

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
pursuant to Article 123-bis TUF

Issuer: SeSa S.p.A - Via Piovola, 138 - 50053 Empoli (FI)

Website: www.sesa.it

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REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

GLOSSARY

Corporate Governance Code: the *Corporate Governance Code* of listed companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, applicable from 1 May 2021.

Civil Code: the Italian Civil Code.

Board or Board of Directors: the Board of Directors of the Issuer.

Sesa, Issuer or Company: the issuer of listed shares to which the Report refers.

Financial Year: the financial year to which the Report refers, i.e., taking into account that the Company's financial year ends on 30 April of each year, the period from 1 May 2021 until 30 April 2022.

EXM: indicates the Euronext Milan market (formerly MTA), organised and managed by Borsa Italiana S.p.A..

Instructions to the Stock Exchange Regulations: the Instructions to the Regulations of the Markets organised and managed by Borsa Italiana S.p.A. (as subsequently amended).

MTA: the electronic share market organised and managed by Borsa Italiana S.p.A. (now Euronext Milan).

Stock Exchange Regulations: the Regulations of the Markets organised and managed by Borsa Italiana S.p.A. (as subsequently amended).

Consob Regulation on Issuers: the Regulation issued by Consob with Resolution No. 11971 of 1999 (as subsequently amended) on issuers.

Consob Market Regulations: the Regulations issued by Consob by Resolution No. 20249 of 2017 (as amended) on markets.

Consob Related Parties Regulation: the Regulation issued by Consob with Resolution No. 17221 of 12 March 2010 (as subsequently amended) concerning related party transactions.

Regulation on the functioning of the Board of Directors: the Regulation adopted by the Company, which governs the procedures for the functioning of Sesa's Board of Directors, including the procedures for taking minutes of meetings and the procedures for the management of Directors' reports, in compliance with the law, regulations and the Articles of Association, as well as in light of the principles and criteria established by the Corporate Governance Code.

Report: this report on corporate governance and ownership structure that the Company is required to prepare pursuant to Article 123-bis TUF.

Articles of Association: the Articles of Association of Sesa adopted by the Extraordinary Shareholders' Meeting of 15 July 2013 with effect as of the commencement of trading of the Company's shares on the MTA (i.e. as of 22 October 2013), as subsequently amended.

TUF: Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance), as subsequently amended.

Unless otherwise specified, the following Corporate Governance Code's definitions are also to be understood as recalled by reference: **directors, executive directors, independent directors, significant shareholder, Chief Executive Officer (CEO), board of directors, control body, business plan, concentrated ownership company, large company, sustainable success, top management.**

1. ISSUER PROFILE

Sesa, based in Empoli (FI), is at the head of a Group active throughout Italy and in some foreign countries including Germany, Switzerland, Austria, France, Spain, Romania and China. The Sesa Group, a leading operator in Italy in the sector of technological innovation and IT and digital services for the business segment, has the mission of offering technological solutions, digital services and business applications, supporting the digital transformation and innovation path of companies and organisations. Thanks to the skills and specialisation of its human resources, the Group operates in value-added segments of Information Technology such as Security, Cloud, Managed Services, ERP & Vertical Solutions, Customer Experience, Business Process Management, Digital Platforms and Digital Engineering Solutions.

The Issuer's ordinary shares are admitted to trading on the MTA (now Euronext Milan) as of 22 October 2013 (the 'Listing Date').

As of 16 February 2015, the Issuer's ordinary shares are traded in the STAR Segment of the Mercato Telematico Azionario of Borsa Italiana S.p.A..

Intermonte SIM S.p.A. performs the functions of specialist operator in compliance with the provisions of the Stock Exchange Regulations and related Instructions.

During the Financial Year, the Company was organised (i) according to the traditional management and control model pursuant to Articles 2380-bis et seq. of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors, until the Shareholders' Meeting held on 26 August 2021; and (ii) according to the one-tier management and control system, pursuant to Articles 2409-sexiesdecies et seq. of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Management Audit Committee, following the Shareholders' Meeting held on 26 August 2021, in compliance with the resolution passed by the Extraordinary Shareholders' Meeting of 27 January 2021, which approved the proposal of amendments to the articles of association related to the adoption of the one-tier management and control system, which have been applied as of the renewal of the corporate bodies.

With regard to the composition, functioning and characteristics of the Board of Directors, as well as the Committees constituted within it, please refer to what is better detailed later in this Report.

The Board of Directors guides the Company by pursuing its sustainable success. For the initiatives carried out by the Board to this end, please refer to the Sections of the Report where the following are illustrated: (i) how this objective is integrated into the strategies (section 4.1), into the remuneration policies (section 8) and into the internal control and risk management system through which the pursuit of the Company's sustainable success is also monitored (section 9); (ii) the functions of the Sustainability Committee, established by the Board of Directors at its meeting of 12 July 2022 (section 6).

The Issuer has published on a mandatory basis the consolidated non-financial statement as at 30 April 2022 pursuant to Legislative Decree No. 254/2016, which can be found on the corporate website at www.sesa.it on which the Company's mission in the area of sustainability is expressed.

As of 2022, the Company no longer qualifies as an "SME" within the meaning of Article 1, paragraph 1, letter w-quater.1), TUF and Article 2-ter of the Consob Issuers' Regulations, as for three consecutive years, in the years 2019, 2020 and 2021, the market capitalisation of the shares exceeded the limit of Euro 500 million. Specifically, the average market capitalisation during 2019 was Euro 503,985,426, during 2020 it was Euro 974,274,040 and during 2021 it was Euro 2,187,782,597.

In light of the foregoing, it is noted that the relevant threshold for disclosure obligations pursuant to Article 120 TUF is 3% of the share capital.

Pursuant to the Corporate Governance Code, the Issuer:

- (i) does not qualify as a “large” company, as on the last trading day of each of the years 2019, 2020 and 2021 its capitalisation did not exceed EUR 1 billion;
- (ii) qualifies as a “concentrated ownership” company, since the majority shareholder ITH S.p.A. directly holds the majority of the votes exercisable in the ordinary shareholders’ meeting of the Company, specifically 52.814% of the voting rights.

At the date of the Report, the Company had not made use of the flexibility options provided by the Code for companies with concentrated ownership.

The information contained in this Report, unless otherwise specified, refers to the Financial Year corresponding to the period from 1 May 2021 until 30 April 2022.

2. INFORMATION ON SHAREHOLDERS’ ASSETS (pursuant to art. 123 bis, par. 1, TUF) AS OF 30 APRIL 2022

a) Share capital structure (art. 123-bis, par. 1, lett. a), TUF)

Share capital situation as at 30 April 2022

As at 30 April 2022, the subscribed and paid-up share capital amounted to Euro 37,126,927.50.

Categories of shares making up the share capital as at 30 April 2022:

Share Capital Structure				
	No. of shares	No. of voting rights	Listed (indicate markets) / unlisted	Rights and obligations
Ordinary shares Voting rights can be increased. During the Year, no Shareholder accrued the right to a vote increase.	15,494,590	15,494,590	EXM	Each Ordinary Share entitles the holder to one vote. The shareholders’ rights and obligations are those provided for in Articles 2346 et seq. of the Civil Code.

Subject to the following, each ordinary share of the Company confers the right to one vote at all ordinary and extraordinary shareholders’ meetings of the Company, as well as the other administrative rights provided for by the applicable provisions of the law and the Articles of Association.

The Shareholders’ Meeting of 28 August 2020 resolved to amend the Articles of Association, by inserting the current Article 7 functional to the introduction of the voting increase pursuant to Article 127-quinquies TUF [Consolidated Law on Finance], providing that the voting right increase shall be acquired upon the commencement of the minimum continuous ownership period

of the shares of 24 months and setting the maximum limit of the increase at two votes per share. For further information, please refer to paragraph d) below.

Share Capital Situation at the Date of the Report

At the date of the Report, the subscribed and paid-up share capital amounted to Euro 37,126,927.50.

b) Restrictions on the transfer of securities (art. 123-bis, par. 1, lett. b), TUF)

There are no restrictions on the transfer of securities, limitations on ownership or approval clauses of the Issuer or other holders.

c) Significant shareholdings in the capital (art. 123-bis, par. 1, lett. c), TUF)

Please note that as of 2022, the Company no longer qualifies as an SME pursuant to Article 1, paragraph 1, lett. w-quer. 1, TUF; therefore, the relevant threshold for disclosure obligations pursuant to Art. 120 TUF is 3% of the share capital with voting rights.

As of the date of this Report, the shareholders that, according to the results of the shareholders' register, supplemented by the notifications received pursuant to Article 120 TUF and other information available to the Company, directly or indirectly hold more than 3% of Sesa's share capital are listed in the table below.

Significant shareholdings in the capital			
Declarant	Direct shareholder	% share of ordinary capital	% share of voting capital
HSE S.p.A.	ITH S.p.A.	52.814%	52.814%

(d) Securities conferring special rights (art. 123-bis, par. 1, lett. d), TUF)

No securities were issued conferring special rights of control or special powers assigned to the securities.

The Shareholders' Meeting of 28 August 2020 resolved to amend the Articles of Association by inserting the current Article 7 to introduce the voting increase pursuant to Article 127-quinquies TUF.

In particular, as an exception to the general rule whereby each share grants the right to one vote, pursuant to Article 7 of the Articles of Association, in accordance with Art. 127-quinquies TUF, each ordinary share gives the right to a double vote (and thus to two votes for each share) where both of the following conditions are met (a) the share has belonged to the same person, by virtue of a real right legitimising the exercise of voting rights (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least twenty-four months (b) the recurrence of the prerequisite referred to in subparagraph (a) above is

attested by continuous registration, for a period of at least twenty-four months, in the special list specifically established and maintained by the Company in accordance with the forms and contents provided for in applicable regulations, as well as by a specific communication attesting to the shareholding and referring to the date of the continuous period, issued by the intermediary in the forms and with the effects provided for by applicable regulations.

The increased voting right is not applicable to resolutions of the Shareholders' Meeting concerning the determination of the remuneration of the members of the corporate bodies, the approval of remuneration plans based on financial instruments and the approval of the remuneration policy prepared by the Board of Directors.

The increase in voting rights is calculated for the purposes of determining the quorums for meetings and resolutions that refer to percentages of the share capital, but has no effect on the rights, other than voting rights, accruing by virtue of the possession of certain percentages of the share capital.

In relation to the above, it should be noted that the institution of the increased voting right provided for in Article 7 of the Articles of Association is not yet applicable, since the minimum period of twenty-four months from the registration in the special list required for the acquisition of the increased vote has not yet elapsed.

In this regard, we inform you that 8,183,323 ordinary shares are on the list of the increased voting rights, the increase of which is currently being accrued.

For any further information, please refer to the Regulations for the Increased Vote available on the Company's *website*, in the section "*Governance - Increased Vote*", where the identification data of the shareholders who have requested inclusion in the special list are also published, in accordance with the provisions of Article 143-quater, paragraph 5, of the Issuers' Regulation, with an indication of the relevant shareholdings, in any case above the threshold indicated in Article 120, paragraph 2, TUF, and the date of inclusion.

e) Employee participation in the shareholder structure: mechanism for exercising voting rights (art. 123-bis, par. 1, lett e), TUF)

There is no system for employee participation in the shareholder structure.

f) Restrictions to voting rights [art. 123-bis, par. 1, lett. f), TUF)

There are no restrictions to voting rights.

(g) Agreements among shareholders [art. 123-bis, par. 1, lett. g), TUF)

On 5 June 2020, HSE S.p.A. and Tamburi Investment Partners S.p.A. entered into a shareholders' agreement pursuant to Article 122, paragraphs 1 and 5 letters a) and d-bis), TUF, which became effective on 22 July 2020.

This agreement - concerning, as of the signing date, a total of 305,333 shares of ITH S.p.A. with voting rights representing 95.54% of the entire share capital - with a duration of three years from the signing date is now aimed at regulating certain aspects relating to the corporate governance of ITH and, indirectly, of Sesa.

The aforementioned shareholders' agreement was published in accordance with the terms of the law; the essential information, extracts and notice are published on the Company's *website* at <https://www.sesa.it/it/corporate-governance/patti-parasociali.html>.

As of the date of this Report, the Issuer is not aware of any further significant shareholders' agreements pursuant to Article 122 TUF concerning the Issuer's shares.

(h) Change of control clauses (art. 123-bis, par. 1, lett. h), TUF) and statutory provisions on takeover bids (articles 104, par. 1-ter, and 104-bis, par. 1, TUF)

The main partnership contracts entered into by Sesa and/or its subsidiaries with certain commercial players contain clauses allowing the counterparties to review their position in the event of a "*change of control*".

With regard to financing agreements entered into or outstanding during the year ended 30 April 2022, as is customary in transactions of this type, Computer Gross S.p.A. and Var Group S.p.A. have signed agreements pursuant to which a change of control of the contracting company could result in the forfeiture of the benefit of the term of the loans.

Specifically, with reference to contracts that explicitly provide for the forfeiture of the benefit of the term (residual principal as at 30 April 2022), the following is noted.

- On 19 May 2017, Var Group S.p.A. signed a loan agreement with CRF (Intesa San Paolo Group) for Euro 5,000,000, of which there is a residual amount of Euro 250,000.00;
- On 29 December 2017, Var Group S.p.A. signed a loan agreement with UniCredit for Euro 10,000,000 of which there is a residual amount of Euro 1,525,616.86;
- On 23 July 2018, Var Group S.p.A. signed a loan agreement with UniCredit for Euro 10,000,000 of which there is a residual amount of Euro 2,500,000.00;
- On 17 February 2020, Var Group S.p.A. signed a loan agreement with BPER (Formerly UBI BANCA) for Euro 25,000,000 of which there is a residual amount of Euro 8,333,333.33;
- On 26 March 2020, Var Group S.p.A. signed a loan agreement with Intesa San Paolo for Euro 20,000,000 of which there is a residual amount of Euro 12,000,000.00;
- On 21 July 2020, Var Group S.p.A. signed a loan agreement with Crédit Agricole for Euro 25,000,000 of which there is a residual amount of Euro 14,136,230.96;
- On 29 March 2022, Var Group S.p.A. signed a loan agreement with Banco BPM for Euro 12,000,000 of which there is a residual amount of Euro 12,000,000.00;
- On 28 April 2022, Var Group S.p.A. signed a loan agreement with BNL for Euro 40,000,000 of which there is a residual amount of Euro 40,000,000.00;
- On 30 July 2019, Computer Gross S.p.A. signed a loan agreement with BNL for Euro 25,000,000 of which there is a residual amount of Euro 15,000,000.00;
- On 26 September 2019, Computer Gross S.p.A. signed a loan agreement with BPER for Euro 10,000,000 of which there is a residual amount of Euro 3,780,475.72;
- On 19 December 2019, Computer Gross S.p.A. signed a loan agreement with CREDEM for Euro 5,000,000 of which there is a residual amount of Euro 1,252,404.71;

The provisions of the Issuer's Articles of Association do not derogate from the *passivity rule* provided for by Article 104, paragraphs 1 and 1-bis of the TUF. It should also be noted that the Issuer's Articles of Association do not provide for the application of the neutralisation rules set forth in Article 104-bis, paragraphs 2 and 3 of the TUF.

(i) Mandates to increase the share capital and authorisations for the purchase of treasury shares (art. 123-bis, par. 1, lett. m), TUF)

During the financial year, the Shareholders' Meeting did not grant the Board of Directors the power to increase the share capital pursuant to Article 2443 of the Italian Civil Code, nor to issue investment financial instruments.

We also inform you that on 26 August 2021, the authorisation to purchase ordinary treasury shares that had been adopted by the Ordinary Shareholders' Meeting of 28 August 2020 expired. The Shareholders' Meeting of 26 August 2021 therefore resolved on a new authorisation for the purchase and disposal of ordinary treasury shares, aimed at enabling the Company to acquire treasury shares for the purposes contemplated by Article 5 of Regulation EU no. 596/2014 of 16 April 2014 and related implementing provisions, where applicable, also for the purpose of the possible execution of the Company's share-based incentive plans that may be approved by the Shareholders' Meeting.

With reference to the aforementioned purposes, the Shareholders' Meeting of 26 August 2021 authorised, in particular, the purchase of a number of Sesa ordinary shares, without par value, not exceeding 10% of the share capital represented by ordinary shares, and in any case for a maximum countervalue of € 6,000.000.00, with a duration until the date of approval of the financial statements as of 30 April 2022 and, in any case, no longer than a period of eighteen months from the date of the resolution; all in compliance with the trading conditions set forth by the laws and regulations, including European ones, in force at the time. The authorisation to dispose of ordinary treasury shares purchased on the basis of the authorisation resolution, or in any case in the Company's portfolio, was instead granted without time limits.

For further information, please refer to the text of the Shareholders' Meeting resolution of 26 August 2021 available on the Company's *website* at www.sesa.it in the "Investors - Shareholders' Meetings" section.

As of the date of this Report, Sesa held 40,862 treasury shares, corresponding to 0.26371785% of the share capital. As at 30 April 2022, Sesa held 40,862 treasury shares corresponding to 0.26371785% of the share capital.

I) Management and coordination activities (pursuant to Article 2497 et seq. of the Civil Code)

Although the Issuer is indirectly controlled by the company HSE S.p.A., through ITH S.p.a. pursuant to Article 93 TUF, it does not consider itself subject to management and coordination by the parent company pursuant to Articles 2497 et seq. of the Italian Civil Code and Article 16(4) of the Consob Market Regulations.

In this regard, the Company believes that it is not subject to the management and coordination of any company since: (i) the Company operates in conditions of corporate and entrepreneurial autonomy, having, in particular, an autonomous negotiating capacity in relations with customers and suppliers and in defining its own strategic and development lines without any interference from parties outside the Company; (ii) neither ITH nor HSE actually exercise centralised functions at group level involving Sesa (e.g. strategic planning, control, corporate affairs and legal affairs); and (iii) the Board of Directors operates with full management autonomy. strategic planning, control, corporate and legal affairs of the group); and (iii) the Board of Directors of the Company operates with full management autonomy.

