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**ITALMOBILIARE**  
INVESTMENT HOLDING

# REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE 2023

TRADITIONAL  
ADMINISTRATION  
AND CONTROL MODEL

APPROVED BY THE BOARD OF DIRECTORS  
ON MARCH 7, 2024

**Italmobiliare S.p.A.**  
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Via Borgonuovo 20, Milan  
[www.italmobiliare.it](http://www.italmobiliare.it)

# REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE 2023

## Introduction

This report on corporate governance and the ownership structure (the "**Report**") explains the corporate governance system adopted by Italmobiliare S.p.A. ("**Italmobiliare**" or the "**Company**").

The Report contains information on the ownership structure and on the methods of application of the Corporate Governance Code approved by the Corporate Governance Committee in January 2020, (the "**Corporate Governance Code**" or the "**Code**", available on the Italian Stock Exchange website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020-eng.en.pdf>), to which the Company resolved to adhere in 2021, subsequently implementing its principles and recommendations. For the purposes of applying the Code, Italmobiliare qualifies, according to the Code's definitions, as a "**large company**" with "**diffused ownership**". With regard to this last aspect, it is worth noting that, as of November 2023, based on communications pursuant to Article 120 of the Consolidated Law On Finance (CLF), 50.37% of the share capital is owned, directly and indirectly, by Mr. Carlo Pesenti.

The Report refers to the year ended December 31, 2023 but has been updated for any significant subsequent events that took place up to the date of its approval.

## I. General information and the ownership structure

### 1. PROFILE OF THE ISSUER

Italmobiliare, the company headed up by the Pesenti family, was founded in 1946 and listed on the Italian Stock Exchange in 1980. It is an investment holding company with a diversified portfolio that is managed with a strategic vision backed by a financial and industrial history that goes back more than 150 years. The Company plays an active, ongoing role in the process of expanding and enhancing the value of its portfolio, combining development, internationalisation and innovation with an effective governance and risk management model.

The profile of Italmobiliare and its activities is defined by

- portfolio companies, i.e., a portfolio of investments in a limited number of subsidiaries or associates, with representatives on the associate's governance bodies, which leverages on Italmobiliare's experience in managing business operations. The portfolio has a mid-long term investment horizon with a focus on value creation;
- investments in private equity funds and alternative investments aiming at taking up growth opportunities in geographical areas or business sectors where Italmobiliare is not directly involved and at fostering potential business development in diversified sectors;
- a portfolio of investments in diversified sectors focused on listed or not listed companies offering interesting growth prospects or steady investments returns;
- liquidity under management and financial assets, represented by limited-value investments, which constitute a reserve of cash and cash equivalents allocated to instruments with a conservative risk profile available to the Company in order to seize new investment opportunities.

Italmobiliare applies a traditional governance model with a Board of Directors and a Board of Statutory Auditors (the "**Board of Statutory Auditors**"), both appointed by the Shareholders' Meeting (the "**Shareholders' Meeting**"), as this system of corporate governance is deemed to be the most suitable to combine "efficient management" and "effective controls", while at the same time pursuing the interests of Italmobiliare's shareholders (the "**Shareholders**") and making full use of management's skills.

The Company's system of Corporate Governance is defined by the By-laws (the "**By-laws**") and the Corporate Governance Code, as well as by the following documents, codes and internal regulations:

- a. the Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001;
- b. the procedure for the management of relevant and inside information.
- c. the Code of Conduct on Internal Dealing;
- d. the procedure for transactions with related parties;
- e. the procedure for maintaining the list of people with access to inside information (the so-called "insider list");
- f. the procedure on market sounding;
- g. the rules governing the Financial Reporting Officer (the "**Financial Reporting Officer**").

These documents are available on the Company's website, except for: (i) the Rules governing the Financial Reporting Officer, which are distributed electronically to the members of the Board of Directors (the "**Directors**") and Board of Statutory Auditors (the "**Statutory Auditors**"), the Financial Reporting Officer and the Heads of Finance, Administration and Control of the companies controlled by Italmobiliare (the "**Group**"); and (ii) the "Special Section of the Organisation, Management and Control Model", which is distributed electronically to the Company's Directors, Statutory Auditors and all employees.

## 2. INFORMATION ON THE OWNERSHIP STRUCTURE PURSUANT TO ART. 123-BIS OF THE CONSOLIDATED LAW ON FINANCE (CLF)

### a) Share capital structure, indicating the various categories of shares, their rights and obligations, as well as the percentage of share capital that they represent

Italmobiliare's share capital as of December 31, 2023 amounts to Euro 100,166,937, fully subscribed and paid in, divided into 42,500,000 ordinary shares with no par value, that give a right to vote at the Company's Ordinary and Extraordinary Shareholders' Meetings.

The shares are listed on the Euronext STAR Milan segment of the Italian Stock Exchange, a regulated market organized and managed by Borsa Italiana S.p.A.

Each share gives a right to one vote. Holders of Italmobiliare shares can vote at Ordinary and Extraordinary Shareholders' Meetings and exercise the corporate and patrimonial rights as provided by current legislation, subject to the limits laid down in law and the Company's By-laws. The Company does not currently have any savings shares in issue nor any other categories of shares apart from ordinary shares.

There are currently no stock option plans.

### b) Restrictions on share transfers

There are no restrictions on share transfers, such as limits on the possession of shares or clauses involving the acceptance of transfers by the Company or other shareholders.

### c) Significant shareholdings according to the communications received under art. 120 of the CLF

The following is a list of Shareholders with shareholdings over 3% of the share capital, according to the communications received by the Company under art. 120 of the CLF.

**SIGNIFICANT SHAREHOLDINGS AT 31.12.2023**

Shareholder	Number of shares	% of the share capital	% of voting capital
<b>Carlo Pesenti</b>	21,407,509	50.370%	50.629%
<i>(indirectly through Efi-parind BV, Efi-parind BV &amp; CIE SCPA, Cemital Privital Aureliana S.p.A. and with fiduciary registration to CFN Generale Fiduciaria S.p.A.)</i>	20,969,250	49.339%	49.593%
<i>Directly in a personal capacity</i>	438,259	1.031%	1.036%
<b>Serfis S.p.A.</b>	4,765,000	11.212%	11.269%
<b>Mediobanca S.p.A.</b>	2,894,044	6.81%	6.844%
<b>Morgan Stanley</b>	1,870,172	4.4%	4.423%

**d) Shares that confer special control rights**

No shares conferring special control rights have been issued.

There are no special powers and the By-laws do not foresee shares with multiple or increased voting rights.

**e) Employee shareholdings: mechanism for exercising voting rights**

There is no system for employees to hold shares in the Company.

**f) Restrictions on voting rights**

There are no restrictions on the exercise of voting rights.

**g) Shareholders' agreements under art. 122 CLF of which the Company is aware**

As far as the Company is aware, there are no agreements of any kind regarding the exercise of voting rights assigned to the shares and the transfer of such shares or any of the situations envisaged in art. 122 of the CLF.

**h) Change of control clauses and provisions of the By-laws on takeover bids**

There are no significant contracts to which the Company or its subsidiaries are parties and which become effective, modified or terminated in the event of a change of control over the Company. Contractual documentation relating to M&A transactions may include change of control clauses.

Some framework contracts on derivatives provide for early termination in the event of extraordinary events that could involve a change of control.

With regard to takeover bids, the By-laws do not derogate from the provisions of the CLF in relation to the passivity rule or application of the neutralisation rules.

**i) Mandates to increase the share capital and authorisations to purchase treasury shares**

There are no mandates to increase the share capital.

The Shareholders' Meeting of April 27, 2023, under art. 2357 of the Italian Civil Code, authorised the purchase of 1,000,000 of the Company's ordinary shares on one or more occasions for a period of 18 months from the date of the resolution.

At the date of this Report the Company holds 217,070 treasury shares, purchased under the authorisations previously approved by the Shareholders' Meeting.

The Shareholders' Meeting of April 23, 2024, convened for the approval of the 2023 financial statements, will also be called to resolve on the renewal of the authorisation to purchase treasury shares pursuant to art. 2357 of the Italian Civil Code, subject to revocation of the previous Shareholders' resolution.

## j) Management control and coordination

The Board of Directors of the Company, most recently on February 19, 2024 assessed and confirmed that neither Efiarind B.V. (the company at the top of the investment chain of Italmobiliare, where Mr. Carlo Pesenti asserts effective control through dominant influence in the ordinary Shareholders' Meeting) nor any other entity or company in the Italmobiliare investment chain exercises management control and coordination over the Company pursuant to arts. 2497-2497-septies of the Italian Civil Code. In fact:

- a) Italmobiliare does not receive from companies or entities in the investment chain that leads to Efiarind B.V. any instructions, directives or constraints regarding the preparation or approval of business, financial or strategic plans, nor regarding the approval of budgets or the definition of investment or divestment plans, nor regarding the choice of counterparties with whom to do business;
- b) Italmobiliare is not a party to any industrial or financial policy or practice performed under the direction or through the coordination of companies or entities of the said investment chain, such as cash pooling, tax consolidation or similar sharing of functions;
- c) there is no trace of any contractual relationship currently or previously in place between the Company and other companies or entities in its investment chain, nor with other companies or entities subject to control by, or connected to, companies or entities in its investment chain;
- d) there is no trace of requests for prior approval by companies or entities included in the investment chain of ordinary or extraordinary transactions carried out or seriously considered by the Company;
- e) the Company has not received any policies, regulations or organisational charts from companies or entities in the investment chain;
- f) there are no Executive Directors that are common to the companies or entities in the investment chain and Italmobiliare; incidentally, there is only one common non-Executive Director of Italmobiliare, Luca Minoli, who has not been granted any powers in either of the companies in which he is a board member, namely Italmobiliare and Cemital Privital Aureliana S.p.A.

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Note that the information required by art. 123-bis, first paragraph, letter i) on agreements between the Company and the Directors, which provide for compensation in the case of resignation or dismissal without just cause or if their employment relationship is terminated following a takeover bid, is contained in the report on the remuneration policy and compensation paid published in accordance with art. 123-ter of the CLF.

The information required by article 123-bis, first paragraph, letter l) on the amendment of the By-laws as well as the appointment and replacement of directors is provided below, in the paragraph dedicated to the Shareholders' Meeting and in the paragraph dedicated to the Appointment and Replacement of Directors, respectively.

As regards the Company's diversity policies, please refer to the specific paragraph in section VI.

## II. Relations with the Shareholders

### 1. DIALOGUE WITH THE SHAREHOLDERS AND OTHER STAKEHOLDERS

The Company makes sure that there is continuous dialogue with the Shareholders and the market, in accordance with the laws and regulations on the disclosure of inside information. The Company's behaviour and procedures are designed, among other things, to anticipate and avoid information asymmetries and to ensure proper application of the principle whereby all investors and potential investors are entitled to receive the same information in order to make sound investment decisions.

In 2021, the Board of Directors approved the "Policy for managing dialogue with the shareholder base", to govern relations with the shareholders in general, including institutional investors, in order to guarantee systematic dissemination of information that is complete, transparent and timely about the Company's business and pursuit of its mission.

Relations with the shareholders and the financial community are maintained by:

- the Chairman;
- the Chief Executive Officer-Chief Operating Officer;
- The Investor Relations Officer who, on specific topics or for special events, is supported by other business functions (principally the Sustainability Department, the Communication Department, the Corporate Affairs Department and the Investment Management Department).

The Policy is consistent with the characteristics of the Company in terms of size and ownership structure. It is available on the Company's website in the "Governance/Documents and Procedures" section.

The Investor Relations Officer (IRO) supervises communication between the Company and its shareholders, including historical institutional investors and potential investors interested in entering the Company's capital. The Board of Directors is informed by the IRO about his activities and significant contents of the dialogue with current as well as potential shareholders. As part of these activities, during 2023 the Investor Relations function held approximately 90 meetings with Italian and foreign institutional investors, both in dedicated meetings and by participating in various conferences reserved for listed companies, such as the *Euronext STAR Conference*, the *Italian Sustainability Week*, the *Italian Investment Conference*, the *Equita Conference in Paris*, the *Exane Mid Cap Conference*, the *Virgilio Equity Conference London*, the *Virgilio Mid & Small Milan*; presentation roadshows were also organised with 75 new investors in Paris, Luxembourg, Brussels and Monaco. During these meetings, the topics covered concerned the performance of the portfolio companies, also in light of the main macroeconomic issues that emerged during 2023, including: easing of inflationary pressures on raw materials and energy costs, international tensions, rising interest rates and macroeconomic slowdown prospects. The investors met showed interest in the consolidation of Italmobiliare's portfolio, the evolution of the investment strategy and potential exits, even partial, on more mature investments. Another point of attention is the widening of the NAV discount inherent in Italmobiliare's stock performance in 2023, despite the positive portfolio performance. However, it could also present an appealing entry opportunity for certain potential investors.

As for the other stakeholders, according to their specific relevance to Italmobiliare and its portfolio companies, they are regularly involved in defining the ESG strategy, particularly in the annual review of the materiality matrix, a shared tool for analysing the strategic levers of the business. Furthermore, the ESG performance of Italmobiliare and its portfolio companies are disseminated through the corporate website, with the possibility for all institutional and non-institutional stakeholders to send questions and requests for further information.

Information of major interest to investors is made available on the Company's website, in the "Investor" section, in addition to official communications. The "Governance" section includes information on Shareholders' Meetings, with particular reference to how to participate and exercise the right to vote, the documentation on items on the agenda, including reports on the matters on the agenda and the slates of candidates for the offices of Director and Statutory Auditor with an indication of their personal and professional characteristics.

## 2. SHAREHOLDERS' MEETING

The Shareholders' Meeting is the body that expresses the corporate will. It is called, according to the laws and regulations for companies whose shares are listed on regulated markets, to pass resolutions on the matters reserved for it by law. The decisions taken in accordance with the law and the By-laws are binding on all shareholders, including those absent or dissenting, without prejudice to the right of withdrawal in certain situations. The majorities required to amend the By-laws are those established by law.

The Board of Directors recommends to all of its members to participate regularly in Shareholders' Meetings and seeks to encourage and facilitate the widest possible participation of Shareholders and to facilitate the exercise of voting rights.

The Board of Directors reports to the Shareholders' Meeting on its past activities and future plans and acts to ensure that the Shareholders have adequate information to allow them to take the decisions required of the Shareholders' Meeting on an informed basis.

All those who have the right to vote as certified by the legally required communication received by the Company by the end of the third trading day prior to the date set for the Shareholders' Meeting at a single calling are entitled to attend the Shareholders' Meeting. The right to attend and vote is retained if the communications are received by

the Company after the deadline, as long as they are received before proceedings of the Shareholders' Meeting begin.

Shareholders who, individually or jointly, own at least one fortieth of the share capital represented by shares with voting rights can, by the legal deadline, ask for items to be added to the agenda, stating in their request what other issues they have proposed for discussion or what other motions they have suggested on matters already on the agenda. Shareholders may ask questions on items on the agenda prior to the Shareholders' Meeting. The notice of calling specifies the deadline for submitting questions.

The Company can designate a person (the so-called Designated Representative), giving a clear indication thereof in the notice of calling, for each Shareholders' Meeting to whom all eligible parties may grant a proxy with voting instructions on all or some of the proposals on the agenda, in the manner provided for by law.

