

**REPORT ON CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURES**

pursuant to Article 123-*bis* of the Italian Consolidated Law on Finance.

(traditional administration and control model)

**THE ITALIAN SEA GROUP S.P.A**

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

**Financial Year ended 31 December 2023**

Approved by the Board of Directors on 21 March 2024

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*This document is an English translation from Italian. The Italian original shall prevail in case of differences in interpretation and/or factual errors.*

## TABLE OF CONTENTS

GLOSSARY .....	7
<b>1. ISSUER PROFILE.....</b>	<b>11</b>
<b>Governance system adopted by the Issuer .....</b>	<b>11</b>
<b>Sustainability.....</b>	<b>13</b>
<b>2. INFORMATION ON THE OWNERSHIP STRUCTURE (under Article 123-bis, paragraph 1, Italian Consolidated Law on Finance) AT THE REPORT DATE .....</b>	<b>14</b>
<b>A) SHARE CAPITAL STRUCTURE (UNDER ARTICLE 123-BIS(1)(A), ITALIAN CONSOLIDATED LAW ON FINANCE) .....</b>	<b>14</b>
<b>Stock option.....</b>	<b>14</b>
<b>Treasury shares .....</b>	<b>14</b>
<b>B) RESTRICTIONS ON THE TRANSFER OF SECURITIES (UNDER ARTICLE 123-BIS (1)(B), ITALIAN CONSOLIDATED LAW ON FINANCE).....</b>	<b>15</b>
<b>C) SIGNIFICANT SHAREHOLDINGS IN THE SHARE CAPITAL (UNDER ARTICLE 123-BIS (1)(C), ITALIAN CONSOLIDATED LAW ON FINANCE).....</b>	<b>15</b>
<b>D) SECURITIES CONFERRING SPECIAL RIGHTS (UNDER ARTICLE 123-BIS (1)(D), ITALIAN CONSOLIDATED LAW ON FINANCE).....</b>	<b>15</b>
<b>E) EQUITY INTEREST OF EMPLOYEES: MECHANISM FOR EXERCISING VOTING RIGHTS (UNDER ARTICLE 123-BIS (1)(E), ITALIAN CONSOLIDATED LAW ON FINANCE).....</b>	<b>15</b>
<b>F) RESTRICTIONS ON VOTING RIGHTS (UNDER ARTICLE 123-BIS (1)(F), ITALIAN CONSOLIDATED LAW ON FINANCE) .....</b>	<b>15</b>
<b>G) AGREEMENTS BETWEEN SHAREHOLDERS (UNDER ARTICLE 123-BIS (1)(G), ITALIAN CONSOLIDATED LAW ON FINANCE).....</b>	<b>15</b>
<b>H) CHANGE OF CONTROL CLAUSES (UNDER ARTICLE 123-BIS (1)(H), ITALIAN CONSOLIDATED LAW ON FINANCE) AND ARTICLES OF ASSOCIATION PROVISIONS ON PUBLIC TENDER OFFERS (UNDER ARTICLE 104(1-TER) AND 104-BIS(1), ITALIAN CONSOLIDATED LAW ON FINANCE) .....</b>	<b>15</b>
<b>I) PROXIES TO INCREASE THE SHARE CAPITAL AND AUTHORISATIONS TO PURCHASE TREASURY SHARES (UNDER ARTICLE 123-BIS (1)(M), ITALIAN CONSOLIDATED LAW ON FINANCE) .....</b>	<b>16</b>
<b>Treasury shares .....</b>	<b>16</b>
<b>J) MANAGEMENT AND COORDINATION ACTIVITIES (UNDER ARTICLES 2497 ET SEQ. ITALIAN CIVIL CODE) .....</b>	<b>17</b>
<b>3. COMPLIANCE (UNDER ARTICLE 123-BIS (2)(A), FIRST PART, ITALIAN CONSOLIDATED LAW ON FINANCE) .....</b>	<b>18</b>

<b>4. BOARD OF DIRECTORS .....</b>	<b>19</b>
<b>4.1 ROLE OF THE BOARD OF DIRECTORS.....</b>	<b>19</b>
<b>4.2 APPOINTMENT AND REPLACEMENT (under Article 123-bis (1)(l), first part, Italian Consolidated Law on Finance).....</b>	<b>20</b>
<b>4.3 COMPOSITION (under Article 123-bis (2), (d) and (d-bis), Italian Consolidated Law on Finance).....</b>	<b>22</b>
<b>Members of the Board of Directors .....</b>	<b>22</b>
<b>Diversity criteria and policies in Board composition and company organisation .....</b>	<b>26</b>
<b>Maximum limits to the accumulation of offices held in other companies .....</b>	<b>26</b>
<b>4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (under Article 123-bis paragraph 2(d), Italian Consolidated Law on Finance).....</b>	<b>27</b>
<b>4.5 ROLE OF THE CHAIR OF THE BOARD OF DIRECTORS.....</b>	<b>29</b>
<b>Chair of the Board of Directors.....</b>	<b>29</b>
<b>Board Secretary .....</b>	<b>30</b>
<b>4.6 EXECUTIVE DIRECTORS .....</b>	<b>31</b>
<b>Delegated Bodies.....</b>	<b>31</b>
<b>Chair of the Board of Directors.....</b>	<b>35</b>
<b>Executive Committee (only if appointed) (under Article 123-bis paragraph 2(d), Italian Consolidated Law on Finance) .....</b>	<b>35</b>
<b>Information to the Board by the Directors/delegated bodies .....</b>	<b>35</b>
<b>Other Executive Directors .....</b>	<b>35</b>
<b>4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR.....</b>	<b>35</b>
<b>Independent Directors.....</b>	<b>35</b>
<b>Lead Independent Director .....</b>	<b>36</b>
<b>5. MANAGEMENT OF CORPORATE INFORMATION .....</b>	<b>37</b>
<b>6. INTERNAL BOARD COMMITTEES (under Article 123-bis paragraph 2(d), Italian Consolidated Law on Finance) .....</b>	<b>38</b>
<b>Establishment of committees .....</b>	<b>38</b>
<b>Functioning of committees.....</b>	<b>38</b>
<b>7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENTS AND REMUNERATION COMMITTEE.....</b>	<b>40</b>
<b>7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS.....</b>	<b>40</b>

<b>7.2</b>	<b>APPOINTMENTS AND REMUNERATION COMMITTEE.....</b>	<b>41</b>
<b>8.</b>	<b>DIRECTORS' REMUNERATION - REMUNERATION COMMITTEE.....</b>	<b>43</b>
<b>8.1</b>	<b>DIRECTORS' REMUNERATION.....</b>	<b>43</b>
<b>8.2</b>	<b>APPOINTMENTS AND REMUNERATION COMMITTEE.....</b>	<b>44</b>
<b>9.</b>	<b>RISK MANAGEMENT AND INTERNAL AUDIT SYSTEM - AUDIT, RISK AND SUSTAINABILITY COMMITTEE.....</b>	<b>45</b>
<b>9.1</b>	<b>CHIEF EXECUTIVE OFFICER.....</b>	<b>46</b>
<b>9.2</b>	<b>AUDIT, RISK AND SUSTAINABILITY COMMITTEE.....</b>	<b>47</b>
<b>9.3</b>	<b>PERSON IN CHARGE OF THE INTERNAL AUDIT.....</b>	<b>50</b>
<b>9.4</b>	<b>ORGANISATION MODEL PURSUANT TO LEGISLATIVE DECREE 231.....</b>	<b>51</b>
<b>9.5</b>	<b>AUDITING FIRM.....</b>	<b>52</b>
<b>9.6</b>	<b>FINANCIAL REPORTING MANAGER RESPONSIBLE FOR DRAFTING THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER COMPANY ROLES AND FUNCTIONS.....</b>	<b>52</b>
<b>9.7</b>	<b>COORDINATION BETWEEN THE PARTIES INVOLVED IN THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM.....</b>	<b>54</b>
<b>10.</b>	<b>INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES.....</b>	<b>55</b>
<b>11.</b>	<b>BOARD OF STATUTORY AUDITORS.....</b>	<b>56</b>
<b>11.1</b>	<b>APPOINTMENT AND REPLACEMENT.....</b>	<b>56</b>
<b>11.2</b>	<b>COMPOSITION AND FUNCTIONING (under Article 123-<i>bis</i> paragraph 2, points d) and d-<i>bis</i>), Italian Consolidated Law on Finance).....</b>	<b>57</b>
	<b>Diversity criteria and policies.....</b>	<b>60</b>
	<b>Independence.....</b>	<b>60</b>
	<b>Remuneration.....</b>	<b>61</b>
	<b>Interest Management.....</b>	<b>61</b>
<b>12.</b>	<b>DEALINGS WITH THE SHAREHOLDERS.....</b>	<b>62</b>
	<b>Access to information.....</b>	<b>62</b>
	<b>Dialogue with shareholders.....</b>	<b>62</b>
<b>13.</b>	<b>SHAREHOLDERS' MEETINGS (pursuant to Article 123-<i>bis</i> paragraph 1(l) and paragraph 2(c), Italian Consolidated Law on Finance).....</b>	<b>63</b>
	<b>Calling the Shareholders' Meeting.....</b>	<b>63</b>

<b>14. FURTHER CORPORATE GOVERNANCE PRACTICES (under Article 123-bis (2)(a), second part, Italian Consolidated Law on Finance) .....</b>	<b>66</b>
<b>15. CHANGES SINCE THE END OF THE ACCOUNTING PERIOD IN QUESTION.....</b>	<b>66</b>
<b>16. CONSIDERATIONS ON THE LETTER OF THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE.....</b>	<b>66</b>
<b>TABLES .....</b>	<b>68</b>
<b>TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AT THE REPORT DATE.....</b>	<b>68</b>
<b>TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR .....</b>	<b>69</b>
<b>TABLE 3: BOARD COMMITTEES STRUCTURE AT THE END OF THE FINANCIAL YEAR.....</b>	<b>71</b>
<b>TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR.....</b>	<b>73</b>

## GLOSSARY

<b>Chief Executive Officer</b>	means the director of the Issuer to whom management powers have been delegated from time to time.
<b>Shareholders' Meeting</b>	means the Shareholders' Meeting of TISG.
<b>Shareholders</b>	means the shareholders of TISG.
<b>Borsa Italiana</b>	means Borsa Italiana S.p.A., with its registered office at Piazza Affari no. 6, Milan.
<b>Corporate Governance Code or CG Code</b>	means 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 on the website <a href="http://www.borsaitaliana.it">www.borsaitaliana.it</a> , in the section "Borsa Italiana - Rules - Corporate Governance", to which the Company adheres.
<b>Italian Civil Code</b>	means the Italian Civil Code as approved by Royal Decree No. 262 of 16 March 1942, as subsequently amended.
<b>Board of Statutory Auditors</b>	means the Board of Statutory Auditors of TISG.
<b>CG Committee or Corporate Governance Committee</b>	means the Italian Corporate Governance Committee of listed companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria.
<b>Audit, Risk and Sustainability Committee</b>	means TISG's Audit and Risk Committee, which is also responsible for sustainability and related party transactions and appointed in accordance with the RPT Regulation.
<b>Appointments and Remuneration Committee</b>	means TISG's appointments and remuneration committee set up to implement the recommendations of the Corporate Governance Code.
<b>Board or Board of Directors</b>	means the Board of Directors of TISG.
<b>Consob</b>	means Commissione Nazionale per le Società e la Borsa (Italian National Authority for Companies and the Stock Exchange), with offices in Rome, Via GB Martini n. 3.
<b>Report Date</b>	means 21 March 2024, the date on which this Report - as defined below - was approved by the Board of Directors

<b>Financial Reporting Manager</b>	means the officer in charge of preparing the Company's accounting documents appointed by the Issuer's Board of Directors pursuant to Article 154- <i>bis</i> of the Italian Consolidated Law on Finance.
<b>Decree 231</b>	means Italian Legislative Decree No. 231 of 8 June 2001.
<b>Financial Year</b>	means the financial year ending 31 December 2023 to which the Report refers.
<b>Group</b>	indicates TISG and its subsidiaries within the meaning of Article 93 of the Italian Consolidated Law on Finance that fall within its scope of consolidation.
<b>Instructions to Stock Exchange Rules</b>	means the Instructions to the Rules of the Markets organised and managed by Borsa Italiana.
<b>Model</b>	means the organisation, management and control model for the prevention of offences pursuant to Decree 231, adopted by the Issuer on 22 December 2015 and subsequently amended on 28 May 2020 and 27 October 2022.
<b>Supervisory Board</b>	means the Supervisory Board referred to in Decree 231 established by the Issuer.
<b>Business Plan</b>	means the business plan on the outlook for the next 4 years approved by the Board of Directors on 24 January 2023.
<b>SME</b>	means the small and medium-sized enterprises issuing listed shares referred to in Article 1(1)( <i>w-quarter</i> 1) of the Italian Consolidated Law on Finance and Article 2- <i>ter</i> of the Issuers' Regulation.
<b>Shareholder Dialogue Policy</b>	indicates the policy for the management of dialogue with institutional investors and all shareholders approved by the Board of Directors on 24 January 2023.
<b>Remuneration Policy</b>	means section I of the Remuneration Report, which illustrates (i) the Company's and the Group's policy on the remuneration of the members of the Board of Directors, executives with strategic responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors; and (ii) the functions involved and the procedures used for its preparation, approval and review, as well as its duration.
<b>Remuneration Policy 2024</b>	means section II of the remuneration policy for the financial year 2024, approved by the Board of Directors on 21 March 2024, upon the proposal of the Appointments and Remuneration Committee, and submitted for approval to the Shareholders' Meeting called to resolve on TISG's Financial statements for the year ending 31 December 2023.



<b>Chair</b>	means the chair of the Issuer's Board of Directors appointed, from time to time, by the Shareholders' Meeting or the Board of Directors pursuant to Article 15.1 of the Articles of Association.
<b>Inside Information Procedure</b>	means the procedure for managing the disclosure of inside information adopted by the Board of Directors on 18 February 2021.
<b>Internal Dealing Procedure</b>	means the procedure on internal dealing adopted by the Board of Directors on 18 February 2021.
<b>RPT Procedure</b>	means the procedure governing transactions between the Issuer and its related parties, in accordance with the RPT Regulation, approved by the Board of Directors on 18 February 2021 and subsequently amended on 28 April 2021 and 21 May 2021.
<b>Prospectus</b>	means the prospectus filed with Consob on 27 May 2021 following the approval measure by note dated 27 May 2021, protocol no. 0586818/21.
<b>Insider Register</b>	Register of persons who have access to them (the "Insider Register"), pursuant to Article 18 of Regulation (EU) No. 596/2014.
<b>Rules of the Board of Directors</b>	means the rules adopted on 12 July 2021 by the Board of Directors.
<b>Issuers' Regulation or IR</b>	Means the Regulations issued by Consob under resolution no. 11971/1999 (as subsequently amended) regarding issuers.
<b>Market Regulation</b>	means the Regulation issued by Consob under resolution no. 20249/2017 (as subsequently amended) regarding markets.
<b>RPT Regulation</b>	means the Regulations issued by Consob under resolution no. 17221 of 12 March 2010 (as subsequently amended) regarding related party transactions.
<b>Report</b>	means this Report on corporate governance and ownership structures prepared pursuant to and for the purposes of Article 123- <i>bis</i> of Italian Consolidated Law on Finance.
<b>Remuneration Report</b>	means the report on the remuneration policy and remuneration paid that companies are required to prepare and publish pursuant to Articles 123- <i>ter</i> of Italian Consolidated Law on Finance and 84- <i>quater</i> Issuers' Regulation, available pursuant to law on the Company's website <a href="https://investor.theitalianseagroup.com/">https://investor.theitalianseagroup.com/</a> , section "Corporate Governance"/"Shareholders' Meeting".
<b>Secretary</b>	means the secretary of the Issuer's Board of Directors identified, from time to time, by the Chair of the Board of Directors or by the Board.
<b>Auditing Firm</b>	means BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi 94, enrolled in the Companies Register of Milan, Monza Brianza and

Lodi, registration number, tax code and VAT no. 07722780967, enrolled in the Register of Auditors no. 167991.

<b>Articles of Association</b>	means the Articles of Association of TISG in force as of the Report Date and available on the Company's website <a href="https://investor.theitalianseagroup.com/">https://investor.theitalianseagroup.com/</a> , section “Corporate Governance”/”Documents, Policies and Procedures”.
<b>TISG or the Company or the Issuer</b>	means The Italian Sea Group S.p.A., with registered office in Marina di Carrara, Carrara (MS), viale Colombo <i>4bis</i> , share capital of EUR 26,500,000, tax code and VAT no. 00096320452, REA no. 65218.
<b>Italian Consolidated Law on Finance or Consolidated Law</b>	means Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.
<b>Deputy Chair</b>	means the Deputy Chair of the Issuer's Board of Directors identified, from time to time, by the Shareholders' Meeting or the Board of Directors pursuant to Article 15.1 of the Articles of Association.

Where not otherwise specified, the Corporate Governance Code's definitions of **directors, executive directors, independent directors, significant shareholder, chief executive officer (CEO), board of directors, control body, company with concentrated ownership, large company, sustainable success, top management** are also to be understood as referred to herein by reference.

## 1. ISSUER PROFILE

The Issuer is a global player in the international yachting industry, specialising with its Shipbuilding division in the design, production and sale of luxury superyachts ranging from 17 to over 100 metres in length, with a focus on yachts between about 60 and 100 metres.

As of June 2021, the Issuer is listed on Euronext Milan, a regulated market organised and managed by Borsa Italiana.

TISG is the owner of the following trademarks:

- Admiral, a historic brand established in 1966 and an international operator specialising in the construction of large custom-made yachts, up to and over 100 metres;
- Tecnomar, a historic brand established in 1987 and an international operator, specialising in the construction of yachts with sports lines up to 50 metres;
- Perini Navi, acquired in 2022, an iconic brand for large sailing yachts, established in 1983;
- Picchiotti, acquired in 2022, one of the oldest brands in the world, dating back to 1575 and a pioneer in the world of yachting, with which TISG operates a semi-custom line with a timeless vintage style.

TISG also offers, through its NCA Refit division, refit services both on its own yachts and on boats - motor and sailing - built by third-party manufacturers.

From an industrial point of view, the Company is located within the Port of Marina di Carrara and has great potential in terms of production capacity also thanks to two prestigious locations in La Spezia and Viareggio.

The Company's customers are ship managers, i.e. natural or legal persons who, whether or not they own the yacht, undertake, also professionally, the operation of a vessel for the purpose of leisure travel, charter, transport, etc.

### **Governance system adopted by the Issuer**

In order to ensure a proper balance between management and control functions, TISG has adopted a corporate governance system in line with the principles and recommendations of the CG Code, to which the Company adheres.

In particular, the Issuer has adopted a traditional management and control system that is characterised, therefore, by the presence:

- (i) of the Shareholders' Meeting, competent to resolve on matters reserved to it by law, regulations and Articles of Association;
- (ii) of the Board of Directors, which is responsible for the management of the Company, acting as a collegial body, as well as through the Chief Executive Officer, and within which the following are established: (a) the Appointments and Remuneration Committee, and (b) the Audit, Risk and Sustainability Committee, which remit also includes related party transactions; and
- (iii) of the Board of Statutory Auditors, which is responsible for monitoring (a) compliance with the law and the Articles of Association and observance of the principles of proper management, (b) the adequacy of the organisational structure for the aspects falling within its competence, the internal control system and the administrative-accounting system, as well as the reliability of the latter in correctly representing management events, (c) the concrete implementation of the corporate governance rules laid down in the CG Code, (d) the adequacy of the Company's directions to its subsidiaries.

