

**REPORT ON CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURES**

pursuant to Article 123-*bis* of the TUF (Consolidated Law on Finance)

(traditional administration and control model)

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

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

**Financial year ended 31 December 2022**

Approved by the Board of Directors of 21 March 2023

# CONTENTS

<b>CONTENTS</b> .....	<b>2</b>
<b>GLOSSARY</b> .....	<b>5</b>
<b>1. PROFILE OF THE ISSUER</b> .....	<b>7</b>
<b>2. INFORMATION ON THE OWNERSHIP STRUCTURES (pursuant to Article 123-bis, paragraph 1, of the TUF) AT THE REPORT DATE</b> .....	<b>9</b>
a) Structure of the share capital (pursuant to Article 123-bis, paragraph 1, letter a), of the TUF).....	9
b) Restrictions on the transfer of securities (pursuant to Article 123-bis, paragraph 1, letter b), of the TUF).....	12
c) Significant shareholdings (pursuant to Article 123-bis, paragraph 1, letter c), of the TUF).....	12
d) Securities that confer special rights (pursuant to Article 123-bis, paragraph 1, letter d), of the TUF) .	13
e) Employee share ownership: mechanism for exercising voting rights (pursuant to Article 123-bis, paragraph 1, letter e), of the TUF) .....	13
f) Restrictions on the voting right (pursuant to Article 123-bis, paragraph 1, letter f), of the TUF) .....	13
g) Agreements between shareholders (pursuant to Article 123-bis, paragraph 1, letter g), of the TUF) ..	13
h) Change of control clauses (pursuant to Article 123-bis, paragraph 1, letter h), of the TUF) and statutory provisions on takeover bids (pursuant to Articles 104, paragraph 1-ter, and 104-bis, paragraph 1, of the TUF).....	13
i) Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to Article 123-bis, paragraph 1, letter m), of the TUF) .....	14
j) Management and coordination activities (pursuant to Article 2497 et seq. of the Civil Code) .....	17
<b>3. COMPLIANCE (pursuant to Article 123-bis, paragraph 2, letter a), first part, of the TUF) .....</b>	<b>18</b>
<b>4. BOARD OF DIRECTORS</b> .....	<b>18</b>
4.1 ROLE OF THE BOARD OF DIRECTORS .....	18
4.2 APPOINTMENT AND REPLACEMENT (pursuant to Article 123-bis, paragraph 1, letter l), first part, of the TUF).....	19
4.3 COMPOSITION (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), of the TUF) .....	23
4.4 OPERATION OF THE BOARD OF DIRECTORS (pursuant to Article 123-bis, paragraph 2, letter d), of the TUF).....	29
4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS .....	31

4.6	EXECUTIVE DIRECTORS .....	34
4.7	INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR .....	39
<b>5.</b>	<b>MANAGEMENT OF COMPANY INFORMATION.....</b>	<b>41</b>
<b>6.</b>	<b>INTERNAL BOARD COMMITTEES (pursuant to Article 123-bis, paragraph 2, letter d), of the TUF) .....</b>	<b>42</b>
<b>7.</b>	<b>SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENT COMMITTEE .....</b>	<b>49</b>
7.1	SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS.....	49
7.2	APPOINTMENT COMMITTEE.....	51
<b>8.</b>	<b>REMUNERATION OF DIRECTORS - REMUNERATION COMMITTEE .....</b>	<b>52</b>
8.1	REMUNERATION OF DIRECTORS.....	52
8.2	REMUNERATION COMMITTEE .....	52
<b>9.</b>	<b>INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL AND RISK COMMITTEE .....</b>	<b>54</b>
9.1	CHIEF EXECUTIVE OFFICER .....	55
9.2	CONTROL AND RISK COMMITTEE.....	56
9.3	HEAD OF THE INTERNAL AUDIT FUNCTION .....	58
9.4	ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001 .....	59
9.5	AUDIT FIRM.....	60
9.6	MANAGER IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS.....	61
9.7	COORDINATION AMONG THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM .....	62
<b>10.</b>	<b>DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS .....</b>	<b>62</b>
<b>11.</b>	<b>BOARD OF STATUTORY AUDITORS .....</b>	<b>63</b>
11.1	APPOINTMENT AND REPLACEMENT .....	63
11.2	COMPOSITION AND FUNCTIONING (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), of the TUF).....	66
<b>12.</b>	<b>RELATIONS WITH SHAREHOLDERS.....</b>	<b>69</b>
<b>13.</b>	<b>SHAREHOLDERS' MEETINGS (pursuant to Article 123-bis, paragraph 1, letter l) and paragraph 2, letter c), of the TUF).....</b>	<b>70</b>

<b>14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to Article 123-bis, paragraph 2, letter a), second part, of the TUF) .....</b>	<b>72</b>
<b>15. CHANGES SINCE THE END OF THE REFERENCE FINANCIAL YEAR.....</b>	<b>72</b>
<b>16. CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE .....</b>	<b>72</b>
<b>TABLES.....</b>	<b>75</b>
TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURES AT THE REPORT DATE .....	75
TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR .....	76
TABLE 3: STRUCTURE OF THE BOARD COMMITTEES AT THE END OF THE FINANCIAL YEAR .....	78
TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR .....	80

## GLOSSARY

<b>Borsa Italiana</b>	means Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari 6.
<b>Code or CG Code</b>	indicates the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.
<b>Civil Code</b>	indicates the Italian Civil Code.
<b>Committee or CG Committee or Corporate Governance Committee</b>	indicates the Italian Committee for Corporate Governance of listed companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria.
<b>Control and Risk Committee</b>	indicates the Control and Risk Committee of TISG.
<b>Appointment and Remuneration Committee</b>	indicates the Appointment and Remuneration Committee of TISG.
<b>Consob</b>	indicates the National Commission for Companies and the Italian Stock Exchange, based in Rome, Via G.B. Martini 3.
<b>Board or Board of Directors</b>	indicates the Board of Directors of TISG.
<b>Report Date</b>	indicates 21 March 2023, the date on which this Report - as defined below - was approved by the Board of Directors
<b>Trading Start Date</b>	The first day the TISG shares were traded on the MTA, i.e., 8 June 2021.
<b>Legislative Decree 231</b>	indicates Italian Legislative Decree no. 231 of 8 June 2001.
<b>Financial Year</b>	indicates the financial year ended 31 December 2022 to which the Report refers.
<b>Prospectus</b>	Indicates the prospectus filed with Consob on 27 May 2021 following the approval provision with note of 27 May 2021, protocol no. 0586818/21.

<b>Issuers' Regulation or RE</b>	indicates the Regulation issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) regarding issuers.
<b>Market Regulation</b>	indicates the Regulation issued by Consob with resolution no. 20249 of 2017 (as subsequently amended) regarding markets.
<b>Related Party Regulation</b>	the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) regarding related party transactions.
<b>Report</b>	indicates this report on corporate governance and ownership structures prepared pursuant to and for the purposes of Article 123- <i>bis</i> of the TUF.
<b>Remuneration Report</b>	the report on remuneration policy and fees paid that companies are required to prepare and publish pursuant to Articles 123- <i>ter</i> of the TUF and 84- <i>quater</i> of the Issuers' Regulation.
<b>Articles of Association</b>	indicates the Articles of Association of TISG in force at the Report Date.
<b>TISG or the Company or the Issuer</b>	indicates The Italian Sea Group S.p.A.
<b>TUF or Consolidated Law on Finance</b>	indicates Legislative Decree no. 58 of 24 February 1998, as subsequently amended.

Unless otherwise specified, the definitions of the CG Code also relate, by reference, to: **directors, executive directors, independent directors, significant shareholder, Chief Executive Officer (CEO), administrative body, control body, business plan, concentrated ownership company, large company, sustainable success, top management.**

## **1. PROFILE OF THE ISSUER**

The Issuer is a global operator in the international shipbuilding sector specialised, with its own Shipbuilding Division, in the design, production and sale of luxury superyachts ranging in length from 17 to over 100 metres, with a focus on yachts between approximately 60 and 100 metres.

With its NCA Refit Division, TISG also offers refit services both on its own yachts and on motor and sailing boats built by third-party manufacturers. Strategically placed within the Port of Marina di Carrara, where it has an operational area of over 100,000 sq.m., TISG owns the historic brands ADMIRAL (which includes yachts from 50 up to a maximum of approximately 100 meters) and TECNOMAR (which includes yachts up to 50 meters), characterised, in the Issuer's opinion, by a strong complementarity.

In the course of 2021, the Issuer also acquired Perini Navi, consolidating its positioning also in the segment of large sailing yachts, in which it already had a significant presence since the first half of 2021, thanks to the already underway production of one of the largest sailing catamarans in the world, i.e., 46.5 meters long and 18 meters wide.

The acquisition of Perini Navi, through the wholly-owned subsidiary New Sail S.r.l., also made it possible to acquire the historic Picchiotti brand, one of the oldest in the world, and accelerated the Company's expansion also in terms of production capacity with the two prestigious shipyards in Viareggio and La Spezia, which are already operational today.

On 17 February 2022, the Issuer's Board of Directors approved the merger of the wholly-owned subsidiary New Sail S.r.l. into the Issuer.

The Company's customers are mainly ship owners, i.e., natural or legal persons who, being owners of the yacht or otherwise, assume, even professionally, the operation of a ship for the purpose of transport, chartering, shipping, etc.

The Issuer adopts a traditional administration and control system which is characterised by the presence of:

- a Shareholders' Meeting, a body which expresses the will of the Shareholders in accordance with the provisions of the law and the Articles of Association;
- a Board of Directors in charge of managing the company, which has attributed some operational powers to delegated subjects;
- a Board of Statutory Auditors called to supervise compliance with the law and the Articles of Association and with the principles of correct administration, as well as checking the adequacy of the Company's organisational structure, internal control system and administrative and accounting system;
- an Independent Audit Firm which is entrusted with the audit activity and opinion on financial statements, in accordance with the law and the Articles of Association.

Within the Board of Directors, in compliance with the recommendations contained in the Code, a Control and Risk Committee and an Appointment and Remuneration Committee have been set up.

The Board of Directors has identified the Control and Risk Committee as the competent committee pursuant to the Related Party Procedure and has attributed to the Control and Risk Committee the role and responsibilities that, pursuant to the Related Party Regulation, pertain to committees constituted, in total or mostly, by independent directors.

The Company has adopted an organisational model pursuant to Legislative Decree 231/2001 and consequently established the Supervisory Body.

In addition to the above and in compliance with the provisions of the Corporate Governance Code and regulations in force, the Issuer has taken steps, *inter alia*, to:

- appoint 3 independent directors out of a total of 7 members of the Board of Directors (see Chapter 4.7 of the Report);
- adopt the procedure for the management and communication of inside information (the “**Inside Information Procedure**”). The same procedure governs the establishment and updating of the register of persons who have access to inside information (“**Insider Register**”), pursuant to Article 18 of the Market Abuse Regulation (EU no. 596/2014), defining, in particular: (i) the identification of the persons responsible for maintaining the aforementioned Insider Register; (ii) the criteria for identifying the people to be entered in the Insider Register; (iii) the methods and functioning of the Insider Register; (iv) registration; (v) updating of the Insider Register;
- adopt the “**Internal Dealing Procedure**”;
- adopt the Code of Ethics.

On 21 March 2023, the Board of Directors approved the first Non-Financial Statement pursuant to Italian Legislative Decree no. 254/2016. The Company adopts a broad and transversal approach to sustainability, from reducing the environmental impact of its activities through the use of sustainable materials and energy from renewable sources, to the health, safety and training of its resources, up to financial support to the supply chain, just to mention some of the strategic pillars of the Company's ESG strategy.

The Board of Directors interprets its Issuer's guiding role in accordance with the indications of the Code and with the functions and responsibilities attributed to it, reference to which is made in the specific sections of the Report that follow.

The Issuer falls within the definition of small and medium-sized enterprise (SME) pursuant to Article 1, paragraph 1, letter w-quater.1), of the TUF and Article 2-ter of the Issuers' Regulation.

The Issuer does not fall within the Code's definitions of a “*large company*” or a “*concentrated ownership company*”.



## **2. INFORMATION ON THE OWNERSHIP STRUCTURES (pursuant to Article 123-bis, paragraph 1, of the TUF) AT THE REPORT DATE**

The information on the ownership structures is specified below, in compliance with the provisions of Article 123-bis, paragraph 1 of the TUF.

### **a) Structure of the share capital (pursuant to Article 123-bis, paragraph 1, letter a), of the TUF)**

The share capital of TISG consists of ordinary shares with no par value and with voting rights, admitted to listing on the Euronext Milan, organised and managed by Borsa Italiana.

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

At the Report Date, there have been no changes in the amount of the share capital or in its structure with respect to the end of the Financial Year.

The Company does not own, directly or indirectly, treasury shares, nor have any purchases or disposals of such shares taken place during the reference period, directly or indirectly.

At the Report Date, TISG has not issued any financial instruments that attribute the right to subscribe to newly issued shares.

It should be noted that, on 18 February 2021, the Company's extraordinary Shareholders' Meeting resolved, *inter alia*:

*“(a) to further increase the share capital, in a divisible manner, against payment, by issuing a maximum number of ordinary shares of the Company without indication of the par value, with regular entitlement, not exceeding 3.65% (three point sixty-five percent) of the total number of shares outstanding at the trading start date, with the exclusion of the option right pursuant to Article 2441, paragraphs 5, 6 and/or 8, of the Civil Code, to be executed in one or more times, for a maximum nominal amount - in compliance, however, with the aforementioned maximum percentage - of Euro 1,000,000.00 (one million point zero zero), in addition to any premium, through the issue of a maximum 2,000,000.00 (two million point zero zero) ordinary shares without indication of the par value, post split and with regular entitlement, to be allocated to the beneficiaries of the Plan whose guidelines have been approved in the ordinary part by today's shareholders' meeting and therefore reserved for executive directors, general managers, executives with strategic responsibilities and employees with an open-ended employment contract with the Company and its subsidiaries, also including possible future ones, and generally anyone who can collaborate in the growth and development of the Company, at an issue price for each share equal to the placement price of the Company's Shares on the MTA. If the increase is not fully implemented by the final subscription term pursuant to Article 2439, paragraph 2, of the Civil Code, identified on 31 December 2031, the capital will be deemed to have been increased by an amount equal to the subscriptions collected to that date, provided they are subsequent to the registration of this resolution in the Companies' Register;*

*(b) to give a mandate to the pro tempore Board of Directors in office, with the faculty of sub-delegation to the Chairman and the Chief Executive Officer separately, within the limits permitted by law, to implement the aforementioned increase in share capital by granting the same the power to determine the timing, methods, terms and conditions of the increase, including the power to identify the relevant recipients, within the above categories, making use of any correct form of allocation and, if necessary, of quota system, to determine the precise number of shares to be issued, the terms and duration of any commitments to lock up the newly issued shares, in the interest of the Company”.*

On 24 March 2022, among other things, the Board of Directors resolved to call the Shareholders' Meeting in single call for 29 April 2022 to authorize the purchase and disposal of treasury shares pursuant to Article 2357, paragraph 3, of the Civil Code.

