

**REPORT  
ON CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURE**

**FOR FISCAL YEAR 2023**

*in accordance with art. 123-bis of the Italian Consolidated Law on Finance – TUF*

**(Traditional administration and control model)**

Issuer: Sogefi S.p.A.

Approval Date: 23 February 2024



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84  
COMPANY REGISTER OF MILAN MONZA BRIANZA LODI AND TAX CODE 00607460201  
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.  
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## ***GLOSSARY***

**CCReS:** the Company's Control, Risk and Sustainability Committee.

**CNR:** the Company's Appointment and Remuneration Committee.

**Corporate Governance Code:** the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.

**Sogefi Code:** Sogefi Corporate Governance Code.

**Corporate Governance Committee:** the Italian Committee for the Corporate Governance of Listed Companies, promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

**Board:** the Board of Directors of Sogefi.

**COPC:** the Company's Committee for Related Party Transactions.

**Decree 231:** Legislative Decree No. 231 of 8 June 2001.

**Issuer:** the issuer of the securities referred to in the Report, i.e. Sogefi S.p.A..

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

**Group:** Sogefi and all subsidiaries directly or indirectly controlled by it.

**MAR:** EU Regulation No 596/2014.

**Supervisory Body or OdV:** the supervisory body pursuant to Decree 231 of Sogefi S.p.A..

**Consob Rules for Issuers:** the Rules issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) on issuers.

**Consob Market Rules:** the Rules issued by Consob with resolution no. 20249 of 2017 regarding markets.

**Consob Related Parties Rules:** the Rules 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 are required to prepare and publish pursuant to art. 123-bis of the Consolidated Law on Finance.

**Remuneration Report:** the report on the remuneration policy and the fees paid that companies are required to prepare and publish pursuant to art. 123-ter of the Consolidated Law on Finance and 84-*quater* of the Consob Rules for Issuers.

**SCIGR:** the Company's Internal Control and Risk Management System.

**Relevant Companies:** companies listed on regulated markets, including foreign markets, financial, banking, insurance companies or companies of significant size.

**Articles of Association:** the Articles of Association of Sogefi S.p.A..

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

Unless otherwise specified, the definitions in the Corporate Governance Code relating to: **directors, executive directors, independent directors, significant shareholder, Chief Executive Officer (CEO), board of directors, supervisory body, business plan, concentrated ownership company, large company, sustainable success, top management** shall also apply.

## **INTRODUCTION**

The purpose of this Report on Corporate Governance and Ownership Structure (hereinafter the “**Report**”) is to illustrate Sogefi S.p.A.’s (hereinafter the “**Company**” or the “**Issuer**” or “**Sogefi**”) corporate governance model to the market and shareholders, in the year 2023, providing the information required by Articles 123-*bis* and 144-*decies* of Legislative Decree no. 58 of 24 February 1998 (the “**TUF**”) and 2-*ter* of the regulation adopted by Consob with resolution no. 11971 14 May 1999 (the “**Consob Rules for Issuers**”) and by the laws and regulations in force on the subject of disclosure of adhesion, and the terms of such adhesion, to codes of conduct. The Report was prepared with reference to the “*Format for the report on corporate governance and ownership structure*” published by Borsa Italiana (9<sup>th</sup> edition - January 2022).

The Report, which was approved by the Board of Directors on 23 February 2024, is made available as required by law and is downloadable on the authorised storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com) and on the Company’s website [www.sogefigroup.com](http://www.sogefigroup.com) in the “*Shareholders - Corporate Governance*” section. The management report for the year 2023, together with the documentation relating to the Financial Statements as at 31 December 2023, will be made available in accordance with the law.

### **1. ISSUER PROFILE**

#### **1.1. Description of the Issuer’s activity**

Sogefi is a holding company operating globally in the *automotive* sector, supplying components for the automotive industry, in the fields of suspension, filtration and air and cooling systems.

It has a presence in Europe, LATAM, NAFTA, China and India. It partners with the world's leading manufacturers of automobiles, commercial vehicles and earthmoving equipment.

Sogefi is listed on Euronext Milan in the STAR segment.

#### **1.2. Governance model adopted by the Issuer**

The Company is organised according to a traditional administration and control model, with the Shareholders’ Meeting, a management body (the Board of Directors) and a control body (the Board of Statutory Auditors). The statutory audit is carried out by an independent auditing firm (external body).

Sogefi adheres to the *Corporate Governance Code* for listed companies prepared by the *Corporate Governance Committee* and promoted by the Business Associations, Borsa Italiana S.p.A. and Assogestioni (hereinafter also referred to as the “**Corporate Governance Code**”) and, to implement it, has prepared its own Code, the Code of Corporate Governance of Sogefi S.p.A. (hereinafter also referred to as the “**Sogefi Code**”), which was last updated in February 2021 to take into account the changes introduced by the Corporate Governance Code in January 2020 and is published on the Company's website [www.sogefigroup.com](http://www.sogefigroup.com) in the “*Shareholders - Corporate Governance*” section.

The Company and the group it heads (i.e., Sogefi and all the companies it directly or indirectly controls, hereinafter referred to as the “**Group**”) have adopted a Code of Ethics in order to make explicit to those who work in the Group and to third parties the principles of correctness, loyalty, honesty, impartiality, equal opportunity and confidentiality, completeness and transparency in the management of company information to which they are bound and which also guide the actions of the corporate bodies (see below under point 14.1).

The powers and operating rules of the corporate bodies are governed, in addition to the provisions of the law and regulations in force at the time, by the Company’s Articles of Association (the “**Articles of Association**”), by Sogefi Code, by the Board of Directors’ Regulations approved on February 24<sup>th</sup>, 2023, and by a series of regulations, principles, procedures and operating practices that are periodically updated.

The Shareholders' Meeting is the body responsible for passing resolutions:

- > on an ordinary basis, with regard to **(i)** the approval of the annual financial statements, **(ii)** the determination of the number of members of the Board of Directors within the limits set out by the Articles of Association, **(iii)** the appointment and removal, if necessary, of the members of the Board of Directors and the Board of Statutory Auditors, **(iv)** the determination of their remuneration, **(v)** the remuneration policy, **(vi)** the appointment of the auditing firm, **(vii)** the submission of any liability action against directors and auditors;
- > extraordinarily, on amendments to the Articles of Association.

The Board of Directors is the central body of the Company's *corporate governance* system, to which the Articles of Association grant the broadest powers for the management and administration of the Company, with the aim of achieving the corporate purpose and creating value in a medium-long term perspective and sustainable success. Appointment, composition, functioning and role of the Board of Directors and its members are described in the following point 4.

The Board of Statutory Auditors performs the duties provided for by the applicable legislation and by the Articles of Association. Appointment, composition and functioning of the Board of Statutory Auditors are described in the following point 11.

### 1.3. SME nature of the Issuer

Sogefi S.p.A. falls within the definition of an SME pursuant to Art. 1, paragraph 1, letter w-*quater*.1) of the TUF and Art. 2-*ter* of Consob Rules for Issuers as shown in the list of SMEs published by Consob in January 2024 on its website, in view of the value of the average capitalisation in the last three years, which was always less than € five hundred million (€ 157.4 million in 2023).

In light of the foregoing, it is noted that the relevant threshold for disclosure obligations under Article 120 of the TUF is 5%.

## 2. INFORMATION ON OWNERSHIP STRUCTURES (under art. 123-bis, paragraph 1, TUF)

### 2.1. a) Structure of the share capital (under article 123-bis, paragraph 1, letter a), TUF)

The Issuer's subscribed and fully paid-up share capital as at 31 December 2023 amounted to € 62,461,355.84, divided into 120,117,992 ordinary shares, listed on the Euronext Milan market - STAR segment.

#### SHARE CAPITAL STRUCTURE AS AT 31 DECEMBER 2022

Type of shares	No. of shares	% of s.c.	Listing market	Rights and obligations
Ordinary shares	120,117,992	100%	Euronext Milan - STAR segment	All ordinary shares have equal rights and obligations

It should be noted that, from the end of fiscal year 2023 to the date of this Report, there have been no changes to the share capital and to the total number of shares.

The Company has implemented stock-based incentive plans; these plans do not involve increases in share capital as they are serviced with treasury shares held by the Company.

For further information on the plans in question, reference should be made to **(i)** the information provided in the notes to the Consolidated Financial Statements for the financial year ended on 31 December 2023, **(ii)** the information documents prepared by the Issuer pursuant to art. 84-bis of the Consob Rules for Issuers and **(iii)** the Report on remuneration policy and compensation paid - 2024 (the "**Remuneration Report**") that will be published in accordance with the law. These documents are or will be (as applicable) available for inspection on the authorised storage mechanism's website

[www.emarketstorage.com](http://www.emarketstorage.com) and on the Company's website, in the "Shareholders - Corporate Governance" section.

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

The shares of the Company are freely transferable, subject to restrictions:

- > linked to internal dealing regulations, illustrated in the Code of Conduct on Internal Dealing published on the Company's website, in the "Shareholders - Corporate Governance" section;
- > applicable to the beneficiaries of stock grant plans, who, according to the regulations, have an irrevocable commitment to continuously hold, until the sixth anniversary of the grant date, a number of shares at least equal to 10% of the shares granted, which are therefore subject to this inalienability constraint, unless otherwise authorised by the Board of Directors (this is the so-called *Minimum Holding*, for which reference should be made to the reports on remuneration policy and compensation paid, published by the Company).

## **2.3. c) Relevant equity investments in the share capital** (under art. 123-bis, paragraph 1, letter c), TUF)

Relevant equity investments in the share capital as at 31 December 2023, as resulting from the communications made pursuant to art. 120 of the TUF and art. 117 et seq. of the Consob Rules for Issuers are shown below.

Since Sogefi S.p.A. falls within the category of SMEs as defined in Article 1 of the TUF, only shareholdings exceeding 5% of voting rights are listed below.

As at 31 December 2023, the shareholder who directly or indirectly holds more than 5% of the capital with voting rights, subscribed and paid-up as at 31 December 2023, as shown in the Shareholders' Register and on the basis of the communications received in accordance with art. 120 of Legislative Decree no. 58/98 and other information available to the Company, is CIR S.p.A. (a subsidiary of F.lli De Benedetti S.p.A.), with 66,830,988 SOGEFI shares, equal to 55.64% of the Company's capital.

### RELEVANT EQUITY INVESTMENTS IN THE SHARE CAPITAL AS AT 31 DECEMBER 2023

Declarant	Direct shareholder	Share % (on share capital)	Share % (on total voting rights)
F.lli De Benedetti S.p.A.	CIR S.p.A.	55.64%	56.36%

It should be noted that, from the end of fiscal year 2023 to the date of this Report, there have been no changes (with the exception of the percentage on the total voting rights, currently equal to 56.33% as a result of the attributions deriving from the stock-based incentive plans given that the same are served with treasury share held by the Company).

## **2.4. d) Securities granting special rights** (under art. 123-bis, paragraph 1, letter d), TUF)

All shares have the same rights and obligations and there are no securities that give holders special rights.

## **2.5. e) Employee shareholding** (ex-art. 123-bis, paragraph 1, letter e), TUF)

In the case of employee shareholdings, there are no special mechanisms for exercising voting rights.

## **2.6. f) Restrictions on voting rights** (under art. 123-bis, paragraph 1, letter f), TUF)

No limits to the voting right are provided.

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

The Company is not aware of the existence of any agreements among shareholders pursuant to art. 122



of the TUF.

**2.8. h) Change of control clauses (under article 123-bis paragraph 1 letter h) of the Consolidated Law on Finance) and provisions of the by-laws on takeover bids (under articles 104, paragraph 1-ter and 104-bis, paragraph 1)**

Certain loan agreements entered into by Sogefi S.p.A. include change of control clauses:

- > Unicredit (2019 and 2020), ING Bank (2020 and 2021), Mediobanca (2019 and 2022), Intesa (2020 and 2022), Banca Nazionale del Lavoro (2018), BNP and LCL (2020), Banco do Brazil (2020 and 2021) and CDP (2021) loans include an early repayment obligation if the following conditions are met: **(i)** the acquisition of legal control of Sogefi S.p.A. by a third party with a credit rating below certain thresholds; and **(ii)** a period of 30 working days has elapsed unsuccessfully to reach an agreement for the purposes of continuing the relationship;
- > EU private placements (2019) financings provides for the right of the *noteholders* to obtain early repayment in the event of the acquisition of control of Sogefi by a third party with a credit rating below certain thresholds.

In addition, some subsidiaries have entered into commercial contracts that include, as is customary for international contracts and in the negotiation practice for similar agreements, clauses giving the counterparty the right to terminate the contract in the event of a change of control.

The Articles of Association do not provide for any exceptions to the provisions on the *passivity rule* provided for in articles 104 and 104-bis of the TUF, nor the application of the neutralisation rules provided for in article 104-bis, paragraphs 2 and 3, of the TUF.

**2.9. i) Power to increase the share capital and authorisations to buy back treasury shares (under art. 123-bis, paragraph 1, letter m), TUF)**

The Board of Directors, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code, for a maximum period of five years from the date of registration with the Register of Enterprises of the resolution of the Extraordinary Shareholders' Meeting of 26 April 2019, is entitled to:

- > increase, in one or more instalments, the share capital by a maximum of €100,000,000 of nominal value free of charge and/or against payment, with or without a share premium, including with the exclusion or limitation of option rights pursuant to art. 2441 paragraphs IV and V of the Italian Civil Code, with the right for directors to determine from time to time the category of shares, the issue price of shares (including the share premium, if any), the enjoyment, the possible destination of share capital increase for the conversion of bonds, including those issued by third parties, both in Italy and abroad, or for warrants and to determine the reserves and provisions available to be allocated to capital and their amount. More generally, define the terms and conditions of the share capital increase;
- > increase, on one or more occasions, the share capital by a maximum par value of €5,200,000, by issuing a maximum number of 10 million shares with or without a share premium, including special categories of shares (preference, savings, with special benefits), to be offered for subscription pursuant to art. 2441, fifth and final paragraph, of the Italian Civil Code, to directors and employees of the Company and its subsidiaries, with the power for the Board to set the issue price, subscription requirements and limits on the availability of the shares themselves, as well as, in general, the terms and conditions of said subscription;
- > issue, on one or more occasions, even with exclusion of the option right, and in this case in favour of institutional investors, bonds convertible into shares or carrying rights for the assignment of shares, in any currency, if allowed by law, with a corresponding increase of the share capital, up to a maximum amount of €100,000,000. More generally, define the terms and conditions of the bond issue and its regulation.

The Ordinary Shareholders' Meeting of 21 April 2023, after revoking the unused portion of the resolution authorising the purchase of treasury shares taken by the Ordinary Shareholders' Meeting of 22 April 2022, authorised the Board of Directors, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, for a period of eighteen months from the day after the meeting resolution,

- > to purchase a maximum of 10 million treasury shares, for a total nominal value of €5,200,000 (including in the calculation the treasury shares already held also through subsidiaries), which cannot in any case exceed one fifth of the Company's share capital;
- > at a price not more than 15% higher and not less than 15% lower than the reference price recorded by the shares in the stock exchange session preceding each individual purchase transaction or the date on which the price is fixed and in any case, if the purchases are made on the regulated market, for a price not exceeding the higher of the price of the last independent transaction and the price of the highest current independent purchase offer on the same market.

As at 31 December 2023, the Company held 1,537,156 treasury shares corresponding to 1.28% of the share capital. The Company did not purchase any treasury shares during financial year 2023.

#### **2.10. l) Management and coordination activities (art. 2497 and following of the Italian Civil Code)**

The Company is subject to management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code by CIR S.p.A..

With reference to the provisions of Article 16, paragraph 1, letters a), b) and c) of the regulation adopted with resolution no. 20249 of 28 December 2017 (the “**Consob Market Regulations**”), it should be noted that Sogefi:

- > complied with the disclosure requirements set out in art. 2497-*bis*, Civil Code;
- > has independent negotiating skills in dealing with customers and suppliers;
- > does not have any centralised treasury relationship with CIR S.p.A. or any other company controlled by it.

With reference to the provisions of Art. 16, paragraph 1, letter d) of the Consob Market Regulations, it should be noted that since Sogefi is a subsidiary company subject to the management and coordination of another company with shares listed on regulated markets, the majority of the Board of Directors is made up of independent directors (see in particular points 4.4.1 and 4.4.8) and that the committees set up by the Board of Directors of the Company and recommended by the *Corporate Governance Code* are all made up exclusively of independent directors (see in particular below under point 6).

#### **2.11. m) Other information - referral**

Please note that with reference to the additional information provided for by art. 123-bis, paragraph 1 of the TUF:

- > the information requested in letter i), concerning any agreements between the Company and the Directors that provide for indemnities in case of resignation or dismissal without just cause or termination of the employment relationship following a takeover bid, is contained in the Remuneration Report, which will be published pursuant to art. 123-*ter* of the TUF;
- > the information required under letter l), concerning the appointment and replacement of Directors as well as the amendment of the Articles of Association, if different from the laws and regulations applicable on a supplementary basis, is illustrated under point 4.3.