The ordinary Shareholders' Meeting of the Issuer held on 18 February 2021 appointed BDO Italia S.p.A. to perform the statutory audit for the financial years 2021-2029 (including the verification of the proper keeping

of the accounts, as well as the correct recording of management events in the accounting records) in relation to the Issuer's individual financial statements. In addition, on the same date, the Issuer's ordinary shareholders' meeting appointed the Auditing Firm to audit the Issuer's half-year financial report for the six months ended 30 June of the financial years 2021-2029. In addition, with a proposal dated 10 March 2022, the mandate was supplemented by appointing the Auditing Firm to audit the Group's consolidated financial statements for the financial years ending from 31 December 2021 to 31 December 2029.

Since 2012, the Company has adopted (and subsequently updated) an organisational model pursuant to Decree 231 and consequently set up a Supervisory Board.

The Company exercises management and coordination activities over its subsidiary CELI S.r.l., including in matters of governance, by recommending the adoption of specific principles and rules on the subject.

In accordance with Recommendation 11 of the CG Code, on 12 July 2021, the Board of Directors adopted the Rules of the Board of Directors, which defines the internal rules for the functioning of the board itself and its committees, including the procedures for taking minutes of meetings and the procedures for managing the reporting to the directors (for more information on the Rules of the Board of Directors, see Section 4.4 below in this Report).

Furthermore, on 24 January 2023, in accordance with Recommendation 3 of the CG Code, the Board adopted the Shareholder Dialogue Policy, with reference to which please refer to Section 12 of this Report.

The Company has adhered to the code of ethics approved by GC Holding S.p.A. on 22 December 2015 and subsequently updated.

In addition to the above and in compliance with regulatory provisions and the Corporate Governance Code, the Issuer has, *inter alia*:

- (i) appointed 3 independent directors out of a total of 7 members of the Board of Directors (for more information on the composition of the Board of Directors, see Section 4.7 of this Report);
- (ii) adopted the Inside Information Procedure governing the management and disclosure of inside information, as well as the establishment and updating of the Insider Register, pursuant to Article 18 of Regulation (EU) no. 596/2014, defining, in particular: (a) the identification of the persons responsible for maintaining the aforementioned Insider Register; (b) the criteria for identifying the persons to be entered in the Insider Register; (c) the procedures and operation of the Insider Register; (d) the entry of persons in the Insider Register; (e) the updating of the Insider Register;
- (iii) to adopt the Internal Dealing Procedure.

On 21 March 2024, the Board of Directors approved the Non-Financial Disclosure pursuant to Legislative Decree No. 254/2016, which can be found on the Issuer's website <https://investor.theitalianseagroup.com/>, section "Financial Documents".

It should be noted that as at the Report Date the Company:

- (i) does not qualify as a "large company" within the meaning of the Corporate Governance Code, as TISG's market capitalisation has been below the threshold for "large companies" in the last three calendar years (i.e., EUR 1 billion);
- (ii) qualifies as a "company with concentrated ownership" pursuant to the Corporate Governance Code, as GC Holding S.p.A. holds a total of 53.6% of the voting rights exercisable at the Shareholders' Meeting (for more information, see Section 2.3 below).

The Issuer falls within the definition of SME pursuant to Article 1(1)(w-*quater*.1) of the Italian Consolidated Law on Finance and Article 2-*ter* of the Issuers' Regulation, as TISG's market capitalisation as at 31 December 2023 was less than EUR 500 million.

## Sustainability

In accordance with the provisions of the CG Code, the Board of Directors manages the Company by pursuing its sustainable success.

In the Non-Financial Disclosure 2022, the Company declared its three-year ESG plan.

In particular, the Group is committed to working responsibly to achieve the goal of integrating environmental, social and governance sustainability issues into its strategy, applying the following principles:

- (i) mission: to build yachts that are unique and identifiable for their unparalleled aesthetic, qualitative and functional characteristics, while maintaining the highest integrity and sustainability for the Company's stakeholders;
- (ii) purpose: to live up to high standards of professional and ethical behaviour by putting our values into practice for the benefit of employees, Shareholders, customers, suppliers and the region.

The Company also shares, pursues and promotes the following values:

- (i) integrity: the Company and its employees operate daily in accordance with high moral and ethical standards, acting conscientiously and respecting collaborators, customers, suppliers and stakeholders;
- (ii) responsibility: the Company considers it essential to keep its promises and commitments, acting with full respect for others and the environment, with the aim of creating sustainable value in the long term;
- (iii) safety: the Company imposes very strict criteria, which are constantly reviewed and modified to avoid any risk. The company principles must be actively observed by the employees themselves, who are responsible for their own safety and the safety of others;
- (iv) quality: every choice and action of the Company is guided by an assiduous search for quality, inflexible and uncompromising standards that lead to excellent products and services;
- (v) art and beauty: the love of art and beauty pervades the corporate culture in every aspect and is revealed in projects as well as in the working environment.

The Company has given the Audit, Risk and Sustainability Committee responsibility for sustainability in order to implement the Group's sustainable development initiatives. For further information in this regard, please refer to Section 9.3 below.

The Board of Directors interprets its role in guiding the Issuer in accordance with the CG Code and the functions and responsibilities assigned to it, for which reference is made to the specific sections of the Report below.

## **2. INFORMATION ON THE OWNERSHIP STRUCTURE (under Article 123-bis, paragraph 1, Italian Consolidated Law on Finance) AT THE REPORT DATE**

Information on the ownership structures is set out below, in accordance with Article 123-bis (1) of the Italian Consolidated Law on Finance.

### **a) SHARE CAPITAL STRUCTURE (UNDER ARTICLE 123-BIS(1)(A), ITALIAN CONSOLIDATED LAW ON FINANCE)**

At the end of the Financial Year, TISG's fully subscribed and paid-up share capital amounted to Euro 26,500,000.00, divided into 53,000,000 shares (see **Table 1** in the appendix).

At the Report Date, there were no changes in the amount of share capital.

The majority shareholder GC Holding S.p.A., which held 33,222,000 shares or 62.68% of the share capital as of 31 December 2023, holds 28,410,000 shares or 53.6% as of the Report Date.

TISG's share capital consists of ordinary shares with no nominal value, admitted to listing on Euronext Milan, a regulated market organised and managed by Borsa Italiana.

Shares are indivisible, registered and freely transferable. Each share entitles the holder to one vote at ordinary and extraordinary shareholders' meetings of the Company.

The shares shall be subject to the dematerialisation regime and are entered into the centralised management system pursuant to Articles 83-bis et seq. of the Italian Consolidated Law on Finance.

The Company does not hold, directly or indirectly, any treasury shares, nor were any such shares purchased or sold during the reporting period.

As of the Report Date, TISG has not issued any financial instruments granting the right to subscribe for newly issued shares.

### **Stock option**

On 18 February 2021, the extraordinary Shareholders' Meeting of the Company resolved, *inter alia*, to increase the Company's share capital, on a divisible basis, for consideration, by issuing a maximum number of ordinary shares of the Company with no indication of nominal value, regular dividend rights, not exceeding 3.65% of the total number of shares existing at the trading start date, with the exclusion of option rights pursuant to Article 2441 (5), (6) and (8) of the Italian Civil Code. The share capital increase - to be subscribed by 31 December 2031 - is reserved to service a stock option plan for executive directors, general managers, executives with strategic responsibilities and employees with permanent employment contracts of the Company and its subsidiaries, including any future ones, and in general anyone who may collaborate in the growth and development of the Company.

For details on the plan, please refer to the information document pursuant to Article 84-bis of the Issuers' Regulation and Section I, paragraph e) of the Remuneration Report, both approved by the Board of Directors on 21 March 2023 and published on the website <https://investor.theitalianseagroup.com/>, section "*Corporate Governance*" / "*Shareholders' Meeting*".

### **Treasury shares**

On 27 April 2023, the Issuer's Shareholders' Meeting - after revoking the previous resolution to authorise the purchase of treasury shares dated 29 April 2022 - resolved to authorise (i) the purchase of ordinary shares of TISG up to the maximum number permitted by law, on one or more occasions, for a period of 18 months from the date of this resolution, for one or more of the purposes indicated in the report of the Board of Directors, and (ii) the disposal of treasury shares, on one or more occasions, without time limits, even before having exhausted the maximum number of shares that may be purchased, in the manner deemed most appropriate in the interest of the Company and in compliance with applicable regulations.

**b) RESTRICTIONS ON THE TRANSFER OF SECURITIES (UNDER ARTICLE 123-BIS (1)(B), ITALIAN CONSOLIDATED LAW ON FINANCE)**

The Articles of Association do not provide for restrictions on the transfer of shares or limits on the ownership of securities or the need to obtain the approval of the corporate bodies or Shareholders of TISG for admission to the company.

**c) SIGNIFICANT SHAREHOLDINGS IN THE SHARE CAPITAL (UNDER ARTICLE 123-BIS (1)(C), ITALIAN CONSOLIDATED LAW ON FINANCE)**

The Company falls within the definition of SME under Article 1(1)(*w-quater*.1) of the Italian Consolidated Law on Finance. Therefore, pursuant to Article 120(2) of the Italian Consolidated Law on Finance, the minimum shareholding subject to disclosure is 5% of the share capital.

On the basis of the information available, including communications received by the Company pursuant to Article 120 of the Italian Consolidated Law on Finance, as well as any other information available, the Shareholders that directly or indirectly own more than 5% of the subscribed and paid-up share capital are those indicated in **Table 1** in the appendix to the Report.

**d) SECURITIES CONFERRING SPECIAL RIGHTS (UNDER ARTICLE 123-BIS (1)(D), ITALIAN CONSOLIDATED LAW ON FINANCE)**

As at the Report Date, the Company has not issued securities conferring special rights of control, nor do the Articles of Association provide for special powers for certain shareholders or holders of particular classes of shares, nor are there any provisions in the Articles of Association for shares with multiple or increased voting rights.

It should be noted that Article 6.3 of the Articles of Association provides that the Company may issue, pursuant to the laws in force from time to time, classes of shares with different rights from those of the shares already issued, determining their contents in the relevant issue resolution. The Shareholders' Meeting may also resolve to issue equity-based financial instruments pursuant to Article 2346 of the Italian Civil Code, which are provided with ownership rights or even voting rights, in accordance with the applicable provisions.

**e) EQUITY INTEREST OF EMPLOYEES: MECHANISM FOR EXERCISING VOTING RIGHTS (UNDER ARTICLE 123-BIS (1)(E), ITALIAN CONSOLIDATED LAW ON FINANCE)**

As at the Report Date, there is no employee stock-based system in which voting rights are not exercised directly by employees.

**f) RESTRICTIONS ON VOTING RIGHTS (UNDER ARTICLE 123-BIS (1)(F), ITALIAN CONSOLIDATED LAW ON FINANCE)**

As of the Report Date, the Articles of Association do not contain any particular provisions determining restrictions, limitations or time limits imposed on the exercise of voting rights, nor are the financial rights attached to securities separate from their ownership.

**g) AGREEMENTS BETWEEN SHAREHOLDERS (UNDER ARTICLE 123-BIS (1)(G), ITALIAN CONSOLIDATED LAW ON FINANCE)**

As of the Report Date, the Issuer is not aware of any shareholders' agreements disclosed pursuant to Article 122 Italian Consolidated Law on Finance.

**h) CHANGE OF CONTROL CLAUSES (UNDER ARTICLE 123-BIS (1)(H), ITALIAN CONSOLIDATED LAW ON FINANCE) AND ARTICLES OF ASSOCIATION PROVISIONS ON PUBLIC TENDER OFFERS (UNDER ARTICLE 104(1-TER) AND 104-BIS(1), ITALIAN CONSOLIDATED LAW ON FINANCE)**

As at the Report Date, the Issuer is party to the following facility agreements which contain change of control clauses:

1. Facility agreement signed between the Issuer and MPS Capital Services Banca per le Imprese S.p.A. on 14 January 2022 for EUR 40,000,000.00:

“*Change of Control*” means the occurrence of one or more of the following cases:

- the occurrence of any event resulting in the acquisition of direct and/or indirect control of the Issuer by one or more parties other than GC Holding S.p.A.; and/or
- the loss, for any cause or reason, by GC Holding S.p.A., while directly and/or indirectly holding control of the Issuer, of the power to appoint the majority of the members of the Issuer's board of directors; and/or
- the occurrence of any event resulting in the acquisition of direct and/or indirect control of GC Holding S.p.A. by one or more persons other than Giovanni Costantino; and/or
- the loss, for any cause or reason, by Giovanni Costantino, even though he directly and/or indirectly holds the Control of GC Holding S.p.A., of the power to designate the majority of the members of the board of directors of GC Holding S.p.A.;

In such cases, the Issuer, at the same time as the occurrence of a Change of Control, shall provide for the mandatory full early repayment of the facility together with any other amounts due to the lending bank under the provisions applicable to the existing facility agreements.

2. Facility agreement signed on 27 January 2022 by the Issuer and GC Holding S.p.A. with the lending banks Unicredit S.p.A. and Deutsche Bank S.p.A. for EUR 32,500,000.00.

In particular, the facility agreement provides that if a change of control occurs:

- any obligation of the lending banks (and each of them) to make any disbursement shall immediately cease; and
- the Company shall repay the outstanding credit facility on the interest payment date immediately following the date on which the change of control occurred.

The Issuer's Articles of Association do not derogate from the provisions on the passivity rule set forth in Article 104 (1) and (1-bis) of the Italian Consolidated Law on Finance and do not provide for the application of the neutralisation rules set forth in Article 104-bis (2) and (3) of the Italian Consolidated Law on Finance.

**i) PROXIES TO INCREASE THE SHARE CAPITAL AND AUTHORISATIONS TO PURCHASE TREASURY SHARES (UNDER ARTICLE 123-BIS (1)(M), ITALIAN CONSOLIDATED LAW ON FINANCE)**

As of the Report Date, the Shareholders' Meeting has not resolved to delegate the Board of Directors to increase the share capital pursuant to Article 2443 of the Italian Civil Code.

The extraordinary Shareholders' Meeting of the Company resolved, inter alia, to increase the share capital, in divisible form, for consideration, excluding option rights pursuant to Article 2441 (5), (6) and (8) of the Italian Civil Code, to service the stock option plan adopted on 21 March 2023 as specified in Section a) above.

**Treasury shares**

On 27 April 2023, the Issuer's Shareholders' Meeting resolved - after revoking the previous resolution to authorise the purchase of treasury shares dated 29 April 2022 - to authorise (i) the purchase of TISG's ordinary shares up to the maximum number permitted by law, on one or more occasions, for a period of 18 months from the date of this resolution, and (ii) the disposal of treasury shares, on one or more occasions without time limits, even before having exhausted the maximum number of shares that may be purchased, in the manner deemed most appropriate in the interest of the Company and in compliance with applicable regulations, and according to the methods, terms and conditions contained in the explanatory report on the items on the agenda of the



Shareholders' Meeting presented by the Board of Directors and available on the Company's website at <https://investor.theitalianseagroup.com/>, section “Corporate Governance”/”Shareholders' Meeting”, as well as on the authorised eMarket Storage mechanism (<https://www.emarketstorage.it/it>).

During the Financial Year, the Company did not purchase any treasury shares and did not hold any TISG shares as at 31 December 2023.

No changes had occurred as at the Report Date.

**j) MANAGEMENT AND COORDINATION ACTIVITIES (UNDER ARTICLES 2497 ET SEQ. ITALIAN CIVIL CODE)**

The Company is not subject to management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code. In fact, although as at the Report Date GC Holding S.p.A. holds a 53.6% interest in the share capital of TISG, that company does not exercise any operational, administrative or financial management and coordination activities over the Issuer that can be classified pursuant to Article 2497 of the Italian Civil Code.

In particular, based on an examination of the factual circumstances, the Issuer considers that none of the activities typically involved in management and coordination pursuant to Articles 2497 et seq. of the Italian Civil Code exist, and that therefore, by way of example but without limitation:

- (i) decisions concerning the management of the Issuer are taken within the Issuer's own bodies;
- (ii) the Issuer's Board of Directors is responsible, *inter alia*, for the examination and approval of: (a) the Issuer's strategic, business and financial plans and budgets; (b) the Issuer's financial and credit access policies; (c) the Issuer's organisational structure. In addition, the Issuer's board of directors is responsible for assessing the adequacy of the organisational, administrative and accounting structure of the Company;
- (iii) the Issuer operates in full autonomy with respect to the conduct of relations with customers and suppliers, with no interference from parties outside the Issuer itself;
- (iv) GC Holding S.p.A. does not perform - directly or indirectly - any centralised treasury function in favour of the Issuer.

\*\* \*\* \*

The information required by Article 123-bis (1) (i) (“*agreements between the company and the directors ... which provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases as a result of a public tender offer*”) are contained in the remuneration section of the Report (Section 8).

The information required by Article 123-bis (1) (l), first part (“*the rules applicable to the appointment and replacement of directors ... if different from the laws and regulations applicable by way of supplement*”) are illustrated in this Report in the section on the Board of Directors (Section 4);

The information required by Section 123-bis (1) (l), second part (“*the rules applicable ... to the amendment of the Articles of Association, if different from the laws and regulations applicable by way of supplement*”) are explained in this Report in the section on the Shareholders' Meeting (Section 13).

### **3. COMPLIANCE (UNDER ARTICLE 123-BIS (2)(A), FIRST PART, ITALIAN CONSOLIDATED LAW ON FINANCE)**

The Issuer has adhered to the Corporate Governance Code, as last updated on 31 January 2020, which is accessible to the public on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

In this Report, in accordance with the comply or explain criterion underlying the CG Code, the recommendations to which the Company has not decided to comply, either in whole or in part, are indicated.

**\*\* \*\* \***

It should also be noted that TISG and its subsidiaries are not subject to laws other than Italian law that affect the Issuer's corporate governance structure, with the exception of the subsidiary TISG Turkey (TISG Turkey Yat Tercanecilik Anonim Sirketi), which is subject to Turkish law.

## 4. BOARD OF DIRECTORS

### 4.1 ROLE OF THE BOARD OF DIRECTORS

The Board of Directors manages the company by pursuing sustainable success on the basis of the Business Plan that the Company updates on an annual basis, consistent with the Group's mission and purpose, as well as the values that inspire it.

Pursuant to Article 18 of the Articles of Association, the Board of Directors is vested, without any limitation, with the broadest powers for the ordinary and extraordinary management of the Company, with the power to perform all acts, including acts of disposal, deemed appropriate for the achievement of the corporate purposes, excluding only those reserved by law to the Shareholders' Meeting.

The Issuer's Board of Directors plays a fundamental role in the company's organisation and is responsible for providing strategic and organisational guidance and has the relevant responsibilities, as well as verifying the existence of the necessary controls to monitor the performance of the Company and the Group.

In performing the duties assigned to it, the Board:

- (i) defines the strategies of the Issuer and the Group in accordance with the pursuit of sustainable success and monitors their implementation. In particular, the board of directors is responsible for examining and approving the strategic, business and financial plans of the Issuer and the Group, and for periodically monitoring their implementation. The Board also defines the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments all elements that may be relevant to the Issuer's sustainable success. On 24 January 2023, the Company approved the four-year Business Plan;
- (ii) defines the corporate governance system that best serves the conduct of the company's business and the pursuit of its strategies: (i) taking into account the spaces of autonomy offered by the legal system; and (ii) where appropriate, evaluating and promoting appropriate changes, submitting them, when required, to the Shareholders' Meeting. In particular, the Board has: (a) conferred powers on the Chief Executive Officer; (b) established Board committees, assigning them specific functions; and (c) approved the Group's organisational model. In carrying out this activity, the board of directors evaluates and promotes appropriate changes to the corporate governance system, submitting them, if necessary, to the Shareholders' Meeting. It should be noted that during the Financial Year, the Board did not deem it necessary or appropriate to draw up justified proposals to submit to the Shareholders' Meeting concerning the corporate governance system, as it considers the current corporate governance system functional to the company's needs. The Board of Directors also assesses the adequacy of the organisational, administrative and accounting structure of the Issuer and strategically important subsidiaries, with particular reference to the internal control and risk management system (in this regard, please refer to Section 9 of this Report);
- (iii) promotes, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the Issuer. In this regard, the Board, on 24 January 2023, adopted the Shareholder Dialogue Policy aimed at ensuring that the dialogue with TISG's Shareholders is inspired by principles of fairness and transparency and is conducted in compliance with EU regulations on market abuse, as well as in line with international best practices (for more information on the Shareholder Dialogue Policy, please refer to Section 12 of this Report);
- (iv) with the support of the Audit, Risk and Sustainability Committee, also based on the analysis of issues relevant to the generation of long-term value, examined and approved the Issuer's and the Group's Business Plan and periodically monitors its implementation. It also assesses the general performance of management, comparing the results achieved with those planned;

- (v) examines, and decides on, transactions of the Issuer and its subsidiaries that have a significant strategic, economic, equity or financial significance for the Issuer, establishing general criteria for identifying significant transactions;
- (vi) adopted the Inside Information Procedure (for more information on this, see Section 5 of this Report).

