

**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP
STRUCTURE OF PHARMANUTRA S.P.A.**

FY 2023

**Prepared in accordance with article 123-*bis* of Italian Legislative Decree no.
58/1998 and approved by the Board of Directors on 15 March 2024**

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www.pharmanutra.it

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GLOSSARY

Meeting or Shareholders' Meeting: the Pharmanutra Shareholders' Meeting.

Italian Civil Code / c.c.: the Italian Civil Code.

Corporate Governance Code or CG Code: the *Corporate Governance* Code of listed companies approved in January 2020 by the *Corporate Governance* Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available at www.borsaitaliana.it.

Board of Statutory Auditors: the Board of Statutory Auditors of Pharmanutra.

Board of Directors or Board: the Board of Directors of Pharmanutra.

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

Negotiations Start Date: the date of December 15, 2020, from which the Pharmanutra shares are traded on Euronext Star Milan.

Issuer, Company, PHN or Pharmanutra: PharmaNutra S.p.A.

Financial Year: the financial year which the Report refers to, the year ending 31 December 2023.

Euronext Star Milan: the market segment managed by Borsa Italiana S.p.A. in which the Issuer's shares are traded.

Pharmanutra Group or Group: collectively Pharmanutra and its directly or indirectly controlled companies pursuant to art. 93 of the TUF.

Stock Exchange Regulations: the Regulations of the markets organised and managed by Borsa Italiana S.p.A.

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

Consob Markets Regulation: the Regulation issued by Consob with resolution no. 20249 of 28 December 2017 on markets.

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

Report: this report on corporate governance and ownership structures that companies are required to prepare pursuant to art.123-*bis*, TUF.

Remuneration Report: the report on the remuneration policy and the remuneration paid that companies are required to draw up and publish pursuant to art.123-ter of the Consolidated Law on Finance and 84-quater of the Consob *Issuers' Regulation*.

Articles of Association: the Articles of Association of PHN in force as at the Reporting Date.

TUF or Consolidated law on Finance: Italian Legislative Decree no. 58 of 24 February 1998 (as subsequently amended) in force at the date of this Report.

FOREWORD

Pharmanutra S.p.A. (the "**Company**", the "**Issuer**", "**PHN**" or "**Pharmanutra**") is the company at the head of the PHN group specialized in the pharmaceutical and nutraceutical sector, thanks to products made with innovative and patented technologies.

As of December 15, 2020 (the "**Negotiations Start Date**"), PHN shares are traded on Euronext Star Milan (the "**Quotation**").

As of that date, the Company implemented the *corporate governance* structure described in this Report.

It should be noted, for the sake of completeness, that the Company's shares were previously traded on the *Euronext Growth Milan* multilateral trading system (formerly AIM Italia – Alternative Capital Market) managed and organised by Borsa Italiana S.p.A. and, therefore, the Company had adopted *corporate governance* measures appropriate to its characteristics as well as to its *status* as a company with shares traded on *Euronext Growth Milan* and aligned with the *best practice* of the issuers whose financial instruments are traded on this multilateral trading system.

PHN adopts the provisions of the GC Code as a reference model for its corporate governance.

The Report – which was prepared with reference to the "Format for the report on corporate governance and ownership structures" issued by Borsa Italiana in January 2022 – was approved by the Board of Directors at its meeting of 15 March 2024 and can be consulted on the Company's *website* in the Governance Section.

1. ISSUER PROFILE

PHN adopts the so-called "traditional" management and control system, and its *corporate governance* system is characterised by the presence of the following corporate bodies:

- (i) the Board of Directors, in charge of managing the undertaking;
- (ii) the Board of Statutory Auditors, in charge of supervising (i) compliance with the law and the Articles of Association and compliance with the principles of proper administration, (ii) the adequacy of the internal control system and the administrative-accounting system, as well as the reliability of the latter in correctly representing the management facts, (iii) on the concrete implementation of the corporate governance rules provided for by the GC Code, (iv) on the adequacy of the provisions given to the subsidiaries in relation to the disclosure obligations of insider information, and (v) on the financial reporting process, on the effectiveness of the internal control, internal audit and risk management systems, on the statutory audit of the annual accounts and consolidated accounts, on the independence of the statutory auditor;
- (iii) the Shareholders' Meeting, which is responsible for resolving on matters reserved to it by law, regulations and the Articles of Association.

The auditing activity is entrusted to an auditing firm registered with the register of chartered accountants and auditors, appointed by the Shareholders' Meeting on the basis of a reasoned proposal by the Board of Statutory Auditors.

The Board of Directors guides the Issuer with the aim of pursuing its sustainable success, an objective that is substantiated in the creation of long-term value for the benefit of shareholders, taking into account the interests of other *stakeholders* relevant to the Issuer, all as better illustrated in the following paragraphs.

For information regarding the sustainability policy adopted by the Issuer and the Group, reference is made to the Sustainability Report 2022, prepared on a voluntary basis and approved by the Board of Directors on 17 July 2023, as the Company is exempt from the mandatory reporting of the "non-financial statement" according to Legislative Decree no. 254/2016 currently in force; the aforementioned report has been prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" as defined by the Global Reporting Initiative (GRI), which today represent the most recognised and widespread non-financial reporting *standard* at international level, and has been subject to *limited assurance* by KPMG S.p.A. The Pharmanutra Group's second Sustainability Report, covering the year 2022, not only represents the progress made and the objectives achieved, but also illustrates, for the first time, the medium-term sustainability strategy (the Sustainability Plan); a concrete plan, made up of actions and projects, which aims at leading the Group towards a fair and sustainable future, while continuing to generate value for investors, customers and all *stakeholders*. For each area, operational objectives have been identified to be pursued with estimated deadlines for completion. A dedicated *governance* structure was appointed to pursue the objectives outlined in the Sustainability Plan aimed at a "sustainable success" in accordance with the Corporate Governance Code. The Sustainability Report 2022, together with the Sustainability Plan, can be found in the *Sustainability* section of the Pharmanutra website at www.pharmanutra.it.

It should be noted that, as of 1 January 2024, the Issuer lost the status of "SME" pursuant to Article 1, paragraph 1, letter *w-quater.1* of the TUF, as the PHN's capitalisation, calculated in accordance with the provisions of Article 2-*ter* of the Issuers' Regulation, exceeded the capitalisation threshold of Euro 500 million for three consecutive years.

It should also be noted that the Issuer falls within the definitions of the GC Code of "concentrated ownership company".

Finally, it should be noted that, on 21 September 2020, the Company's Board of Directors, pursuant to Articles 70, paragraph 8 and 71, paragraph 1-bis, of the Issuers' Regulation, resolved to adhere, with effect from the Start Date of the Negotiations, to the *opt-out* regime provided for by the aforementioned articles, making use of the right to derogate from the publication obligations of the information documents provided for in Annex 3B of the Issuers' Regulation on the occasion of significant mergers, demergers, capital increases through the contribution of assets in kind, acquisitions and disposals.

2. INFORMATION ON THE OWNERSHIP STRUCTURE (under art. 123-bis, paragraph 1, TUF) as at 31/12/2023

A. Structure of the share capital (under art. 123-bis, paragraph 1, letter a) TUF)

The share capital amounts to Euro 1,123,097.70 (one million one hundred and twenty-three thousand, ninety-seven point seventy) and is divided into 9,680,977 (nine million, six hundred and eighty thousand, nine hundred and seventy-seven) ordinary shares, with no indication of nominal amount.

The issue and circulation of ordinary shares are governed by current legislation.

The structure of PHN's share capital is detailed in the Table below.

SHARE CAPITAL STRUCTURE					
	<i>No. of shares</i>	<i>% of share capital</i>	<i>No. of voting rights</i>	<i>Listed</i>	<i>Rights and obligations</i>
<i>Ordinary shares (no nominal amount)</i>	9680977	100%	9680977	Euronext Star Milan	The rights and obligations of shareholders are those provided for by articles 2346 et seq. of the Italian Civil Code; in particular, each share gives the right to one vote.

B. Restrictions on the transfer of securities (under art. 123-bis, paragraph 1, letter b) TUF)

Pursuant to article 6.2 of the Articles of Association, the shares of PHN can be freely transferred. The issue and circulation of shares are governed by current legislation.

As at the Reporting Date, there are no restrictions on the transfer of securities.

It should be noted that, until 15 December 2023, a Shareholders' Agreement (as defined below) was in force that included a *lock-up* commitment for the parties to the agreement towards the Company, the effectiveness of which ceased on the aforementioned date due to the natural expiry of the Shareholders' Agreement (as defined below). For further information on the *lock-up* commitment, please refer to paragraph 2.G below. For information on the Shareholders' Agreement, please refer to the relevant essential information published on the Issuer's *website* www.pharmanutra.it, Section "*Governance/Shareholders' Agreements*".

C. Significant equity investments in the share capital (under art. 123-bis,

paragraph 1, letter c) TUF)

On the basis of the information received in accordance with the applicable regulations (and, in particular, in accordance with the provisions of article 120 of the TUF)¹, as well as the evidence in the shareholders' ledger, the Shareholders that - as of the Date of the Report - hold, directly or indirectly, investments of more than 3% of the share capital with voting rights in PHN are the following:

Declarant or subject at the top of the investments chain	Direct shareholder (*)	Number of shares	Percentage of share capital with voting rights
Andrea Lacorte	Alh S.r.l.	3,038,334 ⁽¹⁾	31.384%
Roberto Lacorte	Rlh S.r.l.	2,224,833 ⁽²⁾	22.981%
	Roberto Lacorte	14000	0.145%
	Total	2238833	23.126%
Carlo Volpi	Beda S.r.l.	1014993	10.484%
Norges Bank	Norges Bank	334527	3.456%
Azimut Libera Impresa SGR S.p.A	Azimut Libera Impresa SGR S.p.A	326068	3.37%

(1) It should be noted that 953,334 PHN ordinary shares are held through the trust company COFIRCONT Compagnia Fiduciaria S.r.l. under a specific fiduciary mandate.

(2) It should be noted that 953,333 PHN ordinary shares are held through the trust company COFIRCONT Compagnia Fiduciaria S.r.l. under a specific fiduciary mandate..

(*) It should be noted that Andrea Lacorte is the sole shareholder and sole director of Alh S.r.l., Roberto Lacorte is the sole shareholder and sole director of Rlh S.r.l., Carlo Volpi is the sole shareholder and sole director of Beda S.r.l.

At the date of the Report, the company holds no. 65,985 treasury shares, equal to 0.68% of its share capital.

D. Securities which grant special rights (*under art. 123-bis*, paragraph 1, letter d) TUF)

Pursuant to art. 5.6 of the Articles of Association, the Company may issue other classes of shares and financial instruments, including, if the conditions provided by law are met and by means of the necessary amendments to the Articles of Association, preference shares, savings shares, *warrants* and bonds, including those convertible into shares; the issue of shares may also be carried out through the conversion of other classes of shares or other securities, if permitted by law.

(1) PHN lost its SME status as of 1 January 2024 and therefore, as of the same date, the applicable relevance threshold for shareholdings pursuant to Article 120 of the TUF is of 3%, and no longer of 5%.

As at the Reporting Date, the Company has issued only ordinary shares; there are no securities granting special rights of control or special powers assigned to the securities.

E. Employee shareholding: mechanism for exercising voting rights (*under art. 123-bis, paragraph 1, letter e*) TUF)

As at the Reporting Date, no employee shareholding scheme is in place.

F. Restrictions on voting rights (*under article 123-bis, paragraph 1, letter f*) TUF)

There are no restrictions on the right to vote.

G. Agreements between shareholders (*under art. 123-bis, paragraph 1, letter g*) TUF)

On 15 December 2023 the effectiveness of the shareholders' agreement (the "**Shareholders' Agreement**") ceased due to natural expiry, which concerned PHN shares, relevant pursuant to Article 122 of the Consolidated Law on Finance, between Messrs Andrea Lacorte, ALH S.r.l., Roberto Lacorte, RLH S.r.l., Beda S.r.l. (jointly the "**PHN Shareholders**"), on the one hand, and PHN, on the other, concerning a total of 6,292,160 PHN shares, equal to 64.99% of the relative share capital, held by PHN Shareholders on 27 October 2020 (unchanged shareholding on the date of the essential information of the Shareholders' Agreement last published on 23 December 2021).

The Shareholders' Agreement included a *lock-up* commitment for the signatories towards the Company, as well as provisions relating to the *governance* of the Issuer.

For further information on the Shareholders' Agreement, please refer to the legal documentation available on the Issuer's website www.pharmanutra.it, in the "*Governance/Shareholders' Agreements*" section.

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

The Issuer has entered into certain agreements that may lapse in the event of a change of control of PHN or the other contractor.

On 01 January 2022, the Company entered into two license agreements with its subsidiaries, Alesco S.r.l. and Junia Pharma S.r.l., to grant PHN the non-exclusive right to produce, market and distribute patented iron-based products. The agreement entered into with Alesco S.r.l., with a 5-year duration, replaced the previous contract that has now expired. The agreement entered into with Junia Pharma S.r.l., with a 5-year duration, was instead signed for the first time.

Each party shall be entitled to terminate the relevant agreement with immediate effect, inter alia, if there is a material change in the undertaking of one party or if one party is no longer part of the Group.

It should be noted that the Articles of Association do not derogate from the provisions on *passivity rule* provided for by art. 104, paragraphs 1 and 1-*bis*, of the TUF and do not provide for the application of the neutralization rules contemplated by art. 104-*bis*, paragraphs 2 and 3 of the TUF.

I. Powers to increase the share capital and authorisation to purchase treasury shares (*under art. 123-bis*, paragraph 1, letter m) TUF)

As of the Report Date, there are no powers to increase the share capital conferred on the Board of Directors.

On 26 April 2023, the Shareholders' Meeting of the Issuer, after revoking the authorisation granted by the Ordinary Shareholders' Meeting of 27 April 2022 for the portion not executed, resolved to authorise, pursuant to, for the purposes and within the limits of Article 2357 of the Italian Civil Code, the purchase, on one or more occasions, for the period of eighteen months from the date of the relevant resolution, of a number of ordinary shares of the Company without an indication of the nominal value for a maximum value of Euro 3,000,000 at a consideration not exceeding the highest price between the price of the last independent transaction and the price of the highest independent current offer in the trading venues where the purchase is made, it being understood that the unit consideration could not in any case have been lower by a minimum of 20% and higher by a maximum of 10% with respect to the official price recorded by the security in the market session of the day preceding each individual transaction.

The Shareholders' Meeting also gave a mandate to the Board of Directors, and on its behalf to the Chair and Vice Chair (*pro tempore*) in office, severally, to identify the amount of ordinary shares to be purchased in relation to each purchase programme, before the start of the programme itself, and to proceed with the purchase of ordinary shares in the manner established in the applicable law provisions and regulations in force from time to time, according to the progressive mechanisms considered appropriate in the interest of the Company.

The authorisation to dispose of the ordinary treasury shares purchased in execution of the above resolution was granted to the Board of Directors without any time limits.

On 10 October 2023, PHN launched a program for the purchase of own shares - not yet completed as at the Date of the Report - in execution of what was resolved by the aforementioned Shareholders' Meeting, aimed at allowing the Company to seize the opportunity to make an advantageous investment, in cases where the trend of the market price of PHN shares, even for factors external to the Company, is not able to adequately express the value thereof, and therefore to provide the Company with a useful strategic investment opportunity for every purpose allowed by the current provisions (see the press release of PHN of 10 October 2023 available at <http://www.pharmanutra.it/www.pharmanutra.it, Investor Relations Section/press>

*release*s). The purchase of shares under the program will take place in the manner and within the operational limits provided for by the shareholders' resolution of 26 April 2023, by art. 5 of Regulation (EU) no. 596/2014 (*Market Abuse Regulation*), by art. 3 of Delegated Regulation (EU) no. 1052/2016 of the European Commission of 8 March 2016 and by the general and applicable sector regulations; specifically:

- the purchases concern a maximum number of 22,000 ordinary shares of the Company, without an indication of the nominal value, for a maximum value established at €1,100,000;
- purchases are made at a price that is not higher than the highest price between the price of the last independent transaction and the price of the highest current independent offer in the trading venues where the purchase is made, it being understood that the unit consideration may not be lower by at least 20% and higher by up to 10% compared to the official price that the security will have recorded in the market session of the day before each individual transaction;
- purchases are made for volumes not exceeding 25% of the average daily volume of PHN shares at the trading venue where the purchase is made, calculated on the basis of the average daily volume of exchanges in the 20 trading days prior to the date of purchase;
- the purchase programme may be carried out within 18 months from the date of the resolution of the Shareholders' Meeting of 26 April 2023.

At the Date of the Report, PHN holds no. 65,985 treasury shares, equal to 0.68% of its share capital.

L. Management and coordination activities (*under* article 2497 et seq. of the Italian Civil Code)

At the Reporting Date, the Issuer is not subject to any management and coordination activities pursuant to article 2497 et seq. of the Italian Civil Code.

* * *

With reference to information on any agreements between the Company and the Directors that provide for compensation in the event of resignation or dismissal without just cause or if their employment relationship ceases as a result of a public purchase offer, (Article 123-*bis*, paragraph 1, letter *i*)), please refer to the Remuneration Report, available on the Issuer's *website* at www.pharmanutra.it, section "*Governance*".

With reference to the information on the appointment and replacement of Directors (art. 123-*bis*, paragraph 1, letter *l*)) see paragraph 4.2 below.

3. COMPLIANCE (*under* art. 123-*bis*, paragraph 2, letter a), TUF)

The Issuer adheres to the Corporate Governance Code.

The GC Code is accessible to the public on the Borsa Italiana *website* at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

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

The actual application of the principles of the CG Code is illustrated in the various sections of the Report, while the deviations and their reasons are indicated in the *explanatory summary* in Annex 1 to this Report.

4. BOARD OF DIRECTORS

4.1 Role of the Board of Directors (as per Article 123-bis, para. 2, letter d), TUF)

The Board of Directors plays a central role in the Company's organisation and is responsible for strategic and organisational policies, as well as for verifying the existence of the controls necessary to monitor the performance of the Issuer and the Group's companies to which it belongs.

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, with the power to carry out all the acts considered appropriate to achieve the corporate purpose, excluding only those reserved to the Shareholders' Meeting by law.

In addition to exercising the powers vested in it by law and by the Articles of Association, the Board of Directors is responsible for passing resolutions concerning: (a) merger and demerger, in the cases provided for by law; (b) establishment or closure of secondary offices; (c) indication of which of the Directors may represent the Company; (d) reduction of the share capital in the event of withdrawal of one or more shareholders; (e) adjustment of the Articles of Association to regulatory provisions; (f) transfer of the registered office within Italy, all in accordance with art. 2365, paragraph 2, of the Italian Civil Code. The granting of these powers to the Board of Directors does not exclude the concurrent competence of the Shareholders' Meeting in the same matters.

Pursuant to art. 21.1 of the Articles of Association, the Board of Directors, after mandatory opinion of the Board of Statutory Auditors, appoints the manager responsible for preparing the corporate accounting documents, pursuant to *art.154-bis* of the TUF, determines the remuneration and resolves on the revocation thereof (see Section 9.6).

Also pursuant to the provisions of the GC Code, the Board of Directors:

- (a) examines and approves the Company's and the Group's business plan, also on the basis of the analysis of the issues relevant to the generation of long-term value;
- (b) periodically monitors the implementation of the business plan and assesses the overall management performance, periodically comparing the results achieved with those planned;
- (c) defines the nature and level of risk compatible with the Company's strategic objectives, including in its assessments all the elements that may be relevant to the Company's sustainable success;

(d) defines the corporate governance system of the Company and the structure of the Group and assesses the adequacy of the organisational, administrative and accounting structure of the Company and of the subsidiaries of strategic importance, with particular reference to the internal control and risk management system (*see* Section 9);

(e) resolves on the operations of the Company and its subsidiaries that have significant strategic, economic, equity or financial importance for the Company itself;

(f) in order to ensure the proper management of corporate information, adopts, on the proposal of the Chairman in agreement with the *Chief Executive Officer*, a procedure for the internal management and external communication of documents and information concerning the Company, with particular reference to privileged information (*see* Section 5).

The Board of Directors is also responsible for the internal control and risk management system (for which reference is made to Paragraph 9).

At its meeting of 15 March 2024, the Board of Directors assessed the adequacy of the organisational, administrative and accounting structure of the Issuer and of the subsidiaries of strategic importance prepared by the managing directors, with particular reference to the internal control and risk management system. As part of this activity, the Board has made use, as appropriate, of the support of the Risk Control Committee, the Internal Audit Manager, the Manager responsible for preparing the corporate accounting documents, as well as the procedures and verifications implemented also pursuant to Law no. 262/2005.