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

The Company adheres to the *Corporate Governance* Code, which is available on the *Corporate Governance* Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

Sogefi has decided to formulate its own Code in order to transpose the principles and recommendations of the *Corporate Governance* Code, adapting them to the Company's profile while complying with its provisions.

This choice seemed all the more appropriate with the entry into force of the 2020 *Corporate Governance* Code, in view of the fact that the latter introduces the principle of proportionality, modulating the recommendations according to the size and ownership structure of the Company. It is specified in particular that, pursuant to the aforementioned Code, Sogefi is not a "large" company and is a "concentrated ownership" company. Therefore, the formulation of a Sogefi Code acquires even more sense in order to specify the choices made by the same between the different options provided by the Italian Stock Exchange Code on the same topic, depending on the profile of the companies.

The Sogefi Code has adopted all the recommendations of the *Corporate Governance* Code of Italian Stock Exchange for companies of its type with the only exception of the recommendation 19, in the part in which it provides for the possibility that the outgoing board of directors is legitimized to present its own list, in consideration of the fact that this recommendation does not appear relevant to a company with an ownership structure like that of Sogefi.

In addition, with a view of adopting *governance* in line with *best practices*, the Sogefi Code has also implemented some recommendations that have been formulated for "large" companies. It is particularly worth noting that the Sogefi Code provides:

- > a maximum number of positions that can be held by directors and members of the Board of Statutory Auditors in line with recommendation 15 of the *Corporate Governance* Code for "large" companies (see point 4.4.3);
- > the establishment of the control and risk committee and the nominations committee (in addition to the committee for transactions with related parties), in line with Recommendation 16 of the *Corporate Governance* Code for "large" companies where independent directors represent less than half of the members of the administrative body;
- > carrying out the self-assessment of the Board of Directors on an annual basis, in line with recommendation 22 of the *Corporate Governance* Code for "large" companies;
- > the definition of a succession plan for the *Chief Executive Officer* (see infra sub point 4.3.2), in line with recommendation 5 of the *Corporate Governance* Code for "large" companies.

Finally, although the Sogefi Code does not provide what is contemplated for "large" companies in relation to the fact that the independent directors met, in the absence of the other directors, at least once a year, in practice this meeting is usually held on annual basis, when the results of the self-assessment are presented. Sogefi and its subsidiaries are not subject to non-Italian legal provisions affecting the Issuer's *corporate governance* structure.

## **4. BOARD OF DIRECTORS**

### **4.1. Role of the Board of Directors** (ex-art. 123-bis, paragraph 2 letter d) TUF)

#### *4.1.1. Defining the strategy and direction of the Company, also with a view to sustainable success*

As provided for in art. 1, letter A) of the Sogefi Code (in line with principles I and II - rec. 1, art. 1, of the *Corporate Governance* Code), the Board of Directors guides the Company and the Group, defining its

strategy, with a view to sustainable success and the creation of long-term value for the benefit of shareholders, taking into account the interests of all *stakeholders* relevant to the Company.

In order to implement the above, it is envisaged that the Board of Directors:

- > annually examines and approves the strategic and financial plans of the Company and the Group, including ESG plans, assessing their consistency with the Company's objectives and identifying the issues relevant to the generation of value in the medium and long term;
- > quarterly monitors the performance of the Company and the Group by comparing the results achieved with those planned and verifying the implementation of the business plans, in accordance with the "*Procedure for drawing up and monitoring the implementation of the Company's and the Group's strategic, industrial and financial plans*" updated by the Company's Board of Directors on 16 December 2021;
- > defines the nature and level of risk compatible with the strategic objectives of the Company and the Group, with a view to sustainable success in the medium/long term, in compliance with the "*Guidelines on the internal control and risk management system*", last updated on 25 February 2022;
- > resolves on Company and Group transactions of significant strategic importance, having previously defined the criteria according to which a corporate transaction is deemed to be of significant strategic importance. The criteria on the basis of which a transaction of the Group assumes significant strategic importance, and the procedure for approving such transactions, are contained in the "*Procedure on the criteria for identifying and approving transactions of strategic importance*" updated by the Company's Board of Directors on 16 December 2021. By virtue of this update, the following transactions are considered "transactions of strategic importance" and therefore under the exclusive responsibility of the Board of Directors:
  - the purchase, sale or subscription (including by means of contribution in kind) of corporate equity investments, the purchase, sale or lease of companies or business units or other extraordinary transactions, when:
    - the consideration or exchange value attributed to them exceeds €5 million; or
    - even if the counterparty is not a "Related Party", it has the characteristics to qualify as a "Significant Transaction" in accordance with the "Regulations for Transactions with Related Parties" adopted by Sogefi and in force from time to time;
    - with specific reference to the transactions concerning corporate equity investments, they imply the loss of control pursuant to art. 2359 of the Italian Civil Code over the related company (or similar entity);
  - any other transaction, including but not limited to the foregoing, including the provision of guarantees, which:
    - has a value (in terms of consideration, exchange value or guaranteed amount) higher than €5 million; or;
    - even if the counterparty is not a "Related Party", it has the characteristics to qualify as a "Significant Transaction" in accordance with the "Regulations for Transactions with Related Parties" adopted by Sogefi and in force from time to time.

#### *4.1.2. Definition of the corporate governance system most suited to the performance of the company's activities and the pursuit of its strategies*

As provided for in art. 1, letter B) of the Sogefi Code (and in principle III, rec. 2, art.1, of the *Corporate Governance Code*), the Board of Directors defines the most effective corporate governance system for the purposes of running the company and pursuing its strategic objectives. Specifically, the governing body:

- > assesses the organisational, administrative and accounting structure, with particular reference to

the Internal Control and Risk Management System (in compliance with the “*Guidelines for the Internal Control and Risk Management System*”, see below, under point 9);

- > makes, if deemed necessary or even appropriate, reasoned proposals to the Shareholders’ Meeting regarding the size of the Board of Directors, its composition and the duration of its terms of office;
- > may draw up proposals concerning the choice and characteristics of the corporate model, the structure of the administrative and property rights of the shares and the percentages established for the exercise of the prerogatives set out to protect minorities.

#### 4.1.3. Policy of dialogue with shareholders and other stakeholders

As provided for in art. 1, letter C) of the Sogefi Code (in line with principle IV- rec. 3, art. 1, of the *Corporate Governance Code*), the Board of Directors promotes dialogue with the shareholders and the *stakeholders* relevant for the Company, in compliance with the regulations in force concerning “*market abuse*” and in compliance with the principles of the Guide to Market Disclosures issued by Borsa Italiana S.p.A.

In order to implement the above, the Sogefi Code requires the Board of Directors to ensure that the Company:

- > guarantees the correct internal management and external communication of documents and information concerning the Company and the Group, and to this end the Board of Directors has adopted **(i)** the “*Procedure for the management, handling and disclosure of inside information*” and **(ii)** the “*Code of conduct for internal dealing*” (see below, under point 5);
- > maintains an effective dialogue with its shareholders and with the market, promoting various forms of communication, and in this regard the Company’s Board of Directors has adopted a specific “*Policy for the management of dialogue with shareholders*”;
- > appoints a person responsible for the *Investor Relations* function to manage the flow of information to shareholders, financial analysts and institutional investors, in compliance with the rules of the above policy. In this regard, Sogefi has set up a specific corporate function headed by the *Chief Financial Officer*.

For further details on the dialogue with the general public, see below under point 12.

## 4.2. Activities carried out by the Board of Directors in 2023

A summary of the activities of the Issuer’s Board of Directors in 2023 is described below:

- > on 20 January 2023, it examined and approved the Group's "2023-2026 Industrial Plan" presented by the Chief Executive Officer, and the "2023-2026 ESG Plan"<sup>(1)</sup>; the presentation was very detailed, starting from the scenarios for the *automotive* market, including the possible impacts of the *green* transition on the Group's activity, then moving on to the Group's strengths and weaknesses, to the strategic and operational orientations by *business* line and the economic, financial and ESG *targets*;
- > it monitored the quarterly and half-yearly performance of the Company and the Group (on 21 April 2023, 24 July 2023 and 23 October 2023), based on the reports and presentations carried out by the Chief Executive Officer, the *Chief Financial Officer* and the Manager in charge of drafting

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<sup>(1)</sup> It should be noted that the reference context regarding sustainability includes: **(i)** the 2014 European Directive, relating to the communication of non-financial information; **(ii)** the so-called Agenda 2030, in which the 17 sustainable development goals were identified; **(iii)** Legislative Decree 254/2016 transposing the 2014 directive, which established the obligation for some entities and listed companies to publish non-financial indicators, as well as, lastly; **(iv)** the so-called 2020 European Green Deal through which the Commission established the objective of achieving climate neutrality by 2050; **(v)** EU regulation 852/2020 and related delegated regulation so-called European Taxonomy; **(vi)** the Directive n. 2022/2464, published on 16 December 2022, relating to the corporate sustainability reporting (Corporate Sustainability Reporting Directive – CSRD). The main objectives identified for Sogefi Group have been grouped into three macro-categories: “Business Innovation”, “Eco Efficiency” and “People”.

accounting and corporate records, systematically comparing the results achieved with those of the previous year and with those envisaged in the 2023 *budget*, approved on 16 December 2022;

- > it examined and approved the budget and the "2024-2027 Industrial Plan" and the "2024-2027 ESG Plan" of the Group presented by the Chief Executive Officer on 15 December 2023, following analysis and discussion of the contextual elements, risks and opportunities of the Group, in line with what happened in the previous plan.
- > Regarding SCIGR (Internal Control and Risk Management System):
  - on 20 January 2023 it approved the Audit Plan for the year 2023 and, at each meeting, it received by the Control, Risk and Sustainability Committee an update on the results of the audits;
  - on 24 July and 15 December 2023 it monitored the evolution of the risks of the Company and of the Group, based on the *reports* specifically prepared by the *Risk Management* function;
  - on 24 February and 24 July 2023, it proceeded to evaluate the adequacy of the internal control and risk management system, supported by the preliminary analyses carried out by the Control, Risk and Sustainability Committee and also taking into account the reports formulated by the *Internal Audit* function and *Risk Management* of the Company and by the Supervisory Body.
- > Regarding *governance*:
  - on 24 February 2023, it approved the Regulations for the functioning of the Board of Directors;
  - on 24 July 2023, it updated the *Whistleblowing* Procedure following the entry into force of Legislative Decree no. 24 of 10 March 2023, containing the implementation rules of EU Directive no. 1937/2019;
  - on 24 February 2023 it examined the results of the self-assessment process relating to the 2022 financial year;
- > in terms of dialogue with shareholders, systematically receives at each session a document on the stock performance, on any *reports* issued by analysts, on any events or meetings with the market.

It should be noted that, on 23 October 2023, the Board of Directors also held a *board induction* session, on the occasion of the *off-site visit* at the French plant located in Orbey of the Air & Cooling *Business Line*, which allowed for an in-depth analysis of the prospects developments in the world of *Electric Vehicles*.

During the 2024 financial year, the Board of Directors met twice to carry out all the preparatory activities for the closure of the 2023 financial year (in particular relating to the *impairment test* and the reports of the control bodies) and, on 23 February 2024, it examined the results of the self-assessment relating to 2023 (conducted internally with the support of the Board of Directors' Secretary under the supervision of the Remuneration and Nominations Committee, for which reference is made to point 7). At the end of this process, the Board of Directors did not deem it necessary to elaborate proposals to submit to the Shareholders' Meeting for the definition of a corporate governance system more functional to the needs of the Company, considering the current one adequate, nor guidelines regarding the composition of the Board of Directors.

With the assistance of the Supervisory Body, the monitoring of the implementation of its organisational, management and control model pursuant to Decree 231 continued with a view, among other things, **(i)** to update the catalogue of alleged offences in the light of recent regulatory changes; **(ii)** to adapt the Company's *risk assessment* in the light of the aforementioned regulatory changes and the Company's renewed organisational structure; **(iii)** to increase the efficiency and effectiveness of the control protocols aimed at preventing the offences covered by Decree 231 that are relevant for the Company, also

regulating the information flows (among other things) between the supervisory bodies of the Company and the Italian subsidiaries (in this regard, see also below under point 9.5).

The meetings of the Board of Directors have always been attended, upon the Chairman's invitation, as needed, by the *Chief Financial Officer* and the Manager in charge of preparing the company's financial reports in order to provide the necessary supporting information.

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

#### *4.3.1 Appointment of Directors*

As established in Article 17 of the Articles of Association, the Company is managed by a Board of Directors consisting of between five and fifteen members, who remain in office for the period determined by the Shareholders' Meeting, in any case not exceeding three financial years, and may be re-elected.

Upon appointment, the General Meeting shall determine the number of members within the above-mentioned limits; this number shall be determined for the term of office or, in any case, until a different resolution is passed.

Minority shareholders have the right to appoint one member of the Board of Directors.

As set out in art. 17 of the Articles of Association, the General Meeting appoints the Board of Directors on the basis of lists submitted by the shareholders, according to the terms and conditions set out in the applicable legislation.

According to the Articles of Association, only shareholders who, alone or together with other shareholders, represent at least one fortieth of the share capital or such other percentage as may be determined by law or regulation, are entitled to submit lists, with the burden of proving ownership of the required number of shares within the time limit and in the manner provided for by applicable law. The Board of Directors is not entitled to submit a list.

In this regard, it should be noted that, on 31 January 2024, by means of Executive Determination no. 92, Consob set, pursuant to Article 144-septies, paragraph 1, of the Consob Rules for Issuers, the percentage of shareholding for the submission of candidate lists for the election of the administration and control bodies at 2.5%, without prejudice to any lower quota provided for by the Articles of Association. Therefore, the percentage threshold for the submission of lists for the appointment of the Board of Directors set out in the Articles of Association coincides with the one identified by Consob for the current period.

In order to obtain the appointment of the candidates indicated, the lists presented and put to the vote must obtain a percentage of votes equal to at least half of that required for the presentation of the lists themselves (1.25%); failing this, the lists will not be taken into account.

Lists with three or more candidates must include candidates of both genders, at least in the proportion prescribed by current legislation on gender balance. Lists which fail to comply with the above rules shall be considered inadmissible. With regard to the criteria and policies for diversity in the composition of the Board of Directors, please refer to the following sub-section 4.4.2.

The election of the members of the Board of Directors shall take place as follows:

- > a) a number of directors equal to all those to be elected minus one shall be taken from the list obtaining the highest number of votes at the Shareholders' Meeting, on the basis of the sequential order in which they are entered in the list (if only one list has been submitted or admitted to the vote, all the directors shall be taken from that list);
- > b) one director shall be drawn from the second list obtaining the highest number of votes at the Shareholders' Meeting and which is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the list obtaining the highest number of votes, in the

person of the candidate listed in first place on that list.

If no list is submitted or if fewer directors are elected than the number determined by the Shareholders' Meeting, the latter shall be reconvened to appoint the entire Board of Directors.

If the application of the procedure referred to above does not result in compliance with the gender balance prescribed by current legislation, the last elected candidate on the list obtaining the highest number of votes belonging to the most represented gender shall be removed from office and replaced by the first unelected candidate on the same list belonging to the least represented gender, in compliance with the requirements of the law. Failing this, the Shareholders' Meeting shall integrate the administrative body with the majorities required by law.

The Board of Directors, in accordance with the Sogefi Code and in compliance with the provisions of Art. 16 of the Market Regulations and the TUF, envisages a majority presence of independent members. Regarding the presence and role of the independent members of the Board of Directors of Sogefi, see below under subsection 4.4.8.

The Articles of Association do not provide for independence requirements in addition to those established for Acting Auditors pursuant to Article 148 of the TUF, and/or integrity and/or professionalism for assuming the office of director. Failure to meet these criteria will mean disqualification from the position.

The nominations to the office of Director shall be accompanied by:

- > a *curriculum vitae* containing detailed information on the personal and professional characteristics of the candidates, with an indication of the positions of administration and control held in other companies;
- > if the requirements are met, by a declaration of the candidates concerning their suitability to qualify as independent directors pursuant to the law or regulations;
- > a declaration by the candidates, under their own responsibility, that there are no grounds for ineligibility or incompatibility as provided for by law, and that they meet the requirements prescribed by law and current regulations for members of the Board of Directors.

Incompleteness or irregularity of any candidature shall mean disqualification of the candidate's name from the voting list.

The Issuer is not subject to further regulations (sectoral or otherwise) concerning the composition of the Board of Directors.

#### *4.3.2 Replacement of Directors*

If as a result of resignations or for other reasons one or more Directors leave their office, they will be replaced in accordance with art. 2386 of the Italian Civil Code, in compliance with the applicable requirements. For the purpose of identifying and appointing a new director, the Board of Directors entrusts the Appointment and Remuneration Committee with the preliminary assessment.