#### **4.2 APPOINTMENT AND REPLACEMENT (under Article 123-bis (1)(l), first part, Italian Consolidated Law on Finance)**

Pursuant to Article 12 of the Articles of Association, the Company is managed by a Board of Directors consisting of a minimum of five and a maximum of eleven members.

The members of the Board of Directors are appointed by the Shareholders' Meeting, which also determines their number.

The directors are appointed for a period of three financial years, or for the shorter period determined at the time of appointment, and they may be re-elected. The Directors' office shall expire on the date of the Shareholders' Meeting convened for the approval of the financial statements related to the last financial year in which they are in office.

Members of the Board of Directors are appointed on the basis of slates consisting of no more than eleven candidates listed by means of sequential numbering. Candidates must meet the independence requirements laid down by law, as well as the additional requirements set out in the Articles of Association and the CG Code.

Slates with more than three candidates must be composed of candidates belonging to both genders in compliance with the applicable legal and regulatory provisions on gender balance. It should be noted that pursuant to Article 147-ter of the Italian Consolidated Law on Finance, the less represented gender must obtain at least two-fifths of the elected directors. This allocation criterion applies for six consecutive terms.

In this regard, it should be noted that three-sevenths of the Board in office as of the Report Date is composed of directors belonging to the least represented gender.

The slates must be filed at the Company's registered office within the terms and in compliance with the regulations applicable to the Company from time to time.

Slates may only be submitted by shareholders who, alone or together with others, hold shares with voting rights representing a percentage no less than that provided for the Company by the applicable laws and regulations. In particular, it should be noted that pursuant to Article 144-quater of the Issuers' Regulation, the percentage for the submission of slates is 2.5% of the Company's share capital.

Ownership of the minimum share required for the submission of slates must be proven by appropriate certifications that must be produced, if not available on the day on which the slates are filed, even after the filing of the slates, provided that they are within the deadline set forth by the laws in force for the publication of the slates by the Company.

The Issuer's Articles of Association do not provide for the possibility of the outgoing Board of Directors to submit a slate of candidates for the appointment of the board of directors.

Each shareholder, as well as shareholders linked by control or connection relationships pursuant to the Italian Civil Code or who adhere to a shareholders' agreement pursuant to Article 122 of the Italian Consolidated Law on Finance concerning the Company's shares, may not submit or vote for more than one slate, not even through a third party or trust company.

Together with the filing of each slate, under penalty of inadmissibility of the same, an exhaustive information on the personal and professional characteristics of each candidate and the declarations with which they accept their candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and

incompatibility, as well as the possession of the aforementioned requisites of integrity and possible independence, must be filed. Each candidate can appear on only one slate, under penalty of ineligibility.

At the end of the vote, the procedure is as follows:

- (i) a number of directors equal to the total number of members to be elected minus one shall be drawn from the slate obtaining the highest number of votes, in the sequential order in which the candidates are listed;
- (ii) from the second slate obtaining the highest number of votes - which is not connected in any way, even indirectly, with those who submitted or voted for the slate referred to in point (i) above - a director shall be drawn, in accordance with the provisions of the law, in accordance with the progressive order in which the candidates are listed on the slate.

If two slates have obtained the second highest number of votes, a new vote shall be held by the Shareholders' Meeting and the candidate obtaining the simple majority of votes shall be elected.

For the purposes of allocating the directors to be elected, as permitted by Article 147-ter of the Italian Consolidated Law on Finance, slates that have obtained a percentage of votes at the Shareholders' Meeting of less than half of those required for the submission of slates shall not be considered.

If, following the application of the above procedures, (i) the minimum number of directors meeting the independence requirements is not appointed, and/or (ii) the composition of the Board does not comply with the laws or codes of conduct drawn up by regulated markets management companies to which the Company adheres on gender balance, candidates meeting the requirements will be elected to replace the candidates lacking such requirements included in the slate to which the persons to be replaced belonged.

In the event that only one slate is submitted, the directors shall be taken from the submitted slate provided that it has obtained the approval of a simple majority of the votes.

In the event that no slate is submitted (or the slate submitted does not allow for the appointment of directors in compliance with applicable laws and regulations or, in any case, if it is not possible to proceed according to the slate voting rules) or in the event that it is not necessary to appoint all the members of the Board of Directors, the members of the Board of Directors will be appointed by the Shareholders' Meeting with the majorities set forth by law, without the application of the slate voting mechanism, without prejudice to the obligation to ensure the presence of the minimum number of Independent Directors required under the regulations in force from time to time, as well as the compliance with the gender balance rules.

Should one or more directors leave office during the year, the others shall replace them by a resolution approved by the Board of Statutory Auditors, provided that the majority is still made up of directors appointed by the Shareholders' Meeting. The replacement shall be made by appointing, in sequential order, persons drawn from the slate to which the ceased director belonged and who are still eligible and willing to accept the office. Replacement procedures must in any case ensure the presence of the necessary number of directors meeting the independence requirements and compliance with the regulations in force from time to time concerning gender balance.

The Directors that have thus been appointed shall remain in office until the next Shareholders' meeting.

If, due to resignation or other causes, the majority of the directors appointed by the Shareholders' Meeting should cease to hold office, the entire Board of Directors shall be deemed to have ceased to hold office, and the Shareholders' Meeting for the appointment of the new Board of Directors must be urgently called by the directors remaining in office.

If all directors leave office, the Shareholders' Meeting for the appointment of the board of directors must be called urgently by the Board of Statutory Auditors, which may carry out acts of ordinary administration in the meantime.

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

### 4.3 COMPOSITION (under Article 123-bis (2), (d) and (d-bis), Italian Consolidated Law on Finance)

#### Members of the Board of Directors

The Board of Directors in office at the Report Date was appointed by the Shareholders' Meeting of 27 April 2023.

In particular, the Shareholders' Meeting held on that date resolved to set (i) the number of members of the Board of Directors at seven, and (ii) the term of office of the new Board of Directors at three years (i.e. until the date of approval of the financial statements as of 21 December 2025).

The Board of Directors was appointed by applying the slate voting mechanism provided for in the Articles of Association. In particular, of the seven members of the Board:

- (i) six directors were elected from the slate submitted by GC Holding S.p.A.<sup>1</sup> (“**Slate 1 BoD**”), which at the date of submission of the slate held 33,222,000 ordinary shares of the Company, equal to 62.68% of the share capital, which ranked first in terms of number of votes<sup>2</sup>;
- (ii) the remaining director was elected from the slate presented by Giorgio Armani S.p.A.<sup>3</sup> (“**Slate 2 BoD**”), which at the date of presentation of the slate held 2,644,700 ordinary shares of the Company, equal to 4.99% of the share capital, which came second by number of votes<sup>4</sup>.

No director was elected from the slate submitted by shareholders Arca Fondi Sgr S.p.A. (fund manager: Fondo Arca Economia Reale Equity Italia, Fondo Arca Economia Reale Opportunità Italia and Fondo Arca Azioni Italia), BancoPosta Fondi S.p.A. SGR (manager of the Bancoposta Rinascimento fund), Eurizon Capital SGR S.p.A. (manager of the Eurizon Pir Italia-Eltif fund) and Mediolanum Gestione Fondi Sgr S.p.A. (manager of the Mediolanum Flessibile Futuro Italia and Mediolanum Flessibile Sviluppo Italia funds)<sup>5</sup>, together holding, at the date of presentation of the slate, 1,458,729 ordinary shares of the Company, equal to 2.75232% of the share capital, resulting third by number of votes<sup>6</sup>.

<sup>1</sup> Composed of Giovanni Costantino, Antonella Alfonsi, Filippo Menchelli, Gianmaria Costantino, Marco Carniani, Fulvia Tesio and Massimo Bianchi.

<sup>2</sup> The slate obtained 33,422,000 votes in favour, representing 73.92% of the voting participants.

<sup>3</sup> Composed by Laura Angela Tadini.

<sup>4</sup> The slate received 8,469,700 votes in favour, representing 18.733% of the voting participants.

<sup>5</sup> Composed by Giulia Cavalli and Pietro Cordova.

<sup>6</sup> The slate received 3,321,991 votes in favour, representing 7.347% of the voting participants.

In light of this shareholders' resolution, the composition of the Company's Board of Directors as of the Report Date is as follows:

Name and Surname	Office	Slate
Filippo Menchelli	(Chair)(***)	Slate 1 BoD
Marco Carniani	Deputy Chair(***)	Slate 1 BoD
Giovanni Costantino	Chief Executive Officer(**)	Slate 1 BoD
Gianmaria Costantino	Director(***)	Slate 1 BoD
Fulvia Tesio	Director (*) (***)	Slate 1 BoD
Antonella Alfonsi	Director (*) (***)	Slate 1 BoD
Laura Angela Tadini	Director (*) (***)	Slate 2 BoD

(\*) Director in possession of the independence requirements set forth in Article 148 (3) of the Italian Consolidated Law on Finance, as referred to in Article 147 (4) of the Italian Consolidated Law on Finance.

(\*\*) Executive directors.

(\*\*\*) Non-executive directors.

In accordance with the principles set forth in Article 2 of the CG Code, as of the Report Date, the Board of Directors is composed of executive and non-executive directors, all of whom have the professionalism and skills appropriate to the duties entrusted to them. With particular reference to the non-executive directors, the Issuer considers them, by virtue of their number and different work and administrative/management experience, to be able to bring specific skills that are suitable in terms of scope and professionalism to help the board in making careful and accurate assessments for its decisions. Thus, non-executive directors are considered to have significant weight in the adoption of board resolutions, such as to ensure effective monitoring of management.

All the members of the Board of Directors meet the requirements of integrity set forth in Article 2 of the Regulation of the Minister of Justice No. 162/2000, as recalled by Article 147-*quinquies* of the Italian Consolidated Law on Finance, and are not in any of the conditions of ineligibility or disqualification set forth by Article 2382 of the Italian Civil Code or, as the case may be, by Article 148 (3) of the Italian Consolidated Law on Finance, as referred to by Article 147-*ter*, paragraph 4, of the Italian Consolidated Law on Finance.

On 10 May 2023 and 21 March 2024, the Board of Directors examined the requirements (eligibility, professionalism, integrity) of the members of the Board of Directors.

In accordance with current regulations, the Board is composed of three independent directors pursuant to the Italian Consolidated Law on Finance and the Corporate Governance Code.

It should be noted that, on 10 May 2023 and 21 March 2024, the Board of Directors carried out the assessment of the independence requirements set forth in Article 147-*ter* (4) of the Italian Consolidated Law on Finance (which refers to Article 148 (3) of the Italian Consolidated Law on Finance) and Article 2 of the CG Code of Independent Directors Laura Angela Tadini, Antonella Alfonsi and Fulvia Tesio.

As regards the assessment of the independence of its members, the Rules of the Board of Directors provide that the Board of Directors, in order to detect the possible existence of relations that may condition their autonomy of judgement, assesses the independence of its non-executive members on the basis of the information provided by them:

- (i) after appointment;

- (ii) during the term of office upon the occurrence of circumstances relevant to independence; and, in any case,
- (iii) annually, when examining the draft financial statements for the year to be submitted to the Shareholders' Meeting for approval.

For the purposes of assessing independence, the Board, in addition to the circumstances that compromise, or appear to compromise, the independence of a director expressly set forth in the CG Code, in relation to the specific situations concerning each director, may consider any additional element deemed useful and appropriate, adopting additional and/or partially different criteria that privilege substance over form.

If an Independent Director no longer meets the independence requirement, he/she shall not be disqualified, without prejudice to the obligation to notify the Board of Directors immediately, if the requirements continue to be met by the minimum number of directors for whom such a requirement is required.

The composition and structure of the current TISG Board of Directors, as well as that of the Board committees, are shown in **Table 2** in the appendix to the Report. There have been no changes in the composition of the Board since the end of the Financial Year.

The members of the Board of Directors are all domiciled for office at the registered office of the Company.

The following is a brief *curriculum vitae* of each director, showing their skills and experience in business management.

**Filippo Menchelli**, born in Milan on 2 March 1972. Filippo Menchelli began his career as an administrative manager for the Inalco pharmaceutical group (based in Milan), focusing on the production facilities and research centres in Tuscany from 2002 to 2012. In 2012, he started his collaboration with the Issuer as administrative manager of Tecnomar S.p.A. and Nuovi Cantieri Apuania S.p.A. In 2014, he was promoted to Chief Financial Officer and Head of Legal Affairs. Since 2017, Filippo Menchelli has been a director of the Issuer and in December 2018 he was also entrusted with the role of employer pursuant to Law No. 81/2008. He has been Chair of the Issuer's Board of Directors since 2020.

**Giovanni Costantino**, born in Taranto on 17 October 1963. In 1982 he started his career as an entrepreneur in the building and customised furniture sector. In 1997, he joined the multinational company Natuzzi S.p.A. where for 11 years, until mid-2008, he contributed to the group's growth in the role of general manager, developing a comprehensive and transversal experience. In 2009, Giovanni Costantino began his career in shipbuilding with the acquisition, through GC Holding S.p.A., of the Tecnomar brand. In 2011, it acquired the Admiral brand. In 2012, in response to the growing market demand for large yachts, GC Holding S.p.A. acquired Nuovi Cantieri Apuania S.p.A., a company in which Giovanni Costantino served as chair of the Board of Directors. In 2020, Giovanni Costantino established The Italian Sea Group S.p.A. and, since then, has held the position of Chief Executive Officer. The Company's listing on "Euronext Milan", a regulated market organised and managed by Borsa Italiana S.p.A., follows in 2021.

**Marco Carniani**, born in Florence on 10 August 1980, has been working with The Italian Sea Group for over ten years and is already the Company's Deputy Chair and Chief Financial Officer. With a degree in Economics and commerce from the University of Florence, during his professional career Mr. Carniani gained significant experience in auditing and corporate finance at leading international advisory firms. In particular, from 2006 to 2009, he held the position of Auditor and, subsequently, Senior Auditor at Deloitte&Touche S.p.A.. Between 2009 and 2014, he held the position of Manager at BDO.



**Gianmaria Costantino**, born in Mercato San Severino (Salerno) on 8 May 2001. Gianmaria Costantino graduated in International Economics and Finance from Università Commerciale Luigi Bocconi in Milan and then he earned a Master's Degree in Finance from Hult International Business School in London. He directly followed the Issuer's IPO process and, after that, he gained experience in Asset Management in London and in Investment Banking and M&A in Milan. Chair of the Board of Directors of GC Holding S.p.A., the majority shareholder of TISG, Mr. Costantino supported the Company's management on strategic-commercial projects, gaining cross-department experience within the company.

**Antonella Alfonsi**, born in Civitavecchia on 7 April 1967. Ms. Alfonsi, lawyer, holds a law degree from the University of Rome "La Sapienza" and a Master Degree (LLM) in Corporate and Commercial Law from University College London, London. The lawyer has focused her education and professional experience in the areas of corporate law, M&A and commercial law, and has gained a specific expertise in the area of corporate governance. The lawyer has also participated as a speaker at numerous conferences and events mainly on topics of corporate governance, corporate law and regulatory compliance (including in the banking and finance sector). From 2007 to 2018, Ms. Alfonsi was managing partner of Studio Legale Associato - Deloitte.

**Fulvia Tesio**, born in Turin on 17 December 1967. Ms Tesio holds a degree in Economics and commerce from the University of Turin and has been a chartered accountant and auditor since 2001. From 1996 to 1998, she worked at the European Training Foundation, an agency of the European Community, as a Financial Assessor. From 1998 to 2008, she worked with Studio Dante & Associati in Turin. From 2008 to 2009, she worked as a tax and corporate consultant at Fenera Holding Group. In 2009, she founded her own professional firm of Chartered Accountants, which since 2012 has been part of the WCT Corporate Advisors network, now Bakertilly WCT Advisors Dottori Commercialisti, where she provides ordinary and extraordinary consultancy to companies in corporate, tax and corporate governance matters; she also works as of counsel at Studio Dante & Associati in Turin. She is specialised in business valuations in the context of M&A transactions, in acting as court-appointed expert and in extraordinary transactions, holds positions as independent auditor and statutory auditor and is a strategic advisor to international innovative start-ups working alongside venture capital companies and investment funds. Finally, Ms. Tesio collaborated with several study groups at the Association of Chartered Accountants of Turin. Independent director Fulvia Tesio served as Chair of the Board of Statutory Auditors from 2010 to 2014 at GC Holding S.r.l. and as that company's sole statutory auditor from 2015 to 2018.

**Laura Angela Tadini**, born in Milan on 12 October 1970. Ms Tadini holds a degree in Economics from the Università Cattolica of Milan and is a registered auditor. From 1994 to 2001 she worked for the companies of the Andersen Group, serving as auditor at Andersen S.p.A. from 1994 to 1996 and as manager at Andersen MBA S.r.l. From 1996 to 2001. From 2001 to 2003 she served as project manager and investor relator for the Coin Group. She has been working for the Giorgio Armani Group since 2003: from 2003 to 2008 she served as internal audit director; from 2008 to 2013 she served as indirect procurement and internal audit director; since 2013 she is global HR director. Ms. Tadini is also a member of the Board of Directors of several Group companies.

For further information on the slates filed for the appointment of the Board of Directors, as well as to access the full *curricula* of the directors, please refer to the Issuer's website <https://investor.theitalianseagroup.com/>, section "*Corporate Governance*" / "*Shareholders' Meeting*".

From the end of the Financial Year to the Report Date, no director ceased to hold office and there were no changes in the composition of the Board.

## **Diversity criteria and policies in Board composition and company organisation**

Taking into account the structure and size of the Company, the qualitative and quantitative composition of the Board of Directors, which ensures sufficient diversification in terms of skills, age, experience, including international experience, and gender, as well as the related ownership structure and the slate voting mechanism provided for in the Articles of Association, which in turn ensures a transparent appointment procedure and a balanced composition of the managing body, the Board of Directors did not deem it necessary to adopt diversity policies in relation to the composition of the administration and management bodies with regard to aspects such as age, gender composition and educational and professional background.

In particular, in the composition of the Board of Directors, the Company considered the criteria of diversity, including gender diversity, provided for by current legislation and the Corporate Governance Code.

In fact, the current composition of the Board of Directors reflects the gender balance provisions as most recently amended by Law No. 160 of 27 December 2019, as three-sevenths of the directors belong to the least represented gender.

On 24 January 2023, in line with the values of integrity and responsibility and the indications of the code of ethics, the Board of Directors approved the Issuer's "Policy on the Protection of Diversity and Inclusion", which outlines the procedures and principles aimed at protecting and supporting diversity and inclusion by the Group and all its stakeholders. Any violation of the aforementioned policy may be reported to the Legal Affairs Department at the e-mail address [affarilegali@admiraltecnomar.com](mailto:affarilegali@admiraltecnomar.com), or via the mailbox located near the attendance reader at the Company's registered office.