During the financial year, the Board of Directors also evaluated the general performance of operations, taking into account, in particular, the information received from the delegated bodies, as well as periodically comparing the results achieved with those planned.

In this regard, it should be noted that pursuant to art. 16.5 of the Articles of Association, the Board of Directors and the Board of Statutory Auditors are informed, at the time of meetings or in writing, at least quarterly, also by the delegated bodies, on the activity carried out by the Company and its subsidiaries, on its foreseeable evolution, on the most important economic, financial and equity transactions, with particular regard to transactions in which the directors have their own interest or that of third parties or that are influenced by any person who exercises management and coordination activities.

Moreover, on 11 September 2023, the Board of Directors of PHN adopted a policy for the management of dialogue with shareholders in general. For further details, please refer to section 12 of the Report.

The Issuer's Shareholders' Meeting did not authorise, in general and in advance, exceptions to the prohibition of competition provided for by art. 2390 of the Italian Civil Code and there were no critical issues that gave rise to contrary needs.

For more information: (i) to the composition, operation, appointment and self-assessment of the Board of Directors, please refer respectively to Sections 4.3 and 4.4

and 7 of the Report; (ii) to the internal control and risk management system, please refer to Section 9 of the Report.

For a description of the remuneration policy of the Issuer, please refer to Section I of the Remuneration Report available on the Issuer's *website* at www.pharmanutra.it, Section "*Governance/Shareholders' Meeting*".

4.2 Appointment and replacement (*under art. 123-bis, paragraph 1, letter l), TUF*)

Pursuant to art. 13 of the Articles of Association, the Company is managed by a Board of Directors composed of a number of directors not less than 5 (five) and not more than 11 (eleven). The members of the Board of Directors are appointed by the Ordinary Shareholders' Meeting, which also determines their number. A minimum number of Directors not less than that established by the *pro tempore* regulations in force shall meet the independence requirements prescribed by the provisions also regulatory from time to time applicable.

Pursuant to the Articles of Association, the Directors – who must meet the requirements of electability, professionalism and integrity required by the laws and regulations that apply to the Company *for the time being* – are elected for a term of 3 (three) years or for a period of not more than 3 (three) years, as determined by the Shareholders' Meeting upon election, and can be re-elected. The Directors' terms of office expire on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term of office, without prejudice to the causes of termination or forfeiture provided for by law and the Articles of Association.

The mechanism for appointing the members of the administrative body as provided for in the provisions of the Articles of Association currently in force is described here below.

Pursuant to art. 14.1 of the Articles of Association, the Board of Directors is appointed by the Shareholders' Meeting on the basis of lists in which the candidates must be listed in numerical order and in compliance with the *pro tempore* regulations in force concerning directors who meet the requirements of independence and gender balance.

The right to submit lists is held by the Board of Directors in office and by shareholders who, at the time the list is submitted, alone or together with others own shares representing at least the minimum percentage of the share capital with voting rights at the Ordinary Shareholders' Meeting as established by Consob, which will in any case be indicated in the notice of call. In this regard, it should be noted that, as at the Reporting Date, Consob has set at 2.5% of the share capital the shareholding percentage required for the submission of lists for the election of the Company's Management Body (*see Executive Resolution of the Head of the Corporate Governance Division no. 92 of 31 January 2024*).

Each shareholder, the shareholders who are parties to a shareholders' agreement pursuant to article 122 of the TUF, the controlling shareholder, subsidiaries and

companies under joint control, as well as other parties who are connected, directly or indirectly, pursuant to applicable laws and regulations in force from time to time, may not file or contribute to the filing of more than one list, including through a third party or trust company, and may not vote for more than one list.

Each candidate may appear on only one list, under penalty of ineligibility.

For the period of application of the legislation, including regulations, *pro tempore* in force on gender balance, each list that presents a number of candidates equal to or greater than 3 (three) shall also include candidates belonging to both genders, so that they belong to the least represented gender at least the share of the members of the Board of Directors established by art.147-ter, *paragraph* 1-ter, of the TUF, and other provisions in force on the matter, with rounding, in the case of fractional number, according to the criterion specified by the same provisions.

As for the gender balance regulation, the regulatory framework of reference was last amended by Budget Law no. 160/2019, which provided for the gender quota regulation to remain in force for six consecutive terms and established that the less represented gender must obtain at least two-fifths of the appointed members, instead of the previous quota of one-third².

It should be noted that the Issuer had already complied with the regulations on gender balance, but since this adjustment had been made on a voluntary basis, it will not be taken into account for the purposes of calculating the six consecutive mandates envisaged as the period of application of the discipline on gender balance. Therefore, at the Shareholders' Meeting held on 26 April 2023, which resolved on the first renewal of the Board of Directors following the Listing, the criterion of allocating one-fifth of the Directors belonging to the least represented gender was applied, in accordance with the laws in force³.

As of the next renewal of the Board of Directors, the two-fifths allocation pursuant to art. 147-ter, *paragraph* 1-ter, of TUF will apply instead.

The lists submitted must be filed at the Company registered office, even by remote means of communication as specified in the notice of call, in accordance with the procedures provided for by the applicable laws and regulations in force *at the time*, within the following time limits: (i) if submitted by shareholders, at least 25 (twenty-five) days before the date of the single or first call of the Shareholders' Meeting convened to resolve on the appointment of Directors; (ii) if submitted by the Board of Directors, they must be filed and made public in the same manner as the lists

² Pursuant to Article 1 of Law no. 160 of 27 December 2019 "*the criterion of allocation of at least one fifth provided for by Article 2 of Law no. 120 of 12 July 2011, for the first renewal after the start date of the negotiations*" remains unaffected.

³ Pursuant to Article 1 of Law no. 160 of 27 December 2019, "*the criterion of allocation of at least one fifth provided for by Article 2 of Law no. 120 of 12 July 2011, for the first renewal after the start date of the negotiations*" remains unaffected.

submitted by shareholders, at least 30 (thirty) days before the date of the single or first call of the Shareholders' Meeting convened to resolve on the appointment of Directors.

The lists thus submitted must be accompanied by: (a) information regarding the identity of the shareholders who have submitted the lists, with an indication of the total percentage of shareholdings with voting rights at the Company's Ordinary Shareholders' Meeting, with a certification showing ownership of said shareholding issued by an intermediary authorised by law. It being understood that this certification may also be produced after the filing of the lists, provided that it is within the deadline set for the publication of the lists by the Company; (b) a statement by the shareholders other than those who hold, even jointly, a controlling interest or a relative majority, certifying the absence of any relationship of connection, even indirect, pursuant to applicable laws and regulations in force *at the time*, with the latter; (c) exhaustive information on the personal and professional characteristics of the candidates, with an indication of their eligibility to qualify as Directors who meet the independence requirements, as well as a statement by the candidates themselves that they meet the requirements provided for by the laws and regulations in force *at the time* and under the Articles of Association, including those of integrity and, where applicable, the independence requirements, and their acceptance of the nomination and of the office, if elected; (d) any other or different statement, information and/or document provided for by the laws and regulations in force *at the time*.

Lists submitted without complying with the above provisions shall be considered as not submitted. However, the lack of documentation relating to individual candidates on a list does not automatically lead to the exclusion of the entire list, but only of the candidates to whom the irregularities relate.

The election of the Board of Directors shall be conducted as set forth below:

- a) the Directors to be elected, except for 1 (one), shall be taken from the list that received the majority of the votes cast, in the consecutive order in which they are indicated on the list;
- b) the remaining Director will be taken from the second list that will have obtained the highest number of votes in the Shareholders' Meeting after the one referred to in letter a) above that has not been presented by the Board of Directors and that is not connected in any way, even indirectly, with those who have presented or voted on the list that resulted first by number of votes, in the person of the first candidate, based on the progressive order in which the candidates are indicated in the list.

In any case, any lists that do not obtain a percentage of votes equal to at least half of that required for the submission of the lists themselves will not be taken into account.

In the event of a tie between lists: (i) if there is one list submitted by the Board of Directors, a run-off vote will be held; (ii) otherwise, the list submitted by shareholders owning the largest shareholding or, subordinately, by the largest number of shareholders will prevail.

If, at the end of the vote, a sufficient number of Directors meeting the independence

requirements are not elected, the candidate who does not meet these requirements, elected as the last in numerical order from the list obtaining the highest number of votes, will be excluded and will be replaced by the first unelected candidate on the same list meeting the independence requirements, in numerical order. This procedure, if necessary, shall be repeated until the number of Directors meeting the independence requirements to be elected is complete. If, at the end of this replacement procedure, the composition of the Board of Directors does not make it possible to comply with the minimum number of Directors who meet the independence requirements, the replacement will take place by resolution passed by the Shareholders' Meeting by a majority of the votes represented therein, subject to the submission of candidates who meet the independence requirements.

Moreover, at the end of the vote and any application of the above provisions, if the elected candidates do not ensure that the composition of the Board of Directors complies with the rules on gender balance, under art. 147-ter, paragraph 1-ter, of the TUF, and with the other provisions in force on the matter, rounding off, in the case of decimals, according to the criterion specified by the same provisions, the candidate of the most represented gender elected as the last one in progressive order from the list obtaining the highest number of votes will be excluded and this candidate will be replaced by the first unelected candidate from the same list of the under-represented gender, in progressive order. This replacement procedure will be carried out until the composition of the Board of Directors complies with the above-mentioned rules on gender balance, it being understood that if, even at the end of this replacement procedure, the composition of the Board of Directors does not comply with these rules, the replacement will take place by resolution passed by the Shareholders' Meeting by a majority of the votes represented therein, subject to the submission of candidates belonging to the under-represented gender.

If the number of candidates elected on the basis of the lists submitted is less than the number of Directors to be elected, the remaining Directors are elected by the Shareholders' Meeting, which resolves with the majority of the votes represented therein and, in any case, in such a way as to ensure compliance with the provisions of the Articles of Association concerning (i) the presence of the minimum number of Directors who meet the independence requirements, and (ii) compliance with the gender balance. In case of a tie vote between several candidates, there shall be ballot between these candidates by means of another vote at the Meeting, resulting mainly the candidate who gets the most votes.

If only one list is submitted, the Shareholders' Meeting shall vote it and, if it obtains a majority of the votes represented therein, all members of the Board of Directors shall be drawn from that list, in compliance with the provisions of the Articles of Association concerning Directors who meet the requirements of independence and gender balance.

If no list is submitted or if only one list is submitted and that one does not obtain a majority of the votes represented at the Shareholders' Meeting, or if the entire Board of Directors does not need to be reappointed, or if it is not possible for any reason to proceed with the election of the Board of Directors in the manner described above,

the members of the Board of Directors are appointed by the Shareholders' Meeting in the ordinary manner with a majority of the votes represented at the Shareholders' Meeting, without applying the list vote mechanism, and in any case in such a way as to ensure that the provisions of the Articles of Association concerning Directors who meet the requirements of independence and gender balance are complied with.

Article 14.9 of the Articles of Association also provides that, if during the year one or more Directors cease to hold office for any reason, the Board of Directors shall replace them by co-opting the first non-elected candidate (if available) from the same list to which the ceased Director belonged. If it is not possible to complete the Board of Directors in this way, the Board of Directors shall co-opt the replacement persons with the majorities required by law, without any list constraints. In any case, the Board of Directors and the Shareholders' Meeting will proceed respectively with the co-opting and appointment as described above, so as to ensure that the provisions of the Articles of Association concerning Directors who meet the requirements of independence and gender balance are complied with. The Directors thus co-opted by the Board of Directors shall remain in office until the next Shareholders' Meeting and those appointed by the Shareholders' Meeting shall remain in office for the period of time that the Directors they replaced should have remained in office.

This is without prejudice to the power of the Shareholders' Meeting to resolve to reduce the number of members of the Board of Directors instead of replacing the Director who has ceased to hold office.

Pursuant to art. 14.10 of the Articles of Association, if, for any reason, the majority of the Directors appointed by resolution of the Shareholders' Meeting should cease to hold office, the entire Board of Directors shall be deemed to have ceased to hold office, with effect from the subsequent new appointment of the members of that body. In this case, the Directors remaining in office must urgently convene the Shareholders' Meeting to appoint the new Board of Directors in accordance with the provisions of Article 14 of the Articles of Association.

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

4.3 Composition (pursuant to *art.123-bis*, paragraph 2, lett. d) and d-bis), TUF)

Composition of the Board until 26 April 2023

Until 26 April 2023, the date on which the Company's Shareholders' Meeting approved the financial statements as at 31 December 2022, the Board of Directors appointed by the Issuer's Ordinary Shareholders' Meeting of 27 April 2020 and as supplemented by the Issuer's Ordinary Shareholders' Meeting of 13 October 2020, elected on the basis of the provisions of the Articles of Association in force at the date of the relevant appointment and, therefore, prior to the Trading Starting Date, without the application of list voting, was in office.

The Board of Directors in office until 26 April 2023 was made up of executive and non-executive Directors, all of whom had the professionalism and skills appropriate to the tasks entrusted to them. Since there were three (out of seven) non-executive and independent directors pursuant to art. 148, paragraph 3, TUF (as referred to in art.147-ter, paragraph 4, TUF), as well as pursuant to art. 2 of the GC Code, (i) the number and skills of non-executive members resulted adequate to ensure them a significant weight in taking board resolutions and to ensure effective management monitoring, also considering the significant presence of the component meeting the independence requirements.

More specifically, until 26 April 2023, the Board of Directors consisted of 7 members, as shown in the table below:

First and last name	Position
Andrea Lacorte	Chair and Executive Director
Roberto Lacorte	Vice Chair and Executive Director
Carlo Volpi	Executive Director
Germano Tarantino	Executive Director
Alessandro Calzolari (**)	Independent director pursuant to the TUF and the GC Code
Marida Zaffaroni (*)	Independent director pursuant to the TUF and the GC Code
Giovanna Zanotti (*)	Independent director pursuant to the TUF and the GC Code

(*) *Director co-opted by the Board of Directors on 25 September 2020 and subsequently confirmed by the Shareholders' Meeting of 13 October 2020, following the resignation of Directors Simone Strocchi and Giovanni Bucarelli on 25 September 2020 in order to facilitate the entry of directors with the independence requirements and compliance with the gender quota requirements required by the legislation applicable to listed companies (Euronext Star Milan).*

(**) *Lead Independent Director.*

It should be noted that, with the exception of the Directors co-opted and confirmed by the Shareholders' Meeting of 13 October 2020, the Board of Directors was appointed by the Shareholders' Meeting of 27 April 2020 by virtue of the provisions of a para-shareholder nature that bound some shareholders of PHN in force on that date.

For more information on the structure of the Board of Directors in office until the Shareholders' Meeting of 26 April 2023 and its committees, please refer to Table 1 in the appendix to this Report.

Composition of the Board appointed on 26 April 2023

The Board of Directors appointed by the Shareholders' Meeting of 26 April 2023 and in office as the Reporting Date is made up of executive and non-executive Directors,

all of whom had the professionalism and skills appropriate to the tasks entrusted to them.

Pursuant to the Articles of Association, the Board of Directors was appointed based on a single list, submitted by the shareholders Andrea Lacorte, as owner of the entire capital of ALH S.r.l., Roberto Lacorte, in his own right and as owner of the entire capital of RLH S.r.l., and Beda S.r.l. (collectively the "**Presenting Shareholders**"), owners of a total of 6,292,160 ordinary shares of Pharmanutra, equal to 65% of the relevant share capital.

The aforementioned list received the favourable vote of 99.981% of the voting parties. The presentation of the list took into account the indications provided by the outgoing Board regarding the orientation on the managerial and professional profiles and skills deemed necessary - also with reference to the criteria of gender diversity, age and experience - described in the Directors' explanatory report on the appointment of the Board of Directors, as made available on the Company's *website* at (Section *Governance* / Shareholders' Meeting / 2023) and reported here below.

The guideline was laid down by the outgoing Board in its meeting of 16 March 2023, which identified the managerial and professional profiles and skills deemed necessary for the members of the Board of Directors to be appointed for the 2023-2025 term of office, by taking into account the indications of the Remuneration and Nomination Committee expressed in its meeting of 15 March 2023 and in light of the results of the self-assessment provided for by the CG Code.

In this regard, the Board deemed to formulate its own orientation, included, as mentioned, in the illustrative report prepared pursuant to art. 125-*ter*- of TUF concerning the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements as at 31 December 2022, in which:

- it deemed that a number of Directors equal to the current number of 7 Directors was appropriate, taking into account the size and activity of the Company;
- it recommended an adequate valuation of the members meeting the independence requirements pursuant to art. 148, paragraph 3, of TUF and the Corporate Governance Code, taking into account that pursuant to art. IA.2.10.6 of the Instructions to the Stock Exchange Regulations, at least 2 Independent Directors must be present in Boards of Directors composed of up to 8 members, and at least 3 Independent Directors must be present in Boards of Directors composed of 9 to 14 members;
- it referred to the current legislation on gender balance, pursuant to which at least one-fifth of the Directors must belong to the less represented gender (rounded up to the next higher unit);
- it recommended that each candidate, in compliance with the recommendations of the Corporate Governance Code, ensure adequate time availability for the diligent fulfilment of the assigned tasks;
- with reference to diversity policies (art. 123-*bis*, lett. d-*bis*, TUF), it recommended that the new composition continued to adequately represent the different components (executive, non-executive, independent) in relation to the activity carried out by the Company, as well as the professional and managerial

skills and experience necessary for good corporate governance, requiring in particular the following, without prejudice to the legal requirement on gender balance, also in order to promote the understanding of the organisation of the Company and its activities, as well as the development of its efficient *governance*:

- (a) the Board to be characterised by the diversity in terms of age of its members;
- (b) the educational and professional background of the Board members to guarantee a balanced combination of profiles and experience suitable to ensure the proper performance of the functions assigned to it.

The Board appointed by the Shareholders' Meeting of 26 April 2023 is composed of 7 members, as shown in the table below:

First and last name	Position
Andrea Lacorte	Chair and Executive Director
Roberto Lacorte	Vice Chair and Executive Director
Carlo Volpi	Executive Director
Germano Tarantino	Executive Director
Alessandro Calzolari (*)	Independent director pursuant to the TUF and the GC Code
Marida Zaffaroni	Independent director pursuant to the TUF and the GC Code
Giovanna Zanotti	Independent director pursuant to the TUF and the GC Code

(*) *Lead Independent Director*.

For more information on the structure of the Board of Directors and its Committees, please refer to Table 2 in the appendix to this Report.

It should be noted that as of the end of the financial year and until the Reporting Date, there have been no changes in the composition of the Board.

As for the diversity policies adopted by the Issuer, it is considered that the qualitative and quantitative composition of the Board of Directors in office ensures sufficient diversification in terms of skills, age, experience and gender. In fact, with regard to the composition of the Board of Directors in office, it is specified that (i) there are 2 Directors in the Board of Directors of the Company belonging to the least represented gender; (ii) the Board is characterized by the registry diversity of its members, taking into account that the age of the Directors is between 63 and 45 years; (iii) the training and professional path of the Directors currently in office guarantees a balanced combination of profiles and experiences within the administrative body suitable to ensure the correct performance of the functions due to it.

The *curricula vitae* of the Directors illustrating their professional and personal characteristics can be consulted on the Issuer's *website* at www.pharmanutra.it, section "*Governance/ Board of Directors*".

Accumulation of positions held in other companies

Each member of the Board of Directors is obliged to take decisions with full knowledge of the facts and independently, pursuing the objective of creating value for the shareholders, and is committed to devoting the time necessary to ensure diligent performance of their duties, regardless of the positions held outside the Pharmanutra Group, with full awareness of the responsibilities inherent in the position held.

For this purpose, each candidate for the position of Director shall evaluate in advance, at the time of accepting the position in the Company and regardless of the limits established by the law provisions and regulations that may be applicable on the limits on the number of positions that may be held, his or her ability to carry out the tasks assigned to him or her with due care and effectiveness, taking into particular consideration the overall commitment required by the positions held outside the Group.

Each member of the Board of Directors is also required to inform the Board of any position of director or statutory auditor they hold in other companies, in order to allow fulfilment of the disclosure obligations under applicable laws and regulations.

The Board has not considered defining general criteria regarding the maximum number of administrative and control positions in other companies that can be considered compatible with an effective performance of the role of director of the Issuer, without prejudice to the duty of each director to assess the compatibility of the positions of director and auditor, held in other companies listed on regulated markets (including foreign), in financial, banking, insurance or large companies, with the diligent performance of the tasks assumed as director of the Company, also taking into account the participation in the committees established within the board, as indicated in Recommendation 15 of the Corporate Governance Code.

