



***REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE  
pursuant to art. 123-bis of the Consolidated Financial Act  
(traditional administration and control model)***

***Report approval date: 14/03/2025  
Year to which the Report refers: 2024***

***[www.irce.it](http://www.irce.it)***

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## GLOSSARY

**Code/Corporate Governance Code:** the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee.

**Civil Code:** the Italian Civil Code.

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

**Board:** the Board of Directors of the Issuer.

**Issuer:** the issuer of securities to which the Report refers.

**Year:** the year to which the Report refers.

**ESRS:** The sustainability reporting principles defined in the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023

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

**Consob Markets Regulations:** Regulations issued by Consob with Resolution No. 20249 of 2017 (as subsequently amended) concerning markets.

**Consob Regulations on related-party transactions:** Regulations issued by Consob with Resolution No. 17221 of 12 March 2010 (as subsequently amended) concerning transactions with related parties.

**Report:** the report on corporate governance and ownership structure that companies shall prepare in compliance with art. 123-bis of the Consolidated Financial Act.

**Remuneration Report:** the report on the remuneration policy and on the fees paid that companies are required to prepare and disclose as per art. 123-ter of the Consolidated Financial Act, and art. 84-quater of Consob Issuers' Regulations.

**Consolidated Financial Act:** Italian Legislative Decree No. 58 of 24 February 1998.

## 1. Issuer profile

### GOVERNANCE

The company's governance structure is based on the traditional model and consists of the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

### MISSION

The IRCE Group is an important industrial player of European significance, which manufactures and trades the following products:

- Winding wires for electrical machines. This type of product is used in a wide range of applications such as engines and electric generators, transformers, inductors and relays, and its use has grown over the years mainly due to the constant expansion of automation. The production of wires accounts for around 80% of the group's total turnover.
- Insulated electrical cables. This product is used in the production of residential and industrial electrical systems and for the supply and connection of electrical equipment. The production of insulated electrical cables represents around 20% of the group's total turnover.

### CORPORATE RESPONSIBILITY

With Board of Directors' resolution of 28 March 2008, the company established its Code of Ethics (last updated on 14 March 2025) which states all the rights, duties and responsibilities of company bodies with respect to all stakeholders involved in achieving the business purpose (customers, debtors, suppliers, employees and/or external staff, shareholders, supervisory bodies, institutions). These conduct guidelines shall thus be taken into consideration in daily work and in compliance with the laws and regulations in force in all the Countries in which the company operates. The code establishes reference standards and rules of conduct aimed at strengthening company decision-making processes and guiding the conduct of all those working for the company.

The company promotes gender equality in treatment and opportunity and avoids any discrimination internally as expressly envisaged by the Code of Ethics adopted.

The Board of Directors concretely interprets its role as the Issuer's guide with the aim of pursuing sustainable success through the definition and implementation of business strategies oriented towards the creation of value for shareholders, taking into account the interests of other stakeholders, with a medium and long-term perspective. The Company has adopted remuneration policies that take into account specific ESG parameters, the policy of dialogue with shareholders and the policy of protection of human rights, for which reference should be made to the relevant sections of this Report.

### SUSTAINABILITY REPORTING

The company is obliged to draw up and publish an annual Sustainability Report in accordance with Legislative Decree no. 125 of 6 September 2024. This document is included in the Report on Operations of the Consolidated Financial Statements and can be found on the company's website [www.irce.it](http://www.irce.it).

### SME STATUS

The company falls within the definition of SME pursuant to art. 1, letter w-quater.1) of the Consolidated Financial Act, and pursuant to art. 2-ter) of Consob Issuers' Regulations. This is due to the fact that for three consecutive years the company has not exceeded either of the limits as per the aforesaid art.1, letter w-quater.1) of the Consolidated Financial Act.

The company notified Consob of its SME status.

The capitalisation and turnover shown in the SME list published by Consob on its website (art. 2-ter, paragraph 2 of Consob Issuers' Regulations) are as follows:

**Amounts in Euro****SME STATUS (art.1 w - quater.1 Cons. Fin. Act)**

TAX CODE	COMPANY NAME	END OF REPORTING PERIOD, IF DIFFERENT FROM 31/12	REPORTING PERIOD
82001030384	IRCE S.P.A.		2024
		<b>2024 AVERAGE CAPITALISATION</b>	<b>2023 AVERAGE CAPITALISATION</b>
		€ 58.487.823	€ 62.567.082
			<b>2022 AVERAGE CAPITALISATION</b>
			€ 67.851.109
		<b>2024 TURNOVER</b>	<b>2023 TURNOVER</b>
		€ 249.154.073	€ 259.463.130
			<b>2022 TURNOVER</b>
			€ 306.142.171
		<b>2024 TURNOVER COMPONENTS</b>	<b>2023 TURNOVER COMPONENTS</b>
REVENUES		€ 247.607.636	€ 257.875.883
OTHER REVENUES AND INCOME		€ 1.546.437	€ 1.587.247
			€ 304.200.697
			€ 1.941.474

The company falls within the Code's definition of "concentrated ownership company". That is a company in which one or more shareholders who are part of a shareholders' voting agreement can call on, directly or indirectly (through subsidiaries, trustees or a third-party), the majority of votes that can be exercised at the ordinary shareholders' meeting.

## 2. Information on the Ownership Structure as at 14 March 2025 (pursuant to art. 123-bis, paragraph 1 of the Consolidated Financial Act)

### a) Structure of share capital (pursuant to art. 123-bis, paragraph 1, letter a) of the Consolidated Financial Act)

The share capital consists of ordinary shares, ownership of which entails full observance of the Articles of Association and of the Shareholders' Meeting's resolutions; subscribed and paid-up share capital amounts to € 14,626,560 divided into 28,128,000 ordinary shares. The shares are fully subscribed and paid up and bear no rights, privileges or restrictions as far as dividend distribution and capital repayment are concerned.

The share categories which make up the share capital (and the existence of any other financial instruments that grant rights to subscribe to new shares) are shown in Table 1 of the Annex.

There are no share-based incentive plans (stock options and stock grants) which could result in an increase of the share capital, with consideration or otherwise.

### b) Restrictions regarding the transfer of shares (pursuant to art. 123-bis, paragraph 1, letter b) of the Consolidated Financial Act)

There are no restrictions regarding the transfer of shares.

**c) Significant equity investments** (pursuant to art. 123-bis, paragraph 1, letter c) of the Consolidated Financial Act)

Significant equity investments, whether direct or indirect (for example through stock pyramids or cross-ownership), as emerging from communications provided pursuant to art. 120 of the Consolidated Financial Act and concerning shares with voting rights exceeding 3% of share capital, are shown in Table 1 of the Annex.

**d) Shares granting special rights** (pursuant to art. 123-bis, paragraph 1, letter d) of the Consolidated Financial Act)

No shares granting special control rights have been issued.

None of the special powers under Law 474/94 apply, nor are there any provisions in the Articles of Association for shares with multiple voting rights or increased voting rights.

**e) Employee stock ownership: mechanism for exercising voting rights** (pursuant to art. 123-bis, paragraph 1, letter e) of the Consolidated Financial Act)

There is no employee stock ownership plan.

**f) Restrictions on voting rights** (pursuant to art. 123-bis, paragraph 1, letter f) of the Consolidated Financial Act)

There are no restrictions on voting rights.

**g) Agreements among shareholders** (pursuant to art. 123-bis, paragraph 1, letter g) of the Consolidated Financial Act)

The company is not aware of any agreements among shareholders pursuant to art. 122 of the Consolidated Financial Act.

**h) Change of control clauses** (pursuant to art. 123-bis, paragraph 1, letter h) of the Consolidated Financial Act) **and statutory provisions on takeover bids** (as per art. 104, paragraph 1-ter and art. 104-bis, paragraph 1)

Neither the company nor its subsidiaries have entered into significant agreements that shall be effective, modified or terminated in the event of changes of control of the company signing such agreements.

The Articles of Association of IRCE S.p.A. do not depart from the provisions on the "passivity rule" laid down by art. 104, paragraphs 1 and 1-bis of the Consolidated Financial Act, nor do they envisage the application of the "neutrality rule" provided for by art. 104-bis, paragraphs 2 and 3 of the Consolidated Financial Act.

**i) Delegated powers to increase share capital and authorisations to purchase treasury shares** (pursuant to art. 123-bis, paragraph 1, letter m) of the Consolidated Financial Act)

No powers have been delegated to the Board in order to increase share capital in compliance with art. 2443 of the Italian Civil Code or to issue financial instruments with characteristics of equity.

On 29 April 2024 the Shareholders' Meeting resolved to authorise the purchase and disposal of treasury shares in compliance with art. 2357 et seq. of the Italian Civil Code; the authorisation has a duration of 18 months. The face value of the purchased shares cannot exceed one fifth of the capital. The number of

treasury shares that can be purchased cannot exceed 5,625,600. The number of treasury shares held as at 31 December 2024 was 1,681,569, corresponding to 5.98 % of the share capital.

### **I) Management and coordination activities** (pursuant to art. 2497 et seq. of the Italian Civil Code)

The majority shareholder Aequafin S.p.A. does not perform management and coordination activities in relation to IRCE S.p.A. in compliance with art. 2497 et seq. of the Italian Civil Code.

The following should be noted:

- the information required by art. 123-bis, paragraph 1, letter i) of the Consolidated Financial Act ("agreements between the company and directors, on indemnities in the event of unfair dismissals or resignations or if the employment relationship ceases following a takeover bid") is not included in the Report on remuneration published in compliance with art. 123-ter of the Consolidated Financial Act since indemnities of this kind are not envisaged;
- the information required by art. 123-bis, paragraph 1, letter l) of the Consolidated Financial Act ("provisions applicable to the nomination and replacement of directors ... and to the amendment of the Articles of Association, if different from legislative and regulatory ones applicable as a supplementary measure") are illustrated in the section of the Report dedicated to the Board of Directors (Section 4.2);
- the information required by art. 123-bis, paragraph 1, letter l), second section ("provisions applicable ... to the amendment of the Articles of Association, if different from legislative and regulatory ones applicable as a supplementary measure") are illustrated in the section of the Report dedicated to the Shareholders' Meeting (Section 13).

### **3. Compliance** (pursuant to art. 123-bis, paragraph 2, letter a), first section, of the Consolidated Financial Act)

IRCE S.p.A. has adopted an internal organisational structure and a standard system of corporate governance, which complies, in substance, with the Corporate Governance Code for listed companies approved in 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (last update in January 2020).

The Corporate Governance Code is accessible to the public on the website of the Italian Corporate Governance Committee at: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.en.htm>

The company and its subsidiaries are not subject to non-Italian legal provisions that influence their Corporate Governance structure.

## **4. Board of Directors**

### **4.1 Role of the Board of Directors**

In compliance with art. 20 of the Articles of Association, the Board of Directors is vested with the widest powers for ordinary and extraordinary management of the company, without limitations, with the authority to carry out all actions that it considers appropriate for achieving corporate purposes, except for those that are reserved by the law to the Shareholders' Meeting.

The Board of Directors is also responsible for mergers in the cases provided by art. 2505 and art. 2505-bis of the Italian Civil Code, for setting-up and closing branches, for updating the Articles of Association to regulatory provisions and for reducing share capital in the event of the withdrawal of a shareholder and in the case provided by art. 2446, last paragraph, of the Italian Civil Code. In such cases art. 2436 of the Italian Civil Code shall apply.

The Board of Directors may delegate part of its powers to the Chairman and/or to the Managing Directors



and/or to the executive committee, if appointed, and/or to the Vice Chairman.

The Board of Directors may also appoint one or more special attorneys-in-fact for specific actions or categories of actions, establishing their remuneration and limits of representation.