Furthermore, on 10 May 2023, the Board of Directors deemed the professional characteristics, experience and seniority of the members of the Board and committees to be adequate, finding suitable diversity of age and skills in its composition.

## **Maximum limits to the accumulation of offices held in other companies**

Due to the fact that the Issuer does not fall into the category of "large companies" within the meaning of the Corporate Governance Code, the Board of Directors did not deem it necessary to define general criteria regarding the maximum number of directorships and auditing positions in other companies that can be considered compatible with an effective performance of the role of director of the Company.

Nonetheless, each candidate for the office of director shall assess in advance, at the time of accepting the office in the Company and regardless of the limits established by laws and regulations on the accumulation of offices, the ability to perform with due attention and effectiveness the tasks assigned to him/her, taking into particular consideration the overall commitment required by the offices held outside the Issuer.

Each director is also obliged to inform the Board of any directorships or auditing positions in other companies that he/she accepted, in order to allow the fulfilment of disclosure obligations under applicable laws and regulations.

Considering the positions held by its members in other companies, the Board of Directors of the Company considers 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. This is without prejudice to the right of the Board of Directors to make a different, reasoned assessment, which will be made public in the Annual Report on Corporate Governance and Ownership Structures and adequately justified therein.

#### **4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (under Article 123-bis paragraph 2(d), Italian Consolidated Law on Finance)**

The functioning of the Board of Directors is governed by the Articles of Association and the Rules of the Board of Directors adopted on 12 July 2021 in accordance with Recommendation 11 of the CG Code.

The purpose of these Rules is to regulate the procedures for the functioning of the Company's Board of Directors, including the procedures for taking minutes of meetings and the procedures for the management of directors' reports, in compliance with current laws, regulations and the Articles of Association, as well as in light of the principles and criteria established by the Corporate Governance Code. For further information, please refer to the Company's Articles of Association, published on the Company's *website* <https://investor.theitalianseagroup.com/>, section “Corporate Governance”/”Documents, Policies and Procedures”.

Pursuant to Article 17 of the Articles of Association, the Board meets, also outside the registered office, as a rule at least once every three months and whenever the Chair deems it appropriate, as well as when at least two directors or a director to whom powers have been delegated make a written and reasoned request. The Board of Directors may also be convened by at least one statutory auditor, with prior notification to the Chair.

The Board is convened by the Chair by means of written notice accompanied by all the elements useful for resolution and sent at least three days or, in case of urgency, at least one day before the date set for the meeting by registered letter with advice of receipt, telegram, *telex*, *telex*, e-mail or equivalent means, provided that proof of receipt is given. In any case, the Board of Directors shall, in any event, be duly constituted, even in the absence of any formal call, if all its members and the regular members of the Board of Statutory Auditors are in attendance.

The Board may also meet by means of audioconference and/or videoconference, provided that all participants can be identified by the Chair and the other participants, that they are able to follow the discussion, to intervene in real time in the discussion of the items under discussion, and to receive, transmit or view documents.

For the Board's resolutions to be valid, the presence of an effective majority of its members in office is required and resolutions are passed by an absolute majority of those present.

Board meetings are chaired by the Chair of the Board of Directors, who sets the agenda, coordinates the proceedings and ensures that adequate information on the items on the agenda is provided to the directors in a timely manner. If the Chair is absent, the meetings are chaired by the Deputy Chair or, in his absence, by the director designated by the Board.

The Rules of the Board of Directors provide, *inter alia*, that the directors shall act and decide with full knowledge of the facts, independent judgement and autonomy, pursuing the overall interests of the Company with the priority aim of creating value for the shareholders in the medium to long term. The timeliness and completeness of pre-meetings information notice is ensured by (i) a periodic flow of information between the delegated bodies and the Board of Directors, and (ii) the figure of the Secretary of the Board of Directors who, well in advance of Board meetings, provides accurate, clear and complete information so that directors can act in an informed manner in the performance of their role.

Pursuant to Article 15 of the Articles of Association, the Board may establish an executive committee and/or other committees with different functions and tasks, determining their composition and mode of operation. The Board of Directors may also appoint one or more General Managers.

In addition, pursuant to the Rules of the Board of Directors, Directors accept their office when they believe they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment connected with their work and professional activities and the number of positions they hold in other companies or entities (including foreign ones).

A member of the Board of Directors who, on his/her own behalf or on behalf of third parties, has an interest in a certain transaction of the Company must promptly and fully inform the other directors and the Board of Statutory Auditors of the nature, terms, origin and extent of his/her interest. If he/she is the Chief Executive Officer, he/she must refrain from carrying out the transaction by referring it to the collegiate body.

The Rules of the Board of Directors also provide that the resolutions of the Board of Directors shall be recorded in minutes signed by the Chair of the meeting and the Secretary. The minutes adequately record any dissent expressed by the members of the Board of Directors on individual topics and their reasons. As a rule, the minutes are submitted to the Board of Directors for approval at the first subsequent useful meeting and, only afterwards, transcribed in the special company book; in the meantime, the resolutions passed can be implemented. When necessary, the latter can be immediately transcribed and then subsequently included in the minutes of the meeting together with any interventions.

The Rules of the Board of Directors also provide that for the organisation of its work, the Board of Directors shall be supported by the Secretary of the Board, on whose role and functions reference is made to the following paragraph.

Should the Chair deem it useful or appropriate in relation to the matters to be discussed, also upon the request of one or more directors, he/she may request that the Company's executives in charge of the corporate functions competent according to the subject matter be present at Board meetings to provide the appropriate in-depth information on the items on the agenda.

On the basis of the items on the agenda, the Internal board committees report on their activities and their evaluations.

As far as confidentiality is concerned, the Rules of the Board of Directors provide that all members of the Board of Directors and the Board of Statutory Auditors are required to keep confidential the documents and information acquired in the performance of their duties and to comply, even after their term of office has expired - without prejudice to the obligations imposed by law, judicial and/or supervisory authorities - with the procedures adopted by the Company for the internal management and external communication of such documents and information. Confidentiality is also a necessary element to ensure that information can be transmitted with the necessary timeliness and be complete with regard to all aspects important for decision-making.

Lastly, the Rules of Procedure of the Board of Directors provide that the Board of Directors, at least once every three years - in view of each renewal - shall undergo a self-assessment process carried out in order to evaluate the effectiveness of the Board of Directors' activities and express an assessment of its actual functioning and that of its committees, as well as their size and composition and the contribution made by each director, taking into account the professional characteristics, experience and gender of its members and their seniority in office.

On a case-by-case basis, the Chair assesses whether it is advisable for the Company to be assisted by an independent external consultancy firm to carry out this activity. He also ensures that the self-assessment process is carried out effectively, that the way it is conducted is consistent with the degree of complexity of the Board's work, and that corrective measures are taken to address any shortcomings identified.

During the Financial Year, the Board met twenty-three times with the regular attendance of the members of the Board of Directors and the Board of Statutory Auditors. The meetings lasted on average about one hour and were duly minuted. The percentage of attendance at these meetings by the members of the Board of Directors from the time they took office was as follows: Filippo Menchelli 100%, Giovanni Costantino 100%, Marco Carniani 100%, Gianmaria Costantino 100%, Fulvia Tesio 92%, Antonella Alfonsi 100%, Laura Angela Tadini 100%.

In light of the foregoing, the Company believes that the directors ensured adequate time availability during the Financial Year to perform their duties at TISG.

The Chair of the Board of Directors ensured that the documents relating to the items on the agenda were brought to the attention of the directors and auditors well in advance of the date of the meeting. The timeliness and completeness of pre-meeting reporting is ensured through the constant sharing of documentation.

During the financial year 2024 and up to the Report Date, the Board of Directors met three times - namely on 6 February 2024, 19 February 2024 and 21 March 2024 - and at least four further meetings are planned until the end of the financial year 2024.

For more information see **Table 2** in the appendix.

The Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, appoints the Financial Reporting Manager in charge of preparing the company's accounting documents, pursuant to Article *154-bis* of the Italian Consolidated Law on Finance, granting him adequate means and powers to perform the tasks assigned to him.

## **4.5 ROLE OF THE CHAIR OF THE BOARD OF DIRECTORS**

### **Chair of the Board of Directors**

The Shareholders' Meeting of 27 April 2023, which appointed the Board of Directors, appointed Filippo Menchelli as its Chair.

The Chair of Board of Directors appoints a secretary, who need not be a member thereof.

As of the Report Date, the Chair of the Company's Board of Directors has not been assigned any management powers, and this is in compliance with best practices that favour the Chair's role as a subject connecting the executive and non-executive directors as well as guarantor of the proper functioning of the Board of Directors, as envisaged by the Rules of the Board of Directors.

The Chair convenes the Board of Directors, sets its agenda, plans and coordinates its work and activity and ensures that all of the Directors receive adequate information on the items on the agenda. In particular, in compliance with the provisions of the Corporate Governance Code and pursuant to the Rules of the Board of Directors, the Chair, with the help of the Secretary of the Board itself, ensures:

- a) the timeliness and completeness of the pre-meeting briefing and that the pre-meeting briefing and additional information provided at meetings are adequate to enable directors to act in an informed manner in the performance of their role;
- b) that the activities of the board committees with investigative, propositional and advisory functions are coordinated with the activities of the governing body;

- c) upon agreement with the chief executive officer, that the executives of the Company and those of the Group companies, who are responsible for the relevant corporate functions according to the subject matter, attend Board meetings, also at the request of individual directors, to provide the appropriate details on 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 of the regulatory and self-regulatory framework of reference;
- e) the adequacy and transparency of the Board's self-assessment process, with the support of the Appointments and Remuneration Committee.

The Chair formulates - in agreement with the CEO - proposals for the adoption or amendment of the Shareholder Dialogue Policy. During the Financial Year, the Chair is responsible for ensuring that the Board of Directors is informed by the first useful meeting about the development and significant contents of the dialogue with them.

When carrying out the Board of Directors' self-assessment process, which takes place annually, the Chair will ensure its adequacy and transparency with the support of the Appointment and Remuneration Committee.

### **Board Secretary**

The Rules of the Board of Directors provide that the Board of Directors shall be supported by the Secretary in organising its work. In this regard, it should be noted that, in accordance with Recommendation 18 of the CG Code, at its meeting of 3 March 2023, the Board of Directors, at the proposal of the Chair, assigned the function of Secretary to Ms. Simona Del Re.

The Secretary supports the work of the Chair and provides impartial assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.

In particular, the Secretary assists the Chair in activities related to the proper functioning of the Board of Directors and provides the Directors with impartial assistance and legal advice (possibly with the support of external consultants) on corporate governance issues and in relation to their rights, powers, duties and obligations to ensure the proper exercise of their powers.

The Secretary may be either chosen from among the employees of the Company or identified outside the Company itself; when deemed appropriate, he/she may also be chosen from among the members of the Board of Directors itself.

In any case, the Secretary must possess adequate requirements of professionalism and independence of judgement and have adequate experience in the role of secretary at the Company or at the corporate secretariat of listed companies or be an expert in the field of law concerning listed companies and regulated markets.

In the event of the Secretary's absence, the Council, on a case-by-case basis, appoints who will replace him.

The person identified by the Board of Directors to act as Secretary shall also perform the same duties within the Executive Committee, if appointed.

During the Financial Year, the Secretary supported the activities of the Chair and provided impartial assistance and advice to the Board of Directors on every aspect relevant to the proper functioning of the corporate governance system.

## **4.6 EXECUTIVE DIRECTORS**

### **Delegated Bodies**

Pursuant to the law and the Articles of Association, the Board may delegate its powers to an executive committee composed of some of its members or to one or more of its members.

On 3 May 2023, the Board of Directors resolved to grant Chief Executive Officer Giovanni Costantino the following powers:

1. exercise voting rights at ordinary and extraordinary shareholders' meetings of companies in which one holds shares;
2. apply for and grant loans and financing to affiliated companies within the limit of EUR 1,000,000.00 or which result in a total annual indebtedness of EUR 30,000,000.00;
3. enter into loan agreements within the limit of EUR 4,000,000.00 for each individual transaction or which result in the exceeding of a total annual debt of EUR 30,000,000.00;
4. acquire or sell, including by licence, industrial property rights for trademarks, patents, inventions, designs, factory and quality models, up to the asset value limit of EUR 500,000.00;
5. rent secondary offices, branches, premises for offices, warehouses, warehouses, agencies and for other purposes related to the company's business;
6. lease or sublease to local third parties for civil and industrial purposes, machinery and systems, equipment and the like;
7. conclude consultancy and assistance agreements;
8. assign or lease business branches, as well as any related rights of enjoyment, including those pertaining to assets or part of assets under state-owned concessions, also being able to take on obligations and thus arrange for third parties to take over - temporarily or permanently - the same state-owned concessions, performing any preparatory or consequential activities (also by delegating them to third parties);
9. represent the Company before the judicial and administrative authorities in any judgement, procedure, including arbitration, proceedings, even out of court, with the widest powers, including, but not limited to, the power to conciliate and settle, to collect sums, and also, specifically, to render the formal interrogatory, to render the suppletory oath, to render the free interrogatory, to participate in conciliation attempts.
10. establish, amend, cancel deeds involving mortgages, pledges, privileges, attachments and others on third parties in favour of the Company;
11. carry out all operations relating to safe-deposit boxes set up or to be set up with credit institutions;
12. open bank accounts;

13. agree and define the credit lines with credit and financial institutions within the limit of EUR 4,000,000.00 for each individual transaction or that do not lead to exceeding a total annual debt of EUR 30,000,000.00;
14. sign the requests for approval and ex-currency approvals for temporary and final import and export issued by the Bank of Italy and the agent banks on behalf of the Company;
15. act for the protection of the Company's interests before expert and arbitration boards;
16. apply for security deposits and/or sureties from third parties on behalf of the Company for:
  - 16.1. participate in tenders, bids, invitations to tender or, competitions, execution of works under contracts of sale;
  - 16.2. collections and advances from customers;
  - 16.3. other reasons related to the performance of the Company's own work;
  - 16.4. tax refunds;
17. request and receive from third parties, sums as a security deposit of the price of a future sale;
18. make and withdraw security deposits from ministries, public deposit offices, deposit and loan banks, regional revenue offices, customs and municipal offices, provinces, regions and any other office, government or private body, including for normal utilities (telephone, *telex*, electricity, etc.) or supplies of goods and services (engines, moulds, models, projects, containers, furniture, furnishings, etc.);
19. assign loans as warranty to banks;
20. collect credit for any amount for the Company;
21. collect for the Company: bank cheques, bank drafts, drafts, money orders and other credit instruments, issuing receipts of payments;
22. order payments, issue and endorse bank cheques, money orders and other credit instruments, make withdrawals from active and overdrawn bank accounts within the limits of available overdrafts, and withdrawals from postal accounts within the limits of available overdrafts;
23. sign any declaration (deed, appeal, formality) required by tax regulations and represent the Company before any financial office of the public administration as well as before tax litigation bodies at any venue and level;
24. pay and agree taxes, levies and contributions by accepting and rejecting assessments, refunds and taking all appropriate actions for the most accurate tax assessment;
25. collect parcels, letters, including registered and insured letters from post offices, state railways, transport companies, and customs collecting goods and forwarding claims and complaints for any reason or cause whatsoever, initiating claims for damages and demanding compensation;
26. carry out any transaction at the public vehicle register;
27. sign company's correspondence;



28. purchase, sell, and exchange boats and cars, carrying out, where necessary, paperwork at public registers or other competent offices, plant, machinery and their accessories, equipment, furnishings, computing machines, vehicles, within the limit of EUR 6,000,000.00 for each individual transaction;
29. purchase goods, raw materials, semi-finished products, finished products and services within the scope of the Company's business, committing the company to all rights and obligations that may arise therefrom, entering into the relevant purchase, exchange, supply, consultancy, agency, intermediation, etc.;
30. enter into contracts with insurance companies and institutions by signing the relevant policies, with the power to carry out any practice relating to the settlement of claims or indemnities;
31. give or receive commissions, agencies and representations also with exclusivity, concluding the relevant contracts and updating them over time;
32. conclude contracts for warehousing and shipping, including maritime shipping, concluding agreements and conditions;
33. issue certificates, declarations for income and VAT reports, both for social security, insurance and mutual insurance institutions and for other institutions or individuals;
34. grant financing, loans and guarantees in favour of employees and/or in favour of organisations formed by and/or in the interest of employees;
35. provide for the payment of periodic salaries of employees as well as the related contributions and compulsory obligations;
36. sell, export, also with continuous contracts, products of the company by fixing with third parties terms, conditions, granting rebates, discounts and signing the relevant deeds within the limit of EUR 1,000,000.00 for each individual transaction;
37. sell raw materials, semi-finished products of the company's production process;
38. sell offcuts, scraps, and processing residues;
39. sign the necessary documents for the Company's participation in tenders, contracts, auctions, bids, at private companies or at regional or local public and governmental bodies or at any other public administration;
40. settle disputes and arbitrations, settle litigation;
41. appoint attorneys *ad negotia* for individual acts or categories of acts within the limits of available power;
42. hire and fire executives and adjust their salaries, as well as define the exact fulfilment of employment contracts existing at the company;
43. define the specific functions of employees, assign tasks, decide on possible disciplinary sanctions, after discussion with the employer for safety purposes;
44. hire and promote, suspend, dismiss executives, managers, clerical and blue collar workers and changing the conditions of employment;

45. conduct negotiations, conclude company labour contracts and other trade union agreements;
46. purchase, sale, exchange and any form of transfer of real estate and/or land, including those forming part of real estate or condominium complexes, also under state, civil or maritime concession, or subject to a building convention, up to the limit of EUR 2,000,000.00 for each individual transaction, with the right to delegate to third parties any activity functional or instrumental to the aforesaid real estate transfers.
47. represent the Company in place of or in the absence of the Chair, i.e:
  - 47.1. delegate global commercial management, with responsibility for all commercial activities of the offices in Italy and abroad, both in terms of costs and sales *budgets*, which will be defined at the beginning of each financial year and subdivided for the various subsidiaries, countries and/or commercial areas;
  - 47.2. represent the Company in the performance of all negotiation activities necessary for the conclusion of sales contracts, within the amount limit of EUR 2,500,000.00 for each individual transaction;
48. take care of sales prices with the consequent responsibility for margins with relative control of the *budget* received from the reference corporate function and further consequent verification of the correspondence of technical specifications;
49. direct and coordinate client relationship management activities by managing each and every relationship and criticality with the various shipping companies from the start of negotiations until the delivery of the ship, including the entire contractual guarantee period;
50. manage the successful completion of each payment by the shipping companies starting with the down payment, continuing with the various salaries, up to the final delivery payment of the vessel;
51. strategic responsibility in the Company's research and development innovations, giving both technical and aesthetic development *input* according to all market requirements;
52. coordinate and update and strategically share all marketing and communication choices both towards the market and towards customers, partners, brokers etc.

Pursuant to Article 18.3 of the Articles of Association, the Chief Executive Officer is the legal representative of the Company before any administrative or judicial authority and before third parties and has sole signature power. The latter may also appoint attorneys for the performance of specific acts and transactions or categories of acts and transactions, determining their powers and remuneration, if any.

Article 17.6 of the Articles of Association provides that, pursuant to Article 150 of Italian Consolidated Law on Finance and, in any case, any legal or regulatory provision in force, during meetings, the directors to whom powers have been delegated must report at least quarterly to the Board of Directors and the Board of Statutory Auditors verbally, or, when the Chair deems it appropriate in a written report, on the general performance of operations and its foreseeable evolution, as well as on the most significant transactions, due to their size or characteristics, carried out by the Company or its subsidiaries, and each director must report any interest he/she may have, on his/her own behalf or on behalf of third parties, in a given Company transaction.

Chief Executive Officer Giovanni Costantino qualifies as the main person responsible for managing the company (chief executive officer).

During the Financial Year and up to the Report Date, the Board of Directors has not established an Executive Committee.