The Company has also adopted a specific executive director's succession plan, which was approved by the Board of Directors on 19 March 2021, after review by the Appointment and Remuneration Committee. This plan ensures the orderly succession of the executive director, in the event of early termination of office, in compliance with the procedure set out therein.

In the event of early termination of the executive director, the parties directly involved in the replacement process are: **(i)** the Chairman, who is in charge of ascertaining the existence of the conditions for the termination of office and convening the Board of Directors, as well as of carrying out urgent actions, and **(ii)** the Appointment and Remuneration Committee, which is called upon to support the administrative body in the assessment process of the candidates for the replacement.



The executive director's succession plan shall be reviewed and, if deemed appropriate, updated at least every three years.

#### 4.4. Composition (ex art. 123-bis, paragraph 2 letter d) and d- bis) TUF)

##### 4.4.1. Composition as at 31 December 2023

At the end of the 2023 financial year (and at the date of approval of this Report), the Board of Directors of the Company is made up of 9 directors as listed below.

	ROLE
<b>Patrizia Arienti</b>	Non-Executive and Independent Director
<b>Maha Daoudi</b>	Non-Executive and Independent Director
<b>Rodolfo De Benedetti</b>	Non-Executive Director
<b>Mauro Melis</b>	Non-Executive and Independent Director
<b>Monica Mondardini</b>	Chairman
<b>Raffaella Pallavicini</b>	Non-Executive Director
<b>Massimiliano Picardi</b>	Non-Executive and Independent Director
<b>Frédéric Sipahi</b>	Managing Director
<b>Christian Streiff</b>	Non-Executive and Independent Director

Carlo De Benedetti is Honorary President of the Company.

For further information on the Directors, such as - among other things - the position, the main professional skills and characteristics, as well as the seniority in office since the first appointment, reference should be made to Annex A (*Tables*) and B (*Curricula of Directors*) to this Report. The *curricula vitae* are also available on the website of the authorised storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com) and on the Company's website, in "Group - Corporate Bodies" section.

The Board of Directors is currently made up of 2 executive directors and 7 non-executive directors. The executive officers are the Chairman of the Board of Directors and the Chief Executive Officer of the Company. The number and authority of the non-executive directors, as can be deduced from their *curricula vitae*, are such as to ensure that their judgement can carry significant weight in the taking of board decisions and effective monitoring of management; they bring their specific expertise to board discussions, contributing to take decisions in line with the company's interests.

After having carried out the necessary checks, the Board decided to confirm the qualification of independent directors to 5 of the current members of the Board of Directors, the majority of the members.

Therefore, the composition of the Issuer's Board of Directors is certainly suitable to ensure adequate conditions of managerial autonomy, as provided for by the *Corporate Governance Code* and *Sogefi Code*.

It should be pointed out that, as from the end of the financial year and up to the date of this Report, none of the above-mentioned Directors has left office, nor have there been any changes in the

composition of the Board of Directors.

#### 4.4.2. Diversity Criteria and Policies

The Company has adopted a policy with reference to the gender composition of the administration, management and control bodies; in particular, **(i)** the Articles of Association, as already explained in point 4.3, expressly provides for compliance with the gender balance in the process of appointing the Board of Directors and the Board of Statutory Auditors; and **(ii)** the Sogefi Code requires that at least two-fifths of the Board of Directors be made up of the least represented gender and that at least one-third of the Board of Statutory Auditors be made up of the least represented gender.

This is confirmed by the current composition of the Issuer's corporate bodies:

- > the Board of Directors consists of 4 female directors and 5 male directors;
- > the role of the Chairman of the Board of Directors is covered by a female director;
- > two of the three Board committees established by the Board of Directors are chaired by a female director;
- > the Board of Statutory Auditors consists of three Acting Auditors, one of whom is from the least represented gender, and three Alternate Auditors, one of whom is from the least represented gender.

With regard to the adoption of further diversity policies, the Board of Directors of the Company expressed its intention not to adopt further policies in the composition of the management and control bodies, as referred to by art. 123-*bis* paragraph 2, letter d-*bis* of the TUF, without prejudice to the requirements of integrity, professionalism and independence, as well as the situations of incompatibility and/or lapse of office set out by law and by the Articles of Association, for the following reasons:

- > once a year, the Board of Directors regularly assesses the size, composition and functioning of the Board and its committees - taking into account elements such as training, professional profiles, experience, including managerial experience, of its members, as well as their seniority in office - and the outcome of this assessment has always been fully satisfactory;
- > the Board of Directors may express to the shareholders, prior to the appointment of the new Board, its own guidelines on the managerial and professional figures whose presence on the Board of Directors is deemed appropriate, thus guiding, in compliance with the reciprocal duties and prerogatives, the shareholders' choices in the free designation of the members of the administrative body.

Without prejudice to the possibility of reconsidering its position in the future, the Board has considered that the above processes are in themselves sufficient to ensure adequate monitoring of the articulation in the area of diversity of the composition of the administrative body and also to guarantee the possibility, if deemed necessary, of providing guidance to shareholders.

Moreover, the current shareholders of the Company have always paid attention to the composition of the lists and this assessment is confirmed:

- > in the current composition of the Board of Directors, which presents a considerable diversity according to the many possible meanings: age, gender, education, experience / *seniority*, professional categories and skills, international dimension;
- > in the results of the self-assessment process for the year 2023, which confirm the adequacy of the composition, also in terms of diversity (*lato sensu*), of the current Board of Directors and the fact that the Board as a whole has a balanced mix of experience and skills, adequate and in line with the Company's needs.

The Issuer has taken measures to promote equal treatment and opportunities between genders within

the Group by setting targets under the Group's ESG plan. In this regard, please refer to the 2023 Non-Financial Statement, which is available on the Company's website.

#### *4.4.3. Maximum number of assignments*

In order to guarantee the necessary availability of directors, the Board of Directors, assisted by the Appointment and Remuneration Committee, has set out in Sogefi's Code (art. 2. "A") the following guidelines concerning the maximum number of offices that a director of the Issuer can hold in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance companies or companies of significant size ("**Significant Companies**"):

- > executive directors may not hold any other positions as executive director or auditor in Significant Companies other than CIR S.p.A. and the companies headed by it and may hold a maximum of three positions as non-executive director in Significant Companies other than CIR S.p.A. and the companies headed by it;
- > non-executive directors may hold further offices for a maximum of five as director or acting auditor in Significant Companies other than CIR S.p.A. and the companies headed by it, of which no more than two as an executive director.

It should be noted that: **(i)** "significant companies" means companies with a turnover of more than €500 million and/or assets of more than €1,000 million and/or more than 2,000 employees; **(ii)** "financial companies" means only those companies engaged in the business of providing financial services to the public, which are subject to supervision; **(iii)** the offices held in Relevant Companies belonging to the same Group shall count as a single office (and such single office shall be considered as an executive director for the purposes of calculating the limits, if at least one of the offices held in the same Group is an executive director).

The above general criteria may be waived with reference to one or more Directors by reasoned resolution of the Board of Directors. In deciding on any waivers, the Board of Directors may also take into account data relating to the attendance of the director concerned at meetings of the Board and committees of Sogefi.

At present, all the directors hold fewer offices than the maximum number envisaged by the criteria defined by the Board of Directors, as shown in the information contained in Attachment C ("*List of offices held by directors of Sogefi*").

#### *4.4.4. Functioning*

The functioning of Sogefi's Board of Directors is governed by Sogefi's Articles of Association, the Sogefi Code and the Board of Directors Regulations.

The Board of Directors shall be convened by the Chairman by notice sent to all Directors and Auditors at least five days prior to the date of the meeting.

At the end of each financial year, the Board of Directors approves the calendar of meetings for the following financial year, notifying the market limited to meetings whose agenda includes approval of the half-yearly and annual reports and additional information in March and September.

In 2023, the Board met eight times and the average duration of the meetings was approximately two hours. From 1 January 2024 to the date of this Report (inclusive), the Board met twice, the average duration of the meetings was three hours and, for the remaining part of the 2024 financial year, a further 4 meetings are scheduled.

In 2023 the attendance percentage of directors was equal to 100%. The Manager in charge of preparing the company's financial reports attended all the meetings of the Board of Directors in which topics require her intervention.

It is expected that the documentation supporting (the so-called *info package*) will be provided to the directors three days in advance of the date of the meeting. During 2023, this advance was on average no less than 3 days.

The documentation is made available to the directors in electronic format, via a special IT platform provided by a leading European company, access to which (in the part relating to the documentation of the Board of Directors) is permitted only to the directors (in addition to the Company's secretarial office) by means of a "double authentication" security system.

With regard to the quality of disclosures, the Board of Directors expressed broad satisfaction during the last review of its functioning.

Minutes of each meeting shall be taken by the Chairman of the Board of Directors and the Secretary of the Board of Directors. The minutes are submitted to the Board of Directors for approval at its next meeting, after the text has been sent to the directors, usually together with the notice of the meeting, and - if deemed appropriate - before being shared with the directors attending the meeting.

The Company shall ensure that directors and members of the Board of Auditors can participate, after their appointment and during their term of office, in an *induction programme*, i.e. initiatives aimed at providing them with adequate knowledge of the business sectors in which the Issuer operates, of corporate dynamics and their evolution, of the principles of proper risk management, and of the reference regulatory framework. As already reported in paragraph 4.2, an induction session was held during 2023 on the developments of the Air&Cooling *business line* in the *Electric Vehicles* sector.

#### 4.4.5. Role of the Chairman of the Board of Directors

The Chairman of the Board of Directors:

- > pursuant to the Company's Articles of Association:
  - calls and chairs the meetings of the Board of Directors and signs the minutes thereof;
  - presides over the Shareholders' Meeting and determines the manner of voting on individual items;
  - is the legal representative of the Company;
  - submits, in agreement with the Managing Director, the proposal for the appointment of the Manager in charge of preparing the company's financial reports;
- > pursuant to the Sogefi Code:
  - with the assistance of the Secretary of the Board of Directors, ensures:
    - that the information made available is adequate to enable directors to act in an informed manner in carrying out their role;
    - that the pre-meeting briefing be made available at least three days before the date of the board meeting, except in situations of necessity and urgency, in which case the Chairman of the Board of Directors shall ensure that adequate and timely information is provided during board sessions;
    - that the number of meetings and the respective agendas allow for the necessary time to be devoted to each topic, encouraging debate and input from all directors;
    - that the activities of the committees are coordinated with the activities of the governing body;
    - that Directors and Statutory Auditors may participate, after their appointment and

during their term of office, in the most appropriate forms, in initiatives aimed at providing them with adequate knowledge of the business sector in which the issuer operates, of corporate dynamics and their evolution also with a view to the sustainable success of the Company, as well as of the principles of proper risk management and of the regulatory and self-regulatory framework of reference;

- in agreement with the Chief Executive Officer, also at the request of one or more directors, that executives attend board meetings to provide appropriate insights;
  - that the Board of Directors is informed of any significant content that emerges during discussions with the market and shareholders;
  - that the self-assessment process is appropriate and transparent.
- may request that one of the committees established by the Board of Directors be convened;
  - proposes the appointment and removal of the Secretary of the Board of Directors;
  - proposes, formulating it in agreement with the *Chief Financial Officer*, the approval of a policy for the management of dialogue with the generality of shareholders.

#### 4.4.6. Role of the Secretary of the Board of Directors

The Secretary of the Board of Directors:

- > pursuant to art. 18 of the Articles of Association, is designated by the Board of Directors (also outside its members);
- > pursuant to the Sogefi Code:
  - assists the Chairman of the Board of Directors in its activities (see first paragraph above) (art. 3. “B”);
  - is appointed and dismissed by the Board of Directors, upon proposal of the Chairman (art. 3. “C”);
  - it provides impartial assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system (art. 3. “C”).

During the fiscal year 2023, in compliance with the provisions of Sogefi’s Code, the Secretary of the Board has **(i)** assisted the Chairman of the Board of Directors in her activities of organisation of the Board's works; **(ii)** provided assistance and advice to the Board of Directors on any issue relevant to the proper functioning of the corporate governance system with impartial judgement.

#### 4.4.7. Executive Directors

On 22 April 2022, following the appointment of new members by the Shareholders’ Meeting held on the same date, the Board of Directors confirmed Mr. Frédéric Sipahi as Managing Director of the Company. Mr. Sipahi also holds the position of General Manager.

The Managing Director is primarily responsible for the management of the company (*Chief Executive Officer*).

The Managing Director is assigned the following duties: **(i)** to drive and define the strategic, industrial and financial plans of the Company and the Group to be submitted to the Board of Directors for examination and approval; **(ii)** to draw up and propose the Company's investment policies and programmes within the framework of the multi-year plans for the development strategies approved by the Board of Directors; **(iii)** to draw up and propose the Company's and the Group's financial strategies

and policies in relation to the development, profitability and risk objectives set by the Board of Directors, with responsibility for their implementation; **(iv)** to check that the objectives are implemented in compliance with the guidelines set by the Board of Directors in this regard; **(v)** to ensure the adequacy of the organisational, administrative and accounting structure, having regard to the nature and size of the Company and in accordance with the guidelines laid down by the Board of Directors; **(vi)** to optimise financial management tools and procedures, and to look after and maintain relations with the financial system; **(vii)** to draw up and propose strategies relating to organisational development and policies for the recruitment, management and training of human resources; **(viii)** to exercise the prerogatives of person in charge of the control and risk management system; **(ix)** to govern the process of drawing up the annual financial statements and other periodic (quarterly and half-yearly reports) or extraordinary accounting documents, to be submitted for the approval of the Board of Directors; **(x)** to coordinate the preparation of the business plans, the multi-year plans, the annual budget and the related reporting; **(xi)** to identify the top management lines to which the management of all the interests in associated and investee companies, associations, consortia, joint ventures should be oriented, also with reference to the criteria and principles to be followed when exercising the right to vote at the meetings of the associated and investee companies, for the purpose of their approval by the Board of Directors; **(xii)** to send the information directed to the Board in advance to the Chairman in order to ensure the maximum completeness and accuracy of information for all the Board members; **(xiii)** to sign, subject to submission to the Chairman, the notices required by the laws and regulations concerning listed companies; **(xiv)** to hire, appoint, revoke and dismiss management personnel; to arrange for the amendment of the economic and regulatory conditions of management employment contracts, as well as the settlement of any related disputes; **(xv)** to replace others with more limited powers, by appointing proxies for specific deeds or categories of deeds of ordinary administration; **(xvi)** to take on the role of Director in charge of the risk management and control system.

In the role of General Manager, he is granted the widest powers of management and representation, in order to supervise the ordinary operation and management of the Company, performing all acts necessary or useful for that purpose, as well as the power to represent the Company before any authority, all public and private offices and third parties in general, in all matters of ordinary administration.

The Company has adopted the so-called prohibition of *interlocking*, i.e. the principle based on which the *Chief Executive Officer* of an issuer may not act as a director of another issuer not belonging to the same group, where the *Chief Executive Officer* is a director of the Issuer. On this issue, please refer to the paragraph above 0.

On 22 April 2022, the Board of Directors confirmed Ms. Monica Mondardini as Chairman.

In execution of or in addition to the tasks and functions defined by Sogefi's Articles of Association and Sogefi Code, as set out in the previous point 0, the Board of Directors has granted the Chairman the following tasks and powers: **(i)** to represent the Company in Italy and abroad before any judicial, administrative, tax, ordinary and special authority, at any level and location, with the power to sign any deed or statement, by proposing and supporting actions, defences, exceptions, appointing and revoking lawyers and attorneys; **(ii)** to maintain relationships with institutional bodies, public and private, national and international organisations; **(iii)** to receive from the Managing Director and examine in advance the information addressed to the Board in order to ensure the utmost completeness and accuracy of information to all Directors; **(iv)** to receive from the Managing Director and examine in advance the communications required by the laws and regulations concerning listed companies; **(v)** to supervise the activities of the Internal Audit function, without prejudice to the powers of both the Managing Director - in charge of the control and risk management system - and the Control and Risk Committee; **(vi)** to promote and supervise the application of the *corporate governance* rules concerning the activities of the

Board of Directors; **(vii)** to appoint "ad acta" attorneys and to grant permanent mandates and/or powers to carry out single actions or categories of actions.

These powers are functional to the correct exercise of the typical duties of the Chairman and do not concern management aspects, which instead fall within the scope of the broader powers attributed to the *Chief Executive Officer*.

In compliance with the provisions of the regulations and laws in force, as well as Article 21 of the Articles of Association, the Managing Director provides the Board of Directors and the Board of Statutory Auditors with the appropriate information, at least on a quarterly basis, on the exercise of his powers and on the most important economic and financial transactions carried out by the Group, as well as on transactions with related parties.

With regard to the presence of other executive directors and/or an executive committee, no executive committee has been established and there are no other executive directors other than those indicated above.