The Board of Directors:

- guides the company by pursuing sustainable success through the approval of the materiality analysis aimed at identifying the impacts, risks and opportunities (IRO) in the Group's sustainability context, the monitoring of the latter and the identification and continuous monitoring of sustainability objectives linked to material sustainability issues;
- approves the procedure for Sustainability Reporting and that relating to the internal control system on sustainability data and information and policies relating to sustainability issues;
- promotes dialogue with shareholders, according to the procedures codified in the specific dialogue policy adopted;
- promotes dialogue with stakeholders (customers, investors, local communities, employees/collaborators, suppliers) in order to establish a relationship of trust and transparency according to methods deemed appropriate to the corporate and production context through their involvement in the analysis of impact materiality for the purposes of Sustainability Reporting (Principle III). For each category of stakeholders, the mission and related actions aimed at developing a relationship of trust and transparency have been defined. In particular, as far as local communities are concerned, IRCE SPA has participated in a public utility project called 'Città ad impatto Positivo' (Positive Impact City) and has also signed an agreement with the Municipality of Imola to allow its employees to join the Bike to Work project on an individual level, which provides a kilometre incentive for home-to-work travel by bike;
- approves the company's business plan as well as that of its Group, also on the basis of the analysis of the key issues for the generation of long-term value (Recommendation 1.a) as well as assessing the general operating performance, periodically comparing the results achieved with those planned (Recommendation 1.b);
- establishes the company's strategies and those of its Group, in keeping with the pursuit of sustainable success, monitoring their implementation (Principle II) by defining the nature and level of risk compatible with the company's strategic objectives, including in its assessments all the elements which may be important with a view to sustainable success (Recommendation 1.c);
- defines the corporate governance system of the Issuer and the structure of the group to which it belongs (Recommendation 1, first part);
  - it assesses the adequacy of the organisational, administrative and accounting structure of the Issuer and the subsidiaries with strategic importance, with particular reference to the internal control and risk management system (Recommendation 1, second section).
  - passes resolutions on the operations of the Issuer and its subsidiaries which have significant strategic, economic, capital or financial importance for the Issuer itself, establishing the general criteria for identifying significant operations (Recommendation 1e);
  - adopted, on the Chairman's proposal, a procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to privileged information (Recommendation 1 f);

Information on the main activities carried out by the Board during the year in relation to the above-mentioned areas is communicated through shareholders' meetings, corporate governance documents and annual and interim financial reports, the Report on remuneration policy and fees paid, the Sustainability Report, press releases, and meetings with shareholders.

During the year the Board did not consider it necessary or opportune to draw up motivated proposals to

put to the shareholders' meeting to define a form of corporate governance better suited to the needs of the company (Recommendation 2) as described in Section 13 and it oversees the outcomes of the policy for handling dialogue with all shareholders (Recommendation 3) as set out in Section 12.

The Board of Directors has not conferred specific powers on sustainability, therefore the whole body is responsible for verifying the impacts, risks and opportunities.

In order to inform the administration, management and control bodies and their respective committees on sustainability issues, IRCE SPA has set up an internal working group, the Sustainability Team which is responsible for the process of drafting the Sustainability Report and is composed of the CFO/Financial Reporting Manager, the Administrative Manager, the Management Control Manager and the Environment and Sustainability Manager, with the following functions:

- supervision of the sustainability reporting process;
- interface with all the figures directly or indirectly involved in the process;
- collection, processing and consolidation of the quantitative and qualitative data collected;
- sharing of the double materiality analysis and the related list of IROs with the administration, management and control bodies and their respective committees;
- drafting and sharing of the sustainability report with the administration, management and control bodies.

The administrative, management and control bodies, which are informed at least once a year, consider impacts, risks and opportunities when monitoring the company's strategy, when deciding on important operations, and when determining objectives and related sustainability policies.

In order to guarantee responsible management, IRCE has implemented a Code of Ethics that sets out the moral and professional values and standards that must be observed in the conduct of the company's business. Furthermore, the company has adopted the Organisation and Management Model provided for by Legislative Decree no. 231/2001, in order to ensure conditions of correctness and transparency in the conduct of company activities.

The Board of Statutory Auditors of IRCE S.p.A. also carries out supervisory and control functions on the company management, ensuring compliance with current regulations and the correct application of the principles of good administration.

The process of identifying the impacts, risks and opportunities associated with the company's conduct considered several crucial factors, including IRCE's direct activities, its business relationships, corporate strategies and an analysis of the national and European regulatory framework on sustainable finance. Furthermore, the context in which IRCE operates has highlighted the importance of adequately managing the impacts, risks and opportunities related to fundamental issues such as the adoption of sustainable procurement practices and the evaluation of suppliers.

The significant impacts, risks and opportunities (IRO) for the Group identified through the Double Materiality Analysis are described in the Sustainability Report contained in the Report on Operations and published on the [www.irce.it](http://www.irce.it) website, which also specifies :

- the time frame within which the effects of each IRO are expected to occur;
- the nature and type of impact: positive or negative, actual or potential;
- the activities of the Group and/or its value chain that give rise to each IRO;
- the scope of the effects of the IROs.

Significant impacts, both positive and negative, are closely linked to the business strategy and model. For this reason, the Group recognises their influence on people and the environment, and adopts appropriate measures to minimise such impacts, when negative. IRCE also describes how these elements manifest themselves within its operations and along the entire value chain, identifying the main points of

concentration. Since this is the first year in which the double materiality analysis has been conducted, a comparison can only be made with the impacts identified for the 2023 financial year as the financial materiality analysis had not been conducted before now. In particular, the following new impacts were found to be material compared to the materiality analysis approved in 2023: 'Generation of other significant air emissions', 'use of hazardous and highly hazardous substances' and 'Indirect negative impacts on biodiversity resulting from soil, air and water pollution'.

Furthermore, IRCE adopts a resilient and dynamic approach, constantly adapting its strategy to manage significant risks and impacts, while seizing new opportunities. This process ensures a continuous balance between business objectives and sustainability needs, allowing the company to adapt promptly to market changes and environmental challenges, thus ensuring operational continuity and sustainable growth in the long term.

With regard to the assessment and approval by the Board of transactions with significant economic, capital and financial importance, the following transactions are the exclusive decision-making responsibility of the Board, and therefore cannot be delegated: the acquisition of equity investments and/or companies or company branches by the company for an amount of, including financial debts comprised in the acquired equity investment and/or company or company branch, over € 10,000,000.00 and the sale of equity investments and/or companies or company branches the value of which, including financial debts comprised in the sold equity investment and/or company or company branch, is over € 10,000,000.00 and the issue of guarantees and sureties and rights in rem or similar obligations on company assets that are not deemed of interest to the company and/or connected to the ordinary management of amounts, of over € 10,000,000.00 and the prior approval of transactions with related parties.

#### **4.2 Appointment and replacement** (pursuant to art. 123-bis, paragraph 1, letter l), first section, of the Consolidated Financial Act)

In compliance with the Articles of Association, the company is managed by a Board of Directors composed of a minimum of three and a maximum of twelve members elected on the basis of lists of candidates presented by the shareholders that hold, in total, an interest not lower than that established by the Consob Issuers' Regulations, and who have the obligation of proving ownership of the number of shares necessary to submit the lists within the deadline of two days prior to the shareholders' meeting first call.

In compliance with the Consob Issuers' Regulations, the interest necessary for presenting the list is indicated in the notice of each Shareholders' Meeting convened to resolve on the appointment of directors. Each shareholder, as well as the shareholders belonging to the same group (as defined pursuant to the relevant legal provisions and regulations) or subscribing to a shareholder agreement regarding company shares, shall not present or vote for, directly, through third parties, or via trust companies, more than one list.

The lists submitted shall comply with the criteria of art. 147-ter, paragraph 1-ter of the Consolidated Financial Act, so as to ensure that the composition of the board ensures gender balance.

At least one of the members of the Board of Directors is chosen from among a minority list, as prescribed by art. 147-ter, paragraph 3 of the Consolidated Financial Act.

Each candidate may appear in only one list under penalty of ineligibility and must be in possession of the integrity requirements provided by the applicable legal and regulatory provisions.

Each list must include a number of candidates equal at least to the minimum number, and not higher than the maximum number minus one, of directors who can be appointed in compliance with the Articles of Association, listed in progressive order, of which a number equal at least to the one provided for by the Consolidated Financial Act, regulations of the supervisory authority and/or codes of conduct of market management companies, must be in possession of the independence requirements provided for by the above regulations.

The lists must be lodged at the company registered office at least fifteen days prior to the date fixed for the shareholders' meeting first call.

Together with each list, within the presentation deadline, the shareholders that present it must lodge: detailed information regarding the personal and professional characteristics of the candidates, declarations with which the individual candidates irrevocably accept the office, if appointed, and state, under their own responsibility and under penalty of exclusion from the list, the non-existence of causes of ineligibility or incompatibility, as well as the meeting of the requirements prescribed by the law for taking the office, and the possession of independence requirements, if any.

Lists that have been presented without observing the above-mentioned provisions are considered as not having been presented.

If two or more lists are presented and admitted, the number of directors shall be equal to that of the candidates of the list that has obtained the majority of votes plus one.

In this case, based on the outcome of voting, the candidates of the list that has obtained the majority of votes and the first candidate in the list that has obtained the second best result and is not in any way connected to the shareholders of the list with the majority of votes, will be elected.

The director chosen from among the minority list must be in possession of the independence requirements prescribed by applicable legislative provisions, rules of the supervisory authority and/or codes of conduct of market management companies.

If only one list is presented, or admitted to voting, the number of directors shall be equal to the number of candidates of said list, who will be appointed as directors.

If an equal number of votes are obtained from more than one list, crucial for the purposes of the election procedure, a second vote shall be held between such lists by all the shareholders present in the meeting. The Board of Directors shall remain in office for the period established by the shareholders' meeting at the time of appointment, for a maximum of three financial years, and precisely until the date of the Shareholders' Meeting convened to approve the financial statements for the last year of office. Directors whose term of office has expired may be re-elected.

In compliance with the provisions of the law and of the articles of association, the Board of Directors can establish a remuneration for the Directors holding special offices.

If, during the year, for any reason, one or more directors should cease to hold office, the others shall take measures to replace them with a resolution approved by the Board of Statutory Auditors; the directors appointed in this way shall remain in office until the next Shareholders' Meeting. Should such a director be a member voted by the minority list, replacement is made preferably by selecting a candidate, in progressive order, from the list to which the director being replaced belonged, provided that the candidate is still eligible and willing to accept the office.

If, due to resignations or other causes, the majority of members of the Board of Directors no longer exists, the entire Board's term of office shall end and the directors remaining in office shall urgently convene the Shareholders' Meeting to appoint a new Board.

For other aspects not covered by the Articles of Association, reference shall be made to the provisions of the law and regulations in force.

The Articles of Association do not envisage requirements of independence, integrity and professionalism beyond those established for auditors in compliance with art. 148 of the Consolidated Financial Act for assuming the office of director.

The company is not subject to further sector provisions concerning the composition of the Board of Directors.

The lists presented by the shareholders shall comply with the principles laid down by art. 147-ter, paragraph 1-ter of the Consolidated Financial Act to ensure that the composition of the Board of Directors ensures gender balance.

#### **4.3 Composition** (pursuant to art. 123-bis, paragraph 2, letter d) and d)-bis of the Consolidated Financial Act)

In compliance with company Articles of Association, the Board of Directors consists of three to twelve

members, elected by the Shareholders' Meeting. They shall remain in office for a period of no more than three financial years, as established at the time of appointment, and their office ends on the date of the Shareholders' Meeting convened to approve the financial statements for their last year of office.

At the end of 2022, the Board of Directors was composed as follows:

- Filippo Casadio (Chairman of the Board of Directors, Executive Director);
- Francesco Gandolfi Colleoni (Non-Executive Director);
- Gianfranco Sepriano (Non-Executive Director);
- Orfeo Dallago (Non-Executive Director);
- Francesca Pischedda (Non-Executive Director);
- Gigliola Di Chiara (Lead Independent Director);
- Claudia Peri (Independent Director).

The Board in office was appointed by the Ordinary Shareholders' Meeting of 28/04/2022 for the years 2022, 2023 and 2024 and its term of office will end on the date of the Shareholders' Meeting convened to approve the financial statements for the year 2024. Only one list was presented by the shareholder Aequafin S.p.A., and it was approved by a majority.

A brief description follows of the personal and professional characteristics of each appointed director (in compliance with art. 144-decies of Consob Issuers' Regulations) on the basis of the declarations they provided, as attached to the lists, and as subsequently updated by them.

#### **Chairman of the Board of Directors – Mr Filippo Casadio**

He graduated in Economics and Commerce from the University of Turin; since 2008 he has been Chairman of the Board of Directors of IRCE S.p.A.

#### **Non-Executive Director – Mr Francesco Gandolfi Colleoni**

He graduated in Engineering from the Politecnico of Turin; currently, he is Director of Research and Development at IRCE S.p.A.

#### **Non-Executive Director – Mr Gianfranco Sepriano**

He graduated in Economics and Commerce from the Bocconi University in Milan; he worked at Chase Manhattan Bank as head of para-banking activities in Italy, at Ansaldo S.p.A. as financial co-director, for Montedison Group as member of staff of the Group Management Committee, at Unione Manifatture S.p.A. as general manager, at Finanziaria Italiana di Partecipazioni S.p.A. as merchant bank executive and since 2000 he has been working as a consultant.

#### **Non-Executive Director – Mr Orfeo Dallago**

He graduated in Political Economics from the University of Trento; he has worked at Cassa Rurale Val di Non since 1987.