A specific regulation governing Shareholders' Meetings has not been adopted as the extensive powers attributed to the Chairman by law and doctrine are considered adequate enough to ensure the orderly conduct of Shareholders' Meetings, also because art. 13 of the By-laws expressly gives the Chairman the power to direct the debate and establish the order and methods of voting, providing it is open.

Shareholders may ask questions on items on the agenda prior to the Shareholders' Meeting. The notice of calling specifies the deadline for submitting questions, which will be addressed no later than during the Shareholders' Meeting.

The Shareholders' Meeting was held on April 27, 2023 to vote on the following agenda:

1. Financial statements for the year ended December 31, 2022.
2. Allocation of the profit for the year and distribution of the dividend.
3. Report on the Remuneration Policy and on the Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: remuneration policy for 2023.
4. Report on the Remuneration Policy and on the Compensation Paid, pursuant to art. 123-ter of the Consolidated Law on Finance: consultation on the compensation paid in 2022.
5. Determination of the number of members of the Board of Directors.
6. Determination of the term of office of the Board of Directors.
7. Appointment of the members of the Board of Directors.
8. Determination of the remuneration of the Board of Directors.
9. Appointment of the members and Chairman of the Board of Statutory Auditors for the three-year period 2023-2025.
10. Determination of the remuneration of the Board of Statutory Auditors.
11. Authorisation to buy and sell treasury shares, subject to revocation of the authorisation given by the Ordinary Shareholders' Meeting held on April 21, 2022.
12. Incentive plan based on financial instruments pursuant to art. 114 bis of the Consolidated Law on Finance.

## III. Board of Directors

### 1. ROLE AND DUTIES

The Board of Directors has the task of defining the strategic guidelines of the Company and the Group and is responsible for managing them. It is vested with all powers of ordinary and extraordinary administration of the Company, as all matters not expressly reserved for the Shareholders' Meeting by law and the By-laws fall under its remit.

In consideration of Italmobiliare's role as the holding company of the Group's equity investments, the Board of Directors pursues its sustainable success through the flow of investments and disposals and the management over time of the equity investments held in portfolio. In particular, it evaluates and approves all possible investments with

reference to: *i)* the Company's mission; *ii)* the strategic guidelines approved by the Board during the annual budget review; *iii)* the Code of Ethics, Sustainability Policies and Responsible Investment Policy; *iv)* the additional ESG commitments adopted in line with the Group's strategic response to global challenges.

At each meeting of the Board of Directors, a specific point on the agenda is dedicated to an in-depth analysis of ESG issues, progress on the annual ESG Plan and the activities of the Committee for Sustainability and Social Responsibility. A similar practice has been adopted by the Board of Directors of each portfolio company. The sustainability profiles are also taken into consideration for remuneration purposes: part of the short-term variable remuneration (MBO) of the Chief Executive Officer and the Company's top management is in fact linked to the achievement of predetermined ESG objectives under the ESG plan (depending on the degree to which the plan has been implemented). Furthermore, the long-term incentive plan, approved at the Shareholders' Meeting called to approve the 2022 financial statements and assigned in May 2023, provides for the performance indicators to include, in addition to net asset value, the ESG performance, as assessed by the main specialised rating agencies (CDP, Sustainalytics, S&P), with a relative weight for determining the bonus of 20%. For more detailed information, reference should be made to the report on the remuneration policy and compensation paid drawn up pursuant to art. 123-ter of the CLF.

In addition to the powers bestowed on it by law and the By-laws, resolutions on the following matters are referred to the Board of Directors, without prejudice to the sphere of competence of the Shareholders' Meeting: absorbing companies that are wholly owned or at least 90% owned; transferring the registered office, providing it remains in Italy; opening or closing branches, whether in Italy or abroad; reducing the share capital in the event of withdrawal by a shareholder; amending the By-laws to comply with mandatory regulations.

It is up to the Board of Directors to review and approve the Company's strategic plans and guidelines and to monitor their implementation on a regular basis. During the examination and approval of the accounting records for the period, in light of the information received by the delegated bodies, the Board assesses the overall operating performance, comparing the actual results with the budget for the year. In December 2023, an induction session for Directors and Statutory Auditors was dedicated to the evolution of the strategic guidelines of Italmobiliare and the Group.

The Board of Directors is responsible, among other things, for *i)* assessing the overall results of operations; *ii)* assessing the adequacy of the organisational, administrative and accounting structure with particular reference to the Internal Control and Risk Management System, supervised by the Chief Executive Officer, *iii)* defining the Company's corporate governance system; *iv)* assigning powers to Executive Directors, as well as *v)* defining the remuneration policy and setting the remuneration of Directors vested with special powers. The Board of Directors resolves on those transactions of the Company and its subsidiaries that may have strategic, economic or financial importance for Italmobiliare, such as acquisitions or disposals that would significantly change the size of the Group or financial operations that would significantly change the overall level of Group borrowing; the Board also resolves on related party transactions, according to the terms of the specific procedure adopted by the Company and the procedures laid down in it.

On the basis of information received during the year and feedback from the Chief Executive Officer-Chief Operating Officer and the Control and Risk Committee, the Board of Directors acknowledged that the Company's organisational, administrative and accounting structure was substantially adequate, particularly the internal control and risk management system.

The Shareholders' Meeting has not authorised any derogation from the ban on competition pursuant to art. 2390 of the Italian Civil Code nor is one provided for in the By-laws. Moreover, no Director is a shareholder with unlimited liability in a competitor company, nor do they run a competitor business for themselves or on behalf of third parties, nor are they a director or general manager in competitor companies.

## 2. PROCEDURES AND DOCUMENTATION

In order to regulate the functioning of the Board of Directors and its various Committees – with the exception of the Committee for Transactions with Related Parties which is governed by a specific procedure – as well as how supporting documentation is to be managed, the Regulation governing the Board of Directors was approved in 2021.



The Regulation, which is available on the Company's website in the Governance/Documents and Procedures section, is applied alongside the legal, regulatory and by-law provisions, as well as the recommendations of the Corporate Governance Code on the subject. The document summarises the functions and powers of the Board of Directors and the duties of the Board Committees; it lays down the rules for the information to be provided to directors and the procedures for taking minutes of Board and Committee meetings; it identifies the prerogatives of the Chairman, who ensures that Board proceedings function as they should and coordinates the activities of the Committees with those of the Board.

The annual calendar of corporate meetings is set in advance of the reference financial year. The notice of calling of the Board meeting is normally sent out at least five days prior to the date of the meeting.

The Chairman ensures that the documentation relating to the items on the agenda of the Board meetings is brought to the attention of the Directors and Statutory Auditors well in advance, identified two days prior to the date of the meeting, except in cases of urgency, in which the documentation is made available as soon as possible. Where deemed appropriate in relation to the nature of the topic and the related resolution or for reasons of confidentiality, the documentation can be made available with less notice or provided directly at the meeting. All necessary insights are provided to enable the Board to deliberate in an informed and knowledgeable manner.

The minimum notice for the distribution of documentation was generally observed during 2023 for the transactions submitted for the Board's approval. In the few cases when the supporting documentation (presentation of the results for the period of the portfolio companies) was made available with a shorter deadline, all clarifications and insights were made during the meeting, also in the presence of the managers concerned, to allow the Board to decide in an informed manner. The period of notice has never been waived merely for reasons of confidentiality. On certain occasions, documents providing additional information have been made available to the Board shortly before the meeting, as well as draft press releases to be disseminated following the meeting. The Chairman made sure that full details were made available at each meeting when requested. At the meeting on February 19, 2024, the Board of Directors carried out its usual evaluation of the pre-meeting documentation, which was deemed complete and adequate.

The Board of Directors, on the proposal of the Chairman, appoints the Secretary who, under the supervision of the Chairman, prepares the minutes of the meetings. The minutes represent a true, clear summary of the Board proceedings and the decisions made. They can make reference to more detailed information contained in the supporting documentation. They are normally approved at the next Board meeting.

The same provisions regarding the disclosure and minutes of meetings envisaged for the Board of Directors are valid for Board Committees as well, where applicable.

The Secretary helps ensure the Chairman's duties are carried out and assists the Directors in key aspects to ensure that the Board and its Committees function properly. The Directors can access the corporate functions to request information or clarifications, normally after informing the Chairman and/or the Chief Executive Officer.

The Board of Directors meets regularly (at least quarterly) to approve the annual and half-year financial reports and the quarterly figures for the additional periodic reports. On this occasion, the CEO reports back on the activities carried out in exercising the powers granted to him. In any case, pursuant to the By-laws, the Board of Directors meets every time it is considered necessary by the Chairman, or the Deputy Chairman, or when it is requested by at least three Directors, or at the request of any of the Statutory Auditors after notifying the Chairman of the Company.

In 2023, the Board of Directors held 9 meetings, lasting for about an hour and a half on average, with the Board of Statutory Auditors always in attendance; the attendance records of individual Directors and Statutory Auditors are shown in a table at the end of this Report. As can be seen from the attendance records for Board and Committee meetings, the Directors ensured that adequate time was available for the performance of their duties.

During the year, all Board meetings were attended by the Financial Reporting Officer, the Chief of Staff and the Head of Corporate Affairs, who performs the functions of the Board's secretary. On the Chairman's initiative, the Heads of Investment Management, Investor Relations, Internal Audit, Investments & Development, Finance, Human Resources and Sustainability also attended for matters concerning their sphere of competence to ensure that there was adequate information.

In December 2023, the Company issued a calendar of corporate events for 2024, which can be found on [www.italmobiliare.it](http://www.italmobiliare.it). The Board of Directors has met three times in 2024 up to the date of approval of this Report.

The Board of Directors and the Board of Statutory Auditors were informed about the recommendations made in a letter from the Chairman of the Corporate Governance Committee dated December 14, 2023. The recommendations were discussed at the Board meeting held on February 19, 2024.

### 3. APPOINTMENT AND REPLACEMENT OF DIRECTORS

Directors are appointed by the Shareholders' Meeting on the basis of slates submitted by the Shareholders.

The slates must be filed at the registered office at least 25 days prior to the date set for the Shareholders' Meeting at a single calling; this is mentioned in the notice of calling along with the procedures and shareholding required for their submission.

Only shareholders who, alone or with others, have a stake in the share capital with voting rights not lower than the level set by Consob pursuant to current regulations are entitled to present slates. No shareholder can file or participate in the filing of more than one slate, directly or through a nominee or trust company, or vote for different slates. Shareholders belonging to the same group and shareholders who join a shareholders' agreement involving the Company's shares may not file or vote for more than one slate, not even through a nominee or trust companies. Slates filed in violation of these restrictions will not be accepted. Each candidate can only be on one slate under penalty of ineligibility.

Slates that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, to an extent that complies with current regulations on gender balance.

At the time they are filed, slates must include:

- a. the statements in which the individual candidates accept their candidacy and declare, under their own responsibility, that there are no grounds for ineligibility, that they comply with the integrity requirements established by law, and whether or not they meet the independence requirements of the law and the Code. With reference to this last aspect, this principle used to be contained in the Code of Conduct and the Board of Directors decided to maintain it;
- b. a brief curriculum vitae on the personal and professional skills of each candidate with an indication of positions they hold as director or statutory auditor in other companies;
- c. information on the identity of the shareholders who have presented slates. The certification or statement proving ownership of the shareholding prescribed by the law in force when the slate is presented may also be produced after the filing of the slate, providing that it reaches the Company before the deadline laid down in current regulations on the publication of slates by the Company;
- d. a statement by shareholders – other than those who have a controlling or majority stake, jointly or severally – acknowledging that they do not have any joint shareholdings, as defined by law.

The By-laws do not set additional integrity and independence requirements to those laid down for Statutory Auditors in the CLF. Any elected Director who, during their term of office, no longer complies with the integrity requirements of law or the By-laws falls from office. Specific integrity, propriety, and professional experience requirements are instead mandated by law for corporate officers of entities, such as Italmobiliare, holding significant shareholdings in financial and insurance sector companies.

A number of Directors that is not less than the minimum required by law have to meet the independence requirements laid down in current legislation.

If a slate does not comply with these provisions, it will be considered as though not presented.

At least 21 days prior to the date set for the Shareholders' Meeting called to resolve on the appointment of the management bodies, the Company makes the slates of candidates filed by shareholders and the supporting documentation available to the public at the registered office, the company that runs the stock market and on its own website.

In the event of more than one slate being filed:

- a. all of the Directors on the slate that obtains the highest number of votes at the Shareholders' Meeting are elected in the order in which they are listed, except for the minimum number reserved by law for the minority shareholders' slate;
- b. the minimum number of Directors reserved by law for the minority shareholders are elected from the minority shareholders' slate that obtains the highest number of votes and is not connected in any way, directly or indirectly, with the majority shareholders;
- c. should more than one slate obtain the same number of votes, a run-off is held between these slates by all the shareholders entitled to vote present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a relative majority of the share capital represented at the Shareholders' Meeting.

For the purposes of apportioning the Directors to be elected, the slates that have not achieved a percentage of votes at least equal to half of the percentage required for the presentation of slates will not be considered.

Should a party connected to a majority shareholder vote for a slate of the minority shareholders, the connection is only considered significant for the purpose of excluding the minority shareholders' elected Director if this vote was crucial for the election of the Director in question.

Should a single slate be filed, all the candidates included in that slate are elected with a simple majority vote of the share capital represented at the Shareholders' Meeting.

If as a result of the voting based on slates or the voting on the only slate presented, the composition of the Board of Directors does not meet the current regulations on gender balance, the necessary replacements will be carried out within the slate that has obtained the highest number of votes or within the only slate presented, starting from the candidate in the last place of the slate in question. Subsequently, if compliance with the gender balance requirement is not ensured in the minimum number required by law, there will be similar replacements, again within the slate that has obtained the highest number of votes, or within the only slate presented.

In the absence of slates, and whenever by means of the slate voting mechanism, the number of candidates elected is lower than the minimum number envisaged in the By-laws for its composition, the Board of Directors is respectively appointed or supplemented by the shareholders at their meeting with the legal majority, providing that the gender balance required under current legislation is ensured and at least the minimum number of Directors meeting the legal independence requirement is ensured.

If during the year one or more Directors should cease to hold office due to resignation or any other reason, the others shall make provision to replace them with a resolution approved by the Board of Statutory Auditors, providing the Directors appointed by the Shareholders' Meeting continue to constitute the majority. Directors are replaced, in compliance with the above requirements of integrity and independence, with the appointment of unelected candidates belonging to the same slate as the Directors who no longer serve, following the original order of presentation. If this is not possible, the Board of Directors will act according to the law. All this, in any case, in compliance with the current regulations on gender balance. Directors appointed in this manner hold office until the following Shareholders' Meeting.

The Shareholders' Meeting decides about the replacement of Directors in accordance with the above principles, by a simple majority of the share capital represented at the Shareholders' Meeting. The term of office of Directors appointed this way will end at the same time as that of the Directors already in office at the time of their appointment.

No limits are set on the re-electability of Directors even if having held the same office for more than nine years in the last twelve years could represent a non-peremptory reason for exclusion from the independence requirement under the Code.