#### ***4.4.8. Independent Directors and Lead Independent Director***

The Board of Directors assesses the independence of the directors on the basis of the provisions of art. 148, paragraph 3, of the TUF, and the criteria defined by the Corporate Governance Code, as adopted by the Sogefi Code. In accordance with the Sogefi Code and the Rules of the Board of Directors, such assessment is carried out at least once a year, immediately after appointment as well as during the course of the term of office should circumstances relevant to independence arise, and in any case on an annual basis.

Five out of nine directors qualify as independent directors. These are, in particular, the following directors: Patrizia Arienti, Maha Daoudi, Mauro Melis, Massimiliano Picardi, Christian Streiff. Following the renewal of the Board of Directors in the 2022 financial year, there is no independent director who has commercial, financial or professional relationships or who receives additional remuneration from the Company and the Group.

On 24 February 2023, on the basis of the information provided by the parties or in any case available to the Issuer, the Board of Directors confirmed the qualification of independent for the aforementioned directors, who declared, under their own responsibility, that they qualified as "independent" **(i)** pursuant to art. 147-ter, paragraph 4 of the TUF, by making reference to the requirements set out in art. 148, paragraph 3 of the same decree, and **(ii)** in relation to the provisions of the Sogefi Code.

These Directors have also undertaken to promptly inform the Company of the occurrence of any circumstances that might be considered relevant for the purposes of meeting the independence requirements. If there are new facts that, in the opinion of the Board of Directors, compromise independence, the director must resign.

The Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

Having said this, in compliance with the principles and recommendations set out in Article 2 of the Corporate Governance Code, referred to in the Regulations of the Markets organized and managed by the Italian Stock Exchange for issuers listed on the STAR Segment of the Euronext Milan market, the Board of Directors, on February 23, 2024, has predefined the quantitative and qualitative criteria to evaluate the significance of commercial, financial and professional relationships and additional remunerations that may negatively impact the independence of directors.

Specifically, commercial, financial and professional relationships with a director are considered significant and, therefore, capable of compromising his/her independence, if they:

- > occur continuously during the reference mandate, i.e. they do not represent services carried out occasionally during the reference three-year period and, in addition,
- > entail an annual economic benefit equal to at least 100% of the fixed compensation received annually by the director as a member of the Board of Directors and possibly of the internal board committees.

With respect to the commercial, financial and professional relationships that the director establishes or has established indirectly through subsidiaries or of which he/she is an executive director, the assessment of the significance of such relationships is carried out by the Board of Directors on a case-by-case basis with reference to the individual relationship, also having regard to the specific circumstances of the interested party and the economic value of the relationship in relation to the turnover of the concerned company.

Furthermore, regardless of the parameters indicated above, the relationships of a commercial, financial or professional nature, maintained by the issuer with consultancy firms or professional associations of which the director is an exponent and which, in the opinion of the Board of Directors, are suitable to influence the autonomy of judgment and independence of this director in the exercise of his/her functions, are qualified as significant. By way of example, relationships that have an effect on the position and/or role held by the director and/or on the reputational profile of the same within the consultancy firm or professional association can be considered significant, regardless of the economic advantage recognized to the same by virtue of that relationship. The additional remuneration of the director, which is, on an annual basis, at least equal to 100% of the fixed remuneration received as a member of the Board of Directors and possibly of the internal board committees, is normally considered as significant and, therefore, capable of compromising his/her independence.

The skills of the independent directors (as shown in their *curricula vitae* attached to this Report) and their number make it possible to consider the requirement of adequacy to meet the Company's needs and the functioning of the Board of Directors to be satisfied, as well as the setting up of the Board Committees, which are made up only of independent directors and to which reference should be made in this section 6.

The Board of Directors designates a *lead independent director*, who is the point of reference and coordination for the non-executive directors, and in particular the independent directors, and who works with the Chairman of the Board of Directors to ensure that the directors receive complete and timely information flows.

The *lead independent director* also has the power to convene, either independently or on the request of the other Directors, the so-called "*Board of independent directors*" to discuss issues of interest to the work of the Board of Directors or Company management.

On 22 April 2022, the Board of Directors appointed the independent director Mauro Melis as *Lead Independent Director*, until the expiry of the term of office of the Board of Directors, i.e. until the Shareholders' Meeting called to approve the financial statements as at 31 December 2024.

On 16 December 2021, the Board of Directors, upon the proposal of the Lead Independent Director, approved a "*Lead Independent Director Regulation*" which, **(i)** identifies the aforementioned functions of the Lead Independent, **(ii)** regulates the operation of the so-called "*Board of Independent Directors*" and **(iii)** clarifies what the *Lead Independent Director's* rights are in relation to access to corporate documents.

The "*Board of Independent Directors*" met on 21 February 2024 and the outcome of the consultations was communicated to the Chairman of the Board of Directors and discussed at the Board meeting.

## **5. MANAGEMENT OF CORPORATE INFORMATION**

In order to ensure the correct handling of corporate information, the Board of Directors has adopted **(i)**



the “Code of Conduct for Internal Dealing” and **(ii)** a “Procedure for the management, handling and disclosure of significant and confidential information” concerning the Company.

### **5.1. Internal Dealing Code of Conduct**

The “Code of Conduct on Internal Dealing” was approved by the Board of Directors of the Company on 25 July 2016 and subsequently amended on 24 July 2018 and 22 October 2018, in compliance with EU Regulation No. 596/2014 (“**MAR**”), EU Implementing Regulation 2016/523 and EU Delegated Regulation 2016/522 as well as Article 114, paragraph 7, of the TUF and the relevant implementing rules contained in the Consob Rules for Issuers.

The Legal Department of the Company, as responsible function, takes care of the receipt, management and diffusion on the market of significant transactions carried out with regard to the Issuer’s security and the related financial instruments, by “significant persons” and “closely related persons”, as identified according to current legislation. In order to ensure the timely fulfilment of disclosure obligations, the aforementioned significant persons are given specific information through the delivery of the Code of Conduct on Internal Dealing in which **(i)** the legislative and regulatory provisions that make up the reference regulatory framework are collected; **(ii)** the terms and methods for communications to Consob, the Issuer and the market are indicated; **(iii)** the persons who are closely associated with the Issuer have to be declared; and **(iv)** the regulations concerning the so-called “*blocking-out period*” are indicated, i.e. the prohibition for relevant persons to carry out transactions during specific periods of the year (coinciding with the 30 calendar days preceding the announcement of accounting/financial data relating to the draft annual financial statements, the consolidated financial statements, the half-yearly financial report, the additional information in March and September).

### **5.2. Procedure for the management, processing and disclosure of relevant and inside information**

The “Procedure for the management, processing and disclosure of relevant and confidential information” contains the provisions relating to the internal management and external communication of documents and information concerning Sogefi and (to the extent relevant to Sogefi) its subsidiaries, with particular reference to the so-called “*Relevant and Privileged Information*”, as well as provisions concerning the keeping and updating of lists of persons having access to Relevant and Privileged Information. The Procedure was adopted on 24 July 2018 and 22 October 2018 in compliance with the regulatory provisions on “*market abuse*” and the guidelines formulated in this regard by the Supervisory Authority and, in particular, in accordance with the Guidelines for the Management of Inside Information issued by Consob in October 2017 and is aimed in particular at guaranteeing **(i)** maximum discretion and confidentiality in the management of Relevant and Privileged Information, **(ii)** compliance with the principles of transparency and truthfulness in communicating such information externally; and **(iii)** the proper keeping and constant updating of lists of persons having access to Relevant and Privileged Information.

The “Code of Conduct on Internal Dealing” and the “Procedure for the management, processing and disclosure of relevant and inside information” are available on Sogefi’s website in the “*Shareholders - Corporate Governance*” section.

## **6. COMMITTEES WITHIN THE BOARD (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER D), TUF)**

The Board of Directors has set up three committees: **(i)** the Control, Risks and Sustainability Committee (also “**CCReS**”), **(ii)** the Appointment and Remuneration Committee (also “**CNR**”) and **(iii)** the Committee for Related Party Transactions (also “**COPC**”).

The committees are all composed of non-executive and independent directors. The composition of the committees is outlined below:

NAME AND SURNAME	CCReS	CNR	COPC
Patrizia Arienti	●		●
Maha Daoudi	○		
Mauro Melis	○	●	○
Massimiliano Picardi		○	○
Christian Streiff		○	

○ indicates a member

● indicates the chairman

The Company, availing itself of the option provided for by the Corporate Governance Code (see recommendation no. 16), in view of the Group's organisational structure and taking into account the skills expressed by the appointed members, decided to combine the functions of the appointment and remuneration committees into a single committee, the Appointment and Remuneration Committee.

Compositions, tasks and operating procedures are defined not only in Sogefi's Code but also more analytically in the relevant regulations.

However, the key information is provided below: **(i)** for the CNR under points 7 and 8; and **(ii)** for the CCReS under point 9.3; and **(iii)** for the COPC under point 10.

## 7. SELF-ASSESSMENT AND SUCCESSION - NOMINATION COMMITTEE

### 7.1. Self-Assessment and directors' succession

The Board of Directors, as set out in Sogefi Code, shall carry out an annual self-assessment of its performance at the end of each fiscal year or, at the latest, in the first quarter of the following fiscal year.

The Board of Directors has assigned the Appointment and Remuneration Committee the task of instructing the self-assessment activity.

The self-assessment process may be conducted in two ways:

- > the “internal” method, which involves administering a questionnaire to all directors, using a system that guarantees the anonymity of the questionnaires, and the internal processing of the results by the Secretary of the Board, under the supervision of the CNR, which intervenes directly in the validation of the questionnaire, analysis and interpretation of the results and the return of the same to the Board of Directors, possibly formulating proposals for improvement;
- > the “external” method, which involves the appointment of a consultant by the CNR to carry out the activity of supporting the self-assessment, the submission of a questionnaire possibly accompanied by an interview with each Director (in addition to any other activities determined from time to time by the CNR e.g., *peer review* and, review of the Board of Directors' documentation), and, as in the previous case, the analysis and interpretation of the results and any proposals for improvement are in the first instance shared with the CNR and subsequently with the Board of Directors.

It is expected that the “external” method must be adopted at least once during the three-year term of the Board of Directors.

With reference to the self-assessment for the 2023 fiscal year it:

- > was implemented by adopting the “internal” method, through the support of the Board's Secretary, under the supervision of the CNR;

- > addressed the following areas, among others: **(i)** composition, role, responsibility and functioning of the Board of Directors and the Committees; **(ii)** composition of the Supervisory Body and information flows to the Board of Directors; **(iii)** functioning of the Board of Statutory Auditors and interaction with the Board of Directors; **(iv)** size and composition of the corporate bodies; **(v)** level of functioning and effectiveness of the Board, the Committees and the Board of Statutory Auditors; **(vi)** any elements that may hinder or improve the functioning and efficiency of the Board and the Committees; and **(vii)** communications shared between the management, the Board, the Committees and the Board of Statutory Auditors: quality and relevance of data and information; **(viii)** level of Board involvement in ESG topics.

The results of the self-assessment, which were presented to the Board of Directors by the Chairman of the Appointment and Remuneration Committee, can be summarised as an overall very positive assessment of all the areas analysed, in line with previous years. In particular: the quantitative and qualitative composition of the Board is considered fully adequate to deal with the Group's current and future challenges, with a good understanding of the role by the Directors; the ratio between the number of independent and non-independent directors is considered appropriate; the Chairman is a highly experienced person with excellent knowledge of the business and the Company and has a constructive role that is well balanced with the Chief Executive Director; the latter has a good relationship with the Board, which is kept informed of management developments; in general, the Board is managed with a balanced and transparent approach, favouring open and constructive debate, with much attention paid to *governance*; documentation is very rich, exhaustive and timely, with adequate *executive summary* support; the number and duration of meetings are adequate; all Committees are well-functioning. Areas for possible improvement are identified in the possible further in-depth-analysis on the investors' perception, as well as on the opportunity to provide more in-depth information on ESG to better supervise the evolution of these topics, though the strategy and *governance* regarding sustainability are assessed positively.

With regard to the process of directors' succession, the Board of Directors shall ensure that it is transparent and functional to achieve its optimal composition. In this regard, pursuant to Sogefi Code, the Board of Directors:

- > may draw up reasoned proposals to the shareholders' meeting regarding the size of the administrative body and, if deemed necessary, its composition and the duration of mandates;
- > may present to the shareholders, prior to the appointment of the new board, its guidelines on the optimal composition of the board and on the skills and professionalism whose presence on the board is considered appropriate. During the term of validity of Sogefi's new Code, which includes the above provisions, the Board of Directors did not express any opinions regarding this item.

With regard to the replacement of Directors who have ceased to hold office, reference is made above under point 4.3.2.

## **7.2. Appointment Committee**

The Appointment and Remuneration Committee is composed of three directors, all of whom are non-executive and independent and have appropriate experience in accounting and finance and remuneration policies.

As provided for in the "*Regulation of the Appointment and Remuneration Committee*", the work is coordinated by the Chairman of the committee, the meetings are duly minuted with the assistance of the Secretary of the Board of Directors (who also acts as secretary to the CNR), the Chairman of the Board of Statutory Auditors takes part in them (or another Auditor designated by the latter, being able to attend the other Auditors) and the Chairman of the committee reports on the work carried out to the Board of Directors at the first useful meeting. No individuals who are not members of the committee or the board of directors shall attend committee meetings, except for the Secretary of the Board of Directors and, after notifying the *chief executive officer*, other employees of the Company called by the committee to perform

support functions or provide information.

In addition to the tasks assigned to it with regard to remuneration, the Appointment and Remuneration Committee carries out advisory, proposal and monitoring functions concerning the composition of the Board, the succession of directors and self-assessment activities. In particular, in the aforementioned areas, the CNR provides support to the Board of Directors on the following issues:

- > definition of the optimal composition of the governing body and its committees (size, managerial and professional profiles as well as skills deemed necessary, diversity criteria);
- > making recommendations on the composition of the Board of Directors, with a view to each reappointment;
- > identification of candidates for the office of director in the event of co-option pursuant to Article 2386, paragraph 1, of the Italian Civil Code;
- > definition of the maximum number of positions as director or auditor that the Company's Directors may hold in companies listed on regulated markets (including foreign markets), financial companies, insurance companies and companies of significant size, taking into account the participation of directors in committees set up within the Board;
- > conducting the self-assessment process for the board and its committees;
- > preparation and revision of the Succession Plan in the event of early replacement of the Executive Director and performance of the preliminary functions it provides for in order to identify the replacement.

In 2023, the Appointment and Remuneration Committee met 5 times (including sessions involving compensation) and the meetings were always attended by all members and at least one member of the Board of Statutory Auditors.

The average duration of the meetings was about an hour. The following, major, topics were addressed during these meetings:

- > board self-assessment for fiscal year 2022;
- > remuneration policy and related provisions of the Sogefi Code;
- > 2023 remuneration policy and remuneration paid in fiscal year 2022;
- > assessment of the adequacy, consistency and practical application of the 2022 remuneration policy;
- > remuneration of directors holding special positions;
- > *stock grant* plans;
- > remuneration of the *Chief Financial Officer* and the Manager in charge of preparing the company's financial reports;
- > adequacy check of the “*Regulation of the Appointment and Remuneration Committee*”;
- > verification of the achievement of the targets set in the 2020-2021 *Stock Grant* Plans;
- > start of the board self-assessment process for fiscal year 2023.

The committee was always able to access the information and business functions it required to perform its tasks.

The Appointment and Remuneration Committee occasionally invited the Chairman or the Managing Director to speak, to provide information or points of view that the committee wished to acquire, as well as, depending on the items on the agenda, the Chairman of the committee invited the Manager in charge of preparing the company's financial reports. In this regard, the Regulations of the Appointments and

Remuneration Committee provide that, based on the items on the agenda, upon invitation of the Chairman of the Committee, executive and non-executive directors, the Manager in charge of preparing the company's financial report, the *Chief Financial Officer*, the *General Counsel* and, by previously informing the *Chief Executive Officer*, other managers of the Company competent in the matters on the agenda, attend the meetings.

During this year and as at the date of this Report, the committee met once; three additional meetings are scheduled for the remainder of the year.

## **8. REMUNERATION OF DIRECTORS - REMUNERATION COMMITTEE**

The Board of Directors has defined a remuneration policy, adopting the principles and recommendations of the *Corporate Governance Code* of the Italian Stock Exchange on remuneration.

The Report on the remuneration policy and the compensation paid, with specific reference to the only director benefiting from variable components of remuneration, the *Chief Executive Officer*, who also covers the role of General Manager, reports the *total compensation*, the details thereof in the various components and the *pay mix* relating to the 2023 financial year.

The issuer has adopted for a long time medium-long term incentive plans (LTI) based on shares, and specifically *stock grant* plans, which have a multi-year time horizon and whose maturation is also conditioned on the achievement of sustainable success objectives in a multi-year horizon.