#### **Non-Executive Director – Ms Francesca Pischedda**

She graduated in Economics and Commerce from the University of Bologna; she is registered in the Bologna Register of Accountants and Tax Advisors and in the Register of Auditors; she currently works as an independent consultant in corporate, accounting and fiscal issues, both national and international. She is a technical consultant in legal proceedings regarding corporate law and insolvency proceedings.

#### **Independent Director – Ms Gigliola Di Chiara**

She graduated in Economics and Commerce from the University of Ancona; she is registered in the Bologna

Register of Accountants and Tax Advisors and in the Register of Auditors. She currently works as an independent consultant in corporate, accounting and fiscal issues, extraordinary transactions as well as turnaround projects. She has gained audit experience at a leading international audit company.

### Independent Director - Ms Claudia Peri

She graduated in Economics and Commerce from the University of Bologna; she is registered in the Bologna Register of Accountants and Tax Advisors and in the Register of Auditors; she currently works as an independent consultant in corporate, accounting and fiscal issues, extraordinary transactions and assistance in drawing up financial statements prepared in accordance with Italian accounting standards or international accounting standards. She has gained audit experience at a leading international audit company.

### Diversity criteria and policies in the composition of the board and in the company organisation

In relation to the composition of the administration and control bodies, in accordance with the priority objective of ensuring adequate competence and professionalism of its members, in particular as required by art. 147-ter, paragraph 1-ter, of the Consolidated Financial Act, the less represented gender represents at least two-fifths of the elected directors (Principle VII).

On 20 December 2024, the Board of Directors also approved the Human Rights Policy, in accordance with the provisions of the Code of Ethics adopted by the Parent Company. All Group companies recognise people as an indispensable element for the development of the Group and promote their skills, competences, commitment and creativity, protecting their work, health and safety, guaranteeing working conditions and a safe and protected environment, as well as a system of values and principles regarding legality, transparency and sustainable development.

The following table sets out the corporate bodies divided by gender at 31 December. As shown in the table, 43% of the Board of Directors' members and 33% of the Board of Statutory Auditors' members are women.

Governance members by gender at 31 December – Parent Company IRCE S.p.A.						
Number of individuals	2024			2023		
	Men	Women	Total	Men	Women	Total
Board of Directors	4	3	7	4	3	7
Board of Statutory Auditors	2	1	3	2	1	3
<b>Total</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>6</b>	<b>4</b>	<b>10</b>

All members of the Board of Directors have the appropriate professional standing and skills for the tasks entrusted to them and the number and skills of the non-executive directors are such as to ensure that they have significant weight in the adoption of Board resolutions and in guaranteeing effective monitoring of the management of sustainability issues. It is also believed that the members of the Board of Directors have significant experience in the sectors, products and geographical areas relevant to the company's business.

With the aim of developing skills and competences related to sustainability, the members of the Board of Directors have participated in courses on Corporate Sustainability Reporting Directive (CSRD). As regards the Board of Statutory Auditors, it is acknowledged that the Chairman of the Board of Statutory Auditors has completed the GRI course 'Reporting with the GRI Standards 2021 update' and has obtained the CSRD

Professional certification issued by the CSR Institute. She has gained significant experience in the field of sustainability by collaborating with companies and organisations to integrate ESG aspects into corporate decision-making processes, monitor and evaluate sustainability performance, and provide strategic advice to align corporate objectives with the United Nations 2030 Agenda. The standing auditors have participated in courses regarding corporate sustainability reporting (Corporate Sustainability Reporting Directive – CSRD) as part of their continuing professional development.

#### Maximum number of offices held in other companies

The Board of Directors has not defined any general criteria concerning the maximum number of management and control offices in other companies that can be considered compatible with an effective performance of the role of director, taking into account the participation of directors in the committees set up within the Board. The reason for not indicating the maximum number of offices is primarily to be found in the multitude of situations which are theoretically possible. Situations may vary depending on the characteristics of each individual Director, the type and size of company in which the Director holds other offices, and the complexity and specific features of the industry in which those companies operate. The situation also depends on the particular office held by the Director in those other companies (executive director, non-executive director, independent director, committee member, standing auditor, or chair of the board of statutory auditors). Because of this, rather than setting a maximum number of offices, the Board of Directors has deemed it preferable to opt for an assessment of the characteristics of each Director on a case-by-case basis (experience, characteristics, offices held).

#### **4.4 Functioning** (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)

On 17 February 2023 the Board of Directors adopted a regulation to define its rules of operation.

This regulation as last amended on 11 March 2024 establishes the means of minuting meetings and the procedures for managing the giving of information to the directors, indicating the deadline of 2 days for the sending of information before meetings and the means of protecting the confidentiality of the data and the information provided, so as not to prejudice the timeliness and completeness of the information flows. The regulation and the procedures relating to the timeliness and adequacy of the information provided to directors are complied with (art.3, Recommendation 11), as confirmed by the outcome of the Board self-assessment process carried out on 15/03/2024.

On 17 February 2023 the Board of Directors adopted the Regulations for the functioning of the Control and Risks Committee, Transactions with related parties Committee and the Remuneration Committee.

The work of the Board of Directors and the time available guaranteed by each director are set out in Table 2 which is attached and illustrates, among other things, the number of meetings held during the year and the presence of each member at those meetings.

During 2024, the Board of Directors held 8 meetings lasting for an average of two hours. The attendance percentages are shown in Table 2 attached to this Report.

The meetings are convened and chaired by the Chairman who coordinates and guides the activities.

The Articles of Association and the Regulations do not stipulate a minimum number of meetings.

The Board of Directors' meetings are attended by the Manager responsible for preparing the corporate accounting documents and the Management Control Manager, as well as the managers whose participation is functional to undertaking the analyses needed to address the items on the agenda.

In compliance with the provisions of the law and of the articles of association, the Board of Directors can establish a remuneration for the Directors holding special offices.

The Board has assessed its own activities and those of its Committees, along with their size and

composition, taking into account the professional qualifications, experience, managerial experience, gender, and length of time in office of its members. Assessment has also taken place in relation to the diversity criteria provided under art. 2 of the Code.

The Shareholders' Meeting has not authorised any exemption from the ban on competition provided for by art. 2390 of the Italian Civil Code.

In implementing the obligations stated for issuers by art. 2.6.2 of the Market Rules of Borsa Italiana S.p.A., the company shall inform Borsa Italiana, within thirty days from the end of the previous solar year, on the Calendar of corporate events.

#### **4.5 Role of the Chairman**

The Chairman of the Board of Directors, executive director with important management duties, is the main person in charge of operations (CEO).

The Chairman has an investment in the company Aequafin S.p.A. which holds the majority of the issuer's share capital.

The Chairman is vested with all the powers of ordinary and extraordinary management, with the exclusion of those powers that are the exclusive responsibility of the Board, and he also has an operating role within the organisational structure of the company.

The Chairman of the Board of Directors, in compliance with the Rules for the Board of Directors, ensures that the documentation relating to the items on the agenda is notified to the directors and statutory auditors with suitable notice with respect to the date of the board meeting and also ensures that as far as items on the agenda are concerned sufficient time is given for a constructive debate to take place, encouraging the intervention of directors in the meetings.

The Chairman of the Board is also responsible for the suitability of the pre-Board meeting information to enable the directors to act in an informed way in performing their role and promotes and coordinates the work of the committees with the work of the Board.

The company has not appointed an Executive Committee.

The Chairman reports to the Board on a quarterly basis regarding any requests received from shareholders, as required by the dialogue policy adopted by the company on 16 September 2022.

#### **Board Secretary**

The Board of Directors decides, from time to time, on the proposal of the Chairman, the appointment of the Secretary, who, as provided for in the Regulations adopted, can be chosen from outside the members of the Board.

#### **4.6 Executive directors**

The Chairman of the Board of Directors, executive director with important management duties, is the main person in charge of operations (CEO).

The Chairman has an investment in the company Aequafin S.p.A. which holds the majority of the issuer's share capital.

#### **Information to the Board by the Directors with delegated powers**

The Chairman of the Board of Directors reports to the Board on the work carried out in exercising the delegated powers attributed to the Chairman on at least a quarterly basis before the first available meeting.



#### 4.7 Independent directors and Lead Independent Director

In line with the Code of Corporate Governance, currently two out of the Company's seven directors are independent and their number and responsibilities are adequate for the needs of the business and the operation of the Board, as well as for the establishment of the related committees (Recommendation 5).

The Chairman of the Board of Directors is an executive director with significant management powers and is the company's controlling shareholder, therefore he cannot be qualified as independent.

The indications provided by the Corporate Governance Code (Recommendation 7) were followed to identify the independent directors. In particular, the circumstances which compromise or seem to compromise the independence of a director are at least the following:

- a) if such director is a significant shareholder in the company;
- b) if such director is, or has been, in the previous three years, an executive or independent director:
  - of the company, of a company which is controlled by it and is of strategic importance or of a company subject to joint control;
  - of a significant shareholder in the company;
- c) if, directly or indirectly (for example through subsidiaries, companies of which such director is an executive director, a partner in a professional studio or consulting firm), such director has, or has had in the previous three years, significant commercial, financial or professional dealings:
  - with the company or its subsidiaries, or with the related executive directors or top management;
  - with an individual who controls the company (even if it is done jointly with others through a shareholder agreement), or in the event that the parent is a company or an entity, with their relevant executive directors or top managers;
- d) if such director receives, or has received in the previous three years, from the company, one of its subsidiaries or the parent company, significant additional remuneration compared to the set fee for their engagement and the fee envisaged for participation in the committees recommended by the Code or envisaged by the law in force;
- e) if such director has been a director of the company for more than nine years – even if not consecutive – in the last twelve years;
- f) if such director holds the office of executive director in another company in which an executive director of the company holds the position of director;
- g) if such director is a shareholder or director of a company or of an entity belonging to the network of the company appointed to perform the audit of the company accounts;
- h) if such director is a close relative of a person who is in one of the situations mentioned in the previous points.

In this context, the Board also recognised that the number of its members and their skills are adequate for the needs of the company and the functioning of the Board, as well as for the establishment of the Committees.

Furthermore, it is acknowledged that the Board of Directors, in its meetings of 17 February 2023 and 11 March 2024, following a benchmarking analysis, defined the qualitative and quantitative parameters suitable for assessing the significance of the cases such as to compromise the independence of the Directors, pursuant to Recommendation no. 7, letters c) and d), of the Code, subsequently integrating this provision also in the Regulations for the functioning of the Board of Directors.

As for quantitative parameters, a commercial, financial or professional relationship is considered significant, and therefore such as to compromise the independence of the Director, when its annual value exceeds at least one of the following parameters: (i) the economic or professional relationships are to be

considered significant, and therefore capable of compromising the independence of the Director if they have involved, individually or cumulatively considered, an annual economic compensation greater than 10% of the annual turnover of the subsidiary and/or the professional firm/consultancy company of which the director is a shareholder, executive director or partner (*parameter pursuant to art. 2 Recommendation 7 letter c) Corporate Governance Code*) ; (ii) the additional annual remuneration accrued by the Director from the Company and/or its subsidiaries and/or the Parent Company is considered significant, according to these criteria, if this is equal to or greater than € 60,000 (sixty thousand) of the total fixed annual compensation due for the office of Director and for any participation in Board Committees. (*parameter pursuant to art. 2 Recommendation 7 letter d) Corporate Governance Code*)

As for the qualitative parameters, the commercial/financial or professional dealing is considered relevant and the remuneration is additional when it (i) is strategic for the Company and/or its subsidiaries and/or parent company, (ii) regards strategic consultancy (in favour of the Company and/or its subsidiaries and/or the parent company) and/or the assistance and consultancy is in relation to an operation of strategic importance for the Company and/or its subsidiaries and/or the parent company. With regard to professional relations, should the director be a partner of a professional studio or of a consulting company, the relevance of the dealing is assessed also with regard to the effect that it might have on the position and role of the Director in the professional studio or consulting company, also regardless of whether the quantitative parameters have been exceeded.

Immediately after its appointment by resolution of the Shareholders' Meeting of 28 April 2022, the Board of Directors deemed that the independence requirements established by law and the independence requirements established by recommendation 7 of the Code were met by the Directors Gigliola Di Chiara and Claudia Peri. The outcome of the Board's assessments was disclosed in a press release to the market, in accordance with the provisions of Recommendation no. 10 of the Code and art. 144-*novies* of the Issuers' Regulations.