In turn, the Company heads a group of unlisted companies, including the direct subsidiaries *Var Group S.p.A.*, *Computer Gross S.p.A.* and *Base Digitale Group S. r. l.*, which recognise Sesa as the only entity to whose management and coordination activities they are subject. At its meeting of 12 July 2018, the Issuer's Board of Directors approved a Group Regulation, which defines the contents and methods by which management and coordination activities are carried out. These regulations were subsequently amended by the Board of Directors at its meetings on 19 December 2019, 12 July 2021 and 12 July 2022.

The adoption of the Group regulation is also justified in consideration of the existence of a common entrepreneurial and strategic design and the intention to optimise Group synergies. However, membership of the Group and the consequent adherence to the aforesaid regulation do not compromise the role of the companies that are managed and coordinated as autonomous profit centres.

With reference to the additional information set forth in Article 123-bis TUF, it should be noted that:

- as regards to information on the agreements between the Company and the Directors that provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid [Article 123-bis, paragraph 1, lett. i) of the TUF], see the report on the remuneration policy and compensation paid prepared pursuant to Article 123-ter TUF and Article 84-quater of the Consob Regulation on Issuers, available within the terms of the law on the Company's website at www.sesa.it in the "Investors - Shareholders' Meetings" section;
- for information on the appointment and replacement of Directors [Article 123-bis, par. 1, lett. l), first part of the TUF], see Section 4.2 below;
- for information on the rules applicable to the amendment of the articles of association [Article 123-bis, par. 1, lett. l), second part of the TUF], see paragraph 13 below.

3. COMPLIANCE

The Issuer adheres to the Corporate Governance Code, the current text of which is publicly accessible on the Corporate Governance Committee's *website* at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

Neither the Issuer nor its strategically important subsidiaries are 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

The Board of Directors plays a central role within the corporate organisation and is responsible for the functions and responsibilities of the strategic and organisational guidelines, as well as the verification of the existence of the controls necessary to monitor the performance of the Issuer and the companies of the Sesa Group.

Pursuant to Article 20 of the Articles of Association, the Board of Directors guides the company by pursuing success and sustainable growth for the benefit of the shareholders. The Board of

Directors is also vested with the broadest powers for the ordinary and extraordinary management of the Company, with the power to perform all acts deemed appropriate for the achievement of the corporate purpose, excluding only those reserved to the Shareholders' Meeting by law.

Each member of the Board of Directors is required to make informed and autonomous decisions, pursuing the objective of creating value for the Shareholders, and undertakes to devote to the office held in the Company the time necessary to ensure diligent performance of their duties, regardless of the positions held outside the Sesa Group, being aware of the responsibilities inherent to the office held.

To this end, each candidate for the office of Director assesses in advance, at the time of accepting the office in the Company and regardless of the limits established by the provisions of the law and regulations that may be applicable on the subject of limits to the accumulation of offices, the ability to perform with due attention and effectiveness the tasks assigned to them, also possibly as a member of the Management Audit Committee, taking into particular consideration the overall commitment required by the offices held outside the Sesa Group.

Each member of the Board of Directors is also obliged to inform the Board of any assumption of offices as director or auditor that they hold in other companies, in order to enable them to fulfil their disclosure requirements under applicable laws and regulations.

Pursuant to Article 17 of the Articles of Association, the Board of Directors is empowered, without prejudice to the concurrent competence of the Extraordinary Shareholders' Meeting, to pass resolutions on mergers and demergers in the cases provided for in articles 2505 and 2505-bis of the Civil Code, the establishment or termination of secondary offices, the designation of which of the Directors shall represent the Company, the reduction of capital in the event of withdrawal of a Shareholder, adjustments of the Articles of Association to regulatory provisions, and the transfer of the registered office within the national territory, the foregoing pursuant to article 2365, paragraph 2, of the Italian Civil Code.

In any case, the powers attributed to the Shareholders' Meeting and to the Board of Directors as a whole with regard to transactions with related parties remain unaffected, pursuant to articles 14 and 25 of the Articles of Association and the Related Parties Procedure (as defined herein) adopted by the Board of Directors on 23 September 2013, as subsequently amended; for further information, please refer to section 12 below of this Report.

It should be noted that the Shareholders' Meeting did not authorise any exceptions to the non-competition clause in article 2390 of the Civil Code.

Finally, please note that the Board of Directors determines the number and appoints the members of the Management Audit Committee, pursuant to Article 23 of the Articles of Association.

The Board of Directors:

- steers the Company by pursuing its sustainable success (an objective, as already mentioned, expressly set forth in the Issuer's Articles of Association), also by defining the strategies of the Issuer and the Group headed by it in accordance with the pursuit of sustainable success, and monitoring their implementation. In this regard, it should be noted that on 12 July 2022, also in accordance with the work carried out during the last financial year by the Corporate Sustainability Committee, the Board of Directors also established an intra-Board Sustainability Committee, with advisory and proposal-making functions to support the Board in the sustainability field. For further information on sustainability and long-term value

creation, please refer to the consolidated non-financial statement for the Year approved by the Board of Directors on 12 July 2022.

- defines the corporate governance system that best serves the performance of the company's activities and the pursuit of its strategies. For further information on the Issuer's governance, please refer to the following points in Section 4 of the Report.
- promotes, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the Issuer. For further information on Sesa's policy on dialogue with shareholders, please refer to Section 12.1 of the Report.

The Board of Directors, taking into account the powers granted to the Directors, as illustrated in section 4.6 below, in accordance with the Corporate Governance Code:

- examines and approves the Issuer's and the Group's business plan, also on the basis of the analysis of issues relevant to the generation of long-term value;
- periodically monitors the implementation of the business plan, as well as assesses the general performance of management, periodically comparing the results achieved with those planned;

During the course of the Year, the Board of Directors assessed the general performance of operations, taking into account, in particular, the information received from the Directors with delegated powers, and comparing the results achieved with the planned results.

- defines the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments those elements that may be relevant to sustainable success;

During the financial year, the Board of Directors, with the support of the various intra-Board Committees, positively verified that the main risks pertaining to the Company and its subsidiaries were correctly identified, as well as adequately assessed, managed and monitored, consistent with the level of risk (risk appetite) and compatible with the strategic objectives and long-term sustainability of the company. In particular, the Board, with the advice of the Control and Risk Committee, assessed the process for identifying, measuring, managing and monitoring the main risks, as well as the methodological references used.

- defines the Issuer's corporate governance system;

In this regard, it should be noted that the Board of Directors meeting held upon the outcome of the Shareholders' Meeting held on 26 August 2021 appointed Giovanni Moriani and Moreno Gaini as Executive Deputy Chairmen, and Alessandro Fabbroni as Chief Executive Officer, granting the latter and the Chairman Paolo Castellacci the powers and proxies indicated in Section 4.6 of the Report. In addition, the Board of Directors appointed (i) Giovanna Zanotti, Chiara Pieragnoli and Giuseppe Cerati as members of the Management Audit Committee - composed exclusively of Independent Directors, the latter as Chairman; (ii) Giovanna Zanotti (Independent Director), Claudio Berretti (Non-executive Director) and Angela Oggionni (Independent Director) as members of the Remuneration Committee, the latter as Chairman. The Management Audit Committee was also assigned the functions of Control and Risk and Related Parties Committee. Finally, on 12 July 2022, the Board of Directors established the Sustainability Committee, setting the number of its members at 3 (three) and appointing as its members

Giuseppe Cerati (Independent Director taken from the minority list), as Chairman, Giovanna Zanotti (Independent Director) and Chiara Pieragnoli (Independent Director).

- assesses the adequacy of the organisational, administrative and accounting structure of the Issuer and strategically important subsidiaries, with particular reference to the internal control and risk management system;

To this end, at its meeting of 12 July 2022, the Board assessed the adequacy of the organisational, administrative and accounting structure of the Issuer and its subsidiaries with strategic significance prepared by their respective CEOs, with particular reference to the risk control and management system, pursuant to recommendation no. 1, letter d) of the Corporate Governance Code. In carrying out this review, the Board of Directors: (i) on a preliminary basis, confirmed that the subsidiaries Computer Gross S.p.A. and Var Group S.p.A. are those having strategic relevance as they represent the main sources of the Group's core business development. In addition, following a partial reorganisation of the business services segment, which took place with the establishment of the company - directly controlled by Sesa - Base Digitale Group S.r.l. (which, in turn, directly controls Base Digitale S.p.A.; previously directly controlled by Sesa and considered a company of strategic importance), the Board of Directors deemed it necessary to identify the companies of strategic importance, in addition to Computer Gross S.p.A. and Var Group S.p.A., as well as Base Digitale Group S.r.l.; (ii) it then took care not only to verify the existence and implementation within the Issuer and its subsidiaries of a Control and Risk Management System, but also to periodically conduct a detailed examination of the structure of the system itself, its suitability and its effective and concrete functioning.

To this end, the Board of Directors has received and periodically examined the reports prepared by the Head of the Internal Audit Department, previously examined by the Control and Risk Committee and the Chief Executive Officer, together with those of the Company's Compliance Department, in order to verify (i) whether the structure of the internal control and risk management system in place in the Company and its subsidiaries is concretely effective in pursuing its objectives; and (ii) whether any weaknesses reported imply the need for improvement of the system.

In addition, the Board of Directors annually approves the draft financial statements, most recently on 12 July 2022:

- a) examines what significant corporate risks have been brought to its attention by the Chief Executive Officer and assesses how they have been identified, assessed and managed. To this end, particular attention is paid to examining changes in the nature and extent of risks during the last reporting period and assessing the response of the Issuer and its subsidiaries to such changes;
 - b) assesses the effectiveness of the Internal Control and Risk Management System in addressing these risks, paying particular attention to any reported inefficiencies;
 - c) considers what action has been taken or should be taken promptly to rectify this deficiency;
 - d) prepares any additional policies, processes and rules of conduct that enable the Issuer and its subsidiaries to react appropriately to new or inadequately managed risk situations.
- resolves on transactions of the Company and its subsidiaries that have significant strategic, economic, equity related or financial importance for the Company; to this end, it establishes the general criteria for identifying significant transactions;

The Board continues to believe that not only the Issuer's transactions, but also those of its subsidiaries that have a significant strategic, economic, equity related or financial importance for

the Issuer itself, under the terms defined in the Group Regulation updated by the Board of Directors on 12 July 2022, should be reserved for the Board as a whole. To this end, it should be noted that the Board has established the general criteria for identifying transactions that are of significant strategic, economic, equity related or financial importance for the Issuer itself; in particular, the Board examines and approves the company's strategic choices and all those transactions that are of particular importance, having adopted, as its standard of conduct, considering as especially important those transactions that are likely to have a significant influence, either positive or negative, on the management's activities and results. In this regard, it should be noted that the Board of Directors, in its meeting of 5 November 2021, authorised the purchase of the majority of Datef S.p.A.'s capital by the company Var Group S.p.A..

- In order to ensure the proper management of corporate information, it adopts, at the proposal of the Chairman in agreement with the Chief Executive Officer, a procedure for the internal management and external communication of documents and information concerning the company, with particular reference to inside information.

During the Year, the Board of Directors approved (i) an update to the procedure for the internal management and external communication of Inside Information; and (ii) an update to the "*Procedure for the Management of the Group Register of Persons with Access to Inside Information*". For more information in relation to internal procedures for the management and external communication of documents and information concerning the Company, please refer to Section 5 of this Report.

Lastly, it should be noted that during the course of the financial year, the Board of Directors (i) did not deem it appropriate to submit to the Shareholders' Meeting called for 25 August 2022 on first call, and for 26 August 2022 on second call, specific proposals for the definition of a corporate governance system that is more functional to the Company's needs, having deemed the existing corporate governance system functional to the performance of business activities and the pursuit of the Issuer's objectives; (ii) adopted a specific "Policy for managing dialogue with Shareholders and other Relevant Stakeholders" (for more information on this policy, please refer to section 12 of the Report).

For further powers of the Board, see the following sections of the Report: (i) appointment, section 4.2; (ii) composition, section 4.3; (iii) operation, section 4.4; (iv) self-assessment, section 7; (v) remuneration policy, section 8; and (vi) internal control and risk management system, section 9.

4.2 Appointment and Replacement of Directors [Article 123-bis, par. 1, lett. L) of the TUF]

The Issuer adopts the one-tier management and control model, pursuant to articles 2409-sexiesdecies et seq. of the Civil Code, with the Shareholders' Meeting, the Board of Directors and the Management Audit Committee.

It should be noted that during the Year, until the Shareholders' Meeting called to renew the corporate bodies held on 26 August 2021, the Company was organised according to the traditional management and control model pursuant to articles 2380-bis et seq. of the Italian Civil Code, with the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors.

Pursuant to article 17 of the Articles of Association, the Company is managed by a Board of Directors consisting of a minimum of five and a maximum of thirteen Directors. The Directors remain in office for a period not exceeding three financial years, and their term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office, except for the causes of termination and forfeiture provided for by law and by

the Articles of Association. The Shareholders' Meeting, before proceeding with the appointment, determines the number of members and the term of office of the Board.

The provisions of the Articles of Association that regulate the composition and appointment of the Issuer's Board of Directors are suitable, inter alia, to ensure compliance with the provisions on the protection of minority rights and gender balance in the composition of the administrative body, as well as the presence of an adequate number of Directors who meet the independence requirements set forth in art. 148, paragraph 3, TUF and the Corporate Governance Code, as well as the additional requirements provided for by current legislation, as briefly described below.

The Directors must meet the requirements set forth in the *pro tempore* regulations in force; of these, at least one third must meet the independence requirements set forth in art. 148, paragraph 3 of the TUF, as well as the additional requirements set forth in the Corporate Governance Code, and of these, at least three must meet the professionalism requirements set forth in art. 148, paragraph 4 of the TUF. In addition to the above, at least one of the latter must be enrolled in the register of statutory auditors.

Without prejudice to the provisions of article 23 of the Articles of Association with reference to the Management Audit Committee, the lapse of the requirements of honourableness determines the disqualification of the Director. If a Director ceases to meet the independence requirements prescribed by the Articles of Association, he/she shall not be removed from office if the requirements continue to be met by the minimum number of Directors who, according to the Articles of Association and applicable laws and regulations, must meet such requirements. For the independence requirements of the current members of the administrative body, please also refer to Section 4.7 below.

The appointment of the Board of Directors takes place, in compliance with the *pro tempore* regulation in force concerning the gender balance, on the basis of lists submitted by the Shareholders in the manner specified below, in which the candidates must be listed with a progressive number. For the presentation, filing and publication of the lists, in addition to the provisions of the Articles of Association, the *pro tempore* legal and regulatory provisions in force apply.

Pursuant to the Articles of Association, there is no possibility for the outgoing Board of Directors to submit a list.

Each shareholder, shareholders who are party to a shareholders' agreement relevant pursuant to art. 122 of the TUF, the controlling entity, subsidiaries and jointly-controlled entities pursuant to art. 93 of the TUF, may not submit or participate in the submission, not even through a third party or trust company, of more than one list, nor may they vote for different lists, and each candidate may only appear on one list under penalty of ineligibility. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list.

Only shareholders who, alone or together with other submitting Shareholders, hold a total number of shares with voting rights representing at least 2.5% of the share capital with voting rights in the ordinary shareholders' meeting, or representing a different percentage that may be established by legal or regulatory provisions, are entitled to submit lists. In this regard, it should be noted that by management decision no. 66 of 11 May 2022, Consob determined the share required for presentation of lists of candidates for the election of the Issuer's board of directors as 1% of the share capital.

Together with each list, within the respective terms indicated above, it is necessary to deposit (i) the information relating to the identity of the Shareholders that have presented the list, indicating

the total share held; *(ii)* declarations by the shareholders other than those who hold, even jointly, a controlling or majority share, certifying the absence of relations connecting them, as envisaged by the regulatory legislation in force, to the latter; *(iii)* declarations with which the individual candidates accept their candidacy and certify, under their own responsibility, the non-existence of causes for ineligibility and incompatibility, as well as the existence of the requirements for the office of director, indicating their possession of requirements of independence envisaged by art. 148, paragraph 3 of the TUF and the Corporate Governance Code, and/or the requirements necessary to become a member of the Management Audit Committee, together with the list of directors' and auditors' office held in other companies; *(iv)* a curriculum vitae regarding the personal and professional characteristics of each candidate with the possible indication of the suitability of the candidate to be qualified as independent.

Lists with at least three candidates must be made up of candidates belonging to both genders, so that at least two fifths (rounded up) belong to the gender with fewest representatives.

It should be noted that the term of office of the Board of Directors expires on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ended 30 April 2024 and that, on said occasion, the Board will be renewed.

Lists presented without observing the above provision are considered as not having been presented.

The Board of Directors will be elected as follows:

- a) the directors will be taken from the list that receives most votes, in the progressive order in which they are listed, apart from one;
- b) from the minority list, in no way connected, not even indirectly, to those who presented or voted the list indicated under letter a), and which obtained the second highest number of votes, based on the progressive order, the first candidate who possesses the second highest number of requirements to become part of the Management Audit Committee.

It is specified that the Issuer's Articles of Association do not envisage that, in order to allocate the directors to be elected, account is not taken of the lists which have not reached a total of votes at least equal to half that required by the Articles of Association to submit such lists.

In the event of an even vote between the lists, the winning list will be that presented by the Shareholders with the highest shareholding at the time of presentation of the list, or by the highest number of Shareholders. If the candidates elected in the manner described above do not ensure the appointment of the minimum number of independent directors pursuant to article 148 of the TUF and the Corporate Governance Code prescribed by the Articles of Association, three of whom also meet the additional requirements of current legislation and the Articles of Association for members of the Management Audit Committee, the candidate who does not meet said requirements and who is elected last in progressive order from the list that received the highest number of votes, pursuant to letter a) above, shall be replaced, in sequential order, by the first unelected candidate on the same list who meets the requirements, or, failing that, by the first unelected candidate on the other lists meeting said requirements, according to the number of votes obtained by each. This replacement procedure will be carried out until the Board of Directors consists of the minimum number of independent directors pursuant to article 148 of the TUF and the Corporate Governance Code prescribed by the Articles of Association, three of whom also meet the additional requirements envisaged by current legislation and the Articles of Association for members of the Management Audit Committee.