On 29 April 2022, the Issuer's Shareholders' Meeting resolved, on each point: “1. *to authorize the purchase of ordinary shares of The Italian Sea Group S.p.A. up to the maximum number permitted by law, on one or more occasions, for a period of 18 months from the date of this resolution, for one or more of the purposes indicated in the report of the Board of Directors. Purchases must be made according to the methods set forth in Article 144-bis, paragraph 1, lett. a), b), c), d) and d-ter) of the Issuers' Regulation, at price conditions compliant with the provisions of Article 5, paragraph 1, of Regulation (EU) no. 596/2014 of 16 April 2014, with Article 3, paragraph 2, of Delegated Regulation (EU) no. 1052/2016 of the European Commission of 8 March 2016 or with other provisions applicable from time to time at the time of the transaction. Purchases will be carried out in compliance with Articles 2357 et seq. of the Civil Code, Article 132 of the Consolidated Law on Finance, Article 144-bis of the Issuers' Regulation, Article 5 of Regulation (EU) no. 596/2014 of 16 April 2014 and any other applicable regulation, including market practices permitted by Consob, where applicable;*

2. *to authorize the disposal of treasury shares, on one or more occasions, without time limits, even before having exhausted the maximum quantity of shares that can be purchased, in the ways deemed most appropriate in the interest of the Company and in compliance with applicable regulations, with the following alternative methods: - through cash transactions; in this case, the sale of treasury shares may not be carried out at a price 20% lower than the reference price recorded on Euronext Milan in the trading session preceding each individual transaction; - by means of swap, exchange, offset, contribution or any other disposal manner not in cash or in the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or in any other manner of non-cash disposal, including any free shareholder allocation programs, including dividends. In this case, the economic terms of the transaction will be based on the nature and characteristics of the transaction, also taking into account the market performance of The Italian Sea Group S.p.A. share; without prejudice, in any case, to compliance with any limits envisaged by regulations, including European regulations, and with market practices permitted from time to time, where applicable;*

*3. to grant to the Board of Directors and on its behalf to the Chairman and the Chief Executive Officer, separately and with the right to sub-delegate, all the broadest powers needed to execute in a concrete and full manner the resolutions referred to in the previous points, implementing all that is required, appropriate, instrumental and/or connected for the success of the same as well as to provide the market disclosure required by regulations, including European regulations, and by market practices permitted from time to time, where applicable”.*

It was also specified, as reported in the Explanatory Report, that, in general, treasury shares held by the Company, even indirectly, are excluded from the share capital for the purposes of the calculation of a significant investment pursuant to Article 106 of the Consolidated Law on Finance for the purposes of regulations on takeover bids. However, pursuant to Article 44-bis of the Issuers' Regulation, the aforementioned provision does not apply if exceeding the thresholds indicated in Article 106 of the TUF results in purchases of treasury shares, carried out, even indirectly, by the Company in execution of a resolution that has been approved also with the favourable vote of the majority of the Issuer's shareholders, present at the Shareholders' Meeting, other than the shareholder or shareholders who hold, even jointly, the majority interest, including relative, provided that it is higher than 10% (“whitewash”). Therefore, the Shareholders are hereby informed that, in application of the aforementioned whitewash, if they – having been called upon to express their opinion on the authorization to purchase and dispose of treasury shares – approve the relative proposal with the majorities envisaged by the aforementioned Article 44-bis, paragraph 2, of the Issuers' Regulation, the treasury shares purchased by the Company in execution of said authorization resolution will not be excluded from the share capital (and therefore will be included in its calculation) if, as a result of the purchases of treasury shares, a shareholder would exceed the relevant thresholds for the purposes of Article 106 of the Consolidated Law on Finance”. Lastly, a further clarification was made that the purchase transactions will be carried out within the limits of the distributable profits and the available reserves resulting from the last approved financial statements.

On 17 February 2022, the Board of Directors approved the plan for the merger by incorporation of New Sail S.r.l. with Sole Shareholder, whose entire share capital was held by the Company.

Pursuant to Article 2504-bis, second paragraph, of the Civil Code, the statutory effects of the Merger took effect from the last date of registration of the merger deed (hereinafter the “effective date”), while the accounting and tax effects apply from the first day of the year in which the merger took effect for statutory purposes. Therefore, starting from the Effective Merger Date, The Italian Sea Group S.p.A. took over all of the Company's assets and liabilities.

**b) Restrictions on the transfer of securities (pursuant to Article 123-bis, paragraph 1, letter b), of the TUF)**

The Articles of Association do not contemplate restrictions on the transfer of shares such as, for example, a limit on the ownership of shares or the need to obtain approval from TISG or other shareholders. The Issuer's shares are freely transferable.

It should be noted that the Company and Giovanni Costantino have signed a lock-up commitment with the Joint Global Coordinators of up to 365 days from the Trading Start Date. For further information, please refer to the information and listing prospectus available on the Company's website at [www.theitalianseagroup.com](http://www.theitalianseagroup.com), "Investors" section.

**c) Significant shareholdings (pursuant to Article 123-bis, paragraph 1, letter c), of the TUF)**

The Company falls within the definition of small and medium-sized enterprises (SME) pursuant to Article 1, paragraph 1, letter w-quater.1) of the TUF.

Therefore, the minimum shareholding subject to disclosure pursuant to Article 120 of the TUF is equal to 5% (rather than 3%) of the share capital.

On the basis of the information in the shareholders' register and the updates available at the Report Date, including the communications received by the Company pursuant to Article 120 of the TUF, as well as any other information available, the subjects who, directly or indirectly, hold shareholding in excess of 5% of the subscribed and paid-up share capital are those indicated in **Table 1** attached to the Report.

On 24 March 2022, the Board of Directors assessed the qualification of "large company" pursuant to the Corporate Governance Code and pursuant to Article 144-duodecies, letter f), of the Issuers' Regulation, as well as the persistence of the SME qualification, in order to be able to assess the possible application of specific legislative and regulatory provisions reserved exclusively to companies in these categories. On this point, the Board of Directors acknowledged the following assessments:

- Although the Company does not qualify as a "large company" pursuant to the Corporate Governance Code, it does however qualify as a "large company" pursuant to Article 144-duodecies, letter f), of the Issuers' Regulation. Therefore, this qualification must be taken into account for the purpose of calculating the limits on the accumulation of offices pursuant to the Issuers' Regulation;
- As regards the qualification of SME, the Company currently still falls under this qualification and, therefore, it will not be necessary to communicate and/or apply the additional legislative or regulatory provisions envisaged by the Corporate Governance Code.

**d) Securities that confer special rights (pursuant to Article 123-bis, paragraph 1, letter d), of the TUF)**

At the Report Date, the Company has not issued any securities that confer special control rights, nor do the Articles of Association provide for special powers for some shareholders or holders of particular categories of shares, nor is there any provision at statutory level of multiple or increased voting shares.

Please note that Article 6.3 of the Articles of Association provides that the Company may issue, in accordance with the regulations in force from time to time, categories of shares with different rights to those of the shares already issued, determining their contents in the related issue resolution. The Shareholders' Meeting may also resolve to issue equity financial instruments pursuant to Article 2346 of the Civil Code, provided with asset rights or even administrative rights, in accordance with the applicable provisions.

**e) Employee share ownership: mechanism for exercising voting rights (pursuant to Article 123-bis, paragraph 1, letter e), of the TUF)**

At the Report Date, there are no mechanisms for exercising voting rights connected to employee share ownership systems pursuant to Article 123-bis, paragraph 1, letter e) of the TUF.

**f) Restrictions on the voting right (pursuant to Article 123-bis, paragraph 1, letter f), of the TUF)**

The Articles of Association do not provide for any particular provisions that determine restrictions, limitations or terms imposed for the exercise of the voting right, nor are the financial rights connected to the securities separate from their ownership.

**g) Agreements between shareholders (pursuant to Article 123-bis, paragraph 1, letter g), of the TUF)**

At the Report Date, the Issuer is not aware of any agreements or pacts between shareholders pursuant to Article 122 of the TUF.

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

At the Report Date, the Issuer is party to the following loan agreements subject to change of control clauses:

- 1- Loan contract signed between the Issuer and MPS Capital Services Banca per le Imprese S.p.A. on 14 January 2022 for Euro 40 million.

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

- the occurrence of any event that determines the acquisition of control, direct and/or indirect, of the Issuer by one or more subjects other than GC Holding; and/or
- the loss, for any cause or reason, by GC Holding, while directly and/or indirectly holding control of the Issuer, of the power to designate the majority of the members of the Issuer's administrative body; and/or
- the occurrence of any event that determines the acquisition of control, direct and/or indirect, of GC Holding by one or more subjects other than Giovanni Costantino; and/or
- the loss, for any cause or reason, by Giovanni Costantino, while directly and/or indirectly holding control of GC Holding, of the power to designate the majority of the members of GC Holding's administrative body.

In such cases, the Issuer, at the same time as the occurrence of a Change of Control, must provide for the full early repayment of the Loan together with any other amount due to the Lending Bank by virtue of the applicable provisions of financial agreements in place.

- 2- Loan agreement signed by the Issuer, GC Holding S.p.A., with lending banks Unicredit S.p.A. and Deutsche Bank S.p.A. for Euro 32,500,000.

In particular, the loan agreement provides that if a Change of Control occurs:

- any obligation on the part of the Lending Banks Unicredit S.p.A. and Deutsche Bank S.p.A. (and of each of them) to make any Disbursement will immediately cease; and
- the Company must repay the Credit Line in place on the Interest Payment Date immediately following the date on which the Change of Control took place.

The Issuer's Articles of Association do not derogate from the provisions on the passivity rule provided for by Article 104, paragraphs 1 and 1-bis of the TUF and do not provide for the application of the neutralization rules contemplated by Article 104-bis, paragraphs 2 and 3 of the TUF.

**i) Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to Article 123-bis, paragraph 1, letter m), of the TUF)**

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

On 29 April 2022, the Shareholders' Meeting authorized the purchase of treasury shares pursuant to Articles 2357 et seq. of the Civil Code.

In fact, it should be noted that, on 18 February 2021, the Company's extraordinary Shareholders' Meeting resolved, *inter alia*:

*“(a) to further increase the share capital, in a divisible manner, against payment, by issuing a maximum number of ordinary shares of the Company without indication of the par value, with regular entitlement, not exceeding 3.65% (three point sixty-five percent) of the total number of shares outstanding at the trading start date, with the exclusion of the option right pursuant to Article 2441, paragraphs 5, 6 and/or 8, of the Civil Code, to be executed in one or more times, for a maximum nominal amount - in compliance, however, with the aforementioned maximum percentage - of Euro 1,000,000.00 (one million point zero zero), in addition to any premium, through the issue of a maximum 2,000,000.00 (two million point zero zero) ordinary shares without indication of the par value, post split and with regular entitlement, to be allocated to the beneficiaries of the Plan whose guidelines have been approved in the ordinary part by today's shareholders' meeting and therefore reserved for executive directors, general managers, executives with strategic responsibilities and employees with an open-ended employment contract with the Company and its subsidiaries, also including possible future ones, and generally anyone who can collaborate in the growth and development of the Company, at an issue price for each share equal to the placement price of the Company's Shares on the MTA. If the increase is not fully implemented by the final subscription term pursuant to Article 2439, paragraph 2, of the Civil Code, identified on 31 December 2031, the capital will be deemed to have been increased by an amount equal to the subscriptions collected to that date, provided they are subsequent to the registration of this resolution in the Companies' Register;*

*(b) to give a mandate to the pro tempore Board of Directors in office, with the faculty of sub-delegation to the Chairman and the Chief Executive Officer separately, within the limits permitted by law, to implement the aforementioned increase in share capital by granting the same the power to determine the timing, methods, terms and conditions of the increase, including the power to identify the relevant recipients, within the above categories, making use of any correct form of allocation and, if necessary, of quota system, to determine the precise number of shares to be issued, the terms and duration of any commitments to lock up the newly issued shares, in the interest of the Company”.*

On 24 March 2022, among other things, the Board of Directors resolved to call the Shareholders' Meeting in single call for 29 April 2022 to authorize the purchase and disposal of treasury shares pursuant to Article 2357, paragraph 3, of the Civil Code.

On 29 April 2022, the Issuer's Shareholders' Meeting resolved, on each point: *“1. to authorize the purchase of ordinary shares of The Italian Sea Group S.p.A. up to the maximum number permitted by law, on one or more occasions, for a period of 18 months from the date of this resolution, for one or more of the purposes indicated in the report of the Board of Directors. Purchases must be made according to the methods set forth in Article 144-bis, paragraph 1, lett. a), b), c), d) and d-ter) of the Issuers' Regulation, at price conditions compliant with the provisions of Article 5, paragraph 1, of Regulation (EU) no. 596/2014 of 16 April 2014, with Article*

*3, paragraph 2, of Delegated Regulation (EU) no. 1052/2016 of the European Commission of 8 March 2016 or with other provisions applicable from time to time at the time of the transaction. Purchases will be carried out in compliance with Articles 2357 et seq. of the Civil Code, Article 132 of the Consolidated Law on Finance, Article 144-bis of the Issuers' Regulation, Article 5 of Regulation (EU) no. 596/2014 of 16 April 2014 and any other applicable regulation, including market practices permitted by Consob, where applicable;*

*2. to authorize the disposal of treasury shares, on one or more occasions, without time limits, even before having exhausted the maximum quantity of shares that can be purchased, in the ways deemed most appropriate in the interest of the Company and in compliance with applicable regulations, with the following alternative methods: - through cash transactions; in this case, the sale of treasury shares may not be carried out at a price 20% lower than the reference price recorded on Euronext Milan in the trading session preceding each individual transaction; - by means of swap, exchange, offset, contribution or any other disposal manner not in cash or in the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or in any other manner of non-cash disposal, including any free shareholder allocation programs, including dividends. In this case, the economic terms of the transaction will be based on the nature and characteristics of the transaction, also taking into account the market performance of The Italian Sea Group S.p.A. share; without prejudice, in any case, to compliance with any limits envisaged by regulations, including European regulations, and with market practices permitted from time to time, where applicable;*

*3. to grant to the Board of Directors and on its behalf to the Chairman and the Chief Executive Officer, separately and with the right to sub-delegate, all the broadest powers needed to execute in a concrete and full manner the resolutions referred to in the previous points, implementing all that is required, appropriate, instrumental and/or connected for the success of the same as well as to provide the market disclosure required by regulations, including European regulations, and by market practices permitted from time to time, where applicable”.*

It was also specified, as reported in the Explanatory Report, that, in general, treasury shares held by the Company, even indirectly, are excluded from the share capital for the purposes of the calculation of a significant investment pursuant to Article 106 of the Consolidated Law on Finance for the purposes of regulations on takeover bids. However, pursuant to Article 44-bis of the Issuers' Regulation, the aforementioned provision does not apply if exceeding the thresholds indicated in Article 106 of the TUF results in purchases of treasury shares, carried out, even indirectly, by the Company in execution of a resolution that has been approved also with the favourable vote of the majority of the Issuer's shareholders, present at the Shareholders' Meeting, other than the shareholder or shareholders who hold, even jointly, the majority interest, including relative, provided that it is higher than 10% (“whitewash”). Therefore, in application of the aforementioned whitewash, if shareholders - having been called upon to express their opinion on the authorization to purchase and dispose of treasury shares - approve the relative proposal with the majorities envisaged by the aforementioned Article 44-bis, paragraph 2, of the Issuers' Regulation, the treasury shares



purchased by the Company in execution of said authorization resolution will not be excluded from the share capital (and therefore will be included in its calculation) if, as a result of the purchases of treasury shares, a shareholder would exceed the relevant thresholds for the purposes of Article 106 of the Consolidated Law on Finance”. Lastly, a further clarification was made that the purchase transactions will be carried out within the limits of the distributable profits and the available reserves resulting from the last approved financial statements.

On 21 March 2023, the Board of Directors resolved to submit to the Shareholders' Meeting the revocation of the previous authorization and a resolution regarding the granting of a new authorization to purchase and dispose of treasury shares pursuant to Article 2357 of the Civil Code.

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

The Company is not subject to management and coordination activities pursuant to Article 2497 et seq. of the Civil Code. In fact, although as of the Report Date GC Holding S.p.A. holds an investment equal to 62.68% of the share capital of TISG, said company does not exercise any management and coordination activity of an operational, administrative or financial nature over the Issuer which can be classified pursuant to the provisions provided for by Article 2497 of the Civil Code.

In particular, based on the examination of the factual circumstances, the Issuer believes that none of the activities in which management and coordination typically takes place pursuant to Articles 2497 et seq. of the Civil Code exist and that therefore, by way of example and not exhaustive (i) the decisions relating to the management of the Issuer's business are taken within the Issuer's own bodies; (ii) the Issuer's Board of Directors is responsible, among other things, for examining and approving the strategic, business and financial plans and budgets of the Issuer, examining and approving financial and credit access policies of the Issuer, the examination and approval of the organisational structure of the Issuer, the assessment of the adequacy of the organisational, administrative and accounting structure of the Company; (iii) the Issuer operates in full autonomy with respect to the conduct of relations with customers and suppliers, without any interference from subjects unrelated to the Issuer itself; (iv) GC Holding S.p.A. does not exercise, either directly or indirectly, any centralised treasury function in favour of the Issuer.

It is also specified that:

- the information required by Article 123-bis, first paragraph, letter i) (“*the agreements between the company and the directors ... which provide for compensation in the event of resignation or dismissal without just cause or if their work ceases following a takeover bid*”) is contained in the section of the Issuer's Remuneration Report, to which reference should be made;
- the information required by Article 123-bis, first paragraph, letter l), first part (“*the rules applicable to the appointment and replacement of directors ... if different from the legislative and regulatory ones*”)

*applicable on a suppletive capacity*”) is illustrated in the section of the Report, in the Chapter dedicated to the Board of Directors (Chapter 4.2);

- the information required by Article 123-bis, first paragraph, letter l), second part (“*the rules applicable .... to the change in Articles of Association, if different from the legislative and regulatory ones applicable on a suppletive capacity*”) is illustrated in the section of the Report, in the Chapter dedicated to the Shareholders' Meeting (Chapter 13).