At the time of the renewal of the corporate bodies in 2023, the Board of Directors, assisted by the Remuneration and Nominations Committee, expressed its opinion on the quantitative and qualitative composition of the Board. The opinion was published in advance of the deadline for calling the Shareholders' Meeting and is available in the "Governance/Shareholders' Meeting" section; the majority shareholders' slate is substantially in line with the recommendations included therein. On the basis of a specific benchmark analysis, the Board of Directors also expressed its opinion, in its Report to the Shareholders' Meeting, on the basic remuneration to be granted to the members of the Board of Directors and the Board of Statutory Auditors.

## 4. COMPOSITION

The By-laws say that the Company is to be administered by a Board of Directors made up of between five and fifteen members, who remain in office for the period established at the time of appointment, in any case not exceeding three financial years, and cease to hold office on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their term of office and that they can be re-elected.

The Board of Directors currently in office, appointed by the Shareholders' Meeting on April 27, 2023 up until approval of the financial statements at December 31, 2025, is made up of twelve directors.

Eleven Directors are members of the majority list, which was presented by CFN Generale Fiduciaria S.p.A.: Laura Zanetti, Carlo Pesenti, Livio Strazzera, Giorgio Bonomi, Mirja Cartia d'Asero, Valentina Casella, Elsa Fornero, Luca Minoli, Chiara Palmieri, Roberto Pesenti and Pietro Ruffini. One Director, Marco Cipelletti, is an expression of the minority list presented by a group of shareholders consisting of institutional investors.

The minimum shareholding required by CONSOB to submit a slate was 1%. The slates and supporting documentation, filed and published by the deadlines laid down by law, are available on the website [www.italmobiliare.it](http://www.italmobiliare.it) in the section entitled "Governance/Shareholders' Meeting/Shareholders' Meeting archive".

The curriculum vitae of each Director – which shows that they have adequate professional experience and skills for the tasks assigned to them – is available in the "Governance/Board of Directors" section of the website [www.italmobiliare.it](http://www.italmobiliare.it) and quoted in the introduction to the Annual Financial Report. The offices held by them in other listed companies or companies of significant size are indicated later in this Report.

Furthermore, following the renewal of the mandate approved during the Shareholders' Meeting in April 2023, the Board of Directors ensured that the directors met the specific integrity, propriety, and professional experience requirements mandated by law for corporate officers of entities, such as Italmobiliare, holding significant shareholdings in financial and insurance sector companies.

Of the twelve Directors currently in office, eleven are non-executive; six of these are independent according to both the CLF and the Code, and two are independent only according to the CLF. In compliance with the provisions on gender quotas, 40% of the positions are reserved for the less-represented gender. The Board of Directors' composition embodies a suitable blend of professional experience, skills, gender, and age, adhering to the criteria outlined in the guidance opinion concerning the quantitative and qualitative composition of the Board of Directors, issued prior to the calling of the Shareholders' Meeting. As of the approval date of this Report, the average age of the Directors stands at 54.

Below is a list of the Board of Directors' members as of the approval date of this Report, indicating their respective positions and Committee affiliations.

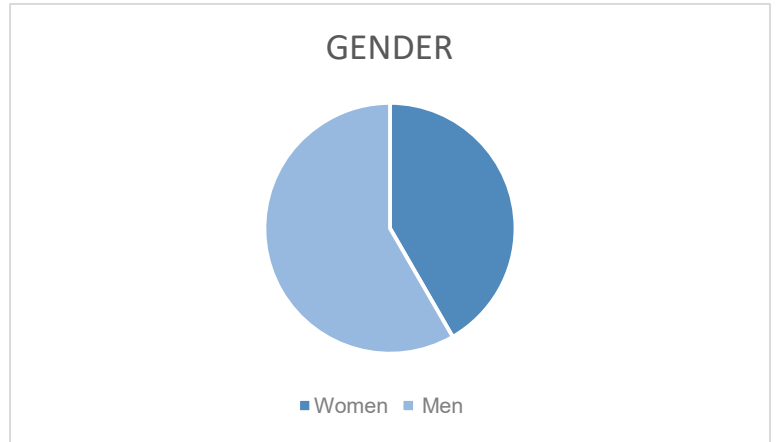
Laura Zanetti*	Chairman, Member of the Committee for Sustainability and Social Responsibility
Livio Strazzera*	Deputy Chairman
Carlo Pesenti	Chief Executive Officer-Chief Operating Officer and Chairman of the Committee for Sustainability and Social Responsibility
Giorgio Bonomi	Member of the Control and Risk Committee
Mirja Cartia d'Asero**	Chairman of the Control and Risk Committee, Member of the Committee for Transactions with Related Parties and of the Committee for Sustainability and Social Responsibility
Valentina Casella**	Chairman of the Committee for Transactions with Related Parties, Member of the Remuneration and Nominations Committee
Marco Cipelletti**	Member of the Remuneration and Nominations Committee
Elsa Fornero**	Member of the Committee for Transactions with Related Parties and of the Committee for Sustainability and Social Responsibility
Luca Minoli	
Chiara Palmieri**	Chairman of the Remuneration and Nominations Committee, Member of the Control and Risk Committee
Roberto Pesenti	
Pietro Ruffini**	Member of the Committee for Sustainability and Social Responsibility

\* Director who meets the independence requirements laid down in the CLF.

\*\* Director who meets the independence requirements laid down in the CLF and the Corporate Governance Code.

### GENDER

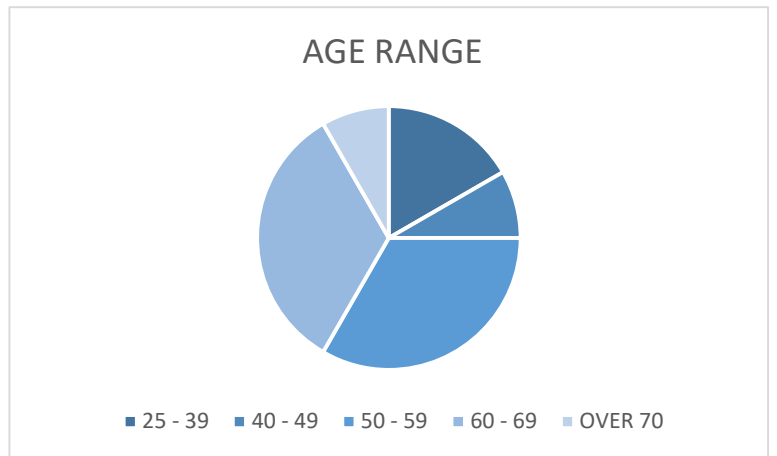
Women	5
Men	7



### AGE RANGE

(MARCH 2024)

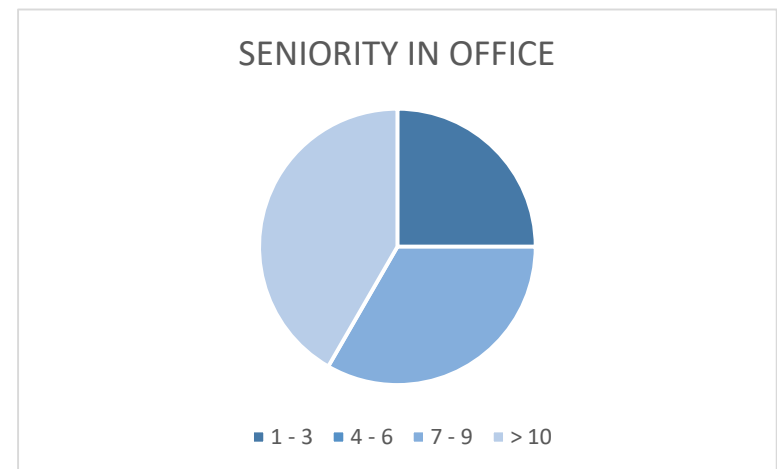
25 - 39	2
40 - 49	1
50 - 59	4
60 - 69	4
OVER 70	1



### SENIORITY IN OFFICE

(MARCH 2024)

1 – 3 years	3
4 – 6 years	-
7 – 9 years	4
> 10 years	5



## 5. LIMITS ON THE ACCUMULATION OF APPOINTMENTS AND OFFICES OF DIRECTORS

The Board of Directors recently reaffirmed, with a resolution passed on April 27, 2023, that the maximum number of offices that could be held in listed companies on regulated markets, in Italy or abroad, was four, including the office held in Italmobiliare S.p.A., but excluding other companies in the Italmobiliare Group, which can be considered compatible with being an effective director of Italmobiliare. All of the Directors and Statutory Auditors comply with this limit.

The offices of Director or Statutory Auditor held by each Director in other listed and/or large companies are shown below:

Laura Zanetti	Allianz Bank Financial Advisors S.p.A. WeBuild S.p.A. (listed)	Director Director
Livio Strazzera	Serfis S.p.A. Bormioli Luigi S.p.A.	Sole Director Director
Carlo Pesenti	Caffè Borbone S.r.l. Tecnica Group S.p.A.	Deputy Chairman Director
Mirja Cartia d'Asero	Il Sole 24 Ore S.p.A. (listed) Tecma Solutions S.p.A. (listed)	CEO Director
Valentina Casella	Arnoldo Mondadori S.p.A. (listed) Banco di Desio and Brianza S.p.A. (listed)	Director Director
Luca Minoli	Cemital Privital Aureliana S.p.A.	Chairman
Pietro Ruffini	Double R S.r.l.	Director

## 6. EXECUTIVE DIRECTORS

Of the twelve Directors in office, only Carlo Pesenti, Chief Executive Officer-Chief Operating Officer, qualifies as an Executive Director. The Board of Directors has assigned him duties and powers, setting limits on how they can be exercised.

## 7. CHAIRMAN AND CHIEF EXECUTIVE OFFICER-CHIEF OPERATING OFFICER

Within the scope of the Board of Directors, the following powers have been granted.

The following duties have been assigned to the **Chairman**, Ms Laura Zanetti: to submit proposals to be resolved on by the Board of Directors; to supervise and ensure compliance with the principles of Corporate Governance approved by the Company and propose any amendment to them to be submitted to the Board of Directors for approval; to supervise the regularity of meetings and actions of the corporate bodies ensuring that the documentation relating to the items on the agenda is made available to Directors and Statutory Auditors suitably in advance; to supervise the work of the Chief Operating Officer with reference to real estate management transactions; to promote the Company's image; in agreement with and in coordination with the Chief Executive Officer, to maintain relations with the economic-financial community, institutional bodies and authorities.

The Chairman has been assigned the following powers: to represent the Company in court proceedings; to represent the Company before any administrative authority or public body, as well as before local industrial or trade associations; to represent the Company as a shareholder at Ordinary and Extraordinary Shareholders' Meetings of other companies; to appoint consultants as necessary; to appoint special and general attorneys; to negotiate and conclude any transaction or contract regarding real estate purchase or sale, exchange and division, as well as the establishment of easements or property rights in general, with a limit of 25 million euro, requiring joint signature together with the Chief Executive Officer.

As **Chief Executive Officer** and **Chief Operating Officer**, Carlo Pesenti has been assigned the following tasks, among others, in addition to the general power of representation of the Company: to submit proposals to be resolved

on by the Board of Directors; to oversee the execution and implementation of the investment plans defined by the Board of Directors; to look after the management policies, corporate development strategies of Italmobiliare S.p.A. and its subsidiaries, held directly or indirectly; to oversee and direct the activities of Italmobiliare S.p.A. and its direct or indirect subsidiaries; to assist in setting guidelines for managing the companies in which Italmobiliare S.p.A., directly or indirectly, holds an equity investment that allows it to exercise significant influence; to look after corporate organisation and propose important amendments to the Board of Directors.

To carry out the above mentioned tasks, the Chief Executive Officer can perform any appropriate initiative and, by way of example: as part of the Company's general policies on accounting reporting (i) to prepare the separate and consolidated draft financial statements (along with the necessary reports and the accompanying notes) to be submitted to the Board of Directors for approval and (ii) to prepare the half-yearly and quarterly financial statements required by current regulations; to prepare Italmobiliare S.p.A.'s budgets and long-term development and investment plans to be submitted to the Board of Directors for approval; to define the general guidelines for the financial management of the Company and the Group; to determine the addresses relating to the choice of the main managers of Italmobiliare S.p.A., excluding the Chief Operating Officer, whose appointment falls under the competence of the Board of Directors, and of the main companies directly or indirectly controlled, as well as, for Italmobiliare S.p.A. only, to personnel management.

The same person has been assigned the powers to carry out managerial, developmental, and decision-making activities. The powers granted for the office of Chief Operating Officer can be exercised within a limit of 25 million euro for individual transaction. The powers granted for the office of Chief Executive Officer can be exercised within a limit of 25 million euro, except for transactions on derivatives and the provision of guarantees in general (in the interest of the Company or its subsidiaries), which can be made within a limit of 50 million euro, transactions to sell securities of listed companies, which can be made within a limit of 100 million euro per single trading day, and real estate transactions, which can be made within a limit of 10 million euro and, if exceeding that amount, up to 25 million euro, require the joint signature of the Chairman.

The Chief Executive Officer-Chief Operating Officer qualifies as the main person responsible for the Company's management. He reports back to the Board every time it meets on the activities carried out in the exercise of the powers.

The Chief Executive Officer-Chief Operating Officer is not a Director in any other listed company at which a Company Director is the Chief Executive Officer.

To manage current operations, powers have been granted to managers of the Company, within the scope of their respective remits.

## 8. SUCCESSION PLANS

The Board of Directors has assigned the Remuneration and Nominations Committee the task of drawing up succession plans for Executive Directors, which the Board of Directors has to decide whether to adopt.

Considering the nature of Italmobiliare as a Holding Company and its organisational structure which has been kept flexible over the years, on the Committee's recommendation, having reviewed the situation most recently in 2023, the Board of Directors did not adopt a formal succession plan for the CEO and key management personnel. The Board of Directors has ascertained that, in the event of an extraordinary situation, all the safeguards are in place, in the form of an Emergency Plan, to ensure that the Company will continue to be managed, while starting the selection of a new management team.

## 9. INDEPENDENT DIRECTORS

Following its appointment in April 2023, the Board of Directors assessed the independence of its members based on the provisions of the CLF and the criteria laid down in the Corporate Governance Code. The results of the assessments were disclosed to the market following the Appointment Shareholders' Meeting on April 27, 2023.

The Board of Directors recently verified the ongoing fulfilment of the requirements, based on the information received from each Director, at the meeting held on February 19, 2024. The Board of Statutory Auditors has checked correct application of the criteria and the procedures adopted by the Board of Directors to assess its members' independence.

In this connection, note that the amount above which a Director cannot qualify as independent pursuant to letter c) of recommendation 7 of the Code has been set at Euro 200,000 per year and the additional amount above which a Director cannot qualify as independent pursuant to letter d) of recommendation 7 of the Code has also been set at Euro 200,000 per year.

Given the rigorous application of the quantitative criteria and, in general, of the parameters indicated in the Code, which up to now have not highlighted any uncertainties, the Board did not consider it necessary to introduce qualitative criteria on which to assess whether the independence requirements were still being met in accordance with letters c) and d) of recommendation 7 of the Code.

There are no commercial, professional or financial relationships involving the Company and the six directors who qualify as independent under both the CLF and the Code.