Lastly, if this procedure does not ensure the required result, the replacement will take place with the resolution passed by the Shareholders' Meeting with the legal majorities, following

presentation of candidacies of subjects in possession of the aforesaid requirements. Moreover, if, with the candidates elected with the methods indicated above, it is not possible to ensure the composition of the Board of Directors in compliance with the regulations in force at the time to uphold the gender balance, the candidate of the gender most represented, elected as last in progressive order in the list that has received the highest number of votes, will be replaced by the first candidate of the gender least represented of the list, not elected, in accordance with the progressive order. This replacement procedure will be used until the Board of Directors is made up in compliance with the regulations in force at the time in relation to the gender balance. Lastly, if this procedure does not ensure the required result, the replacement will take place with the resolution made by the Shareholders' Meeting with the legal majorities, following presentation of candidacies of subjects belonging to the gender least represented. If only one list is submitted or if no list is submitted at all, the Shareholders' Meeting shall pass resolutions with the majorities required by law, without complying with the above procedure, so as to ensure (i) the presence of the minimum number of independent directors pursuant to article 148 of the TUF and the Corporate Governance Code prescribed by the Articles of Association, three of whom also meet the additional requirements envisaged by current legislation and these Articles of Association for members of the Management Audit Committee, and (ii) compliance with the *pro tempore* regulations in force concerning the balance between genders.

If, during the year, one or more directors should cease to hold office, as long as the majority is still made up of directors appointed by the Shareholders' Meeting, the following procedure shall be adopted in compliance with art. 2386 of the Italian Civil Code:

- a) the Board of Directors proceeds with the replacement, choosing from the members of the same list to which the director no longer in office belonged and the Shareholders' Meeting passes resolution with the legal majorities, respecting the same criterion;
- b) should there be no more candidates not previously elected or candidates with the necessary requirements on the aforesaid list, or if, for any reason, it is not possible to respect the provisions of letter a), the Board of Directors goes ahead with the replacement with the legal majorities without considering the list vote. Subsequently, the Shareholders' Meeting, upon the proposal of those present who have the right to vote, shall confirm the co-opted director or appoint another director to replace him by resolution adopted with the majorities required by law and without list restrictions; however, if it is necessary to replace the directors elected from the minority list, the votes of those who, according to the communications made pursuant to current legislation, hold, even indirectly or jointly with other shareholders who are party to a shareholders' agreement pursuant to art.122 of the TUF, the relative majority of the votes that can be exercised at the Shareholders' Meeting, as well as those of Shareholders who hold control or are subject to joint control by them.

In any case, the Board of Directors and the Shareholders' Meeting will go ahead with the co-option and the appointment in order to ensure: (i) the presence of the minimum number of independent directors pursuant to article 148 of the TUF and the Corporate Governance Code prescribed by the Articles of Association, three of whom also meet the additional requirements envisaged by current legislation and the Articles of Association for members of the Management Audit Committee, and (ii) compliance with the *pro tempore* regulations in force concerning the balance between genders.

If the majority of the directors elected by the Shareholders' Meeting should cease to hold office due to resignation or another cause, the entire Board shall cease to hold office, effective from the date of the subsequent reconstitution of such body. In this case, the Shareholders' Meeting must be called urgently by the directors still in office to elect the new Board of Directors.

The directors cease to hold office in the cases envisaged by the law and by the Articles of Association.

As regards information about the role of the Board of Directors and board committees during the self-certification process, reference is made to section 7 of this Report.

4.3 Composition [art. 123-bis, paragraph 2, lett. D) and d-bis) of the TUF].

The current Board of Directors is composed as follows:

- Paolo Castellacci (Executive Chairman)
- Giovanni Moriani (Executive Deputy Chairman)
- Moreno Gaini (Executive Deputy Chairman)
- Alessandro Fabbroni (Managing Director)
- Claudio Berretti (Non-Executive Director)
- Angelica Pelizzari (Independent Director)
- Angela Oggionni (Independent Director)
- Giuseppe Cerati (Independent Director and Chairman of the Management Audit Committee)
- Chiara Pieragnoli (Independent Director and member of the Management Audit Committee)
- Giovanna Zanotti (Independent Director and member of the Management Audit Committee)

On 26 August 2021, the term of office of the Board of Directors appointed by the Shareholders' Meeting on 24 August 2018 expired.

On 26 August 2021, the Shareholders' Meeting set the number of members of the Board of Directors at 10 and appointed the Board of Directors.

The Board of Directors thus appointed will remain in office for three financial years, i.e. until the approval of the financial statements for the year ending 30 April 2024.

At the time of the renewal of the Board of Directors on 26 August 2021, pursuant to the articles of association, two lists were submitted. Paolo Castellacci, Giovanni Moriani, Alessandro Fabbroni, Moreno Gaini, Claudio Berretti, Angela Oggionni, Chiara Pieragnoli, Giovanna Zanotti and Angelica Pelizzari were taken from the list presented by the majority shareholder ITH S.p.A. (at the time owning 52.814% of the Company's share capital) and voted by the majority of the capital represented at the meeting (equal to 70.996% of the voting capital). Giuseppe Cerati was drawn from the list presented by a grouping of shareholders (Algebris Ucits Funds Plc Algebris Core Italy Fund; Anima SGR S.p.A. manager of the funds: Anima Crescita Italia, Anima Italia and Anima Iniziativa Italia; Arca Fondi SGR S.p.A. manager of the funds: Arca Economia Reale Equity Italia, Arca Economia Reale Bilanciato Italia 30, Arca Azioni Italia, Arca Economia Reale Bilanciato Italia 55 and Arca Economia Reale Bilanciato Italia 15; Bancopsta Fondi S.p.A. SGR manager of the fund: Bancoposta Rinascimento; Eurizon Capital S.A. manager of the fund Eurizon Fund, sub-funds Italian Equity Opportunities and Equity Italy Smart Volatility; Eurizon Capital SGR S.p.A. manager of the funds: Eurizon Progetto Italia 20, Eurizon Pir Italia 30, Eurizon Progetto Italia 70, Eurizon Azioni Italia, Eurizon Pir Italia Azioni, Eurizon Azioni Pmi Italia, Eurizon Progetto Italia 40, Eurizon AM Rilancio Italia TR, Eurizon AM TR Megatrend, Eurizon AM Flexible Trilogy, Eurizon AM MITO 25, Eurizon AM MITO 95, Eurizon AM TR Megatrend II and Eurizon AM MITO 50; Fideuram Asset Management Ireland manager of the Fonditalia Equity Italy fund; Fideuram Intesa Sanpaolo Private Banking Asset Management SGR S.p.A. manager of the funds: Piano Azioni Italia, Piano Bilanciato Italia 50 and Piano Bilanciato Italia 30; Generali Investments Luxembourg SA manager of the funds: Generali Smart Fund Pir Valore Italia and Generali Smart Fund Pir Evoluzione Italia; Kairos Partners SGR S.p.A. as

Management Company of Kairos International Sicav - Italia and Italia PIR sub-funds; Mediolanum Gestione Fondi SGR S.p.A. manager of the fund: Mediolanum Flessibile Futuro Italia), at the time owning a total of 3.71170% of Sesa's share capital; this list was voted by the minority of the capital represented at the meeting (equal to 29.004% of the voting capital).

The Board of Directors currently includes among its members 5 independent directors (Ms. Angela Oggionni, Mr. Giuseppe Cerati, Ms. Chiara Pieragnoli, Ms. Angelica Pelizzari and Ms. Giovanna Zanotti) pursuant to art.148, paragraph 3 of the TUF, as recalled by article 147-ter, paragraph 4 of the TUF and the Corporate Governance Code, in accordance with the provisions of article 2.2.3, paragraph 3, letter m) of the Stock Exchange Regulations and article IA.2.10.6 of the Instructions to the Stock Exchange Regulations, both applicable to issuers holding STAR qualification.

As at the date of approval of the financial statements for the financial year 2020-2021, the Board of Directors included:

- Paolo Castellacci (Executive Chairman)
- Moreno Gaini (Executive Deputy Chairman)
- Giovanni Moriani (Executive Deputy Chairman)
- Alessandro Fabbroni (Managing Director)
- Angelica Pelizzari (Non-Executive Director)
- Silvia Bordi (Independent Director)
- Claudio Berretti (Non-Executive Director)
- Angela Oggionni (Independent Director)

In this regard, it should be noted that Director Silvia Bordi was appointed by co-optation during the Year on 21 July 2021, following the resignation of Director Prof. Maria Chiara Mosca.

The members of the Board of Directors in office, executive and non-executive, are all in possession of the requisites of honourableness laid down by law and by the Articles of Association, as well as professionalism and skills adequate to the tasks entrusted to them.

The presence of 6 non-executive directors, of whom a significant component (no. 5) is independent, out of a total of 10 members, ensures a significant weight of these directors in the Board's decision-making process and guarantees effective monitoring of management.

The *curricula vitae* of the Directors, containing exhaustive information on the personal and professional characteristics of each of them at the date of the Report, are available on the Company's *website*, in the section "*Governance - Board of Directors*".

Diversity criteria and policies

With reference to diversity policies, pursuant to article 123-bis, paragraph 2, letter d-bis) of the TUF, it should be noted that the Issuer has not adopted diversity policies in relation to the composition of the Board of Directors, as the current composition is already adequately diversified (as its members were elected on the basis of the gender balance legislation, as expressly provided for in the Articles of Association) and ensures an adequate balance between persons with complementary skills and professionalism, so as to ensure the efficient operation of the corporate bodies. Respect for these values has, moreover, always been guaranteed by shareholders when renewing corporate bodies.

Furthermore, the Company, through the adoption of its own Code of Ethics and the promotion of an articulated corporate *welfare* programme, is constantly committed to guaranteeing respect, at

all levels, for diversity and equal opportunities, with the aim, among others, of fully valorising human resources and promoting the values of pluralism and professionalism. The Group's attention to these issues is shown, inter alia, by (i) the Sustainability Report, available on the Company's website, in the "*Investors - Shareholders' Meetings*" section, to which reference should be made in full; (ii) the identification and appointment of a special Diversity Manager with the following duties and functions:

- inform and advise the Issuer and the Sesa Group companies on diversity, equity and inclusion;
- defining objectives and paths of improvement in this regard, also conducting wage fairness analyses, with respect to the issue of diversity within the Sesa Group;
- cooperate with the other corporate functions and act as a point of contact for any issues concerning diversity, equity and inclusion;
- oversee compliance with the Company's Code of Ethics and applicable national and/or European regulations on diversity, equity and inclusion, as well as the policies adopted on this issue by the Issuer, with particular reference to the profile of the allocation of roles and responsibilities, awareness raising and staff training on these issues.

Lastly, it should be noted that the qualitative and quantitative composition of the Board is periodically verified, analysed and monitored by the Board itself during the self-assessment process, which also involves aspects relating to age, nationality, gender composition, managerial and professional skills, educational background, and the presence of different age brackets and seniority in office. Furthermore, the board evaluation is conducted in such a way as to allow all directors to express their views on the main aspects concerning the Board, the Committees, interaction with management and risk governance, with the possibility of expressing comments and proposals.

Structure of the Board of Directors at the end of the Financial Year

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. of other offices (****)	Participation (*****)
Chairman	Paolo Castellacci	30/03/1947	30/01/2013	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	Yes	No	No	No	15	7/7
Vice Chairman	Moreno Gaini	14/09/1962	22/02/2013	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	Yes	No	No	No	5	7/7
Vice Chairman	Giovanni Moriani	19/11/1957	22/02/2013	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	Yes	No	No	No	9	7/7
Chief Executive Officer /CEO	Alessandro Fabbri	03/03/1972	27/11/2012	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	Yes	No	No	No	11	7/7
Director	Claudio Berretti	23/08/1972	27/08/2019	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	No	Yes	No	No	22	7/7
Director	Giuseppe Cerati	15/05/1962	26/08/2021	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	No	Yes	Yes	Yes	39	7/7
Director	Giovanna Zanotti	18/03/1972	22/02/2013	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	No	Yes	Yes	Yes	4	7/7
Director	Angela Oggionni	08/06/1982	28/08/2015	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	No	Yes	Yes	Yes	3	7/7
Director	Chiara Pieragnoli	11/11/1972	26/08/2021	26/08/2021	approval of financial	Shareholders	M	No	Yes	Yes	Yes	3	7/7

					statements 30/04/2024								
Director	Angelica Pelizzari	18/10/1971	22/02/2013	26/08/2021	approval of financial statements 30/04/2024	Shareholders	M	No	Yes	Yes	Yes	6	7/7
----- DIRECTORS WHO LEFT DURING THE YEAR -----													
Director	Maria Chiara Mosca ⁽¹⁾	22/12/1972	24/08/2018	24/08/2018	12/07/2021	Shareholders	m	No	Yes	Yes	Yes	-	1/1

Indicate the number of meetings held during the Year: 7

Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (pursuant to art. 147-ter of the TUF): 1%.

NOTES

The following symbols must be entered in the “Office” column:

- This symbol indicates the director in charge of the internal control and risk management system.

o This symbol indicates the Lead Independent Director (LID).

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

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

(***) This column indicates whether the list from which each director was drawn is “majority” (indicating ‘M’) or “minority” (indicating ‘m’).

(****) This column shows the number of offices held as director or auditor by the person concerned in other listed or large companies.

(*****) This column shows the directors’ attendance at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(1) On 12 July 2021, Prof. Maria Chiara Mosca (member of the previous Board of Directors) resigned from her position as Director. On 21 July 2021, the Board of Directors co-opted Silvia Bordi (belonging to the minority list from which Prof. Maria Chiara Mosca had been taken), who was found to meet the independence requirements set forth by the TUF and the Corporate Governance Code. Ms. Silvia Bordi was also appointed by the Board of Directors as a member of the Remuneration Committee and member (with the function of Chairman) of the Control and Risk Committee, and remained in office until the expiry of the Board of Directors on 26 August 2021.

Maximum number of offices held in other companies

In compliance with Principle XII of the Corporate Governance Code, each director is required to guarantee adequate availability of time for the diligent performance of the tasks assigned to them.

To this end, article 1, paragraph 2 of the Regulation for the operation of the Board of Directors of Sesa envisages the duty of Directors to accept the office when they believe they can dedicate the time necessary to the diligent performance of their duties, also taking into account the commitment related to their work and professional activities and the number of positions they hold in other companies or entities (including foreign ones).

Directors who are members of the Management Audit Committee must also comply with the regulations in force concerning limits on the accumulation of offices.

The Board of Directors has monitored the compatibility of the offices held in other companies by its members in accordance with the provisions of the Rules for the functioning of the Board. In particular, during the meeting held on 12 July 2022, the Board, upon verification of the offices held by its members in other companies, deemed that the number and quality of the offices held did not interfere, and was therefore compatible, with an effective performance of the office of Director in the Issuer.

4.4 Operation of the Board of Directors [art. 123-bis, par. 2, lett. d) of the TUF]

The Board of Directors guides the company by pursuing success and sustainable growth to the benefit of the shareholders.

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company with the authority to perform all acts deemed appropriate for the achievement of the corporate purpose, excluding only those reserved to the Shareholders' Meeting by law.

Pursuant to article 19 of the Articles of Association, the Board of Directors meets, also outside the registered office as long as it is within the European Union, whenever the Chairman deems it appropriate, or when a Managing Director (if appointed) or at least two Directors so request, without prejudice to the convening powers attributed to other persons pursuant to law. For resolutions of the Board of Directors to be valid, the effective presence of the majority of the Directors in office and the favourable vote of the majority of those present are required. In the event of a tie, the chairman's vote prevails.

In accordance with the provisions of recommendation no. 11 of the Corporate Governance Code, on 12 July 2021 the Board of Directors adopted the Regulations on the operation of the Board of Directors.

The Regulation on the operation of the Board of Directors, among other things, regulates the duties of directors, the activities falling within the Board's remit and its operating procedures, the criteria and procedures for assessing the independence of directors and for identifying the Lead Independent Director, the appointment and composition of intra-Board committees, the procedures for holding board meetings, pre-meeting information and the role of the Secretary, in compliance with the law, regulations and the Articles of Association, and in light of the principles and criteria established by the Corporate Governance Code.

Unless otherwise specified, the provisions of the Regulation on the operation of the Board of Directors also apply, where compatible, to the Executive Committee, if appointed, and to the Committees set up by the Board of Directors in its own sphere with investigative, advisory and consulting functions. For all matters not expressly regulated, the Regulation on the operation of the Board of Directors refer to the laws, regulations and articles of association in force and applicable at the time, to which reference is expressly made.

With specific reference to the manner in which the minutes of the meetings are recorded, it is provided that the minutes of the board resolutions are drafted by the Secretary or their deputy and signed by the Chairman and the Secretary or their deputy. Following the meeting, a draft of the minutes is to be sent to all Board members and after their approval, they are to be transcribed in the Board meetings and resolution book by the Secretary.

It is also stipulated that the minutes must adequately record the board debates and any dissent expressed by the members of the board of directors on individual topics and their reasons.

Pursuant to the Regulation on the operation of the Board of Directors, the Chairman, through the Secretary, ensures that supporting documentation for the items on the agenda is made available to the Directors at least 24 hours in advance, containing any proposals for resolutions and information suitable in qualitative and quantitative terms to support the work of the Board.

It is also envisaged that in certain exceptional cases, where it is not possible to guarantee compliance with the envisaged timeframe and/or the documentation is made available directly at the meeting, the Chairman is required to ensure that adequate information is provided to all the members of the Board on the topics to be discussed and that adequate time is devoted to the in-depth analyses deemed useful for a proper understanding of the matter.