In accordance with the provisions of Recommendation no. 6 of the Code, the Board of Directors, after its appointment, carried out the usual assessments on an annual basis regarding the existence of the requirements of independence. In particular, in the meetings of 15 March 2023, 15 March 2024 and 14 March 2025, it found that (i) the independence requirements provided for by law, (ii) the independence requirements referred to in Recommendation no. 7 of the Code for the two independent directors, Gigliola Di Chiara and Claudia Peri. In carrying out the above assessments, the Board, after conducting adequate preliminary activities, considered all the information available and, in particular, that provided by each Director, taking into account all the independence criteria established by both the Consolidated Financial Act and Recommendation no. 7 of the Code, as better defined by the resolutions adopted by the Board of Directors. Following the above assessments, it emerged that the principles adopted have been applied without exception. Each non-executive director provided all the information necessary or useful for the Board's assessments.

The Board of Statutory Auditors – after adequate controls – has found the implementation of the criteria and procedures adopted by the Board to evaluate independence of its own members to be correct.

Considering that the Chairman of the Board of Directors is the Issuer's Chief Executive Officer and controlling Shareholder, the Board of Directors has decided to adhere to Recommendation no. 13 of the Code regarding the appointment of a Lead Independent Director to whom the functions suggested by the Code will be assigned. In the meeting of 28 April 2022, the Board appointed the (non-executive and) independent director Gigliola Di Chiara as 'Lead Independent Director', to whom the following functions were assigned: - to act as a point of reference and coordination of the requests and contributions of non-executive Directors and, in particular, of independent Directors; - to collaborate with the Chairman of the Board of Directors in order to guarantee that the Directors receive complete and timely information; - to convene, independently or at the request of other directors, special meetings of independent directors alone to discuss issues deemed relevant to the functioning of the Board or the management of the company, ensuring, among other things, that the independent directors meet among themselves, in the absence of the other directors, at least once a year.

In relation to Recommendation no. 5 of the Code, it is specified that during the year the Lead Independent Director convened 1 (one) meeting of independent directors alone, held on 19 December 2024, at which the following topics were discussed: recommendations made by the Corporate Committee in the communication sent on 17 December 2024; the outcomes of the policy of dialogue with shareholders, which is acknowledged to be regularly reported on at the quarterly meetings of the Board of Directors; examination of the actions taken regarding dialogue with stakeholders, for which the recommendation was made to adopt the specific dialogue policy containing the categories of stakeholders, the mission, and the actions aimed at promoting dialogue.

## 5. Management of corporate information

The Board has drafted a procedure for the disclosure of *price sensitive* documents and information regarding the company. This procedure envisaged that the disclosure of the aforementioned documents and information takes place through the Head of Corporate Information who defines the contents of the communication by preparing a press release.

In particular:

- the press releases and documents relating to so-called periodic reporting (financial statements, interim reports, etc.) and those relating to extraordinary transactions under the responsibility of the management body (mergers, demergers, acquisitions, capital increases, amendment of the Articles of Association, etc.) shall be approved by the Board of Directors; in the other cases, the external communication of *price sensitive* information shall be submitted to the Chairman of the Board of Directors for final approval before release.

The Head of Corporate Information then enters the information into the E-Market SDIR circuit and publishes the same on the website of the Company [www.irce.it](http://www.irce.it).

The Board of Directors of IRCE S.p.A. has also approved the "Internal Dealing" Code of Conduct, adopted pursuant to art. 114, Paragraph 7 of the Consolidated Financial Act, articles 152-quinquies 1 et. seq. of Consob Issuers' Regulation 11971/99 and Regulation (EU) No. 596/2014 ("MAR") that governs the methods of communication and dissemination of information relating to operations on the Company's financial instruments carried out by Relevant Parties, Relevant Shareholders and Closely Associated Persons, in order to ensure greater market transparency and adequate preventive measures against market abuse.

## 6. Committees within the Board (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)

The following committees are set up within the Board of Directors:

- Control and Risks Committee;
- Remuneration Committee;
- Transactions with related parties Committee.

All the Committees have investigative, proactive and consultative functions, and for each one the Board of Directors has adopted regulations that define the rules of operation and the procedures and terms for the transmission of information, such as to not compromise the timeliness and completeness of the information flows.

All the Committees are composed of three non-executive directors of whom two are independent.

For all the Committees established, the Board of Directors has issued an operating regulation concerning the rules of operation, including the terms and procedures for the transmission of documentation relating to the discussion of items on the agenda. No further committees in addition to those reported in this Section have been set up.

Under the coordination of the Chairman, the functions of one or more committees provided for by the

Corporate Governance Code and not making up an autonomous Committee, have been reserved within the Board.

## **7. Directors' self-assessment and succession – Nomination Committee**

### **7.1 Director's self-assessment and succession**

Each year, through specific questionnaires, the Board of Directors undertakes self-assessment of itself and of its committees.

In consideration of the structure and the size of the group, the Board of Directors has not adopted any succession plans for executive directors, considering the replacement procedures adopted as appropriate to ensure continuity of company operations.

### **7.2 Nomination Committee**

Taking into account the structure and size of the company, no Nomination Committee was established within the Board of Directors. The relevant functions, as indicated in the Corporate Governance Code, are therefore fulfilled by the Board of Directors.

## **8. Directors' remuneration – Remuneration Committee**

### **8.1 Directors' remuneration**

Directors' Remuneration is prepared with a view to align the interests of directors and executives to achieving the company's strategic targets, pursuing the primary goal of creating value for shareholders in the medium to long term.

Overall Remuneration consists of:

- a fix remuneration;
- a short-term variable remuneration based on the achievement of predefined objectives, measured based on an economic and financial index on an annual basis;
- a medium-term variable remuneration tied to the achievement of objectives, including sustainability-related objectives, measured based on an economic and financial index over a three-year period (equal to the Board's term of office).
- a medium-term variable remuneration linked to the achievement of objectives measured on the basis of the improvement in the CO<sub>2</sub> content index per tonne of product sold, which will be calculated at the end of the three-year term of office (variable component approved by the Shareholders' Meeting on 29 April 2023). This bonus is based on reducing the CO<sub>2</sub> per ton of product sold in the period under consideration, to be calculated as the ratio between the tons of Market-Based Scope 1 and Scope 2 CO<sub>2</sub> during the year and the tons of product sold in the same period, i.e. the quantity, in tons, of winding wires and electrical cables sold by the Group. This indicator will be calculated on the final year of the mandate of the Board of Directors (2024) and will be compared with the same Indicator calculated on the last year of the previous mandate (2021). The improvement in this indicator will be the correction coefficient for the medium-term bonus calculated on the basis of the ROCE (a calculation method set out in the Report under article 123-ter of the Consolidated Law on Finance for 2022 approved by the IRCE Board of Directors on 15 March 2023). This emissions indicator allows us to reflect the performance metrics related to the Group's sustainability in remuneration policies, as an indirect measure of good management in terms of environmental responsibility.

## 8.2 Remuneration Committee

Reference should be made to the relevant paragraphs of the Remuneration Report published in compliance with art. 123-ter of the Consolidated Financial Act.

## 9. Internal control and risk management system

Pursuant to the provisions of recommendation 33 art. 6 of the Code, the Board of Directors has established its own guidelines for the internal control and risk management system and annually assesses the adequacy of the same compared to the characteristics of the company and to the risk profile adopted.

The Internal Control and Risk Management System of IRCE S.p.A. and of the IRCE Group consists of a collection of organisational rules, procedures and structures which aim to monitor the compliance of the corporate strategies and the achievement of the following goals:

- a) effectiveness and efficiency of the corporate processes (administrative, productive, etc.);
- b) the reliability, accuracy, trustworthiness of the information provided to the corporate bodies and to the market, including economic, financial, and non-financial information, and for the preparation of the sustainability reporting;
- c) compliance with the laws and regulations, as well as with the Articles of association, corporate rules and procedures;
- d) effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company and of the IRCE Group;
- e) protection of the value of corporate assets and protection, as far as possible, against losses.

The controls involve, in various roles and as part of the respective responsibilities:

- the Board of Directors, which directs and assesses the adequacy of the Internal Control and Risk Management System;
- the Chairman, who in the specific case is the director with responsibility for setting up and maintaining an effective Internal Control and Risk Management System (hereafter “Director with responsibility for the Internal Control and Risk Management System”);
- the Control and Risks Committee, with the task of supporting, through suitable preliminary investigations, the assessments and decisions of the Board of Directors relating to the Internal Control and Risk Management System, as well as those relating to approval of the periodic financial and non-financial reports;
- the Head of the Internal Audit Department, who is responsible for verifying that the Internal Control and Risk Management System is functional, adequate and coherent with the guidelines defined by the Board of Directors;
- the Supervisory Body under Leg. Decree 231/2001;
- the Manager responsible for preparing the corporate accounting documents;
- the Sustainability Team, whose task is to manage and coordinate the information relating to the preparation of the Sustainability Report and to support the Control and Risks Committee and the Board of Directors in the evaluation of the internal control system for the purpose of identifying, measuring and monitoring the main risks in order to pursue sustainable success;
- the Board of Statutory Auditors, which oversees the effectiveness and adequacy of the administrative, accounting and organisational arrangements, as well as of the Internal Control and Risk Management System;
- the other corporate roles and functions with specific duties regarding Internal Control and Risk Management, which are broken down in relation to the size, complexity and risk profile of the company.

At the meeting of 14 March 2025, the Board of Directors, supported by the opinion of the Control and Risks Committee, assessed positively the state of the internal control and risk management system, considering it overall adequate, effective and functional.

## **Main characteristics of the risk management and internal control system in relation to the financial reporting process pursuant to art. 123-bis, paragraph 2, lett. b), of the Consolidated Financial Act**

### ***Introduction***

In compliance with the indications as set out in the last Format published by Borsa Italiana S.p.A., it is noted that the management and control system of the IRCE Group regarding the risks pertaining to the financial and sustainability reporting process is an integral element and fits into the context of the broader internal control system of the Company and Group, a system in which the following are important elements:

- the Code of Ethics, the Organisation, Management and Control Model pursuant to Leg. Decree no. 231/01;
- the Procedure to identify internal dealing subjects and to communicate operations undertaken by the same (the so-called "*Internal dealing Procedure*");
- the Procedure for the creation, management and updating of the Group Register of people who have access to the Company's price-sensitive information (the so-called "*Insider Procedure*");
- the principles and the procedures to carry out significant operations and the Procedure for Transactions with Related Parties;
- the policy for handling dialogue with all shareholders;
- the procedure for the preparation of the sustainability reporting;
- the System of delegated powers and proxies;
- the corporate organisational chart;
- the Risk Analysis process adopted;
- the Accounting and Administrative Control System.
- The Whistleblowing System

The internal control system on financial reporting is a collection of activities aimed at identifying and assessing actions and/or events that, should they happen, may compromise the reliability, accuracy, trustworthiness and timeliness of the financial reporting.

The internal control system relating to the process adopted to prepare financial reporting aims to guarantee that the administrative and accounting procedures can reasonably guarantee the reliability of the financial reporting and the organisation's ability to produce timely and trustworthy accounting and financial reporting, in accordance with the relevant accounting standards.

The planning approach followed in constructing the control model is based on international standards and best practice in the sector, (Co.S.O Framework.).

### ***a) Description of the main characteristics of the risk management and internal control system in relation to the financial reporting process***

Underpinning the control system regarding financial reporting processes is risk assessment aimed at identifying and assessing the risk areas in which events may occur such as to compromise the reliability of the financial reporting itself.

Through this activity the Group companies and the main corporate processes were identified which feed the financial disclosure of these companies through quantitative (numeric importance of each company) and qualitative (specific, potential or past level of risk linked to the activities undertaken) analyses, going on to define a matrix of corporate processes/legal entities to be verified through the observation and assessment of the existing control system in relation to the typical risks which regard the preparation of financial reporting externally.

During the phase of *definition of the scope of application*, the following is identified:

- a) the group's companies which are deemed significant on the basis of quantitative and qualitative criteria and in terms of their contribution to the consolidated financial reporting in the reporting period;
- b) significant accounts by means of quantitative measurements and additional refinements of a qualitative nature ("*significant items*");

- c) company processes ("*significant processes*") which are associated with the accounts subject to testing activities for the *significant locations* previously defined.

The objectives of the control – which aim to prevent any errors/fraud that could occur during the activities of initiation, registration, management and reporting of a transaction – have been identified by IRCE by taking into account:

- the relevant entries, i.e. the items of the financial statements which are individually significant in terms of materiality;
- the administrative and accounting processes which generate the significant accounts which are identified as specified above;
- the relevance of the above-mentioned processes which are identified at the level of each company that belongs to the scope of consolidation.

IRCE S.p.A. has identified the scope of application on the basis of the materiality of the significant accounts, and their associated administrative-accounting processes for each individual company of the group, in relation to the consolidated financial statements.