### **Chair of the Board of Directors**

The Chair of the Board of Directors is not the main person responsible for managing the Issuer (*chief executive officer*), has not been delegated any management powers or delegated authority in the development of corporate strategies, nor is he a controlling shareholder of the Issuer.

On 3 May 2023, the Board of Directors decided to confirm the powers previously held by the Chair Filippo Menchelli. In particular, the Chair is entrusted with (i) the institutional representation of the Company and the responsibility for the proper functioning of the top management, and (ii) the responsibility for convening the Board of Directors, setting the agenda and approving the related minutes.

The Chair is also entrusted with the function of employer pursuant to Legislative Decree No. 81/2008, as amended, with the power to provide and supervise with wide discretion and full spending autonomy to ensure compliance with accident prevention, hygiene and environmental protection regulations. The Chair of the Board of Directors, Filippo Menchelli, is vested with the following powers: to perform, in the name and on behalf of the Company, all acts, perform all functions and fulfil all obligations provided for by Legislative Decree No. 81/2008 and, more generally, by the regulations on hygiene, safety and prevention at work and, in any case, to directly provide for whatever is deemed necessary and/or useful for the constant compliance with, adaptation to and updating of the regulations and rules of good practice pertaining to this matter. To this end, the Chair Filippo Menchelli was granted powers of representation, to all effects, of the Company before all entities, institutions, public and private bodies in charge of exercising the supervisory, verification and control functions provided for by general regulations and, in particular, with regard to accident prevention, before I.N.A.I.L., also for the purposes and effects of Presidential Decree No. 1124/1965, as well as all the widest management, decision-making, control and signature powers.

### **Executive Committee (only if appointed) (under Article 123-bis paragraph 2(d), Italian Consolidated Law on Finance)**

The Company has not appointed an Executive Committee.

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### **Information to the Board by the Directors/delegated bodies**

During the Financial Year, the delegated bodies reported adequately and promptly - at the meetings held on 24 January, 21 March, 26 May, 7 September and 7 November 2023 - to the Board of Directors and the Board of Statutory Auditors on the activities performed in exercising the powers delegated to them, and this in a manner that enabled the directors to express their opinion in an informed manner on the matters submitted to their examination from time to time.

### **Other Executive Directors**

During the Financial Year and up to the Report Date, there were no Executive Directors other than the Chief Executive Officer.

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

### **Independent Directors**

As of the Report Date, the Board of Directors is composed of seven members, three of whom are independent directors, i.e., directors who meet the independence requirements set forth in Article 148, paragraph 3, of the Italian Consolidated Law on Finance, as referred to in Article 147-ter, paragraph 4, of the TUF and Recommendation 7 of the Corporate Governance Code.

In particular, the directors Laura Angela Tadini, Fulvia Tesio and Antonella Alfonsi meet the independence requirements.

In accordance with Recommendation 5 of the CG Code, the number and competencies of the independent directors are appropriate to the needs of the company and the functioning of the Board, as well as the constitution of the relevant committees.

The Board of Directors did not predefine, at the beginning of its term of office, the quantitative and qualitative criteria for assessing the significance of relevant circumstances under the CG Code for the assessment of directors' independence.

The fulfilment of the independence requirements was verified by the Board of Directors following the appointment of the Board resolved by the Shareholders' Meeting of 27 April 2023 and, subsequently, on 10 May 2023 and 21 March 2024. The results of the assessments were disclosed to the market as recommended by the Corporate Governance Code.

In the course of the verification, the Board assessed the existence and permanence of the independence requirements referred to above, applying all the criteria provided for by the Corporate Governance Code, based on the information that the directors concerned are required to provide under their own responsibility, or on the information in any case available to the Board.

These verifications were successful and there were no exceptions or waiver of any of the requirements set out in the Corporate Governance Code. As a result of these verifications, the current directors Laura Angela Tadini, Fulvia Tesio and Antonella Alfonsi were deemed to meet the aforementioned independence requirements.

Specifically, on 10 May 2023, the Board of Directors deemed Laura Angela Tadini and Fulvia Tesio to be independent, noting that (i) Laura Angela Tadini is an employee of a minority shareholder who, due to the shareholding held, is not a significant shareholder of the Company, and (ii) Ms. Fulvia Tesio had only occasional external consulting relationships with the law firm that assisted the Company on the Board of Directors' self-assessment project; the amount paid to the law firm for the project, however, was small and such as not to affect her independence.

During the Financial Year, the Independent Directors met six times - namely on 23 January 2023, 21 March 2023, 10 May 2023, 27 July 2023, 5 September 2023 and 7 November 2023 to coincide with the meetings of the Audit, Risk and Sustainability Committee and the Appointments and Remuneration Committee.

Finally, it should be noted that the Independent Directors have undertaken to maintain independence during their term of office and, if necessary, to resign in the event that the independence requirements were no longer met; it should be noted that these circumstances did not occur during the Financial Year.

### **Lead Independent Director**

The Board did not deem it necessary to appoint an independent director as lead independent director since the prerequisites set forth in Recommendation No. 13 of the Code are not met. In particular, the Chair of the Board of Directors (i) is not the chief executive officer of the Company, nor does he hold significant management powers, and (ii) does not control, even jointly, the Company.

## 5. MANAGEMENT OF CORPORATE INFORMATION

With reference to the management of corporate information, the Board of Directors has adopted the following procedures in order to monitor access to and circulation of inside information before it is disclosed to the public, as well as in order to ensure compliance with the confidentiality obligations provided for by law and regulations.

As of the Report Date (i) the Inside Information Procedure regulating the management and disclosure of inside information, as well as the establishment and updating of the register of persons with access to inside information, and (ii) the Internal Dealing Procedure regulating the fulfilment of internal dealing obligations, both approved by the Board of Directors on 18 February 2021, are in force.

For further information, please refer to the text of the procedures available on the Issuer's *website* <https://investor.theitalianseagroup.com/>, section “*Corporate Governance/ Documents, Policies and Procedures*”.

## **6. INTERNAL BOARD COMMITTEES (under Article 123-bis paragraph 2(d), Italian Consolidated Law on Finance)**

### **Establishment of committees**

Pursuant to Principle XI and Recommendation 16 of the Corporate Governance Code, the Board of Directors establishes internal committees with investigative, advisory, proposal-making and control functions.

In compliance with corporate governance requirements, in order to increase the effectiveness and efficiency of the Board of Directors, the Board of Directors established an internal Appointments and Remuneration Committee and an Audit, Risk and Sustainability Committee, which was also assigned the function of Related Party Transactions Committee, as detailed below.

The composition of the committees was determined by taking into account the expertise and experience of their members, avoiding an excessive concentration of tasks.

For a description of the composition, functions, duties, resources and activities of the Committees, please refer to Sections 7.2, 8.2 and 9.2 of this Report.

The members of the committees are appointed and dismissed by resolution of the Board of Directors, which also appoints their Chairmen.

The Board of Directors defines the tasks of the committees, giving priority to the competence and experience of their members.

In accordance with what is established from time to time by the Board of Directors at the time of appointment, the committees are composed of three non-executive and independent directors, who hold office until the expiry of the Board of Directors. The early termination of the Board of Directors for any reason whatsoever results in the immediate disqualification of the committees.

During the Financial Year and up to the Report Date, none of the functions recommended by the Corporate Governance Code were reserved for the Board of Directors.

### **Functioning of committees**

The functioning procedures of the committees, including the procedures for taking minutes of their meetings and the procedures for the management of information to the directors who are members of them, the procedures for safeguarding the confidentiality of the data and information provided in such a way as not to prejudice the timeliness and completeness of the information flows, are governed by the regulations of the committees.

The members of each committee shall meet in a meeting as often as the respective Chairs deem it necessary or if the other two directors so request in writing, and in any case as often as necessary to perform their duties, normally on the dates set forth in the respective annual meeting calendars approved by the committees.

The meeting may be held in any place, even other than the Company's registered office, in Italy or abroad, also by teleconference or videoconference provided that all participants are identifiable and are actually able to follow the meeting and take part in the discussion.

The call shall be made by the Chair or, on his or her behalf, by the secretary of the committee by *telefax* and/or *e-mail*, sent at least three days before the date set for the meeting or, in urgent cases, at least one day before.

The notice of call must specify the place, day and time of the meeting, as well as a list of the items to be discussed.

The meetings are chaired by the Chair of the Committee or, in the event of his absence or impediment, by another member of the committee appointed for the purpose by those present.

For the Committee to be properly convened and its resolutions to be validly passed, it is necessary that the majority of its members in office are in attendance, and in the absence of convocation, all of the Committee's members in office are in attendance. The members of the Committee shall act collectively, and shall pass their resolutions by majority vote.

The work of the committees is coordinated by the respective Chairs and the Chair of the Board of Statutory Auditors or another auditor designated by him/her takes part in the work of the committees; however, other auditors may also participate.

Committees may have access to the information and corporate functions necessary to perform their tasks, as well as make use of external consultants, appropriately bound to confidentiality, under the terms established by the Board of Directors.

Persons who are not members of the Committees may therefore attend committee meetings at the invitation of the committee, with reference to individual items on the agenda.

The minutes of the resolutions passed are drawn up by the Secretary of the committee and signed by him and all directors attending the meeting. The directors, if absent, may sign the minutes for acknowledgement.

The Secretary of the Committee shall be responsible for keeping the book of the Committee's meetings and resolutions.

The Chairs of each committee report to the first useful Board of Directors on the meetings held by the committee.

The Chairs of each committee report to the Board, according to the timetable provided for in their respective regulations, on the activities carried out by the committee.

The Directors who are members of the committees shall observe the strictest confidentiality and secrecy with regard to all data, information and news provided and discussed in connection with their work, and undertake not to disclose them in any way or to issue statements and/or declarations concerning their work.

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

### **7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS**

Pursuant to Principle XIV of the Code, the Board has decided on a voluntary basis to periodically evaluate the effectiveness of its activities and the contribution made by its individual components, through formalised procedures whose implementation it oversees.

In particular, in compliance with the provisions of Recommendation 22 of the Corporate Governance Code, the Board at least every three years carries out a self-assessment process in order to evaluate the effectiveness of the activities of the Board of Directors and of the intra-directory committees and expresses an opinion on their size, composition<sup>7</sup> and actual functioning, also considering the role played by the Board in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

In the self-assessment activity, the Company may rely on the support of an external consultant.

Following the self-assessment activity, the Board of Directors identifies any necessary or appropriate corrective actions.

Since the Date of Admission to Trading on Euronext Milan of TISG's shares, the self-assessment was carried out only once in March 2023 with reference to the Financial year 2022.

This assessment process, which took place in March 2023, was carried out by submitting an anonymous questionnaire with closed questions to all directors. The questionnaire was divided into sections and focused on the size, composition and functioning of the Board of Directors and committees, the definition of strategies and management monitoring, the internal control and risk management system and the management of conflicts of interest.

The questionnaire was prepared by the Company with the help of an external consultant, the Clovers law firm.

The results of the self-assessment were analysed by the Board of Directors at its meeting on 21 March 2023 and were examined in the report on corporate governance and ownership structures for the Financial year 2022, which is available on the Issuer's *website* <https://investor.theitalianseagroup.com/>, section "Shareholders' Meeting".

#### **Guidelines on the Composition of the Board of Directors**

The Board of Directors in office until the approval of the Financial statements for the year ending 31 December 2022, taking into account the results of its self-assessment, in view of the expiry date did not deem it necessary to provide guidelines on an adequate quantitative and qualitative composition.

#### **Succession plans for Executive Directors**

Regarding the evaluation of the adoption of a succession plan for Executive Directors, the Board, considering the shareholding structure and size of the company, has not adopted a succession plan for executive directors as of the Report Date.

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<sup>7</sup> Taking into account the professional characteristics, experience, knowledge, competence and gender of its members, as well as their seniority in office.



However, in accordance with the recommendations of the CG Code, the Appointments Committee and the Board of Directors intend to align themselves with best practice by considering drawing up a plan in the course of 2024 at least for the early termination of the office of the CEO and other Executive Directors.

## 7.2 APPOINTMENTS AND REMUNERATION COMMITTEE

### **Composition and functioning of the Appointments and Remuneration Committee (under Article 123-bis, paragraph 2, letter d), Italian Consolidated Law on Finance)**

The Appointments and Remuneration Committee, as established by the Board of Directors on 3 May 2023 and in office as of the Report Date, is composed of three non-executive and independent directors: Fulvia Tesio (who serves as Chair of the Committee), Laura Angela Tadini and Antonella Alfonsi.

The Issuer considers that the composition of the Appointments and Remuneration Committee complies with the Corporate Governance Code in that (i) it is composed of non-executive directors who meet the independence requirements of the GG Code, (ii) it is chaired by an independent director, and (iii) its members have adequate knowledge and experience in financial and remuneration policy matters.

If, during the term of office, one (or more) of the directors serving on the committee should cease to serve, the Board of Directors shall replace him/her; the replacement, thus appointed, shall serve until the expiry of the term of office of the entire Board of Directors.

For more information on the internal functioning of the committee, Minutes of meetings and the management of information, please refer to Section 6, Section “Functioning of Committees”, of this Report.

In line with the recommendations of the Corporate Governance Code, no director takes part in Appointments and Remuneration Committee meetings in which proposals are made to the Board of Directors regarding their remuneration.

During the Financial Year, the Appointments and Remuneration Committee met four times - namely on 23 January 2023, 2 March 2023, 10 May 2023 and 7 November 2023 - with the regular attendance of its members. The meetings focused on the updating by the Human Resources (“HR”) director of policies and documentation and the assessment of the independence requirements of directors. The average duration of the meetings was 1 hour.

The percentage of attendance at these meetings by Committee members since their respective appointments took effect was as follows: Fulvia Tesio 100/100, Laura Angela Tadini 100/100, Antonella Alfonsi 75%.

From the end of the Financial Year to the Report Date, the Appointments and Remuneration Committee met once on 6 February 2024.

There have been no changes in the composition of the Committee since the end of the Financial Year.

For further information, please refer to **Table 3** in the appendix.

Committee meetings were attended by directors or members of corporate functions who are not members of the committee, at the invitation of the committee Chair, and informed by the chief executive officer.

## Functions of the Appointments and Remuneration Committee

In line with the provisions of the CG Code, according to the Committee's Rules of procedure, adopted by the Board of Directors on 18 February 2021 and approved by the Committee on 12 July 2021, the Appointments and Remuneration Committee is assigned the following functions.

With regard to appointments, the committee's function is to provide assistance to the Board of Directors in the activities:

- (i) self-assessment of the governing body and its Committees;
- (ii) definition of the optimal composition of the Board of Directors and its committees;
- (iii) identification of candidates for the office of Director in the event of co-optation;
- (iv) *preparation, updating and implementation of any succession plan for the Chief Executive Officer and other executive directors.*

In the area of remuneration, the committee's function is to:

- (i) assist the board of directors in drawing up the remuneration policy;
- (ii) submit proposals or expresses opinions on the remuneration of executive Directors and other Directors who hold special offices, and on the setting of performance targets for the variable component of this remuneration;
- (iii) monitor the concrete application of the remuneration policy and verify, in particular, the actual achievement of performance targets;
- (iv) periodically assess the adequacy and overall consistency of the Remuneration Policy for Directors and Top Management;

During the Financial Year, the Appointments and Remuneration Committee carried out its activities with the aim of providing continuity to the Remuneration Policy through measures consistent with the corporate context in which they were developed. In the course of its meetings, it met with the HR *director* of the Company, with whom he shared progress on the implementation of procedures and documentation pertaining to the HR area, including the short-term variable incentive plan and the recruitment process. The Appointments and Remuneration Committee also supported the Board in carrying out the self-assessment of its own functioning and that of the committees, as well as their size and composition. It met with the Head of the Company's Internal Audit function to define the mapping of risks associated with the remuneration and grading policies adopted; it verified the personnel selection procedures, based on the principles and rules of conduct included in the Model adopted; it verified the adequacy, overall consistency and concrete application of the Remuneration Policy adopted in the previous year, in relation to the results achieved and the remuneration benchmarks.

Meetings of the Appointments and Remuneration Committee were coordinated by the committee Chair.

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In carrying out its functions, the Appointments and Remuneration Committee had access to the information and corporate functions necessary to perform its tasks, had access to financial resources and made use of external consultants, within the terms set by the Board.

## 8. DIRECTORS' REMUNERATION - REMUNERATION COMMITTEE

### 8.1 DIRECTORS' REMUNERATION

#### Remuneration policy

On 27 April 2023, the Issuer's Shareholders' Meeting approved the Remuneration Report.

For all information regarding (i) the procedure through which the Board of Directors has drawn up the policy for the remuneration of directors, statutory auditors and top management, (ii) the manner in which the policy for the remuneration of directors, statutory auditors and top management defined by the Board is functional to the pursuit of the Issuer's sustainable success, and takes into account the need to dispose of, retain and motivate persons with the competence and professionalism required by the role held in the Issuer, please refer to the Remuneration Policy contained in Part One of the Remuneration Report, available on the Company's website <https://investor.theitalianseagroup.com/>, section "Corporate Governance"/"Shareholders' Meeting".

#### Remuneration of Executive Directors and top management

For information on the remuneration of the Group's Executive Directors and top management, please refer to the Remuneration Policy contained in Part One of the Remuneration Report, available on the Company's website <https://investor.theitalianseagroup.com/>, section "Corporate Governance"/"Shareholders' Meetings".

#### Share-based remuneration plans

On 21 March 2023, the Board of Directors approved a share incentive plan called the "Long Term Incentive Plan 2026-2028", aimed at Executive Directors, general managers, Executives with Strategic Responsibilities and certain employees with permanent employment contracts not belonging to the above categories, of the Company and any of its subsidiaries pursuant to Article 2359, paragraph 1, no. 1 of the Italian Civil Code.

For more information on the incentive plan, as well as on the ways in which this plan incentivises alignment with the interests of shareholders over a long-term horizon, please refer to the information document pursuant to Articles 114-bis of the Italian Consolidated Law on Finance and 84-bis of the Issuers' Regulation, as well as Part One of the Remuneration Report, available on the Company's website <https://investor.theitalianseagroup.com/>, section "Corporate Governance"/"Shareholders' Meeting".

#### Remuneration of Non-executive directors

For information on the remuneration of Non-executive directors, please refer to the Remuneration Policy contained in Part One of the Remuneration Report, available on the Company's website <https://investor.theitalianseagroup.com/>, section "Corporate Governance"/"Shareholders' Meeting".

#### Accrual and disbursement of remuneration

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

To this end, consistently with the Group's growth and development strategies, short-term quantitative and qualitative objectives to which the variable remuneration component is linked are defined and communicated ex ante for each manager. On the basis of these objectives, the remuneration accrued for each *manager* is identified and paid.

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**Severance pays to directors in the case of resignation, dismissal or ending of the relationship following a takeover bid (under Article 123-bis, paragraph 1, letter i), Italian Consolidated Law on Finance)**

For information on directors' severance pay in the event of resignation, dismissal or termination following a takeover bid, please refer to the Remuneration Policy contained in Part One of the Remuneration Report, available on the Company's website <https://investor.theitalianseagroup.com/>, section “*Corporate Governance*”/”*Shareholders' Meeting*”.

**8.2 APPOINTMENTS AND REMUNERATION COMMITTEE**

For information on the composition and functioning of the Appointments and Remuneration Committee, as well as the functions it performs, please refer to Section 7.2 of this Report.

## 9. RISK MANAGEMENT AND INTERNAL AUDIT SYSTEM - AUDIT, RISK AND SUSTAINABILITY COMMITTEE

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

An effective internal control and risk management system contributes to ensuring the efficiency and effectiveness of company operations, the reliability of financial information, compliance with laws and regulations, and the safeguarding of company assets in order to strengthen safeguards to protect investors.