In order to ensure maximum confidentiality of information flows, the Company uses appropriate organisational and IT security measures (e.g. training of operators, use of passwords, etc.). Supporting documents distributed to directors and members of the control body are kept in the Board records by the Secretary. Also on the basis of what emerged from the self-assessment questionnaires filled out periodically by the directors and from their discussions with the various company functions, the manner, timeliness and adequacy of the information provided to the directors in view of the meetings held during the Year was adequate for the purpose.

The Regulation for the Board of Directors was observed during the Year.

With reference to the number of meetings held during the Financial Year and the percentage of attendance of each Director, please refer to the table “*Structure of the Board of Directors at the end of the Financial Year*” in section 4.3 above.

It should also be noted that the duration of board meetings averaged about one hour.

At least four Board meetings are scheduled for the financial year 1 May 2022 - 30 April 2023. In particular, the calendar of the main corporate events for 2022/2023 (already communicated to the market and to Borsa Italiana S.p.A. in accordance with regulatory requirements) envisages, in addition to the meeting of 10 May 2022 and 12 July 2022, at least 3 more meetings on the following dates: 13 September 2022; 19 December 2022; 13 March 2023.

In implementation of the measures to cope with the Covid-19 pandemic emergency, Board meetings were held exclusively by video conference, ensuring the identification of participants and the exercise of voting rights.

4.5 Role of the Chairman of the Board of Directors

Pursuant to the Articles of Association, the Chairman of the Board is vested with the powers to chair the Shareholders' Meeting (article 13), convene meetings of the Board and coordinate its work (article 19), and represent the Company vis-à-vis third parties and in court, without any limits (article 21).

The Chairman, in accordance with the Corporate Governance Code, plays a liaison role between the executive and non-executive directors and ensures the effective operation of board proceedings.

More specifically, in compliance with the recommendations of the Corporate Governance Code, the Chairman, during the year, oversaw:

- the suitability of the pre-meeting information, as well as the additional information provided during board meetings, to enable the directors to act in an informed manner in the performance of their role;

Pursuant to article 2381 of the Italian Civil Code and the Regulation on the operation of the Board of Directors, the Chairman of the Board coordinates the work and ensures that adequate information on the items on the agenda is provided to all directors. Specifically, according to the provisions of the Regulation on the operation of the Board of Directors, the Chairman through the Secretary ensures that supporting documentation on the items on the agenda is made available to the directors at least 24 hours in advance, containing any resolution proposals and information suitable in qualitative-quantitative terms to support the work of the Board.

It is also envisaged that in certain exceptional cases, where it is not possible to guarantee compliance with the envisaged timeframe and/or the documentation is made available directly at the meeting, the Chairman is required to ensure that adequate information is provided to all the members of the Board on the topics to be discussed and that adequate time is devoted to the in-depth analyses deemed useful for a proper understanding of the matter.

The timeliness and completeness of the pre-meeting information was guaranteed during the Year by sending the documentation in compliance with the provisions of the Regulation on the operation of the Board of Directors and in any case within the convocation deadlines provided for by the Articles of Association. This deadline was normally respected in sending the documentation to the Directors.

- the coordination of the work of the board committees (with investigative, advisory and consulting functions) with the work of the Board;

In this regard, it should be noted how the adoption of the one-tier administration system, the composition of the different Committees and the participation of Executive Directors in them, on a case-by-case basis in relation to the items on the agenda, has facilitated the coordination of the activities of the Board Committees with the activities of the Board.

- in agreement with the Chief Executive Officer, the attendance at board meetings - also at the request of individual directors - of the executives of the Issuer and the Group companies,

responsible for the competent corporate functions according to the subject matter, to provide the appropriate in-depth analyses of the items on the agenda;

Managers and heads of the various functions of the Issuer and the Group companies under its control were also able to attend Board meetings during the Year to provide the necessary insights into the issues on the agenda. The heads of the Legal, Compliance and Investor Relations functions and, when necessary, Internal Audit attended all board meetings.

- the participation of the members of the Board of Directors, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Issuer operates, of corporate dynamics and their evolution also with a view to the Issuer's sustainable success, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference;

The Chairman oversaw the participation of the Board members in the relative initiatives organised in the forms deemed most appropriate, in order to provide them with information on the sector of activity in which the Issuer operates, the company dynamics and their evolution, the principles of correct risk management, as well as the relative regulatory and self-regulatory framework of reference, by organising both in-depth meetings and discussions with the various company functions and training sessions.

- the adequacy and transparency of the Board's self-assessment process, with the support of the Management Audit Committee, in its capacity as the Audit and Risk Committee, to which the Issuer has also assigned the function of supporting the Chairman in the self-assessment process pursuant to recommendation no. 12(d) of the Corporate Governance Code.

Pursuant to the Regulation on the operation of the Board of Directors, the Chairman ensures that the self-assessment process is carried out effectively, that the manner in which it is conducted is consistent with the degree of complexity of the Board's work, and that corrective measures are taken to address any shortcomings identified. In carrying out these activities, the Chairman is supported by the aforementioned Committee.

The Chairman ensured the adequacy and transparency of the self-assessment process by organising special in-depth discussion and debate sessions involving, when appropriate, the different corporate functions. Furthermore, adequate and timely information was provided to the directors on the development and significant contents of the dialogue held with all shareholders.

Board Secretary

The Company on 12 July 2021 jointly with the approval of the Regulation on the operation of the Board of Directors appointed Moreno Gaini as Secretary of the Board of Directors.

Pursuant to the Regulation on the operation of the Board of Directors, the Secretary is appointed by the Board of Directors upon the Chairman's proposal. The Secretary may be chosen either from among the Issuer's employees, or be a member external to the Issuer, provided that they meet the appropriate requirements of professionalism and independence of judgement and has adequate experience in the legal, corporate and corporate governance fields.

The Secretary assists the Chairman in activities related to the proper operation of the Board of Directors, ensuring that the pre-meeting information is accurate, complete and clear, and that the activities of the intra-Board Committees are coordinated with the activities of the Board of Directors.

During the Year, the Secretary supported, inter alia, the activities of the Chairman (particularly in relation to the aspects indicated in Recommendation 12 of the Corporate Governance Code and examined in the previous section of the Report dedicated to the Chairman) and provided, with the support of the company's Legal and Compliance department and with impartial judgement, assistance and advice to the Board of Directors on every aspect relevant to the operation of corporate governance.

4.6 Executive Directors

Managing Directors

The Board of Directors - within the limits of the applicable provisions of the law, regulations and the articles of association - may appoint one or more Managing Directors or an Executive Committee (article 18 of the Articles of Association). They hold the powers of management assigned to them when they were elected (art. 20 of the Articles of Association).

The Board of Directors and the Management Audit Committee are informed, during meetings and at the intervals indicated by the applicable legal provisions, by the delegated bodies, on the activities performed by the Company and by its subsidiaries, on the general progress of operations and on the foreseeable outlook, as well as major economic, financial and equity transactions, with particular regard to the transactions in which Directors hold interest in their own right or that of third parties.

Communication of the profiles indicated above is usually released during board meetings, and at least on a quarterly basis. When particular circumstances make it appropriate, it may also be released in writing to the Chairman of the Management Audit Committee.

By resolution of 26 August 2021, the Board of Directors delegated to the Chairman of the Board of Directors all the powers pertaining to the Board of Directors for the management of institutional relations and relations with Vendors and suppliers of technology and infrastructures, as well as the powers for the management of extraordinary finance transactions including the incorporation, purchase, sale, exchange or contribution of companies, business units with a limit of Euro 10,000,000.00 per single act; the purchase, sale, exchange of real estate, land, machinery with a limit of Euro 10,000,000.00 per single act; as well as the powers necessary to participate in shareholders' meetings of subsidiaries and investee companies. He also holds all powers for the legal and procedural representation of the Company. The Board believes that the granting of management powers to the Chairman meets the Issuer's appreciable organisational needs that lie in the streamlined operation of the Company's Board of Directors.

On the same date, the Board of Directors also appointed two Executive Deputy Chairmen in the persons of Moreno Gaini and Giovanni Moriani, granting them the powers described below.

In particular, the Board delegated to Executive Vice Chairman Moreno Gaini all the powers pertaining to the Board of Directors concerning corporate financial management.

Pursuant to article 21 of the Articles of Association, the Vice Chairman, Moreno Gaini, is entrusted with representing the Company within the limits of his management powers.

With reference to Executive Vice Chairman Giovanni Moriani, the Board of Directors has delegated to him all the powers pertaining to the Board of Directors concerning the management and development of the business in the software sector, including in the Enterprise Resource Planning (ERP), Vertical and Business Applications areas; the management of the Technical Department and the functions and activities of Chief Technology Officer; the management of Research &

Development activities; the management and development of the business in the Digital Platforms and Business Process Management sector, for the management of operations, processes and communication to users and business partners. Pursuant to article 21 of the Articles of Association, the Vice Chairman, Giovanni Moriani, is entrusted with representing the Company within the limits of his management powers.

On 26 August 2021, the Board of Directors confirmed Alessandro Fabbroni as Chief Executive Officer of the Company, delegating to him the powers to manage the Company's corporate functions and, in particular, Administration, Finance, Management Control, Legal & Compliance, Investor Relations, Corporate Affairs, M&A and Corporate Integration, Human Resources, Organisation and Information Technology. In particular, he is vested with all the powers

- (i) for the management of human resources, including the power to hire executives, clerks and workers, establish their positions and duties, set their salaries, suspend and dismiss them, and formulate incentive plans; sign the related deeds to promote and settle any disputes; represent the company in any trade union practice or dispute before Employment Offices and before any other related body, office and authority; reach the conclusion of trade union disputes and sign the relative minutes; appoint and dismiss lawyers, attorneys and professionals in general for all the acts and proceedings referred to above; represent the company in all proceedings and disputes with Social Security and Welfare Agencies and any other related body or insurance company, appointing, if necessary, lawyers and attorneys for the necessary acts and proceedings;
- (ii) for financial management, and in particular the powers to open correspondence bank accounts, other separate or special accounts and, where permitted, also accounts in foreign currency; to request bank overdrafts and credit advances in general; to enter into, amend, terminate bank and loan agreements, both short and medium-term, in any form whatsoever to give dispositions and make withdrawals from said accounts, also by means of bank cheques to the order of third parties against cash on hand and credit concessions; to endorse bills of exchange, cheques, promissory notes and documents for discount and collection; to make security deposits; to make deposits of securities for custody or administration, with the right to claim principal and interest to perform any act for the signing of factoring contracts, including the assignment of credit, constitution of guarantees, credit mandates, discount transactions, and anything else related to the factoring relationship to provide for the payment of tax and social security contributions, take care of the fulfilments the company is required to fulfil as tax withholding agent, sign proxies for litigations, agreements, declarations, appeals, communications and any act the company intends to undertake at any stage and level of discussion with the Inland Revenue Agency INPS, INAIL, other social security and welfare institutions, including the signing of declarations and the conferment of the relevant mandates for their electronic transmission, as well as towards any other public body, such as, by way of example, fulfilments at the Chamber of Commerce/Company Registry;
- (iii) for the management of relations with suppliers and customers, business development activities, institutional relations, and the conclusion of contracts for the purchase and sale of products and services, with express power to enter into contracts without limitation of amount with suppliers, customers, industrial and commercial partners, and for participation in tenders;
- (iv) for the management of extraordinary finance transactions, including the powers to set up, purchase, sell or exchange companies, company branches with a limit of Euro 10,000,000.00 per single act; purchase, sell, exchange real estate, land, machinery and technical equipment with a limit of Euro 10,000,000.00 per single act; participate in shareholders' meetings of investee companies, representing the company; confer, also for the purpose of setting up new companies, shareholdings of any kind, and transfer companies or company branches to companies, with a limit of Euro 25,000,000.00 per single act.

Pursuant to article 21 of the Articles of Association, the Managing Director is entitled to represent the Company within the limits of his management powers.

Managing Director Alessandro Fabbroni is the Chief Executive Officer of the Company.

It should be noted that the Board of Directors' meeting of 10 May 2022 supplemented the powers of the Chief Executive Officer Alessandro Fabbroni, delegating to him also the powers to issue guarantees to third parties in favour of directly controlled companies, including the signing of letters of patronage and in general any other document useful and/or necessary for the disbursement of loans in favour of the same subsidiaries.

Chairman of the Board of Directors

Without prejudice to the foregoing in relation to the powers attributed by the Board of Directors to the Chairman Paolo Castellacci, it is specified that the latter is not the Chief Executive Officer, nor does he hold significant management powers. Moreover, the Chairman does not control, even jointly, the Company.

Executive Committee

The Board of the Issuer has not formed an Executive Committee from among its members.

Information to the Board

The delegated bodies promptly reported to the Board of Directors, at the first useful Board meeting, on the activities carried out, the general performance of operations and its foreseeable developments, as well as on the most significant transactions due to their size and characteristics carried out by the Company and its subsidiaries.

Other executive directors

The Issuer has no other executive Directors.

4.7 Independent directors

Pursuant to article 17 of the Articles of Association, at least one-third of the directors must meet the independence requirements set forth in article 148, paragraph 3 of the TUF, as well as the additional requirements set forth in the Corporate Governance Code. In addition to the above, at least one of the latter must be entered in the register of statutory auditors.

There are currently five independent directors on the Board of Directors, in the persons of Angela Oggionni, Giuseppe Cerati, Chiara Pieragnoli, Angelica Pelizzari and Giovanna Zanotti.

The number of independent directors is also consistent with the provisions of recommendation no. 5 of the Corporate Governance Code, in accordance with the provisions of article 2.2.3, paragraph 3, letter m) of the Stock Exchange Regulations and article IA 2.10.6 of the Instructions to the Stock Exchange Regulations - both applicable to issuers admitted to the STAR segment.

In this regard, it should be noted that, during the year, the assessment of the independence of the aforesaid Directors was carried out by the Board of Directors both on the basis of the criteria of independence pursuant to the law, and by applying all the criteria set forth in recommendation no. 7 of the Corporate Governance Code.

It should be noted that for companies with STAR qualification such as Sesa, pursuant to the combined provisions of article 2.2.3, paragraph 3, letter m) of the Stock Exchange Regulations and IA 2.10.6 of the relative Instructions, the number of independent directors is considered adequate when there are at least 3 independent directors if the Board of Directors is composed - as in the case of Sesa - of between 9 and 14 members.

It is pointed out that the Chairman of the Board of Directors was not qualified as independent.

It should be noted that, based on the provisions of the Regulation on the operation of the Board of Directors, consistently with the Corporate Governance Code, the Board assesses the independence of each non-executive Director immediately after appointment as well as during their term of office when circumstances relevant to independence arise, and in any case at least once a year, in order to detect the possible existence of circumstances that compromise, or appear to compromise, their independent judgment. This assessment is carried out by the Board on the basis of the information provided by the Directors and/or provision of the Company, as well as taking into account the principles and recommendations contained in the Corporate Governance Code.

For the purposes of assessing the independence of Directors, the Board may in any case, in relation to the specific situations concerning each Director, consider any further element deemed useful and appropriate, adopting additional and/or partially different criteria that privilege substance over form. The Board submits the outcome of the independence assessment to the control body, which verifies the correct application of the above criteria.

The Board of Directors has defined the quantitative and qualitative criteria required by the Corporate Governance Code for assessing the materiality of the relationships indicated in points c) and d) of recommendation no. 7 in the Regulation on the Operation of the Board of Directors, identifying them as follows:

- consider an amount higher than Euro 75,000 (seventy-five thousand/00) on an annual basis, as a significant threshold in the assessment of Directors' independence, calculated considering any commercial, financial or professional relationship of the Director, even through a third party, with the Company and its subsidiaries and/or parent companies, excluding the remuneration received for the office held in the Company;
- regardless of the aforementioned quantitative criterion, the existence of any commercial, financial or professional relationship concerning matters falling within the competence of intra-Board committees of which the independent director is a member, pursuant to recommendation no. 7 of the Corporate Governance Code, as significant.

On the basis of the declarations made by the directors and the information available to the Company, the Board of Directors ascertained, at the first useful opportunity after the appointment, i.e. at the meeting of 26 August 2021, the existence of the requirements of independence, pursuant to the provisions of recommendation no. 7 of the Corporate Governance Code and Articles 147-ter, paragraph 4 and 148, paragraph 3 of the TUF, for the directors Angela Oggionni, Giuseppe Cerati, Chiara Pieragnoli and Giovanna Zanotti, also in light of the qualitative and quantitative criteria set forth in the Regulation on the operation of the Board of Directors.

The Board then announced the outcome of its assessments in a press release to the market.

It is also specified that at the Board meeting held on 12 July 2022, the Board conducted the annual verification of the independence requirements for independent directors pursuant to recommendation no. 7 of the Corporate Governance Code.

In making the above assessments, the Board considered all the information available and especially that provided by the directors being assessed, verifying all the circumstances that appear to compromise independence identified by the Consolidated Law on Finance and the Corporate

Governance Code, and also applying all the criteria set forth in the Corporate Governance Code. In this regard, each non-executive director provided all the elements necessary or useful for the Board's evaluations.

During the aforementioned board meeting of 12 July 2022, a specific assessment was carried out on the position of Director Pieragnoli and Director Pelizzari, with a positive outcome in terms of permanence of the independence requirement. In particular, with reference to Ms. Pieragnoli, she has held the position of Director for one year and of Statutory Auditor in the previous years for a number of consecutive years, which could be a symptomatic indicator of the loss of independence pursuant to the Corporate Governance Code. The positive assessment in terms of permanence of the independence requirement was mainly due to the circumstance that Ms. Pieragnoli: (i) does not appear to have had any further professional and/or consulting relationships with the Company, nor with its shareholders, nor with other companies of the Group (ii) has never received any type of remuneration in addition to her remuneration as director/independent auditor of the Company.

On the other hand, with regard to Ms. Pelizzari, she was deemed to meet the independence requirements pursuant to the law and the Corporate Governance Code for the first time at the meeting of 12 July 2022 (as she herself declared when submitting the lists), despite having held the position of director for a number of consecutive financial years that could be symptomatic of a loss of independence pursuant to the Corporate Governance Code. The positive assessment in terms of the existence of the independence requirement mainly depended on the circumstance that Ms. Pelizzari: (i) does not appear to have had any professional and/or consulting relationships with the Company, nor with its shareholders, nor with other Group companies (ii) has never received any type of remuneration in addition to her remuneration as a director of the Company such as to compromise her independence.