A portion of the Chief Executive Officer's variable remuneration is linked to the achievement of pre-determined and quantifiable ESG objectives; furthermore, the aforementioned *stock grant* plans (which include the *Chief Executive Officer* and Managers with Strategic Responsibilities as beneficiaries) provide that the maturation of a specific category of "*unit*" is linked to the achievement of pre-determined and quantifiable objectives, including non-financial ones.

The "*Units*", i.e. the conditional rights covered by the *stock grant* plans, are divided into three categories:

- "*Time-based Units*", the vesting of which is subject to the beneficiary's permanence in the group and the elapse of pre-established time periods for vesting;
- "*Type A Performance Units*", the vesting of which is subject to, not only the permanence of the beneficiary in the group and the expiry of the time limits set for vesting, but also to the achievement of performance objectives of Sogefi's share with respect to the value of the shares of a basket of benchmark companies identified at the time of approval of the plan regulations;
- "*Type B Performance Units*" whose maturation is subject to, not only the permanence of the beneficiary in the group and the expiry of the time limits set for vesting, but also to the achievement of economic-financial objectives and non-economic-financial objectives defined by the Board of Directors at the time of approval of the plan regulations on the basis of the multi-year plans approved by the Board itself.

In this last regard, with reference to *stock grant* plans approved to date, the Board of Directors has identified, as economic-financial parameters, EBIT and FCF ante IFRS16 as resulting from the financial statements approved by the Company and, as non-economic financial parameters, some specific ESG objectives integrated into the industrial plans of the Company and detailed in the Consolidated Non-Financial Statement (for 2023: percentage of expenditure for R&D for *e-mobility* products on the total annual costs for this activity, energy efficiency and waste valorisation).

For any further details on remuneration, reference should be made to the "*Report on remuneration policy and compensation paid – 2023*" prepared during 2023 (with reference to 2023 as regards policy and 2022 as regards remuneration paid), published on the Company's website in the "*Governance*" section.

With reference to the remuneration for the year 2024 and the fees paid in 2023, reference should be made to the "*Report on the remuneration policy and fees paid – 2024*", which is currently being published within the

legal terms on the Company's website in the "*Shareholders - Corporate Governance*" section.

With respect to compensation, the CNR provides support to the Board of Directors in the following areas:

- > assists the Board of Directors in drawing up the remuneration policy and monitors its concrete implementation;
- > makes proposals or expresses opinions on the remuneration of directors holding particular offices, the General Manager and Executives with strategic responsibilities;
- > makes proposals or expresses opinions on the criteria and objectives for the implementation of the variable component of remuneration;
- > makes proposals or expresses opinions on share-based plans, including **(i)** the rules of the plans, with particular regard to the conditions and terms for the vesting of rights, **(ii)** the beneficiaries and **(iii)** the extent of the rights to be allocated;
- > verifies the actual achievement of targets set for entitlements to the variable component of remuneration and the rights of the plans and makes relevant proposals to the Board of Directors;
- > periodically assesses the adequacy, consistency and practical application of the policy for the remuneration of directors and *top management*.

The "*Regulation of the Appointment and Remuneration Committee*" specifies that in any case no director or manager takes part in the meetings of the committee in which proposals are made to the Board regarding his/her own remuneration.

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

### **9.1. Introduction**

In implementation of what is foreseen by Sogefi Code, the Company has for a long time adopted its internal control and risk management system, currently declined in specific "*Guidelines on the internal control and risk management system*" (the "**Guidelines**").

The Guidelines define an internal control and risk management system ("**SCIGR**") that identifies a set of rules aimed at contributing:

- > to compliance with current legislation, the Articles of Association and internal regulations (e.g. policies, procedures and operating practices) in force from time to time;
- > to the reliability, trustworthiness and accuracy of financial and non-financial information;
- > to a management of the company, based on the adoption of conscious decisions, that is healthy, correct, prudent and consistent with the company's objectives; and;
- > to reduce the possibility of poor management decisions being made or fraudulent circumvention of the SCIGR;
- > to the effective and efficient implementation of business processes;
- > to the achievement of the Company's sustainable success;

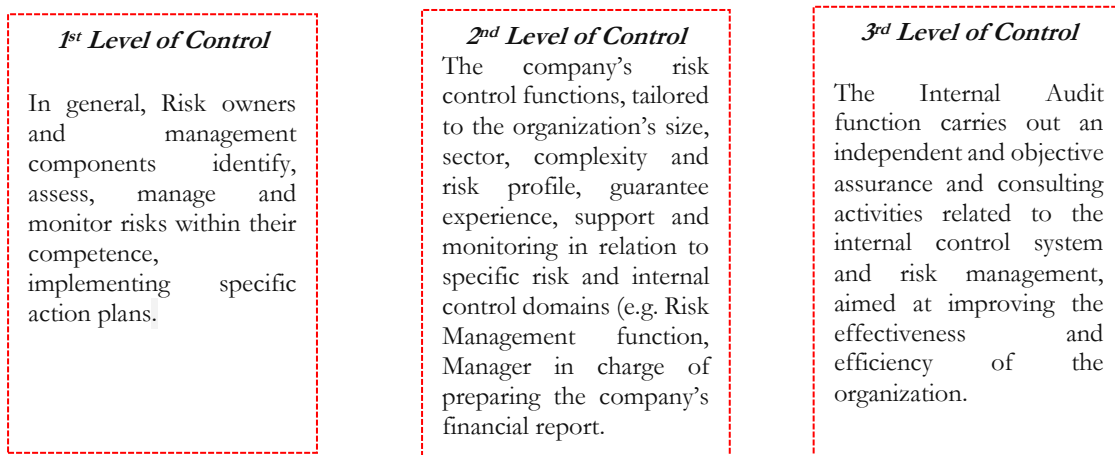
through an adequate process of identification, to the measurement and management of the main management and compliance risks, the monitoring of these risks, of the mitigation measures and of any corrective actions identified, the structuring of adequate information flows and the coordination of the

players involved.

This SCIGR is inspired by and aligned with national and international *best practices*. In particular, the Company has defined the SCIGR in line with and according to the recommendations of the Corporate Governance Code as implemented by the Company with its own Code and in accordance with the so-called CoSO Report, which represents the internationally recognised reference regulatory framework for the understanding, analysis and integrated assessment of the effectiveness of the system.

The SCIGR is divided into three levels of control, consistent with the so-called “three lines” model and related principles, to support the identification of the structures and processes that can best assist in the achievement of objectives, facilitating robust governance and risk management processes. In the aforementioned “three-line” model, the Board of Directors, assisted by the Control, Risk and Sustainability Committee, defines the guidelines, deploys the necessary resources, ensures the necessary organisational delegation and subsequent supervision.

SCIGR’s three levels of internal control are outlined below.



The organisation of the SCIGR involves the following actors, each for their own expertise:

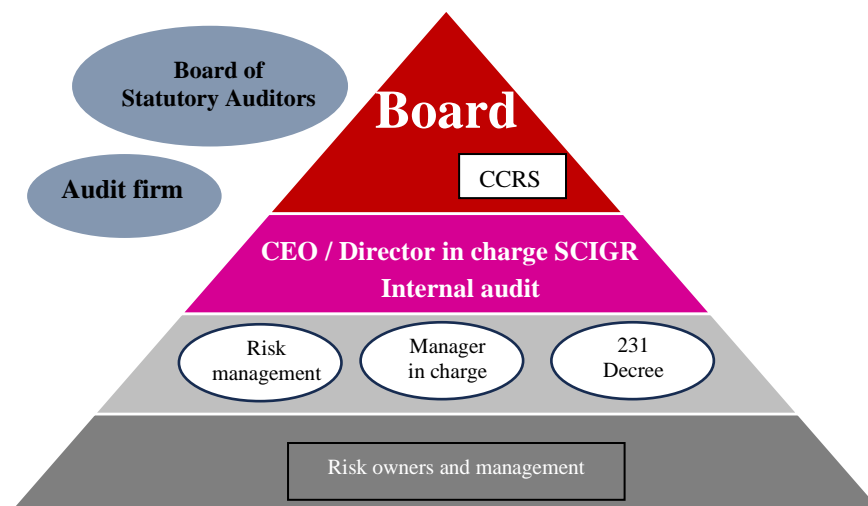
- > the Board of Directors, which plays a role in providing guidance and assessing the adequacy of the system and, in particular:
  - defines the guidelines of the SCIGR in line with the Company's strategies and profile and assesses, at least annually, its adequacy and effectiveness;
  - appoints and removes the Appointed Director;
  - after consulting the Board of Statutory Auditors, he appoints and revokes the Manager in charge of preparing the company's financial reports, ensuring that he meets the requirements of professionalism and honourableness required by current legislation, determining his remuneration and the duration of his appointment and granting him adequate powers and means to perform the functions assigned to him by law;
  - appoints and revokes, after consulting the Board of Statutory Auditors, the head of the Internal Audit function, defining his/her remuneration in line with company policies, and ensuring that he/she is provided with adequate resources to perform his/her duties;
  - assigns to the Supervisory Body the supervisory functions pursuant to art. 6, paragraph 1, letter b) of Decree 231;
- > the Board in order to ensure coordination among the various entities involved in SCIGR:

- approves, on an annual basis, after consulting the Board of Statutory Auditors, the work plan prepared by the head of the Internal Audit function (“**Audit Plan**”);
  - analyses the periodic report prepared by the Internal Audit function;
  - analyses the periodic report prepared by the Risk Management function;
  - analyses the periodic report prepared by the OdV;
  - defines the nature and level of risk compatible with the Company’s strategic objectives, including in its assessments all elements that may be relevant to the company's sustainable success;
  - assesses the opportunity to adopt measures to guarantee the effectiveness and impartiality of judgement of the other company departments involved in controls (second level of control), checking that they have adequate professionalism and resources;
  - assesses, in consultation with the Board of Statutory Auditors, the results set out by the Acting Auditor in any letter of suggestions and in the additional report addressed to the Board of Statutory Auditors;
- > the director in charge of the SCIGR (hereinafter also referred to as the “**Appointed Director**”) who is responsible for establishing the SCIGR and ensuring that it is appropriate to the nature and size of the business conducted by the Company. Also in compliance with art. 2381 of the Civil Code, the Appointed Director is identified as the Managing Director (or Chief Executive Officer);
  - > the Control, Risk and Sustainability Committee, set up within the Board of Directors, with the task, among others, of supporting the Board's assessments and decisions relating to the SCIGR and the approval of periodic financial and non-financial reports;
  - > the head of the Internal Audit department, responsible for verifying that the SCIGR is functioning, adequate and consistent with the guidelines defined by the Board of Directors;
  - > the Risk Management function, which is responsible for identifying risks, defining their possible impacts and developing mitigation measures;
  - > the Manager in charge, who carries out the tasks set out in the Company’s Articles of Association (art. 21) and in the applicable regulations (*ex multis, art. 154-bis* of the *TUF*) and is - in brief - responsible for the control system on financial reporting;
  - > the Company's Supervisory Body, which is responsible for overseeing the functioning of and compliance with Model 231;
  - > the Board of Statutory Auditors, which monitors the effectiveness of the SCIGR.

Finally, the SCIGR also covers the so-called “*risk owners*” and, more generally, the members of the management, in their role of persons responsible, each within their own sphere of competence and within the terms laid down by the corporate organisation, for identifying, managing and monitoring the risks inherent in the area of corporate operations they supervise.

Below is the summary view of the SCIGR stakeholders.





## 9.2. Chief Executive Officer

As provided for in the Guidelines (also in compliance with the provisions of art. 2381, paragraph 3, of the Civil Code), *the Chief Executive Officer* was assigned the role of Appointed Director with the task of ensuring the functionality and adequacy of the SCIGR in relation to the nature and size of the business carried out by the Company.

In particular, the Appointed Director:

- > implements the guidelines defined by the Board of Directors, overseeing the implementation and management of the SCIGR, verifying its adequacy and effectiveness, as well as its adaptation to the dynamics of the operating conditions and the regulatory context (also with the support of the competent company departments);
- > with the support of the *Risk Management* function, is responsible for identifying the Company's main business risks, taking account of the characteristics of the activities carried out, and periodically submits them for examination to the Board of Directors;
- > with the support of the *Risk Management* function, assesses the possible impact of the risks of the subsidiaries on the Company, as independently defined and communicated by them;
- > may entrust the *Internal Audit* function with the carrying out of checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, notifying at the same time the Chairman of the Board of Directors, the Chairman of the CCRoS and the Chairman of the Board of Statutory Auditors (except where, for reasons of check effectiveness, it is appropriate to act without all or part of such communications);
- > promptly reports to the CCRoS, or to the Board of Directors, on problems and critical issues concerning corporate risks which have arisen in the performance of its activities or of which it has become aware.

During fiscal year 2023, the *Chief Executive Officer*:

- > with the support of the *Risk Management* function, identified the main corporate risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and submitted them periodically to the Board of Directors for examination;
- > implemented the new guidelines, taking care of the planning, implementation and management of the internal control and risk management system, constantly checking its adequacy and

effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory context;

- > reported promptly to the Control, Risk and Sustainability Committee on problems and critical issues that arose during the performance of its activities or of which it became aware, so that the Committee could take the appropriate initiatives;
- > with the support of the Head of Strategy & Sustainability, oversaw the consolidation of a widespread awareness of ESG issues within the Group, integrating ESG objectives into the Issuer's Strategic Plan.

### 9.3. Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee is composed of three directors, all of whom are non-executive and independent, and have appropriate experience in accounting, finance and risk management.

As provided for in the “*Regulation of the Control, Risk and Sustainability Committee*”, the work is coordinated by the Chairman of the committee, the meetings are duly minuted with the assistance of the Secretary of the Board of Directors (who also acts as Secretary of the CCRoS), the Board of Statutory Auditors takes part in them and the Chairman of the committee reports on the work carried out to the Board of Directors at the first useful meeting and in any case at least every six months, coinciding with the examination of the annual and half-yearly financial reports.

The CCRoS performs advisory, propositional and monitoring functions on the Company's internal control and risk management system and on sustainability strategies and supports the Board of Directors in defining the guidelines of the Company's internal control and risk management system and in assessing its adequacy on an annual basis. The tasks assigned to it are those provided for in the Corporate Governance Code, implemented by the Sogefi Code, the “*Regulations of the Control, Risk and Sustainability Committee*” and the “*Guidelines*”. In particular, the CCRoS, with respect to the SCIGR:

- > supports the Board of Directors in the tasks and functions assigned to it in relation to the SCIGR, as referred to above under point 9.1;
- > after consulting the Manager in charge of preparing the company's financial reports, the Independent Auditors and the Board of Statutory Auditors, it assesses the correct application of the accounting standards and their uniformity with a view to drawing up the consolidated financial statements;
- > assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- > reviews the content of periodic non-financial information in the portion relevant to the SCIGR;
- > expresses opinions on the analysis and identification of the main corporate risks and supports the evaluations and decisions of the Board of Directors concerning the management of risks arising from prejudicial events of which the latter has become aware;
- > reviews the Company's Audit Plan - and proposes its adoption to the Board of Directors - and the reports prepared by the Internal Audit function;
- > monitors the autonomy, adequacy, efficacy and efficiency of the Internal Audit;
- > may entrust the *Internal Audit* function with the task of carrying out checks on specific operational areas, simultaneously notifying the Chairman of the Board of Directors, the Appointed Director and the Chairman of the Board of Statutory Auditors (except where, for reasons of effectiveness of the check, it is appropriate to act without all or part of these communications);
- > reports to the Board of Directors periodically (i.e., on the occasion of the approval of the annual and half-yearly financial reports), on the adequacy of the SCIGR according to the parameter of art.

2381 of the Civil Code and the provisions of the Guidelines;

- > performs such other functions as may be assigned to it from time to time by the Board of Directors in connection with specific critical issues in SCIGR.

As provided for in the “*Regulation of the Control, Risk and Sustainability Committee*”, the committee has (and was able to exercise during 2023) the power to access the information and corporate functions necessary to carry out its tasks and to make use of external resources and, to this end, the Board of Directors assigned the committee a specific expenditure budget, which was not used by the committee since, on all significant matters, the Company has taken steps, if deemed appropriate, to involve external consultants of primary standing and the committee did not consider it necessary to use consultants appointed by it.

In 2023, the committee met six times and all members attended the meetings. The average duration of the meetings was over two hours.