On 18 February 2021, the Company's Board of Directors, having heard the opinion of the Board of Statutory Auditors, resolved to approve an internal control and risk management system. The system is described in a memorandum and allows managers to have a sufficiently complete picture of the economic and financial situation of the Company and the Group companies on a regular and timely basis, allowing them to properly (i) the monitoring of key performance indicators and risk factors pertaining to the Company and the main Group companies; (ii) the production of data and information with particular regard to financial information, according to dimensions of analysis appropriate to the type of business, the organisational complexity and the specifics of the management's information needs; and (iii) the processing of prospective financial data of the Company's objectives plan by means of a variance analysis; industrial and budget, as well as the verification of the achievement of the Company's objectives by means of a variance analysis.

On 15 November 2021, the Board of Directors, having heard the opinion of the Audit and Risk Committee, has appointed the head of the internal audit function, responsible for verifying that the internal control and risk management system is functional and adequate, ensuring that they are provided with adequate means to perform their functions, including in terms of the operational structure and internal organisational procedures for access to the information necessary for their task. The person in charge of the internal audit function was confirmed on 7 November 2023.

The internal audit and risk management system involves, in accordance with reference best practices, and each within their respective competences: the Board of Directors; the chief executive officer; the Audit, Risk and Sustainability Committee; the head of the internal audit function; the Board of Statutory Auditors.

The person in charge of Internal Audit reports periodically to the Board of Directors and the Board of Statutory Auditors through the Audit, Risk and Sustainability Committee and submits an annual report to the Board of Directors.

The Internal audit cover the corporate functions, units, processes and/or sub-processes specified in detail in the "*Annual Internal Audit Report*".

The internal audit function is responsible for reporting to the corporate bodies along the following lines:

- (i) each year submits the audit plan to be put in place for the performance of its functions;
- (ii) informs in a timely manner if significant deficiencies are detected;
- (iii) reports to the Audit, Risk and Sustainability Committee every six months on its activities;
- (iv) quarterly reports on the progress of the audit plan and any additional issues that may arise during the Financial year;

(v) annually submits the Annual Internal Audit Report to the Board of Directors.

During the Financial year, audits were conducted using methods of analysis considered most effective from time to time for the purpose of forming an opinion on the suitability of the control protocols. In particular, international methodologies and reference standards of the internal auditing profession (international professional practice framework - IPPF) were used, as well as the COSO Internal Control - Integrated Framework (COSO Framework). These activities were also carried out by means of statistical sampling, taking into account the frequency of the controls.

The Administration, Finance and Control Function includes the Administration and Finance Area, which, in compliance with paragraph 4 of Article 154-bis of Legislative Decree 58/1998, supports the Financial Reporting Manager in supervising and overseeing accounting procedures.

During the year, in cooperation with the Internal Auditor of The Italian Sea Group, testing activities were carried out on procedures, so as to align them with the activities actually performed and improve the internal control system.

On the basis of the analyses performed to date, relating to the verification of the operability of 262 controls, no deficiencies were found that could have a material impact on the correctness of the information in the Annual and Consolidated Financial Statements.

The Italian Sea Group S.p.a. has identified the need to undertake a series of initiatives to conform its organisational and governance structure to the requirements of applicable laws and regulations, including the Corporate Governance Code.

In this context, the Company is willing to put in place a risk management model (hereinafter also referred to as: Enterprise Risk Management or ERM), aligned with the methodologies adopted by best practices, aimed at supporting the Company in identifying and assessing the main corporate risks and the methods through which they are managed, as well as to define the methods through which to organise the system of safeguards for their containment within limits deemed acceptable.

From the information obtained from the audit reports prepared by the “Internal Audit, Risk management and 231 Control” Function (hereinafter referred to as IA) for 2023, the Financial Reporting Manager did not become aware of any news of particular significance that had not already been considered in the accounting records.

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During the Financial Year, the Board assessed the adequacy of the internal audit and risk management system in respect of the characteristics of the business and the risk profile assumed, as well as its effectiveness.

## **9.1 CHIEF EXECUTIVE OFFICER**

The Board of Directors of the Company entrusted the Chief Executive Officer with the task of establishing and maintaining the internal control and risk management system.

The Chief Executive Officer, in accordance with Recommendation 34 of the CG Code, during the Financial Year:

- (i) saw to the identification of the main business risks, taking into account the nature of the characteristics of the activities carried out by the Issuer and its subsidiaries, and submitted them periodically to the Board for review;
- (ii) implemented the guidelines defined by the Board, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory environment;
- (iii) entrusted the internal audit function with the task of carrying out checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chair of the Board, the Chair of the Audit, Risk and Sustainability Committee and the Chair of the Board of Statutory Auditors.
- (iv) reported promptly to the Audit, Risk and Sustainability Committee on problems and critical issues that had arisen in the course of its work or of which it had otherwise become aware, so that the committee could take appropriate action.

## 9.2 AUDIT, RISK AND SUSTAINABILITY COMMITTEE

### **Composition and functioning of the Audit, Risk and Sustainability Committee (under Article 123-bis, paragraph 2, letter d), Italian Consolidated Law on Finance)**

The Audit, Risk and Sustainability Committee as established by the Board of Directors on 3 May 2023 and in office as of the Report Date, consists of three non-executive and independent directors: Antonella Alfonsi (who serves as Chair of the Committee), Laura Angela Tadini and Fulvia Tesio.

On the same date, the Board of Directors resolved to assign to the Audit, Risk and Sustainability Committee also the functions of Committee for transactions with related parties, as provided for by Consob Communication no. DME/10078683 of 24 September 2010.

The Issuer considers that the composition of the Audit, Risk and Sustainability Committee complies with the provisions of the Corporate Governance Code in that *(i)* it is composed of non-executive directors who meet the independence requirements set forth in the GG Code, *(ii)* it is chaired by an independent director, *(iii)* in light of the characteristics of its members, the committee as a whole has adequate expertise in the business sector in which the company operates, functional to assessing the relative risks, and *(iv)* the members have adequate knowledge and experience in accounting and financial matters or risk management.

If, during the term of office, one (or more) of the directors serving on the committee should cease to serve, the Board of Directors shall replace him/her; the replacement, thus appointed, shall serve until the expiry of the term of office of the entire Board of Directors.

The Chair of the committee reports to the Board of Directors, at least every six months, on the activities carried out by the committee as well as on the adequacy of the internal control and risk management system.

For more information on the internal functioning of the committee, Minutes of meetings and the management of information, please refer to Section 6, Section “Functioning of Committees”, of this Report.

During the Financial Year, the Audit, Risk and Sustainability Committee met six times - namely on 23 January 2023, 21 March 2023, 10 May 2023, 27 July 2023, 5 September 2023 and 7 November 2023 - with the regular

attendance of its members and the Chair of the Board of Statutory Auditors since its appointment. The average duration of the meetings was 4 hours.

The percentage of attendance at these meetings by Committee members since their respective appointments took effect was as follows: Antonella Alfonsi 100%, Fulvia Tesio 100%, Laura Angela Tadini 75% (in office from 27 April 2023).

From the end of the Financial Year to the Report Date, the Audit, Risk and Sustainability Committee met once on 6 February 2024.

In particular, also with reference to the provisions of Recommendation 17 of the Corporate Governance Code, during the Financial Year the meetings of the Audit, Risk and Sustainability Committee were held, where necessary for the discussion of the items on the agenda, with the presence, upon invitation of the Chair of the Committee, of the Financial Reporting Manager, the function managers and the Head of the internal audit function.

In particular, during the Financial Year, the Audit and Risk Committee and Related Parties Committee had access to the information and corporate functions necessary to perform its duties.

There have been no changes in the composition of the Committee since the end of the Financial Year.

For further information, please refer to **Table 3** in the appendix.

### **Functions assigned to the Audit, Risk and Sustainability Committee**

The Audit and Risk Committee was appointed by the Board of Directors to perform the following functions.

In the area of audit and risk, the Committee shall:

- (i) support the Board itself in performing the tasks entrusted to it by the CG Code with regard to internal control and risk management;
- (ii) assess - after consulting the Financial Reporting Manager for the preparation of corporate accounting documents, the external auditor and the Board of Statutory Auditors, the correct use of accounting principles and, in the case of groups, their consistency for the purpose of preparing the consolidated Financial statements;
- (iii) assess the suitability of periodic financial and non-financial information to correctly represent the Issuer's business model, strategies, the impact of its activities and the performance achieved;
- (iv) evaluate the content of periodic non-financial information relevant to the internal control and risk management system;
- (v) express opinions on specific aspects relating to the identification of the main corporate risks and to support the Board's assessments and decisions relating to the management of risks arising from prejudicial facts of which the latter has become aware;
- (vi) exam periodic and particularly significant reports prepared by the internal audit function;
- (vii) monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit function;



(viii) report to the Board, at least when the yearly and half-yearly financial report is approved, on the activities carried out and on the adequacy of the Internal control and risk management system.

With regard to sustainability, the Audit, Risk and Sustainability Committee performs propositional and advisory functions to the Board of Directors, in order to promote the progressive integration of environmental, social and governance factors in company's operations to aimed at creating sustainable value for shareholders and other stakeholders in the medium to long term.

It should be noted that, in light of the Corporate Governance Committee's recommendations, the Chair of the Board of Directors recognised the importance of the issue of sustainability and the opportunity for the Chief Executive Officer to be supported in his activities on ESG matters by a "Sustainability Team" composed of the corporate functions most involved in activities with a strong environmental, social and governance impact, namely the functions: (i) human resources, (ii) technical-R&D department, (iii) site services, (iv) investor relations, (v) quality, and (vi) management control. To this end, at the meeting of 15 March 2023, the Board of Directors resolved to set up a sustainability team composed of the corporate functions listed above and to appoint Ms. Simona Del Re as ESG Manager, with the function of coordinating the team's activities.

The Audit, Risk and Sustainability Committee was also assigned the function of Related Party Transactions Committee, competent to express on related party transactions pursuant to the RPT Procedure and the RPT Regulation. For information on the Procedure, please refer to the text of the Procedure available on the Company's website <https://investor.theitalianseagroup.com/>, section "*Corporate Governance*" / "*Documents, Policies and Procedures*".

During the Financial Year, the Audit, Risk and Sustainability Committee carried out monitoring activities related to the internal control and risk management system by meeting with the Heads of the Sales, SAL and Quality and Refit company departments to examine the internal processes, dedicated structures, and operations of the departments and to acquire their reference procedures. The Committee was periodically updated on the targets achieved in 2023 in relation to the sustainability plan - as defined in the consolidated non-financial statement for the Financial year 2022 - with reference to environmental, governance and social aspects. During the Financial Year, the Committee monitored the progress of the ESG plan activities aimed at achieving the set targets and the data collection process, as well as the drafting of the consolidated non-financial statement. The Audit, Risk and Sustainability Committee also met, at all its meetings, with the Company's HR director, with whom it shared progress on the implementation of procedures and documentation pertaining to the HR area, including the Remuneration Policy, the MBO plan and the recruitment process. The Committee monitored the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function by meeting at all meetings with the Person Responsible for the function, who reported on the development of the audit plan and the monitoring conducted. Lastly, it met periodically with the chief financial officer and the Financial Reporting Manager for the preparation of corporate accounting documents to share periodic results and verify the procedures followed, positively assessing the correct use of accounting principles and their uniformity for the purposes of preparing the consolidated Financial Statements. As Related Party Transactions Committee, the Committee did not hold any meetings during the Financial Year, but received adequate information from the chief financial officer on Low Value Transactions and exempt transactions concluded during 2023.

The meetings of the Audit, Risk and Sustainability Committee were coordinated by the Chair of the Committee.

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In carrying out its functions, the Audit, Risk and Sustainability Committee had access to the information and corporate functions necessary to perform its tasks, had access to financial resources and made use of external consultants, within the terms set by the Board.

### 9.3 PERSON IN CHARGE OF THE INTERNAL AUDIT

In compliance with the provisions of recommendation 33 of the Corporate Governance Code, on 15 November 2021, the Board of Directors appointed - after hearing the opinion of the Audit, Risk and Sustainability Committee - Mr. Umberto Cappetti as person in charge of the Company's internal audit function. On 7 November 2023, Mr. Cappetti was confirmed in the role of person in charge of the internal audit function.

Mr. Umberto Cappetti is external to the Issuer and has adequate requirements of professionalism, independence and organisation.

In addition, Mr. Umberto Cappetti has adequate resources to fulfil its tasks.

The Board also defined the remuneration of the person in charge of the internal audit function in a manner consistent with its corporate policies.

During the Financial Year, the Board approved the work plan prepared by the person in charge of the internal audit function, in consultation with the Board of Statutory Auditors and the chief executive officer.

The purpose of the audit was to verify formal and substantive compliance with the procedures currently in force and to examine the overall process of control, management and monitoring of the risks to which the Company is exposed.

The objective of the audit activity was to ascertain the correct application of company procedures, proposing possible corrective actions and verifying their actual implementation.

In addition, procedures were put in place to identify any points where a strengthening of the internal control system was necessary and to promote the improvement of the company's organisational processes.

Audits were conducted using methods of analysis considered most effective from time to time for the purpose of forming an opinion on the suitability of the control protocols. In particular, international methodologies and reference standards of the internal auditing profession (international professional practice framework - IPPF) were used, as well as the COSO Internal Control - Integrated Framework (COSO Framework). These activities were also carried out by means of statistical sampling, taking into account the frequency of the controls.

In particular, during the Financial Year, the person in charge of the internal audit function:

- (i) has verified - on an ongoing basis and also in relation to specific requirements and in accordance with international standards - the operational status and suitability of the ICRMS, by means of an audit plan based on a structured process of analysis and prioritisation of the most important risks;
- (ii) has prepared periodical reports containing adequate information on his/her activities, on the ways in which risks are managed, and on the compliance with the plans defined to limit them, and has also assessed the adequacy of the Risk Management and Internal Audit System, and forwarded them to the Chairs of the Board of Statutory Auditors, the Audit, Risk and Sustainability Committee and the Board of Directors, as well as the Deputy Chair and CFO (except in cases where the subject of these reports specifically concerned the activities of these entities);
- (iii) has verified, in the context of the audit plan, the reliability of the information systems including accounting systems.

The person in charge of the internal audit function, in the performance of his duties, had access to all information relevant to the performance of the task entrusted to them.

#### 9.4 ORGANISATION MODEL PURSUANT TO LEGISLATIVE DECREE 231

In 2012, the Company adopted an organisation, management and control model for the prevention of offences pursuant to Legislative Decree No. 231, subsequently updated in 2015, in 2020 and in 2022, in order to incorporate the regulatory and organisational changes that have taken place pro tempore.

The Model consists of the following sections: general part, special part and risk assessment; group code of ethics, group disciplinary system, whistleblowing procedure; contractual clauses, PA transactions evidence sheet.

The Model provides for appropriate policies and measures to ensure that activities are carried out in compliance with the law and to identify and eliminate risk situations, as well as a prevention system capable of mitigating the risk of offence consistent with the organisational structure and with reference best practices.

For further information, please refer to the text of the Model available on the Company's website <https://investor.theitalianseagroup.com/>, section “*Corporate Governance*”/ “*Documents, Policies and Procedures*”.

The Issuer has adhered to the code of ethics adopted by GC Holding S.p.A., which represents an integral part of the Model and defines ethical principles and rules of conduct for shareholders, members of corporate bodies, employees and other recipients, contributing to the establishment of a control environment that ensures that the Issuer's activities are always inspired by the principles of fairness and transparency and reducing the risk of the commission of the offences set forth in Legislative Decree no. 231. The Code of Ethics can be viewed on the Issuer's Website <https://investor.theitalianseagroup.com/>, section “*Corporate Governance*”/ “*Documents, Policies and Procedures*”.

On 22 December 2015, and again on 24 March 2022, the Issuer appointed the Supervisory Board, establishing the body pursuant to Article 6 of Legislative Decree No. 231 and attributing to it the tasks indicated in the Model (which provides that the Supervisory Board has autonomous powers of initiative and control). As at the Report Date, the Supervisory Board was composed of Annalisa De Vivo, Carlo De Luca and Felice Simbolo (standing member of the Board of Statutory Auditors).

The Supervisory Board is entrusted with the task of supervising the operation of and compliance with the Model, assessing its adequacy, informing the Board of Directors of any necessary updates to the Model and monitoring its implementation and updating activities. In addition, the Supervisory Board is required to promote and verify training activities within the scope of the Legislative Decree No. 231, to have the internal audit plan approved, to examine reports in accordance with the provisions of the Model and, finally, to manage the information flows received.

In order to regulate the activities related to these tasks, the Supervisory Board has had its own regulations since 2016 (last updated on 27 May 2019).

The Supervisory Board must meet periodically and report periodically to the Board of Directors, with particular reference to information on the violation of the provisions of the Model and any anomalies or atypicalities encountered; in addition, the Supervisory Board must submit to the Board of Directors the documents that the Board is required to examine pursuant to corporate procedures. In fact, the general part of the Model provides that information that may be relevant to potential breaches of the Model and information relating to the Company's activity, which may be relevant to the performance by the Supervisory Board of its assigned tasks, must be mandatorily transmitted to the Supervisory Board.

During the Financial Year, the Supervisory Board met eight times - namely on 10 February 2023, 20 February 2023, 27 March 2023, 26 June 2023, 3 July 2023, 1 August 2023, 8 November 2023 and 22 December 2023 - in addition to carrying out specific verification and monitoring activities in application of the annual work plan.

## 9.5 AUDITING FIRM

The Company appointed to perform the Statutory Audit of the Issuer's accounts is BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi 94, registered with the Register of Companies of Milan, Monza Brianza and Lodi, registration number, tax code and VAT number 07722780967, registered under no. 167991 in the Register of Statutory Auditors pursuant to Articles 6 et seq. of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135 of 17 July 2016.

On 18 February 2021 - upon the reasoned proposal of the Board of Statutory Auditors - the Ordinary Shareholders' Meeting of the Issuer, pursuant to Articles 13 and 17 of Legislative Decree No. 39 of 2010 and Article 16 of Regulation (EU) No. 537/2014, has conferred to the Auditing Firm the task of carrying out the statutory audit of the accounts for the financial years 2021-2029 (including the verification of the regularity of the books and records as well as the correct recognition of operating events in the accounting records) in relation to the Issuer's individual financial statements, in replacement of the engagement entrusted to the same Audit firm on 13 April 2018. In addition, the Issuer's ordinary shareholders' meeting appointed the Auditing Firm to audit the Issuer's half-year financial report for the six months ended 30 June of the financial years 2021-2029.

With a proposal dated 10 March 2022, the mandate was supplemented by appointing the Auditing Firm to audit the Group's consolidated financial statements for the financial years from 31 December 2021 to 31 December 2029.

## 9.6 FINANCIAL REPORTING MANAGER RESPONSIBLE FOR DRAFTING THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER COMPANY ROLES AND FUNCTIONS

Pursuant to Article 19 of the Articles of Association, *“where required by law, the Board of Directors – subject to the mandatory opinion of the Board of Statutory Auditors – shall appoint a Financial Reporting Manager responsible for preparing corporate accounting documents and fulfilling the duties provided for by applicable laws and regulations, to be chosen from among persons who have at least three years’ experience in accounting or governance at a listed company or a company with a share capital of no less than EUR 1 million.”*

In this regard, it should be noted that on 18 February 2021, the Issuer's Board of Directors, after hearing the opinion of the Board of Statutory Auditors, appointed Marco Carniani as Financial Reporting Manager responsible for drafting accounting documents pursuant to Article 154-bis of the Italian Consolidated Law on Finance. In particular, the Issuer believes that, in accordance with the provisions of the Articles of Association, the Financial Reporting Manager must have at least three years' experience in accounting or administrative matters in a company with listed shares or in any case with a share capital of not less than one million EUR.

During his professional career Mr. Carniani gained significant experience in auditing and corporate finance at leading international advisory firms. In particular, from 2006 to 2009, he held the position of auditor and, subsequently, senior auditor at Deloitte and Touche S.p.A. and, between 2009 and 2014, he held the position of manager at BDO Italia S.p.A..