### **3. COMPLIANCE (pursuant to Article 123-bis, paragraph 2, letter a), first part, of the TUF)**

TISG has adopted the Code, in the text last updated on 31 January 2020, applying the recommendations contained therein according to the comply or explain criterion.

The Code is accessible to the public on the Corporate Governance Committee's website at the page <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

\* \* \*

It is also specified that TISG and its subsidiaries are not subject to legal provisions other than the Italian law which influence the Issuer's Corporate Governance structure, with the exception of the subsidiary TISG Turkey (TISG Turkey Yat Tersanecilik Anonim Sirketi), subject to Turkish law.

## **4. BOARD OF DIRECTORS**

### **4.1 ROLE OF THE BOARD OF DIRECTORS**

The Issuer's Board of Directors has strategic and organisational functions and responsibilities, as well as relating to the verification of the existence of the controls necessary to monitor the Company's performance.

Pursuant to Article 18 of the Articles of Association, the Board of Directors is vested, without any limitation, with the widest powers for the ordinary and extraordinary administration of the Company, with the right to carry out all acts, including dispositions, deemed appropriate for the achievement of the corporate purposes, none excluded - except for what is reserved by law to the competence of the Shareholders' Meeting.

In addition to issuing non-convertible bonds, the Board of Directors is also empowered to resolve on the matters envisaged by Article 2365, second paragraph of the Civil Code.

Legal representation before any judicial or administrative authority and before third parties, as well as the corporate signature, are the pertinence of the Chief Executive Officer, if appointed, and, if the latter has not been appointed, of the Chairman of the Board of Directors.

The Chief Executive Officer can appoint attorneys for the performance of specific acts and transactions or categories of acts and transactions, determining their powers and possibly their remuneration.

Furthermore, Article 17 of the Articles of Association provides that, pursuant to Article 150 of the TUF - and, in any case, to any legislative or regulatory provision in force from time to time, during the meetings, the directors with delegated powers must report at least quarterly to the Board of Directors and the Board of Statutory Auditors orally, or, when the Chairman deems it appropriate, with a written report, on the general management performance and its foreseeable evolution, as well as on the most significant transactions, due to their size or characteristics, carried out by the Company or by its subsidiaries and each director must report any interest they may have in a specific Company transaction, on their own behalf or on behalf of third parties.

On the basis of the information received, the Board of Directors assesses the adequacy of the Company's organisational, administrative and accounting structure, examines the strategic, business and financial plans and assesses, on the basis of the report of the delegated bodies, the general management performance.

It should be noted that, in particular, the Board of Directors:

- examined and approved the business plan of the Issuer and of the Group it heads, also on the basis of the analysis of the relevant issues for the generation of long-term value;
- periodically monitored the implementation of the business plan, as well as assessed the general performance of operations, periodically comparing the results achieved with those planned;
- defined the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments all the elements that may be relevant in view of the Issuer's sustainable success;
- in conjunction with the listing, it defined the Issuer's corporate governance system and the structure of the group it heads;
- carried out an assessment of the adequacy of the organizational, administrative and accounting structure of the Issuer and of the subsidiaries of strategic importance, with particular reference to the internal control and risk management system;
- resolved on the transactions of the Issuer and its subsidiaries that have a significant strategic, economic, equity or financial importance for the Issuer, establishing the general criteria for identifying transactions of significant importance;
- adopted a procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to inside information.

#### **4.2 APPOINTMENT AND REPLACEMENT (pursuant to Article 123-bis, paragraph 1, letter l), first part, of the TUF)**

The Articles of Association provide in Article 13 as follows:

- “13.1 *The Directors are appointed by the Shareholders' Meeting, in compliance with any provisions in force at the time, also provided for by codes of conduct drawn up by companies managing regulated markets to which the Company adheres, concerning gender balance on the basis of lists of candidates presented by shareholders and filed at the Company's registered office within the terms and in compliance with the law, including regulations, in force from time to time.*
- 13.2 *In the presence of more than one list, one of the members of the Board of Directors is drawn from the second list which obtained the highest number of votes and which is not connected to the first list in accordance with the laws and regulations in force. Only shareholders who, alone or together with others, hold shares with voting rights representing a percentage no less than that envisaged for the Company by the regulations in force, have the right to submit lists. This shareholding must result from specific certifications that must be produced, if not available on the day on which the lists are filed, even after the filing of the lists, as long as it is done within the deadline set by the applicable regulations for the publication of the lists by the Company. All this is mentioned in the notice of call.*
- 13.3 *Each shareholder, as well as shareholders linked by control or connection relationships pursuant to the Civil Code or who adhere to a shareholders' agreement concerning the Company's shares, cannot submit or vote, not even through a third party or trust company, for more than one list.*
- 13.4 *Each candidate may appear on only one list, under penalty of ineligibility.*
- 13.5 *The number of candidates included in the lists must not exceed 11, and candidates must be listed in progressive number and must possess the requirements envisaged by law. Without prejudice to compliance with the criterion guaranteeing gender balance, in each list composed of at least seven (7) candidates at least two (2) candidates - indicated in a position no further than the second and seventh place of each list - must meet the independence requirements envisaged by law as well as the additional codes of conduct's requirements drawn up by companies managing regulated markets or by trade associations to which the Company adheres. In accordance with any legal provisions in force or with codes of conduct drawn up by companies managing regulated markets to which the Company adheres, the lists that present a number of candidates greater than three (3) must be composed of candidates of both genders, so that at least two fifths (rounded up) of the elected directors belong to the less represented gender and one fifth for the first renewal subsequent to the trading start date, without prejudice to any other legal or regulatory provisions pro tempore in force. Together with each list, exhaustive information on the personal and professional characteristics of the candidates is filed, as well as the declarations submitted by the individual candidates accepting the candidacy and certifying, under their own responsibility, that they meet the requirements prescribed by law and regulations for members of the Board of Directors, and any other document required by law and regulations.*
- 13.6 *Once the number of directors to be elected has been determined by the Shareholders' Meeting, the procedure is as follows:*

- 1. all the directors to be elected except one are elected from the list that has obtained the highest number of votes, based on the progressive order in which the candidates are listed on the list;*
- 2. a director is elected in compliance with the law, based on the progressive order in which the candidates are listed in the list from the second list that obtained the highest number of votes - which is not connected in any way, not even indirectly, pursuant to the laws and regulations in force at the time, with those who presented or voted for the list referred to in point 1 above.*

*If two lists have obtained the second highest number of votes, a new vote is taken by the Shareholders' Meeting and the candidate who obtains the most votes is elected. If, as a result of the application of the above-mentioned list voting mechanism (i) the minimum number of candidates meeting the independence requirements is not elected and/or (ii) the composition of the board does not comply in terms of gender balance with the legal regulations or with codes of conduct drawn up by companies managing regulated markets to which the Company adheres, the candidates meeting the requirements will be elected to replace the candidates without these requirements included in the list from which the persons to be replaced were drawn from. In the event that only one list is presented, the directors will be taken from that list as long as it has been approved with a simple majority of votes.*

*In the event that no list is presented (or the list presented does not allow the appointment of directors in compliance with the regulatory provisions in force or, in any case, if it is not possible to proceed according to the list voting rules), or in the event that not all members of the Board of Directors need to be appointed, the Shareholders' Meeting resolves with the majorities required by law, without observing the procedure provided above and in any case in such a way as to ensure the presence of the minimum number of independent directors required by the applicable regulations as well as compliance with the applicable regulations on gender balance. Lists that have obtained a percentage of votes lower than half of those required by this statutory provision for the presentation of the lists at the Shareholders' Meeting are not taken into account.”*

With Resolution no. 60 of 28 January 2022, pursuant to Article 144-quater of the Issuers' Regulation, Consob established the percentage for the presentation of lists at 2.50% of the Company's share capital.

It is specified that the provisions on list voting contained in the Articles of Association - which determine the appointment of a member to be elected from the list that has achieved the second highest number of votes, after the majority list, and is not connected in any way, not even indirectly, with the shareholders who presented or voted for the majority list - will be applied only from the first renewal of the Board of Directors following the Trading Start Date.

With reference to termination of office, Article 14 of the Articles of Association provides that:

*“14.1 If one or more directors leave office during the financial year, action is taken pursuant to Article 2386 of the Civil Code. If one or more of the outgoing directors were taken from a list also containing the names of non-elected candidates, the replacement is carried out by appointing, according to the*

*progressive order, persons taken from the list to which the director who is leaving belonged and who are still eligible and willing to accept the office. The replacement procedures must in any case guarantee the presence of a necessary number of directors meeting the requirements of independence and in compliance with the regulations as specified above pro tempore in force concerning gender balance.*

*14.2 Except as provided in this Article, the appointment, revocation, termination, replacement and forfeiture of directors are governed by law. Moreover, if, due to resignations or other causes, the majority of the directors appointed by the Shareholders' Meeting leave, the entire Board of Directors will be deemed to be discontinued and the Shareholders' Meeting must be urgently convened by the Directors remaining in office for the appointment of the new Board."*

The Articles of Association also provide that the Board of Directors elects a Chairman from among its members and, possibly, one or more Deputy Chairmen, unless the Shareholders' Meeting has done so.

The Chairman remains in office for the entire duration of the Board and can be re-elected.

The Chairman of the Board of Directors convenes the Board of Directors, sets the agenda, coordinates its work and ensures that adequate information on the items on the agenda is promptly made available to all directors.

The Chairman of the Board of Directors appoints a secretary also from outside its members.

The Board of Directors may appoint one or more Chief Executive Officers. Legal representation before any judicial or administrative authority and before third parties, as well as the corporate signature, are the pertinence of the Chief Executive Officer, if appointed, and, if the latter has not been appointed, of the Chairman of the Board of Directors.

The Chief Executive Officer can appoint attorneys for the performance of specific acts and transactions or categories of acts and transactions, determining their powers and possibly their remuneration.

With regard to remuneration, the Articles of Association provide that the fees payable to the Board of Directors and to any executive committee are determined by the Shareholders' Meeting and remain valid until otherwise resolved. The remuneration of directors vested with special offices is established by the Board of Directors, after consulting the Board of Statutory Auditors. However, the Shareholders' Meeting may determine an overall amount for the remuneration of all directors, including those vested with special offices.

As regards information on the role of the Board of Directors and of the Board Committees in the self-assessment, appointment and succession processes of directors, see Chapter 7 below.

### 4.3 COMPOSITION (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), of the TUF)

Pursuant to Article 12 of the Articles of Association, the Company is managed by a board of directors consisting of a minimum number of five to a maximum number of 11 members, according to the decisions of the ordinary shareholders' meeting.

On 18 February 2021, the Issuer's Shareholders' Meeting expanded the number of members of the Board of Directors from 5 to 7 and appointed two independent directors with effect from the Share Trading Start Date, all until the approval of the financial statements as at 31 December 2022, in order to make the Board of Directors compliant with the laws and regulations in force regarding listed companies in terms of both the number of independent directors and gender balance, pursuant to Articles 147-ter and 148 of the TUF and Article 2 of the Code.

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

Name and surname	Office	
Filippo Menchelli	Chairman of the Board of Directors	Executive board member
Giovanni Costantino	Chief Executive Officer	Executive board member
Marco Carniani	Deputy Chairman	Executive board member
Gianmaria Costantino	Director	Non-executive board member
Massimo Bianchi	Independent director	Non-executive board member
Antonella Alfonsi	Independent director	Non-executive board member
Fulvia Tesio	Independent director	Non-executive board member

For their office, the members of the board of directors are all domiciled at the Company's registered office.

Without prejudice to the foregoing, it is specified that the Board of Directors in office at the Report Date was appointed on 21 October 2020, integrated on 18 February 2021 and changed on 27 October 2022 following the resignation of Mr. Giulio Pennacchio and the co-optation of Mr. Gianmaria Costantino.

Pursuant to Article 12 of the Articles of Association, the directors remain in office for three financial years, unless a shorter period is established by the shareholders' meeting at the time of their appointment, and their mandate expires on the date of the shareholders' meeting called to approve the financial statements relating to the last financial year of their office, and can always be re-elected.

On 28 April 2021, the Board of Directors examined the requirements (eligibility, professionalism, integrity) of the members of the Board of Directors and on 27 October 2022 assessed the requirements (eligibility, professionalism and integrity) of the co-opted director Mr. Gianmaria Costantino.

Due to the untimely and sad death of Mr. Giuseppe Taranto, on 3 March 2023, on the proposal of the Chairman, the Board of Directors approved the appointment of Mr. Marco Carniani for co-optation. He was also appointed Deputy Chairman.

The powers previously granted to Mr. Taranto were temporarily conferred to the Chief Executive Officer Mr. Giovanni Costantino until the meeting for the renewal of corporate offices.

At the same meeting of 3 March 2023, the Board examined the requirements (eligibility, professionalism and integrity) of the co-opted director Mr. Marco Carniani.

All the members of the Board of Directors in office at the Report Date meet the requirements of integrity provided for by Article 2 of Ministerial Decree no. 162/2000.

It should also be noted that, on 18 February 2021 and, subsequently, on 28 April 2021, the Board of Directors also carried out the assessment of the independence requirements provided for by Article 147-ter, paragraph 4, of the TUF (which refers to Article 148, paragraph 3, of the TUF) and Article 2 of the Code, of the independent directors Massimo Bianchi, Antonella Alfonsi and Fulvia Tesio.

The Issuer believes that the Board is made up of executive and non-executive directors, all of whom have the professionalism and skills appropriate to the tasks entrusted to them. The number and skills of non-executive directors are such as to ensure that they have a significant weight on the adoption of board resolutions and to guarantee effective management monitoring.

It is specified that the adaptation to the provisions on gender has been implemented by the Issuer on a voluntary basis and that the regulatory provisions pursuant to Article 147 paragraph 1-ter of the TUF will be applied starting from the first renewal of the administrative and control bodies.

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

Below is a brief resume of each director, which shows the skills and experience gained in the field of business management.

**Filippo Menchelli**, born in Milan on 2 March 1972. Filippo Menchelli began his career as administrative manager for the Inalco Pharmaceutical group (based in Milan), managing, from 2002 to 2012, the production plants and research centres in Tuscany. He began his collaboration with the Issuer in 2012, as administrative manager of Tecnomar S.p.A. and Nuovi Cantieri Apuania S.p.A. In 2014 he was promoted to the role of Chief Financial Officer and head of the legal affairs office. Filippo Menchelli has been a Director of the Issuer since 2017 and in December 2018 he was also assigned the function of employer pursuant to Law 81/2008.



**Giovanni Costantino**, born in Taranto on 17 October 1963. In 1982 he began his career as an entrepreneur in the construction and custom furniture sector. In 1997, he joined the multinational NATUZZI S.p.A. where, for 11 years, until mid-2008, he contributed to the group's growth in the role of general manager dealing with many corporate functions. In 2009 Giovanni Costantino began his activity in shipbuilding with the purchase, through the company The Italian Sea Group S.r.l. in which he had a 40% interest, of Tecnomar S.p.A., in which he held the position of Chairman of the Board of Directors. In 2011, under his presidency, Tecnomar S.p.A. acquired the ADMIRAL brand. In 2012, following the acquisition of Nuovi Cantieri Apuania S.p.A., to respond to the growing demand of the large yacht market, he held the position of Chairman of the Company's Board of Directors.

In December 2019 Giovanni Costantino acquired the entire shares of the company GC Holding, formerly The Italian Sea Group S.r.l., full parent company of the Issuer's (formerly Nuovi Cantieri Apuania S.p.A.). He was appointed Chairman of the Nautical Commission of Confindustria Toscana.

In 2013 he received the “European Award for Best Practices” awarded by the European Society for Quality Research and in 2014 he was awarded the “World Yachts Trophy”, organised by the Luxmedia Group, as “Entrepreneur of the year”. In 2015, during the Tuscany Awards, an event organised by the Class Editori publishing house, Giovanni Costantino received the “Capital Elite” award, which identifies and recognises Tuscan companies that have achieved particular levels of excellence. The *Organización Mundial de Mercadotecnia* awarded Giovanni Costantino the prestigious “2015 Golden Metal for Quality and Service” award, in recognition of the excellent business management and product manufacturing quality. In 2016 he was called to take part in the first summit of the “Numero Uno d'Italia” organised by Class Editori and was awarded the “Pugliesi nel Mondo” award, an award for citizens of Apulian origin who have given prestige to our country, and in particular to the Apulia region, with their history of personal achievement and success.