In view of the positions held by its members in other companies, the Company's Board of Directors believes that the number and quality of the positions held does not interfere and is, therefore, compatible with the effective performance of the office of director of the Company. The Board of Directors has the right to carry out a different and reasoned assessment, which could possibly be made public in the context of the Annual Report on Corporate Governance and Ownership Structures and in this context duly motivated.

The table below lists the director and auditor positions held by the members of the Board of Directors in office, as at 31 December 2023, in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance companies or companies of significant size.

First and last name	Company	Administration and control tasks
Andrea Lacorte	Junia Pharma S.r.l. Alesco S.r.l. Nutristar S.p.A. Solida S.r.l. ALH S.r.l.	Vice Chair of the Board of Directors Vice Chair of the Board of Directors Chair of the Board of Directors Chair of the Board of Directors Sole Director
Roberto Lacorte	Junia Pharma S.r.l. Alesco S.r.l. Nutristar S.p.A. Solida S.r.l. Cala D'Arno S.r.l. RLH S.r.l.	Chair of the Board of Directors Board member Board member Vice Chair of the Board of Directors Vice Chair of the Board of Directors Sole Director
Carlo Volpi	Junia Pharma S.r.l. Alesco S.r.l. Solida S.r.l. Beda S.r.l. Grenade Srl	Board member Chair of the Board of Directors Board member Sole Director Board member
Germano Tarantino	Junia Pharma S.r.l.	Board member
Alessandro Calzolari	Iredeem S.p.A. BIMA Consulting S.r.l. Espansione Marketing S.p.A. FAAC S.p.A. single-member company FAAC Partecipazioni Industriali S.r.l. Piccinini S.p.A. Nutristar S.p.A. HUB Italia S.r.l. Firbimatic S.p.A. F.X.T. S.p.A. CoMETA S.p.A.	Board member Sole Director Standing Auditor Chair of the Board of Statutory Auditors Chair of the Board of Statutory Auditors Chair of the Board of Statutory Auditors Chair of the Board of Statutory Auditors Sole Auditor Chair of the Board of Statutory Auditors Standing Auditor Chairman of the Board of Statutory Auditors
Marida Zaffaroni		

First and last name	Company	Administration and control tasks
Giovanna Zanotti	Anima Holding S.p.A.	Board member
	Anima SGR S.p.A.	Board member
	Sesa S.p.A.	Board member

Induction Programme

In line with the provisions of the Corporate Governance Code on the effective and informed performance of their role by each Director, the Chairman, with the help of the Secretary of the Board, promotes the continuous updating of the Directors and Statutory Auditors on the company and market reality, as well as on the main legislative and regulatory changes concerning the Issuer and its Group.

In particular, during the Financial Year, the Chairman ensured, also through meetings between the Company's *top management* and the Directors, that these latter were provided with in-depth information and explanations on the activities and projects of the group headed by the Issuer and, in particular, provided with i) specific focus on the US market and its peculiarities, ii) technical details on the product line and its positioning on the Spanish market through Pharmanutra España, and iii) update sessions on the development of the *cross-border e-commerce* project in China as well as the regulatory and self-regulatory reference framework.

During the Financial Year, the Directors and Statutory Auditors also had the opportunity to deepen their knowledge of (i) the pharmaceutical and nutraceutical sector through their participation in Board meetings in which issues relating to company dynamics and their evolution were discussed in depth, such as those in which investments were approved; (ii) the reference legislative, regulatory and self-regulatory framework.

During the meeting of 6 November 2023, the Directors and Statutory Auditors also participated in a training session dedicated to the new sustainable reporting obligations and the *European Sustainability Reporting Standards* (ESRS), drafted by the *European Financial Reporting Advisory Group* (EFRAG).

The *management* of the Company has also been in constant contact with the corporate bodies for the appropriate flows of information and/or updates on issues of interest.

In any case, the Issuer will arrange structured training plans if the need arises or is requested by directors and statutory auditors.

4.4 Operation of the Board of Directors (ie. Art. 123-bis, paragraph 2, letter d), TUF)

In application of the provisions of the CG Code, on 16 March 2023, the Board approved its own regulations governing the composition, duties, rules and procedures for the functioning of the Company's administrative body (the "**Board**

Regulations").

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

Pursuant to art. 16 of the Articles of Association and of art. 7 of the Board Regulation, the Board of Directors meets, even outside the registered office as long as it is within the European Union, whenever the Chair or Vice Chair (if appointed) deems it appropriate, as well as when requested by a Director with delegated powers, by the Executive Committee (if appointed), or by at least two other Directors in office and without prejudice to the powers to convene meetings attributed to other parties by law.

In compliance with the provisions of the Articles of Association and of the Board Regulation, the Board of Directors is convened by the Chair or, in his/her absence or impediment, by the Vice Chair (if appointed), by means of a notice – containing the items on the agenda – sent by mail or e-mail at least 3 days before the meeting, or, in case of urgency, at least 24 hours before the meeting. Even in the absence of notice of call in the form and manner provided for above, a meeting of the Board of Directors is validly constituted if all the Directors in office and all the members of the Board of Statutory Auditors are present, or if the majority of both Directors and Statutory Auditors in office are present and the absent members have been adequately informed in advance of the meeting and have not objected to the discussion of the items on the agenda.

Meetings of the Board of Directors may also be held by audio or video conference, provided that: (a) the Chair and the Secretary of the meeting, if appointed, are present in the same place, and will be responsible for drafting and signing the minutes, the meeting being deemed to have been held in that place; (b) the Chair of the meeting is able to ascertain the identity of those present, regulate the development of the meeting, and ascertain and state the voting results; (c) the person taking the minutes is able to adequately perceive the events of the meeting being minuted; (d) those present are able to take part in the discussion and vote simultaneously on the items on the agenda, as well as view, receive or transmit documents.

All resolutions of the Board of Directors shall require the actual presence of a majority of the Directors in office and the favourable vote of a majority of the Directors present.

Pursuant to the Board Regulation, the Chairman of the Board of Directors, with the assistance of the Board Secretary, ensures that the pre-Board briefing and supplementary information provided during meetings are suitable to enable the Directors to be properly informed and therefore consequently act in the performance of their role. In particular, this information is always provided in such a way as to allow the Directors to express themselves being fully aware of the matters under discussion, providing them with the drafts of the documents to be approved well in advance, with the sole exception of cases of particular and proven urgency. In particular, the Rules of Procedure of the Board of Directors provide that any documentation relating to the items on the agenda must be sent at least 5 (five) days prior to the convened Board meeting, with the sole exception of cases of particular

and proven urgency. In this latter case, however, the completeness, usability and timeliness of the information is ensured. The President shall also ensure that each item on the agenda is discussed in sufficient time to allow for a constructive dialogue.

The members of the Board of Directors are required to confidentiality with regard to any documents, news, information and data acquired in the performance of their duties, even after their term of office has expired, without prejudice to the obligations imposed by law, judicial and/or supervisory authorities. The members of the Board of Directors shall refrain from seeking and using confidential information for purposes other than for the fulfilment of their office and are required to comply with the regulations on market abuse and the procedures adopted by the Company for the internal management and external communication of such documents and of relevant and privileged information as defined in the aforementioned procedures.

Resolutions are recorded by means of minutes signed by the Chairman of the meeting and the Secretary of the meeting.

In implementation of art. 3, Recommendation 18 of the CG Code, the Board Regulation also defines the professional requirements and powers of the Board Secretary (see Section 4.5 here below).

During the year ended 31 December 2023, the Board of Directors met 9 times. The meetings of the Board of Directors lasted an average of 2.5 hours.

The terms of the pre-Board briefing were generally adhered to, with the material for the adoption of resolutions on the agenda of meetings being sent at least five days before the date of the relevant Board meeting.

In addition to the members of the Board of Statutory Auditors, the Board of Statutory Auditors was attended by the Manager responsible for preparing the company's accounting documents to provide appropriate insights into the internal control and risk management system, the Legal Manager, Italian-law lawyer Ms. Eleonora Casarosa and the Board Secretary, Mr. Giovanni Bucarelli.

For information on the participation of each Director in the meetings held during the Financial year, please refer to Tables 1 and 2 attached to the Report.

In the 2024 financial year and until the Reporting Date, the Board of Directors met 4 times and a total of at least 3 meetings are scheduled in this year 2024. In addition to the meetings held on 11 January 2024, 6 February 2024, 26 February 2024 and 15 March 2024 (approval of the draft Financial Statements as at 31 December 2023), the calendar of the main corporate events 2024 provides for another 3 meetings on the following dates:

- 13 May 2024: approval of the Interim Report on Operations as at 31 March 2024;
- 9 September 2024: approval of the first half financial report as at 30 June 2024;
- 11 November 2024: approval of the Interim Report on Operations as at 30 September 2024.

4.5 Role of the Chairman and Secretary of the Board of Directors

Chair of the Board of Directors

Pursuant to art. 15.1 of the Articles of Association, the Board of Directors, if the Shareholders' Meeting has not done so, elects a Chairman from among its members and may elect a Vice-Chairman, who replaces the Chairman in cases of absence or impediment. In the absence of the latter, the meetings of the Board of Directors are chaired by the Director appointed by those present.

The Chairman performs the functions provided for by the law and *pro tempore* regulations in force and by the Articles of Association.

The Chair convenes the Board of Directors pursuant to art. 16 of the Articles of Association.

According to the provisions of art. 19 of the Articles of Association, the legal representation of the Company, before third parties and in court, is the responsibility of the Chair of the Board of Directors and, in the event of his/her absence or impediment, of the Vice Chair (if appointed). It is also the responsibility of the Managing Director(s) (if appointed), within the limits of their powers.

On 26 April 2023, the Board of Directors appointed (i) Mr Andrea Lacorte as Chairman, and (ii) Mr Roberto Lacorte as Vice Chairman, as occurred in the previous Board mandate.

Furthermore, pursuant to the Board Regulation and in line with the CG Code, the Chairman of the Board plays a connecting role between the executive and non-executive Directors and ensures the effective functioning of the Board's work. The Chairman, with the assistance of the Board Secretary, ensures:

- a) that the pre-Board briefing and supplementary information provided during meetings are suitable to enable the Directors to be properly informed and therefore consequently act in the performance of their role;
- b) that the activities of the Board committees with investigative, proposing and advisory functions referred to in following art. 10 are coordinated with the activities of the Board of Directors;
- c) in agreement with the *Chief Executive Officer* (if different from the Chairman), that the executives of the Company and those of the controlled Group companies, in charge of the relevant corporate functions according to the topic area, attend Board meetings, also upon request of individual Directors, to provide the appropriate in-depth analyses of the items on the agenda;
- d) that all members of the administration and control bodies may participate, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of the Company itself, as well as of the principles of proper risk management and the regulatory and self-regulatory reference framework, with the cooperation of the *lead independent director*;

e) the adequacy and transparency of the self-assessment process of the Board of Directors, with the assistance of the Remuneration and Appointments Committee.

As to the management powers to be granted to the Chairman, as described in following Section 4.6, the Board of Directors believes that this meets the Issuer's appreciable organisational needs, which lie in the streamlined operation of the Company's Board of Directors, also in consideration of its size.

Secretary of the Board of Directors

Pursuant to art. 15 of the Articles of Association and art. 6 of the Board Regulation, the Board of Directors appoints a Secretary, even if not belonging to the Company.

The Secretary must have appropriate professional qualifications and experience, preferably in the legal and corporate sector. The Secretary also has independent judgement requirements and is not in situations of conflict of interest.

The Secretary supports the Chairman's activity and provides impartial advice and assistance to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.

In the event of his/her impediment or absence, his/her duties are entrusted to another person designated from time to time by the Chairman of the individual meetings.

On 26 April 2023, the Board confirmed Mr. Giovanni Bucarelli as Board Secretary, until revocation.

4.6 Delegated bodies

At the Reporting Date, the Directors Andrea Lacorte, who also holds the position of Chair, Roberto Lacorte, who also holds the position of Vice Chair, Carlo Volpi and Germano Tarantino, as specified below, hold the position of Executive Directors of the Company.

On 26 April 2023, the Board of Directors of the Company granted the following powers and duties:

The Chairman of the Board of Directors, **Mr. Andrea Lacorte**, in the areas of research and development, quality, regulatory affairs in Italy, directional and local marketing and internal production, and the Vice Chairman of the Board of Directors, **Mr. Roberto Lacorte**, in the areas of administration, human resources, legal, information technology, general services and directional and local marketing, are severally vested, with single signature, with the broadest powers necessary or appropriate for the exercise of the following powers and activities:

Correspondence

- To open, write and sign the Company's correspondence.

Contracts in general and urgent instruments

- To enter into, amend and terminate contracts, provided that their unit value does not exceed Euro 1,000,000.00 (Euro one million/00), both with third parties and within the Group, concerning the sale of goods and/or services forming part of the business activity;
- enter into, amend and terminate contracts, provided that their unit value does not exceed Euro 1,000,000.00 (Euro one million/00), within the annual expenditure limits defined in the budget approved by the Company, both with third parties and within the Group, concerning the purchase of goods and/or services forming part of the business activity;
- enter into, amend and terminate contracts for the purchase, sale, exchange, contribution and any other act of acquisition or disposal of goods, rights or services, other than those that regulate the general conditions of sale and purchase of goods and/or services within the scope of the company's activity as referred to in previous letters a) and b), as well as the undertaking in general of obligations, commitments and responsibilities of any nature, the amount of which is, individually or jointly with other transactions related to the main transaction, less than Euro 1,000,000.00 (Euro one million/00), as well as modify such agreements, contracts, transactions, obligations, commitments or assumptions of responsibility that involve economic effects of an amount not greater than that indicated above;
- carry out urgent acts/execute urgent instruments that are necessary for the management, preservation and protection of the Company assets, promptly reporting to the Board of Directors on the activities carried out;
- demand and collect any amount due to the Company from anyone for any reason whatsoever (Government, public and private bodies, companies and natural and/or legal persons), issuing the relevant receipts and quittances.

Employment and labour relationships

- To hire and fire executives, clerks and workers, and enter into, amend and terminate the related employment contracts, provided that such contracts do not entail a cost to the Company, for each individual contract and for each year, in excess of Euro 150,000.00 (Euro one hundred and fifty thousand/00), within the annual expenditure limits defined in the budget approved by the Company;
- enter into, amend and terminate coordinated and continuous collaboration contracts and consultancy contracts, provided that they do not entail the payment by the Company of gross amounts, for each individual contract and per year, in excess of Euro 350,000.00 (Euro three hundred and fifty thousand/00), within the annual expenditure limits defined in the budget approved by the Company.

Legal representation

- To represent, either as plaintiff or as a defendant, the Company in any relations and relationships, both in Italy and abroad, with tax, financial, administrative, political, ministerial, regulatory and supervisory, military, trade union and

- judicial offices of the State and of dependent, local or parastatal administrations, social security, insurance or mutual entities, with the power to agree on incomes, issue statements and certificates, submit motions and applications for authorisations and/or admissions aimed at obtaining measures that extend the Company's legal sphere;
- represent the Company in legal proceedings before any administrative and judicial authorities of the Italian Republic and foreign states, as well as supranational authorities; file complaints, lawsuits, making claims against any measure of the aforesaid authorities and offices and sign the related documents and/or consequent deeds, appoint lawyers and attorneys in litigation, also for arbitration, for all stages of the proceedings;
 - settle and mediate any pending matter or dispute of the Company with third parties, including pending matters or disputes with managers, executives, employees and workers; appoint arbitrators, including amicable settlers, and sign the relative settlement instruments, including disputes arising from outstanding payments, provided that such instruments refer to disputes or pending matters that have arisen or are to arise with a unit value not exceeding Euro 500,000.00 (Euro five hundred thousand/00);
 - represent the Company, in Italy and abroad, in credit recovery activities against third parties, out of court and/or in court, by activating appropriate procedures and appointing litigation attorneys and/or debt collection companies;
 - represent the Company in any bankruptcy proceedings with all the necessary powers; promote and/or request bankruptcy statements, attend meetings of creditors, accept and carry out the role of member of the creditors' committee, if the Company is appointed; state claims for receivables, asserting their reality and existence; accept and reject proposals for composition and do anything else necessary and/or useful for the proceedings themselves.

Collection, payment and receipts

- To receive from post and telegraph offices, shipping companies and any other freight company, letters and parcels, both ordinary and registered and/or insured; collect postal and telegraphic money orders, vouchers and cheques of any kind and any amount; request and receive amounts of money, securities, goods and documents, signing the corresponding receipts, releases and waivers, from any public and/or private entity, inter alia, from any public and/or private treasury office, including the State Treasury, the Cassa Depositi e Prestiti, the Public Debt Office, customs offices and State-owned and private railways, both at their central and regional and/or peripheral offices, and including the regional revenue offices and their local branches; perform any other act and transaction with the above offices/entities;
- sign drafts as drawer payable by the Company's customers, receipt bills of exchange and securities to order, endorse cheques, drafts and bills of exchange, but at any rate in order to collect and transfer them to the Company's current accounts or protest them, offer for discount bills of exchange issued by the Company's customers payable to the Company and drafts issued by the

Company payable by its customers;

- receive, set up and release deposits, including as security and allow encumbrances of any kind, provided that their unit value does not exceed Euro 500,000.00 (Euro five hundred thousand/00).

Banking and financial transactions

- To enter into, amend and terminate bank and loan contracts in any form, with the exception of the renewal of existing contracts, (in particular, opening of credit facilities, mortgages, safety deposit boxes, advances on securities, invoices and goods, discounts) provided that such contracts do not entail obligations for the Company, for each individual contract and on an annual basis, in excess of Euro 1,000,000.00 (Euro one million/00); carry out all financial transactions for the ordinary administration of the Company, open bank current accounts and a current account in the name of the Company at the post office current account department; make withdrawals, give payment instructions, sign cheques for these current accounts, including with no funds, within the limits of the credit lines granted, verify these current accounts and approve their statements; as far as signing payment instructions and cheques is concerned, the delegation is granted up to a maximum amount, for each individual cheque or payment instruction, of Euro 750,000.00 (Euro seven hundred and fifty thousand/00).

Special powers of attorney

- To delegate, and revoke, part of the powers listed above to/from directors, executives, managers or employees of the Company or third parties, residing either in Italy or abroad, provided that the delegated powers are not such as to give rise to a *preposizione institoria* (appointment of a sort of agent) pursuant to articles 2203 et seq. of the Italian Civil Code.

The Vice Chairman of the Board of Directors, Roberto Lacorte, has also been attributed the qualification of employer pursuant to Italian Legislative Decree no. 81/08 and Person in charge of the fulfilment of the obligations regarding the protection and respect of the environment. The appointed employer is granted full functional and managerial autonomy, with full decision-making and spending power for the interventions that are necessary to comply with the regulations on environmental protection and safety at the workplace, as well as for the correct and timely compliance with all the obligations provided for in terms of health and safety at the workplace, which can be delegated and sub-delegated, within the limits of art. 17 of Italian Legislative Decree no. 81/08 as subsequently amended and integrated.

The Vice President of the Board of Directors, Mr. Roberto Lacorte, is also assigned the role of *Chief Executive Officer* pursuant to the GC Code (see paragraph 9.1 of the Report).

In the areas of sales and external sales network management, warehouses, foreign regulatory affairs, operations and production outsourced to third parties with respect to the Group, directional and local marketing, the Board Member Mr. Carlo Volpi is granted, with single signature, the broadest powers necessary or appropriate for the exercise of the following powers and activities:

Correspondence

- To open, write and sign the Company's correspondence.

Contracts in general

- To enter into, amend and terminate contracts, provided that their unit value does not exceed Euro 500,000.00 (Euro five hundred thousand/00), both with third parties and within the Group, concerning the sale of goods and/or services forming part of the business activity;
- enter into, amend and terminate contracts, provided that their unit value does not exceed Euro 500,000.00 (Euro five hundred thousand/00), within the annual expenditure limits defined in the budget approved by the Company, both with third parties and within the Group, concerning the purchase of goods and/or services forming part of the business activity;
- demand and collect any amount due to the Company from anyone for any reason whatsoever (Government, public and private bodies, companies and natural and/or legal persons), issuing the relevant receipts and quittances.