As a result of these assessments, half of the Directors qualify as Independent under the provisions of the CLF and the criteria laid down in the Code: Mirja Cartia d'Asero, Valentina Casella, Marco Cipelletti, Elsa Fornero, Chiara Palmieri, and Pietro Ruffini.

The Directors who qualified as independent according to both the Code and the CLF met once during 2023 in the absence of the other Directors.

The Chairman Laura Zanetti and Deputy Chairman Livio Strazzera are Independent Directors only according to the CLF.

## 10. LEAD INDEPENDENT DIRECTOR

At the time of renewal, at the meeting on April 27, 2023, the Board of Directors resolved not to appoint a "Lead Independent Director" for the 2023-2025 term of office. The conditions envisaged by the Code do not exist and the Independent Directors did not ask for one to be appointed.

## 11. SELF-ASSESSMENT

In accordance with the provisions of the Board Regulation, the Directors are asked to make an annual assessment of the composition, role and functioning of the Board and of its Committees. The Board of Statutory Auditors also participates in the self-assessment process.

The Chairman supervises and coordinates the process, with the support of the Remuneration and Nominations Committee and the Corporate Affairs Department. The Chairman ensures its adequacy and transparency, considering together with the Committee whether they need assistance from an independent consultant.

At the end of the 2023 financial year, an internally prepared questionnaire was distributed to all Directors and Statutory Auditors, previously shared with the Chairman of the Board of Directors and the Remuneration and Nominations Committee, who did not consider it necessary to involve an external consultant. The questionnaire concerns the overall assessment of the functioning and composition of the Board of Directors and the individual Committees and contemplates the possibility of making recommendations or comments. Each recipient was asked to make their assessment based on a scale of values ranging from 1 to 6.

The questionnaire was returned anonymously by fourteen of the fifteen persons consulted. The CEO, as in the past, did not take part in the process.

Before it was distributed, the questionnaire and the results of the self-assessment were first reviewed by the Remuneration and Nominations Committee and then by the Board of Directors.

In general terms, the opinions of the Directors and Statutory Auditors confirmed their general satisfaction with the procedural and operational aspects, the Chairman's role and her relations with the other Directors, as well as the effective role of Committees and the reporting provided to the Board of Directors.



## 12. INDUCTION PROGRAMME

With the help of the various company departments, the Chairman works to ensure that the Directors and Statutory Auditors participate in initiatives aimed at increasing their knowledge of the Company's situation and dynamics and are informed about the main legislative and regulatory changes that concern the Company and its corporate bodies.

Three induction sessions were held in 2023: one dedicated to the subsidiary Officina Profumo-Farmaceutica di Santa Maria Novella, at which the Board of Directors met, in Florence, one dedicated to the subsidiary Italgel and one related to the strategic guidelines of Italmobiliare. In 2024, up to the date of this Report, two induction sessions were held: one dedicated to the evolution of the macroeconomic scenario and one dedicated to the associate company Bene Assicurazioni.

## 13. INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has set up a Remuneration and Nominations Committee, a Control and Risk Committee, a Committee for Sustainability and Social Responsibility, all with advisory and propositional functions towards the Board of Directors, as well as a Committee for Transactions with Related Parties in accordance with Consob's RPT Regulation. The responsibilities and functions of the first three Committees are laid down in the Regulation governing the Board of Directors of Italmobiliare. The responsibilities of the Committee for Transactions with Related Parties, on the other hand, are included in a specific procedure.

In carrying out their functions, the Committees are entitled to access the corporate information and functions that they need to perform their duties. They can also use external consultants at the Company's expense. At the invitation of the Chairman of each Committee, the meetings may be attended by persons who are not members and therefore managers of the Company or of associate companies and consultants.

Each Committee appoints a Secretary, who does not have to be a member of it. The Secretary's main task is to draw up minutes of the meetings. The Chairman of each Committee reports back to the Board of Directors at the next Board meeting.

Detailed information on the Remuneration and Nominations Committee, the Control and Risk Committee and the Committee for Sustainability and Social Responsibility is provided below, whereas details of the Committee for Transactions with Related Parties can be found in the section entitled "Codes of conduct, procedures and other corporate governance practices".

## 14. REMUNERATION AND NOMINATIONS COMMITTEE

The Committee, in office since April 27, 2023, is made up of Chiara Palmieri, Chairman, Valentina Casella and Marco Cipelletti, all Independent Directors meeting the requirements laid down in the Code and the CLF.

The members have adequate experience in accounting, financial and remuneration policy matters, as assessed by the Board at the time of appointment and which was disclosed to the market.

Until April 27, 2023, the Committee was made up of Vittorio Bertazzoni, Chairman, Valentina Casella and Chiara Palmieri, all Independent Directors meeting the requirements laid down in the Code and the CLF.

The Board of Statutory Auditors and the Head of Human Resources are regularly invited to attend Committee meetings. No Director is present at the meeting when their remuneration is discussed.

The Committee has regular access to the Company's information and departments needed to perform its tasks; it has an annual budget of 50,000 euro assigned by the Board of Directors. The Committee can seek assistance from independent consultants.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors

In its role as the Remuneration Committee, it performs the following functions, among others:

- a) makes proposals to the Board about remuneration policy;
- b) periodically assesses the adequacy and overall consistency of remuneration policy, monitoring its application in practice;
- c) presents proposals to the Board of Directors, or expresses opinions, about the remuneration of the executive Directors and the other Directors vested with special powers, as well as on the setting of performance objectives;
- d) assesses proposed short- and long-term incentive schemes, both cash- and share-based, prior to submission to the Board of Directors for approval;
- e) proposes performance objectives to the Board, linked to the variable component of the remuneration of Executive Directors, Directors vested with special powers and key management personnel;
- f) checks whether the performance objectives linked to the long-term incentive plans and the variable remuneration have been achieved, in part by using information received from the relevant business functions;
- g) prepares opinions on how to determine the indemnities payable on the early termination of employment relationships with key management personnel; assesses the possible effects of termination on the rights assigned under incentive plans based on financial instruments.

The Remuneration and Nominations Committee also:

- h) helps the Board to apply the self-assessment process to the Board and its Committees;
- i) expresses opinions on the size and composition of the Board and the Committees;
- j) without prejudice to the provisions of the By-laws, proposes candidates to be co-opted onto the Board, if needed;
- k) performs analyses for the preparation and revision of succession plans for top management roles that the Board of Directors has decided to adopt;
- l) carries out any additional tasks assigned by the Board of Directors.

In 2023, the Committee met four times with all of its members and those of the Board of Statutory Auditors in attendance; meetings lasted more than an hour on average. In three out of four meetings it performed the functions of both the Nominations Committee and the Remuneration Committee; in one it only performed the functions of the Remuneration Committee.

The Committee made use of the independent consultant Willis Tower Watson, among other things, in the preparation of the Remuneration Policy for 2023 and 2024, in the definition of the new long-term incentive plan for the period 2023-2025 submitted to the Shareholders' Meeting, and in the introduction of a new medium-long term incentive system, the "Value Creation Sharing Incentive", designed to share the value created as a result of extraordinary transactions.

During 2023, the Committee carried out the following activities involving remuneration matters:

- it examined the Company's report on the remuneration policy for 2023 and on the compensation paid in 2022 to be submitted to the Board of Directors and subsequently to the Shareholders' Meeting;
- it checked the achievement of the performance objectives in order to determine the short-term variable remuneration to be paid to the Chief Executive Officer-Chief Operating Officer and key management personnel (2022 MBO), as well as the achievement of the performance objectives in order to provide the long-term incentive plan (Italmobiliare 2020-2022 Phantom Stock Grant Plan);
- it made a proposal to the Board of Directors on the variable remuneration of the Chief Executive Officer-Chief Operating Officer and of key management personnel for 2023 (2023 MBO);
- it reviewed a benchmark analysis, which was subsequently submitted to the Board of Directors, regarding the basic remuneration of Directors and Statutory Auditors, to prepare a proposal for the Shareholders' Meeting;

- it supported the Board of Directors in the definition of the Company's new long-term incentive plan (Italmobiliare 2023-2025 Phantom Stock Grant Plan), subsequently approved by the Shareholders' Meeting, and of the new medium-long term incentive system, the "Value Creation Sharing Incentive", designed to share the value created as a result of extraordinary transactions;
- it defined the regulations and performance objectives of the "Italmobiliare 2023-2025 Phantom Stock Grant Plan", along with the related assignment proposals, subsequently approved by the Board of Directors; it formulated proposals for the remuneration of specific offices, subsequently submitted to the Board of Directors; it established the regulations for the "Value Creation Sharing Incentive" and formulated proposals for identifying the beneficiaries of the Plan;
- regarding the liquidity event represented by the sale of a portfolio investment of Italmobiliare, it verified the conditions for the assignment of the "Value Creation Sharing Incentive" and submitted a proposal to the Board of Directors for the disbursement of the incentive to the beneficiaries.

As regards the functions of the Nominations Committee, in 2023 it: preliminarily reviewed the results of the 2022 self-assessment process, which were then submitted to the Board of Directors; reviewed the questionnaire to be used for the 2023 self-assessment process, after agreeing not to use an independent consultant; carried out preparatory investigations for the formulation of an opinion on the quantitative and qualitative composition of the Board of Directors, in view of the renewal of the corporate bodies, resolved by the Shareholders' Meeting of April 27, 2023.

In 2024, up to the date of approval of the Report, the Committee has met twice, also performing the functions of the Nominations Committee in one of the meetings. Among its activities involving remuneration, it has examined the Company's report on the remuneration policy for 2024 and on the compensation paid in 2023 to be submitted to the Board of Directors and subsequently to the Shareholders' Meeting; checked whether the performance objectives had been achieved in order to determine the short-term variable remuneration to be assigned to the Chief Executive Officer-Chief Operating Officer and key management personnel (2023 MBO); it examined the objectives of the 2024 MBO of the Chief Executive Officer-General Manager and key management personnel, subsequently approved by the Board of Directors.

In its capacity as the Nominations Committee, it examined the results of the 2023 self-assessment, subsequently submitted to the Board of Directors.

For further information on the duties of the Remuneration and Nominations Committee, and in general on the remuneration policy for 2024, approved by the Board of Directors on the Committee's proposal, please refer to the remuneration report drawn up in accordance with art. 123-ter of the CLF.

## 15. COMMITTEE FOR SUSTAINABILITY AND SOCIAL RESPONSIBILITY

In view of the renewal of the corporate bodies, the Board of Directors appointed the members of the Committee for Sustainability and Social Responsibility: the Chief Executive Officer-Chief Operating Officer, Carlo Pesenti, who assumed the office of Chairman, Laura Zanetti, and the Independent Directors, Mirja Cartia d'Asero, Elsa Fornero and Pietro Ruffini. The Committee is headed up by the Chief Executive Officer-Chief Operating Officer to ensure that ESG issues are fully integrated with the Company's strategies. The Director of Sustainability, who also performs the functions of the Board's secretary, as well as the Director of Investment Management attend each meeting of the Committee.

Until April 27, 2023, the Committee was made up of Carlo Pesenti, Laura Zanetti, Vittorio Bertazzoni, Mirja Cartia d'Asero, Elsa Fornero.

The Committee has a duty to provide the Board with advice and proposals in order to implement a development strategy focused on sustainability, consistent with Italmobiliare's mission in all its components: governance, economic, social and environmental.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, in the ESG area, the Committee assists the Board in:

- i. defining Italmobiliare's business strategy and mission, also with regard to the evolution of its internal processes;
- ii. carrying out analysis and research;

- iii. promoting an integrated culture;
- iv. generating long-term shared value for the Company and the Group.

Among its specific functions, the Committee:

- a) verifies and assesses the sustainability strategy adopted, designed to ensure the creation of value over time for the shareholders and for all the other stakeholders, in compliance with the commitments deriving from adherence to international ESG principles;
- b) promotes the adoption of sustainability principles, partly via the competent company functions, and defines the objectives and monitors their achievement;
- c) proposes initiatives and projects and indicates best practices in order to strengthen the culture of sustainability throughout the Group and help implement the strategic guidelines, in full compliance with the ESG principles;
- d) monitors implementation of the policies and guidelines adopted by the Company from time to time with regard to sustainability issues;
- e) assesses the Sustainability Report, submitted annually to the Board of Directors, which contains the non-financial report (NFR) and, in general, the documents published by the Company because of its adherence to international ESG principles.

In 2023, the Committee met 3 times with all of its members, those of the Board of Statutory Auditors and the members of the Sustainability Department in attendance. Meetings lasted less than two hours on average. Recurring activities included: completion of the 2022 ESG Plan; review of the 2022 Sustainability Report; definition of the 2023 ESG Plan and its monitoring; analysis of the developments in the global ESG context, including relevant regulatory aspects; updating of the materiality matrix; the evolution of non-financial reporting. Particular strategic focus was given to the discussion and approval of new ESG commitments for the Group, such as the commitment to decarbonisation through adherence to the Science Based Targets initiative, and the definition of other strategic guidelines, including those related to diversity, equity, and inclusion (DE&I) as well as health, safety, and welfare.

The Committee has met once in 2024, up to the approval of this Report, with the participation of all of its members, the Statutory Auditors and the Sustainability Department for reviewing and assessing the 2023 Sustainability Report, completion of the 2023 ESG Plan (which, as for last year, is linked to a variable remuneration target for all the members of top management) and a review of the 2024 ESG Plan, then submitted to the Board of Directors.

## 16. CONTROL AND RISK COMMITTEE

Following its appointment in April 2023, the Board of Directors set up the Control and Risk Committee, which currently consists of Mirja Cartia d'Asero, Chairman, Chiara Palmieri, both Independent Directors, and Giorgio Bonomi, non-Executive Director. Its composition remains unchanged from the previous three-year period.

All of the members have adequate experience in finance, accounting and risk management, as assessed by the Board at the time of its appointment and disclosed to the market. The Committee as a whole has adequate expertise in the sector of activity in which the Company operates.

The Committee has a duty to provide the Board with advice and proposals on: *i)* the Internal Control and Risk Management System and *ii)* periodic financial reporting; on the renewal of the corporate bodies, the duties on social sustainability matters connected with the Company's business were attributed to the Committee for Sustainability and Social Responsibility, which was described above and with which the Control and Risk Committee coordinates.

The Control and Risk Committee also performs its duties on the basis of information flows received from the Head of Internal Audit of the Company, as regards Italmobiliare S.p.A. and its subsidiaries that do not have autonomous third-level control systems and structures. As regards the other subsidiaries, which may also include entities subject to monitoring by control authorities, the Committee uses the information flows laid down in the guidelines of the ICRMS and, in particular, information received from their equivalent departments, where present.