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

**Gianmaria Costantino**, born in Mercato San Severino (Salerno) on 8 May 2001. Gianmaria Costantino graduated in International Economics and Finance from the Bocconi University in Milan. He gained experience in the financial field, then managed the IPO process of The Italian Sea Group. Formerly Chairman of the Board of Directors of GC Holding S.p.A., majority shareholder of TISG, Mr. Costantino supported the Company's management on strategic-commercial projects, gaining a transversal corporate experience.

**Massimo Bianchi**, born in Milan on 11 October 1949. Massimo Bianchi graduated in business administration from the Luigi Bocconi University of Milan and since 1979 he has been licensed to practice as a chartered

accountant and is registered in the register of statutory auditors. For over 20 years he has been a partner in leading audit firms such as Arthur Andersen and Deloitte & Touche and during that time he held positions as Chairman and Director of numerous companies. Massimo Bianchi has held positions, *inter alia*, at the Adecco group, at Banco di Napoli, at Banca Ravenna, at Banca dell'Adriatico and at Fideuram S.p.A.. He is currently chairman of boards of statutory auditors as well as supervisory bodies in numerous companies. Through his own professional practice, he carries out business consultancy in matters of strategy, management, and organisation of business processes, and business evaluation activities with the issuance of sworn appraisals. Massimo Bianchi is also the author of technical publications and articles on economic and financial matters, as well as being involved in conferences and teaching activities. The independent director Massimo Bianchi held the position of standing auditor of the Company from 2014 to 2020.

**Antonella Alfonsi**, born in Civitavecchia on 7 April 1967. Ms. Alfonsi holds a law degree from the University “La Sapienza” of Rome and a Master's Degree (LLM) in Corporate and Commercial Law from the University College London, London. Ms. Alfonsi has focused her training and professional experience in the field of corporate law, M&A and commercial law, and has developed a particular expertise in the field of corporate governance. Ms. Alfonsi has also participated as a speaker at numerous conferences and events relating mainly to corporate governance, company law and regulatory compliance (also in the banking and financial sector). From 2007 until 2018, Ms. Alfonsi was managing partner of Studio Legale Associato - Deloitte.

**Fulvia Tesio**, born in Turin on 17 December 1967. Ms. Tesio graduated in economics and commerce from the University of Turin and has been a chartered accountant and auditor since 2001. From 1994 to 1996 she worked at the European Training Foundation, a body of the European Community, as Financial Assessor. From 1998 to 2008, she collaborated with Studio Dante & Associati in Turin. From 2008 to 2009 she worked as a tax and corporate consultant for the Fenera Holding group. In 2009 she founded her own professional Chartered Accountants firm, which since 2012 has been part of the WCT Corporate Advisors network, now Bakertilly WCT Advisors Chartered Accountants, where she provides ordinary and extraordinary consultancy to companies on corporate, tax and corporate governance matters; she also works as counsel at Studio Dante & Associati in Turin. She specializes in company valuations in the context of M&A transactions, technical consultancy and extraordinary transactions, holds positions as Auditor and Statutory Auditor and is a strategic consultant for innovative international start-ups working alongside venture capital companies and investment funds. Lastly, Ms. Tesio collaborated with some study groups at the Order of Chartered Accountants of Turin. The independent director Fulvia Tesio held the position of chairman of the board of statutory auditors from 2010 to 2014 at GC Holding and sole auditor of that company from 2015 to 2018.

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

The Articles of Association provide for Directors to be appointed by the Shareholders' Meeting, in compliance with any provisions in force at the time, also provided for by codes of conduct drawn up by companies

managing regulated markets to which the Company adheres, concerning gender balance on the basis of lists of candidates presented by shareholders and filed at the Company's registered office within the terms and in compliance with the law, including regulations, in force from time to time.

The Articles of Association also specify that, in accordance with any legal provisions in force or with codes of conduct drawn up by companies managing regulated markets to which the Company adheres, the lists that present a number of candidates greater than three (3) must be composed of candidates of both genders, so that at least two fifths (rounded up) of the elected directors belong to the less represented gender and one fifth for the first renewal subsequent to the trading start date, without prejudice to any other legal or regulatory provisions pro tempore in force. Together with each list, exhaustive information on the personal and professional characteristics of the candidates is filed, as well as the declarations submitted by the individual candidates accepting the candidacy and certifying, under their own responsibility, that they meet the requirements prescribed by law and regulations for members of the Board of Directors, and any other document required by law and regulations.

The Issuer believes that the composition of the Board of Directors is such as to respect diversity in terms of gender, age and educational and professional background.

In particular, the Board of Directors in office at the end of the Financial Year, and since the Trading Start Date, is made up of 5 male members and 2 female members.

The Board of Directors is also characterised by the age diversity of its members, taking into account that the age of the directors is between 21 and 73 years.

The members of the Board include both managers of the Company who have been operating for years in the sector in which the Company is active and who have gained a deep expertise, including international, in the luxury yachting sector, and independent directors with experience in the field of listed companies.

The training and professional path of the directors currently in office guarantees a balanced combination of profiles and experiences within the administrative body, suitable for ensuring the correct performance of its functions.

The Issuer, listed in June 2021, will renew the corporate offices by the date of approval of the financial statements as at 31 December 2022, in compliance with diversity policies in relation to the composition of the administration and management bodies with regard to aspects such as age, gender and training and professional background (Article 123-bis, paragraph 2, letter d-bis, TUF).

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

On 24 March 2022, the Issuer's Board of Directors assessed the qualification of “large company” pursuant to the Corporate Governance Code and pursuant to Article 144-duodecies, letter f), of the Issuers' Regulation: although not classified as a “large company” pursuant to the Corporate Governance Code, the Company

nevertheless falls within the qualification of a “large company” pursuant to Article 144-duodecies, letter f), of the Issuers' Regulation. Therefore, this qualification must be taken into account for the purpose of calculating the limits on the accumulation of offices pursuant to the Issuers' Regulation.

It is noted that, at the Report Date, the Directors Alfonsi, Bianchi and Tesio hold the offices indicated below:

**Antonella Alfonsi**

FLINT Group Italia Spa - Chairman of the Board of Statutory Auditors

Brioni Italia Srl, Gucci Logistica Spa, Guccio Gucci Spa, Tigerflex Srl, Luxury Goods Italia Spa,

Gcommerce Europe Spa, Colonna Spa, Marbella Pellami Spa, Conceria 800 Spa and Falco Pellami Spa -

Kering Group Company - Standing Auditor

RATTI Spa - terminating in April 2023 due to the expiry of the 9-year term of office - Standing Auditor

Green Stone Sicav Srl - Standing Auditor

Valuefarma Spa - Standing Auditor

STERIS S.p.A. - Standing Auditor

**Massimo Bianchi**

Eurizon Capital SGR S.p.A. - Chairman of the Board of Statutory Auditors

Eurizon Real Asset SGR S.p.A. - Chairman of the Board of Statutory Auditors

Sisalpay Group S.p.A. - Chairman of the Board of Statutory Auditors

Sisalpay Services S.p.A. - Chairman of the Board of Statutory Auditors

Sisalpay S.p.A. - Chairman of the Board of Statutory Auditors

Treccani reti S.p.A. - Standing Auditor

Brioni Spa, Roman Style Spa, Guccio Gucci Spa, Gucci Logistica Spa, Tigerflex Srl, Luxury Goods Italia

Spa, Gucci Garden S.p.A., Gucci Luxury Goods Outlet S.p.A., Bottega Veneta S.r.l., B.V. Italia S.r.l.,

Manifattura Veneta Pelletterie S.r.l., Accademia della Pelletterie S.r.l. - Kering Group Company - Chairman of the Board of Statutory Auditors or Sole Auditor

Pitti Immagine S.r.l. - Chairman of the Board of Statutory Auditors

Marina d'Arechi S.p.A. - Chairman of the Board of Statutory Auditors

Salerno container terminal S.p.A. - Chairman of the Board of Statutory Auditors

Dell'Orto S.p.A. - Standing Auditor

Antico Forno della Romagna S.r.l. - Statutory Auditor

LMA Group S.p.A. - Standing Auditor

Maverick S.p.A. - Standing Auditor

L.M.A. (Lavorazione Meccanica per Aeronautica) S.r.l. - Statutory Auditor

Alpacotti & Co S.p.A. - Standing Auditor

Monviso Group S.r.l. - Statutory Auditor

Pramerica SGR S.p.A. - Alternate Auditor

## **Fulvia Tesio**

D4NEXT S.p.A. - Chairman of the Board of Statutory Auditors

Riviera-Airport S.p.A. - Standing Auditor

Immobiliare Meneghina S.r.l. - Sole Auditor

Saet S.p.A. - Standing Auditor

Maril Srl - Alternate Auditor

### **4.4 OPERATION OF THE BOARD OF DIRECTORS (pursuant to Article 123-bis, paragraph 2, letter d), of the TUF)**

On 12 July 2021, the Company's Board of Directors adopted a regulation aimed at regulating the methods of operation of the Company's Board of Directors, including the methods of recording the minutes of the meetings and the procedures for the management of information to the directors, in compliance with the laws, regulations and statutory provisions in force, as well as in light of the principles and criteria established by the Code (the “**Regulation of the Board of Directors**”).

In particular, the Regulation of the Board of Directors sets out, *inter alia*, as follows:

- the Directors act and resolve with full knowledge of the facts, independence of judgement and autonomously, pursuing the Company's overall interest with the primary objective of creating value for shareholders in the medium-long term;
- the Directors accept the office when they believe they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment connected to their work and professional activities and the number of offices they hold in other companies or entities (including abroad).

Members of the Board of Directors who, on their own behalf or on behalf of third parties, have an interest in a specific Company's transaction, promptly and comprehensively inform the other directors and the Board of Statutory Auditors about the nature, terms, origin and extent of their interest. In the case of the Chief Executive Officer being in this position, they must refrain from executing the transaction by delegating the board to perform the same.

With regard to the assessment of the independence of its members, the Regulation of the Board of Directors provides that the Board of Directors, in order to identify the possible existence of relationships capable of influencing their independence of judgement, assesses the independence of its non-executive members based on the information provided by them:

- (i) after the appointment;
- (ii) during the course of the office on the occurrence of relevant circumstances for the purposes of independence and, in any case;

- (iii) on an annual basis, on occasion of the examination of the draft financial statements for the year to be submitted for approval to the Shareholders' Meeting.

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

The absence of the independence requirement for an independent director does not lead to their forfeiture, without prejudice to the obligation to immediately notify the Board of Directors, if the minimum number of directors meeting this requirement remains.

The Regulation of the Board of Directors also provides for the resolutions of the Board of Directors to be recorded in minutes signed by the chairman of the meeting and by the secretary.

The minutes adequately acknowledge any dissent expressed by the members of the Board of Directors on individual topics and their reasons.

As a rule, the minutes are submitted to the approval of the Board of Directors during the first subsequent meeting and, only afterwards, they are transcribed in the specific company book; in the meantime, the resolutions passed can be executed. When necessary, these can be immediately transcribed and subsequently reported also in the minutes of the meeting together with any interventions.

The Regulation of the Board of Directors also requires that, for the organisation of its work, the Board of Directors avails itself of the support of the Secretary of the Board (the “**Secretary**”), whose role and functions are described in the following paragraph.

With regard to confidentiality, the Regulation of the Board of Directors provides that all the members of the Board of Directors and of the Board of Statutory Auditors are required to observe the confidentiality of the documents and information acquired in the performance of their duties and to respect, even after the expiry of their office - without prejudice to the obligations imposed by law, by judicial and/or supervisory authorities - the procedures adopted by the Company for the internal management and external communication of such documents and information.

Confidentiality also represents a necessary element to ensure that information can be transmitted with the necessary timeliness and be complete in relation to all aspects important for decision making.

Finally, the Regulation of the Board of Directors provides that the latter undergo a self-assessment process at least every three years, in view of each renewal of the Board.

The self-assessment process is carried out in order to evaluate the effectiveness of the activity of the Board of Directors and to express an assessment on the actual functioning of the Board itself and its Committees, their size and composition as well as on the contribution made by each Director, taking into account the professional characteristics, experience and gender of its members, as well as their seniority in office.

From time to time the Chairman evaluates the opportunity for the Company to seek the assistance of an independent external consultancy firm in order to carry out this activity.

They also ensure that the self-assessment process is carried out effectively, that the management methods are consistent with the degree of complexity of the Board's work and that the necessary corrective measures are adopted to address any shortcomings identified.

During the Financial Year, the Board met 30 times for an average duration of each meeting of approximately 1 hour. The percentage of participation by the Board members in these meetings, from the moment of assuming their respective office, was as follows: Filippo Menchelli 30/30, Giuseppe Taranto 28/30, Giovanni Costantino 30/30, Massimo Bianchi 27/30, Giulio Pennacchio 23/24, Fulvia Tesio 30/30, Antonella Alfonsi 30/30 and Gianmaria Costantino 6/6.

The Board of Statutory Auditors, the CFO and the Secretary have always attended Board meetings. Company executives and consultants attended some meetings upon invitation.

On 23 December 2022, the Company announced the financial calendar for 2023 with a specific communication to the market and publication in the “Investor” section of its website ([www.investor.theitalianseagroup.com](http://www.investor.theitalianseagroup.com)).

During 2023 and up to the Report Date, the Board of Directors met three times.

Pursuant to Article 17 of the Articles of Association, the Board of Directors meets, also in a location other than the registered office, as a rule at least quarterly and whenever the Chairman deems it appropriate or when at least two directors or one director to whom powers have been delegated make a written and motivated request.

The Board of Directors can also be convened by at least one statutory auditor, subject to prior notice to the Chairman.

The call of the Board of Directors is made by written communication accompanied by all the elements useful for deliberations and sent at least 3 (three) days or, in case of urgency, at least 1 (one) day before the date set for the meeting by registered letter with return receipt, telegram, fax, telex, electronic mail or equivalent, provided that proof of receipt is given.

In any case, the Board of Directors is validly constituted, even in the absence of call formalities, if all its members and the standing members of the Board of Statutory Auditors are present.

See **Table 2** in the appendix.

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

The Articles of Association and the Regulation of the Board of Directors provide for the Chairman of the Board of Directors to convene the Board of Directors, set the agenda, coordinate its work and ensure that

adequate information on the items on the agenda is promptly made available to all directors. The Chairman of the Board of Directors appoints a Secretary also from outside its members.

The Regulation of the Board of Directors provides for the Chairman of the Board of Directors to play a liaison role between executive and the non-executive directors and take care of the effective functioning of the board's work; in particular, the Chairman of the Board of Directors, with the assistance of the Secretary of the Board, ensures that:

- a) pre-meeting information and complementary information provided during the meetings is suitable to allow the directors to act in an informed manner in the performance of their role;
- b) the activity of the board committees with preliminary, proposing and consultative functions is coordinated with the activity of the administrative body;
- c) in agreement with the Chief Executive Officer, the managers of the Company and those of the group companies, responsible for the pertinent corporate functions according to the matter in question, attend the board meetings, also at the request of individual directors, to provide appropriate insights into the items on the agenda;
- d) all members of the administrative and control bodies can participate, after their appointment and during their office, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the company operates, of the business dynamics and of their evolution also from a point of view of the sustainable success of the company itself as well as of the principles of correct risk management and of the reference regulatory and self-regulatory framework;
- e) the self-assessment process of the administrative body, with the support of the appointment committee, is adequate and transparent.

During the Financial Year, the Chairman:

- has ensured the timeliness and completeness of the pre-meeting information by distributing to the Directors the documentation relating to the items on the agenda in the days immediately prior to the date scheduled for the meeting of the Board of Directors and, in particular, normally at the same time, allowing the directors to act in an informed manner in the performance of their role;
- with the help of the Secretary, has ensured that the activity of the board committees with preliminary, proposing and consultative functions is coordinated with the activity of the administrative body;
- in agreement with the Chief Executive Officer, has ensured that the Chief Financial Officer of the Company and of the Group companies, as well as other managers and officers responsible for the pertinent corporate functions according to the matter in question, attend the board meetings, also at the request of individual directors, to provide appropriate insights into the items on the agenda;
- has provided the directors with information that allows them to obtain adequate knowledge of the business sector in which the Issuer and the Group operate, of the company dynamics and their



evolution, of the principles of correct risk management as well as of the regulatory and self-regulatory reference framework, in compliance with Article 3, Recommendation 12, letter d), of the Code;

- has ensured that the Board of Directors was informed by the first useful meeting on the development and significant contents of the dialogue with shareholders.