Employment and labour relationships

- To hire and fire executives, clerks and workers, and enter into, amend and terminate the related employment contracts, provided that such contracts do not entail a cost to the Company, for each individual contract and for each year, in excess of Euro 150,000.00 (Euro one hundred and fifty thousand/00), within the annual expenditure limits defined in the budget approved by the Company;
- enter into, amend and terminate coordinated and continuous collaboration contracts and consultancy contracts, provided that they do not entail the payment by the Company of gross amounts, for each individual contract and per year, in excess of Euro 200,000.00 (Euro two hundred thousand/00), within the annual expenditure limits defined in the budget approved by the Company.

Legal representation

- To represent, either as plaintiff or as a defendant, the Company in any relations and relationships, both in Italy and abroad, with tax, financial, administrative, political, ministerial, regulatory and supervisory, military, trade union and judicial offices of the State and of dependent, local or parastatal administrations, social security, insurance or mutual entities, with the power to agree on incomes, issue statements and certificates, submit motions and applications for authorisations and/or admissions aimed at obtaining

- measures that extend the Company's legal sphere;
- represent the Company in legal proceedings before any administrative and judicial authorities of the Italian Republic and foreign states, as well as supranational authorities; file complaints, lawsuits, making claims against any measure of the aforesaid authorities and offices and sign the related documents and/or consequent deeds, appoint lawyers and attorneys in litigation, also for arbitration, for all stages of the proceedings;
 - settle and mediate any pending matter or dispute of the Company with third parties, including pending matters or disputes with managers, executives, employees and workers; appoint arbitrators, including amicable settlers, and sign the relative settlement instruments, including disputes arising from outstanding payments, provided that such instruments refer to disputes or pending matters that have arisen or are to arise with a unit value not exceeding Euro 500,000.00 (Euro five hundred thousand/00);
 - represent the Company, in Italy and abroad, in credit recovery activities against third parties, out of court and/or in court, by activating appropriate procedures and appointing litigation attorneys and/or debt collection companies;
 - represent the Company in any bankruptcy proceedings with all the necessary powers; promote and/or request bankruptcy statements, attend meetings of creditors, accept and carry out the role of member of the creditors' committee, if the Company is appointed; state claims for receivables, asserting their reality and existence; accept and reject proposals for composition and do anything else necessary and/or useful for the proceedings themselves.

Collection, payment and receipts

- To receive from post and telegraph offices, shipping companies and any other freight company, letters and parcels, both ordinary and registered and/or insured; collect postal and telegraphic money orders, vouchers and cheques of any kind and any amount; request and receive amounts of money, securities, goods and documents, signing the corresponding receipts, releases and waivers, from any public and/or private entity, inter alia, from any public and/or private treasury office, including the State Treasury, the Cassa Depositi e Prestiti, the Public Debt Office, customs offices and State-owned and private railways, both at their central and regional and/or peripheral offices, and including the regional revenue offices and their local branches; perform any other act and transaction with the above offices/entities;

The Board Member **Mr. Germano Tarantino**, is assigned, with a single signature, all the broadest powers necessary or appropriate for the exercise of the following powers and activities:

- management and implementation of the research and development function;
- coordination and supervision of the quality management system;
- management, coordination and supervision of the scientific training function for employees, the sales network and foreign distributors.

Contracts in general

- To enter into, amend and terminate contracts and purchase orders, provided that their unit value does not exceed Euro 100,000.00 (Euro one hundred thousand/00), within the annual expenditure limits defined in the budget approved by the Company, both with third parties and within the Group, concerning research and development, quality management and scientific training.

Legal representation

- To represent the Company, both in Italy and abroad, in all ordinary dealings with research institutes and laboratories (including entering into non-disclosure agreements), and with quality system certification bodies (including signing statements).

Other

- To sign the company's ordinary correspondence relating to research and development activities, quality management and scientific training, collect correspondence from post offices, including registered mail, parcels, packages and others.

During the Financial Year, the Executive Directors reported to the Board on the activities carried out in the exercise of the powers conferred at the first useful meeting.

Executive Committee (as per Art. 123-bis, paragraph 2, letter d) TUF)

Pursuant to art. 18 of the Articles of Association, the Board of Directors may delegate, within the limits of art. 2381 of the Italian Civil Code, its own powers to one or more of its members and/or to an executive committee, determining the content, limits and any methods of exercising the delegated power(s).

As at the Reporting Date, the Board of Directors has not set up any Executive Committee.

Other executive directors

In addition to the above, there are no other Executive Board Members.

4.7 Independent Directors

Pursuant to the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Law on Finance and in accordance with the provisions of Article 2.2.3, paragraph 3, letter m), of the Regulation of Markets organised and managed by Borsa Italiana S.p.A. (the "**Stock Exchange Regulations**") and in compliance with Article 2 of the GC Code, there are currently three Directors on the Issuer's Board of Directors who meet the independence requirements, in the persons of Directors Alessandro Calzolari, Marida Zaffaroni and

Giovanna Zanotti.

The Board of Directors assesses the independence of its non-executive members at the time of appointment, as well as periodically during the term of office, and the outcome of this assessment is disclosed to the market through the "Report on corporate governance and ownership structures" prepared pursuant to and for the purposes of art. 123-*bis* of the Consolidated Law on Finance and the Italian Civil Code. The correct application of the assessment criteria adopted by the Board of Directors is verified by the Board of Statutory Auditors pursuant to the CG Code.

Pursuant to art. 13.4 of the Articles of Association, if a Director ceases to meet the independence requirements, he/she shall not be removed from office if the requirements continue to be met by the minimum number of Directors who, according to the legislation in force *at the time*, must meet such requirements.

During the Financial Year, the Board of Directors, with the assistance of the Remuneration and Appointments Committee, defined the quantitative and qualitative criteria for assessing the significance of relationships, also of an economic nature, capable of compromising the independence of its members (the "**Significance Criteria**" or the "**Criteria**"), as specified in the "*Policy on qualitative and quantitative criteria for the purposes of assessing independence requirements pursuant to Recommendation 7, first sentence, letters c) and d) of art. 2 of the Corporate Governance Code*" adopted by the Board of Directors on 6 February 2024 and published on Pharmanutra's *website* www.pharmanutra.it in the "*Governance*" - "Corporate Documents" Section.

In defining the Significance Criteria, the Board of Directors took, among other things, into account the recommendations set forth in the Corporate Governance Code and the clarifications provided in the collection "*Q&A Functional to the Application of the Corporate Governance Code - 2020 Edition*" published on the Corporate Governance Committee's *website*.

The possession of the independence requirements referred to in art. 148, paragraph 3, of the TUF (as referred to in art. 147-*ter*, paragraph 4, of the TUF) and art. 2 of Recommendation 7 of the Corporate Governance Code, of the Independent Directors currently in office has been verified, taking into account art. IA.2.10.6 of the Instructions to the Stock Exchange Regulations, at the meeting of the Board of Directors on 26 April 2023, following the Shareholders' Meeting of the Company held on the same date (verification made known to the market on the same date by means of a press release available on the Company's *website* under *Investors / Press / Press Releases / 2023*) and, lastly, at the meeting of the Board of Directors on 15 March 2024, on the basis of the declarations of independence made in February 2024 issued by the directors subject to evaluation (i.e. Alessandro Calzolari, Marida Zaffaroni and Giovanna Zanotti), also considering the Criteria. Evaluating all the circumstances that appear to compromise the independence identified by the Consolidated Law on Finance and the GC Code, applying all the criteria provided by the GC Code and considering the Significance Criteria adopted by the Board with regard to the independence of the Directors, PHN's administrative body expressed a positive assessment regarding the number (three out of seven) and the skills of the Independent Directors deemed appropriate to the needs of the company and the functioning of the Board, as well as the establishment

of the related committees. In this regard, each non-executive director has provided all the elements necessary or useful for the Board's assessments. On the basis of the declarations of independence made by the Independent Directors, they have committed themselves to maintain independence during the term of office and in any case to promptly inform the Board of Directors of any situations that may compromise their independence.

The Board of Statutory Auditors verified that the criteria and assessment procedures adopted by the Board for the assessment of the independence requirements have been correctly applied.

Lead Independent Director

On 26 April 2023, the Board of Directors appointed again Mr Alessandro Calzolari, Independent Director, as *Lead independent director* pursuant to the GC Code (as already appointed by the Board of Directors at the meeting of 23 October 2020), referred to by the Independent Directors to allow a better contribution to the activity and operation of the Board itself.

The *Lead Independent Director* works with the Chair to ensure that Directors are provided with thorough and timely information. Among other things, the *Lead Independent Director* has the power to convene, independently or at the request of other directors, special meetings only for the Independent Directors to discuss issues considered of interest with respect to the functioning of the Board of Directors or company management.

The *Lead independent director* Alessandro Calzolari, also holds the position of Chairman of the Related Parties Committee (see Section 6).

5. PROCESSING OF CORPORATE INFORMATION

As of the Report Date, the following procedures are in force regarding the management of insider information, *insider register* and *internal dealing*: (i) "*Procedure for the management and communication of insider information*"; (ii) "*Procedure relating to the maintenance of the register of persons who have access to insider information*"; (iii) "*Procedure relating to the obligations regarding internal dealing*" as last amended by the Company's Board of Directors, at its meeting of 22 March 2021.

For more information, please refer to the text of the procedures available on the website www.pharmanutra.it, "*Governance/Corporate Documents*" Section.

6. COMMITTEES WITHIN THE BOARD OF DIRECTORS (*under art. 123-bis, paragraph 2, letter d), TUF*)

The Board of Directors of 26 April 2023 confirmed the establishment of a Remuneration and Appointments Committee, a Control and Risk Committee and a RPT Committee, with a term of office equal to that of the Board of Directors and, therefore, until the approval of the financial statements as at 31 December 2025.

The Remuneration and Appointments Committee is composed of three independent

Directors, in the persons of the independent Directors Giovanna Zanotti (as Chairman), Alessandro Calzolari and Marida Zaffaroni.

The Control and Risk Committee includes three Independent Directors, in the persons of Marida Zaffaroni (as Chair), Alessandro Calzolari and Giovanna Zanotti.

The RPT Committee includes three Independent Directors, in the persons of Alessandro Calzolari (as Chair), Marida Zaffaroni and Giovanna Zanotti.

It should be noted that there have been no changes in the composition of the aforementioned committees from the end of the Financial Year until the Reporting Date.

As of the Report Date, no financial resources have been allocated to the Committees, as they make use of the Issuer's means and corporate structures for the performance of their duties.

It should be noted that the Issuer has not set up committees other than those provided for by the GC Code. No functions other than those recommended by the Code have been "distributed" among the Committees, nor have the functions of one or more committees provided for therein have been reserved to the entire Board, under the coordination of the Chairman.

On 3 February 2023, the Board of Directors approved the regulation of the Control and Risk Committee defining its operation rules.

On 06 February 2024, the Board of Directors approved the regulation of the Remuneration and Appointments Committee defining its operation rules ("**RAC Regulation**").

7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - REMUNERATION AND APPOINTMENTS COMMITTEE

7.1 Self-assessment and succession of Directors

Pursuant to art. 4, Principle XIV and Recommendation 21 of the Corporate Governance Code, the Board of Directors periodically evaluates the effectiveness of its activity and the contribution made by its individual members, through formalised procedures whose implementation it oversees.

To this end, the Issuer carries out its own assessment of the size, composition and actual functioning of the Board itself and of the Board Committees (so-called *board review*), also considering the role that the Board has played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

Although PHN qualifies as a "concentrated ownership company" under the CG Code and may therefore conduct the self-assessment on a three-yearly basis, the Company's Board of Directors voluntarily conducts the self-assessment process on an annual basis, in order to periodically assess the effectiveness of its own activities and the contribution of the Board Committees.

During the Financial Year, the Issuer's Board therefore carried out the annual assessment on the basis of a specific questionnaire divided into different areas of investigation (*i.e.* composition, structure, size and functioning of the Board, interaction with *management*, risk governance, composition and structure of the committees, etc.) and with the possibility of expressing comments and proposals; this questionnaire was transmitted and completed by all the Directors, as well as examined by the Board at its meeting of 15 March 2024. The Remuneration and Nomination Committee assisted the Board and the Chairman of the administrative body in ensuring the adequacy and transparency of the self-assessment process and, more generally, assisted the Board in its self-assessment activities, examining, in particular, the results of the aforementioned *board review* activity.

In carrying out the *board review*, the Board did not make use of external consultants.

The results of the aforementioned self-assessment showed that the Board operated in substantial conformity with the Corporate Governance Code and best practices, both nationally and internationally. The Directors expressed general satisfaction with the functioning and activities carried out by the Board and its committees, deeming the Board to be capable of fulfilling the functions assigned to them by current regulations. With regard to the size, composition and operation of the Board and its committees, it appeared that they were adequate for the Issuer's management and organisational needs, also considering the professional characteristics, experience, including managerial experience, of its members, as well as their seniority in office. Out of a total of 7 members, it is worth noting the presence of 3 independent non-executive Directors and 2 female members, thus ensuring a balanced composition of the Committees within the Board. In addition, the Directors assessed that the composition of the Board of Directors reflects diversified profiles regarding aspects such as age, gender composition and training and professional path.

Furthermore, it should be noted that, at the Report Date, the Board did not adopt a plan for the succession of executive directors, taking into account the current shareholding and organisational structure of the Issuer and also considering that the GC Code recommends it only for "large companies".

7.2 Remuneration and Nomination Committee

On 26 April 2023, the Issuer's Board of Directors appointed as members of the Remuneration and Appointments Committee the Independent Directors Giovanna Zanotti (as Chairwoman), Alessandro Calzolari and Marida Zaffaroni.

At the time of appointment, the Board of Directors considered that the members of the Remuneration and Appointments Committee as a whole have adequate knowledge and experience in financial matters or remuneration policies, in accordance with Recommendation 26 of the GC Code.

In view of the fact that both the functions relating to remuneration and the functions relating to the nomination of directors are assigned to the same committee, it is necessary to distinguish the functions exercised by it when it acts in one capacity or the other.

During the Financial Year, the functions of the Remuneration and Appointments Committee were formalised in the RAC Regulation, which, as mentioned, was approved by the Board of Directors on 6 February 2024. The RAC Regulation attributes to the Committee the proposing and advisory functions provided for by the CG Code in the field of appointments and remuneration. Specifically, this Committee has been granted the following functions in relation to remuneration:

- (i) propose the adoption of the policy for the remuneration of directors and managers with strategic responsibilities, including incentive plans;
- (ii) periodically assess the adequacy, overall consistency and actual application of the policy for the remuneration of directors and executives with strategic responsibilities, in this latter regard making use of the information provided by the directors and/or bodies with delegated powers; make proposals on the matter to the Board of Directors;
- (iii) submit proposals or express opinions to the Board of Directors on the remuneration of Executive Directors and other Directors who hold special offices and, according to the suggestions of the Managing Directors, of Executives with Strategic Responsibilities, as well as on the setting of *Performance* targets related to the variable component of such remuneration; monitor the application of the decisions adopted by the Board of Directors, verifying, in particular, the actual achievement of *performance* targets.

The Remuneration and Appointments Committee is also assigned the functions referred to in the remuneration policy adopted by the Company from time to time and, in particular:

- (i) support the Board of Directors in order to ensure that the choices made regarding remuneration are adequately informed, comply with the rules of transparency and strictly regulate potential conflicts of interest;
- (ii) formulate proposals to the Board of Directors with reference to the remuneration policy, including the incentive plans, with reference to the Managing Directors and the other Directors invested with particular positions, as well as, on the indication of the Managing Directors, for the determination of the criteria for the remuneration of the Managers of the Company with strategic responsibilities.

This Committee has been granted the following functions in relation to nominations:

- (i) assist the Board in the self-evaluation of the Board and its committees (e.g., in the definition of the self-evaluation questionnaire, if any, and of the Board's self-evaluation procedure in general as well as in reviewing the results of such self-evaluation procedure);
- (ii) assist the Board in defining the optimal composition of the Board itself and its committees, also in light of the findings of the Board of Directors' self-assessment;
- (iii) assist the Board in identifying candidates for the position of Director in the

- event of co-opting, formulating proposals and opinions in this regard;
- (iv) assist the Board in the possible presentation of a list by the outgoing Board to be carried out in a manner that ensures its transparent drafting and presentation, formulating proposals and opinions in this regard;
 - (v) assist the Board in the possible preparation, updating and implementation of the succession plan for the Managing Directors and any other executive directors of the Company, if deemed appropriate by the Board of Directors, by formulating proposals and opinions in this regard.

Pursuant to Recommendation 26 of the Corporate Governance Code, the Directors shall refrain from participating in the meetings of the Committee at which the proposals to the Board relating to their remuneration are made.

On the Reporting Date, the Remuneration and Appointments Committee met 3 times with the regular participation of its members. The sessions concerned (i) the examination and approval of the Remuneration Report and the related Board proposal to submit again the approval of the remuneration policy to the Shareholders' Meeting called to approve the financial statements as at 31 December 2023; (ii) the Board's self-assessment (questionnaire and related results); (iii) the examination of the annual report on the application of the GC Code, presented by the Italian Committee for Corporate Governance for 2023 (as far as the Remuneration and Appointments Committee is concerned).

The meetings were coordinated by the President and were regularly recorded.

The meetings of the Remuneration and Appointments Committee lasted an average of 1.5 hours.

The attendance of each member at the Committee meeting is shown in Tables 1 and 2 annexed to the Report.

8. REMUNERATION OF DIRECTORS

For a description of the remuneration policy, as well as the remuneration paid during the 2023 financial year, please refer, respectively, to Section I and Section II of the Remuneration Report available on the Issuer's *website* at www.pharmanutra.it, Governance section.

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

On 5 October 2020, the Issuer's Board of Directors resolved to approve the Memorandum on the internal control and risk management system, prepared pursuant to article 2.3.4, paragraph 2, letter c), of the Stock Exchange Regulations. In particular, the Issuer's management control system is designed to allow responsible parties (owners) to have a sufficiently complete overview of the financial position of the Company and of the Group headed by PHN on a regular and timely basis and to enable a correct:

- production of data and information with particular regard to consolidated financial information, according to dimensions of analysis appropriate to the type of business, the organisational complexity and the specific information needs of the management;
- processing of the forecast financial data of the business plan and the annual budget, as well as the verification of the achievement of corporate objectives through an analysis of deviations,
- monitoring of the main KPIs and risk factors affecting the Company and the main Issuer's controlled Group companies.

The internal control and risk management system consists of the set of rules, procedures and organisational structures aimed at allowing the identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company.

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

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

- (a) defines the guidelines of the internal control and risk management system in line with the Company's strategies and evaluates, at least annually, the adequacy of the same system with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness;
- (b) appoints and dismisses the head of the *internal audit* function, defining its remuneration in line with company policies, and ensuring that it is provided with adequate resources to carry out its duties. If it decides to entrust the *internal audit* function, as a whole or by operating segments, to a person external to the company, it ensures that it is equipped with adequate requirements of professionalism, independence and organisation and provides adequate justification for this choice in the report on corporate governance;
- (c) approves, at least annually, the work plan prepared by the head of the *internal audit* function, after consulting the control body and the *Chief Executive Officer*;
- (d) assesses the appropriateness of taking measures to ensure the effectiveness and impartiality of the judgement of the other company departments involved in the controls, verifying that they are equipped with adequate professionalism and resources;
- (e) assigns the supervisory functions pursuant to art. 6, paragraph 1, lett. b) of Legislative Decree no. 231/2001 to the supervisory body or to a specifically constituted body. In the event that the body does not coincide with the supervisory body, the administrative body shall evaluate the opportunity to appoint at least one non-executive director and/or a member of the supervisory body and/or the holder of legal or control functions of the company within the body, in order to ensure

coordination between the various parties involved in the internal control and risk management system;

(f) assesses, after consulting the supervisory body, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the supervisory body;

(g) describes, in the report on corporate governance, the main characteristics of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating the national and international models and *best practices* of reference, expresses its overall assessment on the adequacy of the system itself and reports on the choices made regarding the composition of the supervisory body referred to in point (e) above.

In the exercise of these functions, the Board makes use of the collaboration of the *Chief Executive Officer* pursuant to the Corporate Governance Code and the Control and Risk Committee; it also takes into account the organisational and management models adopted by the Issuer and the Group's companies of which the Issuer is head pursuant to Legislative Decree 231/2001.

The Issuer's Board of Directors, also taking into account the indications provided in the annual report of the Control and Risk Committee, expressed, at its meeting of 15 March 2024, a positive assessment on the adequacy, effectiveness and effective functioning of the internal control and risk management system, taking into account the characteristics of the company and the risk profile assumed.