During the periodic audits and, most recently, at the Board meeting of 12 July 2022, the Management Audit Committee and the Audit and Risk Committee verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members.

During the Year, the independent directors met in the absence of the other directors on 19 January 2022. On that occasion, the meeting was coordinated by the director Giuseppe Cerati and its purpose was to verify compliance in relation to the Issuer's Corporate Governance Code and the correct application of the Sesa Group Regulations with particular reference to the Significant Group Transactions described therein.

4.8 Lead Independent Director

With reference to the Year, the Company did not appoint a Director as Lead Independent Director, taking into account that the conditions of recommendation no. 13 of the Corporate Governance Code were not met.

4.9 Management Audit Committee

At its meeting of 26 August 2021 held following the Shareholders' Meeting, the Board of Directors established that the Management Audit Committee would have three members, of which it appointed:

- Giuseppe Cerati (Chairman of the Committee, Independent Director drawn from the minority list)
- Chiara Pieragnoli
- Giovanna Zanotti

It should also be noted that with the same board meeting, the Management Audit Committee was also assigned the functions of the Audit and Risk Committee (which is also responsible for the functions of the Related Parties Committee) and the Supervisory Board pursuant to Legislative Decree No. 231/2001. For more information on the functions of these committees, see sections 9.2 and 9.4 of this Report.

Until the renewal of the management and control bodies, the control functions were assigned to the Board of Auditors, which was composed of the following members:

- Mr. Giuseppe Cerati (Chairman);
- Ms. Chiara Pieragnoli (Standing Auditor);
- Mr. Andrea Mariani (Standing Auditor);
- Ms. Paola Carrara (Alternate Auditor);
- Mr. Marco Sironi (Alternate Auditor).

During the Year, the Board of Statutory Auditors met on 3 June 2021, 14 June 2021, 5 July 2021, 22 July 2021 and 23 July 2021.

With regard to the appointment of the Management Audit Committee, it should be noted that pursuant to article 23 of Sesa's Articles of Association, the Management Audit Committee consists of a minimum of three members. The Board of Directors determines the number and appointment of its members; they remain in office for three financial years and may be re-elected. Their term of office expires on the date of the Shareholders' Meeting that approves the financial statements for the last financial year of their office.

The members of the Management Audit Committee must meet the requirements of professionalism and integrity provided for by current regulations, the requirements of independence provided for by article 148 of the TUF and the Corporate Governance Code, as well as comply with the regulations on limits to the accumulation of offices. For the purposes of article 1, paragraph 3, of Ministry of Justice Decree No. 162 of 30 March 2000, subjects (legal, economic, financial and technical-scientific) and sectors of activity connected or inherent to the Company's business and referred to in the corporate purpose must be considered strictly pertinent to the business carried out by the Company.

At least one member of the Management Audit Committee, or at least two if the aforementioned Committee consists of four or more members, must be chosen from the register of statutory auditors.

The role of Chairman of the Management Audit Committee falls to the director drawn from the minority list, pursuant to article 17 of the Articles of Association, or to the person appointed in their place, again pursuant to article 17. If only one list is submitted or if no list is submitted, the Chairman is elected by the Management Audit Committee from among its members.

The loss of any of the requirements provided for by the laws in force and by the Articles of Association for members of the Management Audit Committee, including enrolment in the register of statutory auditors, determines their disqualification from office. The loss of one of the aforementioned requirements for a member of the Management Audit Committee also results in their disqualification from office as a director unless, being a member taken from the majority list, among the other directors in office there is at least one who meets the requirements provided for by the laws in force to replace them as a member of the Management Audit Committee, also taking into account the number of members of the Management Audit Committee as determined by the Board of Directors. In the latter case, the member of the Management Audit Committee who has ceased to hold office shall retain the office of director.

If a member of the Management Audit Committee ceases to be a director for any reason, the rules set forth in article 17 of the Articles of Association shall apply to their replacement, in compliance with the regulations in force.

If, on the other hand, during the course of the financial year, one or more members of the Management Audit Committee who have not ceased to be a director must be replaced, the Board of Directors, in compliance with applicable laws and regulations, will proceed to appoint the replacement in accordance with article 23 of the Articles of Association, so as to ensure that the members of the Management Audit Committee meet the requirements set forth in applicable laws and regulations and in the Articles of Association.

Functions and powers of the Management Audit Committee

The Management Audit Committee exercises the powers and functions assigned to it by current legislation and the Corporate Governance Code, including supervision of compliance with the law, regulations and the Articles of Association, and compliance with the principles of proper management.

The Management Audit Committee also performs the functions of the Internal Control and Audit Committee pursuant to article 19 of Legislative Decree No. 39/2010, as amended.

The Management Audit Committee is also required:

- to report management irregularities or breaches of regulations without delay to Consob, pursuant to article 149, paragraphs 3 and 4-ter of the TUF;
- to report, pursuant to article 153 of the TUF, on the supervisory activities performed, omissions and reprehensible facts detected to the Shareholders' Meeting convened for the approval of the annual financial statements;
- expresses the opinions required of the control body by current regulations, in compliance with the provisions of the Articles of Association. The opinions, signed by the Chairman, are forwarded to the Chairman of the Board of Directors and, through them, to all the Board members, in due time for them to be taken into account, also for the purpose of taking the decisions to which they are instrumental.

The Management Audit Committee may, in line with its control function, perform any further tasks entrusted to it by the Board, or activities requested by the Chairman of the Board for the purposes and within the scope of the powers conferred upon it by the Articles of Association.

In order to perform its duties, the Management Audit Committee has access to information and all necessary corporate functions and makes use of the Company's corporate means and structures. Where it deems it appropriate, it may make use of external consultants, under the terms established by the Board of Directors.

The work of the Management Audit Committee is coordinated by a chairman and the meetings are duly recorded in minutes; the chairman of the Committee provides information thereon at the first useful Board meeting.

During the Year, the Management Audit Committee met six times, on 13 September 2021, 16 October 2021, 21 October 2021, 5 November 2021, 20 December 2021 and 9 March 2022. The average duration of the meetings was about one hour.

The meetings of the Management Audit Committee were duly recorded in minutes and the minutes, signed by the person chairing the meeting and the secretary, were regularly filed by the Company. The work of the Management Audit Committee was coordinated by the Chairman. The Chairman informed the Board of Directors of the resolutions adopted by the Committee at the first useful meeting.

The meeting attendance rate in the financial year was 100%. For the financial year 1 May 2022 - 30 April 2023, three meetings of the Audit Committee have been scheduled, in addition to those already held on 10 May 2022, 25 May 2022 and 8 July 2022.

Finally, the delegated bodies reported promptly to the Management Audit Committee, at least every three months, on the activities carried out, the general performance of operations and its foreseeable developments, as well as on the most significant transactions in terms of their size and characteristics carried out by the Company and its subsidiaries.

The Management Audit Committee exchanged relevant information with the Internal Audit Function and the Compliance Function in a timely manner for the fulfilment of their respective tasks.

Operation of the Committee

The Management Audit Committee is duly constituted with the presence of the majority of its members and resolves by an absolute majority of those present. A dissenting member has the right to have the reasons for their dissent recorded in the minutes.

The Management Audit Committee must meet at least every ninety days and, in any case, it meets as often as necessary to perform its functions or when deemed appropriate by the Chairman, also at the request of one or more of its members, in relation to particular situations or operations. The Management Audit Committee, if it deems it appropriate, may approve an indicative calendar of its future meetings.

Notice of the meeting is given by the Chairman, or their deputy, by any means suitable for full knowledge, including notice by telephone or e-mail, at least five working days before the date set for the meeting, except in cases of urgency for which notice of at least twenty-four hours before the meeting is allowed.

Meetings of the Management Audit Committee may also be held by teleconference and/or videoconference provided that: a) the Chairman and the person taking the minutes are present in the same place as the convocation; b) all participants can be identified and are allowed to follow the discussion, receive, transmit and view documents, and intervene orally and in real time on all matters. If these requirements are met, the Management Audit Committee is deemed to be held in the place where the Chairman and the person taking the minutes are located.

At the invitation of the Management Audit Committee, persons who are not members of the Committee may attend meetings with reference to individual items on the agenda. The Management Audit Committee and each member thereof, also individually, may also request the heads of the corporate control functions to report to the Committee on relevant data and information.

The Board of Directors shall be informed of the resolutions adopted by the Management Audit Committee at the first useful meeting.

The Chairman ensures that all members of the Management Audit Committee are provided, at least three days in advance, with the documentation supporting the items on the agenda, containing any proposals for resolutions and information suitable in qualitative and quantitative terms to support the Committee's work.

5. MANAGEMENT OF CORPORATE INFORMATION

Procedure for the Internal Management and External Disclosure of Inside Information

Since its meeting of 25 June 2013, the Board has adopted a procedure for the internal management and external disclosure of Inside Information, most recently amended during the Year, at the proposal of the Chairman in agreement with the Chief Executive Officer, in order to update the regulatory references to the new Corporate Governance Code.

The aforementioned procedure became effective as of the filing with Borsa Italiana of the application for admission to trading of the Company's ordinary shares on the MTA.

The procedure for the internal management and external communication of inside information, as amended, contains the provisions relating to the management of confidential information (as defined in the procedure itself) and the management and public communication of inside information pursuant to article 7 of Regulation EU no. 596/2014 concerning the Issuer and parties in a control relationship with it, including the Company's subsidiaries, when such information is of a privileged nature for Sesa. Inside information is subject, pursuant to the regulations in force, to a general obligation to disclose it to the public as soon as possible, according to the procedures set out in the same procedure. As an alternative to the requirement of disclosure to be made as soon as possible, it is provided that the Issuer may, under certain conditions, delay, under its own responsibility, the disclosure of inside information.

All members of the corporate bodies, employees and collaborators of the Company and of the Company's subsidiaries who have access for any reason to confidential and inside information are required to comply with the aforementioned procedure.

Procedure for managing the Group List of Persons with access to Inside Information

With particular reference to the obligation for listed issuers, companies controlled by them and persons acting in their name or on their behalf to establish and manage list of persons with access to inside information pursuant to article 18 of Regulation EU no. 596/2014 and Implementing Regulation EU no. 347/2016, it should be noted that since the meeting of 25 June 2013, the Board of Directors has adopted a "*Procedure for managing the Group List of persons with access to Inside Information*", as most recently amended during the Year, in order to adapt it to the introduction of the one-tier system of management and control. The aforementioned procedure came into force as of the filing with Borsa Italiana of the application for admission to trading of the Company's ordinary shares on the MTA.

The Group Register, established and managed centrally at Sesa, is maintained using Spafid's "Digital Corporates Services" software, in accordance with the model set out in Implementing Regulation no. 347/2016. The criterion adopted for keeping the Group Registry provides that it consists of two sections: a permanent section and a temporary section.

Internal Dealing Procedure

With regard to the management of the disclosure obligations arising from the Internal Dealing rules pursuant to article 114, paragraph 7 of the TUF, Articles 152-quinquies.1, 152-sexies, 152-septies and 152-octies of the Consob Issuers' Regulation and article 19 of Regulation EU no. 596/2014 and related European implementing and delegated regulations, it should be noted that the Issuer has adopted, since 25 June 2013, a procedure for the fulfilment of Internal Dealing obligations, as most recently amended during the Financial Year, in order to adapt the same to the introduction of the

one-tier management and control system. The aforesaid procedure came into force as of the Listing Date and is aimed at ensuring maximum transparency and uniformity in market disclosure.

The Internal Dealing Procedure and the details of the transactions carried out during the Year, such as to require the relevant disclosures, are available on the Company's website at www.sesa.it, section "*Governance - Internal Dealing*".

6. INTERNAL BOARD COMMITTEES [article 123-bis, par. 2, letter d) of the TUF]

The Board includes the Remuneration Committee (on the composition and operation of this committee, please refer to section 8.2 of this Report) and, as of 12 July 2022, the Sustainability Committee.

It should be noted that the functions of the Related Parties Committee are assigned to the Audit and Risk Committee and that the functions of the latter are assigned to the Management Audit Committee (with regard to the tasks and activities performed in relation to the aforementioned functions, please refer to the relevant sections 10 and 9.2).

It should also be noted that until the expiry of the term of office of the previous Board of Directors, there was also a Strategic Committee, which the new Board decided not to set up.

Pursuant to article IA 2.10.1, paragraph 2, of the Instructions to the Stock Exchange Regulations, it should be noted that, in accordance with the provisions of article 2.2.3, paragraph 3, letter n) of the Stock Exchange Regulations limited to issuers with STAR qualification, the establishment, composition and operation of the Board of Directors' internal committees are regulated in compliance with the principles and application criteria set forth in Recommendations no. 16, first paragraph, and no. 17 provided for by article 3 of the Corporate Governance Code.

The Regulation on the operation of the Board of Directors adopted by the Issuer provide that, unless otherwise specified, the provisions of the Regulation also apply *mutatis mutandis* to the Committees set up by the Board of Directors within its own sphere with investigative, advisory and consulting functions.

It should also be noted that the Regulation of the Audit and Risk Committee provide that the Committee shall normally meet on a quarterly basis and, in any case, as often as necessary to perform its functions or when deemed appropriate by the Chairman, also at the request of one or more of its members, in relation to particular situations or transactions. If deemed appropriate, the Audit and Risk Committee may approve an outline calendar of its future meetings. The Audit and Risk Committee is convened by the Chairman, or their deputy, by any means suitable for full awareness, including notice by telephone or e-mail, at least two working days before the date set for the meeting, except in cases of urgency for which shorter notice is allowed.

The presence of a majority of the members is required for meetings to be valid. The Committee's resolutions are adopted by an absolute majority of the members attending the meeting. Any participant who has an interest of their own or of others with regard to the subject matter of the resolution shall make this known to the Committee and abstain from the meeting.

With regard to the Remuneration Committee, please refer to section 8.2 of this Report.

With regard to the procedures for taking minutes of meetings and the procedures for managing information to the directors who make up the Audit and Risk Committee, the Regulation on the Operation of the Board of Directors applies.

It should also be noted that the meetings of the Committees held during the Year were recorded in minutes and the minutes were made available to the Board of Directors at the first useful meeting.

Specific document sets are sent by the Chairman of the Committees and with the support of the Secretary to the board members before each meeting. This set of documents was found to have been sent in a timely and adequate manner during the Year.

The Board of Directors has not decided to merge one or more of the functions of the committees provided for in the Corporate Governance Code, nor has it reserved any of the functions provided for committees for itself. The Board of Directors determined the composition of the committees by favouring the competence and experience of their members.

As resolved by the Board of Directors on 12 July 2022, the Sustainability Committee, a committee that is not envisaged by the Corporate Governance Code, is composed of a minimum of three and a maximum of five members, who may or may not be members of the Board of Directors, and has the task of assisting the Board of Directors with investigative, advisory and consulting functions in assessing and deciding on sustainability issues, also understood as environmental, social & governance, connected to the exercise of the company's activities and its dynamics of interaction with all stakeholders, corporate social responsibility, the examination of scenarios for the preparation of the strategic plan also based on the analysis of relevant issues for the generation of value in the long term and the corporate governance of the Company and the Group.

In this context, the Committee is assigned the following tasks in particular:

- a) examine the sustainability policies and strategies drawn up by the Corporate Sustainability Operations Committee. To express an opinion to the Board of Directors in this regard; to bring to the attention of the Board of Directors and the other intra-Board Committees policies based on the principles of sustainable business, which take into account the evolution of reference scenarios and identify opportunities and create value also in the long term for stakeholders, such as i) ethics ii) the protection of the environment, with particular reference to the issue of climate change; iii) the socio-economic progress of the territories where the Company operates; iv) the protection of human rights; v) the enhancement of differences and equal treatment of people;
- b) examine the general outline of the annual integrated financial statements in relation to sustainability issues and the structure of its contents;
- c) monitor the application of the sustainability vision approved by the Board of Directors, also within the broader concept of purpose, and propose the actions necessary to determine the value generated by the company for stakeholders, also within the scope of stakeholder engagement activities, contributing to the definition and adoption of a model for measuring it;
- d) monitor the Company's positioning with respect to financial markets on sustainability issues with particular reference to: i) sustainable finance aspects (i.e. green bonds); ii) the relationship with ESG rating agencies; iii) participation and inclusion in sustainability indices;
- e) monitor initiatives aimed at local communities and evaluate their social and environmental aspects.

On 12 July 2022, the Board of Directors set the number of members of the Sustainability Committee at 3 (three) and appointed as members of the said Committee the Directors Giuseppe Cerati (independent Director taken from the minority list), as Chairman, Giovanna Zanotti (independent Director) and Chiara Pieragnoli (independent Director);

Pursuant to the Regulation of the Sustainability Committee approved by the Board at its meeting of 12 July 2022, the Committee meets as often as necessary to perform its functions or when deemed appropriate by the Chairman, also at the request of one or more of its members.

At the invitation of the Chairman, non-members whose contribution to the work is deemed useful by the Committee may attend meetings of the Committee in connection with individual items on the agenda.

The presence of a majority of the members is required for meetings to be valid. The Committee's resolutions are adopted by an absolute majority of the members attending the meeting. A participant who has an interest of their own or of others with regard to the subject matter of the deliberation shall make this known to the Committee and abstain from the deliberation.

Resolutions adopted by the Sustainability Committee are reported by the Chairman to the Board of Directors at the first available meeting.

In the performance of its activities, the Sustainability Committee has access to the information and corporate functions necessary for the fulfilment of its tasks.

All Committee meetings must be duly recorded in minutes.