When carrying out the self-assessment process of the Board of Directors, which will take place every three years from the appointment of the Board itself (in view of its renewal), the Chairman will ensure its adequacy and transparency with the support of the Appointment and Remuneration Committee.

### **Secretary of the Board**

In compliance with the Articles of Association, the Chairman of the Board of Directors appoints a Secretary also from outside its members.

The Regulation of the Board of Directors also requires that, for the organisation of its work, the Board of Directors avails itself of the support of the Secretary of the Board (the “**Secretary**”). In this regard, it is specified that in the meeting of 12 July 2021 the Board of Directors, on the proposal of the Chairman, assigned the function of Secretary to Mr. Marco Carniani.

At the meeting of 3 March 2023, at the proposal of the Chairman and in view of the new role to be entrusted to Mr. Marco Carniani, the Board of Directors assigned the function of Secretary to Ms. Simona Del Re.

On the proposal of the Chairman, the Board of Directors resolves on the appointment and dismissal of the Secretary of the Board and defines the requirements of professionalism and the powers in its own regulation.

The Secretary supports the activities of the Chairman and provides, with impartiality of judgement, assistance and advice to the administrative body on every aspect relevant to the correct functioning of the corporate governance system.

The Secretary can be either chosen from among the employees of the Company or identified from outside the Company itself; when deemed appropriate, they can also be chosen from among the members of the same Board of Directors.

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

In particular, the Secretary assists the Chairman in activities related to the correct functioning of the Board of Directors and provides the Directors impartial assistance and advice on Corporate Governance matters and in relation to the rights, powers, duties and obligations of the same to ensure the regular exercise of their powers.

The Secretary ensures that:

- a) pre-meeting information is accurate, full and clear and that complementary information provided during the meetings is suitable to allow the directors to act in an informed manner;
- b) the activity of the internal Board Committees is coordinated with the activity of the Board of Directors;
- c) the top management of the Company and of the Group companies, as well as the heads of corporate functions, may participate in the Board meetings to provide the appropriate in-depth information on the items on the agenda.

In the case of the Secretary's absence, the Board appoints, from time to time, the person who must replace them on the proposal of the Chairman.

The supporting documentation distributed to the members of the Board of Directors and the Board of Statutory Auditors is filed in the Board's records.

The person identified by the Board of Directors to hold the role of Secretary carries out the same office, and with the same duties, also within the Executive Committee, if appointed.

## **4.6 EXECUTIVE DIRECTORS**

### **Chairman of the Board of Directors**

The Chairman of the Board is not the main person responsible for the management of the Issuer (Chief Executive Officer) and is not the controlling shareholder of the Issuer.

On 21 October 2020 the Issuer's Board of Directors resolved, *inter alia*, to delegate to the Chairman of the Board of Directors **Filippo Menchelli** the institutional representation of the Company and the responsibility for the correct functioning of the top management; responsibility for convening the Board of Directors, defining the agenda and approving the related minutes. The Chairman is also entrusted with the function of employer pursuant to Legislative Decree no. 81/2008 and subsequent amendments with the power to provide and supervise, with ample discretion and full autonomy of expenditure, compliance with accident prevention, hygiene and environmental protection regulations. The following powers are conferred to the Chairman of the Board of Directors, Filippo Menchelli:

- to carry out, in the name and on behalf of the Company, all acts, execute all the functions and fulfil all the obligations established by Consolidated Law no. 81/2008 and, more generally, by the regulations on hygiene, safety and prevention at work, and, in any case, directly provide for what is deemed necessary and/or useful for the constant compliance, adaptation and updating of the regulations and rules of good practice inherent to this matter. To this end, Director Filippo Menchelli will have the power to represent the Company, for all purposes, before all public and private Authorities, Institutes and Bodies responsible for the exercise of the supervisory, verification and control functions provided by the general regulations and, in particular, with regard to accident prevention, before INAIL, also for the purposes and effects

referred to in Presidential Decree 1124/1965, as well as all the broadest management, decision-making, control and signature powers.

- On 21 October 2020, on the recommendation of the Chairman of the Board of Directors Filippo Menchelli, in his capacity as Employer pursuant to Law no. 81/2008, the Board of Directors appointed some Managers for the safety functions and for the environmental aspects pursuant to Legislative Decree 152/2006, with reference to the departments, sectors and offices of competence, having verified their professionalism and experience required by the specific nature of the delegated functions, giving them all the organisational, management and control powers required by the nature of the duties.

### **Deputy Chairman of the Board of Directors**

On 21 October 2020, the Issuer's Board of Directors resolved, *inter alia*, to delegate to the Deputy Chairman of the Board of Directors **Giuseppe Taranto** the institutional representation of the Company in place of or in the absence of the Chairman. The following powers are conferred to the Deputy Chairman of the Board of Directors, Giuseppe Taranto:

1. delegation for global commercial management, with responsibility for all commercial activities of the offices in Italy and abroad, both in terms of costs and of the sales budget which will be defined at the beginning of each financial year and divided into the various subsidiaries, countries and/or commercial areas;
2. representation of the Company for the fulfilment of all negotiation activities necessary for the conclusion of sales contracts, within the amount limit of Euro 2,500,000.00 (Euro two million five hundred thousand/00) for each individual transaction;
3. responsibility in terms of sale prices with the consequent responsibility for margins and relative control of the budget received by the reference company function and consequent further verification of the correspondence of technical specifications;
4. direction and coordination of Client Relationship Management activities by managing every single relationship and critical issue with the various shipping companies from the beginning of negotiations to delivery of the ship, including the entire contractual warranty period;
5. management of the successful conclusion of each payment by the shipping companies starting from the first contractual down payment, continuing with the various progress reports, up to the final payment for the delivery of the vessel;
6. strategic responsibility in the Company's research and development innovations, giving both technical and aesthetic development inputs according to all market needs;
7. coordination and keeping themselves updated and strategic sharing of all marketing and communication choices, both with respect to the market and to customers, partners, brokers, etc.

It is also specified that with a notarial deed dated 12 January 2017, the directors Filippo Menchelli and Giuseppe Taranto were appointed special attorneys on behalf of the Company, with the power to “*represent it in any judgement, procedure, including arbitration, proceeding, even extrajudicial, with the widest powers, including, by way of example only, being able to reconcile and settle, collect sums, and moreover, specifically, for formal questioning, oaths, informal questioning, participation to conciliation attempts.*”

Due to the untimely and sad death of Mr. Giuseppe Taranto, on 3 March 2023 the Board of Directors, at the proposal of the Chairman, resolved on the appointment of Mr. Marco Carniani for co-optation.

He was also appointed Deputy Chairman.

The powers previously granted to Mr. Taranto were temporarily assigned to the Chief Executive Officer Mr. Giovanni Costantino until the meeting for the renewal of corporate offices.

### **Chief Executive Officer**

On 27 October 2022, in light of the new company operating requirements, the Board of Directors also resolved to grant the following powers to replace those previously granted and filed with the Register of Companies:

1. Exercise of the voting right in ordinary and extraordinary shareholders' meetings of companies in which equity investments are held;
2. Request and grant of loans to associated companies up to the limit of Euro 1,000,000.00 (one million) or which determine an overall annual debt of Euro 30,000,000.00 (thirty million);
3. Stipulation of passive mortgages within the limit of Euro 4,000,000.00 (four million) for each single transaction or which result in exceeding an overall annual debt of Euro 30,000,000.00 (thirty million);
4. Acquisition or sale, also by means of a license, of industrial property rights for trademarks, patents, inventions, projects, designs, factory and quality models, within the asset value limit of Euro 500,000.00 (five hundred thousand);
5. Rental of secondary offices, branches, office spaces, warehouses, stores and agencies and for other purposes connected with the corporate activity;
6. Lease or sublease to local third parties for civil and industrial purposes, machinery and plants, equipment and similar;
7. Stipulation of consulting and service agreements;
8. Transferring or leasing business units, as possibly including the related rights of use, also inherent to assets or part of assets under state concession, also being able to assume obligations and therefore arrange for the temporary or definitive sub-entry of third parties in the same state concessions, carrying out all preparatory or consequential activities (including in turn delegating them to third parties);
9. Representation of the company in court at any level before the judicial and administrative authority;
10. Execution of constitutions, modifications, cancellations of deeds involving mortgages, pledges, privileges, seizures and others on third parties in favour of the company;

11. Execution of all transactions relating to safety deposit boxes set up or to be set up with credit institutions;
12. Opening of bank current accounts;
13. Agreement and definition of credit lines with credit and financial institutions within the limit of Euro 4,000,000.00 (four million/00) for each single transaction or which do not result in exceeding an overall annual debt of Euro 30,000,000.00 (thirty million/00);
14. Signature of the approval requests and the free of charge approvals for temporary and definitive import and export issued by the Bank of Italy and by the banks acting in the name of the company;
15. Action for the protection of the company's interests before expert boards and arbitration boards;
16. Requesting security deposits and/or sureties from third parties in favour of third parties on behalf of the company for:
  - 16.1 participation in tenders, offers, calls for tenders or, competitions, execution of works referred to in sales contracts;
  - 16.2 collections and advances from customers;
  - 16.3 other reasons connected with the execution of the company's own works;
  - 16.4 tax refunds;
17. Requesting and receiving from third parties amounts by way of security deposit of the price of a future sale;
18. Making and collecting security deposits at Ministries, public deposit offices, deposit and loan banks, regional revenue offices, customs and municipal offices, provinces, regions and any other office, government or private body, including normal utilities (telephone, telex, electricity, etc.) or supplies of goods and services (engines, moulds, models, projects, containers, furniture, furnishings, etc.);
19. Granting loans as collateral to banks;
20. Collecting receivables for any amount for the company;
21. Collecting for the company: bank checks, circular cheques, promissory notes, drafts, money orders and other credit instruments, issuing receipts;
22. Arranging payments, issuing and endorsing bank checks, money orders and other credit instruments, make withdrawals from positive or negative balance bank current accounts within the limits of available credit lines and withdrawals from postal current accounts within the limits of available credit lines;
23. Signature of any declaration (deed, appeal, formality) required by tax regulations and representation of the company at any financial office of the public administration as well as with the tax litigation bodies at all offices and levels;
24. Payment and agreement on taxes, duties and contributions by accepting and rejecting assessments, reimbursements with completion of all the acts necessary for the most precise tax assessment;
25. Collection of parcels, letters, including registered and insured letters from post offices, state railways, transport companies, customs, collecting goods and submitting appeals and complaints for any reason and cause, promoting damage claims and demanding any compensation;

26. Execution of any transaction in relation to the public vehicle register;
27. Signature of corporate correspondence;
28. Purchase, sale, and exchange of boats and cars, carrying out, where necessary, paperwork at the public registers or other competent offices, plants, machinery and their accessories, equipment, furnishings, calculation machines, vehicles, within the amount limit of Euro 6,000,000.00 (six million/00) for each single transaction;
29. Purchase of goods, raw materials, semi-finished products, finished products and services within the scope of the corporate activity by committing the company for all the rights and obligations that may arise, stipulating the related purchase, exchange, supply, consultancy, agency, brokerage contracts, etc.;
30. Stipulation of contracts with insurance companies and institutions by signing the related policies with the right to carry out any practice relating to the settlement of damages or indemnities;
31. Giving or receiving commissions, agencies and representatives, including exclusive ones, by stipulating the relative contracts and updating them over time;
32. Stipulation of storage and shipping contracts, including maritime ones, concluding agreements and conditions;
33. Issue of certificates, declarations for income and VAT reports, both for social security, insurance and welfare entities, and for other entities or individuals;
34. Granting of loans and guarantees in favour of employees and/or in favour of bodies formed by/or in the interest of employees;
35. Providing for the payment of periodic salaries of employees as well as the related contributions and mandatory obligations;
36. Sale, export, also with ongoing contracts, of the company's products by setting terms and conditions with third parties, granting rebates, discounts and signing the related deeds within the amount limit of Euro 1,000,000.00 (one million/00) for each individual transaction;
37. Sale of raw materials, semi-finished products from the company's production process;
38. Sale of waste, scraps and processing residues;
39. Signing the documentation necessary for participation of the Company in tenders, auctions, calls, at private companies or at regional or local public and governmental bodies or at any other public administration;
40. Settlement of disputes and arbitrations, settlement of disagreements;
41. Appointment of attorneys ad negotia for single deeds or for categories of deeds within the limits of available power;
42. Hiring and firing Managers and changing their remuneration, as well as defining the exact fulfilment of the employment contracts in place at the company;
43. Defining the specific functions of employees, assigning tasks, deciding on any disciplinary sanctions, after a discussion with the Employer for safety purposes;
44. Hiring and promoting, suspending, dismissing managers, executives, employees and workers and

modifying their conditions of employment;

45. Conducting negotiations, signing company employment contracts and other union agreements;
46. Purchase and sale, exchange and any form of transfer of property and/or land, also part of property and condominium complexes, also under state, civil or maritime concession, or subject to a building agreement, up to the limit of Euro 2,000,000.00 (two million/00) for each individual transaction, with the right to delegate to third parties any functional or instrumental activity for the aforementioned real estate transfers.

**Executive committee (only if established) (pursuant to Article 123-bis, paragraph 2, letter d), of the TUF)**

The Company has not established an executive committee.

\*\*\*

**Disclosure to the Board by directors/delegated bodies**

Article 17 of the Articles of Association provides that, pursuant to Article 150 of the TUF - and, in any case, to any legislative or regulatory provision in force from time to time, during the meetings, the directors with delegated powers must report at least quarterly to the Board of Directors and the Board of Statutory Auditors orally, or, when the Chairman deems it appropriate, with a written report, on the general management performance and its foreseeable evolution, as well as on the most significant transactions, due to their size or characteristics, carried out by the Company or by its subsidiaries and each director must report any interest they may have in a specific Company transaction, on their own behalf or on behalf of third parties.

In this regard, it is specified that the delegated bodies reported to the Board on the activities carried out in the exercise of the powers conferred on them at the first meeting, with a frequency of less than quarterly.

**Other executive directors**

During the Financial Year and at the Report Date there were and there are no other executive directors other than those described in this Chapter.

**4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR**

**Independent directors**

The Issuer has appointed 3 independent directors out of a total of 7 members of the Board of Directors and believes that the number and skills are adequate for the needs of the company and for the functioning of the Board, as well as for the establishment of the related committees.

On 18 February 2021 and, subsequently, on 28 April 2021 and on 24 March 2022, the Board of Directors carried out the assessment of the independence requirements provided for by Article 147-ter, paragraph 4, of the TUF (which refers to Article 148, paragraph 3, of the TUF) and Article 2 of the Code, of the independent directors Massimo Bianchi, Antonella Alfonsi and Fulvia Tesio, disclosing this in the Prospectus.

In this regard, it is specified that each director, on the occasion of the listing, provided all the elements necessary or useful for the assessments of the Board of Directors.

During the assessment of the independence requirements, it was also taken into consideration that the independent directors Massimo Bianchi and Fulvia Tesio had the following relationships of a financial and professional nature with the Issuer and GC Holding S.p.A.:

- Independent director Massimo Bianchi held the position of standing auditor of the Company from 2014 to 2020, receiving a remuneration for the office of Euro 6,000 per year.
- Independent director Fulvia Tesio held the position of chairman of the board of statutory auditors from 2010 to 2014 at GC Holding and sole auditor of that company from 2015 to 2018, receiving a remuneration for the office of Euro 13,000 per year.

In this regard, it is specified that, with reference to Mr. Massimo Bianchi and Ms. Fulvia Tesio, independence was assessed by the administrative body of the Company also in consideration of Article 2(7) of the Code and, in this regard, in relation to the remuneration received for the offices, respectively, of standing auditor and sole auditor, they have not received remuneration such as to be defined as a significant financial or professional relationship with the Issuer or with GC Holding S.p.A.

Furthermore, on 18 February 2021, the Board of Directors assessed that the independent directors have adequate knowledge and experience in accounting and financial matters or risk management or remuneration policies.

The Chairman of the Issuer's Board of Directors was not qualified as independent.

At the beginning of its mandate, the Board of Directors did not pre-define the quantitative and qualitative criteria for assessing the significance of the relevant circumstances pursuant to the Code for the purposes of assessing the independence of the directors, since, as mentioned, it was appointed prior to the listing; this check, however, as mentioned above and in paragraph 4.4., was carried out at a later time and verified by the Board of Statutory Auditors.

On 24 March 2022, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members.



The independent directors met during the Financial Year in the absence of the other directors at the meetings of the Appointment and Remuneration Committee, the Control and Risk Committee (also in its role of Related Party Transactions Committee). For further information, please refer to the relevant paragraphs of the Report.