In 2023 and early 2024, the committee conducted the following activities:

- > it verified the correct use of the accounting standards and their uniformity for the purpose of drawing up the financial statements and the consolidated annual report for 2022, having consulted the Manager in charge, the Independent Auditors and the Board of Statutory Auditors;
- > it verified the correct use of the *standards* adopted for the purpose of drawing up non-financial reports, having consulted the competent function, the Acting Auditor and the Board of Statutory Auditors;
- > analysed the main corporate risks on the basis of the report drawn up by the *Risk Management* function;
- > assessed the adequacy of the internal control and risk management system on the basis of reports prepared by the *Internal Audit* function;
- > monitored the autonomy, adequacy, efficacy and efficiency of the *Internal Audit* function;
- > examined and expressed its opinion on the annual Internal Audit plan of the Company;
- > examined and expressed its opinion on the proposed remuneration of the Head of *Internal Audit*;
- > examined the key results of the *audit* activities carried out, as resulting from the periodic reports prepared by the function;
- > systematically reported to the Board of Directors on the results of its assessments, also providing half-yearly and annual reports on the activities carried out;
- > dealt with issues relating to sustainability (review of Sogefi's non-financial statement and ESG plans);
- > maintained a constant flow of information with the Issuer's Supervisory Board 231, periodically reviewing its reports.

The Managing Director, the Manager in charge of preparing the company's financial reports, the Chief Financial Officer, the Head of the Internal Audit function, the Head of the Risk Management function and the Head of the Strategy and Sustainability function attended some of the Committee's meetings, invited by the Committee's Chairman, in order to provide information or support.

In this regard, the Regulations of the Control, Risk and Sustainability Committee provide that, based on the topics on the agenda, upon invitation of the Chairman of the Committee, executive and non-executive directors, the Manager in Charge, the Chief Financial Officer, the General Counsel and, having previously informed the Chief Executive Officer, other managers of the Company competent in the matters on the agenda, attend the meetings.

The committee met twice during this year and as at the date of this Report; four additional meetings are

scheduled for the remainder of the year.

#### 9.4. The Internal Audit

With regard to the Internal Audit function, the Guidelines provide that:

- > in accordance with the *International Professional Practices Framework* (IPPF) issued by the *Institute of Internal Auditors* and in compliance with the Company's Code of Ethics (an integral part of the 231 Model), *Internal Audit* is an independent and objective *assurance* and consultancy activity, aimed at improving the effectiveness and efficiency of the organisation; it assists the organisation in the pursuit of its objectives through a systematic professional approach, which generates added value as it aims to assess and improve control, risk management and *corporate governance* processes;
- > the head of the *Internal Audit* function is responsible for verifying that the SCIGR is functioning, adequate and consistent with the Guidelines and any further indications given by the Board of Directors;
- > the person in charge of the *Internal Audit* function:
  - has adequate expertise and professionalism in internal control and risk management;
  - is not responsible for any operational area;
  - reports hierarchically to the Board of Directors;
  - has direct access to all information needed to carry out the assignment;
- > the head of the *Internal Audit* function must carry out the following activities:
  - verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the SCIGR, through the *Audit Plan* approved - after consulting the Board of Statutory Auditors - by the Board of Directors, based on a structured process of analysis and graduation of the main risks;
  - verifies, within the framework of the aforementioned *Audit Plan*, the reliability of information systems including accounting systems;
  - prepares individual audit reports on the activities carried out, which are shared on an event-by-event basis with the Appointed Director, the bodies and functions involved (e.g. Supervisory Board, Manager in charge of preparing the company's financial reports, functions subject to *audit*) (except where, for reasons of audit effectiveness, it is appropriate to act without all or part of these communications);
  - supports the other functions/control bodies (e.g. SB, Manager in charge of preparing the company's financial reports), according to an integrated and coordinated approach aimed at maximising the effectiveness and efficiency of internal controls;
  - prepares and transmits on a six-monthly basis, to the attention of the CCRoS and the Board of Directors and to the Appointed Director, except in cases where the subject matter of such reports specifically concerns the activities of such persons: **(i)** the *Audit Plan* for the year; **(ii)** a report containing adequate information on its activities **(iii)** an assessment of the suitability of the SCIGR; **(iv)** it prepares and transmits, also at the request of the Board of Statutory Auditors, reports on particularly significant events.

On 23 October 2012, the Board of Directors of the Company appointed Mr. Giorgio Imposimato as head of the *Internal Audit* function. The remuneration of the head of the *Internal Audit* department was defined in line with company policies and according to the activity assigned to him.

Consistent with the provisions of the Guidelines, the head of the *Internal Audit* function during 2023:

- > was not been responsible for any operational area;

- > was hierarchically reporting to the Board of Directors;
- > had direct access to all information relevant to the performance of the assignment;
- > verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through the Audit Plan approved by the Board of Directors on 21 January 2022, which was based on a structured process of analysis and prioritisation of the main risks;
- > prepared periodic reports containing adequate information on its activities, on the methods used to manage risks and on compliance with the plans defined for their containment, as well as an assessment of the suitability of the internal control and risk management system;
- > verified, as part of the Audit Plan, the reliability of information systems including accounting systems.

### **9.5. Organisational model pursuant to Legislative Decree no. 231/2001**

Legislative Decree no. 231/2001, concerning “*Rules on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000*” and subsequent amendments and additions (the “**Decree 231**”), introduced the criminal liability of entities for acts fraudulently committed by persons having a special functional relationship with the Company, assuming that the unlawful conduct was carried out in the interest or to the advantage of the Company; liability which was also extended by Legislative Decree no. 61/2002 to the commission of corporate offences.

The decree provides for the possibility of exempting the company from liability if it can be proved that it has adopted and effectively implemented organisational models suitable for preventing criminal offences and that it has entrusted a body with autonomous powers of initiative and control with the task of supervising the functioning of and compliance with the model and ensuring that it is updated.

The Board of Directors of the Company, in order to prevent the commission of the offences provided for by Legislative Decrees no. 231/2001 and no. 61/2002, has provided for the setting up of a Supervisory Body with the competences and powers established by the Code of Ethics. In addition, on 20 April 2004 the Board of Directors approved the “Organisational Model”, which was subsequently supplemented following the extension of the regulations provided for in Legislative Decree 231/2001 and is available on the Company’s website in the “Governance” section. The Organisational Model was last updated by the Board of Directors on 21 October 2022 in order to incorporate the most recent regulatory changes relevant to the Issuer’s business.

On 22 April 2022, the Board of Directors appointed as members of the Supervisory Board Fernando Massara and Livio Trucano (external members) and Giorgio Imposimato (internal member, Head of the *Internal Audit* function). The Company's Supervisory Body has supervised the functioning of and compliance with the Organisation, Management and Control Model adopted by the Company, verifying its effectiveness and formulating the necessary update proposals in light of regulatory developments.

During 2023, the Company's Supervisory Body held 5 meetings and oversaw the functioning of and compliance with the Organisation, Management and Control Model adopted by the Company, verifying its effectiveness and formulating the necessary update proposals based on regulatory developments.

### **9.6. External auditors**

The Shareholders’ Meeting held on 26 April 2017 resolved to appoint KPMG S.p.A. as external auditors for fiscal years 2017-2025.

During the fiscal year, the Board of Directors examined the Additional Report required by Article 11 of EU Regulation no. 537/2014, prepared by the auditing firm KPMG S.p.A..

Prior to its assessment by the Board of Directors, the Additional Report was submitted for analysis to the Control, Risk and Sustainability Committee, which was informed by the Board of Statutory Auditors of the results of the audit of the 2022 financial statements contained in the Additional Report by KPMG concerning the legal audit of the Company's financial statements, and acknowledged that this document did not highlight any issues or critical points.

The Board of Statutory Auditors concurred with the committee that no significant deficiencies were identified in the Company's system of internal control and also acknowledged that it had assessed the independence of the Independent Auditors.

### 9.7. Manager in charge of preparing the company's financial reports

Pursuant to art. 24 of the Articles of Association, the appointment of the Manager in charge of preparing the company's financial reports is made by the Board of Directors, upon proposal of the Managing Director and in agreement with the Chairman, choosing among people with adequate experience in accounting and finance, after hearing the opinion of the Board of Statutory Auditors.

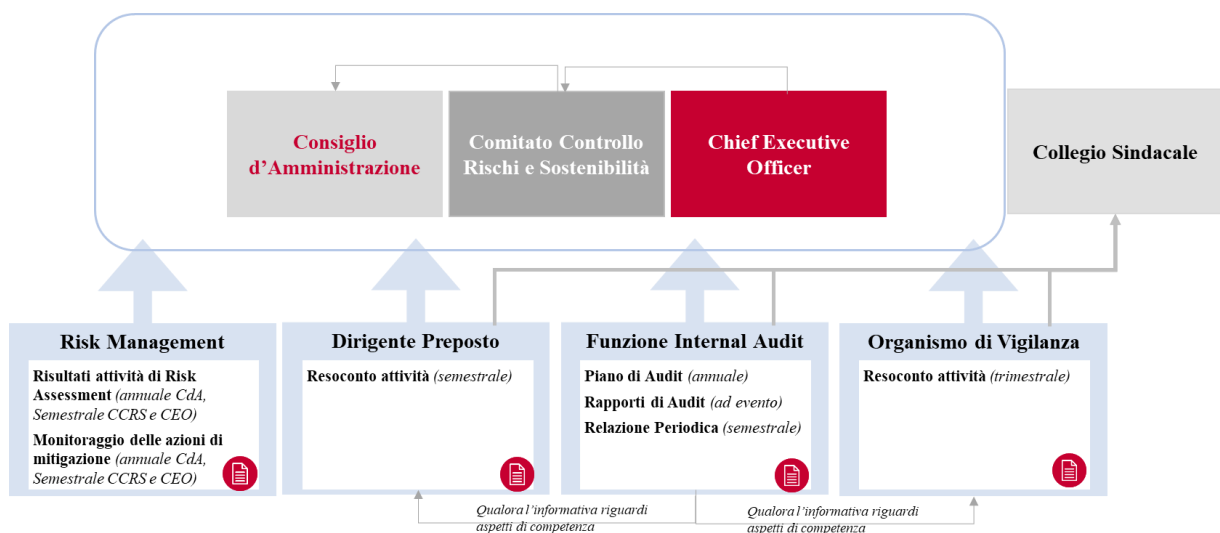
In accordance with the provisions of the Articles of Association, on 26 July 2007 the Board of Directors appointed the Manager in charge of preparing the company's financial reports pursuant to Article 154-bis of the TUF. Since 1 May 2022 the position of Manager in charge of preparing the company's financial reports has been entrusted to the Head of Reporting and Consolidated Financial Statements, Ms. Maria Beatrice De Minicis, who meets the law requirements having adequate experience in accounting and financial matters.

The Manager in charge of preparing the company's financial reports has adequate powers and means to carry out his/her duties, granted by means of a specific power of attorney.

### 9.8. Coordination between the parties involved in the internal control and risk management system

As anticipated in the preceding paragraphs, the Guidelines specify the methods of coordination between the subjects involved in the SCIGR, ensuring that the activities carried out by them are suitably documented and that the results are shared in special sessions of the Board of Directors itself and of the Risk Control and Sustainability Committee, which are held periodically at least once every six months, or more frequently if necessary.

In this regard, the following is a graphic representation of the main information flows provided for by the Guidelines:



Finally, the matrix of the main information flows towards the Company's corporate bodies and between corporate functions with control tasks is shown below.

Organo/Funzione Responsabile	Tipologia informative/Documento	Periodicità	Soggetti Destinatari				
			CdA	Chief Executive Officer	Comitato Controllo, Rischi e Sostenibilità	Collegio Sindacale	Altre Funzioni
Funzione Risk Management	Risultati attività Risk Assessment	Annuale					• Funzione Internal Audit
	Risultati attività Risk Assessment	Semestrale					
	Resoconto monitoraggio delle azioni di mitigazione	Annuale					
	Resoconto monitoraggio delle azioni di mitigazione	Semestrale					
Dirigente Preposto	Resoconto attività	Semestrale					
Funzione Internal Audit	Piano di Audit	Annuale					• OdV e DP per aspetti di loro competenza
	Rapporti di audit	Ad evento					• OdV e DP per aspetti di loro competenza
	Relazione periodica	Semestrale					• OdV e DP per aspetti di loro competenza
Organismo di Vigilanza	Resoconto attività	Semestrale					
Chief Executive Officer	Criticità emerse nell'ambito del SCIGR	Ad evento					
Comitato Controllo, Rischi e Sostenibilità	Relazione sull'adeguatezza del SCIGR	Semestrale					

Destinatari flussi informativi

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

On 28 June 2021, the Board of Directors updated the “Regulations on Related Party Transactions”, in accordance with the new “Regulations containing provisions on related party transactions” adopted by Consob with resolution 21624 of 10 December 2020. The Company implemented the updated “Regulations on Related Party Transactions”, ensuring, among other things, the periodic update of the Register of Related Parties and the preparation of the periodic reports by the Manager in charge of preparing the company's financial reports.

The adequacy of the “Regulations on Related Party Transactions.” is verified annually by the Board of Directors.

The “Regulations on Related Party Transactions” (available on the Company's website, in the “Shareholders - Corporate Governance” section, hereinafter also referred to as the “**Procedure**”):

- > determines the criteria and procedures for identifying the Company's related parties and updating the list of related parties;
- > sets out the principles for identifying transactions with related parties;
- > governs the procedures for carrying out transactions with related parties by the Company, identifying internal rules of conduct suitable for ensuring the transparency and substantial and procedural correctness of such transactions;
- > establishes the procedures for fulfilling the relevant disclosure obligations.

The Board of Directors has established a Committee for Related Party Transactions. As already mentioned (see above under point 6), the COPC is composed of 3 directors, all of whom are non-

executive and independent: Patrizia Arienti, Mauro Melis and Massimiliano Picardi. The Board believes that this composition ensures that the committee has adequate accounting, financial and risk management experience.

As provided for in the “*Regulation of the Committee for Related Party Transactions*”, the work is coordinated by the Chairman of the Committee, the meetings are duly minuted with the assistance of the Secretary of the Board of Directors (who also acts as secretary of the COPC), the Board of Statutory Auditors takes part in them and the Chairman of the Committee reports on the work carried out to the Board of Directors at the first useful meeting of the latter.

The committee performs advisory, proposing and monitoring functions and supports the Board of Directors with regard to transactions with related parties, pursuant to the Procedure. Specifically, the COPC has the following duties (capitalised terms are defined in the Procedure):

- > assess and express an opinion on all Related Party Transactions other than the so-called Exempt transactions;
- > evaluate and render an opinion on Exempt Transactions if so requested by the Chairman of the Board of Directors, the Chief Executive Officer or the Board of Directors of the Company as a whole;
- > verify the correct application of the exemption conditions with regard to Ordinary Transactions concluded at Market Equivalent or Standard conditions that are Major Transactions;
- > verify, at least annually, the adequacy of the Procedure;
- > carry out any further tasks assigned to it by the Board of Directors of the Company and/or provided for in the Procedure (as amended from time to time).

In 2023, the committee met two times and all members attended the meetings (except for one meeting in which one member was excused absent). The average duration of the meetings was around one hour.

In particular, during the Year, the Committee for Related Party Transactions met **(i)** to examine the adequacy of the Procedure and its regulations, expressing a favourable opinion; **(ii)** to carry out the periodic verification, on the basis of the information provided by the Manager in charge of preparing the company's financial reports, on the correct application of the exemption conditions relating to Ordinary Transactions concluded at Equivalent to Market or Standard conditions that are Major Transactions and **(iii)** to examine a Minor Transaction to be carried out between related parties.

The Manager in charge of preparing the company's financial reports attended the committee meetings, invited by the Chairman of the committee.

In this regard, the Regulations of the Related Party Transactions Committee provide that, based on the items on the agenda, upon invitation of the Chairman of the Committee, executive and non-executive directors, the Manager in Charge, the *Chief Financial Officer*, the *General Counsel* and, by previously informing the *Chief Executive Officer*, other managers of the Company competent in the matters on the agenda, attend the meetings.

There have been no changes in the composition of the Committee for Related Party Transactions as of the end of the fiscal year.

For the current fiscal year, the committee has scheduled two meetings.

With reference to the operating solutions suitable to facilitate the identification and adequate management of situations in which a director has an interest on his own behalf or on behalf of third parties, the Procedure for Transactions with Related Parties of the Company provides that the Managing Director shall identify a function to be entrusted with the responsibility of establishing, keeping updated and disseminating the list of Related Parties (the “Register of Related Parties”). The Managing Director has identified the *General Counsel* of the Issuer as the person entrusted with the responsibility of setting



up, keeping updated and disseminating the Register of Related Parties. In this regard, and most recently when the Procedure for Related Party Transactions was updated, the following was done:

- > require Executives with strategic responsibilities to complete, sign and return to the Company, no later than 5 (five) working days after delivery of the Procedure, the form attached in Annex 1 to the same;
- > send Key Managers and all the managers of the Company with powers of representation of the same or of one of its subsidiaries the updated list of Related Parties.

Managers with Strategic Responsibilities are required to promptly communicate any changes occurring with respect to the information already provided.

Moreover, if, in relation to a specific transaction, there are one or more directors on the Committee for Related Party Transactions who are counterparties or related parties of the counterparty, these are replaced with independent unrelated directors, to be identified among those most senior in descending order with respect to the duration of their office in the Board of Directors of the Company or, in case of equal seniority of office, with the member with the greatest seniority. If a transaction between related parties is within the competence of the Board of Directors, any directors involved in the transaction must abstain from voting on it, even though their presence is counted for the purposes of achieving the *quorum* required by law or the Articles of Association.