In addition, during the Financial Year, the Board approved the work plan prepared by the Head of the *Internal Audit* Department, after consulting the Board of Statutory Auditors and the *Chief Executive Officer*.

For a description of the main characteristics of the risk management and internal control system in relation to the financial reporting process, pursuant to art. 123-bis, paragraph 2, letter b), TUF.

9.1 Chief Executive Officer

The Board assigned the position of *Chief Executive Officer* to the Vice-President of the Board of Directors and Executive Director, Mr. Roberto Lacorte.

The *Chief Executive Officer* shall be responsible for setting up and maintaining the internal control and risk management system.

In particular, pursuant to Recommendation 34 of the GC Code, the *Chief Executive Officer*:

- a) identifies the main business risks, taking into account the characteristics of the activities carried out by the company and its subsidiaries, and submits them periodically to the review of the Board of Directors;
- b) implements the guidelines defined by the administrative body, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its

adaptation to the dynamics of the operating conditions and the legislative and regulatory landscape;

c) may entrust the *internal audit* function with carrying out checks on specific operational areas and on compliance with internal rules and procedures in the execution of company operations, simultaneously notifying the chairman of the administrative body, the chairman of the Control and Risk Committee and the chairman of the control body;

d) promptly reports to the Control and Risk Committee on problems and critical issues which arise in conducting his/her activities or which he/she became aware of, so that the Committee may take suitable measures.

During the Financial Year, the *Chief Executive Officer* has:

(a) taken care of the identification of the main business risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and periodically has submitted them to the Board for examination;

b) implemented the guidelines defined by the administrative body, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of the operating conditions and the legislative and regulatory landscape;

It should be noted that during the Financial Year the *Chief Executive Officer* has not considered it necessary to request interventions from the Head of the *Internal Audit* function, nor has not considered it necessary to report to the Control and Risk Committee since no problems or critical issues emerged that required such disclosure.

9.2 Control and Risk Committee

On 26 April 2023, the Issuer's Board of Directors appointed as members of the Control and Risk Committee the Independent Directors Marida Zaffaroni (as Chairwoman), Alessandro Calzolari and Giovanna Zanotti.

At the time of their appointment, the Board of Directors considered that the members of the Control and Risk Committee have, on the whole, adequate expertise in the business sector in which the Company operates to assess the related risks. In addition, the Directors Alessandro Calzolari and Giovanna Zanotti have adequate knowledge and experience in accounting and financial matters/risk management.

On 3 February 2023, the Board of Directors approved the regulation of the Control and Risk Committee defining its operation rules.

Pursuant to the aforementioned regulation, the Control and Risk Committee has the task of assisting the Board of Directors' evaluations and decisions concerning the internal control and risk management system, by means of an adequate preliminary activity of a proposal and advisory nature, so that the main risks relating to the Company and its subsidiaries are correctly identified, as well as adequately measured,

managed and monitored.

More specifically, the Control and Risk Committee is entrusted with the tasks regarding control and risks as set forth in Recommendations 33 and 35 of the Corporate Governance Code, as also specified in the Committee's regulation.

Specifically, in assisting the Board the Control and Risk Committee:

- a) assesses, after consulting the Manager responsible for preparing the company's accounting documents, the Statutory Auditor and the supervisory body, the correct use of accounting principles and their homogeneity for the purposes of preparing the consolidated financial statements;
- b) assesses the suitability of periodic information, financial and non-financial, to correctly represent the *business* model, the strategies of the Company, the impact of its activity and the *performance* achieved;
- c) examines the content of the periodic non-financial information relevant to the internal control and risk management system;
- d) gives opinions on specific aspects relating to the identification of the main business risks and to the design, implementation and management of the internal control and risk management system, and supports assessments and support the assessments and decisions of the Board relating to the management of risks arising from prejudicial events of which the latter has become aware;
- e) examines the periodic reports, concerning the evaluation of the internal control and risk management system, and those of particular relevance prepared by the *internal audit* function;
- f) monitors the independence, adequacy, efficiency and effectiveness of the Internal *Audit Department*;
- g) may entrust the *internal audit* function with carrying out checks on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors and the Chairman of the control body;
- h) reports to the administrative body, at least every six months when approving the annual and half-yearly financial report, on the activity carried out and on the adequacy of the internal control and risk management system.

On 17 July 2023, with the approval of the Sustainability Report 2022, the Board of Directors resolved to expand the functions of the Control and Risk Committee in the ESG area by assigning it propositional and advisory functions towards the Board of Directors on sustainability issues.

Therefore, in addition to supporting the Board of Directors' assessments and decisions on the internal control and risk management system, the Control and Risk Committee has become the Control, Risk and Sustainability Committee with the following additional functions:

- a) examining and evaluating sustainability issues related to business operations and the dynamics of interaction with stakeholders;

- b) examining and evaluating the system for collecting and consolidating data for the preparation of sustainability reports and documents that will be required in the future as a result of the European Union's sustainability regulations;
- c) examining the Sustainability Report in advance, formulating an opinion for approval by the Board of Directors;
- d) monitoring the Group's positioning on sustainability issues, with particular reference to the Group's ranking in ethical sustainability indices;
- e) expressing opinions on any further sustainability issues at the request of the Board of Directors.

Pursuant to the provisions of art. 19, paragraph 2, of Legislative Decree no. 39/2010 as amended, the Board of Statutory Auditors has also been assigned the functions of the Committee for Internal Control and Auditing.

During the Financial Year and up to the Reporting Date, the Control, Risk and Sustainability Committee met 6 times. The meetings were coordinated by the Chairman and were sometimes attended by the Board of Statutory Auditors, the Supervisory Body, the Head of the *Internal Audit* function, the Manager responsible for preparing the corporate and financial reports, the Head of Legal and Corporate Affairs, representatives of the Independent Auditors and the Data Protection Officer, the Legal and Corporate Manager, the representatives of the Independent Auditors and the *Data Protection Officer*.

The meetings of the Control, Risk and Sustainability Committee lasted an average of 2.5 hours.

At its meetings, the Committee analysed the following issues pertaining to the 2023 and 2024 financial years:

- examination of the progress of the activities envisaged by the Audit Plan with reference to the individual audits and the *time line* for the assessment of the Internal Control and Risk Management System;
- examination of the progress of the audit activities, being carried out by BDO Italia S.p.A., on the half-yearly report as at 30 June 2023 and on the Financial Statements as at 31 December 2023 of the Company and verification of the guidelines, audit approach and work plan prepared by the aforementioned appointed auditing firm, as well as the underlying methodology and the main risks indicated therein, with reference to Pharmanutra S.p.A. and its main Subsidiaries;
- examination of the accounting principles adopted in the preparation of the periodic reports, the uniformity of such principles, and the instructions given to the Subsidiaries for the purposes of the financial reporting process, such activity being performed with the the Manager responsible for preparing the corporate and financial reports, after having heard the Auditor and the Board of Statutory Auditors;

- examination of the report on the compliance controls carried out pursuant to Italian Law 262/05 and the related statements produced by the Manager responsible for preparing the corporate and financial reports and the Internal Audit Manager for the Half-Yearly Financial Report as at 30 June 2023;
- examination of the report for the first half of 2023 provided by the Data Protection Officer to the Board of Directors;
- examination of the report for the first half of 2023 provided by the Supervisory Body pursuant to Italian Legislative Decree 231/01 to the Board of Directors;
- examination of the operational plans of the *Internal Audit* function and of the Supervisory Body, respectively;
- performance of preliminary activities for the preparation of par. 9 of this Annual Corporate Governance Report;
- examination of the Sustainability Plan.

As of the Reporting Date, the Committee also analysed the results of the *impairment test* procedure on subsidiaries - examined by the Board of Directors on 6 February 2024.

In the performance of its duties, the Committee shall have access to the information and business functions necessary for the performance of its tasks, as well as the use of external consultants, within the time limits set by the Board, which, however, have not been used to date.

9.3 Head of the Internal Auditing Office

The Board of Directors of 26 April 2023, on the proposal of the *Chief Executive Officer* and after obtaining the favourable opinion of all the members of the Control and Risk Committee and of the Board of Statutory Auditors, expressed on the same date, identified Mr. Pasquale Giovinazzo, an external professional of the Company, as Head of the *Internal Audit* function, attributing to this subject the functions provided for by the GC Code. The Board has ensured that this person is equipped with adequate requirements of professionalism, independence and organisation.

The Head of the *Internal Audit* Department, who is not responsible for any operational area of the Issuer and reports, for the activity carried out, directly to the Board of Directors, has direct access to all the information useful for the performance of his/her duties. During the Financial Year:

- has verified, both on a continuous basis and in relation to specific needs, and in compliance with international *standards*, the operation and suitability of the internal control and risk management system, through an *audit* plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks;
- has prepared periodic reports containing adequate information on its activities and on how risk management is carried out, as well as on compliance with the

plans defined for their containment, and an assessment of the suitability of the internal control and risk management system, and has transmitted them to the chairmen of the Board of Statutory Auditors, the Risk and Control Committee and the Board of Directors as well as to the *Chief Executive Officer*, except in cases where the subject of such reports specifically concerns the activities of such subjects;

- exercised its activity on the basis of the *audit* plan updated on 5 September 2022;
- on 6 February 2024 presented the 2024 *Audit* Plan to the Board of Directors.

The Board also resolved to allocate to it the necessary and/or appropriate resources for the performance of the aforementioned assignment and defined its remuneration in accordance with company policies.

9.4 Organisational model pursuant to Italian Legislative Decree no. 231/2001

By resolution of the Board of Directors of 15 April 2019, the Company adopted an organisational model aimed at ensuring conditions of fairness and transparency in the business activities, protecting its own position and image and that of the Group's companies, the expectations of its shareholders and the work of its employees. Said model is based on the specific requirements dictated by Italian Legislative Decree 231/2001.

On 31 January 2022, it was submitted for the approval of the Board of Directors the updating of the structural elements of the Organisational Model pursuant to Legislative Decree 231/2001 to pursue macro-objectives such as (i) the definition of a structured Risk Self-Assessment 231 for sensitive processes, (ii) the updating and reprocessing of the documents that constitute an integral part of the Model integrating the existing policies and procedures, (iii) the preparation of structured control protocols for sensitive processes, with evidence of the general principles of conduct and the control points for the prevention of crimes 231, (iv) the drafting of the procedure for information flows to the Supervisory Body, (v) the preparation of the Statutes of the Supervisory Body and (vi) the definition of the procedure for the management of whistleblowing reports at Group level.

This organisational model is divided into two sections called "General Section" and "Special Section" respectively.

With reference to the "General Part" of the Company's organisational model, it should be noted that this part, in addition to qualifying the scope and contents of Italian Legislative Decree no. 231/2001 in the corporate sphere, describes: (i) the objectives and methods for checking and updating the model; (ii) the organisation and functioning of the supervisory body; (iii) the communication and training processes activated by the Company; (iv) the identification of activities at risk of offences being committed; (v) the identification of 'sensitive' processes relating to areas at risk; (vi) the protocols for the formulation and implementation of decisions;

(vii) the methods for managing financial resources; (viii) the information flows to the supervisory body.

The section called "Special Section" describes, for each 'sensitive' process identified (i.e., procurement process, industrial process, financial process, administrative process, IT system management process and HR management process), the ways in which the relevant activities are carried out and indicates, where relevant, the specific procedures to be followed, providing in particular: (i) the protocols for the formulation and implementation of decisions; (ii) the methods of managing financial resources; (iii) the obligations to inform the supervisory body. The individual Special Parties refer to the specific types of crime potentially configurable in Pharmanutra's business reality, with the aim of preventing:

- crimes against the public administration and against property committed to the detriment of the State or other public body or the European Union referred to in Articles 24, and 25 of the Decree;
- computer crimes referred to in art. 24-*bis*;
- crimes against industry and commerce referred to in art. 25-*bis*;
- corporate offences referred to in art. 25-*ter* of the Decree;
- crimes of manslaughter and serious or very serious negligent injuries, committed in violation of the accident prevention regulations and on the protection of hygiene and health at work pursuant to art. 25-*septies*;
- crimes of receipt, money laundering, use of money, goods or other benefits of illicit origin and self-laundering pursuant to art. 25-*octies*;
- offences relating to the infringement of copyright referred to in art. 25-*nonies*;
- crimes of forgery in instruments and signs of recognition referred to in art. 25-*bis*;
- crimes against the individual personality referred to in art. 25-*quinquies*;
- offences of insider dealing and market manipulation referred to in art. 25-*sexies*;
- crimes against the administration of justice referred to in art. 25-*decies*;
- environmental offences referred to in art. 25-*undecies*;
- cases relating to the employment of illegally staying third-country nationals referred to in art. 25-*duodecies*;
- tax offences referred to in art. 25-*quinquiesdecies*;
- smuggling offences referred to in art. 25-*sexiesdecies*.

On 6 November 2023, the Board of Directors approved the revision of the "*Pharmanutra Group's Whistleblowing Management Procedure*", previously approved on 31 January 2022, by introducing the principles on *Whistleblowing* as defined by Italian Law no. 179 of 30 November 2017 and further reinforced by the introduction of Italian Legislative Decree no. 24 of 10 March 2023. In compliance with the provisions of the reference legislation, the Company has adopted a system of anonymous

whistleblowing, committing itself to protect and safeguard those who, within the work context, become aware of an offence and/or irregularity and decide to make a report. The "*Pharmanutra Group's Whistleblowing Management Procedure*" is available on the Pharmanutra website www.pharmanutra.it, Section *Governance / Whistleblowing / Whistleblowing Procedure*.

The Supervisory Body currently in office was appointed by resolution of the Board of Directors on 26 April 2023 and is composed of Mr. Luigi Michele Giordano (Chairman), Mr. Guido Carugi (Statutory Auditor) and Mr. Pasquale Giovinazzo (Internal Audit Manager). The Supervisory Body will remain in office until the approval of the financial statements as at 31 December 2025.

9.5 Independent auditors

On 13 October 2020, the Issuer's Ordinary Shareholders' Meeting resolved to confer BDO Italia S.p.A. (the "**Auditing Company**") for the years 2020 – 2027, pursuant to art. 13 of Legislative Decree 39/2010 and article 16 of Regulation (EU) No. 537/2014, subject to mutual termination of the assignment for the statutory audit of the accounts conferred on the same on 15 April 2019 and effective as of the Trading Start Date, with the task of carrying out the statutory audit of the statutory financial statements and consolidated financial statements, verification of the regularity of the company's accounts and the consistency of the management report with the financial statements and its compliance with the law, verification of the consistency of certain specific information contained in the report on corporate governance and ownership structures indicated in art. 123-*bis* of the TUF, as well as for the limited audit of the consolidated first half financial statements.

9.6 Manager responsible for preparing the Company financial reports and other corporate roles and functions

Pursuant to art. 21 of the Articles of Association, the Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, appoints and revokes the Manager responsible for preparing the financial reports, pursuant to art. 154-*bis* of the TUF, and determines his remuneration.

The Manager responsible for preparing the Company financial reports must have, in addition to the requirements of integrity prescribed by current legislation for those who carry out administrative and management functions, requirements of professionalism characterised by specific competence in administrative and accounting matters. This competence, to be ascertained by the Board of Directors, must be acquired through work experience in a position of appropriate responsibility for a reasonable period of time.

The Manager responsible for preparing the Company financial reports has the powers and functions established by law and other applicable provisions, as well as the powers and functions established by the Board of Directors at the time of his/her appointment or by subsequent resolution.

In this regard, the Board of Directors of 13 October 2020 resolved to identify, with effect from the Start Date of the Negotiations, Francesco Sarti, who holds the role of *Chief Financial Officer* of the Company, as the Manager in charge of preparing the corporate accounting documents, assigning to him the powers and functions referred to in art. 154-*bis* of the TUF and the applicable legal and regulatory provisions.

* * *

It should be noted that in the Issuer's organisation chart there are no other corporate roles and functions with specific tasks regarding control and internal control and risk management other than those indicated in the previous paragraphs.

9.7 Coordination among entities involved in the Internal Control and Risk Management System

The Issuer, in order to ensure continuous coordination between the various parties involved in the internal control and risk management system, has provided that, tendentially, all periodic meetings take place simultaneously and jointly between the Control, Risk and Sustainability Committee, the Head of the *Internal Audit* function, the Board of Statutory Auditors, the Manager responsible for preparing the Corporate Accounting Documents, the Supervisory Body. This makes it possible to maximise the efficiency of the internal control and risk management system implemented by the Issuer, also with a view to the timely exchange of information between all the parties involved, while reducing the risk of any duplication of activities. In any case, it should be noted that the Board of Statutory Auditors and the Control, Risk and Sustainability Committee are expected to promptly exchange the information relevant to the performance of their respective tasks and the Chairman of the Board of Statutory Auditors, or another auditor appointed by him, participates in the work of the Control, Risk and Sustainability Committee.

On 15 March 2024, the Board of Directors, in accordance with the provisions of Recommendation 33, letter a) of the Corporate Governance Code, after consulting the Internal Audit Manager, the Control, Risk and Sustainability Committee and the Supervisory Body, expressed an opinion of adequacy with regard to the aforementioned methods of coordination between the various parties involved in the internal control and risk management system.

10. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS – RELATED PARTY COMMITTEE

On 23 October 2020, the Issuer's Board of Directors resolved to adopt a new procedure for Transactions with Related Parties, subject to the favourable opinion of the Independent Directors in office on that date (the "**OPC Procedure**"). The OPC Procedure entered into force as of the Negotiations Start Date and was last amended on 29 June 2021.

The RPT Procedure establishes the rules governing the procedures for the identification, approval and management of the Company's transactions with related

parties in order to ensure the transparency and substantive and procedural fairness of transactions with related parties, carried out directly or through subsidiaries pursuant to art. 93 TUF or otherwise companies subject to management and coordination.

In addition, it should be noted that the Company, as a smaller company pursuant to article 3 of the "RPT Regulations" adopted by Consob with resolution no. 17221 of 12 March 2010 as subsequently amended (the "**RPT Regulations**") – applies to related party transactions – including the more relevant ones (as identified in accordance with Annex 3 of the RPT Regulations) – a procedure which takes into account the principles and rules set out in article 7 of the RPT Regulations, as an exception to article 8 of the RPT Regulations.

For further information on the RPT Procedure, please refer to the procedure available on the website www.pharmanutra.it, *Governance* section.

As indicated in paragraph 6 above, on 26 April 2023 the Issuer confirmed the set up of an RPT Committee made up of 3 independent directors and, namely, Alessandro Calzolari (as Chairman), Marida Zaffaroni and Giovanna Zanotti.

The Committee is assigned the functions set out in the RPT Procedure.

During the Financial Year and up to the Reporting Date, the Related Party Transactions Committee met once.

If the nature, size and characteristics of the transaction require it, the RPT Committee (or, as the case may be, the persons replacing it) has the right to seek the assistance, at the Company's expense, of one or more independent experts of its choice, through the acquisition of appropriate assessments and/or *fairness* and/or *legal opinions*.

11. BOARD OF STATUTORY AUDITORS

11.1 Appointment and Replacement of Statutory Auditors

Pursuant to article 22 of the Articles of Association, the Board of Statutory Auditors consists of three standing auditors and two alternate auditors.

The statutory auditors remain in office for 3 financial years and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for their third year in office. They may be re-elected. The powers and duties of the Board of Statutory Auditors and of the Statutory Auditors are those established by the law in force *at the time*.

The Statutory Auditors must meet the requirements of the laws and regulations in force *at the time*, including those concerning the limit on the number of offices held, as set forth in the relevant laws and regulations in force *at the time*.

For the purposes of article 1, paragraph 2, letters b) and c), of Italian Ministerial Decree no. 162 of 30 March 2000, as subsequently amended and supplemented, and as established in art. 22.2 of PHN's Articles of Association, the following matters are considered to be strictly pertinent to the Company's business: commercial law, company law, tax law, business administration, corporate finance, disciplines with a similar or comparable purpose, as well as matters and sectors inherent to the business

of the Company and referred to in the Company's object as set out in art. 3 of PHN's Articles of Association.

The Ordinary Shareholders' Meeting elects the standing and alternate members of the Board of Statutory Auditors on the basis of the lists submitted by the shareholders in accordance with the procedures indicated below, in compliance with the rules on gender balance set out in art. 148, paragraph 1-*bis*, of the TUF and other applicable provisions. Therefore, for the number of mandates established by the above-mentioned provisions, at least the portion of the members of the Board of Statutory Auditors indicated therein must belong to the under-represented gender, rounding off in case of decimals according to the criterion specified by the same provisions.