### ***Lead Independent Director***

The Issuer has not appointed an independent director as lead independent director since the conditions pursuant to the Code are not met.

## **5. MANAGEMENT OF COMPANY INFORMATION**

On 18 February 2021, with effect from the Trading Start Date, the Board of Directors approved the adoption:

- of the procedure for the management and communication of inside information (the “**Inside Information Procedure**”), which identifies the principles and rules which the recipients of the procedure must follow, for the internal management and public disclosure of inside information, such as identified by Article 17 of Regulation (EU) no. 596/2014 (the “**MAR**”). The procedure defines, *inter alia*, (i) the identification of inside information; (ii) the identification of the recipients of the procedure; (iii) the procedure for activating the delay procedure for disclosing inside information to the public and verifying the existence of the conditions for continuing delay; (iv) the methods for disseminating and communicating inside information to the market; and (v) the principles of conduct to which the individuals and corporate organisational structures involved in various capacities in the treatment of inside information and confidential information must comply. The same procedure governs the establishment and updating of the register of persons who have access to inside information (“**Insider Register**”), pursuant to Article 18 of the MAR, defining: (i) the identification of the persons responsible for maintaining the aforementioned Insider Register; (ii) the criteria for identifying the people to be entered in the Insider Register; (iii) the methods and functioning of the Insider Register; (iv) registration; (v) updating of the Insider Register;
- of the internal dealing procedure (the “**Internal Dealing Procedure**”) which governs, as required by Article 19 MAR and Articles 152-*quinquies*.1, 152-*sexies*, 152-*septies* and 152-*octies* of the Issuers' Regulation, the obligations of disclosure to the public and the limitations on the completion of transactions carried out - including through intermediaries - by relevant persons - as well as the persons closely associated with them (as defined below) whose total amount reaches Euro 20,000.00 over a calendar year (the “**Transactions**”); as well as all transactions subsequent to the Transaction which led to the achievement of the aforementioned threshold. For the purposes of the Internal Dealing Procedure, the following are considered “relevant persons”: (i) members of the Board of Directors and

the Statutory Auditors of the Issuer, (ii) executives, who, although not members of the Issuer's Board of Directors or Board of Statutory Auditors, have regular access to the inside information of the Issuer and/or its subsidiaries concerning the Issuer directly or indirectly and have the power to take management decisions that may affect the Issuer's development and future prospects; (iii) anyone, pursuant to Article 114, paragraph 7 of the TUF, who holds an equity investment equal to at least 10% of the Issuer's share capital, to be calculated pursuant to Article 118, paragraph 3-bis of Regulation 11971/99 as subsequently amended, as well as any other person that controls the Issuer.

In compliance with the provisions of the Internal Dealing procedure, “persons closely associated to relevant persons” are defined as: (i) a spouse or partner equivalent to a spouse, (ii) a dependent child, (iii) a relative or similar who has shared the same home for at least one year on the date of the transaction in question; (iv) a legal person, trust or partnership, (a) whose management responsibilities are held by a Relevant Person or by one of the persons referred to in points i), ii) and iii) above or (b) directly or indirectly controlled by said persons or (c) set up for their benefit or (d) whose economic interests are substantially equivalent to the interests of said persons.

The Inside Information Procedure and the Internal Dealing Procedure are available on the Company's website at [www.investor.theitalianseagroup.com](http://www.investor.theitalianseagroup.com) in the “Investor” section.

On 27 March 2022, following the resignation of Mr. Alessandro Lazzoni, the Board of Directors resolved to assign to Mr. Marco Carniani, with the support of Ms. Simona Del Re, the functions of (i) information contact person responsible for relations with Borsa Italiana S.p.A., (ii) person in charge of receiving, managing and disseminating internal dealing communications to the market; and (iii) person in charge of keeping and managing the RIL and the Insider Register.

## **6. INTERNAL BOARD COMMITTEES (pursuant to Article 123-bis, paragraph 2, letter d), of the TUF)**

In accordance with the provisions on corporate governance for listed companies dictated by Borsa Italiana in the Code and in order to increase the effectiveness and efficiency of the Board of Directors, on 18 February 2021, the latter resolved the establishment of the following committees with effect from the Trading Start Date: Appointment and Remuneration Committee and the Control and Risk Committee (also as Related Party Transactions Committee), as better explained below.

### **A. Appointment and Remuneration Committee**

The Appointment and Remuneration Committee, with advisory and propositional functions, has the task of assisting the administrative body in the activities of:

- a) self-assessment of the administrative body and its committees;

- b) definition of the optimal composition of the administrative body and its committees;
- c) identification of candidates for the office of director in the event of co-optation;
- d) possible presentation of a list by the outgoing administrative body to be implemented in a manner that ensures its transparent formation and presentation;
- e) preparation, updating and implementation of any plan for the succession of the Chief Executive Officer and other executive directors;
- f) preparation of the remuneration policy;
- g) submission of proposals or expression of opinions on the remuneration of executive directors and other directors who hold special offices as well as on the setting of performance targets related to the variable component of this remuneration;
- i) monitoring of the actual application of the remuneration policy and verification, in particular, of the effective achievement of the performance targets;
- l) periodic assessment of the adequacy and overall consistency of the remuneration policy for directors and top management.

The Appointment and Remuneration Committee is made up of three non-executive directors, of which at least two are independent, including the Chairman, appointed by the Board of Directors. In compliance with the provisions of Article 5, Recommendation no. 29, the remuneration of non-executive directors is not - except for an insignificant part - linked to the Issuer's financial performance targets and provides for a remuneration adequate to the competence, professionalism and commitment required by the tasks assigned to them within the board of directors and in the board committees.

The Appointment and Remuneration Committee has the right to access the information and company functions necessary for the performance of its duties, have financial resources and make use of external consultants, within the terms established by the administrative body.

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

The establishment of this committee guarantees the widest possible information and transparency on the remuneration due to the Chief Executive Officers and top management, as well as on the respective methods of determination. However, it is understood that, in accordance with Article 2389, third paragraph, of the Civil Code, the remuneration committee has only propositional functions while the power to determine the remuneration of directors vested with special offices remains in any case with the Board of Directors, having heard the opinion of the Board of Statutory Auditors. It is also noted that, following the listing, the Company

will comply with Article 123-ter of the TUF and Article 84-quater of the Issuers' Regulation and, therefore, will annually prepare the Report on remuneration policy and fees paid.

On 18 February 2021, the Board of Directors appointed as members of the Appointment and Remuneration Committee, subject to listing:

- Fulvia Tesio (as President)
- Antonella Alfonsi and
- Massimo Bianchi;

all in possession of adequate knowledge and experience in financial matters or remuneration policies, as confirmed by the Board of Directors on 28 April 2021, as well as in the meeting of 24 March 2022 on occasion of the self-assessment of the Board of Statutory Auditors.

On 18 February 2021, the Board of Directors adopted the Appointment and Remuneration Committee regulation, subsequently approved by the newly created committee in July 2021 (“**Appointment and Remuneration Committee Regulation**”).

The Committee is made up of three non-executive directors, of which at least two are independent, who remain in office until the expiry of the entire Board of Directors. At least one member of the Committee has adequate knowledge and experience in financial matters or remuneration policies, as assessed by the Board of Directors at the time of appointment.

If, during the term of office, one (or more) of the Directors making up the Committee are no longer available, the Board of Directors will replace them; the replacement, thus appointed, will remain in office until the expiry of the entire Board of Directors. The early termination of the Board of Directors, for any reason, determines the immediate forfeiture of the Committee.

For the constitution and resolutions of the Committee to be valid, the presence of the majority of its members in office is required and, in the absence of a call, the presence of all members in office. The members of the Committee will act collectively by deciding by majority.

The members of the Committee meet collectively whenever the President deems it necessary or when the other two Directors make a written request and, in any case, with the frequency necessary for the performance of their functions, usually on the dates provided for in the annual meetings calendar approved by the Committee itself.

The board meeting may be held in any place, even different from that of the Company's registered office, in Italy or abroad, including by teleconference or videoconference, provided that all participants are identifiable and are effectively able to follow the meeting and to participate in the discussion.

The call is made by the President or, on their behalf, by the Secretary of the Committee by fax and/or e-mail, sent at least three days before the date set for the meeting or, in case of urgency, at least one day before.

The notice of call includes details of the place, day and time of the meeting, as well as the list of matters to be discussed.

The meetings are chaired by the Committee President or, in the event of their absence or impediment, by another member of the same, appointed for this purpose by those present.

The Committee President annually reports to the Board on the activities carried out by the Committee and is domiciled at the Company's registered office.

The work of the Committee is coordinated by the President and the President of the Board of Statutory Auditors or another Statutory Auditor designated by the same participates in them; however, the other Statutory Auditors may also participate.

The Committee may access the information and company functions necessary for the performance of its duties as well as avail itself of external consultants, adequately bound to confidentiality, within the terms established by the Board of Directors.

Therefore, persons who are not members of the Committee may participate in the Committee meetings, at the invitation of the Committee itself, with reference to individual items on the agenda. No director takes part in the meetings of the Appointment and Remuneration Committee in which the proposals to the Board of Directors relating to their own remuneration are formulated.

The minutes of the resolutions passed are drawn up by the Secretary of the Committee and signed by the Secretary themselves and by all the directors attending the meeting.

The Directors, if absent, may sign the minutes for acknowledgement.

The Committee's book of meetings and resolutions is kept by the Secretary of the Committee.

The Committee President reports on the meetings held by the Committee itself at the first possible meeting of the Board of Directors.

The directors who are part of the Committee will abide by the strictest confidentiality and secrecy with regard to all data, information and news provided and discussed in relation to the activities of the Committee itself and undertake not to disclose them in any way or to issue press releases and/or statements regarding their work.

## **B. Control and Risk Committee**

The Control and Risk Committee is made up of three non-executive directors, of which at least two are independent, including the President, appointed by the Board of Directors.

The Control and Risk Committee has the advisory and propositional functions referred to in Article 6, Recommendation no. 35, of the Corporate Governance Code and, in assisting the Board of Directors:

- a) evaluates, after consulting the manager in charge of preparing the corporate accounting documents, the independent auditors and the control body, the correct use of accounting standards and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statements;
- b) evaluates the suitability of periodic financial and non-financial statement to correctly represent the business model, the company strategies, the impact of its activities and the performance achieved, coordinating with any committee provided for by recommendation 1, lett. a) of the Corporate Governance Code;
- c) examines the content of periodic non-financial statement relevant for the purposes of the internal control and risk management system;
- d) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the administrative body relating to the management of risks deriving from prejudicial facts of which the latter has become aware;
- e) examines the periodical reports and those of particular importance 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 to carry out checks on specific operational areas, giving simultaneous communication to the President of the control body;
- h) reports to the administrative body, at least on the occasion of the approval of the annual and half-yearly financial reports, on the activity carried out and on the adequacy of the internal control and risk management system.

The Control and Risk Committee has the right to access the information and company functions necessary for the performance of its duties, have financial resources and make use of external consultants, within the terms established by the administrative body.

The President of the Board of Statutory Auditors or another auditor designated by them participates in the work of the Control and Risk Committee.

In compliance with the provisions of Article 6 of the Corporate Governance Code, on 18 February 2021 the Board of Directors appointed as members of the Control and Risk Committee, subject to the listing

- Antonella Alfonsi
- Fulvia Tesio and
- Massimo Bianchi (as President)

all in possession of adequate knowledge and experience in accounting and financial and/or risk management matters, as confirmed by the Board of Directors on 28 April 2021, as well as in the meeting of 24 March 2022 on occasion of the self-assessment of the Board of Statutory Auditors.

On 18 February 2021, the Board of Directors adopted the Control and Risk Committee regulation, subsequently approved by the same committee in July 2021 (the “**CRC and RPT Regulation**”).

The Committee is made up of three non-executive directors, of which at least two are independent, who remain in office until the expiry of the entire Board of Directors. At least one member of the Committee has adequate experience in accounting and financial or risk management matters assessed by the Board of Directors at the time of appointment.

If, during the term of office, one (or more) of the Directors making up the Committee are no longer available, the Board of Directors will replace them; the replacement, thus appointed, will remain in office until the expiry of the entire Board of Directors. The early termination of the Board of Directors, for any reason, determines the immediate forfeiture of the Committee.

For the constitution and resolutions of the Committee to be valid, the presence of the majority of its members in office is required and, in the absence of a call, the presence of all members in office. The members of the Committee will act collectively by deciding by majority.

The members of the Committee meet collectively whenever the President deems it necessary or when the other two Directors make a written request and, in any case, with the frequency necessary for the performance of their functions, usually on the dates provided for in the annual meetings calendar approved by the Committee itself.

The board meeting may be held in any place, even different from that of the Company's registered office, in Italy or abroad, including by teleconference or videoconference, provided that all participants are identifiable and are effectively able to follow the meeting and to participate in the discussion.

The call is made by the President or, on their behalf, by the Secretary of the Committee by fax and/or e-mail, sent at least three days before the date set for the meeting or, in case of urgency, at least one day before.

The notice of call includes details of the place, day and time of the meeting, as well as the list of matters to be discussed.

The meetings are chaired by the Committee President or, in the event of their absence or impediment, by another member of the same, appointed for this purpose by those present.

The Committee President reports to the Board, at least half-yearly, on the activities carried out by the Committee as well as on the internal control and risk management system, and is domiciled at the Company's registered office.

The work of the Committee is coordinated by the President and the President of the Board of Statutory Auditors or another Statutory Auditor designated by the same participates in them; however, the other Statutory Auditors may also participate.

The Committee may access the information and company functions necessary for the performance of its duties as well as avail itself of external consultants, adequately bound to confidentiality, within the terms established by the Board of Directors.

Therefore, persons who are not members of the Committee, including members of the Board of Directors or of the Company's structure, may participate in the Committee meetings, at the invitation of the Committee itself, with reference to individual items on the agenda.

The minutes of the resolutions passed are drawn up by the Secretary of the Committee and signed by the Secretary themselves and by all the directors attending the meeting.

The Directors, if absent, may sign the minutes for acknowledgement.

The Committee's book of meetings and resolutions is kept by the Secretary of the Committee.

The Committee President reports on the meetings held by the Committee itself at the first possible meeting of the Board of Directors.

The directors who are part of the Committee will abide by the strictest confidentiality and secrecy with regard to all data, information and news provided and discussed in relation to the activities of the Committee itself and undertake not to disclose them in any way or to issue press releases and/or statements regarding their work.

### **C. Related Party Transactions Committee**

On 18 February 2021, the Board of Directors resolved to assign to the Control and Risk Committee also the functions of the Related Party Transactions Committee, as required by Consob Communication no. DME/10078683 of 24 September 2010. Please refer to Section 10 for information on the Related Party Transactions Committee and the Related Party Procedure (as defined therein).

### **Additional committees (other than those required by the regulations or recommended by the Code)**

Also in light of the recommendations of the Corporate Governance Committee, the President of the Board of Directors recognized the importance of Sustainability and the opportunity for the Chief Executive Officer to be supported in his ESG activities by a "Sustainability Team", composed of the company functions most involved in activities with a strong environmental, social and governance impact, namely: (i) Human Resources, (ii) Technical Department-R&D, (iii) Site Services, (iv) Investor Relations, (v) Quality and (vi) Management Control.



To this end, at the meeting of 15 March 2023, the Board of Directors resolved to establish a Sustainability Team consisting of the company functions listed above and to appoint Ms. Simona Del Re as ESG Manager, with coordination functions for the activities carried out by the Team.

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

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

As illustrated in Paragraph 4.3 above, the Issuer considers that the composition of the Board of Directors is such as to respect gender and age diversity and that the training and professional path of the directors currently in office guarantees a balanced combination of profiles and experiences within the administrative body, suitable for ensuring the correct performance of its functions.

Since 2021, the Directors have conducted a self-assessment on the functioning of the Board of Directors and of the Board Committees as well as on their size and composition and, for 2022, in line with a practice shared by most higher capitalisation Italian issuers, the Board was assisted in the self-assessment process by an external consultant, the Law Firm Clovers of Milan.