## **11. BOARD OF STATUTORY AUDITORS**

### **11.1. Nomination**

The appointment of Acting Auditors and the functioning of the Board of Statutory Auditors are governed by applicable legislation, by art. 26 of the Articles of Association and referred to in art. 2 of the Sogefi Code.

The Board of Statutory Auditors is made up of three Acting Auditors and three alternate auditors, who remain in office for three financial years and may be re-elected.

The Board of Auditors is appointed by the Shareholders' Meeting on the basis of lists submitted by shareholders consisting of two sections: one for candidates for the office of Acting Auditor, the other for candidates for the office of Alternate Auditor and, in each section, the candidates are listed in progressive order. Lists with three or more candidates must include candidates of both genders in each section.

The lists of candidates, signed by the shareholders submitting them, must be lodged within the time limits and in the manner provided for by the applicable regulations.

Lists may only be submitted by shareholders who, alone or together with others, represent at least 2.5% of the share capital or such other percentage as may be determined by law or regulation, with the burden of proving ownership of the required number of shares, within the time limits and according to the procedures laid down by law.

Together with each list, within the aforementioned deadline, declarations are deposited in which the individual candidates accept their candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, and the existence of the requirements prescribed by law and regulations in force for members of the Board of Auditors.

The lists are also accompanied by a *curriculum vitae* concerning personal and professional characteristics, with an indication of the positions of administration and control held in other companies.

The election of the members of the Board of Statutory Auditors shall take place as follows:

- > from the list which obtained the highest number of votes during the Meeting, two acting members and two alternate members are taken, in the numerical order in which they were listed in the sections concerned;
- > the other statutory member and the other alternate member are taken from the second list that obtained the highest number of votes at the Shareholders' Meeting ("minority list") and that is not connected, even indirectly, with the shareholders who submitted or voted for the list that obtained the highest number of votes, on the basis of the progressive order with which they are listed in the sections of the list;
- > if only one list is presented, all of the acting and alternate auditors are taken from that list.

If the application of the procedure referred to in the previous points does not allow the gender balance prescribed by current legislation to be respected, the last elected candidate on the section of the list obtaining the highest number of votes of the most represented gender shall be removed from office and be replaced by the first non-elected candidate on the same list and in the same section of the least represented gender. If none, the assembly shall integrate the Board of Statutory Auditors pursuant to the majorities foreseen by the law, thus ensuring the requirement fulfilment.

The chairmanship of the Board of Statutory Auditors shall go to the candidate on the minority list that obtained the highest number of votes. If only one list is presented, the first candidate for Auditor on the list is appointed as Chairman of the Board of Auditors.

In the event of the replacement of a Acting Auditor, the alternate auditor belonging to the same list as the outgoing auditor takes over, ensuring compliance with the requirements of the law and the Articles of Association, specifically taking into account the obligation of gender balance.

## **11.2. Composition and Functioning (ex-art. 123-Bis, Paragraph 2, Letters D) and D-Bis), TUF)**

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting on 23 April 2021, with a three-year term of office, which will therefore expire with the approval of the Annual report as at 31 December 2023. Two members of the Board of Statutory Auditors, Giovanni Barbara and Rita Rolli, were taken from the list submitted to the meeting by the controlling shareholder CIR S.p.A. and one member, Daniela Delfrate, from a list submitted by a minority shareholder, Yoda s.s., holding a 1.665% stake. For further details, please refer to the attached Table 3.

The Board of Statutory Auditors met 15 times during 2023. The Acting Auditors were involved in update meetings that provided them with an adequate understanding of the business sector in which the Company and its main subsidiaries operate, the Company dynamics and risk management. In particular, they attended the meetings of the Risk, Control and Sustainability Committee and spoke with the Internal Audit Department and the Supervisory Body.

The average duration of the meetings was about two hours.

For the current year, the Board of Statutory Auditors has scheduled for the time being four meetings.

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

The composition of the Board of Statutory Auditors is adequate to ensure the independence and professionalism of its function. The adequacy check is carried out upon appointment, by means of the filing of declarations by the candidates for the position of Auditor, in which they state that there are no reasons for ineligibility and incompatibility as provided for by law, and that they comply with the independence, honourableness and professionalism requirements set out by current legislation and the Company's Articles of Association. The Board of Statutory Auditors verifies compliance with the said criteria after the appointment and during the term of office if circumstances relevant to independence

occur and in any case on an annual basis, and the Company informs the market and provides information about it in the annual corporate governance report.

During fiscal year 2021, Ms. Delfrate communicated that a non-listed company, in which she had held the position of acting auditor, had been subjected to insolvency proceedings (bankruptcy filing presented by the company itself). The Acting Auditors Barbara and Rolli, after having conducted an in-depth investigation based on the information received and through the examination of the documentation made available by Ms. Delfrate, considered that there were no reasons to believe that the requirements of professionalism and integrity of Ms. Delfrate, in relation to her position as a member of the Board of Statutory Auditors of the Company, had been breached, and they had requested to the Chairman of the Board of Statutory Auditors to provide immediate information should any new element emerge, with the undertaking to keep the Board of Directors promptly informed. During fiscal years 2022 and 2023, the Board of Directors did not receive any information from the Board of Statutory Auditors concerning a change in the professionalism and integrity requirements of the Auditor Ms. Delfrate in relation to her position as a member of the Board of Statutory Auditors of the Company, and Ms. Delfrate confirmed that, at the date of this Report, there are no disputes against the members of the management and control bodies of the company subjected to insolvency proceedings.

#### *11.2.1. Diversity Criteria and Policies*

In line with the provisions of Sogefi Code, the Board of Statutory Auditors also has an adequate diversity, in terms of gender, age, experience/seniority, professional skills, education and international dimension. On occasion of their appointment, all the Acting Auditors have deposited the declarations whereby they stated non-existence of any cause of ineligibility and incompatibility provided by the law, as well as the possession of independence, professional and integrity requirements as stipulated by the law in force and by the Articles of Association of the Company. With particular reference to gender balance, at least one third of the control body shall be made up of the least represented gender.

In 2023 the Board of Statutory Auditors verified compliance with the said criteria, ensuring that the results of this check were published in this Report.

#### *11.2.2. Independence*

Article 2 letter D) of the Sogefi Code expressly states that all auditors must meet the regulatory requirements and must be independent pursuant to Article 148, paragraph 3 of the TUF, as well as according to the criteria set forth in the Corporate Governance Code itself, as referred to for directors.

#### *11.2.3. Remuneration*

According to Article 2, letter D) of the Sogefi Code, the remuneration of Auditors is commensurate with the commitment required, the importance of the position held and the size and sector characteristics of the Company.

#### *11.2.4. Interest Management*

Article 6 of the Sogefi Code provides that any member of the supervisory body who, on his own behalf or on behalf of third parties, has an interest in a particular transaction of the Company shall promptly and fully inform the other members of the same body and the chairman of the board of directors of the nature, terms, origin and extent of his interest.

## **12. RELATIONS WITH THE SHAREHOLDERS**

### **12.1. Access to information**

The Company has created the "*Shareholders - Shareholders and Investors*" section on its website, in which information of major importance to its shareholders is made available, such as strategy, highlights of key

financial data, financial statements, presentations dedicated to shareholders, press releases and the performance of Sogefi's stock on the Stock Exchange, as well as information on the Company's Corporate Governance.

The person in charge of handling relations with the shareholders (Investor Relations Director) is Mr. Olivier Proust, who also holds the position of Group Administration, Finance and Control Director (*Chief Financial Officer*).

## **12.2. Dialogue with shareholders**

On 19 March 2021, the Board of Directors adopted a policy for managing dialogue with the general public. This policy is based on both **(i)** the general principle of providing correct, clear and timely information on the performance of the Company and the Group it heads and on significant corporate transactions, i.e. those capable of significantly influencing the price of listed financial instruments; and **(ii)** the general principle of guaranteeing equal access to information.

The Company, in accordance with this policy, promotes meetings with financial analysts and institutional investors and organizes a conference call on the occasion of the publication of the annual and interim results, during which the CEO, and the Manager in charge of handling relations with shareholders, illustrate and comment on the results of the period.

Investors can contact, through the *Investor Relations* function (whose references are reported in the "Shareholders - Contacts" section of the Company's website) the Company, which answers the questions submitted, taking into account the provisions of the Regulation (EU ) No. 596/2014 ("MAR") whose indications were expressly implemented in the "Procedure for the management, processing and communication of relevant and privileged information" as illustrated in sub point 5.2.

The Board of Directors receives at least quarterly information on the performance of the stock, on the analysis reports covering it and on any elements of interest emerging from the dialogue with the shareholders. To date, there are no significant issues raised by shareholders that have led to specific initiatives by the Board of Directors.

The Policy for the management of dialogue with the shareholders can be found on the Company's website in the "*Shareholders - Corporate Governance*" section.

## **13. MEETINGS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER C), TUF)**

The functioning of the shareholders' meeting is governed by Articles 10-16 of the Articles of Association. In particular, the procedures and terms for convening meetings are governed by Article 10 of the Articles of Association. Each share gives the right to one vote.

The General Meeting of Shareholders held on 27 April 2001 approved and subsequently updated the Regulations for General Meetings, which can be consulted on the Company's website under "*Shareholders - Corporate Governance*", and which governs the procedures for attending, participating in and voting at General Meetings. The shareholders entitled to exercise their voting rights may ask to speak on the matters under discussion, making comments and requesting information, to which the Chairman of the Board of Directors will reply.

The Board of Directors shall make available to the shareholders, within the time limits laid down by the regulations in force, a file containing the proposals on the agenda of the Shareholders' Meeting, the related material to be discussed and the answers to the questions submitted by the shareholders.

As far as possible, all the Directors and Auditors will attend the Meetings, especially those Directors who, because of the positions they hold, can make a useful contribution to the discussion at the Meeting; during the approval of the Financial Statements, a presentation is given in order to provide the

shareholders with adequate information on the Company's performance and the activities carried out. Speeches will be given by the Chairman and the Managing Director.

With regard to the percentages established for the exercise of the prerogatives set out to protect minorities, the Articles of Association provide for a minimum percentage of votes, equal to one fortieth of the voting capital, for the presentation of lists for the appointment of the Board of Directors and the Board of Statutory Auditors. A director and the Chairman of the Board of Statutory Auditors will be drawn from the second list.

The Appointment and Remuneration Committee reports to shareholders on how the committee exercises its functions through this Report, as well as the Report on Remuneration.

## **14. FURTHER CORPORATE GOVERNANCE PRACTICES** (pursuant to Article 123-bis, paragraph 2, letter a), TUF)

### **14.1. Code of Ethics**

The Board of Directors has approved, and subsequently updated, the Group's code of ethics, with the aim of clearly and transparently defining the set of values that the Group adheres to in order to achieve its objectives and establishing principles of conduct that are binding on Directors, employees and others who have dealings with the Group. The text of the code of ethics can be found on the Company's website in the "*Shareholders - Corporate Governance*" section.

### **14.2. Non-Financial Statement and "ESG" responsibility**

The Company has always believed that management should aim for "sustainable success" and has incorporated into the Sogefi Code the emphasis of the *Corporate Governance Code*.

The Board of Directors has confirmed as one of the priorities for the year 2023 the determination and integration in the multi-year plans of environmental, social and governance ("ESG") objectives, also including the achievement of "ESG" objectives among the parameters for evaluating the *performance of top management* in line with Italian and international *best practices*.

In early 2023, the Board of Directors approved the "*ESG Plan 2023-2026*", which was integrated into the Company's business plan, promptly checking its evolution, and on 15 December 2023 it approved the new "*ESG Plan 2024-2027*", which was also integrated into the Company's business plan.

The Group's Non-Financial Statement for 2023 has been prepared in accordance with the standards issued by the "*Global Reporting Initiative*", commonly referred to as "GRI Standards". The Non-Financial Statement is the main tool for communicating the Company's and the Group's pursuit of sustainable success and for summarising the commitment to conducting business with the aim of creating value not only for shareholders but also for other *stakeholders*.

The Group companies take part in the process of collecting data and non-financial information and drafting the document, with the aim of providing a clear and precise indication of the information considered significant for *stakeholders* in accordance with the principles of *balance, comparability, accuracy, completeness, sustainability context timeliness, clarity* and *verifiability* expressed by the GRI guidelines, as well as with the recommendations issued over time by ESMA and TFCF.

## **15. CHANGES SINCE THE END OF THE REPORTING PERIOD**

There have been no changes in the structure of the Company's *Corporate Governance* as at the end of the fiscal year.

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

As per the recommendations of the Chairman of the *Corporate Governance* Committee to submit the “2023 Report” and the “Recommendations of the Committee for 2024” for examination by the Board of Directors and the competent committees and to give adequate evidence of the debate in this regard in the report on corporate governance, the considerations that emerged from the examination of the Company’s Board of Directors on 23 February 2024 are summarized below.

The Board of Directors firstly analysed the points of attention highlighted by the Chairman of the Committee based on the “2023 Report”.

Regarding the dialogue with shareholders and other relevant *stakeholders*, it should be noted that the Company, as illustrated in point 12.2 of the Report, has adopted a policy for managing dialogue with all shareholders. In accordance with this policy, the Company promotes meetings with financial analysts and institutional investors and organizes a conference call on the occasion of the publication of the annual and interim results. Investors can contact, through the Investor Relations function, the Company, which answers to the questions submitted, taking into account the provisions of Regulation (EU) no. 596/2014 (“MAR”) whose indications have been expressly implemented in the “Procedure for the management, processing and communication of relevant and privileged information”, as illustrated in point 5.2. The dialogue with shareholders and analysts is based on previously published information and is conducted with the help of previously published materials; if *ad-hoc* information support is prepared, it is published in advance on the corporate website. Regarding, more specifically, the information on the methods through which the outcomes of the dialogue with shareholders and other relevant stakeholders are transmitted and evaluated by the *board*, as illustrated in the previous point 12, the Board of Directors, during each of its meetings, receives information on the performance of the stock, on the reports of the analysts who follow it and on any elements of interest that emerged from the dialogue with the shareholders. There are no significant issues raised by shareholders in 2023 that have led to specific initiatives by the Board of Directors.

In relation to the adequacy and timeliness of the pre-meeting information, the Sogefi Code and the Regulations of the Board of Directors have explicitly defined the advance terms, with respect to the date of celebration of the Board meeting, deemed appropriate for the sending of the documentation, identifying them in three days (with a longer deadline, four days, for the so-called “operations of strategic importance”, deadline foreseen by the aforementioned “Procedure on the criteria for identification and approval of operations of strategic importance”). There are no generic exemptions from compliance with the deadlines for sending pre-meeting documentation. This Report also indicates to the previous point 4.4.4. the effective compliance with the defined notice period, indicating the average notice with which the pre-meeting information was sent and underlining that in no case the Company has made use of generic exemptions for the purpose of not sending the documentation in advance. In this regard, the Board of Directors, as part of the self-assessment process, expressed full satisfaction with the pre-meeting information, in relation to both the timing and the quality of the documentation (see point 7.1).

With regard to the assessment of the independence of the directors and more in particular the formalization by the Board of Directors of the criteria for evaluating the significance of the commercial, financial and professional relationships and of the additional remuneration possibly received by the directors, such criteria have been established on 23 February 2024. In fact, the Company did not proceed with this formalization before, since, as already illustrated in the 2022 Report, the independent directors of the Company, in the past and even now, do not entertain commercial, financial and professional relationships with the Company and the Group, nor do they receive additional remuneration. The Board nevertheless decided, also in light of the recommendation of the *Corporate Governance* Committee, to proceed in this respect (see point 4.4.8.).

Finally, with respect to the information on the remuneration policies and in particular the clear representation of the remunerations of the executive directors in all their components, as detailed in the “Report on the remuneration policy for 2024 and on the compensation paid in 2023” which will be published pursuant to art. 123-ter of the TUF, the variable remunerations **(i)** are defined on the basis of pre-determined, objective and clear criteria, **(ii)** a part of the variable remuneration of the CEO is conditional on the achievement of sustainability objectives, illustrated in the 2023 Non-Financial Declaration, and **(iii)** the aforementioned report also indicates the target weight of the variable components and objectives linked to sustainable success.

Furthermore, as regards, the “Recommendations for 2024”, the Committee invited the issuers to represent the adherence to the code in a clear and concise way, identifying any cases of non-application of the recommendations and providing the appropriate reasons; in this regard, this Report, like the previous one, in point 3. *Compliance* provides the requested information.

Similarly, in accordance with what is recommended, this Report provides adequate information on the involvement of the management body in the examination and approval of the industrial plan and in the analysis of the topics relevant for the generation of value in the long term in the previous points 4.1.1 and 4.2.