The Committee's responsibilities and procedures are laid down in the Regulation governing the Board of Directors. In particular, the Control and Risk Committee, in assisting the Board of Directors:

- a) after consulting the Financial Reporting Officer, the Board of Statutory Auditors and the Independent Auditors, considers whether the reference accounting standards were applied in a proper and consistent manner when preparing consolidated financial statements;
- b) considers whether the periodic financial disclosures present properly the business model and strategies of the Company, the impact of its activities and the results achieved;
- c) before presenting the sustainability report to the Board of Directors, coordinates with the Committee for Sustainability and Social Responsibility, possibly via the Directors who sit on both Committees, in order to assess whether the non-financial disclosures present properly the business model and strategies of the Company, the impact of its activities and the results achieved, also for the purposes of the system of internal control and risk management;
- d) expresses opinions on specific aspects involved in identifying the principal business risks, and supports the assessments and decisions made by the Board of Directors with regard to the management of risks deriving from any adverse events identified;
- e) examines the periodic reports and those of particular significance prepared by the Internal Audit Department;
- f) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Department, which it may ask to perform checks in specific operational areas, notifying the Chairman of the Board of Statutory Auditors at the same time;
- g) examines the periodic reports on internal control and risk management received from the subsidiaries of Italmobiliare S.p.A. and, in particular, those prepared by the equivalent Committees;
- h) reports to the Board of Directors, at least every six months, at the time of approval of the financial statements and the half-yearly report, on the overall activity carried out and on the adequacy of the Internal Control and Risk Management System (ICRMS);
- i) carries out the additional tasks envisaged by the Guidelines of the Internal Control and Risk Management System, as well as those assigned to it by the Board.

The Board of Directors is supported by the Control and Risk Committee for the following issues and activities within the remit of the Board:

- a) determines guidelines for the system of internal control and risk management, consistent with the strategies of the Company, and assesses at least once each year the adequacy of the system, having regard for the characteristics of the business and the risk profile accepted, as well as its effectiveness;
- b) resolves on the appointment and revocation of the Internal Audit manager, establishing remuneration for the role that is consistent with corporate policies and checking that sufficient resources are made available for performance of the duties assigned;
- c) approves, at least once a year, the audit plan prepared by the Internal Audit manager, after consulting the Board of Statutory Auditors and the Chief Executive Officer;
- d) appoints the Supervisory Body pursuant to Legislative Decree 231/2001;
- e) assesses the introduction of measures to guarantee the effectiveness and impartiality of the business functions that perform control activities;
- f) assesses, after consulting the Board of Statutory Auditors, the conclusions expressed by the Independent Auditors in their letter of recommendations, if issued, and in the additional report addressed to the control body;
- g) describes in the report on corporate governance the principal characteristics of the system of internal control and risk management and the methods used to coordinate the parties involved in the system, explaining the choices made regarding the composition of the Supervisory Body.

The meetings are minuted by the Secretary of the Committee. The managers responsible for the areas being discussed are regularly invited to meetings of the Committee to provide suitable in-depth analyses; the Financial Reporting Officer and the Head of Internal Audit attend all of the meetings in any case. The Committee has an annual budget of 50,000 euro assigned by the Board of Directors.

In 2023, the Committee held a total of six meetings, each lasting more than one hour on average, with all its members in attendance. The Board of Statutory Auditors always attended these meetings.

During 2023, the Committee, among other things:

- examined and approved the Company's approach to carrying out impairment tests; it also reviewed and took note of the results;
- assessed correct use of the accounting standards and their consistency in drawing up the period financial report, together with the Financial Reporting Officer, after consulting the Board of Statutory Auditors and the Independent Auditors;
- reviewed the Audit Plan for 2023, which was subsequently approved by the Board of Directors, and monitored its implementation;
- analysed the results of risk management; received updates from the Finance Director and the Investment Management Department in relation to the macroeconomic scenarios;
- examined the reports prepared by the Head of Internal Audit to check the adequacy, efficiency and effective functioning of the Internal Control and Risk Management System;
- met the equivalent departments at the main subsidiaries, as well as the Independent Auditors, before the Board of Directors examined the draft financial statements and the interim report;
- received periodic updates on the state of outstanding disputes;
- exchanged information with the Board of Statutory Auditors and the Supervisory Body on their activities.

In 2024, up to the date of approval of this Report, the Committee has met three times in the presence of the Board of Statutory Auditors to examine: the impairment test methodology applied in 2023 and its results; the results of risk management; the accounting policies used in drawing up the 2023 annual financial report; updates on outstanding disputes; the results of the 2023 Audit and the 2024 Audit Plan.

The Committee met the Independent Auditors before the Board of Directors examined the 2023 draft financial statements; was informed by its Chairman, who also sits on the Committee for Sustainability and Social Responsibility, about the contents of the Sustainability Report that are relevant to the ICRMS; examined the section of this Report that gives a description of the ICRMS, agreeing on its content.

A total of six meetings are scheduled for 2024.

## IV. The Internal Control and Risk Management System

### 1. DEFINITION AND OBJECTIVES

The Internal Control and Risk Management System ("**ICRMS**") of Italmobiliare is an essential part of the Corporate Governance system. It is a set of organisational rules, procedures and structures intended to enable the identification, measurement, management and monitoring of the main risks facing the Company and its subsidiaries.

The Board of Directors has defined and continuously updated the Internal Control and Risk Management System Guidelines ("**Guidelines**"), in compliance with the recommendations of the Code, having obtained the favourable opinion of the Control and Risk Committee. Taking into account the specific structure of the Group, which includes companies – among which there may be entities subject to the supervision of Supervisory Authorities – with internal control systems and structures in turn responsible for overseeing the ICRMS of their respective sub-groups (so-called "Group of groups"), the Guidelines seek to ensure consistency and harmonisation between the various control tools that exist. This entails establishing the roles and departments involved in the identification, measurement, management and monitoring of the main risks of the Company and its subsidiaries.

The Guidelines have been sent to the subsidiaries so that they could take account of them in the definition and maintenance of their own ICRMS, without prejudice to each company's autonomy and independence.

The ICRMS must contribute to the running of the Company in line with the corporate objectives laid down by the Board of Directors, encouraging informed decision-making. It helps to ensure the safeguarding of company assets, the efficiency and effectiveness of company processes, the reliability of financial reporting, compliance with laws and regulations and with the By-laws and internal procedures.

The ICRMS is broken down into three levels of control, in line with the best national and international standards and with the provisions of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001:

*1st level:* represented by line checks designed to ensure that operations are performed correctly, in line with the Company's business and governance objectives; these checks are carried out by the heads of the operating areas who identify and assess the risks and lay down specific steps for managing them;

*2nd level:* functions in charge of establishing the methodologies and tools for risk management and performance of risk monitoring activities;

*3rd level:* the Internal Audit function, as well as any others who provide objective and independent assurance as to the design and functioning of the overall System.

The Guidelines provide for the involvement of the following corporate bodies and functions:

the **Board of Directors**, with the following tasks:

- a) to assess and approve investments that are consistent with the mission of the Company and the strategic guidelines approved by the Board during the annual budget review, having regard for the indications provided by the Committee for Sustainability and Social Responsibility (see below) regarding the generation of long-term value;
- b) to determine the nature and level of risks compatible with the strategic objectives of the Company, considering all elements that may be significant in terms of sustainable success;
- c) to define the corporate governance system of the Company and the structure of the Group headed by it and assess the adequacy of the organisational, administrative and accounting structure of the Company and of subsidiaries that are of strategic importance, with particular reference to the internal control system and risk management;
- d) to examine at least once a year the main corporate risks as well as the set of control processes implemented and planned for their prevention, reduction and effective and efficient management;

the **Board of Directors**, with the support of the Control and Risk Committee, with the following tasks:

- e) to set guidelines for the system of internal control and risk management, consistent with the strategies of the Company, and assess at least once each year the adequacy of the system, having regard for the characteristics of the business and its risk profile, as well as its effectiveness;
- f) to appoint and revoke the Head of Internal Audit, establishing remuneration for the role that is consistent with corporate policies and ensuring that sufficient resources are made available for performance of the duties assigned; if it decides to entrust the Internal Audit function, as a whole or by segments of activity, to an external entity, it ensures that it meets the requisites of professionalism, independence and organisation and provides adequate reasons for this choice in the report on the corporate governance;
- g) to approve, at least once a year, the work plan prepared by the Head of Internal Audit, after consulting the control body and the Chief Executive Officer;
- h) to appoint the Supervisory Body pursuant to art. 6, paragraph 1, letter b) of the Legislative Decree no. 231/2001;
- i) to assess the introduction of measures to guarantee the effectiveness and impartiality of the business functions that perform control activities;
- j) to evaluate, after consulting the control body, the results presented by the Independent Auditors in any letter of recommendations and in the additional report addressed to the control body;
- k) to describe in the report on corporate governance the main characteristics of the internal control and risk management system and the methods of coordination between the parties involved in it, to express its overall assessment of the system's adequacy and to explain the choices made regarding the composition of the supervisory body.

The Board of Directors, with the assistance of the Control and Risk Committee and the Committee for Sustainability and Social Responsibility based on their feedback, evaluates the adequacy, effectiveness and effective functioning of the ICRMS with respect to the characteristics of the business.

With reference to subsidiaries with autonomous internal control structures that have similar duties to those assigned by the Code to the Control and Risk Committee, the activities performed by the Control and Risk Committee of Italmobiliare essentially involve reviewing and assessing the reports received from these structures.

During the course of the year, when the Board of Directors carried out its investment analyses, it did not find any risk profiles that were incompatible with the Company's strategic objectives, also with a view to their sustainability over the medium to long-term.

The Board of Directors approved the work plan prepared by the Head of Internal Audit, having consulted the Board of Statutory Auditors and the Chief Executive Officer.

This process is operating in the main subsidiaries.



## 2. CHIEF EXECUTIVE OFFICER IN CHARGE OF SETTING UP AND MAINTAINING THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Chief Executive Officer-Chief Operating Officer, Carlo Pesenti, was identified as the "Chief Executive Officer in charge of setting up and maintaining the internal control system" (**Chief Executive Officer**).

As such, he has the task of:

- a. identifying the main risks, taking into account the characteristics of the business activities carried on by the Company and its subsidiaries, and submitting them periodically to review by the Board of Directors;
- b. implementing the Guidelines, taking care of the planning, implementation and management of the ICRMS, constantly verifying its adequacy and effectiveness, adapting it to the dynamics of the operating conditions and the legislative and regulatory situation;
- c. reporting promptly to the Control and Risk Committee, the Committee for Sustainability and Social Responsibility (or to the Board of Directors) issues and problems identified during his activity or of which he becomes aware, so that they can take appropriate action.

He can also entrust the Internal Audit Department to carry out reviews of specific operational areas and whether business operations comply with the rules and internal procedures, giving simultaneous notice to the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors.

He has the task, together with the Financial Reporting Officer, of issuing statements regarding the adequacy and effective application of the administrative and accounting procedures, the compliance of the documents with international accounting standards, that the documents correspond to the contents of the accounting books and records, and the suitability of the documents to provide a true and fair view of the key financial data of the Company and of the Group.

## 3. HEAD OF INTERNAL AUDIT

The Board of Directors, on the proposal of the then "Director in charge of the internal control and risk management system", and after consulting the Board of Statutory Auditors, appointed Delia Strazzarino as the Head of Internal Audit, establishing her remuneration in line with the Company's policies and ensuring that she had adequate resources to perform her duties.

The Head of Internal Audit has the task of verifying that the ICRMS is functioning, adequate and consistent with the Guidelines laid down by the Board of Directors, providing an objective assessment of its suitability to the corporate bodies and to top management. She therefore has direct access to all information needed to carry out her role, she is not responsible for any operating area and reports hierarchically to the Board of Directors.

The Head of Internal Audit verifies how the ICRMS operates in practice, both on an ongoing basis and in relation to specific needs in compliance with international standards, through an Audit Plan approved by the Board of Directors, based on a structured process of analysis and assessment of the main risks. Once a year, as part of the Audit Plan, the Head of Internal Audit explains to the Board of Directors how her department is structured and whether or not it is suitable, in numerical and professional terms, to perform the tasks assigned to it. She prepares periodic reports containing pertinent information on her department's activities, the methods used to manage risk and compliance with the plans to mitigate risk, in addition to an assessment of the appropriateness of the ICRMS and any reports on particularly important events, and sends them to the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Directors, as well as to the Chief Executive Officer. She also verifies the reliability of the information systems, including the accounting systems.

As part of its "Quality Assurance and Improvement Programme", the Internal Audit Department undergoes a Quality Assurance Review by an independent external body at least once every five years; the last review, which was completed in 2020, ended with an assessment of substantial compliance with the international standards for professional practice and the Code of Ethics of Internal Audit.

After obtaining the opinion of the Control and Risk Committee and having consulted with the Chief Executive Officer and the Board of Statutory Auditors, the Board of Directors approved:

- the mandate of the Internal Audit Department, last amended by resolution on March 2, 2017, which formally defines the mission, objectives, organisational context and responsibilities of the department in line with the definition of Internal Auditing, with the Code of Ethics and the international standards as per the International Professional Practices Framework of the Institute of Internal Auditors;
- the work plan for the year 2023 prepared by the Head of Internal Audit.

The Internal Audit Department carries out its duties directly in all areas of the Italmobiliare Group, except for the subsidiaries that have an independent Internal Audit function.

At Group level, the Internal Audit Department coordinates with the equivalent functions at the subsidiaries in order to encourage a uniform approach to the operational and adequacy checks of the ICRMS, taking into account the autonomy, independence and responsibilities of the subsidiaries and their corporate bodies.

#### 4. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001 AND THE SUPERVISORY BODY

In order to make the internal control and corporate governance system more effective, to prevent the perpetration of corporate offences and those against the Public Administration, since 2004 the Company has adopted an Organisation, Management and Control Model (the "**Model**"), in application of Legislative Decree 231/2001, updated over the years and last amended by resolution of the Board of Directors on December 15, 2022.

By adopting the Model, the Company intends to disseminate and establish a corporate culture based on legality, with the express censure of all conduct contrary to the law and the regulations contained in the Model.

There have been several updates to incorporate changes made to the law which have gradually extended the scope of application of Legislative Decree 231/2001 to additional categories of offences with respect to those originally included. All updates to the Model, except those of a purely formal nature, have been carried out on the basis of targeted risk assessments performed by consultants who specialise in the matters taken into consideration on each occasion.

In 2022, the updates of the Model submitted to the Board of Directors were motivated by the regulatory changes that have extended the types of predicate offences, as well as by a review of the relationships between the Models and the Supervisory Bodies within the Group.

With regard to the regulatory updates, a new Special Section has been inserted ("Crimes against the cultural heritage"), while the Special Section entitled "Receiving, laundering, using money, self-laundering of goods or other benefits of illicit origin" has been extended to "Crimes involving non-cash payment instruments". The Special Section entitled "Crimes against the Public Administration" was integrated with a new activity at risk and new control protocols.

The General Section of the Model is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)), in the "Governance/Organization, management and control model" section.

The main subsidiaries of Italmobiliare also have an organisation, management and control model pursuant to Legislative Decree 231/2001.

The task of continuously supervising effective functioning and compliance with the Model, as well as proposing updates to it, is assigned to the Supervisory Body, appointed by the Board of Directors to which it reports directly, and given adequate resources to ensure autonomy, professionalism and independence in the exercise of its duties.

The Supervisory Body itself, in implementation of Legislative Decree 24/23 on whistleblowing, was identified as the Person in Charge of the Management of Whistleblowing Reports, as described in the dedicated procedure, updated in December 2023 in compliance with the law.

The Supervisory Body, appointed by the Board of Directors on May 10, 2023, in accordance with the recommendation of the Control and Risk Committee and as provided by the Model itself, is made up of Paolo Sfameni (Chairman), an external consultant, Antonia Di Bella, Standing Auditor, and Delia Strazzarino, the Company's Head of Internal Audit. The outgoing Supervisory Body reflected this composition and was made of Paolo Sfameni, Luciana Ravicini, Standing Auditor, and Delia Strazzarino, the Company's Head of Internal Audit. This composition is considered suitable for combining the requisites of autonomy, independence and competence, which are essential to ensure the Body's authority and effectiveness.