The 2022 Board Review process envisaged the definition of a detailed questionnaire for the members of the Board of Directors, which in summary concerned:

- the size, composition and functioning of the Board of Directors and of the Board Committees
- the definition of strategies and management monitoring
- the internal control and risk management system
- the management of conflicts of interest

#### **Summary of results:**

1) *Size, composition and functioning of the BoD and of the Board Committees*

- Adequacy of the size of the BoD
- The relationship between executive and non-executive Directors is appropriate

2) *Organizational structure*

- Adequacy of the corporate bodies' governance structure
- High degree of appreciation for the Board's management of potential conflict situations
- Full satisfaction for the Board's interactions with the Board Committees and for the Board's interactions with the heads of the main functions
- Appreciation for the in-depth analysis relating to the main causes of risk and for the risk profiles containment measures in the decision-making processes of the Board and of the Board Committees

- Total appreciation of the management and organizational structures for the achievement of the set objectives

3) *Functioning and training of Directors*

- High degree of willingness of the Directors to participate in training activities for the benefit of the Board
- Appreciation for the contribution of the Independent Directors to the work of the Board
- Total adequacy of the information flow, both in terms of content and timing of despatch of the documentation to the Directors
- Full appreciation of the structure and balance of topics in meetings' agendas, for the efficiency and effectiveness of decision-making processes, given the Board's substantial key role
- Effectiveness of the board meetings' minutes-taking process
- Satisfaction with the disclosures relating to the areas of greatest strategic importance for the Company

4) *Role of the Chairman and CEO*

- Appreciation of the role of the Chairman and of the CEO as a strong point for the Board with respect to the preparation of the agenda, the disclosure reserved for Directors and, in general, the management of relations with all key stakeholders
- Recognition of the constructive relationship between the Chairman, the CEO and the Board of Directors as a whole
- Adequacy of the allocation of powers while keeping a balance between strategic and management functions
- Appreciation for the quality and continuity of relations within the Board and satisfaction with the quality of information received from it

Lastly, with a view to continuous improvement, the Directors highlighted the following areas for improvement:

- periodic training of the Board of Directors in the following areas: markets, risk management and internal control system;
- an even broader involvement in Board debate for the decision-taking and the timing for the discussion of issues of strategic importance.

With regard to the **assessment relating to the adoption of a succession plan for executive directors**, in consideration of the company's ownership structure and size, at the report date the Board has not adopted a plan for the succession of executive directors.

However, in compliance with the recommendations of the Code, the Appointment Committee and the BoD intend to act in accordance with best practices by evaluating the opportunity to draw up a plan during 2023 at least for cases of early termination of the office of the CEO and of the other executive directors.

## **7.2 APPOINTMENT COMMITTEE**

As previously illustrated in Section 6, to which reference is made in full as regards the composition, functions and regulation of the Committee, on 18 February 2021 the Company's Board of Directors resolved, among other things, with effect from the Trading Start Date, the establishment of the Appointment and Remuneration Committee.

It is specified that the works of the Committee are coordinated by the President of the same, Fulvia Tesio (independent director), and are regularly recorded.

In particular, the Committee President informs the members of the Board of Directors about the meetings of the same at the first possible meeting.

As previously specified, on 18 February 2021, the Board of Directors assessed that the independent directors have adequate knowledge and experience in accounting and financial matters and/or risk, financial or remuneration policy management, confirmed at the meeting of 24 March 2022.

In its function of Appointment Committee, from the date of its establishment until 31 December 2021, the Committee met twice and precisely on 10 September 2021 and 15 November 2021; from 1 January 2022 to 31 December 2022, eight times, and precisely on 28 January 2022, 22 February 2022, 23 March 2022, 11 May 2022, 13 June 2022, 4 August 2022, 13 September 2022 and 10 November 2022, with an average meeting duration of 60 minutes.

In 2023 the Committee met on 23 January 2023, 2 March 2023 and 21 March 2023. Further meetings will be scheduled – substantially on a quarterly basis – following the new identification of the members of the Appointment and Remuneration Committee after the Shareholders' Meeting of April 2023.

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

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

\*\*\*

During the Financial Year, the Committee was made up exclusively of independent directors.

The meetings of the Appointment and Remuneration Committee were attended by directors or representatives from corporate functions who are not members, at the invitation of the committee President, informing the Chief Executive Officer, when not present; on the contrary, up to the Report Date, no members of the Issuer's Board of Statutory Auditors had participated.

## **Functions of the Appointment Committee**

The Appointment Committee assists the Board in the self-assessment activity of the Board itself and its committees, supporting the Chairman of the Board in ensuring the adequacy and transparency of the self-assessment process.

The Committee is assigned the duties envisaged by the Code. These tasks may be supplemented or modified by resolution of the Board of Directors.

At the Report Date, no further functions among those indicated by the Code have yet been assigned to the Committee.

In the performance of its functions, the Appointment Committee had the chance to access the information and company functions necessary for the performance of its duties, to have financial resources and to make use of external consultants, within the terms established by the Board. In this regard, please note that the Board of Directors of 18 February 2022 established the annual budget available to the Appointment and Remuneration Committee at Euro 10,000. It should be noted that on 24 March 2022, the Board confirmed the expenditure budget of Euro 10,000 for 2022.

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

### **8.1 REMUNERATION OF DIRECTORS**

For all information regarding the remuneration of directors, please refer to the Report on remuneration policy and fees paid drawn up pursuant to Article 123-ter of the TUF, available at the registered office and on the Company's website ([www.investor.theitalianseagroup.com](http://www.investor.theitalianseagroup.com)), in the "Corporate Governance" section.

### **8.2 REMUNERATION COMMITTEE**

As previously illustrated in Section 6 and Section 7.2, to which reference is made in full as regards the composition, functions and regulation of the Committee, on 18 February 2021 the Company's Board of Directors resolved, among other things, with effect from the Trading Start Date, the establishment of the Appointment and Remuneration Committee.

It is specified that the works of the Committee are coordinated by the President of the same, Fulvia Tesio (independent director), and are regularly recorded.

In particular, the Committee President informs the members of the Board of Directors about the meetings of the same at the first possible meeting.

In its function of Remuneration Committee, from the date of its establishment until 31 December 2021, the Committee met twice and precisely on 10 September 2021 and 15 November 2021; from 1 January 2022 until

the Report Date, it met eight times, and precisely on 28 January 2022, 22 February 2022, 23 March 2022, 11 May 2022, 13 June 2022, 4 August 2022, 13 September 2022 and 10 November 2022, with an average meeting duration of 2 hours. In the year 2023 the Committee met on 23 January 2023 and 21 March 2023. Further meetings will be scheduled - substantially on a quarterly basis - following the new identification of the members of the Control, Risk and Sustainability Committee after the Shareholders' Meeting of April 2023.

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

In 2023 the Appointment and Remuneration Committee met on 23 January 2023 and 21 March 2023. Further meetings will be scheduled - substantially on a quarterly basis - following the new identification of the members of the Appointment and Remuneration Committee after the Shareholders' Meeting of April 2023.

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

\*\*\*

During the Financial Year, the Committee was made up exclusively of independent directors.

As previously specified, on 18 February 2021, the Board of Directors assessed that the independent directors have adequate knowledge and experience in accounting and financial matters or risk management or remuneration policies.

As previously specified, the Committee regulation does not provide for any director to take part in the meetings of the Committee in which the proposals to the Board of Directors relating to their own remuneration are formulated.

The meetings of the Appointment and Remuneration Committee were attended by directors or representatives from corporate functions who are not members, at the invitation of the committee President, informing the Chief Executive Officer, when not present; on the contrary, up to the Report Date, no members of the Issuer's Board of Statutory Auditors had participated.

### **Functions of the Remuneration Committee**

The Committee assists the Board in drawing up the remuneration policy.

The Committee submits proposals or expresses opinions on the remuneration of executive directors and other directors who hold special offices as well as on the setting of performance targets related to the variable component of this remuneration.

The Committee monitors the actual application of the remuneration policy and verify, in particular, the effective achievement of the performance targets;

The Committee periodically assesses the adequacy and overall consistency of the remuneration policy for directors and top management.

During the Financial Year, the Committee assisted the Board in assessing the adequacy, overall consistency and concrete application of the remuneration policy for directors and executives with strategic responsibilities, as well as in defining the 2022 Remuneration Policy.

\*\*\*

In the performance of its functions, the Committee had the chance to access the information and company functions necessary for the performance of its duties, to have financial resources and to make use of external consultants, within the terms established by the Board. As previously illustrated, please note that the Board of Directors of 18 February 2022 established the annual budget available to the Appointment and Remuneration Committee at Euro 10,000 and on 24 March 2022 it reconfirmed the budget of Euro 10,000 for 2022.

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

The internal control and risk management system requires the Board, after obtaining the opinion of the Control and Risk Committee, to define the guidelines for the internal control and risk management system, understood as a set of processes aimed at enabling the identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the Company. This system helps to ensure the efficiency and effectiveness of company operations, the reliability of financial information, compliance with laws and regulations, the Articles of Association and internal procedures, as well as the safeguarding of company assets in order to strengthen the guarantee measures to protect investors.

The Board of Directors, having heard the opinion of the Control and Risk Committee, has appointed the head of the Internal Audit function, responsible for verifying that the internal control and risk management system is functional and adequate, ensuring that they are provided with adequate means to perform their functions, including in terms of the operational structure and internal organisational procedures for access to the information necessary for their task.

Among other things, on 18 February 2021 the Company's Board of Directors resolved the approval of a Memorandum containing the description of the Management Control System, having heard the opinion of the Board of Statutory Auditors, such as to allow managers to periodically and promptly gain a sufficiently exhaustive picture of the economic and financial situation of the Company and of any companies part of its group, to correctly allow: the monitoring of the main key performance indicators and risk factors which pertain to the Company and to the main companies part of its group; the production of data and information with particular regard to financial information, according to analysis dimensions appropriate to the type of business, the organisational complexity and the specificities of management's information needs; the elaboration of the prospective financial data of the corporate objectives plan through an analysis of deviations; business plan and budget, as well as verification of achievement;

During the Financial Year, the Board assessed the adequacy of the internal control and risk management system with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness, monitoring the activities aimed at updating and implementing the internal control and risk management system.

In compliance with the reference best practices, the internal control and risk management system involves each for their own responsibilities: the Board of Directors; the Chief Executive Officer; the Control and Risk Committee; the head of the Internal Audit function; the Board of Statutory Auditors.

On 24 January 2023, the Board of Directors approved the assignment to the Control and Risk Committee, in addition to the existing duties, also the responsibility in relation to Sustainability with preliminary, propositional and advisory functions to the Board of Directors and consequently the change of name of the Board Committee to “Control, Risk and Sustainability Committee” (CCRS), confirming the current composition with the following members: Massimo Bianchi, as President, Ms. Antonella Alfonsi and Ms. Fulvia Tesio, both as members of the CCRS.

## **9.1 CHIEF EXECUTIVE OFFICER**

On 18 February 2021 the Company's Board of Directors entrusted the Chief Executive Officer with the task of establishing and maintaining the internal control and risk management system.

On 31 January 2022, the Company's Board of Directors resolved to appoint Marco Carniani as the Company's Chief Financial Officer, subject to the positive opinion of the Appointment and Remuneration Committee.

During the Financial Year, the Chief Executive Officer:

- (i) oversaw the identification of the main business risks, taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and periodically submitted them to the Board for examination;
- (ii) implemented the guidelines defined by the Board, overseeing the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of operating conditions and legislative and regulatory landscape;
- (iii) entrusted the Internal Audit function with carrying out checks on specific operational areas and on compliance with internal rules and procedures in the execution of company transactions, simultaneously notifying the Chairman of the Board, the President of the Control and Risk Committee and the President of the Board of Statutory Auditors;
- (iv) promptly reported to the Control and Risk Committee on problems and critical issues that emerged in the performance of his business or of which he was in any case aware, so that the Committee could take appropriate initiatives.

## 9.2 CONTROL AND RISK COMMITTEE

As previously illustrated in Section 6, to which reference is made in full as regards the composition, functions and regulation of the Committee, on 18 February 2021 the Company's Board of Directors resolved, among other things, with effect from the Trading Start Date, the establishment of the Control and Risk Committee.

It is specified that the works of the Committee are coordinated by the President of the same, Massimo Bianchi (independent director), and are regularly recorded.

In particular, the Committee President informs the members of the Board of Directors about the meetings of the same at the first possible meeting, and in any case at least on the occasion of the approval of the annual and half-yearly financial reports, on the activity carried out and the adequacy of the internal control and risk management system.

From the date of its establishment until 31 December 2021, the Committee met twice and precisely on 10 September 2021 and 15 November 2021; from 1 January 2022 until the Report Date, it met eight times, and precisely on 28 January 2022, 22 February 2022, 23 March 2022, 11 May 2022, 13 June 2022, 4 August 2022, 13 September 2022 and 10 November 2022, with an average meeting duration of 120 minutes. In the year 2023 the Committee met on 23 January 2023 and has scheduled a meeting for 21 March 2023. During the meetings the Committee met the heads of corporate Functions and Departments, the Human Resources Function, it has examined, among other things, together with the manager in charge of preparing the corporate accounting documents, after consulting the independent auditors and the Board of Statutory Auditors, the correct use of the accounting standards for the purposes of the Financial Reports for the period, the periodic Internal Audit Function report, sharing with the Head of the same Function: i) the documentation produced by the PWC consultant in the context of the task assigned by the Company, including the Company's "Mapping of activities at risk"; ii) the Audit Plan developed by the same for the monitoring of areas at risk; iii) monitoring activities, and has approved the report of the Risk Control Committee on the activity carried out in the reference period.

During 2023 Financial Year and up to the Report Date, the Committee met twice; the number of meetings of the Committee scheduled for the current Financial Year will be at least 6.

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

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

\*\*\*

During the Financial Year, the Control and Risk Committee was made up of non-executive directors, all independent (other than the Chairman of the Board), with the Chairman chosen from among the independent directors (other than the Chairman of the Board).



As previously specified, on 18 February 2021, the Board of Directors assessed that the independent directors have adequate knowledge and experience in accounting and financial matters or risk, financial or remuneration policy management, confirmed at the meeting of 24 March 2022.

The meetings of the Committee were attended by directors or representatives from corporate functions who are not members, at the invitation of the committee President, informing the Chief Executive Officer of this. The President of the Board of Statutory Auditors (or another standing auditor appointed by the same) were able to attend the meetings.

### **Functions of the Control and Risk Committee**

The Control and Risk Committee was appointed by the Board of Directors to:

- support the Board itself in carrying out the tasks assigned to it by the Code regarding internal control and risk management;
- after consulting the manager in charge of preparing the corporate accounting documents, the independent auditors and the board of statutory auditors, evaluate the correct use of accounting standards and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statements;
- examine the content of periodic non-financial statement relevant for the purposes of the internal control and risk management system;
- express opinions on specific aspects relating to the identification of the main corporate risks and support the assessments and decisions of the Board relating to the management of risks deriving from prejudicial facts of which the latter has become aware;
- examine the periodical reports and those of particular importance prepared by the internal audit function;
- monitor the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
- report to the Board, at least on the occasion of the approval of the annual and half-yearly financial reports, on the activity carried out as well as on the adequacy of the internal control and risk management system.

The Control and Risk Committee has also been assigned the function of Related Party Transactions Committee; in this role, it has expressed its non-binding motivated opinion on the company's interest in carrying out the transaction as well as on the convenience and substantial correctness of the relative conditions for transactions of lesser importance.

\*\*\*

In the performance of its functions, the Committee had the chance to access the information and company functions necessary for the performance of its duties, to have financial resources and to make use of external consultants, within the terms established by the Board. In this regard, please note that the Board of Directors of 18 February 2022 established the annual budget available to the Control and Risk Committee at Euro 10,000. On 24 March 2022, the Board of Directors confirmed an annual budget of Euro 10,000 for the current year as well.

On 24 January 2023, the Board of Directors approved the assignment to the Control and Risk Committee, in addition to the existing duties, also the responsibility in relation to Sustainability with preliminary, propositional and advisory functions to the Board of Directors and consequently the change of name of the Board Committee to “Control, Risk and Sustainability Committee” (CCRS), confirming the current composition with the following members: Massimo Bianchi, as President, Ms. Antonella Alfonsi and Ms. Fulvia Tesio, both as members of the CCRS.

### **9.3 HEAD OF THE INTERNAL AUDIT FUNCTION**

On 15 November 2021, having heard the opinion of the Control and Risk Committee, the Board of Directors appointed Mr. Umberto Cappetti as head of the Company's Internal Audit function, replacing Mr. Francesco Perrotta. Mr. Cappetti is a person external to the Issuer, has adequate resources to carry out his duties and has direct access to all information useful for carrying out his assignment.

With the help of the PWC company, Mr. Cappetti is implementing the internal control system.

The reference framework used for the methodological assistance activities in the administrative and accounting sphere is the “CoSO Internal Control - Integrated Framework” (COSO Framework), currently the most widespread and commonly adopted by most listed companies for evaluating the effectiveness of the Internal Control System.