Since 3 March 2023, Dr Carniani has been Deputy Chair of the Board of Directors of The Italian Sea Group.

Pursuant to Article *154-bis* of the Italian Consolidated Law on Finance, the Financial Reporting Manager:

- (i) prepares written accompanying statements for the acts and communications of the Company disclosed to the market and relating to accounting information, including interim reports;
- (ii) provides for suitable administrative and accounting procedures for preparing the financial statements and consolidated financial statements, and any other communications of a financial nature;
- (iii) together with the Chief Executive Officer, certifies with a specific report on the Financial statements, the condensed half-yearly financial statements and the consolidated financial statements (a) the adequacy and effective application of the administrative and accounting procedures for the preparation of the Financial statements and the consolidated Financial statements; (b) that the documents are drawn up in compliance with the applicable international accounting standards recognized in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002; (c) that the documents correspond to the results in the books and accounting records; (d) the suitability of the documents to provide a true and fair representation of the equity, economic and financial situation of the Company and of the group of companies included in the consolidation; (e) for the annual Financial statements and the consolidated Financial statements, that the management report includes a reliable analysis of the trend and results of operations, as well as the situation of the Issuer and of the group of companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed; and (f) for the abridged half-yearly Financial statements, that the interim management report contains a reliable analysis of the information referred to in Article *154-ter*, paragraph 4, Italian Consolidated Law on Finance.

The Board has granted the Financial Reporting Manager all the powers and means necessary for the exercise of the tasks assigned to him by the laws and regulations in force from time to time, including:

- (i) free access to any information deemed relevant for the performance of their duties, both within the Company and within the Group companies;
- (ii) the right to dialogue with the administrative and control bodies of the Company and its subsidiaries;
- (iii) approval of corporate procedures having an impact on the Company's Financial statements, consolidated financial statements or other documents that needed to be certified;
- (iv) participation in the design process creating information systems having an impact on the Company's equity, economic and financial situation; and
- (v) the possibility of using information systems.

Subsequently, on 12 July 2021, the Audit, Risk and Sustainability Committee issued its favourable opinion.

Please note that on 31 January 2022, the Company's Board of Directors resolved to appoint Marco Carniani as chief financial officer of the Company, subject to the positive opinion of the Appointments and Remuneration Committee.

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

The Board of Directors promotes and monitors coordination between all parties involved in the Issuer's internal control and risk management system. This coordination is carried out in a timely manner and in accordance with the rules and regulations in force as well as best practice for listed companies.

As extensively described in the Sections devoted to each of the subjects involved in the Company's internal control and risk management system, to which reference is expressly made, the activity of each is characterised by the utmost cooperation in the exchange of information flows, in order to optimise and implement the overall efficiency of the system, reduce duplication of activities and ensure the effective performance of the Board of Statutory Auditors' tasks. In particular:

- (i)* the chief executive officer reports promptly to the Audit, Risk and Sustainability Committee on issues and criticalities that have arisen in the course of his work or of which he has otherwise become aware, so that the committee can take appropriate action;
- (ii)* the Audit, Risk and Sustainability Committee reports to the Board on its activities as well as on the adequacy of the Internal control and risk management system;
- (iii)* the person in charge of the internal audit function periodically reports on his/her activities, on the manner in which risk management is conducted and on compliance with the plans defined for their containment, as well as on the suitability of the Internal control and risk management system, with the Chairpersons of the Board of Statutory Auditors, the Audit, Risk and Sustainability Committee and the Board of Directors, as well as with the chief executive officer;
- (iv)* the Board of Statutory Auditors maintains regular communication flows with the Board of Directors and the Audit, Risk and Sustainability Committee. In particular, consistent with the provisions of Recommendation 37 of the CG Code, the Board of Statutory Auditors and the Audit, Risk and Sustainability Committee exchange information relevant to the performance of their respective tasks in a timely manner, and at least one member of the Board of Statutory Auditors attends the meetings of the Audit, Risk and Sustainability Committee;
- (v)* When invited, the Auditing firm attend meetings of the Audit, Risk and Sustainability Committee.

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

On 18 February 2021, as subsequently amended on 28 April 2021 and 21 May 2021, the Issuer's Board of Directors resolved to approve the RPT Procedure, which governs related party transactions in accordance with the RPT Regulation.

The RPT Procedure provides for the rules to which the Company must adhere in order to ensure the transparency and substantive and procedural correctness of related party transactions carried out directly or through any subsidiaries.

The full text of the RPT Procedure is available on the Company's *website* <https://investor.theitalianseagroup.com/>, section “*Corporate Governance*”/ “*Documents, Policies and Procedures*”.

On 18 February 2021, the Board of Directors resolved to assign to the Audit, Risk and Sustainability Committee also the functions of Related Party Transactions Committee, as provided for by Consob Communication no. DME/10078683 of 24 September 2010. More information on this can be found in Section 9.2 of this Report.

On 7 November 2023, the Board of Directors approved the conflict of interest management policy.

## 11. BOARD OF STATUTORY AUDITORS

### 11.1 APPOINTMENT AND REPLACEMENT

Pursuant to Article 21 of the Articles of Association, the Board of Statutory Auditors consists of three standing members and two alternate members appointed by the Shareholders' Meeting on the basis of lists submitted by the Shareholders.

Only Shareholders who, alone or together with others, own voting shares representing a percentage no lower than the percentage envisaged by the regulations in force for the submission of lists of candidates for the election of the Company's Board of Directors are entitled to submit lists<sup>8</sup>. Ownership of the minimum shareholding must be proven by appropriate certificates that must be produced, if not available on the day on which the lists are filed, within the deadline set forth by the regulations in force for the publication of the lists by the Company.

The slates are deposited at the company's registered office in accordance with the prescribed procedures and deadlines. In addition, the slates must be made available to the public by the Company, in the manner and within the time limits prescribed and by the regulations in force.

Candidates are listed in the slates by a sequential number. Every slate consists of two sections: one for candidates for the office of standing auditor and the other for candidates for the office of alternate auditor. Slates presenting a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, in accordance with any legal provisions in force or codes of conduct drawn up by companies managing regulated markets to which the Company adheres.

May be candidates the persons who do not hold more offices than those permitted by the applicable regulations and who meet the requirements of honourableness, professionalism and independence established by Decree No. 162 of 30 March 2000 and, in any case, by any legislative or regulatory provision in force from time to time.

Each shareholder, as well as shareholders linked by control or connection relationships pursuant to the Italian Civil Code or who adhere to a shareholders' agreement pursuant to Article 122 of the Italian Consolidated Law on Finance concerning the Company's shares, may not submit or vote for more than one slate, not even through a third party or trust company.

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

In the event that only one slate has been filed by the deadline for submitting slates, or only lists submitted by shareholders who are connected with each other pursuant to the laws and regulations in force, slates may be submitted up to the next deadline established by the regulations in force. In this case, the percentage shareholding in the Company's capital required for the submission of slates by this provision of the Articles of Association is reduced to half.

The slates must also be accompanied by: (i) information on the identity of the shareholders submitting the slates, with an indication of the percentage of the overall shareholding held; (ii) a declaration by the shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of connection with the latter as envisaged by current regulations; (iii) exhaustive information on the personal and professional characteristics of the candidates and declarations with which the individual candidates accept their candidacy and certify, under their own responsibility, that they meet the

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<sup>8</sup> Which, pursuant to Article 144-*quater* of the Issuers' Regulation, is equal to 2.5% of the Company's share capital.



requirements of the law and the Articles of Association prescribed for their respective offices; (iv) by a slate of directorships and auditing positions held by the candidates in other companies, with the undertaking to update this slate at the date of the Shareholders' Meeting; (v) by any other document or information required by law.

Statutory auditors shall be elected as follows:

- (i) two standing statutory auditors and one alternate statutory auditors shall be drawn from the slate that received the highest number of votes at the Shareholders' Meeting, based on the sequential order in which they are listed in the sections of the slate;
- (ii) the third standing auditor - who shall hold the office of Chair of the Board of Auditors - and the second alternate auditor shall be selected, in the order in which they are listed in the relevant sections, out of the second list that obtained the second highest number of votes at the Shareholders' Meeting and that is not associated in any way, not even indirectly, in accordance with the laws and regulations in force at the time, with those who submitted or voted for the list that came first in terms of number of votes. In the event of a tie between several slates, a new vote shall be held by the Shareholders' Meeting, and the candidates obtaining a simple majority of the votes shall be elected.

If as a result of the application of the slate voting mechanism indicated above, the composition of the Board of Statutory Auditors does not comply with the regulations on gender balance, the Shareholders' Meeting shall proceed to appoint auditors with the necessary requirements to replace the candidates without such requirements included in the slate to which the persons to be replaced belonged.

In the event that only one slate is submitted, the auditors will be drawn from the slate submitted with the legal majorities.

All auditors must be enrolled in the Register of auditors, must meet all further requirements under current laws and regulations, and must have exercised the activity of statutory audit for a period of no less than three years.

The statutory auditors shall remain in office for three financial years and may be re-elected.

Without prejudice to compliance with the legal and regulatory provisions in force from time to time on gender equality, in the event that, for any reason, a Statutory Auditor ceases to hold office, he/she shall be replaced by the Alternate Auditor belonging to the same slate as the outgoing one. If, for any reason, it is not possible to proceed within the above terms, a Shareholders' Meeting must be convened, so that it can proceed with the integration of the Board of Statutory Auditors with the ordinary procedures and majorities, without application of the slate voting mechanism, without prejudice to compliance with the legal and regulatory provisions in force from time to time on gender balance. In such cases, the Shareholders' Meeting shall act in accordance with the principle of necessary minority representation.

If the Chair is replaced, this office will be taken over by the mayor who replaces him. It is understood that the Chair of the Board of Statutory Auditors will be the auditor drawn from the slate that came second by number of votes.

## **11.2 COMPOSITION AND FUNCTIONING (under Article 123-bis paragraph 2, points d) and d-bis), Italian Consolidated Law on Finance)**

The Issuer's Board of Statutory Auditors in office as of the Report Date was appointed by the Shareholders' Meeting of 27 April 2023 and will remain in office for three Financial years, until the approval of the Financial statements as of 31 December 2025.

The Board of Statutory Auditors was appointed by applying the slate voting mechanism provided for in the Articles of Association. In particular, of the five members of the Board of Auditors:

- (i) two standing members and one alternate member were taken from the slate submitted by GC Holding S.p.A.<sup>9</sup> (“**Slate 1 CS**”), owner at the date of submission of the slate of 33,222,000 ordinary shares of the Company, equal to 62.68% of the share capital, which ranked first in terms of number of votes<sup>10</sup>;
- (ii) one standing member, who assumed the position of Chair of the Board of Statutory Auditors, and one alternate member were taken from the slate presented by the shareholders Arca Fondi Sgr S.p.A. (fund manager: Fondo Arca Economia Reale Equity Italia, Fondo Arca Economia Reale Opportunità Italia and Fondo Arca Azioni Italia), BancoPosta Fondi S.p.A. SGR (manager of the Bancoposta Rinascimento fund), Eurizon Capital SGR S.p.A. (manager of the Eurizon Pir Italia-Eltif fund) and Mediolanum Gestione Fondi Sgr S.p.A. (manager of the Mediolanum Flessibile Futuro Italia and Mediolanum Flessibile Sviluppo Italia funds)<sup>11</sup> (“**Slate 2 CS**”), which, at the date of submission of the list, held a total of 1,458,729 ordinary shares of the Company, equal to 2.75232% of the share capital, resulting third in terms of number of votes<sup>12</sup>.

In light of this shareholders' resolution, the composition of the Company's Board of Statutory Auditors as of the Report Date is as follows:

Name and Surname	Office	Slate
Alfredo Pascolin	Chair	Slate 2 CS
Felice Simbolo	Standing Statutory Auditor	Slate 1 CS
Barbara Bortolotti	Standing Statutory Auditor	Slate 1 CS
Roberto Scialdone	Alternate Auditor	Slate 1 CS
Sofia Rampolla	Alternate Auditor	Slate 2 CS

All the members of the Board of Statutory Auditors meet the independence requirements of Article 148(3) of the Italian Consolidated Law on Finance and Article 2 of the CG Code. The declaration of the members of the Board of Statutory Auditors regarding the fulfilment of independence requirements was verified by the Board of Directors on 26 May 2023. In addition, all Auditors meet the requirements of professionalism and honourableness required by Article 148 of the Italian Consolidated Law on Finance and the Regulation adopted by Ministry of Justice Decree No. 162/2000. These requirements were verified by the Board of Directors and confirmed on 26 May 2023.

The following is a brief *curriculum vitae* of the Board of Statutory Auditors, showing their skills and experience in business management.

<sup>9</sup> Consisting of: Felice Simbolo (standing auditor), Mauro Borghesi (standing auditor), Barbara Bortolotti (standing auditor), Anna Lisa Naldi (alternate auditor), Roberto Scialdone (alternate auditor).

<sup>10</sup> The slate obtained 41,691,700 votes in favour, representing 92.210% of the voting participants.

<sup>11</sup> Consisting of Alfredo Pascolin (statutory auditor) and Sofia Rampolla (alternate auditor).

<sup>12</sup> The slate received 3,321,991 votes in favour, representing 7.347% of the voting participants.

**Alfredo Pascolin**, born on 13 October 1967 in Palmanova (UD), an expert in commercial law at the Faculty of Law of the University of Trieste, exercising the profession of chartered accountant and Statutory Auditor. He is Chair of the Association of Chartered Accountants of Gorizia and holds the position of statutory auditor and member of the board of auditors and supervisory body in several companies. He also served as member of the Board of Directors and liquidator, negotiated settlement expert, certifier, and Insolvency practitioner.

**Felice Simbolo**, born in Naples on 7 March 1963. He graduated in economics and business in 1989. During his career, he has worked as an auditor, Chair of the board of auditors and auditor of numerous corporations and entities. Felice Simbolo has also served as Chair of the board and director in corporations and is a founding partner of FMG & partners corporate advisors S.r.l.. He served as a director of the Issuer from 2012 to 2017 and was Chair of the Issuer's Board of Statutory Auditors from 2020 to 2023.

**Barbara Bortolotti**, born in Rome on 6 June 1972. She holds a degree in economics and commerce from La Sapienza University in Rome and is a qualified chartered accountant and Statutory Auditor. Barbara Bortolotti is a member of Boards of Statutory Auditors of corporations, as well as liquidator in several limited liability cooperative companies in compulsory liquidation and winding-up procedures *pursuant to* Article 2454 *septiesdecies* of the Italian Civil Code. She also advises on Financial statements, accounting and tax matters in real estate management companies and companies operating in other sectors; company and branch assessments, both on a voluntary basis and when required by law; management of tax litigation before tax commissions and financial offices; and business crisis management (drafting of certified plans *pursuant to* Articles 160 et seq. Royal Decree 267/1942).

**Roberto Scialdone**, born on 3 September 1962 in Capua. Mr. Roberto Scialdone holds a degree in Economics and Commerce from the University of Florence and is a qualified chartered accountant and Statutory Auditor. Mr. Scialdone is a member of several boards of statutory auditors, Chair of the board of statutory auditors of two joint-stock companies and performs statutory audits for several companies.

**Sofia Rampolla**, born on 24 September 1961 in Palermo. Ms. Rampolla holds a degree in economics and business from the University of Palermo and is registered with the Order of Chartered Accountants and Accounting Experts. She is also registered with the INAIL [Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro (National Institute for Insurance against Workplace Accidents)] professional register and with the Regional List of Extraordinary Commissioners and Liquidators of Cooperative Companies and their consortia at the Regional Department for Cooperation.

For more information on the slates filed for the appointment of the control body by the Shareholders' Meeting of 27 April 2023, please refer to the Company's *website* <https://investor.theitalianseagroup.com/>, section "Corporate Governance"/"Shareholders' Meeting", where the complete slates submitted by the shareholders and the professional curricula of each statutory and alternate auditor are available.

During the Financial Year, the Board of Statutory Auditors met nine times, namely on 20 February 2023, 21 March 2023, 8 May 2023, 10 May 2023, 18 May 2023, 27 July 2023, 5 September 2023, 7 September 2023 and 23 November 2023; the duration of the meetings was approximately 2 hours and 30 minutes.

The percentage shareholding of each statutory auditor was respectively equal to: 100%.

It should also be noted that, as of the end of the Financial Year to the Report Date, one meeting was held on 16 February 2024, and at least five more meetings are scheduled until the end of the Financial year 2024.

Please refer to **Table 3** at the end of this Report for information on the meetings held during the Financial Year.

There have been no changes in the composition of the Board of Statutory Auditors since the end of the Financial Year.

The Issuer believes that the composition of the Board of Statutory Auditors is adequate to ensure the independence and professionalism of its function, as it is composed of professionals who are experts in statutory auditing, with experience in Boards of Statutory Auditors of other companies.

### **Diversity criteria and policies**

Taking into account the structure and size of the Company, the qualitative and quantitative composition of the Board of Statutory Auditors, which ensures sufficient diversification in terms of skills, age, experience, including international and gender experience, as well as the relative ownership structure and the slate voting mechanism provided for in the Articles of Association, which in turn ensures a transparent appointment procedure and a balanced composition of the control body, the Issuer has not deemed it necessary to adopt diversity policies in relation to the composition of the control body with regard to aspects such as age, gender composition and educational and professional background.

In particular, in the composition of the Board of Statutory Auditors, the Company considered the criteria of diversity, including gender diversity, provided for by current legislation and the Corporate Governance Code.

As at the Report Date, one third of the statutory auditors are members of the least represented gender. Therefore, the current composition of the Board of Statutory Auditors complies with the allocation criterion set forth in Article 148 of the Italian Consolidated Law on Finance and the recommendations of the Corporate Governance Code.

### **Independence**

The Board of Directors did not predefine, at the beginning of its term of office, the quantitative and qualitative criteria for assessing the significance of relevant circumstances under the CG Code for the assessment of Statutory Auditors.

At its meeting of 16 May 2023, the Board of Statutory Auditors positively assessed the existence of the independence requirements, required by the law and the Corporate Governance Code, for the members of the Board of Statutory Auditors. The outcome of this assessment was subsequently forwarded to the Board of Directors and disclosed to the market.

On 21 March 2024, the Board of Directors positively evaluated the existence of the independence requirements, required by the law and the Corporate Governance Code, for the members of the Board of Statutory Auditors. The outcome of this assessment was subsequently disclosed to the market.

In carrying out the above assessment, all information made available by each member of the Board of Statutory Auditors was considered, as provided for in Recommendation 9 of the Corporate Governance Code, assessing all circumstances that appear to compromise independence as identified by the Italian Consolidated Law on Finance and the CG Code (Recommendation 6, as recalled by Recommendation 9) and applying all the criteria provided for by the CG Code with reference to the independence of directors (Recommendation 7, as recalled by Recommendation 9).

## **Remuneration**

In accordance with the recommendations of the Corporate Governance Code, the remuneration of statutory auditors is appropriate to the competence, professionalism and commitment required by the importance of the role covered and the company's size and sectoral characteristics.

## **Interest Management**

Therefore, an Auditor who - independently or on behalf of third parties - has an interest in a particular transaction of the Company must promptly and fully inform the other Auditors and the Chair of the Board of Directors about the nature, terms, origins and extent of this interest.

The Board of Statutory Auditors, in carrying out its activities during the Financial Year, coordinated with the *internal audit* function and the Audit, Risk and Sustainability Committee by holding joint meetings and exchanging the relevant documentation.

## 12. DEALINGS WITH THE SHAREHOLDERS

### Access to information

The Issuer has established a special section on its website, easily identifiable and accessible, in which information concerning the Issuer that is relevant to its Shareholders is made available, in order to enable the latter to exercise their rights in an informed manner.

In particular, all press releases issued to the market and - following their approval by the competent corporate bodies - the Issuer's full periodic accounting documents are accessible and available for consultation on the Issuer's website. The main documents relating to the governance of the Group are also available on the Company's website.