As part of its duties, the Supervisory Body periodically meets with the Company's managers in charge of sensitive areas as defined by Legislative Decree 231/2001, the Board of Statutory Auditors, the Control and Risk Committee, the Financial Reporting Officer and representatives of the independent auditors to discuss any matters concerning the prevention of offences specified in the Model, including those relating to financial reporting. The Supervisory Body is granted autonomous initiative and control powers within the Company in order to carry out its functions effectively.

The Supervisory Body periodically, and at least once every six months, prepares a written report on its activities, sending it together with a documented list of any expenses it may have incurred to the Chairman of the Board of Directors, the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee and the Financial Reporting Officer. Such reports contain any proposals for additions and amendments to the Model. This periodic report must at least contain or highlight:

- a) any problems that have arisen with regard to the methods of implementing the procedures laid down in the Model;
- b) the reports received from internal and external parties with comments they may have on the Model;
- c) disciplinary procedures and penalties, if any, applied by the Company, with exclusive reference to activities at risk;
- d) a complete assessment of how the Model functions with any indications for supplements, corrections or amendments.

The Supervisory Body met 9 times during the year 2023.

## 5. INTERNAL CONTROL AND FINANCIAL REPORTING

The Internal Control and Risk Management System relating to the process of financial reporting is made up of a series of company rules and procedures adopted by the various operating structures to ensure the soundness, accuracy, reliability and timeliness of financial reports.

Italmobiliare has defined its own operating model to comply with the Law on savings ("**Operating Model**"), detailing the operational approach for carrying out its activities. This Model is based on the principles contained in the CoSO framework and in the document "Internal Control over Financial Reporting Guidance for Smaller Public Companies", also developed by CoSO.

In this Operating Model, the Internal Control and Risk Management System is considered together with the internal control system in relation to the financial reporting process.

The Operating Model defined by Italmobiliare is based on the following main elements:

- a. **Preliminary Analysis.** This activity, carried out on an annual basis and whenever deemed necessary, is aimed at identifying and assessing the risks related to the Internal Control and Risk Management System with regard to financial reporting, in order to determine priorities for the steps to be taken in terms of documentation, assessment and testing of administrative and accounting procedures and related controls. The identification of the relevant entities and processes is based on both quantitative factors (proportion of revenue and assets of a single entity compared with the consolidated amounts, the size of consolidated balance sheet items related to a particular process) and qualitative factors (the country in which an entity operates, specific risks, risk levels assigned to the various items);

- b. Operational planning.** Every year, activities are planned on the basis of the priorities identified through the preliminary analysis and any other assumptions;
- c. Analysis of controls at company level.** The individual companies within the scope of intervention, identified in the preliminary analysis, are responsible for the related activities *i)* assessment of the effectiveness of the Internal Control and Risk Management System in relation to the governance principles operating at company level (Entity Level Controls), as well as *ii)* overall management of the information systems used in processes relevant for financial reporting and the related IT infrastructure (Information Technology General Controls), to be carried out in accordance with the timing established during the operational planning phase and on the basis of the guidelines, instructions and templates provided by the Financial Reporting Officer;
- d. Analysis of controls at process level.** The individual companies within the scope of intervention, identified in the preliminary analysis, are responsible for the related activities: *i)* documenting, with varying levels of detail depending on the level of risk allocated, the administrative and accounting processes previously identified, *ii)* performing tests to check the effective operation of controls, in accordance with the deadlines established during operational planning and on the basis of guidelines, instructions and templates provided by the Financial Reporting Officer;
- e. Assessment of the adequacy and effective operation of the administrative and accounting procedures and of the related controls.** In order to guarantee compliance with the key requirements for financial reporting ("financial statement assertions"), on the basis of the results of the activities carried out and the documentation obtained, the Financial Reporting Officer assesses the overall adequacy and effective operation of the system of administrative and accounting procedures and related controls, and more generally, the Internal Control System for these areas.

With reference to the financial reporting process, the ICRMS also benefited from: the continuous development of an integrated corporate governance system (Service Orders, company processes and procedures); more accurate organisation and programming in relation to the provisions of Law no. 262 of December 28, 2005, containing "Provisions on the protection of savings and the regulation of financial markets" and subsequent corrective decrees ("Savings Law"), issued by the legislator for the purpose of increasing transparency in corporate reporting and strengthening the internal control systems of listed issuers.

## 6. INDEPENDENT AUDITORS

The auditing of the Company's accounts, as required by current law, has been entrusted to a firm of independent auditors appointed by the Shareholders' Meeting on the proposal of the Board of Statutory Auditors. The assignment to audit the separate financial statements of Italmobiliare and the consolidated financial statements of the Group and to perform a limited audit of the condensed half-year consolidated financial statements of the Group for the years 2019-2027 was awarded to Deloitte & Touche S.p.A. by the Shareholders' Meeting on April 17, 2019 on the Board of Statutory Auditors' recommendation.

## 7. FINANCIAL REPORTING OFFICER

The Financial Reporting Officer identified, pursuant to art. 154-bis of the CLF and art. 29 of the By-laws, in the person of Mauro Torri, has to be a manager and meet the integrity requirements established by law for members of the Board of Directors; he must also have acquired at least three years' experience in administration, accounting, finance or control at the Company or its subsidiaries or at other joint-stock companies.

At the time of his appointment, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, the Board of Directors established the compensation of the Financial Reporting Officer and granted him full spending autonomy to exercise the powers conferred on him, with the obligation to report to the Board of Directors on a half-yearly basis on how funds have been spent.

In view of the Law on Savings, the Company has adopted a specific Regulation, which in compliance with the law, the By-laws and following current best practices:

- a) defines the responsibilities and powers of the Financial Reporting Officer of Italmobiliare;

- b) identifies the responsibilities and method for the appointment, removal and termination of office of the Financial Reporting Officer, the term of office and requirements in terms of professional skills and integrity;
- c) lays down the principles of conduct which the Financial Reporting Officer has to observe in the event of conflicts of interest, as well as the confidentiality that has to be maintained while carrying out their activities;
- d) indicates the responsibilities, powers and resources granted to the Financial Reporting Officer for the exercise of their duties, identifying the financial and human resources needed to carry out the mandate;
- e) defines dealings with other Company entities and functions, with the corporate bodies, the internal and external control bodies and with subsidiaries, regulating the information flows between them;
- f) explains the process of internal and external attestation with reference to: the Financial Reporting Officer's statements that the Company's acts and communications disclosed to the market agree with the supporting documentation, books of account and accounting entries; statements made by the Financial Reporting Officer and delegated administrative bodies relating to the financial statements, the condensed interim financial statements and the consolidated financial statements.

The Regulation, last updated in January 2024, applies to all entities, functions and corporate bodies of Italmobiliare, as well as all its direct or indirect subsidiaries. The Regulation has been circulated to the staff of the Company, the subsidiaries, as well as to all those affected by its contents.

The functions and duties of the Financial Reporting Officer laid down in the Regulation include:

- a) ensuring there are adequate administrative and accounting procedures for the drafting of the financial statements, the condensed interim financial statements and the consolidated financial statements, as well as any other financial and non-financial reporting drawn up under Legislative Decree 254/2016, updating such procedures and ensuring dissemination and compliance, as well as verifying that they are applied in practice;
- b) assessing, together with the Control and Risk Committee and the Independent Auditors, correct application of the accounting standards and their consistency for the purpose of the financial statements mentioned above;
- c) reporting periodically to top management and the Board of Directors on the activities performed;
- d) periodically reviewing the assessment of financial reporting risks and updating the mapping of such risks;
- e) participating in the design of IT systems that have an impact on the Company's results and financial position.

## 8. RISK MANAGEMENT

The Company develops and maintains a risk management model aimed at identifying, assessing and managing the main business risks on the basis of the guidelines defined periodically by the Board of Directors, also with a view to pursuing the Company's sustainable success.

Within the context of the ICRMS, the Head of Risk Management:

- proposes a system of governance of enterprise risk management to the Board of Directors;
- coordinates the risk assessment activities carried out by the other corporate functions involved (the "risk experts") for specific insights, to the extent of their sphere of competence;
- coordinates the process of analysis and management of the risks that are considered relevant to the Group, consolidating the results of the risk assessment carried out by the associate companies;
- ensures the definition, evolution and updating over time of the methodology to support the risk management process, providing methodological support to the individual functions involved.
- prepares a system of periodical risk reporting for top management, the Control and Risk Committee and the Board of Directors;
- at least once every six months, monitors implementation of the strategies adopted to mitigate the main risks that have emerged.

Responsibility for risk management is entrusted to the Head of Internal Audit, who does not take any decisions regarding risk management, but carries out work that involves assessment and monitoring. Specific actions to handle risks are decided by management.

Analysis of risk events that could affect achievement of the objectives of the Company and the Group continued in 2023 and up to the date of approval of this Report, as did monitoring of the mitigating action taken for the main risks. In particular, the evolution of the geopolitical and macroeconomic context was constantly monitored, while increasingly in-depth analyses were dedicated to climate risk, both from the perspective of physical risks and transitional risks.

## 9. COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The various parties involved in the Internal Control and Risk Management System (the Board of Directors, Chief Executive Officer, Control and Risk Committee, Committee for Sustainability and Social Responsibility, the Head of Internal Audit, the Financial Reporting Officer, the Board of Statutory Auditors, Supervisory Body and other roles and company departments with specific duties regarding internal control and risk management) are coordinated through an exchange of information and meetings scheduled *ad hoc* or at meetings of the individual bodies.

## 10. ASSESSMENT OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

On the basis of the assessments and information received, with the support of the activities carried out by the Control and Risk Committee and with the contribution of the Chief Executive Officer, the Head of Internal Audit and the Financial Reporting Officer, the Board of Directors acknowledged that there had been no reports of problem areas that could invalidate the overall adequacy and effectiveness of the Internal Control and Risk Management System with respect to the structure of the Company and the Group and the characteristics of the business. In fact, the Internal Control and Risk Management System is subject to ongoing improvement by means of systematic monitoring and planning of improvement initiatives, in line with international standards.

# V. Board of Statutory Auditors

## 1. APPOINTMENT OF THE STATUTORY AUDITORS

The members of the Board of Statutory Auditors are appointed on the basis of slates submitted by the Shareholders, according to a system designed to allow the minority to appoint a Standing Auditor, who assumes the office of Chairman, and an Alternate Auditor. The appointment is made in accordance with current regulations on gender balance.

The slates must be filed at the Company's registered office or sent to the certified email address indicated in the notice of calling of the Shareholders' Meeting, at least 25 days prior to the date set for the Shareholders' Meeting; this is mentioned in the notice of calling along with the procedures and shareholding required for their submission.

Only Shareholders who, alone or with others, can provide evidence that they have a stake in the share capital with voting rights not lower than the level set by Consob pursuant to current regulations for the appointment of the Board of Directors are entitled to present slates.

No shareholder may file or participate in the filing of more than one slate, directly or through a nominee or trust company, or vote for different slates. Shareholders belonging to the same group and shareholders who join a shareholders' agreement involving the Company's shares may not file or vote for more than one slate, not even through a nominee or trust companies. Slates filed in violation of these restrictions will not be accepted.

Each candidate can only be on one slate under penalty of ineligibility.

Slates that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, to an extent that complies with current regulations on gender balance. This applies to candidates for the office of Standing Auditor, as well as to candidates for the office of Alternate Auditor.

At the time they are filed, slates must include:

- a. the statements with which the individual candidates accept their candidacy and declare, under their own responsibility, that they meet the professionalism requirements laid down in the By-laws, that there are no grounds for ineligibility, that they comply with the integrity requirements established by law, and whether or not they meet the independence requirements of the law and the Code;
- b. a brief curriculum vitae on the personal and professional skills of each candidate with an indication of positions they hold as director or statutory auditor in other companies;
- c. information on the identity of the shareholders who have presented slates. The certification or statement proving ownership of the shareholding prescribed by the law in force when the slate is presented may also be produced after the filing of the slate, providing that it reaches the Company before the deadline laid down in current regulations on the publication of slates by the Company;
- d. a statement by shareholders – other than those who have a controlling or majority stake, jointly or severally – acknowledging that they do not have any joint shareholdings, as defined by law.

If a slate does not comply with these provisions, it will be considered as though not presented.

In the event that, by the deadline of 25 days prior to the date of the Shareholders' Meeting, only one slate has been filed, or only slates presented by shareholders who are connected to each other pursuant to current regulations, further slates can be presented up to the third day subsequent to that date and the threshold indicated in the notice of calling is halved.

At least 21 days prior to the date set for the Shareholders' Meeting called to resolve on the appointment of the control bodies, the Company shall make the slates of candidates filed by shareholders and the relative documentation available to the public at the registered offices, the market management company and on its website.

In the event of more than one slate being filed:

- the slate that obtains the highest number of votes at the Shareholders' Meeting elects two Standing Auditors and two Alternate Auditors, in the order in which they are listed in the sections of the slate;
- the minority shareholders' slate that obtains the highest number of votes among the slates presented and voted by shareholders who are not connected in any way, directly or indirectly, with the majority shareholders, elects the third Standing Auditor and the third Alternate Auditor, in the order in which they are listed in the sections of the slate;
- if more than one slate obtains the same number of votes, a run-off is held between these slates by all the shareholders with voting rights present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a majority of the share capital represented at the Shareholders' Meeting.

If a party connected to a majority shareholder votes for a slate of the minority shareholders, the connection is only considered significant for the purposes of excluding the minority shareholders' elected Statutory Auditor if this vote was crucial for the election of the Auditor in question.

If only one slate is filed, all the candidates included on that slate are elected with a simple majority vote of the share capital represented at the Shareholders' Meeting.

If, as a result of voting several slates or voting the only slate presented, the composition of the Board of Statutory Auditors, as to its standing members, does not meet the current regulations on gender balance, the necessary replacements will be made choosing from among candidates to the office of Standing Auditor on the slate that has obtained the highest number of votes or from within the only slate presented, starting from the last candidate on that slate.

If no slates are filed, the Shareholders' Meeting appoints the Board of Statutory Auditors with a simple majority vote of the share capital represented at the Shareholders' Meeting, providing gender balance is ensured in accordance with current legislation.

The Chairmanship of the Board of Statutory Auditors lies with the person indicated in first place on the slate presented and voted by the minority shareholders, or with the first person listed if only one slate is filed, or with the person appointed as such by the Shareholders' Meeting if no slates are presented.

Pursuant to the By-laws, those who find themselves in an incompatible situation as defined by law, or those who have exceeded the limit on the accumulation of appointments established by current regulations may not be elected as Statutory Auditors, and if they have been elected shall fall from office. Should an elected Statutory Auditor during their term of office no longer meet the requirements envisaged by the law or the By-laws, they fall from office.