The right to submit lists is held by the shareholders who, at the time the list is submitted, alone or together with others own shares representing at least the minimum percentage of the share capital with voting rights at the Ordinary Shareholders' Meeting as established by Consob, which will in any case be indicated in the notice of call. In this regard, it should be noted that, as at the Reporting Date, Consob has set at 2.5% of the share capital the shareholding percentage required for the submission of lists for the election of the Company's Control Body (*see* Executive Resolution of the Head of the *Corporate Governance* Division no. 92 of 31 January 2024).

Each shareholder, the shareholders who are parties to a shareholders' agreement pursuant to article 122 of the TUF, the controlling shareholder, subsidiaries and companies under joint control, as well as other parties who are connected, directly or indirectly, pursuant to applicable laws and regulations in force *at the time*, may not file or contribute to the filing of more than one list, including through a third party or trust company, and may not vote for more than one list.

Each candidate may appear on only one list, under penalty of ineligibility.

Each list shall contain the names, marked by a progressive number, of a number of candidates not exceeding the number of members to be elected.

The lists are divided into 2 (two) sections: one for candidates for the role of Standing Auditor and the other for candidates for the role of Alternate Auditor. The first of the candidates in each section must be enrolled in the register of statutory auditors and have carried out statutory auditing activities for a period of not less than 3 (three) years. The other candidates, if not satisfying the requirement foreseen in the immediately preceding period, must meet the other professional requirements under the prevailing law and regulations in force *at the time*.

For the period of application of the applicable laws and regulations on gender balance in force *at the time*, each list including – considering both sections overall – a number of candidates equal to or greater than 3 must also include candidates belonging to both genders, so as to ensure a Board of Statutory Auditors composition in compliance with gender balance provisions, under art. 148, paragraph 1-*bis*, of the TUF, and the other provisions in force on the matter, rounding off, in the case of decimals, according to the criterion specified by the same provisions.

The lists submitted must be filed at the Company registered office, even by remote means of communication as specified in the notice of call, in accordance with the

terms and procedures provided for by the applicable laws and regulations in force *at the time*. If only one list has been submitted by the deadline for filing lists, or only lists submitted by shareholders who are associated with each other pursuant to applicable laws and regulations in force *at the time*, other lists may be submitted up to the next deadline provided for by laws and regulations in force *at the time*. In this case, the shareholding required to submit the lists referred to in the previous paragraph is reduced by half.

The lists must be accompanied by: (a) information regarding the identity of the shareholders who have submitted the lists, with an indication of the total percentage of shareholdings, with a certification showing ownership of said shareholding issued by an intermediary authorised by law. It being understood that this certification may also be produced after the filing of the lists, provided that it is within the deadline set for the publication of the lists by the Company; (b) a statement by the shareholders other than those who hold, even jointly, a controlling interest or a relative majority, certifying the absence of any relationship of connection, even indirect, pursuant to applicable laws and regulations in force *at the time*, with the latter; (c) exhaustive information on the personal and professional characteristics of the candidates, with an indication of their memberships in the board of directors or the board of statutory auditors of other companies, as well as a statement by the candidates themselves that they meet the requirements, including those of integrity, professionalism, independence and those concerning the limit on the number of offices held, provided for by the laws and regulations in force *at the time* and under the Articles of Association, and their acceptance of the nomination and of the office, if elected; and (d) any other or different statement, information and/or document provided for by the laws and regulations in force *at the time*.

Lists submitted without complying with the above provisions shall be considered as not submitted. However, the lack of documentation relating to individual candidates on a list does not automatically lead to the exclusion of the entire list, but only of the candidates to whom the irregularities relate.

The lists duly filed, as well as the information submitted with them, shall be published in accordance with the applicable laws and regulations in force *at the time*.

The election of the Board of Statutory Auditors takes place in accordance with the following provisions:

- a) 2 (two) Standing Auditors and 1 (one) Alternate Auditor are taken from the list that received the highest number of votes, in the order in which they are listed on the corresponding sections of the list;
- b) the remaining Standing Auditor and the remaining Alternate Auditor are taken, on the basis of the progressive order in which they are listed in the corresponding sections of the list, from the list that came second in terms of number of votes after the list referred to in letter a) above, with votes cast by shareholders who are not connected in any way (not even indirectly), pursuant to applicable laws and regulations in force *at the time*, with the shareholders who submitted or voted for the list that came first in terms of number of votes.

In the event of a tie between lists, the list submitted by shareholders owning the largest shareholding or, subordinately, by the largest number of shareholders shall prevail.

If, at the end of the vote, the composition of the Board of Statutory Auditors with the elected candidates does not comply with the applicable laws and regulations in force *at the time* concerning gender balance, the candidate of the most represented gender elected last in progressive order in the relevant section of the list obtaining the highest number of votes shall be excluded from the list of candidates for the position of Standing Auditor and this candidate shall be replaced by the first unelected candidate from the same section of the under-represented gender, in progressive order. If, at the end of this replacement procedure, the composition of the Board of Statutory Auditors does not comply with the applicable laws and regulations on gender balance in force *at the time*, the replacement will take place by a resolution passed by the Shareholders' Meeting by a majority of the votes represented therein, subject to the nomination of candidates belonging to the under-represented gender.

If the number of candidates elected on the basis of the lists submitted is less than the number of Statutory Auditors to be elected, the remaining Statutory Auditors are elected by the Shareholders' Meeting, which resolves with the majority of the votes represented therein and, in any case, in such a way as to ensure compliance with the applicable laws and regulations on gender balance in force *at the time*. In case of a tie vote between several candidates, there shall be ballot between these candidates by means of another vote at the Meeting, resulting mainly the candidate who gets the most votes.

If only one list is submitted, the Shareholders' Meeting shall vote it and, if it obtains a majority of the votes represented therein, all members of the Board of Statutory Auditors shall be drawn from that list, in compliance with the applicable laws and regulations in force *at the time*, also on gender balance.

If no list is submitted or if only one list is submitted and that one does not obtain a majority of the votes represented at the Shareholders' Meeting, or if the entire Board of Statutory Auditors does not need to be reappointed, or if it is not possible for any reason to proceed with the election of the Board of Statutory Auditors in the manner described in the above paragraphs, the members of the Board of Statutory Auditors are appointed by the Shareholders' Meeting in the ordinary manner with a majority of the votes represented at the Shareholders' Meeting, without applying the list vote mechanism, and in any case in such a way as to ensure compliance with the applicable laws and regulations on gender balance in force *at the time*.

The Chair of the Board of Statutory Auditors is the Standing Auditor elected from the minority list referred to in letter b) above, unless only one list is voted for or no list is submitted; in this case, the Chair of the Board of Statutory Auditors is appointed by the Shareholders' Meeting, which decides by a majority of the votes represented.

If, during the course of the financial year, a member of the Board of Statutory Auditors taken from the list that came first in terms of the number of votes is no longer available, s/he is replaced, until the next Shareholders' Meeting, by the first Alternate Auditor taken from the same list. If, during the course of the financial year, a member of the Board of Statutory Auditors taken from another list different from

the one that came first in terms of the number of votes is no longer available, s/he is replaced, until the next Shareholders' Meeting, by the first Alternate Auditor taken from the same list, also as Chair of the Board of Statutory Auditors.

If the replacement mechanism described above with Alternate Auditors does not allow compliance with the applicable laws and regulations on gender balance in force *at the time*, the Shareholders' Meeting must be called as soon as possible to ensure compliance with said laws and regulations.

If the Shareholders' Meeting is required by law to appoint the Statutory Auditors needed to fill vacancies on the Board of Statutory Auditors following termination of office, it shall proceed in accordance with the following provisions.

If it is necessary to replace one or more members of the Board of Statutory Auditors taken from the list that came first in terms of number of votes, the replacement will take place by decision of the Ordinary Shareholders' Meeting, which will resolve with a majority of the votes represented therein, without any constraints on the choice among the members of the lists previously submitted.

If, on the other hand, it is necessary to replace a member of the Board of Statutory Auditors taken from a list other than the one that came first in terms of the number of votes, the Shareholders' Meeting shall, by a resolution passed by the majority of the votes represented therein, select the replacement, where possible, from among the candidates indicated on the list to which the Auditor to be replaced belonged, who have confirmed their candidature in writing at least 20 (twenty) days prior to the date set for the Shareholders' Meeting, together with statements concerning the absence of causes of ineligibility or disqualification, as well as the satisfaction of the requirements for the office under the applicable laws and regulations in force *at the time*, or under the Articles of Association. If this replacement procedure is not possible, the member of the Board of Statutory Auditors shall be replaced by a resolution to be passed by a majority of the votes represented at the Shareholders' Meeting, respecting the representation of minorities. All this shall be in compliance with the applicable laws and regulations on gender balance in force *at the time*.

If the requirements of the law and the Articles of Association are no longer met, the member of the Board of Statutory Auditors shall be removed from office.

11.2 Composition and functioning of the Board of Statutory Auditors (under article 123-*bis*, paragraph 2, letters d) and d-*bis*), TUF)

Pursuant to article 22 of the Articles of Association, meetings of the Board of Statutory Auditors may also be held via teleconferencing and/or video conferencing, provided that: (a) the Chair and the person taking the minutes are present in the same place specified in the notice of call: and (b) all participants can be identified and are able to follow the discussion, receive, transmit and view documents, and take the floor to speak in real time on all matters. If these requirements are met, the Board of Statutory Auditors is considered to be held in the place where the Chair and the person taking the minutes are located.

The Board of Statutory Auditors of the Issuer in office as at the Reporting Date was appointed by the Ordinary Shareholders' Meeting of 27 April 2022 and will remain in office for three financial years and therefore until the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2024.

The current Board of Statutory Auditors, as at the Reporting Date, consists of the Standing Auditors Giuseppe Rotunno, appointed Chairman, Debora Mazzaccherini and Michele Luigi Giordano and the Alternate Auditors Elena Pro and Alessandro Lini, all drawn from the single list submitted by the shareholders ALH S.r.l., RLH S.r.l., Roberto Lacorte and Beda S.r.l., owners of a total of 6,292,160 ordinary shares in PharmaNutra, equal to 64.999% of the related share capital.

The aforementioned list received the favourable vote of 99.951% of the voting parties.

It should be noted that the aforementioned appointment took place in compliance with the gender requirements set forth in Article 148, paragraph 1-*bis*, of TUF.

For more information, please refer to the *curricula vitae* of the Statutory Auditors, available on the Issuer's *website* at www.pharmanutra.it, "Investor" section.

The members of the Board of Statutory Auditors in office on the Report Date are indicated in the following table:

First and last name	Position	Place and date of birth
Giuseppe Rotunno	Chair of the Board of Statutory Auditors	Pisa (PI), 20/02/1966
Debora Mazzaccherini	Standing Auditor	Cascina (PI), 26/05/1971
Michele Luigi Giordano	Standing Auditor	San Giorgio la Molara (BN), 21/06/1968
Elena Pro	Alternate Auditor	Pisa (PI), 19/07/1967
Alessandro Lini	Alternate Auditor	Fucecchio (FI), 26/11/1964

For more information on the structure of the Board of Statutory Auditors, please refer to Table 3 in the appendix to this Report.

The list of administrative and control positions held, as of 31 December 2023, by the members of the Board of Statutory Auditors pursuant to Article 148-bis of the Consolidated Law on Finance and related implementing provisions is contained in the appropriate Table 4 in the appendix to this Report.

As indicated in the Illustrative Report on the Appointment of the Board of Statutory Auditors prepared by the Board pursuant to art. 125-*ter* of the TUF, in view of the

Shareholders' Meeting to approve the financial statements for the financial year 2021, during the meeting of 18 March 2022 the Board of Directors of the Company defined, in consultation with the Board of Statutory Auditors and taking into account i) the Principles and Recommendations of the Corporate Governance Code in terms of the composition of the control body, as well as ii) the results of the self-assessment process of the Board of Statutory Auditors for the financial year 2021, the guidelines on the composition of the control body also with reference to diversity criteria such as age, gender composition and educational and professional background. On this occasion, the Board, having consulted the Board of Statutory Auditors, formulated the following recommendations:

- with reference to the regulations on gender balance and the Articles of Association in force, it is recommended that at least one standing auditor belongs to the less represented gender;
- with reference to diversity policies (Article 123-*bis*, letter d-*bis*), TUF), also in order to promote understanding of the Company's organisation and its activities, as well as the proper functioning of its *governance*, it recommended that, without prejudice to the legal requirements on professionalism, independence and gender balance: (a) the Board is characterised by the diversity in terms of age of its members; and (b) the educational and professional background of the Statutory Auditors guarantees a balanced combination of profiles and experience suitable to ensure the proper performance of the control activities assigned to the Board of Statutory Auditors.

The aforementioned Illustrative Report is available on the Company's *website* in the Section *Governance* section/Shareholders' Meeting/2022.

The members of the Board of Statutory Auditors have stated that they meet the independence requirements pursuant to applicable laws and regulations.

The Board of Statutory Auditors assesses the independence of its members, also on the basis of the criteria provided for by the GC Code with reference to the Directors, after the appointment and subsequently, during the term of office, on an annual basis.

As to the adoption of quantitative and/or qualitative criteria to be used in assessing the significance of the relationships under examination for the purposes of Statutory Auditors' independence, in compliance with the TUF provisions and the recommendations of the CG Code, reference is made to paragraph 4.7 above on the adoption of criteria for assessing the independence of Directors.

The Board of Statutory Auditors, assessing all the circumstances that appear to compromise the independence identified by the TUF and the Code and considering all the information made available by each member of the Board of Statutory Auditors, verified the permanence of the independence requirements referred to in Recommendation 7 of the Code of Corporate Governance and art. 148, paragraph 3, lett. b) and c) of the TUF for its members on 2 February 2023.

During the Financial Year, the Board of Statutory Auditors met 6 times with the regular participation of the members. The sessions of the Board of Statutory Auditors

lasted an average of 3.5 hours. Table 3 attached to the Report indicates the participation of each member in the meetings of the Board of Statutory Auditors during the Financial Year.

The Company considers that the remuneration of the Statutory Auditors determined by the Shareholders' Meeting of 27 April 2022 is adequate to the competence, professionalism and commitment required by the relevance of the role held and the dimensional and sectoral characteristics of the company and its situation, also applying art. 4 of Recommendation 30 of the CG Code.

With regard to the remuneration paid during the Financial Year to the supervisory body for any reason and in any form, please refer to what is illustrated in Section II of the Remuneration Report.

As it is considered that it is a deontological duty to inform the other Statutory Auditors and the Chairman of the Board of Directors in the event that an Auditor has, on his/her own behalf or on behalf of third parties, an interest in a certain operation of the Issuer, no specific obligation has been provided for in this regard.

In carrying out its activities, the Board of Statutory Auditors coordinated with the *Internal Audit* function and the Control and Risk Committee. For more information on the procedures for such coordination, see paragraph 9 above.

Pursuant to the provisions of art. 19, paragraph 2, of Legislative Decree no. 39/2010 as amended, the Board of Statutory Auditors has also been assigned the functions of the Committee for Internal Control and Auditing.

12. RELATIONS WITH SHAREHOLDERS

In compliance with the recommendations of the GC Code, the Issuer has created a specific section of its website (www.pharmanutra.it) where all the information concerning the Issuer and the Group that is relevant to its Shareholders and those required by the regulations, including regulations, applicable to companies listed on a regulated market, are made available to the public.

On 13 October 2020 the Board of Directors appointed the Vice-President of the Board of Directors and Managing Director Roberto Lacorte as head of the *Investor Relations* function pursuant to the GC Code.

The Company recognises that it is in its own specific interest, as well as its duty to the market, to establish an ongoing dialogue, based on a mutual understanding of roles, with all Shareholders and institutional investors, in compliance with the legal provisions applicable to listed companies for the external disclosure of corporate documents and information. In this context, also in accordance with the provisions of Principle IV of the Corporate Governance Code, the Board therefore promotes dialogue with shareholders and other relevant *stakeholders* in the most appropriate forms, through the *Investor Relations* function specifically dedicated, in compliance with the rules on the circulation of inside information. Company conduct and procedures are aimed, inter alia, at avoiding information asymmetries.

Taking into account the foregoing and the commitment made during the Financial

Year, on 11 September 2023 the Company's Board of Directors adopted a policy for the management of dialogue with shareholders, at the proposal of the Chairman, formulated in agreement with the *chief executive officer*. With the adoption of the "*Policy for the management of dialogue with all Pharmanutra S.p.A. shareholders*" (the "**Policy**"), the Company intended to fully implement the practices already adopted by the Issuer to promote dialogue, which, as mentioned, is recognised by the Company as its own specific interest as well as a duty towards the market.

As to the most relevant topics being the subject of dialogue with the shareholders, in addition to the analysis of the economic results during the Financial Year, the shareholders showed interest in deepening the strategies adopted by the Company for the implementation and launch of new projects, and in particular the establishment of Pharmanutra U.S.A. and the U.S. market, Pharmanutra España and the Spanish market and the *e-commerce* channel in China.

The Policy is published on the Company's *website* in the Section *Governance / Corporate Documents*.

13. SHAREHOLDERS' MEETINGS (*under art. 123-bis, paragraph 2, letter c), TUF*)

Pursuant to art. 9 of the Articles of Association, the Shareholders' Meeting is called by means of a notice, containing the information required by the regulations applicable *at the time*; said notice is published as required by law on the Company's *website*, as well as by the other means provided for by the regulations applicable *at the time*.

The Shareholders' Meeting, both ordinary and extraordinary, is held in a single call, pursuant to and for the purposes of article 2369, paragraph 1, of the Italian Civil Code. However, the Board of Directors may decide that the Ordinary Shareholders' Meeting shall be held in two sessions and that the Extraordinary Shareholders' Meeting shall be held in two or three sessions, applying the majorities respectively established by the legislation, including regulations, *pro tempore* in force with reference to each of these cases. Notice of such decision shall be given in the notice of call.

The Shareholders' Meeting may also be convened outside the Company's registered office, provided that it is in a member country of the European Union.

The Ordinary Shareholders' Meeting must be called by the Board of Directors at least once a year, within 120 days of the end of the financial year or, in the cases provided for by art. 2364, second paragraph, of the Italian Civil Code, within 180 days of the end of the financial year, without prejudice to any further deadline provided for by the regulations in force.

Entitlement to attend the Shareholders' Meeting and exercise voting rights is governed by the regulations in force *at the time* and by the Articles of Association.

Those who have the right to vote may ask questions on the items on the agenda even before the Shareholders' Meeting pursuant to art. 127-*ter* of the TUF. Questions received prior to the Shareholders' Meeting shall be answered at the latest during the

Meeting. The Company reserves the right to provide a single answer to questions with the same content. The notice of call shall specify the time limit within which questions asked before the Shareholders' Meeting must be received by the Company. The deadline may not be earlier than five trading days prior to the date of the Shareholders' Meeting in first or single call, or the *record date pursuant* to art. 83-*sexies*, paragraph 2, TUF (end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting) if the notice of call provides that the Company shall provide an answer to the questions received, prior to the Shareholders' Meeting. In the latter case, the answers are provided at least two days before the Shareholders' Meeting also by publication in a specific section of the Company's *website*; the ownership of the voting right can also be certified after the sending of the questions provided that within the third day following the aforementioned *record date*. Those who have the right to vote may be represented at the Shareholders' Meeting in accordance with the law, by proxy issued in the manner provided for by current legislation. The proxy may also be notified to the Company electronically by transmission via certified electronic mail in accordance with the procedures indicated in the notice of call. The Board of Directors may designate, from time to time for each Shareholders' Meeting, one or more parties to whom those entitled to vote may grant a proxy in accordance with the applicable laws and regulations in force *at the time*, providing information in accordance with the said provisions.

The Shareholders' Meeting is chaired by the Chair of the Board of Directors or, in the event of his absence or impediment, by the Vice Chair or by one of the managing directors, if appointed and present; failing this, the Shareholders' Meeting elects its own Chair.

The Chair of the Shareholders' Meeting, also by means of specific appointees, verifies the regularity of the constitution of the Shareholders' Meeting, ascertains the identity and legitimacy of those present, regulates the work, establishing the methods of discussion and voting and ascertains the voting results, in accordance with the regulations in force *at the time*, these Articles of Association and any Shareholders' Meeting regulations adopted by the Company.

The Chair of the Shareholders' Meeting is assisted by a secretary, who may or may not be a shareholder, appointed by those present and may appoint one or more scrutineers. In the cases provided for by law or when deemed appropriate by the Chair, the minutes shall be drawn up by a Notary chosen by the Chair, who shall act as Secretary.