Board committee structure at the end of the Financial Year

B.o.D.		OPC Committee		Audit and Risk Committee		Remuneration Committee	
Position/Qualification	Components	(*)	(**)	(*)	(**)	(*)	(**)
Chairman (executive)	Paolo Castellacci						
Managing Director	Alessandro Fabbroni						
Vice Chairman (executive)	Moreno Gaini						
Vice Chairman (executive)	Giovanni Moriani						
Non-Executive Director	Claudio Berretti	3/3	M	3/3	M	5/5	M
Non-Executive Director	Angelica Pelizzari						
Independent director	Giuseppe Cerati	2/2	P	2/2	P		
Independent director	Angela Oggionni	3/3	M	3/3	M	5/5	P
Independent director	Chiara Pieragnoli	2/2	M	2/2	M		
Independent director	Giovanna Zanotti	2/2	M	2/2	M	1/1	M
----- DIRECTORS WHO LEFT DURING THE YEAR -----							
Independent director	Maria Chiara Mosca ⁽¹⁾	3/3	P	3/3	P	4/4	M
----- MEMBERS WHO ARE NOT DIRECTORS -----							
Issuer's manager/ Other	Last name First name						
No. of meetings held during the Year:							
NOTES							
<p>(*) This column shows the directors' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).</p> <p>(**) This column indicates the title of the director within the committee: 'P': chairman; 'M': member.</p> <p>(1) For information on the resignation of Prof. Maria Chiara Mosca, please refer to the table "<i>Structure of the Board of Directors at the end of the Year</i>" in paragraph 4.3 above.</p>							

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

7.1 Self-Assessment and directors' succession

In accordance with the provisions of the Corporate Governance Code, the Board of Directors periodically performs self-assessment activities concerning the size, composition and actual operation of the Board itself and its committees, also considering the role played by the Board of Directors in defining strategies and monitoring management performance and the adequacy of internal control and risk management.

According to the Regulation on the Operation of the Board of Directors, the self-assessment activity is carried out periodically and, in any case, at least once every three years in view of the renewal of the Board of Directors. Lastly, at the meeting of 12 July 2021, in view of its renewal, the administrative body then in office carried out the self-assessment activity, deeming that the size, composition and actual operation of the administrative body and of the Committees were adequate with respect to the Company's management and organisational needs, ensuring an adequate diversification also with reference to gender aspects, managerial and professional skills, educational background, and the presence of different age brackets and seniority in office, also taking into account the presence (at the time), out of a total of 8 members, of 4 non-executive Directors, 2 of whom were independent non-executive Directors, who also ensured a suitable composition of the Committees established within the Board.

This assessment was also carried out considering the role played by the Board of Directors in defining strategies and monitoring management performance and the adequacy of the internal audit and risk management system.

The above self-assessment process, carried out in June and July 2021, concerned financial year 2020-2021 and was carried out on the basis of a questionnaire for the self-assessment of the board of directors, which was sent to all the Board Members. The questionnaire - divided into various areas of investigation, such as composition (also relating to gender composition, managerial and professional skills, training, the presence of different groups in terms of age and length of service), structure, dimension, operation and dynamics of the Board, interaction with management, risk governance, composition and structure of the Committees, and with the possibility to make comments and proposals - was filled in by all the Directors and shared by the Board. As stated above, the outcome of the assessment was that the board of directors and the relative Committees were found suitable for the pursuit of their respective functions, also with specific reference to the Independent Directors.

Furthermore, we inform you that the Board of Directors in office at the time in view of its renewal, which took place with the Shareholders' Meeting held on 26 August 2021, did not express a guideline on the quantitative and qualitative composition deemed optimal. We also inform you that the Board of Directors has not defined a plan for the succession of the Chief Executive Officer and executive directors, nor for the succession of top management, as Sesa is not required to do so on the basis of recommendation no. 24 of the Corporate Governance Code.

7.2 Appointments Committee

It should be noted that considering the Company's size and organisational structure, as well as its shareholding structure - characterised by a high degree of concentration - the Board of Directors

last confirmed in its meeting of 12 July 2022 that it did not find it necessary – at present - to set up a Committee for the Appointment of Directors at present.

8. DIRECTORS' REMUNERATION - REMUNERATION COMMITTEE

8.1 Directors' Remuneration

For information regarding the remuneration of the Directors, please refer to the Report on the Remuneration Policy and Considerations Paid, available within the terms of the law at the Company's registered office and on the Company's website at www.sesa.it in section "Investors - Shareholders' Meetings".

8.2 Remuneration Committee

For information on the functions, composition and operation of the Remuneration Committee, please refer to the relevant parts of the Report on Remuneration Policy and Compensation Paid, available within the terms of law at the Company's registered office and on the Company's website at www.sesa.it in section "Investors - Shareholders' Meetings".

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

The Board of Directors of Sesa Spa systematically assesses corporate risks in order to ensure:

- a. the sustainability of medium-long term investments;
- b. the efficiency and effectiveness of management activities;
- c. the reliability of financial and non-financial reporting;
- d. the compliance of operational activities with the system of rules and procedures that characterises the company's control environment.

The risk assessment process is based, in particular, on the following activities: analysis of financial coverage and capacity for value creation of investments conducted by top management (point a.); analysis of performance through a structured management control system managed by the group manager and controllers of group companies (point b.); tests on the reliability of procedures related to financial reporting, carried out by the Internal Audit function and specialised consultants (point c.); checks on the adequacy of company procedures/instructions with respect to the regulatory framework in force and their correct application, carried out in particular by the Internal Audit function and the Supervisory Board pursuant to Legislative Decree no. 231/2001 (point d.).

The risk assessment system follows the guidelines dictated by the Board of Directors, based on the indications provided by the Audit and Risk Committee.

The nature and level of perceived business risks are specifically disclosed in the Annual Report as at 30 April 2022.

The Internal Control and Risk Management System (hereinafter referred to as "SCIGR"), in line with international reference standards, and in accordance with the principles dictated by article 6 of the Corporate Governance Code (2020 edition), is recognised as *the set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the company.*

The Board of Directors, in line with the rules contained in the Corporate Governance Code, plays the role of guiding and assessing the adequacy of the SCIGR, specifically it:

- a. defines the SCIGR's guidelines, so that the main risks are correctly identified and adequately measured, managed and monitored;
- b. approves, at least once a year, the work plan prepared by the Head of Internal Audit, in consultation with the control body and the Chief Executive Officer;
- c. assigns to the control body the supervisory functions pursuant to article 6, paragraph 1, letter b) of Legislative Decree No. 231/2001;
- d. describes, in the Corporate Governance Report, the main features of the SCIGR and the way it is coordinated between the entities involved in it, expressing its assessment of its adequacy;
- e. assesses, in consultation with the auditing body, the findings set out by the statutory auditor in the letter of recommendations, if any, and in the report on key matters arising from the statutory audit.

At the meeting held on 12 July 2022, the Board of Directors assessed the adequacy of the SCIGR with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness. The assessment was based on the information provided by the Appointed Director, the Audit and Risk Committee, the Head of the Internal Audit Function and the Board of Statutory Auditors. It also analysed, after review by the Audit and Risk Committee, the annual report of the Head of Internal Audit and the half-yearly report of the Supervisory Board.

At the meeting held on 20 December 2021, the Board of Directors, after examination by the Audit and Risk Committee, analysed the report of the head of the Internal Audit function relating to the first half of the financial year ending 30 April 2022 and the half-year report of the Supervisory Board.

Before reviewing the tasks carried out by each stakeholder in the SCIGR of Sesa S.p.A., the “*main characteristics of the existing risk management and internal control systems in relation to the financial reporting process pursuant to article 123-bis, paragraph 2, letter b) of the TUF*” are outlined, This disclosure is made with reference to the indications contained in Annex 1 of the Format for the Report on Corporate Governance and Ownership Structure (9th edition - January 2022).

DESCRIPTION OF THE MAIN FEATURES OF THE EXISTING RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS

A) PREAMBLE

The risk management and internal control system in relation to the financial reporting process is an integral part of the SCIGR, and is designed to ensure the reliability, accuracy, trustworthiness and timeliness of financial reporting.

The monitoring of the adequacy of the internal controls governing the financial reporting process is formalised in specific documents, periodically submitted to the governance bodies for analysis in relation to the functions assigned to them. In this regard, the company also carries out a periodic *assessment* of internal administrative and accounting controls through specific audits, supported by external consultants, on their operational effectiveness.

The analysis model adopted follows the definitions proposed by the *Internal Control-Integrated Framework* document, disseminated internationally by the CoSO, where organisational principles

are codified to understand whether internal controls are in place and functionally mitigate risks, including reporting.

In accordance with legal requirements, the *Manager in charge of preparing the company's accounting documents* draws up and updates *administrative and accounting procedures* concerning the operational aspects of bookkeeping and the preparation of periodic and annual accounting reports, including consolidated ones. The aforementioned procedures are subject to periodic certification of their adequacy and effectiveness.

The administrative-accounting procedure management system (updating, dissemination, archiving) is integrated into the corporate documentation management system and *monitored* by the Internal Audit and Compliance functions and, to the extent relevant to the implementation of the Model pursuant to Legislative Decree No. 231 of 2001, by the Supervisory Board.

Actions to update/review administrative-accounting procedures as well as the results of audits assessing the related internal controls are brought to the attention of and analysed by the corporate governance bodies (Board of Directors, Audit and Risk Committee, Management Audit Committee).

As suggested by Borsa Italiana's format, the paragraph is structured into two sections, the first devoted to the *stages* of the system, the second to existing *roles and functions*.

B.1) PHASES OF THE EXISTING RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS.

The Company operates through a structured risk management system that operates both at company/group level ("*entity level*") and at "*process level*"

At the *entity level*, the company has put in place organisational tools and mechanisms aimed at delineating competences and responsibilities with regard to the identification, assessment, management and monitoring of risks related to the adequacy of financial reporting with respect to current regulations and the adopted internal procedures.

At the *process level*, the company has formalised a system of procedures specifically concerning: the process of keeping accounts; the preparation of financial reports; the management of obligations related to financial reporting. The procedures are accompanied by specific annexes containing the control standards for each process, subject to periodic verification.

That said, the steps and methods of risk management/controls adopted by the Company on the entities included in the scope of consolidation are summarised in the table below:

SYSTEM PHASES	PERFORMANCE OF THE ACTIVITIES
1. IDENTIFICATION OF THE FINANCIAL REPORTING RISKS	The identification of risks, mistakes or fraud is carried out with reference to the <i>claims on which the financial statements are based</i> (existence and occurrence, completeness, entitlements and obligations, evaluation and registration, presentation and reporting, validity, accuracy and data protection) and to <i>other audit objectives</i> , such as: authorisation limits, division of tasks, physical security of goods, documentation and tracking of operations.
2. ASSESSMENT OF THE FINANCIAL REPORTING RISKS	The inherent risk is understood to be the possibility that a single area of the financial statements or a group of transactions might generate tangible errors, despite internal controls. The assessment of the inherent risks takes place, for each individual entity, in consideration of the following aspects: type of characteristic assets, the complexity of the management operations and the sector of activity.

<p>3. IDENTIFICATION OF CONTROLS ON THE RISKS IDENTIFIED</p>	<p>The company has identified and formalised internal controls to prevent the risks identified in a special database. The database contains, among other things, the following information:</p> <ul style="list-style-type: none"> – the monitoring activities existing for each administrative-accounting process active at individual entity level; – the characteristics (automatic/manual; key/non-key) and the frequency of the controls identified; – the subjects involved in the performance of the control activities. <p>Controls with a direct impact on assertion or the objective of the control activity are qualified as “key controls”.</p>
<p>4. ASSESSMENT OF CONTROLS AGAINST IDENTIFIED RISKS</p>	<p>The <i>design</i> of the internal control system is considered adequate when the control is capable of mitigating, to an acceptable level, the possible risk of failure to achieve the control objective for which it was designed. The assessment of the design of the internal control system is carried out by the Internal Audit function, which monitors its continuing adequacy in relation to regulatory, business and organisational updates that characterise management.</p> <p>The assessment of the <i>effectiveness</i> of internal controls against the identified risks takes place systematically, through the conduct of tests by the Internal Audit function. Six-monthly tests on the effectiveness of internal controls are also conducted with the support of an external consulting firm.</p> <p>Control is <i>effective</i> if, during the period in question, it is carried out in accordance with the design (procedures).</p> <p>The results of the tests conducted allow the governance bodies to analyse the assessment conducted on the <i>design</i> and <i>functioning</i> of the controls.</p>

The general and specific controls envisaged for the financial reporting procedures in the Special Part of Model 231 are also subject to the supervisory activity carried out by the individual Bodies pursuant to Legislative Decree 231/2001 for the parent company and its main subsidiaries.

It should also be noted that the Company has been pursuing a compliance risk management strategy with an integrated group-wide perspective for some time now, also setting up a special function for this purpose. This ensures the alignment of the documentation relating to the internal audit activities and avoids shortcomings in the reporting flows between the departments/functions involved in the internal audit activities. The integration concerns the glossary and documentation used to ensure compliance with the provisions of the law (Legislative Decree 231/2001, Law no. 262/2005, statutory, welfare and taxation legislation), the instructions issued by certification bodies (management system certification standards), internal regulations (Code of Ethics, Code of Conduct, Regulations, Specific Procedures and Instructions).

Information addressed to company management with regard to the adequacy and the operational success of the system is contained in the following documents:

- half-year report by the Manager of the Internal Audit function to the Board of Directors;
- half-year report by the Supervisory Body to the Board of Directors (for aspects relating to the implementation of Model 231);
- half-year report on the results of the operational effectiveness tests within the framework of the design of controls and the assessment of the operation of the Internal Control System, pursuant to Law 262/2005 prepared with the support of KPMG Spa;
- letter of suggestions of the company appointed to independently audit the accounts;

B) ROLES AND FUNCTIONS INVOLVED.

In relation to the financial reporting process, the organisation of the roles and functions involved in the internal audit and risk management system is described in the following table:

PHASES OF THE PROCESS	BOD	CCG	CEO	IA	CS	SB	COMP
PLANNING	✓	✓	✓				
IMPLEMENTATION			✓				✓
MONITORING	✓	✓	✓	✓	✓	✓	✓
UPDATE			✓				✓

The Board of Directors (“BoD”) defines the aims and general architecture of the internal control and risk management system relating to the financial reporting (planning) process, with particular reference also to the level of adequacy and reliability of the underlying procedures and information flows relating to the validity tests carried out (monitoring). The financial reporting process relating to the preparation of the consolidated financial statements and the separate financial statements is managed with a corpus of formalised rules and procedures, subject to regular internal audit, with respect to which the board receives a report at least every six months.

During the financial year:

- the Board, through the communications of the Audit and Risk Committee, the appointed director and the reports of the internal control bodies, assessed the state of the system;
- the Management Audit Committee (“CCG”), which also acts as the Audit and Risk Committee (“CCR”), supported the Board of Directors in the design and monitoring of the system by assessing the adequacy of the design and the results of the internal control function tests provided for in the formalised procedures;
- the Chief Executive Officer (“CEO”) also holds the functions of Director in charge of the internal control and risk management system and of the Manager in charge of preparing the company’s financial reports, and has overseen the preparation, updating and actual operation of the procedures and rules relevant to the adequacy of the financial reporting process in line with the indications of the Board of Directors. The Manager in charge signed the certifications required by article 154-bis, paragraph 5 of the TUF;
- the Head of Internal Audit (“IA”) performed, in accordance with the Audit Mandate assigned and the audit programme approved by the Board of Directors, audits on the adequacy of procedures and the operation of internal controls placed to monitor the risks related to financial reporting;
- the Head of the Compliance Function (“COMP”) carried out, in line with the mandate assigned to him, ongoing checks on the companies’ compliance with regulations, verifying, in accordance with industry best practice, the compliance of their activities with legal provisions, Supervisory Authority measures, self-regulatory rules and contractual commitments undertaken with customers;
- the Board of Statutory Auditors (“CS”), in office until the Shareholders’ Meeting that approved the financial statements as of 30 April 2021, supervised, pursuant to article 149 of

the TUF, the adequacy of the internal control system and the administrative and accounting system, as well as the reliability of the latter in correctly representing management events. The Board of Auditors coordinated with the IA for the performance of checks on administrative and accounting procedures;

- the Supervisory Board (“SB”), whose functions are assigned to the Management Audit Committee, is involved in monitoring sensitive processes pursuant to the 231 Model adopted by the company. With particular reference to the prevention of corporate offences and in compliance with their respective autonomy of action, it coordinates with the IA and Compliance for the performance of its verification programme.

9.1 Chief Executive Officer

On 26 August 2021, the Board confirmed the Chief Executive Officer, Mr. Alessandro Fabbroni, as Appointed Director for the Internal Audit and Risk Management System.

The Appointed Director, in line with recommendation 32(b) contained in article 6 of the Corporate Governance Code, performs his duties within the scope and in implementation of the guidelines established by the Board, availing himself of the work of the Head of the Internal Audit Function, and in particular;

- (i) oversaw the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and periodically submitted them to the Board of Directors for examination, also after hearing the opinion of the Audit and Risk Committee;
- (ii) implemented the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness;
- (iii) dealt with the adaptation of this system to the dynamics of operational conditions and the legislative and regulatory framework;
- (iv) may ask the Internal Audit Function to carry out checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, simultaneously notifying the Chairman of the Board of Directors, the Chairman of the Audit and Risk Committee and the Chairman of the supervisory body; it should be noted that during the Year, the Appointed Director did not make use of the aforementioned power;
- (v) promptly reports to the Audit and Risk Committee (or to the Board of Directors) on problems and critical issues that have arisen in the performance of its activities or of which it has otherwise become aware, so that the Committee (or the Board) can take the appropriate initiatives.

The Appointed Director carried out the functions established by the Board and periodically attended the meetings of the supervisory bodies (Committees, Supervisory Board, Board of Auditors).

9.2 Audit and Risk Committee

The Board of Directors of the Company, in accordance with the provisions of the Corporate Governance Code, has set up an internal Audit and Risk Committee.

In particular, it should be noted, pursuant to article 2.10.1, paragraph 2, of the Instructions to the Stock Exchange Regulations, that, in compliance with the provisions of article 2.2.3, paragraph 3,

letter p) of the Borsa Italiana Regulations limited to issuers with STAR qualification, the Company has appointed an Audit and Risk Committee, in compliance with the provisions of recommendations no. 32(c), 33 and 35 provided for by article 6 of the Corporate Governance Code. The main information concerning its composition, operation, tasks assigned to it and activities performed during the year is given below.

