 financial statements	M		X			1	15/16						
Director	Andrew Lee Ott	1962	07/05/20	07/05/20	approval of 2022 financial statements	M		X	X	X	-	10/10					4/4	M
Director	Marta Dassù	1955	27/04/17	07/05/20	approval of 2022 financial statements	M		X	X	X	1	15/16					4/4	M
Director	Georgina Grenon	1972	27/04/17	07/05/20	approval of 2022 financial statements	M		X	X	X	-	16/16					4/4	M
Director	Silvia Stefini	1964	07/05/20	07/05/20	approval of 2022 financial statements	m		X	X	X	1	10/10	9/9	M				
-----DEPARTING DIRECTORS IN THE REFERENCE OPERATING PERIOD-----																		
Director	Elisabetta Falck	1972	10/03/10	27/04/17	approval of 2019 financial statements	M		X				5/6						
Director	Barbara Poggiali	1963	24/02/12	27/04/17	approval of 2019 financial statements	M		X	X	X		4/6	4/5	M	5/5	M		
Director	Libero Milone	1948	06/05/11	27/04/17	approval of 2019 financial statements	M		X	X	X		6/6	5/5	P	5/5	M		
No. of meetings of the BoD that took place in the reference operating period: 16						The Control and Risks Committee: 14				Remuneration Committee: 11			Sustainable Strategy Committee: 4					
Indicate the quorum required for the presentation of lists by minority interests for the election of one or more members (pursuant to 147-ter TUF): 1.00%																		
LEGEND																		
CCR - The Control and Risks Committee:																		
RemCo - Remuneration Committee																		
SSC - Sustainable Strategy Committee																		
NOTES																		

The symbols indicated below must be inserted in the "Office" column:

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

◇ This symbol indicates the main person 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 is intended as the first date in absolute the director was appointed to the issuer's Board of Directors.

** This column indicates the list from which each director was drawn ("M": majority list; "m": minority list; "BoD": list submitted by BoD).

*** This column indicates the number of director or auditor office held by the subject in question in other companies listed in regulated markets, also abroad, in financial, banking, insurance companies and companies of significant size. The Report on corporate governance reports the offices in detail.

(*). This column indicates the attendance of directors to meetings respectively of the BoD and of the committees (indicate the number of meetings attended compared to the overall number of meetings they could have attended; e.g. 6/8; 8/8 etc.).

(**). This column indicates the qualification of the director's qualification within the Committee: "M": member.

21.2 Table 2: Structure of the Board of Statutory Auditors

BOARD OF STATUTORY AUDITORS									
Office	Components	Year of birth	Date of first appointment*	In office from	In office until	List **	Indep. pursuant to Code of Conduct	Participation to meetings of the Board***	No. of other offices***
Chairman	Dario Righetti	1957	07/05/20	07/05/20	approval of 2022 financial statements	m	x	4/4	6
Standing Auditor	Patrizia Paleologo Oriundi	1957	07/05/20	07/05/20	approval of 2022 financial statements	M	x	4/4	8
Standing Auditor	Giovanna Conca	1958	29/04/14	07/05/20	approval of 2022 financial statements	M	x	6/6	2
Alternate Auditor	Daniela Delfrate	1965	07/05/20	07/05/20	approval of 2022 financial statements	M			
Alternate Auditor	Domenico Busetto	1957	07/05/20	07/05/20	approval of 2022 financial statements	m			
-----DEPARTING AUDITORS IN THE REFERENCE OPERATING PERIOD-----									
Chairman	Gianluca Pezzati	1960	06/05/11Alternate Auditor	07/12/2019succession	approval of 2019 financial statements	m		2/2	
Standing Auditor	Alberto Giussani	1946	06/05/11	27/04/17	approval of 2019 financial statements	M		2/2	
Alternate Auditor	Mara Caverni	1962	29/04/14	27/04/17	approval of 2019 financial statements	M			
Number of meetings that took place in the reference operating period: 6									