The Issuer has not recognized, at present, also in consideration of the recent Quotation, the need for specific regulations for the regulation of the work of the Shareholders' Meeting, considering the management of the Shareholders' Meeting by the Chairman to be exhaustive on the basis of the participation rules summarized by him at the opening of each meeting.

The resolutions of the Shareholders' Meeting must be recorded in the minutes, drawn up in compliance with the legislation in force *at the time* and signed by the Chair and the Secretary or by the Notary chosen by the Chair.

The Ordinary and Extraordinary Shareholders' Meeting resolves on the matters

assigned to it by the Articles of Association, law and regulations. Ordinary and Extraordinary Shareholders' Meetings are validly constituted and pass resolutions with the majorities required by law.

For further information, please refer to the Articles of Association available on the website www.pharmanutra.it, "Governance" section.

The Issuer does not recognize, at present, the need for a specific regulation for the regulation of shareholders' meetings, considering the management of the Shareholders' Meeting by the Chairman to be exhaustive.

Pursuant to art. 106, paragraph 4 of Legislative Decree no. 18 of 17 March 2020, as converted into Law no. 27 of 24 April 2020 and as subsequently extended, at the only Shareholders' Meeting held during the Financial Year (on 26 April 2023), those entitled to vote were allowed to attend the Shareholders' Meeting exclusively through the representative designated by the Company pursuant to art. 135-*undecies* of the TUF (to whom specific proxy was conferred).

14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (*under art. 123-bis, paragraph 2, letter a), TUF*)

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

15. CHANGES SINCE THE END OF THE REPORTING PERIOD

From the end of the Financial Year up to the Reporting Date, there have been no changes in the *corporate governance* structure of the Company.

16. CONSIDERATIONS ON THE LETTER DATED 14 DECEMBER 2023 FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE

The letter of 14 December 2023, addressed by the Chairman of the Corporate Governance Committee to the Chairmen of the Boards of Directors of the Italian listed companies, was brought to the attention of the Remuneration and Appointments Committee, the Control and Risk Committee, the Board of Directors and the Board of Statutory Auditors.

First of all, it should be noted that, as done also in relation to the 2022 financial year, in order to implement the Committee's Recommendations for *Corporate Governance* 2023, the Issuer has highlighted in short the essential information regarding adherence to the specific recommendations of the Corporate Governance Code by including a table in Annex 1 to the Report that indicates the application, non-application or non-applicability for each provision.

The Board of Directors acknowledged the analyses and recommendations contained in the letter and, in particular, noted:

- as to the involvement of the Board of Directors in the preparation, even before approval, of the Business Plan, that, also pursuant to the provisions of the CG

Code, that the Board of Directors' Regulation already considers the Board's involvement in the approval and monitoring of the implementation of the Business Plan. In fact, it should be noted that, pursuant to art. 3.4 of the Board Regulation, the administrative body (a) examines and approves the Company's and the Group's business plan, also based on the analysis of issues relevant to the generation of long-term value, and (b) periodically monitors the implementation of the business plan and assesses the general performance of operations, by periodically comparing the results achieved with those planned;

- with regard to the timing of the pre-Board briefing, as mentioned in paragraph 4.4., that the PHN Board of Directors' Regulation provides that any documentation relating to individual meetings must be made available to directors, as a rule, at least 5 (five) days in advance of the convened board meeting. During the Financial Year, this term was met;
- as to the advisability, recommended by the *Corporate Governance* Committee, that the Board of Directors defines, on the occasion of its own renewal, an orientation to the shareholders on the composition deemed optimal, in quantitative and qualitative terms, by the outgoing administrative body, that the orientation formulated by the Board of Directors on the occasion of its own renewal by the Shareholders' Meeting called to approve the financial statements as at 31 December 2022 was published timely, so as to allow shareholders interested in presenting a list, to take due note of it. In fact, since Recommendation 23 of the *Corporate Governance Code*, which requires companies other than those with "concentrated ownership" to publish the aforesaid orientation sufficiently in advance of the notice of call, did not apply to PHN, the Issuer decided to include it in the illustrative report prepared pursuant to art. 125-ter, TUF, relating to the appointment of the Board of Directors by the Shareholders' Meeting convened to approve the financial statements as at 31 December 2022, deeming it congruous to publish it at the same time as the publication of the notice of call of the Shareholders' Meeting.

* * *

This Report was approved by the Board of Directors on 15 March 2024.

Pisa, 15 March 2024

PharmaNutra S.p.A.

For the Board of Directors

The Chairman

Andrea Lacorte

Table 1: Structure of the Board of Directors until 26 April 2023

Board of Directors													Remuneration and Nomination Committee		Control and Risk Committee		Related Parties Committee	
Position	First and Last name	Date of birth	Date of first appointment **	In office since	In office until	List	Executive	Non-Executive	Ind. pursuant to the Code	Ind. pursuant to the TUF	No. of other offices ***	Board of Directors meetings no. ****	P/M ◇	No. of meetings ****	P/M ◇	No. of meetings ****	P/M ◇	No. of meetings ****
Chair	Andrea Lacorte	07/10/1960	01/12/2003	27/04/2020	Approval of the financial statements as at 31 December 2022	N.A.	X				5	4/4						
Vice-president	Roberto Lacorte	25/06/1968	01/12/2003	27/04/2020	Approval of the financial statements as at 31 December 2022	N.A.	X				6	4/4						
Director	Carlo Volpi	14/12/1965	11/12/2008	27/04/2020	Approval of the financial statements as at 31 December 2022.	N.A.	X				5	4/4						
Director	Germano Tarantino	21/01/1979	12/08/2011	27/04/2020	Approval of the financial statements	N.A.	X				1	4/4						

					as at 31 December 2022.													
Director	Alessandro Calzolari *	25/06/1960	21/06/2017	27/04/2020	Approval of the financial statements as at 31 December 2022.	N.A.		X	X	X	12	4/4	M	0	M		P	1/1
Director	Marida Zaffaroni	06/06/1975	25/09/2020	13/10/2020	Approval of the financial statements as at 31 December 2022.	N.A.		X	X	X	0	4/4	M	0	P		M	1/1
Director	Giovanna Zanotti	18/03/1972	25/09/2020	13/10/2020	Approval of the financial statements as at 31 December 2022.	N.A.		X	X	X	2	4/4	P	0	M		M	1/1

NOTE:

* = Lead Independent Director, appointed by the Board of Directors on 23 October 2020.

** = The date of the first appointment of each Director means the date on which the Director was appointed for the first time (ever) in the Board of Directors of the Issuer.

*** = This column indicates the number of director or statutory auditor positions held in other companies listed on regulated markets, including foreign markets, as well as in finance companies, banks and insurance companies of significant size.

** ** = This column indicates the participation of each Board Member in the meetings of the Board of Directors and the committees respectively (number of meetings in which he/she attended compared to the total number of meetings in which he/she could have participated).

◇ = This column indicates the position of the Director on the Committee: "P" president and "M" member.

Table 2: Structure of the Board of Directors in office as from 26 April 2023

Board of Directors													Remuneration and Nomination Committee		Control and Risk Committee		Related Parties Committee	
Position	First and Last name	Date of birth	Date of first appointment **	In office since	In office until	List	Executive	Non-Executive	Ind. pursuant to the Code	Ind. pursuant to the TUF	No. of other offices ***	Board of Directors meetings no. ****	P/M ◇	No. of meetings ****	P/M ◇	No. of meetings ****	P/M ◇	No. of meetings ****
Chair	Andrea Lacorte	07/10/1960	01/12/2003	26 April 2023	Approval of the financial statements as at 31 December 2025	N.A.	X				5	11/11						
Vice-president	Roberto Lacorte	25/06/1968	01/12/2003	26 April 2023	Approval of the financial statements as at 31 December 2025	N.A.	X				6	11/11						
Director	Carlo Volpi	14/12/1965	11/12/2008	26 April 2023	Approval of the financial statements as at 31 December 2025	N.A.	X				5	11/11						

Director	Germano Tarantino	21/01/1979	12/08/2011	26 April 2023	Approval of the financial statements as at 31 December 2025	N.A.	X				1	11/11						
Director	Alessandro Calzolari *	25/06/1960	21/06/2017	26 April 2023	Approval of the financial statements as at 31 December 2025	N.A.		X	X	X	11	11/11	M	3/3	M	6/6	P	1/1
Director	Marida Zaffaroni	06/06/1975	25/09/2020	26 April 2023	Approval of the financial statements as at 31 December 2025	N.A.		X	X	X	-	11/11	M	3/3	P	6/6	M	1/1
Director	Giovanna Zanotti	18/03/1972	25/09/2020	26 April 2023	Approval of the financial statements as at 31 December 2025	N.A.		X	X	X	3	11/11	P	3/3	M	6/6	M	1/1

NOTE:

* = Lead Independent Director, appointed by the Board of Directors on 26 April 2023.

** = The date of the first appointment of each Director means the date on which the Director was appointed for the first time (ever) in the Board of Directors of the Issuer.

*** = This column indicates the number of director or statutory auditor positions held in other companies listed on regulated markets, including foreign markets, as well as in finance companies, banks and insurance companies of significant size.

** ** = This column indicates the participation of each Board Member in the meetings of the Board of Directors and the committees respectively (number of meetings in which he/she attended compared to the total number of meetings in which he/she could have participated).

◇ = *This column indicates the position of the Director on the Committee: "P" president and "M" member.*

Table 3: Structure of the Board of Statutory Auditors in office

Board of Statutory Auditors									
Position	First and Last name	Year of birth	Date of first appointment *	In office since	In office until	List	Independent within the meaning of the Code	No. of meetings of the Board of Statutory Auditors **	No. of other offices ***
Chair	Giuseppe Rotunno	21/08/1966	27/04/2022	27/04/2022	Approval of the financial statements as at 31 December 2024.	N.A.	X	6	-
Standing Auditor	Debora Mazzaccherini	26/05/1971	27/04/2022	27/04/2022	Approval of the financial statements as at 31 December 2024.	N.A.	X	6	-
Standing Auditor	Michele Luigi Giordano	21/06/1968	27/04/2022	27/04/2022	Approval of the financial statements as at 31 December 2024.	N.A.	X	6	-
Alternate Auditor	Elena Pro	19/07/1967	27/04/2022	27/04/2022	Approval of the financial statements as at 31 December 2024.	N.A.	X	N.A.	-
Alternate Auditor	Alessandro Lini	24/11/1964	27/04/2022	27/04/2022	Approval of the financial statements as at 31 December 2024.	N.A.	X	N.A.	-

NOTE:

* = The date of the first appointment of each auditor means the date when the auditor was appointed for the first time ever to the Board of Statutory Auditors of the Issuer.

** = This column indicates the participation of each Auditor in the meetings of the Board of Statutory Auditors (number of meetings in which he/she attended compared to the total number of meetings in which he/she could have participated).

*** = This column shows the number of administrative and control positions held by the interested party pursuant to art. 148-bis of the Consolidated Law on Finance and the related implementing provisions contained in the Issuers' Regulations.

Table 4: list of administrative and control positions held, as of 31 December 2023, by the members of the Board of Statutory Auditors pursuant to Article 148-bis of the TUF and related implementing provisions

Company	Activity	Tax Identity Code	Position	End of appointment
Giuseppe Rotunno				
All.co S.p.A.	Processing, production and marketing of aluminium and its alloys; manufacture of machinery, equipment and plants for aluminium processing	00198440505	chairman of the board of statutory auditors	FS approval 31.12.2025
Attività Agricole di Varramista S.p.A.	Livestock breeding, tobacco drying and processing	03107430484	standing auditor	FS approval 31.12.2023
Base S.p.A.	Wholesale of computers and computer equipment, excluding computers used in production processes	01600570509	standing auditor	FS approval 31.12.2024
Fattoria Catramista S.p.A.	Farming activities through the management of forest holdings, including full-cycle livestock farming	01336340508	standing auditor	FS approval 31.12.2023

Gensan S.r.l.	Production and marketing of pharmaceutical, parapharmaceutical, dietary, food, cosmetic and chemical products	01312580507	board director	FS approval 31.12.2025
Immvec S.r.l.	Holding ALL.CO Group	02390240501	sole auditor	FS approval 31.12.2023
Insurance Online S.p.A.	Production and marketing of wholesale and retail systems for the automated management of data archives and the automation of company management procedures	01548970506	standing auditor	FS approval 31.12.2023
Smith International S.p.A.	Design, manufacture, sale, rental and maintenance of equipment and tools used in the drilling and construction of oil, water or gas wells	04052890375	standing auditor	FS approval 31.12.2023
Michele Luigi Giordano				
L. Molteni & C. dei Fratelli Alitti – Società di esercizio – S.p.A.	Manufacture of medicinal products and other pharmaceutical preparations	01286700487	standing auditor	FS approval 31.12.2025

Millennium S.r.l.	Production of non-edition related software	05588740489	standing auditor	FS approval 31.12.2023
HB Trading S.p.A.	Trade in gas distributed through pipelines	06076100962	chairman of the board of statutory auditors	FS approval 31.03.2025
Canarbino S.p.A.	Other business consultancy activities and other administrative-management consultancy and business planning	01317810115	chairman of the board of statutory auditors	FS approval 31.03.2024
Energia Pulita S.r.l.	Electricity trade	10802400969	standing auditor	FS approval 31.03.2024
EN.TRA S.p.A.	Trade in gas distributed through pipelines	02369461203	standing auditor	FS approval 31.03.2024
Tenuta Biondi Santi S.p.A	Holding company activities	01445620527	standing auditor	FS approval 31.12.2025



ANNEX 1

CORPORATE GOVERNANCE CODE 2020	Applied	Not applied	Inapplicable	Reference paragraph
Art. 1 - Role of the administrative body <i>Principles</i>				
I. The administrative body guides the Company by pursuing its sustainable success.	X			1
II. The administrative body defines the strategies of the Company and of its Group consistently with Principle I, and monitors their implementation.	X			4.1
III. The administrative body defines the corporate governance system most suitable for the conduct of the corporate business and the pursuit of its strategies, taking into account the areas of autonomy offered by the law. If necessary, it assesses and promotes appropriate changes, submitting them, when applicable, to the shareholders' meeting.	X			4.1
IV. The administrative body promotes, in the most appropriate forms, dialogue with shareholders and other relevant <i>stakeholders</i> of the Company.	X			12

<p>Recommendations</p> <p>1. The administrative body:</p> <ul style="list-style-type: none"> a) examines and approves the business plan of the Company and its Group, also based on the analysis of the issues relevant for the generation of long-term value carried out with the possible support of a committee whose composition and functions are determined by the administrative body; b) periodically monitors the implementation of the business plan and assesses the overall management performance, periodically comparing the results achieved with those planned; c) defines the nature and level of risk compatible with the Company's strategic objectives, including in its assessments all the elements that may be relevant to the Company's sustainable success; d) defines the corporate governance system of the Company and the structure of its Group and assesses the adequacy of the organisational, administrative and accounting structure of the Company and of the subsidiaries of strategic importance, with particular reference to the internal control and risk management system; e) resolves on the operations of the Company and its subsidiaries that have significant strategic, economic, equity or financial importance for the Company itself; to this end, it establishes general criteria for identifying significant transactions; f) in order to ensure the proper management of corporate information, adopts, on the proposal 	X			4.1
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<p>of the chairman in agreement with the <i>chief executive officer</i>, a procedure for the internal management and external communication of documents and information concerning the Company, with particular reference to privileged information.</p>				
<p>2. If deemed necessary in order to define a corporate governance system that is more functional to the</p>	<p>X</p>			<p>4</p>

<p>Company's needs, the administrative body draws up reasoned proposals to be submitted to the shareholders' meeting on the following topics:</p> <ul style="list-style-type: none"> a) choice and characteristics of the corporate model (traditional, "<i>one-tier</i>", "<i>two-tier</i>"); b) size, composition and appointment of the administrative body and term of office of its members; c) structure of the administrative and property rights of the shares; d) percentages established for the exercise of prerogatives to protect minorities. <p>In particular, in the event that the administrative body intends to propose to the shareholders' meeting the introduction of the increased voting rights, it provides an illustrative report to the shareholders' meeting and indicates adequate reasons on the purpose of the choice as well as the expected effects on the Company's ownership and control structure and on its future strategies, giving an account of the decision-making process followed and any contrary opinions expressed in the board.</p>				
<p>3. In the corporate governance report the administrative body, upon the Chairman's proposal, formulated in agreement with the <i>chief executive officer</i>, adopts and describes a policy for managing dialogue with all shareholders, also taking into account the <i>engagement</i> policies adopted by institutional investors and asset managers.</p> <p>The Chairman ensures that the administrative body is in any case informed, by the first due meeting, on the development and significant contents of the dialogue with all shareholders.</p>	<p>X</p>			<p>12, 16</p>

Art. 2 – Members of the corporate bodies				
<i>Principles</i>				
V. The administrative body is made up of executive and non-executive directors, all of whom had the professionalism and skills appropriate to the tasks entrusted to them.	X			4.3
VI. The number and skills of the non-executive directors are such as to ensure that they have significant weight in taking board resolutions and to ensure effective management monitoring. A significant component of the non-executive directors is independent.	X			4.3
VII. The Company applies diversity criteria, including gender criteria, for the composition of the administrative body, in compliance with the priority objective of ensuring adequate competence and professionalism of its members.	X			4.3
VIII. The supervisory body has an adequate composition to ensure the independence and professionalism of its function.	X			11.2
<i>Recommendations</i>				
4. The administrative body defines the allocation of management powers and identifies the <i>chief executive officer</i> among the executive directors. In the event that the Chairman is assigned the office of <i>chief executive officer</i> or is granted significant management powers, the administrative body explains the reasons for this choice.	X			9.1, 16
5. The number and competences of the independent directors are appropriate to the needs of the company and the functioning of the administrative body as well as the establishment of the relevant committees.	X			4.7

<p>The administrative body includes at least two independent directors, other than the Chairman.</p> <p>In large companies with concentrated ownership, independent directors make up at least one third of the administrative body.</p> <p>In other large companies, independent directors make up at least half of the administrative body.</p> <p>In large companies, independent directors meet, in the absence of the other directors, on a regular basis and, in any case, at least once a year to consider issues deemed of interest with respect to the functioning of the administrative body and the management of the company.</p>				
<p>6. The administrative body assesses the independence of each non-executive director immediately after appointment as well as during the term of office upon the occurrence of circumstances relevant to independence and, in any case, at least once a year.</p> <p>For this purpose, each non-executive director provides all the elements necessary or useful for the evaluation of the administrative body, which considers, on the basis of all available information, any circumstance that affects or may appear to affect the director's independence.</p>	X			4.7
<p>7. Circumstances that compromise, or appear to compromise, the directors' independence include at least the following:</p> <p>a) if they are significant shareholders of the company;</p> <p>b) if they are, or have been in the previous three financial years, executive directors or employees:</p>	X			4.7, 11.2