In particular:

- companies in the Group whose assets or turnover are respectively 2% higher than the total consolidated assets or 5% higher than the total consolidated turnover were considered significant and therefore included in the possible scope of application;
- the selection of significant accounts was implemented by calculating a threshold of Group materiality by using a benchmark consisting of the higher of 1% of Shareholders' Equity and 5% of profit before tax;
- the riskiest processes for the purposes of prescriptions pursuant to Italian Law 262 were identified.

In order to confirm the company and process scope deriving from the materiality analysis, the company has also implemented subsequent qualitative analysis.

By applying the model, it has been possible to identify the risk profile inherent in each process and the associated control activities used for monitoring purposes; the procedures and control matrices for each process which turned out to be sensitive on the basis of the abovementioned criteria were formalised.

On an annual basis, the company:

- monitors the processes which significantly contribute to change the items of the consolidated financial statements;
- defines and implements testing plans;
- guarantees the resolution of detected critical factors.

### ***b) Roles and functions involved***

The management and control system for financial reporting is managed by the Manager responsible for preparing the corporate accounting documents appointed by the Board of Directors in compliance with the statutory provisions in force.

In carrying out their activities, the above Manager:

- is supported by the Department heads involved who, in relation to their own area of responsibility, guarantee the completeness and reliability of the information flows sent to the Manager responsible for preparing the corporate accounting documents in order to prepare the accounting reporting;
- oversees the process of preparing the non-financial statement prepared by the Company in compliance with the law in force, ensuring that the process guarantees the understanding of the business of the IRCE Group, its performance, its results and the impact produced by it;

- interacts with the head of the Internal Audit Department who has the power to carry out independent checks on the reliability of the information systems, including the accounting recording systems;
- establishes a reciprocal exchange of information with the Control and Risks Committee, with the Board of Directors and with the Board of Statutory Auditors, reporting on the activity undertaken and on the adequacy of the Internal Control and Risk Management System with particular reference to the risks inherent in financial reporting.

Both the monitoring of the effective application of the Risk management system relating to financial reporting and its periodic assessment were undertaken continuously during the year, coordinated by the Manager responsible for preparing the corporate accounting documents who is directly responsible for checking the correct and timely execution of the management activities in the administrative, accounting and financial sphere as undertaken by Group companies.

From all the checks mentioned, no risks or situations emerged which were not already being monitored by the company.

The Manager responsible for preparing the corporate accounting documents, together with the Chairman, provides the statement envisaged in paragraph 5 of art.154-bis, of the Consolidated Financial Act.

### **Main characteristics of the risk management and internal control system in relation to the sustainability reporting process**

In 2024, the Board of Directors, also with the support of specialised consultants appointed for this purpose, preliminarily carried out a series of activities related to the gap analysis between the information available for the purposes of preparing the NFS and the new disclosure requirements provided for by the CSRD and the new ESRS reporting standards. This preliminary activity involved a series of interventions in the internal information system and in risk management and monitoring.

IRCE has various risk assessment systems and concurrent management methods available, each related to a specific topic:

- Governance, strategy and internal control system – Corporate Governance, Internal Control System as per Italian Law 262, Internal Audit and Strategic Plan;
- Offences under Italian Legislative Decree No. 231/2001 – Model 231 and the Code of Ethics;
- Corruption risks – Whistleblowing
- Discrimination risks – Protection of human rights policy
- Management risks (reference should be made to the Report on Operations), broken down as follows:
  - Market risk;
  - Risks associated with changes in financial and economic variables:
    - Exchange rate risk;
    - Interest rate risk;
    - Risk related to fluctuation in the price of copper
  - Financial risks:
    - Credit risk;
    - Liquidity risk;
  - Climate change risks;
  - Cyber security risks – security measures compliant with Regulation EU 2016/679.
  - Risks Environment and safety - Improvement plan Environment-Safety-RIR- ISO 14001:2025 Legislative Decree 105/2015

Furthermore, during the double materiality analysis phase, additional risks were identified and assessed in terms of governance, the environment and people. A total of eight material risks were identified, three



of which are related to climate change, three to biodiversity and ecosystems, one to the use of resources and the circular economy, and one to the workforce.

For the topics 'Environment', 'Social' and 'Governance', the Parent Company has implemented a specific sustainability chart of accounts on the ERP ORACLE system containing detailed quantitative non-financial information to be collected for the preparation of the Sustainability Report. The Sustainability Team carries out an analysis of the consistency of the uploaded data by comparing it with the previous financial year, an analysis of the coherence of the data quality with respect to the other indicators entered, and a reasonableness analysis by comparing the same data reported by the other production/non-production companies of the Group. In case of anomalies, the Sustainability Team will obtain the appropriate explanations and supporting documentation. The Financial Reporting Manager prepares and keeps updated, based on the evidence communicated to them by company representatives and Group companies, a mapping indicating all the Process Owners divided as follows: energy, water, waste, emissions, employees, crimes, compliance. Each Process Owner is responsible for the data provided and issues a specific declaration, countersigned by the Plant Manager, certifying the accuracy of the data provided for the purposes of preparing the Consolidated Sustainability Report. The results of these control activities are shared with the administration, management and control bodies during the annual approval of the Consolidated Sustainability Report.

In addition, the Board of Statutory Auditors verifies the sustainability report by supervising the process implemented for its preparation and reports on it in the annual report to the shareholders' meeting pursuant to art. 153 of the Consolidated Financial Act, monitors the company's sustainability objectives, and, in terms of risk management, verifies the integration of the identification and management of sustainability-related legal risks into company processes (art. 10 of the New Decree)

### **9.1 Chief Executive Officer**

The Chairman of the Board of Directors is the Director appointed to supervise the functions of the internal control and risk management system.

In his capacity as Body with management functions, the Director has constantly reported to the Board of Directors, the Control and Risks Committee and the Board of Statutory Auditors on all the aspects of corporate management, including verification of the overall adequacy of the efficacy and efficiency of the internal control and risk management system.

The Director responsible for the internal control and risk management system may ask the Internal Audit function to carry out checks on specific operating areas and in respect of the internal rules and procedures in performing corporate operations, giving prompt notification of this to the Board of Directors, the Chairman of the Control and Risks Committee and the Chairman of the Board of Statutory Auditors.

### **9.2 Control and Risks Committee**

In compliance with the provisions of the Corporate Governance Code, the Board of Directors has set up an internal Control and Risks Committee with advisory and proposal-making functions.

**Composition and functioning of the Control and Risks Committee** (pursuant to art. 123-bis, paragraph 2, letter d) of the Consolidated Financial Act)

The Committee, which will remain in office until approval of the financial statements as at 31 December 2024, is formed by Gigliola Di Chiara (Independent Director), acting as Chair, and by Claudia Peri (Independent Director) and Gianfranco Sepriano (Non-Executive Director).

Therefore, the Control and Risks Committee is composed of three of the seven Board members selected

from among non-executive directors, the majority of whom are independent.

The Control and Risks Committee has adequate know-how overall in the business sector which the Issuer operates in and which can help assess the related risks. All the members of the Committee possess adequate experience of accounting and financial issues or risk management.

The Chair coordinates the discussions and minutes are taken at meetings.

The Board of Statutory Auditors took part in the Committee meetings in 2024 and 2025 up to the date of preparing this report. Furthermore, at the invitation of the Committee, the following also took part in meetings in relation to items on the agenda: the Director responsible for the Chief Executive officer, the Head of Internal Audit, the Manager responsible for preparing the corporate accounting documents, and – as appropriate – other Directors, members of the Supervisory Body, the Management Control Manager, and external audit company staff, external experts appointed for specific subjects and representatives appointed to audit the accounts and issue their certification on the Sustainability Reporting.

During 2024, the Committee met 5 times, as illustrated in Table 2 attached to this Report, and the meetings lasted an average of two hours. In the 2025 financial year up to the date of writing this report, two meetings have been held.

The Board of Directors has adopted regulations regarding its functioning. Meetings are called by the Chairman, and all members of the Board of Statutory Auditors and the Financial Reporting Manager are invited to all meetings, in addition to other participants defined from time to time based on the items on the agenda. At the meeting held during 2024 and up to the date of preparing this report, the following issues were addressed: a) assessments regarding the adequacy of the internal control system and consequent reporting to the Board of Directors (examination of the existing corporate procedures and verification of the progress of their updating); b) examination of the process of self-assessment and operation of the Board and the Committees, verification of the directors' prerequisites for independence; c) assessment of the suitability of the periodic, financial and non-financial reporting to represent the business model, the company's strategies, the impact of its business and the performance achieved; d) review of the periodic reports prepared by internal audit and monitoring of the independence, effectiveness and efficiency of its activity; e) review of the contents of the periodic non-financial reporting which is relevant for the purposes of the Internal Control and Risk Management System with particular focus on: 1) Gap Analysis between the information set and the processes adopted for the purposes of preparing the NFS pursuant to Legislative Decree no. 254/2016 and the new requirements set forth by the CRSD and the new ESRS (European Sustainability Reporting Standards) 2) verification of the actions necessary to adapt the internal control system for the purposes of sustainability reporting and risk management for the purpose of achieving the objective of sustainable success 3) analysis of the outcomes of the dialogue with shareholders and other stakeholders 4) double materiality analysis for the purpose of preparing the sustainability report f) exchange of information with the Supervisory Body pursuant to Legislative Decree no. 231/2001; g) exchange of information with the auditing firm for the purposes of the report pursuant to art. 14 Legislative Decree no. 39/20210 on the separate and consolidated financial statements and the issue of the sustainability reporting certificate pursuant to Legislative Decree no. 125/2024; h) examination of the recommendations contained in the letter sent on 17/12/2024 by the Corporate Committee i) analysis of investment projects in foreign subsidiaries.

### **Functions attributed to the Control and Risks Committee**

In compliance with art. 6 of the Corporate Governance Code, the Control and Risks Committee has the following consultation and proposal functions:

- a) assessing, together with the Manager responsible for preparing the corporate accounting documents, the external auditor and the control body, the correct implementation of accounting standards and, in the case of groups, their consistency for the purposes of drafting the consolidated financial statements;

- b) assessing the suitability of the periodic financial and non-financial reporting, to correctly represent the business model, the company's strategies, the impact of its business and the performance achieved;
- c) examining the contents of the periodic non-financial statement relevant for the purposes of the Internal Control and Risk Management System;
- d) expressing opinions on specific aspects regarding the identification of the main corporate risks and the design, implementation and management of the internal control system;
- e) examining the periodic reports concerning the assessment of the internal control and risk management system, and those of particular significance drafted by the Internal Audit function;
- f) monitoring the autonomy, suitability, effectiveness and efficiency of the Internal Audit function;
- g) asking the Internal Audit function to carry out checks on specific operating areas, promptly notifying the Chairman of the Board of Statutory Auditors of this;
- h) reporting to the board, at least on occasion of the approval of the financial statements and the interim report, on the activity carried out and the adequacy of the internal control and risk management systems.

The Chair of the Control and Risks Committee reports to the Board of Directors, at the first available meeting, on the activities carried out and on the adequacy of the internal control and risk management system.

In carrying out its duties, the Control and Risks Committee has had the opportunity to access company information and benefit from the assistance of various corporate functions as required to carry out its tasks. The Committee did not deem it necessary to appoint any other external consultants, other than those identified from time to time by the relevant corporate functions.

### **9.3 Head of Internal Audit;**

The Board of Directors has entrusted the Internal Audit function to an external professional, in the person of Mr Fabrizio Bianchimani, who satisfied the adequate professionalism requirements, and has established his remuneration consistently with corporate policies. It has also ensured that he has adequate resources to fulfil his functions.

Mr Fabrizio Bianchimani has had direct access to all information needed to carry out his assignment.

The main activities carried out during the year were: assessment of the effectiveness and adequacy of the internal control and accounting systems, check of compliance with accounting and administrative procedures, as well as any updating thereof, periodic reports on the status of the internal control system and report on any critical issues.

Taking account of the relevant scope, with reference to the Parent Company, during 2024 the Internal Audit performed control tests on the riskiest processes, in particular sales and distribution, purchasing and inventory management, as well as, according to a rotation rationale, on some processes considered to represent a normal risk, in particular the preparation of the financial statements, the management of taxes, of the consolidation process, of the investments and treasury.

The Internal Audit activities were defined on the basis of the Audit plan approved by the Board of Directors on 15 March 2024, subject to sharing the same with the Board of Statutory Auditors.