<p>Indicate the quorum required for the presentation of lists by minority interests for the election of one or more members (pursuant to 148 TUF): 1.00%</p>
<p>NOTES</p>
<p>* The date of first appointment of each auditor is intended as the first date in absolute the auditor was appointed to the issuer's Board of Statutory Auditors.</p>
<p>** This column indicates the list from which each auditor was drawn ("M": majority list; "m": minority list).</p>
<p>*** This column indicates the attendance of auditors to meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the overall number of meetings they could have attended; e.g. 6/8; 8/8 etc.).</p>
<p>**** This column indicates the number of director or auditor offices held by the subject in question pursuant to art. 148-bis of the TUF and the relative implementation disposition in the Consob Issuers' Regulation. The full list of offices is published by Consob on its website pursuant to art. 144-quiquidesdecies of the Consob Issuers' Regulation.</p>

21.3. Annex A) to the Report on corporate governance and ownership structure

List of the main offices held (as at 31 December 2020) by each Director in other companies listed on regulated markets, also abroad, in financial, banking, insurance companies and companies of relevant size.

DIRECTORS	COMPANY	OFFICE
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
TONI VOLPE	-----	No office
ANDREW LEE OTT	-----	No office
ELISABETTA CALDERA	-----	No office
NICOLETTA GIADROSSI	Cairn Energy plc Royal Vopak N.V. Brembo S.p.A.	Chairman Director Independent Director
FEDERICO FALCK	FALCK S.p.A. Banca Popolare di Sondrio Scpa	Director Director
SILVIA STEFINI	Italgas S.p.A.	Director
FILIPPO MARCHI	FALCK S.p.A.	Director
PAOLO PIETROGRANDE	MAPS S.p.A. Neodecortech S.p.A. Edera S.r.l. impresa Sociale	Independent Director Independent Director Chairman of the Board of Directors
GEORGINA GRENON	-----	No office
MARTA DASSÙ	Trevi Finanziaria Industriale S.p.A.	Independent Director

21.4 Annex B) to the Report on corporate governance and ownership structure

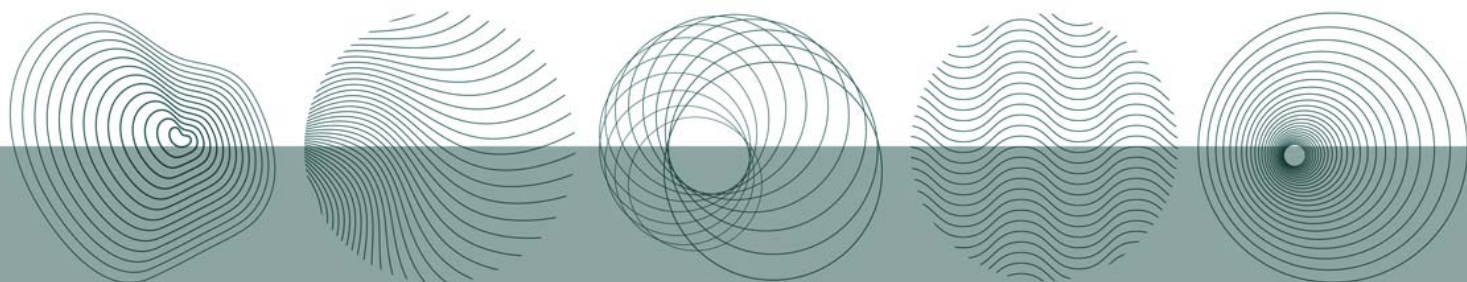
List of the main offices held by each Auditor (as at 31 December 2020) in other companies listed on regulated markets, also abroad, in financial, banking, insurance companies and companies of relevant size

AUDITORS	COMPANY	OFFICE
DARIO RIGHETTI	Luxtottica Group S.p.A. ENAV S.p.A. Bouygues E&S Intec Italia S.p.A. Farmaè S.p.A. SDF S.p.A. Ferrero Commerciale Italia S.p.A.	Standing Auditor Chairman of the Board of Statutory Auditors Standing Auditor Independent Director Member of the Supervisory Council (Chairman of the Internal Control Committee) Member of the Supervisory Board
GIOVANNA CONCA	Ge S.A.C. S.p.A. Neva SGR	Standing Auditor Standing Auditor
PATRIZIA PALEOLOGO ORIUNDI	Helvetia Italia S.p.A. Helvetia Vita S.p.A. Virgin Active S.p.A. Close up Milano S.p.A. Esprinet S.p.A. Banca Farmafactoring S.p.A. Centurvue S.p.A. Ford Credit Italia S.p.A. Autogrill S.p.A. 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 Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Standing Auditor Standing Auditor Standing Auditor Standing Auditor Alternate Auditor Alternate Auditor Alternate Auditor



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