Finally, regarding the recommendation to disclose the reasons for any exceptions to the timeliness of pre-meeting information for confidentiality reasons, no such circumstances have occurred nor they are provided for by the Regulations of the Company’s Board of Directors.

## ANNEX A - TABLES

### STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES (in office as at the date of this Report)

Board of Directors								Board of Directors	Control, Risk and Sustainability Committee	Appointment and Remuneration Committee	Related Party Transactions Committee
Office	Components	Year of birth	Date of first appointment (*)	In office since	In office until approval of the financial statements at	List (**)	No. of other assignments (■)	Attendance			
Chairman	MONDARDINI Monica	1960	19.04.2013	22.04.2022	31.12.2024	M	3	8/8			
Managing Director (*)	SIPAHI Frédéric	1981	26.02.2021	22.04.2022	31.12.2024	M	-	8/8			
Director	DE BENEDETTI Rodolfo	1961	28.04.1997	22.04.2022	31.12.2024	M	3	8/8			
Director	ARIENTI Patrizia	1960	22.04.2022	22.04.2022	31.12.2024	M	4	8/8	6/6		2/2
Director	DAOUDI Maha	1975	22.04.2022	22.04.2022	31.12.2024	M	4	8/8	6/6		
Director (○)	MELIS Mauro	1955	27.06.2016	22.04.2022	31.12.2024	M	3	8/8	6/6	5/5	2/2
Director	PALLAVICINI Raffaella	1969	27.04.2017	22.07.2022	31.12.2024	M	-	8/8			
Director	PICARDI Massimiliano	1971	22.04.2022	22.04.2022	31.12.2024	m	-	8/8		5/5	2/2
Director	STREIFF Christian	1954	26.04.2019	22.04.2022	31.12.2024	M	-	8/8		5/5	

#### NOTES:

The current Board of Directors has been appointed in 2022 and it will expire with the approval of the financial statements as at 31 December 2024. It should be underlined that 8 of 9 Directors have been appointed by the Shareholders' Meeting of April 22, 2022, of which 7 were drawn from the list of the controlling shareholder CIR S.p.A. and 1 from the list of the minority shareholder NAVIG S.a.s. of Giorgio Zaffaroni (quorum required for the presentation of the lists: 2,5%). On July 22, 2022, the Shareholders' Meeting has integrated the Board of Directors with the appointment of Ms. Pallavicini, the only candidacy presented by the controlling shareholder CIR S.p.A.

■ Positions held in Relevant Companies belonging to the same Group count as one position.

(\*) director in charge of the internal control and risk management system.

(○) Lead Independent Director (LID).

(\*) The date of first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the Issuer.

(\*\*) "M" indicates that the director has been drawn from the majority list, "m" indicates that the director has been drawn from the minority list.



**STRUCTURE OF THE BOARD OF STATUTORY AUDITORS (in office at the date of this Report)**

Board of Statutory Auditors <sup>(1)</sup>									
Office	Components	Year of birth	Date of first appointment	In office since	In office until	List	Indep. Code	Attendance at Board meetings	No. offices in other listed companies
Chairman	DELFRATE Daniela	1965	23.04.2021	23.04.2021	31.12.2023	m	x	15/15	1
Acting Auditor	BARBARA Giovanni	1960	23.04.2021	23.04.2021	31.12.2023	M	x	10/15	3
Acting Auditor	ROLLI Rita	1969	23.04.2021	23.04.2021	31.12.2023	M	x	13/15	2
Alternate Auditor	ALLIEVI Anna Maria	1965	23.04.2021	23.04.2021	31.12.2023	M	x	-	2
Alternate Auditor	DEL PICO Luca	1965	23.04.2021	23.04.2021	31.12.2023	M	x	-	-
Alternate Auditor	MASPES Maria Pia	1970	23.04.2021	23.04.2021	31.12.2023	m	x	-	4

**NOTE**

<sup>(1)</sup> The Board of Statutory Auditors has been appointed by the Shareholders' Meeting of April 23, 2021 and it will expire with the approval of the financial statements as at 31 December 2023. It should be underlined that, on the occasion of the appointment of the current Board of Statutory Auditors, two lists were submitted, one by the controlling shareholder CIR S.p.A. and the other one by the minority shareholder Yoda s.s.. (quorum required for submission of lists: 2,5%).

(\*) In the column "List" is indicated the list from which each auditor was drawn ("M": majority list; "m": minority list).

## ANNEX B – DIRECTORS’ CURRICULA VITAE

	NAME AND SURNAME	CURRICULUM
	MONDARDINI Monica	<p>Monica Mondardini has a degree in Statistics and Economics from the University of Bologna. She has worked in the publishing and financial sectors and has gained significant experience abroad, having spent nine years in France and eleven years in Spain. She began her career in 1985 at Gruppo Editoriale Fabbri, participating in an international development project, which in 1989 took her to Spain. In 1990 she joined Hachette, a leading French publishing group belonging to the Lagardere group. She first managed the Spanish branch of Hachette Livre and then, in 1993, was appointed Director of the international branch, based in Paris, and member of the Executive Committee of Hachette Livre. In this role, she directed the group's foreign activities, present in particular in Spain and Latin America. In 1998 she moved to the Generali Group, as General Manager of Europ Assistance, based in Paris. Europ Assistance is a service company, including insurance, present in all major countries around the world, a pioneer in the sector in which it operates and a brand of great prestige. In 2001, she was appointed Managing Director of Generali Spain, based in Madrid, where she remained until the end of 2008. Generali Spain is one of the country's leading insurance companies; it is the result of a complex process of acquisitions by Generali of local companies and during the period of its management the companies have been restructured and integrated, making Generali one of the main players in the market. In January 2009 she returned to Italy, as Managing Director of Gruppo Editoriale L'Espresso, which became, after the integration with Itedi (publisher of the newspapers La Stampa and Il Secolo XIX) GEDI Gruppo Editoriale, the main Italian publisher of newspapers, pioneer and leader in online information, as well as one of the largest European groups in daily and multimedia information. She served as the company's Managing Director until April 2018. From May 2013 she assumed the position of Managing Director of CIR S.p.A., the holding company that controls Sogefi S.p.A., of which she is Chairman, and KOS S.p.A., of which she is a Director. In 2006 she received from the Comites of Madrid the “Targa all’Italianità”, reserved to Italians resident in Spain who have given prestige to their country. In 2014, she was awarded by the French Embassy in Rome and the French Chamber of Commerce in Italy as Economic Personality of the Year in relations between the two countries. In 2016, she was awarded the title of Knight of the Legion of Honour.</p>
	SIPAHI Frédéric	<p>Frédéric Sipahi is Managing Director of Sogefi Group. Mr. Sipahi is a French national with a degree in Finance and Control. Since 2003, he has developed his entire career in the automotive sector, first at PSA, then at Faurecia, where he held positions of increasing responsibility in the Finance and Control department. He started working at Sogefi Group in 2012 as Chief Financial Officer of the Air&amp;Cooling Division. In 2013 he was promoted to the position of Chief Financial Officer of Engine Systems Division, covering 22 production plants and 5 R&amp;D Centres, in Europe, America, India and China, contributing to the management of a turnover of €800 M and 4,500 people. Since 2015, he has assumed responsibility for the Air &amp; Cooling division, as General Manager, achieving a significant improvement in performance, both in terms of increased profitability and cash generation; he also achieved positive results in 2020, despite the context. He was also able to give the business a strategic product reorientation, effectively positioning it towards new technologies. From 2019, he is also committed to the Filtration division, for which he has already initiated significant rationalisation programs.</p>
	DE BENEDETTI Rodolfo	<p>Rodolfo De Benedetti has been Chairman of CIR since April 2013. The CIR group, of which he is a controlling shareholder together with his brothers Marco and Edoardo, operates in various industrial sectors, in particular healthcare (KOS) and automotive components (Sogefi). Within the group he is also a member of the board of directors of Sogefi. Previously, he was Managing Director of CIR since 1993 and of COFIDE since 1995. He joined COFIDE in 1988 as Director of International Affairs and later served as General Manager. In 1990 he also became General Manager of CIR. Prior to his positions at CIR and COFIDE, Rodolfo De Benedetti worked from September 1985 to December 1986 with Lombard Odier, one of the leading Swiss private banking groups based in Geneva, as Assistant to the Chief Executive Officer, and from January 1987 to January 1988 with the investment bank Shearson Lehman Brothers (New York) as an Associate in the Merchant Banking Group. He is a shareholder and board member of Decalia Asset Management S.A., an international investment management company established in 2014. He is a member of the Board of Directors of Aon Italia, a company active in risk consultancy and insurance and reinsurance brokerage, and a member of the Board of Directors of October, a non-banking platform active in the granting of loans to small and medium-sized enterprises. He is also a member of ERT (European Round Table of Industrialists), a forum that brings together over 50 leading European companies from various sectors, and Chairman of the European Advisory Board of Harvard Business School. Rodolfo De Benedetti studied in Geneva, where he graduated in 1982 in Political Economy and in 1985 in Law.</p>
	ARIENTI Patrizia	<p>Patrizia Arienti joined Deloitte’s organisation in 1985 and developed her professional career in the auditing field, working for some of the most important Italian and foreign groups. She was appointed partner in 1995 and in 2003 became Talent Leader of the Deloitte Network and Head of the Lombardy area for audit services.</p> <p>In 2009, she became a Member of the Executive Committee of Deloitte &amp; Touche S.p.A. and in 2011 she was appointed as a Board Member.</p> <p>In 2015, she was appointed Chairman of the Board of Directors of Deloitte &amp; Touche S.p.A.</p> <p>In 2013 she became Italian &amp; EMEA Fashion &amp; Luxury leader and in 2017 she was appointed Italian Consumer Industry leader and joined Deloitte's North South Europe Leadership Team for the same sector. She left Deloitte due to “retirement” in November 2021.</p>

		<p>In 2015, she was appointed Acting Auditor of Yoox, now Yoox Net-A-Porter Group S.p.A. (Company listed on the Milan Stock Exchange until 2018) and in 2020 became Chairman of the Board of Auditors</p> <p>In 2017, she was appointed Permanent Auditor of Hermès Italie S.p.A. and Louisiane S.p.A.</p> <p>Since 2021, she has held the position of Acting Auditor of Amplifon S.p.A.</p> <p>In January 2022, she was appointed Chairman of the Board of Auditors of Unikeris Ltd (Chiesi Group).</p>
	DAOUDI Maha	<p>Maha Daoudi is member of boards of directors and Senior Advisor of companies operating in the commodities, finance, technology and luxury sectors. With 20 years of experience in high-level assignments and on 5 continents. His key areas of expertise include: commodity industry expert with unique multi-product experience along the entire value chain; business development; building long-term strategies and alliances in complex and challenging international environments; creation, financing and negotiation of metal projects and infrastructure assets; risk management.</p>
	MELIS Mauro	<p>Mauro Melis since April 2012 is Managing Director of Istituto Europeo di Oncologia S.r.l. (IRCCS), Centro Cardiologico S.p.A. Fondazione Monzino (IRCCS), he is director of Fondazione Istituto Europeo di Oncologia, of TTFACOR S.r.l., of Gruppo Merceologico Sanità Assolombarda.</p> <p>From 2006 to 2010 he was Managing Director and General Manager of SI HOLDING, the parent company of cartaSi, which controls four companies: CartaSi S.p.A., Si Servizi S.p.A., Si Call S.p.A., SiRe Ltd. Since 1985, it has been the protagonist of the cultural evolution that led to the diffusion of "electronic money" in Italy. From 1989 to 2006 he was in the EUROPE ASSISTANCE GROUP as Executive Vice President Italy, Germany, Central and Eastern Europe, CIS.</p>
	PALLAVICINI Raffaella	<p>Raffaella Pallavicini, after classical high school, graduated with honours in Law from the University of Rome - La Sapienza in 1993. She qualified as a lawyer.</p> <p>She began her career in 1995, practising law until November 2000, when she joined Gruppo Editoriale L'Espresso S.p.A. as Head of Litigation, a function to which she added the responsibility for the entire Legal Affairs structure and, since 2010, the Corporate Office.</p> <p>Since 2012, she has held the position of Secretary of the Board of Directors of Gruppo Editoriale L'Espresso S.p.A. (subsequently GEDI Gruppo Editoriale S.p.A.), a company listed on the Milan Stock Exchange (MTA).</p> <p>From April 2016 to April 2019, she was a member of the Board of Directors of SOGEFI S.p.A. and since March 2017 of TPS S.p.A. (a company listed on the Milan Stock Exchange - Euronext Growth Milan segment, formerly AIM). Since November 2021, she has been Acting Auditor of Infrastrutture Milano Cortina 2020-2026 S.p.A. and some companies of the Aedes Group, as well as Address Software S.r.l. (Poste Italiane Group).</p> <p>Thanks to the professional path she made as head of the legal and corporate function within GEDI Group (that she left in November 2020), she acquired extensive experience in corporate, financial and regulatory matters, as well as in the structuring and execution of corporate and financial transactions, following more than 50 transactions of an extraordinary nature.</p> <p>In her role as head of the Corporate Office, she also acquired considerable expertise in corporate governance, as well as in the design and implementation of compliance policies and procedures, with specific reference to the regulations applicable to listed companies.</p>
	PICARDI Massimiliano	<p>Massimiliano Picardi since 2009 has been a partner in Panzarini e Soci, an associated law firm mainly focusing on assisting institutional investors in corporate and real estate litigations and assisting international clients in investments in Italy and in M&amp;A transactions with reference to corporate law issues.</p> <p>From 2006 to 2009, he was Junior Partner of Ricci - HH, a law firm mainly focusing on assisting institutional investors in corporate and real estate litigations and assisting international clients in investments in Italy (corporate law, civil law and capital markets).</p> <p>From 2003 to 2006, he was Senior Associate at Haarmann Hemmelrath GbR, an international German law firm specialising in litigation (corporate law, civil law and capital markets).</p> <p>From 2002 to 2003, he was an Associate at Studio Sciumè mainly focusing on civil and corporate law.</p>
	STREIFF Christian	<p>Christian Streiff is business manager, from 2006 to 2009 he was general manager of the company PSA Peugeot Citroen; in 2006 he was general manager of Airbus and had 26 years of full experience in a large company such as Saint-Gobain.</p>

**ANNEX C - LIST OF OFFICES HELD BY DIRECTORS AND ACTING AUDITORS OF SOGEFI S.P.A.**

**LIST OF OFFICES HELD BY THE DIRECTORS OF SOGEFI S.P.A. IN OTHER COMPANIES LISTED ON ITALIAN REGULATED MARKETS IN FINANCIAL, INSURANCE AND BANKING COMPANIES AS WELL AS IN UNLISTED BUT LARGE COMPANIES (AS AT 31 DECEMBER 2022)**

	NAME AND SURNAME	OFFICES
	Monica Mondardini	Managing Director of CIR S.p.A. * Director of KOS S.p.A. * Director of Hera S.p.A. Director of Edenred S.A.
	Sipahi Frédéric	N/A
	De Benedetti Rodolfo	Chairman of CIR S.p.A.* Chairman of CIR Investment S.p.A. Director of Decalia S.A. Vice Chairman of Decalia SIM S.p.A. Director of AON Italy
	Arienti Patrizia	Acting auditor of Amplifon S.p.A Chairman of the Board of Statutory Auditors of Yoox Net-A-Porter S.p.A. Acting auditor of Hermès Italie S.p.A. Acting auditor of Lousiane S.p.A.
	Daoudi Maha	Director of Vever Director of Calista Direct Investor Director of Cleantech Lithium Director of Atlantic Tin
	Melis Mauro	Managing Director of Istituto Europeo di Oncologia S.r.l. Managing Director of Centro Cardiologico Monzino S.p.A. Chairman of Società e Salute S.p.A.
	Pallavicini Raffaella	-
	Picardi Massimiliano	-
	Streiff Christian	-

\* Group companies

**LIST OF APPOINTMENTS HELD BY SOGEFI S.P.A.'S STATUTORY AND ALTERNATE AUDITORS IN OTHER COMPANIES LISTED ON ITALIAN REGULATED MARKETS (AS AT 31 DECEMBER 2022)**

	NAME AND SURNAME	OFFICES
	Delfrate Daniela	Acting auditor of CY4GATE S.p.A.
	Barbara Giovanni	Acting Auditor of PIAGGIO & C. S.p.A. Acting Auditor of IMMSI S.p.A. Chairman of Board of Statutory Auditors of CIR S.p.A.
	Rolli Rita	Independent Director of SNAM S.p.A. Independent Director of Interpump Group S.p.A.
	Allievi Anna Maria	Chairman of the Board of Auditors Credem S.p.A Chairman of the Board of Auditors Interpump S.p.A.
	Del Pico Luca	-
	Maspes Maria Pia	Acting Auditor of Digital Bros S.p.A. Acting Auditor of Cairo Communications S.p.A Acting Auditor of RCS Media Group S.p.A. Independent Director of Saes Getters S.p.A.