In relation to the subsidiaries, a mandate was given to the Internal Auditor to carry out specific control procedures which, for 2024, were carried out on the investee company set up under Swiss law, Isomet AG. These specific activities are part of the enhancement, on the one hand, of the parent company's audit procedures over subsidiaries and, on the other, of support to local management to improve the current control system. As for the previous year, also for the year in question checks were carried out directly by the Imola head office. The foreign company in any case provided all the information needed for the

purposes of the aforementioned activity, above all in reference to the internal activities to manage personnel and operational mandates.

With regard to the process of drawing up the Sustainability Report, the Internal Audit department, at the request of the 'Sustainability Team' and the Control and Risk Committee, carried out a programme of checks on the following aspects: mapping of external and internal stakeholders and the process of drawing up the questionnaire to identify the Group's most significant impacts, double materiality analysis, definition of content and indicators with respect to the issues considered materially relevant.

The outcomes of the Internal Audit activity are contained in the annual report sent to the chairmen of the Board of Statutory Auditors, the Control and Risks Committee and the Board of Directors.

#### 9.4. Organisational Model pursuant to Italian Legislative Decree 231/2001

In order to guarantee transparency and correctness in corporate operations, and to protect the expectations of shareholders and those that work for and with the company, IRCE S.p.A. has implemented, in compliance with corporate policies, the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

Such decision was also made with the conviction that the adoption of the Organisational Model is a valid instrument to make those working for the company more sensitive to adopting, when carrying out and conducting their own activities, correct and standard behaviour aimed at preventing the risk of committing the crimes covered in Italian Legislative Decree 231/2001.

The company condemns behaviour contrary to current legal provisions and to the ethical principles also stated in the Code of Ethics adopted.

IRCE S.p.A. referred to the "Guidelines for the creation of organisation, management and control models" pursuant to Italian Legislative Decree No. 231 of 8 June 2001, issued by Confindustria (the general confederation of Italian industry). This document provides guidelines on interpreting and analysing the legal and organisational implications deriving from the introduction of Italian Legislative Decree 231/2001. In its current version approved by the Board of Directors on 15 March 2022, the Organisational Model intends to specifically prevent the following types of predicate-offences, as referred to in the corresponding article of the Decree indicated within parentheses: Crimes against the Public Administration (articles 24 and 25), Corporate crimes (article 25-ter), Market abuse offences (article 25-sexies), Manslaughter and serious and very serious injuries caused in breach of laws on health and safety protection at the workplace (article 25-septies), Crimes of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-money laundering (article 25-octies), Computer crimes and unlawful data processing (article 24-bis), Crimes against public trust (article 25-bis), Crimes against industry and trade (article 25-bis), Crimes against industry and commerce (article 25-bis.1), Environmental crimes (article 25-undecies), Crimes committed by employing illegally staying third-country nationals (article 25-duodecies), Transnational crimes (Law 146/2006, article 3 and article 10), Tax crimes (article 25-quinquiesdecies).

With reference to the changes in the list of predicate-offences, after the date of approval of the Model currently adopted, IRCE entrusted the consultancy company Soluzioni srl with the task to assess the potential exposure of corporate activities to the risks of committing the aforementioned offences have been shared.

Following the assessment, the Board of Directors resolved to update the current Model, to be implemented by October 2025, with an extension of the scope of prevention to include the types of predicate offences summarised below with the corresponding article of the Decree that refers to them: Inducement not to make statements or to make false statements to the judicial authorities (art. 25-*decies*), Crimes relating to violation of copyright (art. 25-*novies*), Crimes against the individual (art. 25-*quinquies*), Crimes regarding non-cash payment instruments and fraudulent transfer of assets (art. 25-*octies.1*), Organised crime (art. 24-*ter*), Smuggling (art. 25-*sexiesdecies*).

With reference to the adopted Whistleblowing Organisational Model, on 14/03/2025 the interventions for the coordinated updating of the components of the Preventive Control System pursuant to Legislative Decree no. 231/01 concerned for the application of Legislative Decree no. 24/23 (the so-called

Whistleblowing Decree) were completed and approved. For issues regarding compliance with and interpretation of the Organisational Model, a Supervisory Body was set up when adopting the first version of the Organisational Model.

The current Supervisory Body, appointed by the Board of Directors on 28 April 2022, after corporate bodies were reappointed for the three-year period 2022- 2025, is composed of all three previously appointed members. The Supervisory Body is composed as follows:

- Mr Francesco Bassi, professional;
- Mr Gabriele Fanti, professional;
- Mr Gianluca Piffanelli, company employee.

During the first meeting after the appointment, Mr Francesco Bassi was appointed as Chair of the Supervisory Body.

The Body will remain in office for three years; more specifically until 30 April 2025.

During 2022 the Supervisory Body met five times.

In regards to the option – provided for by the Corporate Governance Code – for issuers to evaluate the possibility of attributing the Board of Statutory Auditors with supervisory body duties pursuant to Italian Legislative Decree 231/2001, the Board of Directors has deemed it appropriate to define the composition of the Supervisory Body described above. No members of the Board of Statutory Auditors shall be appointed to the Supervisory Body and there shall be a prevalence of external professionals. This ensures both the adequate segregation of duties, and the availability of skilled individuals within the Supervisory Body with specific skills enabling them to effectively carry out the tasks assigned.

### **9.5 Auditor**

The Shareholders' Meeting of 10 June 2020, having noted the motivated proposal of the Board of Statutory Auditors to confer the engagement for the independent audit of the accounts pursuant to art. 13 and 17 of Legislative Decree no. 39 of 27 January 2010, conferred to Deloitte & Touche SpA the independent audit engagement for 2020 – 2028. In relation to 2024, the independent auditors did not send the administrative body any suggestions (the so-called management letter).

### **9.6 Manager responsible for preparing the corporate accounting documents**

The Board of Directors appointed Ms Elena Casadio, head of administration and finance of the company and director with proven professionalism and experience in financial and accounting issues, as "Manager responsible for preparing the corporate accounting documents".

In compliance with art. 24 of the Articles of Association: "Subject to the favourable opinion of the Board of Statutory Auditors, the Board of Directors appoints a manager, with proven professionalism and experience in finance and accounting, as Manager responsible for preparing the corporate accounting documents and fulfilling the duties provided for by current legal and regulatory provisions concerning periodic reporting".

The Manager responsible for preparing the corporate accounting documents defines the administrative-accounting procedures for drafting the periodic accounting documents and any other financial communication, certifying, together with the Chairman, the adequacy and effective implementation during the period to which the documents refer.

The control procedures on financial reporting are subject to evaluation and monitoring in order to check, over time, both its "design", i.e. the abstract suitability to mitigate identified risks in an acceptable manner, and the actual "operating powers", i.e. their actual functioning. The verification activities relating to the System adequacy and actual functioning are the responsibility of the Manager responsible for preparing the corporate accounting documents, through the manager's own structure and through the direct involvement of the managers responsible for the activities/processes, also through the support of the Internal Audit function.

Pursuant to the new paragraph 5-*ter* of art. 154-*bis* of the Consolidated Financial Act, as amended by Legislative Decree no. 125/2024, the Manager in charge of preparing the company's accounting

documents certifies that the Sustainability Report included in the report on operations is prepared in accordance with the applicable reporting standards under European legislation.

### **9.7 Coordination among the parties involved in the internal control and risk management system**

In order to optimise the efficiency of the Internal Control and Risk Management System and to reduce duplicated activities, the Company has envisaged means of coordination between the various subjects involved in organising the Internal Control and Risk Management System:

- Board of Directors;
- Director with responsibility for setting up and maintaining the Internal Control and Risk Management System;
- Control and Risks Committee;
- Head of Internal Audit;
- Board of Statutory Auditors;
- Organisational Model pursuant to Italian Legislative Decree 231/2001;
- Other company functions involved in controls.

In particular, periodic meetings are held among the various bodies responsible for internal control and risk management regarding the identification of the action areas as well as analyses by each body to identify the respective action areas.

As specified in other sections of this report, regarding the coordination among the various departments, the following is noted: i) the meetings of the Control and Risks Committee are attended by the Board of Statutory Auditors, Internal Audit, the Manager responsible for preparing the corporate accounting documents and the director with responsibility for the internal control system as well as the Supervisory Body in relation to issues for which it is responsible; ii) the reports on the work undertaken by Internal Audit are normally sent to the Control and Risks Committee, the Board of Statutory Auditors and the Chairman of the Board of Directors (Chief Executive Officer); iii) on at least an annual basis information is exchanged between the subjects involved in managing the internal control system and the independent auditors regarding the separate and consolidated financial statements and the sustainability reporting; iv) the meetings of the Board of Statutory Auditors are attended by the director with responsibility for the internal control system and the other heads of corporate departments identified as necessary, on the basis of the planning of the supervisory work.

### **10. Director interests and related-party transactions**

In compliance with art.4 of the Regulations on transactions with related parties adopted by Consob with resolution no.17221 of 12 March 2010, as subsequently integrated and modified with resolution no. 21624 of 10 December 2020, the Board of Directors has adopted a procedure to manage and approve transactions with related parties.

This procedure is available on the company website [www.irce.it](http://www.irce.it) in the section "Investor relations/Corporate governance". It makes a distinction between transactions of greater importance, transactions of lesser importance, and transactions of negligible amount (subject to different provisions).

The Board did not consider it necessary to find further operating solutions, in addition to the procedure, to facilitate the identification of situations in which a director holds an interest on his/her own behalf or on behalf of third parties.

The Related Party Transactions Committee, which will remain in office until the approval of the financial statements as of 31 December 2024, is composed of the Director Francesca Pischedda (non-executive Director) as Chair, Gigliola Di Chiara (independent Director) and Claudia Peri (independent Director).

Therefore, the Related-party Committee is composed of three of the seven Board members selected from among non-executive directors, the majority of whom are independent.

The Chair coordinates the discussions and minutes are taken at meetings.

The Board of Statutory Auditors took part in the Committee meetings in 2024 and 2025 up to the date of preparing this report. Furthermore, at the invitation of the Committee, the following also took part in meetings in relation to items on the agenda: the Director responsible for the Chief Executive officer, the Manager responsible for preparing the corporate accounting documents, and, as appropriate, external experts appointed for specific subjects.

During 2024, the Committee met 9 times, as illustrated in Table 2 attached to this Report, while the meetings lasted an average of one hour.

The Committee has met twice during the year 2025 up to the date of this Report.

There have been no changes in the composition of the Committee since the end of the financial year.

The main activities carried out during the 2024 financial year are described in IRCE's separate financial statements.

## **11. Board of Statutory Auditors**

### **11.1 Appointment and replacement**

The appointment of members of the Board of Statutory Auditors is governed by art. 23 of the Articles of Association. The Shareholders' Meeting appoints a Board of Statutory Auditors consisting of 3 (three) Standing Statutory Auditors and 2 (two) Substitute Statutory Auditors. Minority shareholders have only the right to elect one Standing Statutory Auditor and one Substitute Statutory Auditors. The Board of Statutory Auditors is appointed on the basis of lists provided by the shareholders, in which the candidates must be listed using a progressive number. The list consists of two sections: one containing the three names of the candidates to the position of Standing Statutory Auditor and the other containing the two names of the candidates to the position of Substitute Statutory Auditor. Only shareholders who (together) hold an interest no lower than that laid down by the Consob Issuers' Regulations, and who have the obligation of proving ownership of the number of shares necessary for presenting the lists within the deadline laid down by the current pro-tempore regulations, have the right to present lists. In compliance with the Consob Issuers' Regulations, the notice of each Shareholders' Meeting convened to resolve on the appointment of Statutory Auditors shall include the interest necessary for presenting the relevant list. Each shareholder, as well as the shareholders belonging to the same group (as defined pursuant to the relevant legal provisions and regulations) or subscribing to a shareholder agreement regarding company shares, cannot present or vote for, directly, by third parties, or via trust companies, more than one list. Any candidate appearing on more than one list shall be disqualified; under penalty of ineligibility or disqualification, each Statutory Auditor shall meet the requirements of integrity and professionalism laid down by applicable legal provisions and regulations, shall hold offices of Standing Statutory Auditor in no more than five issuers (as defined pursuant to the relevant legal provisions and regulations) and administration and control offices in companies as per Book V, Title V, Chapters V, VI and VII of the Italian Civil Code within the maximum limit allowed by applicable legal provisions and/or regulations. Outgoing Standing and Substitute Statutory Auditors can be re-elected. The lists must be lodged at the company registered office within the deadline provided for by the applicable pro-tempore provisions and this shall be mentioned in the relevant notice. Together with each list, within the presentation deadline, the shareholders that present it shall lodge: detailed information regarding the personal and professional characteristics of the candidates, declarations with which the individual candidates irrevocably accept the office, if appointed, and state, under their own responsibility, the non-existence of causes of ineligibility or incompatibility, as well as the meeting of the requirements prescribed by the law and by the Articles of Association for taking the office, where the conditions exist, the declaration stating the absence of any forms of association with shareholders who hold, also jointly, a controlling or majority interest. Lists that have been presented without observing the provisions of this article are considered as not having been presented.