When it is necessary to replace a Standing Auditor, the Alternate Auditor belonging to the same slate as the outgoing Auditor takes over. In their absence, in accordance with the original order of presentation, the candidate from the same slate as the outgoing Auditor takes over, without taking the initial section into account. If the replacement involves the Chairman of the Board of Statutory Auditors, the position will be taken over by the Auditor representing the minority shareholders. The Statutory Auditors appointed in this way as replacements remain in office until the following Shareholders' Meeting.

If it is necessary to integrate the Board of Statutory Auditors:

- to replace a Statutory Auditor elected from the majority shareholders' slate, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated in the original majority shareholders' slate;
- to replace a Statutory Auditor elected from the minority shareholders' slate, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated in the original minority shareholders' slate;
- for the simultaneous replacement of Auditors elected in both the majority and minority shareholders' slates, the appointment takes place with a simple majority vote of the share capital represented at the Shareholders' Meeting, choosing from among the candidates indicated on the slate to which each Statutory Auditor to be replaced belonged, with a number of Statutory Auditors equal to the number of outgoing Statutory Auditors belonging to the same slate.

Where it is not possible to proceed as described above, the Shareholders' Meeting called to integrate the Board of Statutory Auditors decides by relative majority of the share capital represented at the Shareholders' Meeting, without prejudice to the principle according to which the minority will always be entitled to appoint one Standing Auditor and one Alternate Auditor. In any case, the Chairmanship of the Board of Statutory Auditors must be assigned to the Statutory Auditor representing the minority shareholders. The procedures on replacements as indicated in the previous paragraphs must in any case ensure compliance with current legislation on gender balance.

Pursuant to the Code, the Statutory Auditors are chosen from among people who would also qualify as independent under the criteria laid down for Directors.

## 2. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors, in office for the duration of three years up to approval of the financial statements at December 31, 2025, was appointed by the Shareholders' Meeting on April 27, 2023 and is made up of Pierluigi De Biasi, Chairman, Antonia Di Bella and Gabriele Villa. The Alternate Auditors are Maria Maddalena Gnudi, Michele Casò and Maria Francesca Talamonti.

In the previous term of office, which expired on April 27, 2023, the Board was made up of Pierluigi De Biasi, Chairman, Gabriele Villa and Luciana Ravicini as Standing Auditors, and Maria Maddalena Gnudi, Michele Casò and Tiziana Nesa as Alternate Auditors.

The Board of Statutory Auditors in office was appointed using the slate voting system: Gabriele Villa, Antonia Di Bella, Maria Maddalena Gnudi and Michele Casò were selected from the majority slate submitted by CFN Generale Fiduciaria S.p.A.; Pierluigi De Biasi and Maria Francesca Talamonti were selected from the minority slate submitted by institutional investors. The slates are available in the "Governance/Shareholders' Meeting/Shareholders' Meeting Archive/" section of the Company's website. Further detailed information on the Board of Statutory Auditors is provided in the table set out at the end of this Report.



All of the members are independent according to the CLF and meet all of the independence requirements of the Code for Directors, as well as the integrity and professionalism requirements needed for the exercise of their functions. Immediately after their appointment, the Board of Statutory Auditors verified that they met the independence requirements and informed the Board accordingly. Meeting the requirements of the Code was last assessed in February 2024 and the Board was informed of the results.

Furthermore, following the renewal of the mandate resolved by the April 2023 Shareholders' Meeting, the Board of Directors verified that the Statutory Auditors met the specific requirements of integrity, correctness and professionalism required by law for corporate officers of legal entities that, like Italmobiliare, hold qualified shareholdings in companies in the financial and insurance sectors.

The curriculum vitae of each Standing Auditor is available in the "Governance/Statutory Auditors" section of the website ([www.italmobiliare.it](http://www.italmobiliare.it)) and is also in the incipit of the Annual Financial Report, together with the offices that they hold.

During 2023, the Board of Statutory Auditors held a total of 18 meetings – six of which together with the Control and Risk Committee – lasting about one hour on average, with attendances shown in the tables at the end of this report, in addition to having participated in all meetings of the Company's other Board Committees. Out of the 18 meetings, 7 were held by the Board of Statutory Auditors in office until April 27, 2023 and 11 by the Board of Statutory Auditors appointed on the same date. The Independent Auditors, the Financial Reporting Officer, the Head of Internal Audit and other heads of department were invited on various occasions to meetings of the Board of Statutory Auditors to provide appropriate insights into the items on the agenda. During the year, the Board also met the Supervisory Body and the representatives of the control bodies of the main associate companies.

In accordance with the CLF, the Board of Statutory Auditors oversees: *i)* compliance with the law and the By-laws; *ii)* compliance with the principles of correct administration; *iii)* the adequacy of the Company's organisational structure for the aspects within its sphere of competence, the internal control system and the administrative-accounting system, as well as its reliability in giving a true and fair view of the Company's operations; *iv)* the ways in which the rules laid down in the Corporate Governance Code adopted by the Company are implemented in practice; *v)* the adequacy of the instructions that the Company issues to its subsidiaries to ensure the correct fulfilment of the reporting obligations laid down by law.

Moreover, pursuant to art. 19 of Legislative Decree 39/2010, the Board of Statutory Auditors, as the "Internal Control and Auditing Committee" is responsible for:

- a) informing the Board of Directors of the outcome of the external audit, sending it the additional report prepared by the Independent Auditors, accompanied by any observations;
- b) monitoring the financial reporting process and presenting recommendations or proposals intended to ensure its integrity;
- c) checking the effectiveness of the internal quality control and business risk management systems and of the internal audit, as regards the financial reporting of Italmobiliare, without infringing their independence;
- d) monitoring the independent audit of the annual and consolidated financial statements, also taking into account the results and conclusions of any quality checks carried out by Consob;
- e) checking and monitoring the independence of the Independent Auditors, particularly as regards the adequacy of services provided other than audit;
- f) the procedure for selecting the Independent Auditors, and once the selection process has been carried out, recommending to the Shareholders' Meeting which Independent Auditors should be appointed.

The Chairman of the Board of Directors has arranged for the Statutory Auditors to participate in the most appropriate forms in initiatives designed to provide them with adequate knowledge of the sectors in which the Company operates, the corporate dynamics and their evolution, the principles of correct risk management and the regulatory and self-regulatory framework of reference. In particular, during 2023, the Statutory Auditors participated in the induction meetings organised by the Company for the Directors.

The remuneration of the Statutory Auditors is commensurate with the commitment required, the relevance of their role and the size and sector-related characteristics of the business. Please refer to the “Report on the Remuneration Policy and Compensation Paid” for further information.

Any Statutory Auditor who, on their own behalf or on behalf of third parties, has an interest in a specific Company transaction, is required to inform the other Statutory Auditors and the Chairman of the Board of Directors promptly and in detail about the nature, terms, origin and extent of such interest.

In performing its activities, the Board of Statutory Auditors coordinated with Internal Audit and with the Control and Risk Committee. This coordination is guaranteed by the Board of Statutory Auditors attending all meetings of the Control and Risk Committee, continuous exchanges of information between the Chairmen of the two corporate bodies as necessary, regarding issues of interest to both, and frequent meetings with the Head of Internal Audit at meetings of the Board of Statutory Auditors and those of the Control and Risk Committee.

## VI. Codes of conduct, procedures and other corporate governance practices

### 1. CODE OF ETHICS, SUSTAINABILITY POLICIES AND RESPONSIBLE INVESTMENT POLICY

The Company introduced the Code of Ethics for the first time in 1993, modifying and updating it periodically. The current text was last updated in 2021.

The Code of Ethics lays down Italmobiliare's fundamental principles and rules of conduct.

The Sustainability Policies, similarly updated in 2021, extend and integrate the Code of Ethics. The “Guiding Principles” are the cornerstone, with further details contained in four dedicated policies referring to health and safety, environment and resources, rights and society, quality and responsibility.

The Responsible Investment Policy, adopted in 2021, describes all phases of the investment management process: sector-related principles and criteria, pre-investment, active management and disposal.

Based on these three documents, which, taken together, constitute a solid point of reference for the sustainable success of the Group, a Supplier Charter was adopted in 2022. This charter requires suppliers of goods or services, as well as current and potential contractors, in their direct activities, in contractual relations with their possible sub-suppliers or subcontractors and, in general, in the creation and management of their respective value chains, to align effectively and demonstrably with the principles expressed in the Code of Ethics and Sustainability Policies.

The Group's subsidiaries in turn adopt their own Code of Ethics, Sustainability Policies and Supplier Charter, harmonised with those of Italmobiliare.

Code of Ethics, Sustainability Policies, Responsible Investment Policy and Supplier Charter are available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in “The Company/Vision and Mission” and “Sustainability” sections.

### 2. DIVERSITY AND GENDER BALANCE POLICIES IN THE COMPOSITION OF CORPORATE BODIES

The composition of the Board of Directors and Board of Statutory Auditors of Italmobiliare has evolved over time in accordance with best practice, in order to ensure adequate representation in terms of experience, age and gender.

In January 2020, the Board of Directors approved an amendment to the By-laws on this matter to ensure compliance with the legal provisions, which now provide that 2/5 of the members of the corporate bodies are to go to the less represented gender.

The Board of Directors, supported by the Remuneration and Nominations Committee, in view of the renewal of the corporate bodies in 2020 and 2023, issued a guidance opinion on the qualitative and quantitative composition and professional skills of the Directors, aware that the enhancement of diversity is a fundamental element of sustainability of the business in the medium to long-term, both for Group employees and for the members of Italmobiliare's administrative and control bodies.

With reference to all portfolio companies, Italmobiliare bases the appointment of members of corporate bodies on criteria of competence, independence, and gender representation, in line with established practice and its commitment to gender equality."

Adequate gender representation is ensured on the current Board of Directors, with the presence of 5 female Directors out of 12, i.e. 42%. Thanks to the variety of their professional training and careers, the members currently in office guarantee the contribution of qualified and complementary skills to the Company's governance.

Likewise for the current Board of Statutory Auditors: one out of three Standing Auditors and two out of three Alternate Auditors are female.

As from 2021, the Board of Directors has strengthened efforts to protect and enhance the value of the Company's employees. The Code of Ethics identifies the levers of success in the creation of an inclusive work environment, continuous training, the promotion of health, safety and well-being and the enhancement of diversity. In confirmation of the specific commitment to gender equality, considered an essential element for the professional growth of the Company, Italmobiliare has signed and promotes in all Group companies the "Women's Empowerment Principles" laid down by the United Nations' UN Women and Global Compact. Accordingly, the Sustainability Policies aim to implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value. Lastly, the new Responsible Investment Policy explicitly includes in its value creation objectives the contribution to Sustainable Development Goal no. 5 (SDG 5 – Gender Equality), dedicated to achieving gender equality and empowering all women.

As an example of implementation, in addition to monitoring and increasing the presence of women on the boards and in the personnel of the Company and its portfolio companies, the gender pay gap was included in the data collected for the Sustainability Report.

### 3. PROCEDURES FOR MANAGING INSIDER INFORMATION AND THE INSIDER LIST

The Company has adopted a procedure for the management of insider information, i.e. information of a precise nature, not yet made public, directly or indirectly concerning Italmobiliare or its financial instruments, which, if made public, could have a significant effect on the price of the listed financial instruments issued by Italmobiliare, or on the prices of related derivatives. The procedure, available on the Company's website in the "Governance/Documents and Procedures" section, was last updated in 2018 for the purpose of incorporating the Consob Guidelines on inside and relevant information, as well as the provisions of Legislative Decree 107/2018.

The rules of conduct and principles set out in the procedure aim to:

- guarantee the utmost confidentiality of the inside and relevant information (i.e. information that could become inside information at some later date, even quite soon), balancing the interest in ensuring the confidentiality of the information as it is being created with the duty to ensure non-selective disclosure;
- protect investors and market integrity, preventing situations of information asymmetry and preventing certain parties from using non-public information to operate on the markets;
- define the process for identifying and managing relevant information;
- define the processes for identifying and managing inside information;

- protect the Company in relation to any liability it might incur as a result of unlawful conduct involving market abuse adopted by persons traceable to the Company and, in more general terms, as a result of conduct that violates the principle of confidentiality.

The procedure is an essential component of the Company's Internal Control and Risk Management System and of the overall system for preventing the offences mentioned in Legislative Decree 231/2001 and, in particular, of the Organisational Model adopted by the Company for this purpose. It is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the "Governance/Documents and Procedures" section.

The rules contained in the procedure bind all Company employees, the members of the Board of Directors and the Board of Statutory Auditors, and all those who have advisory or collaboration relationships with the Company and/or the Group.

The Company has also adopted a new procedure for registering individuals with access to inside information (the so-called "insider list" procedure) which is strictly linked to internal regulations on the management and publication of inside information. The procedure was adopted in order to fulfil the obligation to draw up a list of people who, based on their work or professional activities, or on the basis of the functions they perform, have access to inside information concerning Italmobiliare. It is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the "Governance/Documents and Procedures" section.

#### 4. THE CODE OF CONDUCT ON INTERNAL DEALING

The Code of Conduct on Internal Dealing governs the conduct and information requirements relating to transactions involving financial instruments issued by the Company carried out by "relevant persons" – identified as the Company's Directors, Statutory Auditors and key management personnel – and people closely related to them, or by those who hold a number of shares amounting to or exceeding 10% (ten percent) of the Company's share capital, represented by shares with voting rights, as well as any other entity that controls the Company.

The Code of Conduct is an essential component of the Company's Internal Control and Risk Management System and of the overall system for preventing the offences mentioned in Legislative Decree 231/2001 and, in particular, of the Organisational Model adopted by Italmobiliare for this purpose.

According to the Code, the reporting requirement applies if the overall amount of the transactions involving Italmobiliare shares comes to more than 20,000 euro in a year.

The Code of Conduct also stipulates that relevant persons and persons closely related to them, during the course of the year, must abstain from carrying out transactions in the listed financial instruments issued by Italmobiliare in the 30 days prior to the Board of Directors' review of the results, up until publication of the press release containing the results.

The Code is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the "Governance/Documents and Procedures" section. Likewise, all reports on internal dealing made during the year are available in the "Governance" section.

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

Since 2010, the Board of Directors has adopted the Procedure for Transactions with Related Parties in accordance with Consob's RPT Regulation of March 12, 2010. The Procedure has been modified over time, most recently in 2021 to adapt to the changes introduced by Consob Resolution no. 21624 of December 10, 2020, on the proposal of the Committee for Transactions with Related Parties currently made up of the independent directors Valentina Casella, Chairman, Elsa Fornero, Mirja Cartia d'Asero, appointed on April 27, 2023. In the previous term of office, the Committee was made up of Chiara Palmieri, Chairman, Elsa Fornero, Mirja Cartia d'Asero.

In 2023, the Committee did not hold any meetings, as no transactions falling within the control safeguards of the Procedure were carried out. In 2024, prior to the approval of the Report, the Committee held one meeting. During the year, the Committee and the Board of Statutory Auditors were informed by the Financial Reporting Officer on a quarterly basis about any related-party transactions carried out during the reporting period and exempted from the control safeguards of the Procedure, including transactions with subsidiaries and associates and transactions of minor amounts. The Procedure aims to ensure that transactions with related parties and subjects comparable to them, directly or through the subsidiaries of Italmobiliare, are carried out transparently and in compliance with

criteria of substantial and procedural correctness, also to facilitate the identification and allow adequate management of situations in which a Director has an interest, on their own behalf or on behalf of third parties.