<ul style="list-style-type: none"> - of the company, of one of its subsidiaries having strategic importance or of a company under common control; - of a significant shareholder of the company; c) if, directly or indirectly (e.g. through subsidiaries or companies of which they are executive directors, or as <i>partners</i> of a professional firm or consulting company), they have, or have had in the previous three financial years, a significant commercial, financial or professional relationship: <ul style="list-style-type: none"> - with the company or its subsidiaries, or with the relevant executive directors or <i>top management</i>; - with a person who, also together with others through a shareholders' agreement, controls the company; or, if the controlling company is a company or entity, with the relevant executive directors or <i>top management</i>; d) if they receive, or have received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration in addition to the fixed remuneration for the office and to the remuneration provided for participation in committees recommended by the Code or provided for by the regulations in force; e) if they have been directors of the company for more than nine financial years, even if not consecutive, in the last twelve financial years; f) if they hold the office of executive director in another company in which an executive 				
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<p>director of the company holds the office of director;</p> <p>g) if they are shareholders or directors of a company or entity belonging to the network of the company entrusted with the statutory audit of the company;</p> <p>h) if they are close family members of a person in any of the situations referred to in the preceding points.</p> <p>The administrative body defines, at least at the beginning of its term of office, the quantitative and qualitative criteria for assessing the significance referred to in c) and d) above. In the case of a director who is also a <i>partner</i> in a professional firm or consulting company, the administrative body takes care of assessing the significance of the professional relationships which may have an effect on his position and role in the firm or consulting company or which otherwise relate to important transactions of the company and its group, also regardless of the quantitative parameters.</p> <p>The chairman of the administrative body, indicated as a candidate for this role according to Recommendation 23, may be assessed as independent if none of the above circumstances apply. If the chairman assessed as independent participates in the committees recommended by the Code, the majority of the committee members consists of other independent directors. The chairman assessed as independent does not chair the remuneration committee and the control and risk committee.</p>				
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<p>8. The company defines diversity criteria for the composition of the administrative and control bodies and identifies the most appropriate instrument for their implementation, also taking into account its ownership structure.</p> <p>At least one third of the administrative body and of the control body, where autonomous, consists of members of the less represented gender.</p> <p>Companies adopt measures to promote equal treatment and opportunities between genders throughout the entire corporate organisation, monitoring their actual implementation.</p>	X			4.3; 11.2
<p>9. All members of the control body meet the independence requirements of Recommendation 7 for directors. The assessment of independence is carried out, according to the timing and in manner provided for in Recommendation 6, by the administrative body or the control body, based on the information provided by each member of the control body.</p>	X			11.2
<p>10. The outcome of the independence assessments of directors and members of the control body, pursuant to Recommendations 6 and 9 is disclosed to the market immediately after the appointment by means of a specific press release and, subsequently, in the Corporate Governance Report; on these occasions, the criteria used to assess the significance of the relationships under examination are indicated and, if a director or member of the control body has been deemed independent despite the occurrence of one of the situations indicated in Recommendation 7, a clear and reasoned justification is provided for this choice in</p>	X			11.2

relation to the position and individual characteristics of the person assessed.				
Art. 3 – Functioning of the administrative body and role of the Chairman <i>Principles</i>				
IX. The administrative body defines the rules and procedures for its own functioning, in particular in order to ensure effective management of board briefing.	X			4.4
X. The chairman of the administrative body plays a connecting role between the executive and non-executive directors and ensures the effective functioning of the board proceedings.	X			4.5
XI. The administrative body ensures an appropriate internal division of its functions and establishes board committees with investigative, proposing and advisory functions.	X			4.4, 4.5, 4.6
XII. Each director ensures adequate time availability for the diligent performance of the tasks assigned to him/her.	X			4.3
<i>Recommendations</i>				
11. The administrative body adopts a regulation defining the rules of operation of the body and its committees, including the procedures for taking minutes of meetings and the procedures for managing briefings to directors. These procedures identify the deadlines for the prior submission of the briefing and how to protect the confidentiality of the data and information provided so as not to prejudice the timeliness and completeness of information flows. The report on corporate governance provides adequate information on the main contents of the	X			4.4

regulation of the administrative body and compliance with the procedures on the timeliness and adequacy of information provided to directors.				
<p>12. The chairman of the administrative body, with the assistance of the relevant secretary, ensures:</p> <ul style="list-style-type: none"> a) that the pre-Board briefing and supplementary information provided during meetings are suitable to enable the directors to be properly informed and therefore consequently act in the performance of their role; b) that the activities of the Board committees with investigative, proposing and advisory functions are coordinated with the activities of the Board of Directors; c) in agreement with the <i>chief executive officer</i>, that the executives of the Company and those of the controlled Group companies, in charge of the relevant corporate functions according to the topic area, attend board meetings, also upon request of individual directors, to provide the appropriate in-depth analyses of the items on the agenda; d) that all members of the administration and control bodies may participate, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of the Company itself, as well as of the principles of proper risk management and the regulatory and self-regulatory reference framework, with the cooperation of the lead independent director; 	X			4.5

e) the adequacy and transparency of the self-assessment process of the administrative body, with the assistance of the appointments committee.				
13. The administrative body appoints an independent director as <i>lead independent director</i> : a) if the chairman of the administrative body is the <i>chief executive officer</i> or holds significant management powers; b) if the office of chairman is held by the person who controls, even jointly, the company; c) in large companies, even in the absence of the conditions indicated in points a) and b), if a majority of the independent directors so request.	X			4.7
14. The <i>lead independent director</i> : a) represents a point of reference and coordination of the requests and contributions of the non-executive directors and, in particular, of the independent ones; b) coordinates meetings of independent directors only.	X			4.7
15. In large companies, the administrative body expresses its opinion on the maximum number of tasks in administrative or control bodies in other listed or large companies that may be considered compatible with effective performance as a director of the company, taking into account the commitment resulting from the position held.			X	
16. The administrative body establishes internal committees with investigative, proposing and advisory functions, with regard to appointments, remuneration and control and risks. The functions attributed by the Code to the committees may be	X			6, 7.2, 9.2

<p>distributed in a different manner or merged into a single committee, provided that adequate information is provided on the tasks and activities performed for each of the functions assigned and the Code's recommendations for the composition of the relevant committees are complied with.</p> <p>The functions of one or more committees may be assigned to the entire administrative body, under the coordination of the chairman, provided that:</p> <ul style="list-style-type: none"> a) the independent directors represent at least half of the administrative body; b) the administrative body devotes adequate room within the board sessions to the performance of the functions typically attributed to such committees. <p>If the functions of the remuneration committee are reserved to the administrative body, the last sentence of Recommendation 26 applies.</p> <p>Companies other than large companies may assign the functions of the control and risk committee to the administrative body, even in the absence of the condition mentioned in a) above.</p> <p>Companies with concentrated ownership, even large ones, may assign the functions of the appointments committee to the administrative body, even in the absence of the condition mentioned in a) above.</p>				
<p>17. The administrative body defines the tasks of the committees and determines their composition, favouring the competence and experience of their members and avoiding, in large companies, an excessive concentration of tasks in this area.</p> <p>Each committee is coordinated by a chairman who informs the administrative body of its activities at</p>	X			6, 7.2, 9.2

<p>the first useful meeting.</p> <p>The chairman of the committee may invite to individual meetings the chairman of the administrative body, the <i>chief executive officer</i>, the other directors and, after informing the <i>chief executive officer</i>, the representatives of the relevant corporate functions; the members of the control body may attend the meetings of the Committee.</p> <p>The committees have the faculty of accessing the information and corporate functions necessary for the performance of their duties, availing themselves of financial resources and external consultants, under the terms established by the administrative body.</p>				
<p>18. On the proposal of the chairman, the administrative body decides on the appointment and dismissal of the secretary of the body and defines the relevant professional requirements and powers in its regulation.</p> <p>The secretary supports the Chairman's activity and provides impartial advice and assistance to the administrative body on all aspects relevant to the proper functioning of the corporate governance system.</p>	X			4.5
<p>Art. 4 - Appointment of directors and self-assessment of the administrative body</p> <p><i>Principles</i></p> <p>XIII. The administrative body ensures, to the extent of its competence, that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the administrative body in accordance with the principles of art. 2.</p>	X			4.2

<p>XIV. The administrative body periodically evaluates the effectiveness of its activity and the contribution made by its individual members, through formalised procedures whose implementation it oversees.</p>	X			7.1
<p>Recommendations</p> <p>19. The administrative body entrusts the appointments committee with the task of assisting it in the activities of:</p> <ul style="list-style-type: none"> a) self-assessment of the administrative body and its committees; b) definition of the optimal composition of the administrative body and its committees; c) identification of candidates for the office of director in the event of co-optation; d) possible presentation of a list by the outgoing administrative body to be carried out in a manner that ensures its transparent drafting and presentation; e) preparation, updating and implementation of any succession plan for the <i>chief executive officer</i> and other executive directors. 	X			7
<p>20. The majority of the appointments committee is composed of independent directors.</p>	X			7.2
<p>21. The self-assessment focuses on the size, composition and actual functioning of the administrative body and its committees, also considering the role that the administrative body has played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.</p>	X			7.1
<p>22. The self-assessment is conducted at least every three years, with a view to the renewal of the administrative body.</p>	X			7.1

<p>In large companies other than those with concentrated ownership, the self-assessment is conducted annually and may also be carried out in a differentiated manner during the term of office of the body, with the advisability of using an independent consultant at least every three years.</p>				
<p>23. In companies other than those with concentrated ownership, the administrative body:</p> <ul style="list-style-type: none"> - expresses, with a view to each renewal, an orientation on its quantitative and qualitative composition deemed optimal, taking into account the results of the self-assessment; - requires those who submit a list containing a number of candidates exceeding half of the members to be elected to provide adequate information, in the documentation submitted for the filing of the list, on the compliance of the list with the orientation expressed by the administrative body, also with reference to the diversity criteria provided for by principle VII and recommendation 8, and to indicate their candidate for the office of chairman of the administrative body, whose appointment is made according to the procedures identified in the articles of association. <p>The orientation of the outgoing administrative body is published on the company's <i>website</i> well in advance of the publication of the notice of the shareholders' meeting relating to its renewal. The guideline identifies the managerial and professional profiles and competences deemed necessary, also in the light of the company's sectoral characteristics, considering the diversity criteria indicated by principle VII and</p>	X			4.3

recommendation 8 and the guidelines expressed on the maximum number of positions in application of recommendation 15.				
24. In large companies, the administrative body: <ul style="list-style-type: none"> - defines, with the support of the appointments committee, a plan for the succession of the <i>chief executive officer</i> and the executive directors that at least identifies the procedures to be followed in case of early termination of office; - ascertains the existence of adequate procedures for the succession of <i>top management</i>. 			X	
Art. 5 – Remuneration Principles XV. The Policy for the remuneration of directors, members of the control body and <i>top management</i> is functional to the pursuit of the sustainable success of the Company and takes into account the need to have, retain and motivate people having the skills and professionalism required by their role in the Company.	X			
XVI. The remuneration policy is drawn up by the administrative body, through a transparent procedure.	X			Section I - Report on the remuneration policy and paid fees
XVII. The administrative body ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, in light of the results achieved and other circumstances relevant to its implementation.	X			
Recommendations	X			Section I - Report on the

<p>25. The administrative body entrusts the appointments committee with the task of:</p> <ul style="list-style-type: none"> a) assisting it in drawing up the remuneration policy; b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors holding particular offices as well as on the setting of performance targets related to the variable component of such remuneration; c) monitoring the actual application of the remuneration policy and verifying, in particular, the actual achievement of the performance objectives; d) periodically assessing the adequacy and overall consistency of the policy for the remuneration of directors and <i>top management</i>. <p>In order to have persons with adequate competence and professionalism, the remuneration of the directors, both executive and non-executive, and of the members of the control body is defined taking into account the remuneration practices prevailing in the reference sectors and for companies of similar size, also considering comparable foreign experiences and making use of an independent consultant, if necessary.</p>				<p>remuneration policy and paid fees</p>
<p>26. The remuneration committee is composed of only non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has appropriate knowledge and experience of financial matters or remuneration policies, to be assessed by the administrative body at the time of appointment.</p>	<p>X</p>			<p>Section I.b - Report on the remuneration policy and paid fees</p>

No director takes part in the remuneration committee meetings at which proposals concerning his remuneration are formulated.				
<p>27. The policy for the remuneration of executive directors and <i>top management</i> defines:</p> <ul style="list-style-type: none"> a) a balance between the fixed and variable components, consistent with the Company's strategic objectives and risk management policy, taking into account the characteristics of the Company's business and the sector in which it operates, in any case providing that the variable portion represents a significant part of total remuneration; b) maximum limits on the payment of variable components; c) <i>performance</i> objectives, to which the payment of the variable components, are predetermined, measurable and mostly linked to a long-term horizon. They are consistent with the Company's strategic objectives and are designed to promote its sustainable success, including non-financial parameters, where relevant; d) an adequate deferral period - with respect to the time of accrual - for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity and the related risk profiles; e) contractual arrangements allowing the company to request the repayment, in whole or in part, of variable components of remuneration paid (or to withhold amounts subject to deferral), determined on the basis of data that later proved to be manifestly wrong 	X			Section II - Report on the remuneration policy and paid fees

and of other circumstances that may be identified by the company; f) clear and predetermined rules for the possible payment of termination indemnities, which define the upper limit of the total sum payable by linking it to a certain amount or a certain number of years of remuneration. This indemnity is not paid if the termination is due to the achievement of objectively inadequate results.				
28. Share-based remuneration plans for executive directors and <i>top management</i> promote alignment with shareholder interests over a long-term horizon, with a predominant part of the plan having an overall vesting period and retention period of at least five years.			X	
29. The policy for the remuneration of non-executive directors provides for remuneration appropriate to the competence, professionalism and commitment required by the duties assigned to them within the administrative body and the board committees; such remuneration is not linked, except for an insignificant portion, to financial performance objectives.	X			
30. The remuneration of the members of the control body envisages remuneration appropriate to the competence, professionalism and commitment required by the importance of the role covered and the company's size and sector characteristics and its situation.	X			
31. On the occasion of the termination of office and/or termination of the relationship with an executive director or general manager, the administrative body discloses, by means of a press release,			X	

<p>disseminated to the market following the internal processes leading to the award or recognition of any indemnity and/or other benefits, detailed information on:</p> <ul style="list-style-type: none"> a) the allocation or recognition of indemnities and/or other benefits, the circumstances justifying their accrual (e.g. due to expiry of the office, revocation thereof or settlement agreement) and the deliberative procedures followed within the company for this purpose; b) the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the retention of rights connected to incentive plans, the consideration for non-competition commitments or any other remuneration awarded for any reason and in any form) and the timing of their disbursement (distinguishing the portion paid immediately from that subject to deferral mechanisms); c) the application of any clauses for the restitution (<i>claw-back</i>) or withholding (<i>malus</i>) of part of the sum; d) the compliance of the elements indicated in points a), b) and c) above with what is indicated in the remuneration policy, with a clear indication of the reasons and the deliberative procedures followed in the event of deviation, even partial, from the policy; e) information on the procedures that have been or will be followed for the replacement of the departing executive director or general manager. 				
Art. 6 - Internal control and risk management system	X			9

<p>Principles</p> <p>XVIII. The internal control and risk management system consists of the set of rules, procedures and organisational structures aimed at the actual and effective identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company.</p>				
<p>XIX. The administrative body defines the guidelines of the internal control and risk management system in line with the company's strategies and annually assesses its adequacy and effectiveness.</p>	X			9
<p>XX. The administrative body defines the principles concerning coordination and information flows between the various parties involved in the internal control and risk management system in order to maximise the efficiency of the system itself, reduce duplication of activities and ensure the effective performance of the tasks of the control body.</p>	X			9.7
<p>Recommendations</p> <p>32. The organisation of the internal control and risk management system involves, each within its own sphere of competence:</p> <p>a) the administrative body, which plays a role in guiding and assessing the adequacy of the system;</p> <p>b) the <i>chief executive officer</i>, responsible for setting up and maintaining the internal control and risk management system;</p> <p>c) the control and risk committee, established within the administrative body, with the task of</p>	X			9

<p>supporting the body's assessments and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports. In companies adopting the "<i>one-tier</i>" or "<i>two-tier</i>" corporate model, the functions of the control and risk committee may be assigned to the control body;</p> <p>d) the head of the <i>internal audit</i> function, responsible for verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the administrative body;</p> <p>e) the other corporate functions involved in the controls (such as <i>risk management</i> and legal and non-compliance risk control functions), structured according to the size, sector, complexity and risk profile of the company;</p> <p>f) the control body, which monitors the effectiveness of the internal control and risk management system.</p>				
<p>33. With the support of the control and risk committee, the administrative body:</p> <p>a) defines the guidelines of the internal control and risk management system in line with the company's strategies and evaluates, at least annually, the adequacy of the same system with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness;</p> <p>b) appoints and dismisses the head of the <i>internal audit</i> function, defining its remuneration in line with company policies, and ensuring that it is provided with adequate resources to carry out</p>	X			9

<p>its duties. If it decides to entrust the <i>internal audit</i> function, as a whole or by operating segments, to a person external to the company, it ensures that it is equipped with adequate requirements of professionalism, independence and organisation and provides adequate justification for this choice in the report on corporate governance;</p> <p>c) approves, at least annually, the work plan prepared by the head of the <i>internal audit</i> function, after consulting the control body and the <i>chief executive officer</i>;</p> <p>d) assesses whether measures should be taken to ensure the effectiveness and impartial judgement of the other corporate functions mentioned in Recommendation 32, lett. e), verifying that they are provided with adequate professionalism and resources;</p> <p>e) assigns the supervisory functions pursuant to art. 6, paragraph 1, lett. b) of Legislative Decree no. 231/2001 to the supervisory body or to a specifically constituted body. In the event that the body does not coincide with the supervisory body, the administrative body shall evaluate the opportunity to appoint at least one non-executive director and/or a member of the supervisory body and/or the holder of legal or control functions of the company within the body, in order to ensure coordination between the various parties involved in the internal control and risk management system;</p> <p>f) assesses, after consulting the supervisory body, the results presented by the statutory auditor in</p>				
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<p>any letter of suggestions and in the additional report addressed to the control body;</p> <p>g) describes, 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, indicating the national and international models and <i>best practices</i> of reference, expresses its overall assessment on the adequacy of the system itself and reports on the choices made regarding the composition of the control body referred to in point e) above.</p>				
<p>34. The <i>chief executive officer</i>:</p> <p>a) identifies the main business risks, taking into account the characteristics of the activities carried out by the company and its subsidiaries, and submits them periodically to the review of the administrative body;</p> <p>b) implements the guidelines defined by the administrative body, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of the operating conditions and the legislative and regulatory landscape;</p> <p>c) may entrust the <i>internal audit</i> function with carrying out checks on specific operational areas and on compliance with internal rules and procedures in the execution of company operations, simultaneously notifying the chairman of the administrative body, the chairman of the control and risk committee and the chairman of the control body;</p>	X			9.1

<p>d) promptly reports to the control and risk committee on problems and critical issues which arise in conducting his/her activities or which he/she became aware of, so that the committee may take suitable measures.</p>				
<p>35. The control and risk committee is composed of only non-executive directors, the majority of whom are independent, and is chaired by an independent director.</p> <p>As a whole, the committee has adequate expertise in the business sector in which the company operates to assess the relevant risks; at least one committee member has adequate knowledge and experience in accounting and finance or risk management.</p> <p>In assisting the administrative body, the control and risk committee:</p> <p>a) assesses, after consulting the manager responsible for preparing the company's accounting documents, the statutory auditor and the control body, the correct use of accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statements;</p> <p>b) assesses the suitability of periodic information, financial and non-financial, to correctly represent the <i>businessmodel</i>, the strategies of the company, the impact of its activity and the <i>performance</i> achieved, by coordinating with the committee provided for in recommendation 1, lett. a), if any;</p>	<p>X</p>			<p>9.2</p>

<ul style="list-style-type: none"> c) examines the content of the periodic non-financial information relevant to the internal control and risk management system; d) gives opinions on specific aspects relating to the identification of the main business risks and support the assessments and decisions of the administrative body relating to the management of risks arising from prejudicial events of which the latter has become aware; e) examines the periodic reports and those of particular relevance prepared by the <i>internal audit</i> function; f) monitors the autonomy, adequacy, effectiveness and efficiency of the <i>internal audit</i> function; g) may entrust the <i>internal audit</i> function with carrying out checks on specific operational areas, simultaneously notifying the chairman of the control body; h) reports to the administrative body, at least when approving the annual and half-yearly financial report, on the activity carried out and on the adequacy of the internal control and risk management system. 				
<p>36. The head of the <i>internal audit</i> function is not responsible for any operational area and reports to the administrative body. He has direct access to all information relevant to the performance of the task. The head of the <i>internal audit</i> function:</p> <ul style="list-style-type: none"> a) verifies, both on an ongoing basis and in relation to specific needs, and in compliance with international standards, the operation and suitability of the internal control and risk management system through an audit plan, 	X			9.3

<p>approved by the administrative body, based on a structured process of analysis and "prioritisation" of the main risks;</p> <p>b) prepares periodic reports containing adequate information on its activities, on the manner in which risk management is conducted and on compliance with the plans defined for their mitigation. Such periodic reports contain an assessment of the suitability of the internal control and risk management system;</p> <p>c) also at the request of the control body, prepares timely reports on events of particular relevance;</p> <p>d) forwards the reports referred to in points b) and c) to the chairmen of the control body, the control and risk committee and the administrative body, as well as to the <i>chief executive officer</i>, except in cases where the subject of such reports specifically concerns the activity of such persons;</p> <p>e) verifies, as part of the <i>audit</i> plan, the reliability of the information systems including the accounting recognition systems.</p>				
<p>37. A member of the control body who, on his own behalf or on behalf of third parties, has an interest in a certain transaction of the company promptly and comprehensively informs the other members of the same body and the chairman of the administrative body about the nature, terms, origin and extent of his interest.</p> <p>The control body and the control and risk committee promptly exchanges information relevant to the performance of their respective tasks. The chairman of the control body, or another member designated by him, participates in the</p>		X		11.2

work of the control and risk committee.				
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