The Statutory Auditors are elected as follows:

1. two standing statutory auditors and one substitute statutory auditor are selected from the list that obtained the highest number of votes in the Shareholders' Meeting, in the progressive order in which they are listed in the sections of the list;
2. the remaining standing statutory auditor and the other substitute statutory auditor are selected from the list that obtained the highest number of votes in the Shareholders' Meeting after the first one and that is not connected, according to the law and regulations in force, with the shareholders that have presented or voted the list resulting first in terms of numbers of votes, in the progressive order in which they are listed in the sections of the list;
3. if an equal number of votes are obtained from more than one list, crucial for the purposes of the election procedure, a second vote will be held between such lists by all the shareholders present in the meeting.

The standing statutory auditor indicated as the first candidate in the list that has obtained the highest number of votes after the first in the Shareholders' Meeting will be appointed as Chair of the Board of Statutory Auditors. If only one list is presented, the candidates indicated in said list will be elected, by relative majority vote, and the first candidate will be appointed as chair. If the requirements provided for by law and/or by the Articles of Association cease to be met, the Statutory Auditor's term of office will end. In the case of the replacement of a Statutory Auditor, the Substitute Statutory Auditor belonging to the same list as the former will take over. The powers, duties and functions of the Board of Statutory Auditors and its members are governed by the relevant provisions.

The lists presented by the shareholders shall comply with the principles laid down by art. 148, paragraph 1-bis of the Consolidated Financial Act so as to ensure that the composition of the board ensures gender balance.

### **11.2 Composition and functioning (pursuant to art. 123-bis, paragraph 2, letter d) and d)-bis of the Consolidated Financial Act).**

The composition of the Board of Statutory Auditors in office at the end of the reporting period, as illustrated in Table 4 attached to this Report, is as follows:

- Chair: Ms Donatella Vitanza;
- Standing Statutory Auditor: Mr Gianfranco Zappi;
- Standing Statutory Auditor: Mr Giuseppe di Rocco
- Substitute Statutory Auditor: Mr Federico Polini
- Substitute Statutory Auditor: Ms Debora Frezzini

The Board of Statutory Auditors was appointed by the Shareholders' Meeting on 28 April 2023 on the basis of the statutory rules in force and will end its mandate with approval of the financial statements at 31/12/2025. The election for the three-year period 2023- 2024- 2025 took place according to the criterion of the list vote. The only list presented was that of the majority shareholder Aequafin S.p.A. and the candidates were elected unanimously.

A brief description follows of the personal and professional characteristics of each Standing Statutory Auditor (in compliance with art. 144-*decies* of Consob Issuers' Regulations) on the basis of the declarations provided by each one and attached to the lists as well as any subsequent updates notified by those concerned.

#### **Chair of the Board of Statutory Auditors – Ms Donatella Vitanza**

Accountant and Auditor, she has been registered in the Register of Accountants of Bologna since 1991. In 2016, she achieved her Master in Business Administration at the Bologna Business School.

She has completed the GRI course 'Reporting with the GRI Standards 2021 update', and obtained the CSRD Professional certification issued by the CSRD Institute.

She deals mainly with corporate, fiscal, company consultancy and legal auditing. She has gained significant experience working with companies and organisations to integrate ESG aspects into business decision-



making processes, monitor and evaluate sustainability performance, and provide strategic advice to align business objectives with the United Nations 2030 Agenda. She held and still holds positions as Statutory Auditor and External Auditor in private companies and has been a standing Statutory Auditor at Irce S.p.A. (the only listed company) since 2014.

She has been a director of the Association of Accountants and Tax Advisors of Bologna since 2017.

### **Standing Statutory Auditor – Mr Fabrizio Zappi**

He is an Accountant and Auditor registered in the Bologna Register of Accountants.

He graduated in Economics and Commerce from the University of Trento.

Areas of activity: he provides consultancy services in the fields of accounting, taxation and corporate law, in the preparation of financial statements (OIC and IAS/IFRS), in the planning of extraordinary operations and in the reorganisation of small and medium-sized enterprises.

As part of his continuing professional education, he has participated in two courses relating to the CSRD Directive.

He holds positions on boards of statutory auditors for various industrial companies. He also holds positions as an external auditor.

### **Standing Statutory Auditor –Mr Giuseppe Di Rocco**

He is an Accountant and Auditor registered in the Bologna Register of Accountants since 2012.

A graduate in Economics and Business from the University of Bologna, he mainly deals with tax and corporate consultancy, business assistance, company valuations, accounting and tax due diligence, extraordinary corporate transactions both nationally and internationally, preparation of debt restructuring plans, arrangements with creditors and business plans. He acts as auditor for several national companies. Over the last year he has participated in several courses regarding corporate sustainability reporting (Corporate Sustainability Reporting Directive – CSRD). Taking into account the obligations for companies to increase the dissemination of sustainability information, this year he will continue his professional training in this field to increase his skills. During 2024, the Board of Statutory Auditors held 12 (twelve) meetings. The meetings lasted an average of two hours.

The Chairman of the Board of Directors reported to the Board of Statutory Auditors adequately and in a timely manner on the activities performed, the general business performance and outlook, and on the most significant transactions – for size and characteristics – carried out by the Issuer and its subsidiaries at least quarterly, as established by law and the Articles of Association.

It is expected that during 2025 the Board of Statutory Auditors will hold a number of meetings in line with those held during the previous year.

No changes have been made to the composition of the Board between the end of the reporting period and the date this document was approved.

### Diversity policies and criteria

The Company has complied with the principles on gender diversity, considering the company practice as consistent with the criteria of adequate balance with the main objective of ensuring adequate levels of competence and professionalism of its members. At least one third of the Board of Statutory Auditors' members is of the less represented gender.

### Independence

After appointment, on 9 May 2023, on 11 March 2024, and on 3 February 2025, the Board of Statutory Auditors has verified that its members are qualified to carry out the functions of the control body from the point of view of professionalism, availability of time and independence.

While carrying out such a verification, it was confirmed that the members of the Board of Statutory Auditors are in possession of the requirements of independence according to the criteria laid down by the Corporate Governance Code and by art. 148, paragraph 3 of the Consolidated Financial Act. In carrying out such assessments, the Board applied the criteria laid down by the Corporate Governance Code with reference to directors.

Donatella Vitanza has highlighted the existence of the situation referred to in letter e) of Recommendation no. 7 of the Corporate Governance Code with regard to herself. In particular, she has held the position of Statutory Auditor of the Company since 28 April 2014. During the self-assessment process, carried out through specific questionnaires submitted to its members, followed by an examination of the results, the Board, with the abstention of the interested party, considered that her situation is not such as to compromise her independence, due to her experience, reputation and professionalism demonstrated in the performance of her duties, as allowed by the Code itself.

The result of the assessment, upon appointment and on a yearly basis, was sent to the Board of Directors for further disclosure as provided for by the Issuers' Regulations.

The members of the Board of Statutory Auditors have adequate knowledge of the industry in which the Issuer operates, of the company dynamics and their development as well as the reference regulatory and self-regulatory framework.

### Remuneration

The Shareholders' Meeting of 28 April 2023, which appointed the current Board of Statutory Auditors, also set the annual remuneration of the Chairman of the Board of Statutory Auditors at Euro 22,500 and the annual remuneration for each Standing Auditor at Euro 15,000. In addition, an attendance fee is also paid, and it is equal to € 500 for every day spent attending the meetings of the Board of Statutory Auditors, the Board of Directors and the Shareholders' Meeting, up to a maximum number of 9 attendance fees per year.

Fees paid to Statutory Auditors are consistent with the commitment required, the importance of their role and the company size and sector.

### Interests management

Any statutory auditor who, on his/her own behalf or on behalf of third parties, has an interest in a specific company transaction shall inform the other statutory auditors and the Chairman of the Board of Directors immediately and in detail about the nature, terms, origin and extent of his/her own interest.

## **11.3 Role**

Article 19 of Legislative Decree no. 39/2010, implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Directives 78/660/EEC and 83/349/EEC, and repealing Directive 84/253/EEC, as amended by the CSRD Implementation Decree, has identified the Board of Statutory Auditors as the Internal Control and Audit Committee responsible for:

- a) informing the administrative body of the entity subject to audit of the outcome of the statutory audit and, where applicable, of the outcome of the sustainability reporting certification activity and transmitting to this body the additional report referred to in art. 11 of the European Regulation, accompanied by any observations;
- b) monitoring the process of financial reporting and, where applicable, individual or consolidated sustainability reporting, including the use of the electronic format referred to in Articles 3, paragraph 11, and 4, paragraph 10, of the Legislative Decree adopted in implementation of Article 13 of Law no. 15 of 21 February 2024, and the procedures implemented by the company for the purpose of compliance with the reporting standards adopted by the European Commission pursuant to Article 29-ter of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, as well as presenting recommendations or proposals aimed at ensuring its integrity;
- c) monitoring the effectiveness of the company's internal quality control and risk management systems and, if applicable, internal audit, with regard to financial reporting and, where present, individual or consolidated sustainability reporting, including the use of the electronic format referred to in Articles 3, paragraph 11 and 4, paragraph 10 of the Legislative Decree adopted in implementation of Article 13 of Law no. 15 of 21 February 2024, without violating its independence;
- d) monitoring the statutory audit of the financial statements and the consolidated financial statements and, where present, the activity of certification of the conformity of the individual or consolidated

sustainability reporting, also taking into account any results and conclusions of the quality controls carried out by Consob in accordance with art. 26, paragraph 6, of the European Regulation, where available;

e) verifying and monitoring the independence of the statutory auditors, sustainability auditors or statutory auditing firms in accordance with Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of this Decree and art. 6 of the European Regulation, in particular with regard to the adequacy of the provision of non-audit services to the audited entity, in accordance with art. 5 of that Regulation;

f) being responsible for the procedure for selecting statutory auditors or statutory audit firms and recommending the statutory auditors or statutory audit firms to be designated in accordance with art. 16 of the European Regulation.

In the light of the above, the Board of Statutory Auditors, while performing its activities, acquired information on the activities performed by the Internal Audit function, and the Control and Risks Committee, by taking part in their meetings.

The meetings of the Control and Risks Committee are the main opportunity for the exchange of information between those with important tasks in the area of internal controls, also taking into account the simultaneous participation of the Statutory Auditors in these meetings.

Furthermore, the Board of Statutory Auditors:

- acquired information on activities performed by the Supervisory Body set up pursuant to Italian Legislative Decree 231/2001 as part of the organisation model adopted;
- met periodically with the independent auditor also in order to receive information on the nature and extent of any services other than the audit of the accounts provided to the Issuer and its subsidiaries by the independent auditor and by entities belonging to the latter's network.

Pursuant to articles 3, paragraph 1, and 4, paragraph 1, of Legislative Decree of 6 September 2024, no. 125, the Board of Statutory Auditors shall ensure that the sustainability report is prepared and published in accordance with the relevant regulatory provisions and shall monitor the adequacy of the organisational, administrative, reporting and control system adopted in order to allow a correct and complete representation in the individual or consolidated sustainability report.

## 12. Relations with shareholders and with other relevant stakeholders

### Access to information

IRCE S.p.A. has set up a special section on its own website, easily identifiable and accessible under the heading "Investor Relations" of the menu located at the top of the home page, in which it provides information considered significant for shareholders, so as to allow shareholders to exercise their own rights consciously. The Board of Directors has appointed an *Investor Relations Manager* in the person of Mr Gianfranco Sepriano, phone no. +39-0382-77535, e-mail address: [gianfranco.sepriano@irce-group.com](mailto:gianfranco.sepriano@irce-group.com)

### Dialogue with shareholders and with other relevant stakeholders

With reference to Recommendation no. 3 of the Code, the Board of Directors adopted, with its resolution of 16 September 2022, the "Policy for managing dialogue with all Shareholders". The aforementioned policy regulates the means of involving and communicating with current and potential Shareholders of the Company, in order to, among other things, enhance the exchange of information and improve the level of reciprocal understanding between investors and the Company by facilitating the stability of the Shareholders' investments and the sustainable success. The complete text of the "Policy for managing dialogue with all Shareholders" can be consulted on the Company's website [www.irce.it](http://www.irce.it).