The Procedure distinguishes “transactions of greater importance” from those of “lesser importance” on the basis of specific criteria predetermined by Consob. This distinction serves to determine the transparency rules that are applicable: simpler in the case of transactions of lesser importance and tighter for those of greater importance.

The main changes introduced by the RPT Regulation and implemented in the Procedure with effect from July 1, 2021 concern:

- an updated definition of “related party” which is now in line with the definition given in IAS 24;
- a new and broad definition of “director involved in the transaction” required to abstain from voting on the related party transaction;
- the timing with which the independent directors who are members of the Committee for Transactions with Related Parties: *i)* receive, at least once a year, information on the application of exemptions, at least for transactions of “greater importance”; *ii)* verify correct application of the exemptions for transactions of “greater importance” defined as “ordinary and concluded at market or standard conditions”;
- timely involvement in transactions of “greater importance” of the Committee for Transactions with Related Parties in the negotiation phase and in the preliminary phase, through the receipt of a flow of information that is not only complete but also “up-to-date”;
- the express obligation to attach the Committee's opinion to the minutes of the Committee meeting for transactions of “greater” and “lesser” importance;
- express automatic non-application of the RPT Regulation to transactions involving minor amounts;
- an express exemption from application of the procedural safeguards for transactions approved by the Company and addressed to all shareholders on equal terms;
- subordination of the exemption of “ordinary transactions concluded at market or standard conditions” to the communication to Consob – and to the directors or independent directors who express opinions on related party transactions – of a structured reasoning regarding the existence of such elements, in which it is also required to include objective evidence (art. 13, paragraph 3, letter c), i), RPT Reg.).

The Procedure governing how related party transactions should be carried out is available on the Company's website ([www.italmobiliare.it](http://www.italmobiliare.it)) in the “Governance/Documents and Procedures” section.

## 6. GENERAL DATA PROTECTION

The Company has implemented the provisions of Regulation (EU) 2016/679 – General Data Protection Regulation (GDPR) and monitors its application constantly. The Data Controller is the Company, in the person of the Chief Executive Officer-Chief Operating Officer, assisted by a Privacy Coordinator who defines, updates and manages the model for the protection of personal data. The Privacy Coordinator, designated by the Board of Directors, is Lawyer Mr. Giacomo Cardani who has an obligation to report, on an annual basis, on the activities carried out in relation to the privacy organisational model.

During 2023, the Company, with the support of the privacy coordinator, intervened on various issues relating to the protection of personal data. Specifically: (i) the Records of Processing Activities kept by the Company, both as Data Controller and Data Processor, have been updated; ii) the privacy compliance activities related to the implementation of the Whistleblowing Procedure were undertaken, providing documentary standards also shared with the Group Companies; (iii) relations with certain suppliers who process personal data in the execution of their services have been regulated in accordance with the GDPR; (iv) the format for appointing the intercompany Data Controller has been revised; (v) an in-depth analysis has been carried out on the data processing related to the newsletter sending and proper identification of the legal basis for the data processing.

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The Board of Directors and the Board of Statutory Auditors were informed about the recommendations made in a letter from the Chairman of the Corporate Governance Committee. The measures taken by the Company based on these recommendations, where applicable, are mentioned in the Report.

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Unless otherwise indicated in the preceding sections, at the end of 2023, no changes have occurred that might significantly affect the contents of this Report.

## Structure of the Board and its Committees

Board of Directors in office at December 31, 2023

Position	Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	No. of other offices ***	Control and Risk Committee			Remuneration and Nominations Committee		Committee for Transactions with Related Parties		Committee for Sustainability and Social Responsibility	
												(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Laura Zanetti	1970	14.11.2013	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	2								3/3	M
Deputy Chairman	Livio Strazzera	1961	03.05.2002	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	2									
CEO-COO ◊	Carlo Pesenti	1963	17.06.1999	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	2								3/3	C
Director	Giorgio Bonomi	1955	03.05.2002	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	0		6/6	M						
Director	Mirja Cartia d'Asero	1969	19.04.2017	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	2		6/6	C				M	2/3	M
Director	Valentina Casella	1979	19.04.2017 <sup>^</sup>	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	2				4/4	M		C		
Director	Marco Cipelletti	1965	27.01.2021	27.04.2023	Fin. Stats. 2025	m	.	.	.	.	0				2/2	M				
Director	Elsa Fornero	1948	27.07.2017	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	0							M	3/3	M
Director	Luca Minoli	1961	03.05.2002	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	1									
Director	Chiara Palmieri	1970	19.04.2017	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	0		6/6	M	4/4	C				
Director	Roberto Pesenti	1994	27.04.2023	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	0									
Director	Pietro Ruffini	1989	27.04.2023	27.04.2023	Fin. Stats. 2025	M	.	.	.	.	1								1/2	M

Number of Board meetings held during the year: 9 Control and Risk Committee: 6 Remuneration and Nominations Committee: 4 Committee for Transactions with Related Parties: 0 Committee for Sustainability and Social Responsibility: 3

**Quorum required for minorities to submit slates to elect one or more members (pursuant to Art. 147-ter CLF): 1%**

### NOTES

◊ This symbol indicates the main person responsible for managing the issuer (Chief Executive Officer or CEO).

\* Date of first appointment of each director means the date on which the director was appointed for the very first time to the Board of the issuer.

\*\* This column indicates the slate from which each director was chosen ("M": majority slate; "m": minority slate).

\*\*\* This column indicates the number of offices as director or statutory auditor held by the person concerned in other companies listed in regulated markets or other large companies.

(\*) This column indicates the attendance of directors at the meetings respectively of the Board and of Board Committees.

(\*\*) This column shows the status of the director within the Committee: "C": chairman; "M": member.

<sup>^</sup> Valentina Casella was a Director of Italmobiliare in the period 2017-2020; subsequently, she was co-opted onto the Board in 2021.

## Directors leaving in 2023

Board of Directors in office at December 31, 2023

Position	Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. CLF	(*)	Remuneration and Nominations Committee		Committee for Sustainability and Social Responsibility	
												(*)	(**)	(*)	(**)
Director	Vittorio Bertazzoni	1976	19.04.2017	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	2/3	2/2	C	1/1	M
Director	Sebastiano Mazzoleni	1968	25.05.2011	21.04.2020	Fin. Stats. 2022	M	.	.	.	.	3/3				

### NOTES

\* Date of first appointment of each director means the date on which the director was appointed for the very first time to the Board of the issuer.

\*\* This column indicates the slate from which each director was chosen ("M": majority slate; "m": minority slate).

(\*) This column indicates the attendance of directors at the meetings respectively of the Board and of Board Committees.

(\*\*) This column shows the status of the director within the Committee: "C": chairman; "M": member.

## Board of Statutory Auditors in office from April 27, 2023

Position	Members	Year of birth	Date of first appointment *	In charge from	In charge until	Slate **	Indep. Code	Attendance at BoSA meetings from April 27, 2023 ***	Attendance at BoD meetings from April 27, 2023	No. of other offices ****
Chairman	Pierluigi De Biasi	1956	21.04.2020	27.04.2023	Fin. Stats. 2025	m	•	11/11	6/6	3
Standing Auditor	Gabriele Villa	1964	21.04.2020	27.04.2023	Fin. Stats. 2025	M	•	9/11	6/6	4, of which 1 in listed companies
Standing Auditor	Antonia Di Bella	1965	27.04.2023	27.04.2023	Fin. Stats. 2025	M	•	11/11	6/6	13, of which 3 in listed companies
Alternate Auditor	Maria Maddalena Gnudi	1979	21.04.2020	27.04.2023	Fin. Stats. 2025	M	N.A.	-	-	-
Alternate Auditor	Michele Casò	1970	21.04.2020	27.04.2023	Fin. Stats. 2025	M	N.A.	-	-	-
Alternate Auditor	Maria Francesca Talamonti	1978	27.04.2023	27.04.2023	Fin. Stats. 2025	m	N.A.	-	-	-

Number of meetings held from April 27 to December 31, 2023: 11 (of which 3 jointly with the Control and Risk Committee).

Quorum required in 2023 for minorities to submit slates to elect one or more members (pursuant to Art. 148-CLF): 1%.

## Board of Statutory Auditors in office until April 27, 2023

Position	Members	Year of birth	Date of first appointment *	In charge from	In charge until	Slate **	Indep. Code	Attendance at BoSA meetings until April 27, 2023 ***	Attendance at BoD meetings until April 27, 2023
Chairman	Pierluigi De Biasi	1956	21.04.2020	21.04.2020	Fin. Stats. 2022	m	•	7/7	3/3
Standing Auditor	Gabriele Villa	1964	21.04.2020	21.04.2020	Fin. Stats. 2022	M	•	7/7	3/3
Standing Auditor	Luciana Ravicini	1959	25.05.2011	21.04.2020	Fin. Stats. 2022	M	•	7/7	3/3
Alternate Auditor	Maria Maddalena Gnudi	1979	21.04.2020	21.04.2020	Fin. Stats. 2022	M	N.A.	-	-
Alternate Auditor	Michele Casò	1970	21.04.2020	21.04.2020	Fin. Stats. 2022	M	N.A.	-	-
Alternate Auditor	Tiziana Nesa	1973	21.04.2020	21.04.2020	Fin. Stats. 2022	m	N.A.	-	-

Number of meetings held from January 1, 2023 until the approval of the 2022 financial statements: 7 (of which 3 jointly with the Control and Risk Committee).

### NOTES

\* Date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the very first time to the Board of Statutory Auditors of the issuer.

\*\* This column indicates the slate from which each statutory auditor was chosen ("M": majority slate; "m": minority slate).

\*\*\* This column indicates the attendance of statutory auditors at the meetings of the Board of Statutory Auditors, during the reference period.

\*\*\*\* This column indicates the number of offices as director or statutory auditor held by the person concerned pursuant to Article 148-bis of the CLF and the relative implementing provisions contained in Consob's Issuers' Regulation.



## ANNEX

Corporate Governance Code TOPICS	Italmobiliare S.p.A. Corporate Governance Report REPORTING AND REFERENCES	
<b>COMPANY TYPE</b>	➤ Large company with dispersed ownership	Introduction
<b>ROLE OF THE BOARD OF DIRECTORS</b>	<ul style="list-style-type: none"> <li>➤ Pursuit of sustainable success</li> <li>➤ Verification of the level of risk compatible with the Company's strategic objectives</li> <li>➤ Adoption of a policy of dialogue with shareholders and investors</li> <li>➤ Establishment of the Committee for Sustainability and Social Responsibility, which is responsible, among other things, for examining the non-financial report.</li> </ul>	<p>Section III, para. 1</p> <p>Section IV, para. 1 and 8</p> <p>Section II, para. 1</p> <p>Section III, para. 1 and 15</p>
<b>COMPOSITION OF THE BOARD OF DIRECTORS</b>	<ul style="list-style-type: none"> <li>➤ Adequate proportion of non-executive directors. Clear definition of the management powers of the CEO and the non-executive role of the Chairman</li> <li>➤ 1/2 of the independent directors</li> <li>➤ Annual meeting of the independent directors</li> <li>➤ Assessment of independence and publication of results</li> <li>➤ Criteria for assessing independence (adoption of quantitative, not qualitative parameters)</li> <li>➤ Gender balance</li> </ul>	<p>Section III, para. 6 and 7</p> <p>Section III, para. 9</p> <p>Section III, para. 9</p> <p>Section III, para. 9</p> <p>Section III, para. 9</p> <p>Section VI, para. 2</p>
<b>OPERATION OF THE BOARD OF DIRECTORS, ROLE OF THE CHAIRMAN AND REPORTING</b>	<ul style="list-style-type: none"> <li>➤ Adoption of Regulation for the functioning of the BoD and its Committees</li> <li>➤ Identification of the reporting deadline</li> <li>➤ Identification of the Chairman's prerogatives</li> <li>➤ Holding periodic induction sessions</li> <li>➤ Regular attendance of managers at meetings</li> <li>➤ Lead Independent Director (lack of conditions for appointment)</li> <li>➤ Identification of the limit on the accumulation of offices</li> <li>➤ Definition of the tasks and composition of the committees</li> <li>➤ Appointment of the Secretary</li> </ul>	<p>Section III, para. 2</p> <p>Section III, para. 2</p> <p>Section III, para. 2</p> <p>Section III, para. 12</p> <p>Section III, para. 2</p> <p>Section III, para. 10</p> <p>Section III, para. 5</p> <p>Section III, para. 13-16</p> <p>Section III, para. 2</p>
<b>REMUNERATION AND NOMINATIONS COMMITTEE</b>	<ul style="list-style-type: none"> <li>➤ Composition and functions</li> <li>➤ Internal Self-Assessment Process (without support from consultants)</li> <li>➤ Orientation opinion on the composition of the corporate bodies published before the meeting is called</li> <li>➤ Emergency plan for the CEO's succession</li> </ul>	<p>Section III, para. 14</p> <p>Section III, para. 11</p> <p>Section III, para. 3, 4, 14</p> <p>Section III, para. 8</p>

<b>REMUNERATION POLICY</b>	<ul style="list-style-type: none"> <li>➤ Adequate balance between the fixed and variable component of remuneration, consistent with the company's risk management objectives and policy</li> <li>➤ Cap and clawback clause for the variable component (MBO, LTI, Value Creation Sharing Incentive)</li> <li>➤ Three-year LTI aligned with shareholder interests, linked to pre-determined and measurable performance targets (80% NAV, 20% ESG)</li> <li>➤ Remuneration of executive directors and statutory auditors adequate considering their expertise and professionalism and consistent with benchmark analysis</li> <li>➤ Severance indemnity not envisaged ex ante and aligned with the provisions of the CCNL applicable from time to time</li> </ul>	Re: Report on the 2023 Remuneration Policy and Report on the 2024 Remuneration Policy
<b>INTERNAL CONTROL SYSTEM</b>	<ul style="list-style-type: none"> <li>➤ Involvement of the corporate bodies (BoD, CEO, Board of Statutory Auditors, Control and Risk Committee, Sustainability Committee, Internal Audit Manager, Financial Reporting Officer) in the internal control system, each according to their responsibilities</li> <li>➤ Board of Directors' assessment of the adequacy of the internal control system</li> <li>➤ Identification of the CEO as the person in charge of setting up and maintaining the internal control and risk management system</li> <li>➤ Establishment of the Control and Risk Committee</li> <li>➤ Establishment of the Internal Audit function, not responsible for any operational area</li> <li>➤ Adoption of 231 Model and appointment of a SB made up of the Internal Audit Manager, a Statutory Auditor and an external professional</li> </ul>	<p>Section IV, para. 1, 2, 3, 7, 9</p> <p>Section IV, para. 10</p> <p>Section IV, para. 2</p> <p>Section III, para. 16</p> <p>Section IV, para. 3</p> <p>Section IV, para. 4</p>
<b>BOARD OF STATUTORY AUDITORS</b>	<ul style="list-style-type: none"> <li>➤ Assessment of the Statutory Auditors' independence according to the same criteria as the directors and publication of the results</li> <li>➤ Participation of the Board of Statutory Auditors at meetings of all the Committees, including Board meetings and periodic discussions with the SB</li> </ul>	<p>Section V, para. 2</p> <p>Section V, para. 2</p>