Composition and operation of the Audit and Risk Committee [pursuant to article 123-bis, para. 2. letter d) of the TUF]

With regard to the composition of the Audit and Risk Committee, it should be noted that following the renewal of the corporate bodies by the Shareholders' Meeting of 26 August 2021, the Issuer's Board of Directors resolved, at the Board meeting held on the same date, to assign the functions of the Audit and Risk Committee to the Management Audit Committee, in accordance with the provisions of recommendation no. 32(c) in article 6 of the Corporate Governance Code. For more information on the composition of the Audit and Risk Committee, please refer to the Table entitled "Structure of the Board Committees at the end of the Year" in section 6 above.

Until the approval of the 2020-2021 financial statements, Silvia Bordi (Independent Director acting as Chairman), Mr. Claudio Berretti (Non-Executive Director) and Mr. Angela Oggionni (Independent Director) were members of the Audit and Risk Committee.

The work of the Audit and Risk Committee is coordinated by a chairman and the meetings are duly recorded in minutes; the chairman of the Committee informs the first useful Board.

During the Year, the Audit and Risk Committee met five times, on 3 May 2021, 14 June 2021, 12 July 2021, 13 December 2021 and 9 March 2022. The average duration of the meetings was about one hour.

The meetings of the Audit and Risk Committee were duly recorded in minutes and the minutes, signed by the person chairing the meeting and the secretary, were duly filed by the Company. The work of the Audit and Risk Committee was coordinated by the Chairman.

The Chairman informed the Board of Directors of the resolutions adopted by the Committee at the first useful meeting.

For the percentage of participation in meetings of each Director in the Audit and Risk Committee, please refer to the table entitled "Structure of Board Committees at the end of the Year" in section 6 above.

For the financial year 1 May 2022 - 30 April 2023, three meetings of the Audit and Risk Committee have been scheduled, in addition to those already held on 25 May 2022 and 8 July 2022.

In accordance with the provisions of recommendation no. 35 of article 6 of the Corporate Governance Code, the Audit and Risk Committee was composed of three independent non-executive Directors during the Year. In the Issuer's opinion, all the members of the Committee are recognised as having adequate experience in accounting and finance or risk management and meeting the requirements provided for by the regulations in force, as assessed by the Board when appointing the members of the Committee.

Pursuant to recommendation no. 17 of article 3 of the Corporate Governance Code, the meetings of the Audit and Risk Committee were attended, during the year, by the Chairman of the Board of Statutory Auditors and the standing members of the Board of Statutory Auditors (for as long as the same body remained in office). In addition, with reference to individual items on the agenda of the various meetings, the following also attended: the Chief Executive Officer and Director Appointed for overseeing the functionality of the internal control and risk management system; the Head of

the Internal Audit Function, the Head of the Legal & Compliance Function, the Head of Management Control and Group Administrative Processes, the Administrative Manager, the Investor Relations Manager and the Human Resources Manager, and the representatives of the company appointed to perform the statutory audit of the accounts. The participation of these persons took place at the invitation of the Committee Chairman - informing the Chief Executive Officer - in order to ensure adequate support for the requests made by the Committee members.

Functions assigned to the Audit and Risk Committee

In accordance with the provisions of article 2.2.3, paragraph 3, letter p) of the Italian Stock Exchange Regulations limited to issuers with STAR qualification, during the year the Audit and Risk Committee was assigned the functions set forth in recommendations no. 33 and 35 of article 6. In particular, the Committee, in assisting the Board of Directors:

- a) assesses, after consulting the manager responsible for preparing the company's financial reports, the statutory auditor and the auditing body, the correct use of accounting standards and, in the case of groups, their uniformity for the purposes of preparing the consolidated financial statements;
- b) assesses the suitability of periodic financial and non-financial information to fairly represent the Company's business model, strategies, the impact of its activities and the performance achieved;
- c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- d) expresses opinions on specific aspects relating to the identification of the main corporate risks;
- e) examines periodic reports and reports of particular relevance prepared by the Internal Audit Function;
- f) monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit Function;
- g) may entrust the Internal Audit Function with the performance of audits on specific operational areas;
- h) reports to the Board, at least on the occasion of the approval of the annual and semi-annual financial report, on the activities carried out and the adequacy of the internal control and risk management system;

The Audit and Risk Committee was also entrusted with providing opinions to the Board of Directors for the purpose of the:

- a) definition (by the Board of Directors) of the guidelines of the internal control and risk management system in line with the Company's strategies;
- b) assessment (by the Board of Directors), at least once a year, of the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness;
- c) approval (by the Board of Directors), at least once a year, of the work plan prepared by the Head of the Internal Audit Function, after consulting the Director appointed for the internal control and risk management system;
- d) verification of the adequacy of the organisational set-up of the corporate functions involved in controls (such as the risk management and legal and non-compliance risk monitoring functions), verifying that they have adequate professionalism and resources;
- e) description (by the Board of Directors), in the report on corporate governance, of the main features of the internal control and risk management system and the way in which it is coordinated between the parties involved in it, expressing its overall assessment of the adequacy of the system;
- f) assessment (by the Board of Directors) of the results set out by the statutory auditor in the letter of suggestions, if any, and in the supplementary report addressed to the auditing body;

- g) appointment and revocation (by the Board of Directors) of the Head of the Internal Audit Function; adequacy of the resources with which the Head of the Internal Audit Function is endowed in relation to the performance of their duties; definition (by the Board of Directors) of the remuneration of the Head of the Internal Audit Function in line with corporate policies.

The Audit and Risk Committee is also entrusted with the task of:

- a) supporting the Chairman of the Board of Directors in carrying out the self-assessment process concerning the size, composition and actual operation of the Board of Directors and its committees;
- b) supporting the Chairman of the Board of Directors so that the latter, with the help of the Board's secretary, ensures the adequacy and transparency of the Board's self-assessment process, pursuant to recommendation no. 12 of the Corporate Governance Code;
- c) assisting the board of directors in the process of self-assessment of the board of directors and its committees.

It should also be noted that the Issuer has identified the Audit and Risk Committee as the body responsible for transactions with related parties, which, pursuant to the Related Parties Procedure, takes on the role of the Related Parties Committee (see paragraph 10 below).

Since its establishment, the Committee has had its own rules of operation. In this regard, it should be noted that, during the Year, the rules of operation of the Audit and Risk Committee were updated in relation to regulatory and organisational developments of interest to the Company to take into account, in particular, the adoption of the one-tier management and control model.

In accordance with the provisions of the Regulation of the Audit and Risk Committee, the Committee has access to the information and company departments necessary to perform its tasks and may make use of external consultants, under the terms established by the Board of Directors. In order to perform its duties, the Committee may make use of the Company's corporate means and structures.

The Committee's opinions and/or proposals and/or resolutions were duly reflected in the minutes of the meetings.

During the Year, with reference to the single functions assigned to it, the Audit and Risks Committee, as resulting also from the minutes of the meetings, entered into the following activities, among others:

- verification and support of the company in the development of the requirements following the entry into force of the new Corporate Governance Code;
- assessment of the contents of the periodic Audit Report and the main aspects of the related Audit Plan prepared by the Internal Audit function;
- assessment of the content of the periodic reports on the activity performed by the Supervisory Body pursuant to legislative decree 231/01 and the relative Supervisory Programme;
- verification of the work of the Independent Auditors in relation to the company's consolidated and separate financial statements;
- assessment of the content of the Report on Corporate Governance and the Ownership Structures in compliance with art. 123-bis of the TUF;
- obtaining of information on the provision of treasury shares by the company and on the main terms of the buyback contract with the intermediary appointed for this purpose;

- verification of the development of activities in the 262 area and the completion of the procedure for the selection of the new auditing company;
- obtaining of information on the Group's main risks and assessment of the internal control and risk management system;
- overview of related party transactions and the development of related procedures.

During the board meeting held on 12 July 2022, the Chairman of the Audit and Risks Committee reported to the Board of Directors on the activities pursued and the adequacy of the Internal Audit and Risk Management System.

In the pursuit of its activities, the Audit and Risks Committee had the possibility to access the information and business functions necessary for the performance of its tasks.

No financial resources were destined to the Audit and Risks Committee, in that it uses the Issuer's business structures and means for the pursuit of its tasks.

9.3 Head of the internal audit function

On 14 September 2021, the Board of Directors approved the annual audit plan for the year ending on 30 April 2022, prepared by the head of the Internal Audit function, having heard the audit Management Committee and the Director Appointed for the Internal Audit and Risk Management System.

The head of the Internal Audit Function is Michele Ferri, confirmed in office by the Board of Directors on 26 August 2021 for the subsequent three years with a remuneration consistent with corporate policies.

The head of the Internal Audit Function is not responsible for any operational area. He is subordinate to the Board, to which he proposes the annual programme and presents six-monthly reports. He reports functionally to the Appointed Director with whom he coordinates the audit activities.

The head of the Internal Audit Function checks, both continually and in relation to specific needs, and in observance of the international standards, the operational success and suitability of the internal audit and risk management system, employing an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of risks.

The resources made available to the head of the Internal Audit Function have been assessed and found adequate to the performance of the activities required.

The head of the Internal Audit Function, in line with recommendation 36 of article 6 of the Corporate Governance Code:

- a. checked, both continually and in relation to specific needs, and in observance of the international standards, the operational success and suitability of the internal audit and risk management system, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks;
- b. prepared periodical reports containing adequate information on his activity, on the methods used to manage risks and on respect of the plans defined to limit them. The periodical reports contain an assessment of the suitability of the internal audit and risk management system;

- c. promptly prepared reports on events of particular importance;
- d. transmitted the reports pursuant to points c) and d) to the chairmen of the supervisory body, the Audit and Control Committee and the Board of Directors, as well as the Chief Executive Officer;
- e. checked, within the scope of the audit plan, the reliability of the reporting systems including accounting systems.

For the execution of the auditing activities in financial year 2021-2022, envisaged by the audit plan, the Internal Audit Function had direct access to all information useful for performing the task and was able to engage in-house work teams dedicated to the development of special projects linked to the integration of the auditing procedures among different areas of management (Legislative Decree 231/2001, Law 262/2005, certified management systems ISO9001, ISO14001, SA8000) at group level for the identification and formalisation of centralised procedures and harmonised protocols at corporate level, operating in some cases and in respect of their different powers, in synergy with the Compliance function.

The in-house resources used devoted an adequate number of hours to the pursuit of the plan and involved skills relating to the audit of management, reporting systems and legal and corporate aspects, compliance, and all the managers involved in preparing the operational procedures.

As far as external resources are concerned, the IA function engaged the consulting services of KPMG Spa for the performance of checks on the efficiency of the administrative and accounting procedures of SESA S.p.A. and the Group, with particular reference to the controls pursuant to Law 262 of 2005.

The amount of resources for external consulting in support of the Internal Auditor for the current year was about Euro 35,000.

As envisaged by the audit plan for FY 2021-2022, the main activities of the Internal Audit Function, regarded:

- support with identifying and assessing business risks, as well as defining risk monitoring and mitigation tools;
- support with improvement of the internal control systems and the integrated management of group compliance with regard to matters relating to the adoption of the company's Model 231, the Code of the Ethics, protocols pursuant to Law 262/2005 and the certified management systems;
- checks on the business procedures, as envisaged by the Audit Plan;
- operating control tests for the purposes of certification pursuant to art. 154-bis of the TUF.

9.4 Organisational model pursuant to Legislative Decree 231/2001

Sesa Spa and its main subsidiaries have adopted an organisational, management and control model pursuant to Legislative Decree No. 231/2001 (hereinafter also referred to as "Model 231"). The model in question is integrated into the broader internal control system adopted by the company and is periodically updated in relation to regulatory changes and organisational changes. The updating of the Models is carried out independently by each company with the methodological support of the Group's IA and Compliance functions. The 231 Model currently in force has already incorporated all the regulatory updates of Legislative Decree 231/2001 that have occurred up to the closing date of the financial year.

During its meeting of 26 August 2021, the Board of Directors assigned the functions of supervisory body pursuant to Legislative Decree No. 231/2001 to the Management Audit Committee.

Compliance with Legislative Decree No. 231/2001 is based on:

- **the Group’s Code of Ethics**, which sets out the general principles (integrity, fairness and transparency, professionalism, sustainability and business continuity, attention to people and stakeholders, environmental protection) inspiring the Sesa Group and qualifying the performance of work services and behaviour in the working environment;
- **the risk assessment process** described in Model 231. In particular, the activities qualifying the model itself are the identification of the risks of offences being committed, the assessment of the internal control system in terms of its ability to reduce the identified risks to an acceptable level, the management of risks in the strict sense, the monitoring of internal control systems, and the provision of adequate information flows between the various parties involved in the processes envisaged by the model;
- **the map of company areas at risk of commission of offences pursuant to Legislative Decree 231/2001**, linked to the identification of activities and control mechanisms deemed suitable to prevent the commission of offences;
- **the activities of the Supervisory Board**, which verifies compliance with the procedures laid down in the 231 Model; it formulates proposals to the Board of Directors or the competent corporate functions for any updates and adjustments to the adopted organisational model; it draws up an annual supervisory programme that it submits to the Audit and Risk Committee and the Board of Directors and prepares a half-yearly report on its activities for the same bodies.

The 231 Model and the Group Code of Ethics can be viewed in the “*Corporate Governance*” section of the Issuer’s website at www.sesa.it .

9.5 Independent Auditor

On 15 July 2013, the company’s ordinary Shareholders’ Meeting, by proposal of the Board of Statutory Auditors, resolved to grant PricewaterhouseCoopers S.p.A. the job of auditing the company’s statutory and consolidated financial statements for the years from 30 April 2014 to 30 April 2022, in compliance with articles 14 and 16 of Legislative Decree 39/2010, as well as a limited audit of the half-yearly financial report.

In the course of the financial year, the Board, having also consulted with the supervisory body, assessed the results presented by the statutory auditor in the letter of recommendations as stipulated in Recommendation 33(f) of the Corporate Governance Code.

9.6 Executive appointed to prepare the corporate accounting documents and other auditing roles and functions within the company

The executive appointed to draw up the company accounting documents exercises this function in compliance with the specific *Regulation of the Executive Appointed to draw up the company accounting documents* prepared by the company.

On 26 August 2021, the Issuer’s Board of Directors, after checking the requisites pursuant to article 20 of the Articles of Association, with the approval of the Board of Statutory Auditors, resolved (i) the confirmation of Alessandro Fabbroni as executive appointed to prepare the corporate accounting documents (ii) attribution to Mr Fabbroni of the powers and functions pursuant to art. 154-bis of the TUF and to the applicable provisions of the law and regulation. During the same meeting, the Board also established the payment of the appointed executive.

The appointed executive is responsible for the implementation of law 262/2005 also with the methodological support of and audit by a third party with respect to the independent auditor of the

accounts, identified as KPMG S.p.A., appointed specifically on the basis of a long-term mandate in compliance with the audit continuity principle. The plan for the implementation of law 262/2005 is subject to systematic monitoring and falls within the scope of the internal audit defined in the annual audit programme.

There is a special compliance function, as a level 2 supervisory body, which specifically guarantees the companies' compliance with regulations, verifying, in accordance with industry best practices, the compliance of the activities carried out with the provisions of the law, the provisions of the Supervisory Authorities, the self-governance rules and the contractual commitments undertaken with customers. The function is also committed, according to a risk-based approach, to managing the risk of non-compliance with respect to all company activities, verifying those internal procedures are adequate to prevent such risk.

Another function that qualifies the company's internal audit and risk management system is that appointed to carry out the Management audit.

In this sense, the company interprets the function, assigning it a strategic role in the identification, assessment and monitoring of economic-financial risks, in support of the choices made by the company's executive management. The main tasks can be summarised as follows:

- planning and budgeting for the definition of strategic and current aims;
- monitoring of the economic and financial events recorded during the year by period of accrual;
- monitoring of the economic and financial events during the year at consolidated level.

9.7 Coordination between the subject involved in the internal audit and risk management system

The methods of coordination set up by the Issuer among the various parties involved in the Internal Audit and Risk Management System guarantee an effective and efficient sharing of information among the bodies with these functions.

The coordination of the various parties involved in the internal audit and risk management system (Board of Directors, Director Appointed for the internal audit and risk management system, Audit and Risks Committee, Audit Management Committee, Board of Statutory Auditors, Supervisory Body, Internal Audit Function, Compliance Function, Executive Appointed to prepare the corporate accounting documents and other business roles and functions with specific tasks in relation to internal audit and risk management) is ensured by the continuous flow of reports between said parties, achieved through periodical meetings. In particular, the heads of the Internal Audit and Compliance functions attended the meetings of the Audit Management Committee, the Supervisory Body, and the Audit and Risks Committee, as well as continuous meetings with the Executive Appointed and with the managers of the various company functions.

The Chairman of the Board of Statutory Auditors attended the meetings of the Audit and Risks Committee, also in his capacity as Chairman of the company's Supervisory Body.

The Audit Management Committee and the Supervisory Body meet every six months with the representative of the independent auditor appointed to carry out the independent audit of the company accounts.

Moreover, the Appointed Director and the managers of the various company functions intervened

during some of the meetings of the Audit Management Committee and the Supervisory Body.

10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

The Issuer has defined and implemented specific procedures on the matter of transactions with related parties, suited to guaranteeing the directors complete and thorough information on the type of transactions.

Procedure for Transactions with Related Parties

In its meeting of 23 September 2013, the Board of Directors resolved to adopt the “*Procedure for Related Party Transactions*” (the “**Related Party Procedure**”) adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as subsequently amended and supplemented (the “**Related Parties Regulation**”), effective as of the Listing Date.

The Related Parties Procedure was last amended on 11 March 2021 in order to adapt it to the amendments made by Consob to the Related Parties Regulation by resolution No. 21624 of 10 December 2020 and to the introduction of the one-tier system of management and control; such amendments are applicable as of 1 July 2021.