The Group recognises the importance of ongoing dialogue with and the involvement of stakeholders with a view to innovating services and processes, and improving the economic, environmental and social

performance. In developing its organisational arrangements which aim at dialogue with its stakeholders, IRCE S.p.A. has grouped its main stakeholders by similar classes, thus identifying the following categories:

- Employees of the Group's manufacturing companies;
- Group's main raw material suppliers;
- Main customers of the Parent Company IRCE S.p.A.;
- Main banks of the Group;
- Local authorities.

The Group involves the main stakeholders in the analysis of impact materiality through a questionnaire on ESG issues, in which employees, customers, local administrations, suppliers and financial partners are asked to evaluate an aggregated list of impacts, positive and negative, actual and potential, on a scale of relevance from 1 to 5. The survey includes topics relating to Governance, Economic Performance, Product Responsibility, Environmental Aspects, Human Resources and Respect for Human Rights. This process allows us to identify the most relevant issues for the Group, taking into account the priorities expressed by the various stakeholders.

With the aim of optimising stakeholder engagement, IRCE S.p.A. has developed an analysis matrix to define the main expectations of each stakeholder and represent the most relevant aspects for their involvement. The administration, management and control bodies are also informed of the opinions and interests of the stakeholders involved, during the sharing of the double materiality analysis.

### **13. Shareholders' Meetings** (pursuant to art. 123-bis, paragraph 2, letter c) of the Consolidated Financial Act)

The functioning of the Shareholders' Meeting is governed by art. 9 to 14 of the company Articles of Association.

The regularly convened Shareholders' Meeting represents all shareholders and its resolutions taken in compliance with the law and the Articles of Association are binding to all shareholders. It can be ordinary or extraordinary according to the law.

Both the ordinary and extraordinary Shareholders' Meeting shall be convened through a relevant notice to be published within the deadlines and with the procedures laid down by the law.

Representation in the Shareholders' Meeting is subject to the law. Shareholders who have sent to the company, at least two working days before the meeting, the communication made by the intermediary in compliance with its accounting entries, in favour of the person entitled to vote, may take part in the Shareholders' Meeting. Each shareholder who is entitled to take part in the Shareholders' Meeting may be represented by another person in compliance with the law, by means of a written proxy or a proxy sent by electronic means when provided by appropriate regulatory provisions and in the manner established therein. In the latter case, the electronic notification of the proxy shall be made through the specific section of the company website according to the procedures specified in the notice of call.

Regulatory provisions shall apply to convening both ordinary and extraordinary Shareholders' Meetings and to the validity of their resolutions.

The Board of Directors takes part in the Shareholders' Meetings and reports on the activity carried out and scheduled and ensures that the shareholders receive adequate information on the relevant issues so that they can take informed decisions.

During the Shareholders' Meeting held to approve the financial statements, the Chair of the Remuneration

Committee reported to the shareholders on how the committee performs its functions.

As for the functioning of the Shareholders' Meeting, the Rules for Shareholders' Meetings were approved as required by art. 12.4 of the Corporate Governance Code; this document is available on the company's website in the Investor relations/corporate governance section.

During the financial year there were no significant changes in the market capitalisation of company shares and in the ownership structure.

#### **14. Further corporate governance procedures** (pursuant to art. 123-bis, paragraph 2, letter a) of the Consolidated Financial Act)

No Committees in addition to those described in the previous Sections were appointed, while adoption of the Organisational Model in compliance with Italian Legislative Decree 231/2001 is discussed in paragraph three of Section 11.

#### **15. Changes since the end of the reporting period**

No changes have made to the corporate governance structure since the end of the reporting period up to the date of approval of this document.

#### **16. Considerations on the letter of the Chair of the Corporate Governance Committee dated 17 December 2024**

At the meeting of the Board of Directors held on 20 December 2024, the recommendations contained in the letter in question were discussed, which were previously brought to the attention of all the Directors and members of the Board of Statutory Auditors, as requested in the communication sent by the Chairman of the Corporate Governance Committee on 17/12/2024. Below is a summary of the recommendations contained in the aforementioned communication:

##### *Subject of the pre-board information*

The Committee invited companies to provide all useful information on the methods of application of Recommendation 11, taking into account that failure to determine the terms for sending documentation to corporate bodies, or failure to comply with the terms established by regulations adopted for reasons of confidentiality, may result in the non-application of the aforementioned Recommendation 11 of the Code. On this point, it is acknowledged that the company has adopted the regulation concerning the functioning of the Board of Directors, in which the methods and timing for transmitting pre-board information have been codified. It is acknowledged that, given the information acquired also following the self-assessment of the functioning of the Board and the Committees, there are no critical issues regarding the failure to comply with the deadlines for sending pre-board information provided for in the various regulations adopted

##### *Transparency and effectiveness of the remuneration policy*

Recommendation 27 on the remuneration policy for executive directors and top management states that the part of the remuneration linked to performance objectives (variable part) must be determined on the basis of predetermined and measurable parameters. The Corporate Committee draws attention to the fact that the reference to generic sustainability objectives constitutes a non-application of Recommendation 27, which must be justified. On this point, the company has adopted a remuneration policy in which specific parameters and the related determination rules have been established, with which to define the variable part also from an ESG perspective.



*Executive role of the Chairman*

With regard to principle V, please refer to paragraph 4.5.

Imola, 14 March 2025

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE**

<b>SHARE CAPITAL</b>				
	<b>No. of shares</b>	<b>No. of voting rights</b>	<b>Listed / Unlisted</b>	<b>Rights and obligations</b>
Ordinary shares	28,128,000	28,128,000	MTA	Each share gives the right to one vote. The rights and obligations of the shareholders are provided for by article 2346 <i>et seq.</i> of the Italian Civil Code.

<b>SIGNIFICANT INTERESTS</b>			
<b>Entity</b>	<b>Direct shareholder</b>	<b>% of ordinary shares</b>	<b>% of voting rights</b>
AEQUAFIN S.p.A.	AEQUAFIN S.p.A.	50.045%	50.045%
ANNA MARIA MONGARDI	ANNA MARIA MONGARDI	4.828%	4.828%

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AT 14 MARCH 2025**

<b>SHARE CAPITAL</b>				
	<b>No. of shares</b>	<b>No. of voting rights</b>	<b>Listed / Unlisted</b>	<b>Rights and obligations</b>
Ordinary shares	28,128,000	28,128,000	MTA	Each share gives the right to one vote. The rights and obligations of the shareholders are provided for by article 2346 <i>et seq.</i> of the Italian Civil Code.

<b>SIGNIFICANT INTERESTS</b>			
<b>Entity</b>	<b>Direct shareholder</b>	<b>% of ordinary shares</b>	<b>% of voting rights</b>
AEQUAFIN S.p.A.	AEQUAFIN S.p.A.	50.045%	50.045%
ANNA MARIA MONGARDI	ANNA MARIA MONGARDI	4.828%	4.828%



**TABLE 2: COMPOSITION OF THE BOARD OF DIRECTORS AT THE END OF THE REPORTING PERIOD**

<b>BOARD OF DIRECTORS</b>													
<b>Office</b>	<b>Members</b>	<b>Year of birth</b>	<b>Date of first appointment *</b>	<b>In office since</b>	<b>In office until</b>	<b>List (submitters) **</b>	<b>List (M/m)***</b>	<b>Executive</b>	<b>Non-executive</b>	<b>Independent as per the Code</b>	<b>Independent as per the Consolidated Financial Act</b>	<b>No. of other offices ****</b>	<b>Equity investments *****</b>
<b>Chairman</b>	Filippo Casadio	1948	1987	28/04/2022	2024	Shareholders	M	X				0	9/9
<b>Director</b>	Francesco Gandolfi Colleoni	1947	1990	28/04/2022	2024	Shareholders	M	X				0	9/9
<b>Director</b>	Gianfranco Sepriano	1946	1990	28/04/2022	2024	Shareholders	M		X			0	9/9
<b>Director</b>	Orfeo Dallago	1964	2009	28/04/2022	2024	Shareholders	M		X			0	9/9
<b>Director</b>	Francesca Pischedda	1975	2013	28/04/2022	2024	Shareholders	M		X			0	9/9
<b>Director °</b>	Gigliola Di Chiara	1968	2016	28/04/2022	2024	Shareholders	M			X	X	0	8/9
<b>Director</b>	Claudia Peri	1977	2022	28/04/2022	2024	Shareholders	M			X	X	0	9/9
<b>DIRECTORS WHOSE OFFICE ENDED DURING THE YEAR</b>													
												<b>Number of meetings held during the year:</b>	<b>9</b>

**Quorum for presenting lists by non-controlling interests for the election of one or more members (pursuant to art. 147-ter Cons. Fin. Act): 2.5%**

## NOTES

\* By first date of nomination of each director we mean the date on which such director was nominated for the first time (ever) in the Issuer's Board of Directors.

\*\* This column indicates if the list from which each director was selected was submitted by shareholders (Shareholders) or by the BoD (BoD).

\*\*\* This column indicates if the list from which each director was selected was a majority list (M) or a minority list (m) .

\*\*\*\* This column indicates the number of offices held as director or statutory auditor at other listed companies or companies of significant sizes. In the Corporate Governance Report, offices are listed in full.

\*\*\*\*\* This column indicates the Directors' attendance at BoD's meetings.

. Director responsible for the internal control and risk management system

° Lead Independent Director (LID)

**TABLE 3: COMPOSITION OF THE BOARD COMMITTEES AT THE END OF THE REPORTING PERIOD**

BoD		RPT Committee		Control and Risks Committee		Remuneration Committee	
Office/Role	Members	(*)	(**)	(*)	(**)	(*)	(**)
<b>BoD Chairman, executive director – non-independent</b>	Filippo Casadio						
<b>Executive director – non-independent</b>	Francesco Gandolfi Colleoni						
<b>Non-executive director – non-independent</b>	Gianfranco Sepriano			5/5	M	1/1	M
<b>Non-executive director – non-independent</b>	Orfeo Dallago						
<b>Non-executive director – non-independent</b>	Francesca Pischedda	9/9	C				
<b>Non-executive director – independent</b>	Gigliola Di Chiara	8/9	M	5/5	C	1/1	C
<b>Non-executive director – independent</b>	Claudia Peri	8/9	M	5/5	M	1/1	M
<b>DIRECTORS WHOSE OFFICE ENDED DURING THE YEAR</b>							
<b>MEMBERS OTHER THAN DIRECTORS, IF ANY</b>							
<b>Number of meetings held during the year:</b>		<b>9</b>		<b>5</b>		<b>1</b>	

## NOTES

(\*) Directors' attendance at Committees' meetings.

(\*\*) Director's role within the Committee (C, M).

**TABLE 4: COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE REPORTING PERIOD**

<b>BOARD OF STATUTORY AUDITORS</b>									
<b>Office</b>	<b>Members</b>	<b>Year of birth</b>	<b>Date of first appointment (*)</b>	<b>In office since</b>	<b>In office until</b>	<b>List (M/m) (**)</b>	<b>Independent as per the Code</b>	<b>Board meetings attended (***)</b>	<b>No. of other offices (****)</b>
<b>Chairman</b>	Donatella Vitanza	1966	2014	28/04/2023	2025	M	X	12/12	11
<b>Standing Statutory Auditor</b>	Fabrizio Zappi	1977	2023	28/04/2023	2025	M	X	11/12	16
<b>Standing Statutory Auditor</b>	Giuseppe Di Rocco	1980	2023	28/04/2023	2025	M	X	12/12	2
<b>Alternate Statutory Auditor</b>	Federico Polini	1984	2023	28/04/2023	2025	M	X	0	3
<b>Alternate Statutory Auditor</b>	Debora Frezzini	1986	2023	28/04/2023	2025	M	X	0	0
<b>STATUTORY AUDITORS WHOSE OFFICE ENDED DURING THE YEAR</b>									
-									
<b>Number of meetings held during the year:</b>		12							
<b>Quorum for presenting lists by non-controlling interests for the election of one or more members (pursuant to art. 148-ter Cons. Fin. Act): 2.5%</b>									

## NOTES:

(\*) By date of first appointment of each statutory auditor we mean the date on which the statutory auditor was appointed for the first time (ever) in the Issuer's Board of Directors.

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

(\*\*\*) This column indicates the attendance of the statutory auditors at the meetings of the Board of Statutory Auditors (indicate the number of meetings they attended compared with the overall number of meetings they should have attended; e.g. 6/8 etc.).

(\*\*\*\*) This column indicates the number of offices held as director or statutory auditor by the person concerned in compliance with art. 148-bis of the Consolidated Financial Act and the relevant implementation provisions contained in the Consob Issuers' Regulations.

The complete list of offices is published by Consob on its own website in compliance with art. 144-quinquiesdecies of Consob Issuers' Regulations.

Those holding office as members of the control body of only one Issuer are excluded from such disclosure obligation.