In addition, on 30 June 2022, the Issuer's Board of Directors appointed Ms. Benedetta De Maio as the person in charge of relations with shareholders and institutional investors (investor relator). The Issuer has also set up an *ad hoc* corporate structure to facilitate dialogue with shareholders and the timely and adequate provision of information concerning the Issuer.

### Dialogue with shareholders

The Issuer has adopted the Shareholder Dialogue Policy, approved by the Board of Directors on 24 January 2023 and available on the Company's website <https://investor.theitalianseagroup.com/>, section “*Corporate Governance*”/”*Documents, Policies and Procedures*”.

This policy has been prepared in line with the principles of fairness and transparency and ensures that the dialogue with TISG shareholders is conducted in compliance with EU regulations on market abuse, as well as in line with international best practices.

The function responsible for dialogue with the financial community is the “Investor Relations Office”, which has set up a series of channels for disseminating information with the aim of facilitating the effectiveness of dialogue with institutional investors and shareholders in general, through the organisation of meetings, conference calls, site visits and roadshows.

The function also has the aforementioned dedicated website (<https://investor.theitalianseagroup.com/>), which gathers the documents and information considered to be of most interest, which can be consulted in both Italian and English.

In addition to the above, the investor relations function organises additional opportunities for meetings with shareholders, in person or by conference call, bilaterally or collectively, when requested by the aforementioned parties.

The TISG Shareholders' Meeting, described in the next section, also constitutes an important opportunity for discussion between the shareholders and the directors.

### **13. SHAREHOLDERS' MEETINGS (pursuant to Article 123-bis paragraph 1(l) and paragraph 2(c), Italian Consolidated Law on Finance)**

#### **Calling the Shareholders' Meeting**

The duly constituted Shareholders' Meeting represents all shareholders and resolutions of shareholders at that meeting, adopted in accordance with the law and the Articles of Association, are binding on all shareholders. The Shareholders' Meeting is ordinary or extraordinary and attends to matters in accordance with the law.

Pursuant to Article 9 of the Articles of Association, the ordinary Shareholders' Meeting must be called at least once a year, within one hundred and twenty days of the end of the financial year, or within one hundred and eighty days if the Company is required to prepare consolidated financial statements or when special requirements relating to the structure and purpose of the Company so require, without prejudice to the provisions of Article 154 *ter* of the Italian Consolidated Law on Finance.

The shareholders' meeting may be called at a location other than the registered office, as long as it is within the national territory.

The Shareholders' Meeting is called by the directors by means of a notice containing the date, time, place of the meeting and the matters to be discussed, as well as the additional information required under the law, including regulations in force, *pro tempore*, published on the Company's website and in the additional ways and terms established by the laws and regulations in force from time to time.

Pursuant to Article 126-*bis* of the Italian Consolidated Law on Finance, Shareholders who, also jointly, represent at least one fortieth of the share capital, may request - with the exception of items whose proposal is the responsibility of the Board or based on a draft or a report prepared by them - within ten days of the publication of the notice of call, or within five days in the case of a call pursuant to Article 125-*bis*, subsection 3, of the Italian Consolidated Law on Finance or Article 104, subsection 2, of the Italian Consolidated Law on Finance, to supplement the list of items to be discussed, indicating the proposed items in the request, or to submit resolution proposals on items already on the agenda. Shareholders who request additions to the agenda must prepare a report setting out the rationale for the resolution proposals on the new items they propose to deal with, or the rationale for the additional resolution proposals presented on items already on the agenda and deliver it to the Board of Directors by the deadline for submitting the integration request.

Furthermore, pursuant to Article 127-*ter* of the Italian Consolidated Law on Finance, shareholders may ask questions on the items on the agenda even before the Shareholders' Meeting. Responses will be given to questions received before the Shareholders' Meeting, at the latest during it. The Company reserves the right to provide a uniform answer to questions with the same content. The notice of call indicates the deadline by which the questions posed prior to the Shareholders' Meeting must be received by the Company, which may not be earlier than 5 (five) trading days prior to the date of the Shareholders' Meeting in first or single call, or the date indicated in Article 83-*sexies*, paragraph 2, of the Italian Consolidated Law on Finance (*i.e.* the end of the accounting day of the seventh trading day prior to the date of the Shareholders' Meeting) if the notice of call provides that the Company shall provide, prior to the Shareholders' Meeting, a response to the questions received. In this case, the answers shall be provided at least two days before the Shareholders' Meeting, also by publication in a special section of the Company's website.

The ordinary and extraordinary Shareholders' Meetings are held in a single call. In any case, the Board of Directors may also convene the Shareholders' Meeting on second and third call in accordance with current legislation, indicating in the notice of call the day, time and place of the meeting.

In any case, the Shareholders' Meeting is considered duly convened if the entire share capital is represented and the majority of the directors and standing members of the Board of Auditors in office attend the Shareholders' Meeting, in accordance with Article 2366 of the Italian Civil Code.

### **Participation in the Shareholders' Meeting**

Persons with the right to vote are entitled to attend the Shareholders' Meeting.

Right to attend Shareholders' Meetings and exercise voting rights is certified by a communication to the Company made by the authorised intermediary in accordance with the law, based on the evidence of its accounting records at the end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting in single call, and received by the Company within the legal terms.

It is the responsibility of the Chair of the Shareholders' Meeting to ascertain the right to take the floor at the Shareholders' Meeting and settle any disputes.

Those entitled to vote at the Shareholders' Meeting may be represented by proxy in accordance with the law. The proxy may be notified to the Company by certified electronic mail in compliance with the applicable provisions in force from time to time.

Pursuant to the Articles of Association, the Company does not avail itself of the power to designate a representative to whom the eligible parties may grant a proxy with voting instructions, without prejudice to the application of rules derogating from the above.

Please also note that, pursuant to Article 106, paragraph 4, of Decree-Law No. 18 of 17 March 2020, converted with amendments into Law No. 27 of 24 April 2020, as subsequently amended and extended, for the Shareholders' Meeting of 29 April 2024, the Company has decided to avail itself of the designated representative pursuant to Article *135-undecies* of the Italian Consolidated Law on Finance.

In particular, it was provided that shareholders with voting rights may only attend the Shareholders' Meeting through "Euronext Securities", as the designated representative pursuant to Article *135-undecies* of the Italian Consolidated Law on Finance.

### **Conduct of the Shareholders' Meeting**

The Shareholders' Meeting is chaired by the Chair of the Board of Directors or, in their absence or impediment, by the Deputy Chair, where appointed. If there are multiple Deputy Chairs, the oldest Deputy Chair in age takes precedence. In the event of the absence or impediment of the aforementioned persons, the Shareholders' Meeting elects its own Chair from among the directors or, failing that, from outside the directors.

For the Shareholders' Meeting, both general and extraordinary, to be duly convened and able to resolve, the provisions of law in force from time to time shall apply.

The Chair shall be assisted by a Secretary, who need not be a shareholder, appointed by the Shareholders' Meeting. In the cases provided for by law, and in any case when the Chair of the Shareholders' Meeting considers it appropriate, the minutes are drawn up by a Notary Public chosen by the Chair themselves. The resolutions of the Shareholders' Meeting shall be recorded in the minutes, signed by the Chair and the Secretary, or the notary public.

In order for an ordinary or extraordinary Shareholders' Meeting to be validly constituted and for its resolutions to be valid, the provisions of the law and the Articles of Association must be observed.



The ordinary and extraordinary Shareholders' Meetings may be held, if provided for in the notice of call, with those in attendance participating in more than one location, either contiguous or distant, connected by means of audio-conferencing and/or video-conferencing, provided that all participants can be identified and are allowed to follow the discussion, to participate in real time in the discussion of the items on the agenda, to receive and transmit documents and to take part in the vote, and provided that all the above is acknowledged in the relevant minutes.

The right of withdrawal is governed by law, it being understood that shareholders are not entitled to withdraw if they did not take part in the approval of resolutions concerning: (i) the extension of the term of the Company, and (ii) the introduction, amendment or removal of restrictions on the transfer of shares.

\*\* \*\* \*

The Shareholders' Meeting of the Issuer held on 29 April 2022, resolved to approve a set of Shareholders' Meeting Rules governing the conduct of TISG's ordinary and extraordinary Shareholders' Meetings, in compliance with the law, regulations and the Articles of Association.

During the Financial Year, an ordinary Shareholders' Meeting was held on 27 April 2023. Seven directors and three standing auditors attended.

The Board of Directors reported to the Shareholders' Meeting on the activities carried out and planned, and endeavoured to ensure that the Shareholders were adequately informed so that they could make informed decisions at the Shareholders' Meeting.

In particular, the Board of Directors published the illustrative reports on the various items on the agenda, prepared pursuant to Article 125-ter of the Italian Consolidated Law on Finance and Article 84-ter of the Issuers' Regulation.

In the course of the Financial Year, the Board of Directors did not deem it necessary, in order to define a corporate governance system more functional to the company's needs, to draw up justified proposals to be submitted to the Shareholders' Meeting concerning:

- (i) the choice and characteristics of the corporate governance model (traditional, one-tier, two-tier);
- (ii) size, composition and appointment of the Board and term of office of its members;
- (iii) the structuring of voting and ownership rights of shares;
- (iv) the percentages established for the exercise of prerogatives to protect minorities.

The reasons for this decision and the decision-making process followed by the Board, as well as the effects of the increase on the Issuer's ownership and control structure are illustrated in the illustrative report prepared by the Board of Directors and available on the Company's website <https://investor.theitalianseagroup.com/>, section "*Corporate Governance*" / "*Documents, Policies and Procedures*".

#### **14. FURTHER CORPORATE GOVERNANCE PRACTICES (under Article 123-bis (2)(a), second part, Italian Consolidated Law on Finance)**

There are no additional corporate governance practices beyond those already indicated in the preceding sections of this Report.

#### **15. CHANGES SINCE THE END OF THE ACCOUNTING PERIOD IN QUESTION**

There have been no changes in the Issuer's governance structure since the end of the Financial Year.

#### **16. CONSIDERATIONS ON THE LETTER OF THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE**

On 19 December 2023, the letter sent by the Chair of the Corporate Governance Committee to the chairs of the board of directors, chief executive officers and chairs of the board of statutory auditors of listed companies on 14 December 2023 was brought to the attention of the Chair and Deputy Chair of the Board of Directors, the Chief Executive Officer and the Chair of the Board of Statutory Auditors.

The recommendations were considered in order to identify possible governance developments and to fill any gaps.

In particular, the CG Committee identified a number of areas worthy of attention described below.

##### *(i)* Business Plan

The Issuer's Business Plan is prepared by the Finance and Management Control functions on the basis of the strategic input provided by the Chief Executive Officer. The draft plan is analysed by the chief financial officer and the chief business officer who, after appropriate additions or amendments, share it with the Board of Directors. The latter, called upon to approve the Business Plan, analyses its content with particular reference to the issues relevant to the generation of long-term value. In particular, the Board verifies that long-term value growth is also based on the well-being of the various stakeholders, with the aim to generate sustainable development under an environmental, cultural, social, ethic and solidaristic point of view.

##### *(ii)* Pre-board meeting information

The Issuer believes that the timeliness and completeness of pre-Board meeting information is ensured by *(i)* the periodic flow of information between the delegated bodies and the members of the Board of Directors, and *(ii)* the figure of the Secretary of the Board of Directors who, well in advance of Board meetings, provides accurate, clear and complete information so that directors can act in an informed manner in the performance of their role.

In addition, the Issuer undertakes to provide adequate justification in the event of a waiver of the timeliness of pre-Board meeting information for reasons of confidentiality both at the board meeting and in the corporate governance report.

##### *(iii)* Optimal board of directors composition

On the occasion of its first renewal, the Board did not deem it necessary to express its opinion on the optimal composition of the Board.

In particular, the Board considers that its qualitative and quantitative composition is such as to ensure sufficient diversification in terms of skills, age, experience, including international experience, and gender. This is also guaranteed by the ownership structure of the Company and the slate voting mechanism provided for in the Articles of Association, which in turn ensures a transparent appointment procedure and a balanced composition of the board of directors.

However, on the occasion of the next renewal of the board of directors, the Issuer undertakes to provide at least 30 days prior to the deadline for submission of slates its guidance on the optimal quantitative and qualitative composition taking into account the results of the self-assessment.

## TABLES

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AT THE REPORT DATE**

<b>SHARE CAPITAL STRUCTURE</b>				
	No. of shares	No. of voting rights	Listed (specify markets)	Rights and obligations
Ordinary shares	53,000,000	53,000,000	Borsa Italiana – Euronext Milan	Pursuant to Law and Articles of Association
<b>SIGNIFICANT SHAREHOLDINGS IN SHARE CAPITAL</b>				
Declaring Party	Direct Shareholder	% of ordinary capital	% of voting capital	
GIORGIO ARMANI S.P.A.	GIORGIO ARMANI S.P.A.	4.99	4.99	
MARC COUCKE	ALYCHLO NV	10.96	10.96	
	MYLECKE MANAGEMENT, ART & INVEST NV	0.05	0.05	
	MARC COUCKE	0.38	0.38	
	<b>TOTAL</b>	<b>11.39</b>	<b>11.39</b>	
GIOVANNI COSTANTINO	GC HOLDING SPA	53.61	53.61	

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR**

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	In office from	In office until	Slate (presenters) (**)	Slate (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. Italian Consolidated Law on Finance	No. others offices (****)	Attendance (*****)
<b>Chair</b>	Filippo Menchelli	1972	31 May 2013	27 April 2023	Financial Year 31/12/2025	BoD	M		x				100%
<b>Deputy Chair</b>	Marco Carniani	1980	3 March 2023	27 April 2023	Financial Year 31/12/2025	BoD	M		x				100%
<b>Chief Executive Officer</b>	Giovanni Costantino	1963	21 December 2012	27 April 2023	Financial Year 31/12/2025	BoD	M	x				4	100%
<b>Director</b>	Laura Angela Tadini	1970	27 April 2023	27 April 2023	Financial Year 31/12/2025	Shareholders	m		x	x	x	10	100%
<b>Director</b>	Fulvia Tesio	1967	18 February 2021	27 April 2023	Financial Year 31/12/2025	BoD	M		x	x	x	5	92%
<b>Director</b>	Gianmaria Costantino	2001	27 October 2022	27 April 2023	Financial Year 31/12/2025	BoD	M		x			1	100%
<b>Director</b>	Antonella Alfonsi	1967	18 February 2021	27 April 2023	Financial Year 31/12/2025	BoD	M		x	x	x	15	100%

**DIRECTORS WHO LEFT OFFICE DURING THE FINANCIAL YEAR**

<b>Director</b>	Giuseppe Taranto	1969	28 July 2014	21 October 2020	26/02/2023								
<b>Director</b>	Massimo Bianchi	1949	6 May 2014	21 October 2020	27 April 2023	BoD	M		x	x	x	18	100%

**Indicate the number of meetings held during the Financial Year: 23**

**Specify the *quorum* required for submitting lists by minority shareholders for electing one or more members (under Article 147-ter Italian Consolidated Law on Finance): 2.5% of the shares with voting rights in the ordinary Shareholders' Meeting**

**NOTES**

The following symbols must be inserted in the "Office" column:

- This symbol means that the director is responsible for the internal audit and risk management system.
- This symbol means Lead Independent Director (LID).

(\*) Date of first appointment of each director means the date on which the director was appointed for the first time (ever) in the BoD of the Issuer.

(\*\*) This column indicates whether the slate from which each director was drawn was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board of Directors").

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

(\*\*\*\*) This column shows the number of offices of Director or Auditor held by the person concerned in other listed or large companies. The offices are indicated in detail in the Corporate Governance Report.

(\*\*\*\*\*) This column specifies the attendance of directors in BoD meetings (indicate the number of meetings attended out of the total number of meetings that he/she could have attended; e.g. 6/8; 8/8 etc.).

**TABLE 3: BOARD COMMITTEES STRUCTURE AT THE END OF THE FINANCIAL YEAR**

Board of Directors		Executive Committee		RPT Committee		Audit, Risk and Sustainability Committee		Remuneration Committee		Appointments Committee		Other committee		Other committee	
Office/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chair of the B.o.D./non-executive/non-independent	Filippo Menchelli	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deputy Chair of the B.o.D./non-executive/non-independent	Marco Carniani	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chief Executive Officer/executive/non-independent director	Giovanni Costantino	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director/non-executive/non-independent	Gianmaria Costantino	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-executive director - independent as per Italian Consolidated Law on Finance and/or Code	Laura Angela Tadini	-	-	-	<b>M</b>	<b>75%</b>	<b>M</b>	<b>100%</b>	<b>M</b>	<b>100%</b>	<b>M</b>	-	-	-	-
Non-executive director - independent as per Italian Consolidated Law on Finance and/or Code	Fulvia Tesio	-	-	-	<b>M</b>	<b>100%</b>	<b>M</b>	<b>100%</b>	<b>P</b>	<b>100%</b>	<b>P</b>	-	-	-	-
Non-executive director - independent as per Italian	Antonella Alfonsi	-	-	-	<b>P</b>	<b>100%</b>	<b>P</b>	<b>75%</b>	<b>M</b>	<b>75%</b>	<b>M</b>	-	-	-	-

Consolidated Law on Finance and/or Code															
<b>DIRECTORS WHO LEFT OFFICE DURING THE FINANCIAL YEAR</b>															
<b>Director</b>	Taranto Giuseppe	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Director</b>	Massimo Bianchi	-	-	-	P	100%	P	100%	M	100%	M	-	-	-	-



**TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR**

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment (*)	In office from	In office until	Slate (M/m) (**)	Indep. Code	Attendance at the Board meetings (***)	No. other offices (****)
Chair	Alfredo Pascolin	1967	27 April 2023	27 April 2023	Financial Year 31/12/2025	m	x	100%	15
Standing Statutory Auditor	Felice Simbolo	1963	21 December 2012	27 April 2023	Financial Year 31/12/2025	M	x	100%	5
Standing Statutory Auditor	Barbara Bortolotti	1972	8 May 2020	27 April 2023	Financial Year 31/12/2025	M	x	100%	3
Alternate Auditor	Roberto Scialdone	1962	27 April 2023	27 April 2023	Financial Year 31/12/2025	M	x	-	11
Alternate Auditor	Sofia Rampolla	1961	27 April 2023	27 April 2023	Financial Year 31/12/2025	m	x	-	1
AUDITORS WHO CEASED FROM OFFICE DURING THE FINANCIAL YEAR									
Standing Statutory Auditor	Mauro Borghesi	1971	8 May 2020	8 May 2020	27 April 2023	M	x	100%	3
Alternate Auditor	Luisa Bortolotti	1975	8 May 2020	8 May 2020	27 April 2023	M	x	-	3
Alternate Auditor	Anna Lisa Naldi	1966	8 May 2020	8 May 2020	27 April 2023	M	x	-	10

Indicate the number of meetings held during the Financial Year: 5

Specify the *quorum* required for submitting lists by minority shareholders for electing one or more members (under Article 148 Italian Consolidated Law on Finance): 2.5% of the shares with voting rights in the ordinary Shareholders' Meeting

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**NOTES**

(\*) Date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the first time (ever) in the board of statutory auditors of the Issuer.

(\*\*) This column indicates whether the slate from which each statutory auditor was drawn is “majority” (indicating “M”) or “minority” (indicating “m”).

(\*\*\*) This column specifies the attendance of the statutory auditors in the board of statutory auditors meetings (specify the number of meetings attended out of the total number of meetings the statutory auditor could have attended; e.g. 6/8; 8/8 etc.).

(\*\*\*\*) This column specifies the number of offices of director or statutory auditor that are held by a person referred to in art. 148-bis Italian Consolidated Law on Finance and the relevant implementing provisions set forth in the Consob Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to art. 144-*quinquiesdecies* of the Consob Issuers' Regulation.