This procedure is aimed at regulating transactions with related parties carried out by the Company, including through subsidiaries pursuant to article 2359 of the Italian Civil Code or in any case subject to management and coordination activities, in order to guarantee the substantial and procedural correctness of the same, as well as proper disclosure to the market.

The Related Parties Procedure and its annexes are available on the Issuer’s *website* at www.sesa.it, in section “*Governance - Related Parties Procedure*”.

During the Year, the Issuer identified the Audit and Risk Committee as the body responsible for transactions with related parties, which, pursuant to the Related Parties Procedure, takes on the role of the Related Parties Committee. With regard to the composition of the Audit and Risk Committee, please refer to paragraph 9.2 above.

The work of the Audit and Risk Committee, when it meets as a Related Parties Committee, is coordinated by a chairman and the meetings are duly recorded in minutes; the Committee chairman provides information thereof at the first useful Board meeting.

During the Year, the Audit and Risk Committee, in the performance of its duties as the Related Parties Committee, met five times, on 3 May 2021, 14 June 2021, 12 July 2021, 13 December 2021 and 9 March 2022. The average duration of the meetings was approximately one hour.

The meetings were duly recorded in minutes. The work of the Committee was coordinated by the Chairman.

The Chairman informed the Board of Directors of the resolutions adopted by the Committee at the first useful meeting.

For the financial year 1 May 2022 - 30 April 2023, three meetings of the Audit and Risk Committee have been scheduled, in the performance of the functions of the Related Parties Committee, in addition to those already held on 25 May 2022 and 8 July 2022.

For the percentage of participation in meetings of each Director in the Related Party Transactions Committee, please refer to the table entitled “Board Committee Structure at the end of the financial year” in section 6 above.

During the Financial Year, in the context of the activities carried out by the Audit and Risk Committee, acting as the Related Parties Committee, it is worth mentioning the updating of the Company Procedure concerning transactions with Related Parties and of the relevant forms for the sector, as well as the verification of the related operational process also through interviews with the heads of the various corporate functions involved.

Lastly, it should be noted that at the date of this Report, the Board of Directors did not deem it necessary to adopt procedures to identify and manage situations in which a director has an interest on their own behalf or on behalf of third parties, considering the existing controls pursuant to article 2391 of the Italian Civil Code and the Related Parties Procedure to be adequate.

11. BOARD OF AUDITORS

It should be noted that by resolution of 27 January 2021, the Extraordinary Shareholders’ Meeting approved the proposed amendments to the Articles of Association related to the adoption of the one-tier management and control system, pursuant to and by effect of articles 2409-sexiesdecies et seq. of the Italian Civil Code. The changes related to the new governance system were applied as of the renewal of the corporate bodies by the Shareholders’ Meeting held on 26 August 2021. For the composition of the Board of Statutory Auditors in office until the date of approval of the 2020-2021 financial statements, and the meetings of the same Board held during the year, please refer to the details given in section 4.9 of this Report.

12. RELATIONS WITH SHAREHOLDERS

The company found it to be in its specific interest - as well as being its duty to the market - to set up an ongoing dialogue, from the moment of listing, based on the reciprocal understanding of the roles, with the Shareholders and with institutional investors; a relationship destined to be pursued in observance of the “Procedure for internal management and external reporting of Privileged Information” described in paragraph 5.

It was decided that this relationship with Shareholders and institutional investors can be facilitated by the formation of dedicated business structures manned by adequate organisational means and staff.

To this end, the Investor Relations function was created, to pursue relations with Shareholders and institutional investors, and to carry out, if necessary, specific tasks in the management of privileged information and in relations with Consob and Borsa Italiana S.p.A.

In addition, Sesa has set up a special section on its website www.sesa.it, easily identifiable and accessible, where the most relevant information on the Issuer is made available, so that its shareholders can consciously exercise their rights.

During the Year, in order to further promote an open and constant dialogue with all its shareholders, and in compliance with the provisions of recommendation no. 3 of the Corporate Governance Code (article 1, recommendation no. 3), the Company has adopted a specific “Policy for Managing Dialogue with Shareholders and other Relevant Stakeholders” (as last amended by the Board of

Directors on 12 July 2022, which is the instrument that regulates and defines the guidelines identified by the Company to ensure the most appropriate management of active and constructive communication with its shareholders and Stakeholders (as defined therein). The dialogue and relations between the Board, Investors and Relevant Stakeholders are part of the Company's promoted approach, articulated through various specific communication tools, with the aim of fostering Sesa's transparency towards the financial community and the markets, by building, maintaining and developing a relationship of trust, transparency and fairness with Investors.

This Policy demonstrates Sesa's commitment to maintaining an ongoing, open and constructive dialogue with all Investors and subjects (both individuals and organisations) that have an interest in Sesa S.p.A. or towards its business objectives (the “**Relevant Stakeholders**”), in compliance with the regulations in force on the matter also with reference to market abuse and applicable best practices, in order to increase the degree of knowledge of the Company through the organisation of events dedicated to an in-depth examination of its strategy, business, commercial and/or sustainability performance, of the economic-financial and/or sustainability outlook, of corporate governance, of social and environmental sustainability, of the policies on the remuneration of directors and executives with strategic responsibilities and their implementation, and of the internal control and risk management system pertaining to Sesa. All this in order to ensure the best information transparency, increase the level of understanding of each other's points of view, improve the Company's financial and non-financial results, also with regard to environmental, social and corporate governance factors, favouring sustainable success and the creation of value in the medium-long term.

In accordance with the provisions of the Policy for managing dialogue with Shareholders and other Relevant Stakeholders, information shared with stakeholders shall be clear, complete, correct and truthful and not misleading or confusing, ensuring the Company that the dialogue is conducted on an equal footing with Shareholders, who shall be subject to identical conditions.

The Chief Executive Officer, as delegated by the Board of Directors, is responsible for the management and strategic communication and supervision of the processes of communication of information to Investors, Relevant Stakeholders and the public, with a particular focus on the communication of strategic information under direct supervision. Based on the topics under discussion and/or requests received from Investors, the Chief Executive Officer, when necessary with the involvement also of the Chairman, will coordinate the dialogue also with the intervention of other members of the Board on the basis of their expertise in the matter.

Also in consideration of the single topic under discussion, dialogue activities may take place in a one-way manner, whereby only Investors and/or Relevant Stakeholders present their views on specific issues to the Company, or in a two-way manner, whereby an actual exchange of information between Investors, Relevant Stakeholders and the Company takes place on a bilateral basis, i.e. with the participation of only one Investor on each occasion, or collectively, i.e. with the simultaneous participation of several Investors.

The Policy on Dialogue with Shareholders and other Relevant Stakeholders, which details the procedures for dialogue with Investors, can be found on the Issuer's website at www.sesa.it in the *Investors* section.

Furthermore, the main documents on Corporate Governance and the Code of Ethics, as well as other information of relevance to Shareholders, can be consulted on the above-mentioned website.

13. SHAREHOLDERS' MEETINGS

In compliance with art. 11 of the Articles of Association, the Shareholders' Meeting is convened within the terms indicated by the law and regulations in force at the time, via notification to be published on the company's website, and with the methods envisaged by the law and regulations in force at the time. In the notification convening the Shareholders' Meeting, there may be a second date for a further call, in case the previous Shareholders' Meeting does not result legally valid. If the date for second or further Shareholders' Meetings is not indicated in the notification, they will take place within thirty days of the date indicated in the letter convening the first Shareholders' Meeting. The Shareholders' Meeting may also be convened outside the Municipality where the registered office is located, as long as it is held within Italy.

The ordinary Shareholders' Meeting to approve the financial statements must be convened within 120 days of the end of the financial year, in the cases envisaged by art. 2364, par. 2 of the Italian Civil Code, and as long as it is allowed by law, within 180 days of the end of the financial year.

In compliance with article 12 of the Articles of Association, all those with voting rights are entitled to take part in the Shareholders' Meeting.

Legitimation to take part in the Shareholders' Meeting and to exercise the voting right is certified by a communication to the Company by the intermediary assigned the task of keeping the accounts in compliance with the law, on the basis of the evidence of the relative bookkeeping entries at the end of the business day of the seventh open market day prior to the date set for the Shareholders' Meeting, received by the Company within the terms of the law. To this end, the date of the first call is considered, as long as the dates of further calls are indicated in the single notification; otherwise, the date of each call will be considered.

Those who are entitled to vote may appoint representatives by mandate in compliance with the law. The electronic notification of the mandate may be carried out using the methods indicated in the call, via certified e-mail to the address indicated in the notification or using a special section of the company's website. The company is entitled to designate a subject to whom the Shareholders' may grant mandate for representation at the Shareholders' Meeting in compliance with art. 135-undecies TUF, indicating this in the letter convening the Shareholders' Meeting. For everything not otherwise provided for by the Articles of Association, intervention and voting are regulated by the law.

To exercise the rights of minorities such as (i) convening the Shareholders' Meeting by request of the Shareholders; (ii) the right to request additions to the agenda and to present new proposals for resolution; (iii) the right to ask questions before the meeting, the provisions of the law and regulations currently in force apply.

The ordinary Shareholders' Meeting is competent for: a) approval of the financial statements; b) appointment and repeal of the Directors and, when envisaged, the independent auditor; c) determination of the payment of the Directors; d) resolution on the responsibility of Directors and Auditors; e) resolution on other items attributed by law to the Shareholders' Meeting, as well as any authorisations that might be required by the Articles of Association for the performance of acts by the directors, notwithstanding their responsibility for the performance of the acts of directors with regard to transactions with related parties, in compliance with art. 2364, par. 1 no. 5 of the Italian Civil Code, as envisaged by art. 14) of the Articles of Association), in conformity to that envisaged by the laws and regulations in force at the time; f) approve any regulation of the tasks of the shareholders' meeting; g) pass resolution on anything else for which it is competent in compliance with the law and the Articles of Association.

The extraordinary shareholders' meeting passes resolution on the amendments of the Articles of Association, the appointment, the replacement and the powers of liquidators and on every other matter expressly attributed to it by law. The Board of Directors is assigned the competence to pass

resolution on the matters indicated in article 17 of the Articles of Association, notwithstanding the fact that said competence may be remitted to the extraordinary Shareholders' Meeting (see paragraph 4.1).

Pursuant to article 14 of the Articles of Association, the resolutions of the ordinary and extraordinary Shareholders' Meetings are passed by the majorities required by law, with the exception of that indicated below.

The amendments of article 14 and article 6 (with reference to the absent indication of the nominal value) of the Articles of Association are approved by the extraordinary Shareholders' Meeting with the favourable vote of as many shareholders as represent, at any call, at least two thirds of the share capital.

As an exception to the general rule whereby each share grants the right to one vote, pursuant to article 7 of the Articles of Association, in accordance with article 127-quinquies TUF, each ordinary share grants the right to a double vote (and therefore to two votes for each share); for more information, please refer to paragraph 2, letter d).

The Shareholders' Meeting must be held using methods such as to ensure that those entitled to attend are able to be aware of the events in real time and to freely decide and freely and promptly express their vote. To facilitate intervention in the Shareholders' Meeting and the exercise of voting rights by those holding them, the Issuer's Articles of Association (article 12) envisage that the Shareholders' Meeting may be held with interventions from several places, adjacent or remote, connected by video or audio, as long as the joint method and the principles of good faith and equal treatment of the Shareholders are respected.

It should also be noted that, on 28 August 2020, the Shareholders' Meeting approved a set of rules for Shareholders' Meetings which (i) describes the procedures to be followed and the conduct to be adopted to allow the orderly, disciplined and functional proceedings of the company's Shareholders' Meetings and (ii) defines the procedures for participation in the Shareholders' Meeting and the rules for discussion of the items on the agenda, to guarantee the right of each shareholder to speak on the matters being discussed.

For any further information, please see the Shareholders' Meeting Regulations available on the company's website www.sesa.it, in the "Investors - Shareholders' Meetings" section.

During the Year and up to the date of this Report, the Issuer's Shareholders' Meeting met once on 26 August 2021, which was, among other things, called to renew the Board of Directors. With reference to this agenda item, the Board of Directors abstained from making proposals regarding the number of members of the Board of Directors and their term of office. On this point, it should be noted that the majority shareholder ITH S.p.A. made proposals well in advance for resolutions on the number of Directors to be appointed, their term of office, the appointment of the Chairman of the Board of Directors and the allocation of the Board's remuneration, which were promptly brought to the public's attention through publication on the Issuer's website.

In this regard, it should be noted that, in compliance with the provisions of article 106, paragraph 4, of Decree-Law No. 18 of 17 March 2020, concerning "*Measures to strengthen the National Health Service and provide economic support for families, workers and businesses related to the epidemiological emergency caused by COVID-19*", as subsequently extended, for the aforesaid Shareholders' Meeting it was envisaged that shareholders could only intervene through the "Appointed Representative" pursuant to article 135-undecies, TUF. Therefore, shareholders with voting rights could not individually submit resolution proposals to the Shareholders' Meeting on the items already on the agenda. In this regard, a reasonable period of time was granted to the

shareholders to allow them to advance in writing any individual resolution proposals on the items already on the agenda.

The Chairman of the Board of Directors Paolo Castellacci, Executive Deputy Chairman Moreno Gaini, Chief Executive Officer Alessandro Fabbroni, Director Angela Oggioni and Director Angelica Pelizzari attended the meeting.

The Board of Directors also endeavoured to ensure that the shareholders were adequately informed about the necessary elements so that they could make informed decisions within the competence of the shareholders' meeting.

The following documents, among others, are available on the Issuer's *website* at www.sesa.it in the "Investors - Shareholders' Meetings" section: *i*) the notice of meeting; *ii*) a copy of the minutes of the Shareholders' Meeting; *iii*) the summary voting report; *iv*) the documents, reports and proposed resolutions submitted to the Shareholders' Meeting.

With regard to Shareholders' rights not illustrated in this Report, please refer to the applicable *pro tempore* laws and regulations.

During the Year 1 May 2021 / 30 April 2022, there were significant changes in the market capitalisation of the Issuer's shares, with the average capitalisation value changing from 1,285,186,598 Euros in the financial year 1 May 2020 / 30 April 2021 to 2,420,010,199 Euros in the financial year 1 May 2021 / 30 April 2022. During the financial year, there were no significant changes in the composition of its shareholding structure.

14. FURTHER CORPORATE GOVERNANCE PRACTICES [art. 123-bis, par. 2, lett. a), TUF]

The Issuer does not adopt any corporate governance practices other than those provided for by the laws or regulations in force and described in this Report. In particular, please refer to sections 6 and 9 above of the Report with reference to the Sustainability Committee and the 231 Model, respectively.

15. CHANGES SINCE THE END OF THE YEAR OF REFERENCE

There have been no changes in the corporate governance structure since the end of the financial year.

16. CONSIDERATIONS ON THE LETTER DATED 3 December 2021 OF THE CHAIRMAN OF THE COMMITTEE FOR CORPORATE GOVERNANCE

In December 2021, the Corporate Governance Committee of Borsa Italiana made its recommendations for 2022 regarding the compliance of issuers with the Corporate Governance Code; these recommendations are contained in a document called "*the Recommendations of the Committee for 2022*" annexed to the letter - signed by the Chairman of the Italian Committee for Corporate Governance.

The letter from the Chairman of the Italian Committee for Corporate Governance and the recommendations for 2022 were examined by the Board of Directors, and also by the Governance Committees for the profiles for which they are responsible.

In particular, the Issuer's Board of Directors, during its meeting on 12 July 2022, examined the aforesaid letter and, with the favourable opinion of the Chairman of the Remuneration Committee and of the Chairman of the Audit and Risks Committee on behalf of the respective Committees and to the extent of their competence, took note of its content, noting a substantial adaptation by the Company to all the recommendations expressed by the Committee for Corporate Governance (with regard to the sustainability of the company's business activity, the provision of information before Board meetings, the application of criteria of independence, the self-assessment of the board of directors, the appointment and succession of directors and remuneration policies). More specifically, the Board reached the above-mentioned conclusion on the basis of the following considerations:

- i)* the programme to implement the company's governance system with the aim of orienting the Group's management towards sustainable development and the generation of long-term value to the benefit of shareholders and stakeholders, which led, among other things, to the supplementation of article 19 of the Articles of Association and the assignment to the Board of Directors of the task of guiding the company by pursuing success and sustainable growth to the benefit of shareholders, as well as the establishment of the Sustainability Committee on 12 July 2022;
- ii)* the effective adoption of the "Policy for managing dialogue with Shareholders in general" approved in the Board of Directors meeting during the Year;
- iii)* the prompt and complete nature of the pre-meeting information was guaranteed by sending the documentation, normally in good time before the date of the Board Meeting or within the terms of convening said meeting, as envisaged in the Articles of Association;
- iv)* in assessing the independence of the qualified Directors and Statutory Auditors, during the Year, the Board and the supervisory body always applied all the criteria envisaged by the Corporate Governance Code in force during the year;
- v)* again, with regard to the assessment of independence, the quantitative and qualitative criteria to be used to assess the significance of the relationships under review were defined *ex ante*;
- vi)* the remuneration policy adopted by the Company already envisages that a significant part of the remuneration of Executive Directors is linked to the attainment of specific short and medium-long term performance targets, also with non-financial goals;
- vii)* the remuneration of non-executive directors and members of the supervisory body is commensurate with the commitment required of each of them.

Lastly, at the same Board meeting held on 12 July 2022, the Board of Directors deemed that there were adequate reasons for not complying with some of the provisions contained in the Corporate Governance Code, confirming its commitment to constantly monitoring the degree of compliance with the Corporate Governance Code, as well as the effective existence of the reasons justifying the Company's failure to comply with some of the recommendations contained therein.

For any additional information on other profiles highlighted in the letter, please see the information provided in this Report and in the Report on Policy regarding Remuneration and consideration paid drawn up in compliance with article 123-ter, TUF.

Empoli (FI), 12 July 2022
On behalf of the Board of Directors

The Chairman
Paolo Castellacci