Specifically, the head of the Internal Audit function, again with the help of the PWC company, has:

- prepared a regulation for the manager in charge of preparing the corporate accounting documents and the regulation of the Internal Audit itself;
- carried out a new mapping of the control measures to mitigate the risks relating to sensitive areas with reference to financial reporting;
- carried out the adequacy analysis of the ICFR controls (gap analysis);
- prepared periodic reports to the independent directors on the progress of the activities for each phase of the project which will have the final objective of approving an audit plan and verifying the operation and suitability of the internal control system.

During the Financial Year, the Board approved the work plan prepared by the head of the Internal Audit function, after consulting with the Board of Statutory Auditors and the Chief Executive Officer.

#### **9.4 ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001**

The Company has adopted an organisation, management and control model for the prevention of crimes pursuant to Legislative Decree 231/2001 (also including the Code of Ethics and the Disciplinary System) (the “**Model**”), which introduced the administrative liability of companies into our legal system for certain crimes committed in their interest or to their advantage by top management or subordinates. The Company approved the Model in 2012 and appointed a Supervisory Body; the Company has also taken steps to keep its Model updated (first in 2015, subsequently in 2019, in 2020 and, lastly, in 2022, in order to include the pro tempore regulatory and administrative amendments issued).

On 24 March 2022, with effect from 22 December 2021, the Issuer renewed the Supervisory Body with a collegiate composition, appointing the body pursuant to Article 6 of Legislative Decree no. 231 of 8 June 2001 and assigning it the tasks indicated in the Model (which provides for the Supervisory Body to be endowed with autonomous initiative and control powers). At the Date of the Prospectus, the Supervisory Body was therefore composed of Annalisa De Vivo and Carlo De Luca and the President of the Board of Statutory Auditors Mr. Felice Simbolo.

The Supervisory Body is entrusted with the task of supervising the functioning of and compliance with the Model, assessing its adequacy, communicating to the Board of Directors any necessary updates to the Model and monitoring the implementation and updating of the same. Furthermore, the Supervisory Body is required to promote and verify the training activities within the scope of Legislative Decree 231/01, to have the internal audit plan approved, to examine the reports in accordance with the provisions of the Model and, finally, to manage the information flows received.

On 27 October 2022, the Board of Directors resolved to approve the updating of the Organizational, management and control model pursuant to Legislative Decree no. 231/01, which consists of the following outputs:

- General part;
- Special part and risk assessment;
- Annex 1 Group Code of Ethics;
- Annex 2 Group Disciplinary System;
- Annex 3 Whistleblowing procedure;
- Annex 4 Contractual clauses;
- Annex 5 PA transaction evidence sheet.

To regulate the activities related to these tasks, the Supervisory Body has adopted its own regulation since 2016 (most recently updated on 27 May 2019).

The Supervisory Body must meet periodically and provide periodic information to the Board of Directors, with particular reference to notifications about the violation of the provisions of the Model and any anomalies or atypicalities identified; in addition, the Supervisory Body must submit to the Board of Directors the documents which the Board itself is required to view pursuant to company procedures. In fact, the General Part of the Model provides for the Supervisory Body to be mandatorily sent the information that may have relevance to potential violations of the Model and that relating to the Company's activities, which may be relevant for the execution by the Supervisory Body of the tasks assigned to it.

The General Part of the Model is available on the Issuer's website, in the Corporate Governance section.

## **9.5 AUDIT FIRM**

The audit firm, in charge of the legal audit of the Issuer's accounts, is BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi 94, registered in the Companies' Register of Milan, Monza Brianza and Lodi, registration number, tax code and VAT number 07722780967, registered under no. 167991 of the Register of statutory auditors referred to in Article 6 et seq. of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135 of 17 July 2016 (the “**Audit Firm**”).

By resolution of 26 June 2015, the Issuer's ordinary shareholders' meeting assigned the Audit Firm the task of auditing the accounts (including the verification of the regular keeping of the accounts and the correct recording of the management facts in the accounting records), pursuant to Article 14 of Legislative Decree no. 39 of 2010 and of Articles 2409-bis et seq. of the Civil Code, until the approval of the Issuer's financial statements at 31 December 2017.

By resolution of 13 April 2018, the Issuer's ordinary shareholders' meeting assigned the Audit Firm the task of auditing the accounts (including the verification of the regular keeping of the accounts and the correct recording of the management facts in the accounting records), pursuant to Article 14 of Legislative Decree no. 39 of 2010 and of Articles 2409-bis et seq. of the Civil Code, until the approval of the Issuer's financial statements at 31 December 2020.

In consideration of the listing and the assumption of the status of public interest entity pursuant to Article 16 of Legislative Decree no. 39 of 2010, the Issuer's ordinary shareholders' meeting, on 18 February 2021, then conferred on the Audit Firm, pursuant to Articles 13 and 17 of Legislative Decree no. 39 of 2010 and Article 16 of Regulation (EU) no. 537/2014, and with effectiveness subject to listing, a statutory audit assignment for the financial years 2021-2029 (including the verification of the regular keeping of the accounts as well as the correct recording of management facts in the accounting records) in relation to the Issuer's separate financial statements, replacing the assignment entrusted to the same Audit Firm on 13 April 2018. Furthermore, the

Issuer's ordinary shareholders' meeting conferred on the Audit Firm, again with effectiveness subject to the start of trading, the task of auditing the Issuer's half-yearly financial report for the half-years ending on 30 June of the financial years 2021-2029. It should be noted that, on 18 February 2021, the Board of Statutory Auditors released its motivated proposal pursuant to Article 13 of Legislative Decree no. 39 of 2010, after having assessed, *inter alia*, the technical suitability of said Audit Firm, its independence, as well as the completeness of the audit plan in relation to the extent and complexity of the assignment to be performed, as well as the economic profile of the assignment.

## **9.6 MANAGER IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS**

Manager in charge of preparing the corporate accounting documents

In particular, it is specified that Article 19 of the Articles of Association provides that *“Where required by law, subject to the mandatory opinion of the Board of Statutory Auditors, the Board of Directors appoints a manager in charge of preparing the corporate accounting documents and fulfilling the duties provided for by the current provisions of law and regulations, choosing them among individuals who have gained experience in accounting or administrative matters for at least three years in a listed company or in any case with a share capital of not less than Euro one million”*.

In this regard, it is specified that, on 18 February 2021, subject to the opinion of the Board of Statutory Auditors, the Issuer's Board of Directors appointed Marco Carniani as the manager in charge of preparing the corporate accounting documents, effective as from the Trading Start Date, and verifying that the same met the requirements set by the Articles of Association. The Board has conferred on Mr. Carniani the powers and means for the exercise of the tasks assigned by the provisions of law and regulations in force from time to time.

Subsequently, on 12 July 2021, the Control and Risk Committee expressed its favourable opinion.

It is specified that on 31 January 2022, the Company's Board of Directors resolved to appoint Marco Carniani as the Company's Chief Financial Officer, subject to the positive opinion of the Appointment and Remuneration Committee.

During his professional career, Mr. Carniani gained significant experience in the field of auditing and corporate finance at leading international advisory firms. In particular, from 2006 to 2009, he held the position of auditor and, subsequently, senior auditor at Deloitte and Touche S.p.A. and, between 2009 and 2014, he held the position of manager at BDO. He has been Deputy Chairman of the Board of Directors of The Italian Sea Group since 3 March 2023.

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

The Board of Directors promotes and monitors coordination among all the parties involved in the Issuer's internal control and risk management system. This coordination is carried out promptly and in compliance with the rules and regulations in force as well as with the best practices in use for listed companies; as it has been extensively illustrated in the Chapters dedicated to each of the parties involved in the internal control and risk management system of the Company, to which express reference is made, the activity of each is based on maximum collaboration in the exchange of information flows, in order to optimise and implement the overall efficiency of the system, reduce duplication of activities and ensure effective performance of the duties of the Board of Statutory Auditors.

## **10. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS**

On 18 February 2021, as subsequently amended, the Board of Directors approved the adoption, with effect from the Trading Start Date and subject to the favourable opinion of the independent directors obtained on 12 July 2021, the related party transactions procedure (the “**Related Party Procedure**”), also taking into consideration the guidelines provided by Consob Communication no. DEM/10078683 of 24 September 2010, as well as pursuant to the relevant provisions contained in the Corporate Governance Code.

The Related Party Procedure has the purpose of establishing the rules which the Company must comply with in order to ensure the transparency and substantial and procedural correctness of the related party transactions carried out directly or through any subsidiaries, as well as to define the suitable operational solutions to facilitate the identification and adequate management of situations in which a director or auditor holds an interest on their own behalf or on behalf of third parties.

On 18 February 2021, the Board of Directors resolved to assign to the Control and Risk Committee also the functions of the Related Party Transactions Committee, as required by Consob Communication no. DME/10078683 of 24 September 2010.

It should be noted that the Company qualifies as a recently listed company and as a smaller company pursuant to the Related Party Regulation; for this reason, the procedure identified for transactions of lesser importance is applied to the transactions of greater importance, without prejudice to the provisions for the transactions that fall within the hypothesis of exclusion, as identified pursuant to the Related Party Procedure.

The full text of the Related Party Procedure is available for consultation on the Issuer's website ([www.investor.theitalianseagroup.com](http://www.investor.theitalianseagroup.com)).

In its function of Related Party Transactions Committee, from the date of its establishment until 31 December 2021, the Control and Risk Committee met twice and precisely on 12 July 2021 and 8 October 2021, with an

average meeting duration of 90 minutes; from 1 January 2022 until the Report Date, in its function of Related Party Transaction Committee, the Control and Risk Committee met once, on 28 January 2022.

The foreseeable number of meetings of the Committee for the current Financial Year will be at least one.

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

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

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

### **11.1 APPOINTMENT AND REPLACEMENT**

The Board of Statutory Auditors is composed of 3 (three) standing members and 2 (two) alternate members. When appointing this body, minority interests are entitled to elect one standing auditor, who will assume the office of President of the Board of Statutory Auditors, and one alternate auditor.

All statutory auditors must be registered in the register of auditors, must meet all the additional requirements set by the applicable regulations, including regulatory ones, and must have exercised the activity of legal auditing of accounts for a period of not less than three years.

The Statutory Auditors remain in office for three years and can be re-elected. The Shareholders' Meeting appoints the Statutory Auditors and the President of the Board of Statutory Auditors in compliance with any provisions in force pro tempore, also provided for by codes of conduct drawn up by companies managing regulated markets to which the Company adheres, inherent to gender balance and determines the compensation due to them.

The appointment of the Board of Statutory Auditors takes place on the basis of lists filed under penalty of forfeiture at the Company's registered office within the terms provided for by the regulations, including statutory, in force from time to time, in which candidates are listed by means of a progressive number. The list is made up of two sections: one for candidates for the office of standing auditor, the other for candidates for the office of alternate auditor.

The lists that present a number of candidates equal to or greater than three must be composed of candidates of both genders in accordance with any legal provisions in force or with codes of conduct drawn up by companies managing regulated markets to which the Company adheres.

Only shareholders who, alone or together with others, hold shares with voting rights representing a percentage no less than that envisaged by the regulations in force for the presentation of lists of candidates for the election of the Company's Board of Statutory Auditors, have the right to submit lists. This shareholding must result from specific certifications that must be produced, if not available on the day on

which the lists are filed, within the deadline set by the applicable regulations for the publication of the lists by the Company. All this is mentioned in the notice of call.

Each shareholder, as well as shareholders linked by control or connection relationships pursuant to the Civil Code or who adhere to a shareholders' agreement concerning the Company's shares, cannot submit or vote, not even through a third party or trust company, for more than one list. Each candidate may appear on only one list, under penalty of ineligibility. Candidates included in the lists must meet the limits of offices set by the applicable regulations and the integrity, professionalism and independence requirements established by Decree no. 162 of 30 March 2000 and, in any case, by any legislative or regulatory provision in force from time to time and by this Article. Outgoing auditors are eligible for re-election.

The lists must also be accompanied by:

- (i) information relating to the identity of the shareholders who submitted the lists, with an indication of the overall percentage of the shareholding held;
- (ii) a declaration by shareholders other than those who hold, also jointly, a controlling or relative majority shareholding, certifying the absence of any connection with the latter as provided for by the regulations in force;
- (iii) exhaustive information on the personal and professional characteristics of the candidates and the declarations with which the individual candidates accept their candidacy and certify, under their own responsibility, that they meet the requirements legally and statutorily prescribed for their respective offices;
- (iv) the list of administration and control offices held by the candidates in other companies with the commitment to update this list at the date of the Shareholders' Meeting;
- (v) any other document or information required by law. Candidates not meeting the above requirements are not eligible.

In the event that, on the expiry date of the term provided for by the laws and regulations in force for the presentation of the lists, only one list has been filed, or only lists presented by shareholders who are connected to each other pursuant to the laws and regulations in force, lists may be submitted up to the next deadline established by the applicable regulations. In this case, the percentage of shareholding in the Company's capital required for the submission of lists by this statutory provision is reduced by half.

The election of the auditors occurs as follows:

1. two standing auditors and one alternate auditor are elected from the list that obtained the highest number of votes at the Shareholders' Meeting, based on the progressive order in which they are listed in the sections of the list;



2. the remaining standing auditor, who will assume the role of President of the Board of Statutory Auditors, and the remaining alternate auditor will be elected, based on the progressive order in which the candidates are listed, from the second list that obtained the highest number of votes - which is not connected in any way, not even indirectly, pursuant to the laws and regulations in force at the time, with those who presented or voted for the list referred to in point 1 above. In the event of a tie among several lists, a new vote is taken by the Shareholders' Meeting and the candidates who obtain a simple majority of votes are elected.

In the event that only one list has been presented, the Board of Statutory Auditors is drawn entirely from it with the majorities required by law.

If, as a result of the application of the list voting mechanism indicated above, the composition of the Board does not comply with the rules on gender balance, as specified above, the Shareholders' Meeting will proceed to appoint the statutory auditors meeting the set requirements replacing the candidates without these requirements included in the list from which the persons to be replaced were drawn.

If the legal and statutory requirements are no longer met, the statutory auditor forfeits their office.

In the event of the replacement of a statutory auditor, the alternate auditor drawn from the same list as the one to be replaced takes over, having confirmed they meet the requirements prescribed for the office, in order to comply with the provisions of the current regulations in the matter of gender balance, as specified above, in the composition of the collegiate body. If the above replacement does not allow compliance with the applicable regulations on gender balance, as specified above, the Shareholders' Meeting will proceed with the appointment of a statutory auditor meeting the requirements to ensure compliance with these regulations.

In the event of replacement of the President, this office is assumed by the statutory auditor who takes their place. It is understood that the chairmanship of the Board of Statutory Auditors will remain with the minority statutory auditor.

The previous rules on the election of statutory auditors by list vote do not apply to the Shareholders' Meetings which must appoint the standing and/or alternate auditors necessary for the integration of the Board of Statutory Auditors. In such cases, the Shareholders' Meeting resolves by legal majority, in compliance with the principle of necessary representation of minorities. The replacement procedures must in any case guarantee compliance with the regulations pro tempore in force concerning gender balance indicated above.

The Board of Statutory Auditors, in addition to the tasks envisaged by the provisions in force, has the right to express non-binding opinions on the information received from the Board of Directors relating to the most important economic, financial and equity transactions carried out by the Company or by its subsidiaries, as well as in relation to related party transactions.

The meetings of the Board of Statutory Auditors will be validly constituted even when held by means of audio conference and/or video conference, provided that all the participants can be identified by the Chairman and the other attendees, that they are allowed to follow the discussion, to take part in real time in the discussion of the topics discussed, to receive, transmit or view the documentation.

## **11.2 COMPOSITION AND FUNCTIONING (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), of the TUF)**

The Issuer's Board of Statutory Auditors in office at the Report Date is made up of five members, of which three are standing and two alternates, was appointed by the ordinary shareholders' meeting on 8 May 2020 and will remain in office for three years, until approval of the financial statements at 31 December 2022.

The following table indicates, for each statutory auditor in office, the date of first appointment as a member of the Issuer's Board of Statutory Auditors.

### **Board of Statutory Auditors**

<b>Name and surname</b>	<b>Office</b>	<b>Date of first appointment</b>
<b>Felice Simbolo</b>	President	21 December 2012 <sup>(*)</sup>
<b>Mauro Borghesi</b>	Standing Auditor	8 May 2020
<b>Barbara Bortolotti</b>	Standing Auditor	8 May 2020
<b>Anna Lisa Naldi</b>	Alternate Auditor	8 May 2020
<b>Luisa Bortolotti</b>	Alternate Auditor	8 May 2020

(\*) Member of the Board of Directors of Nuova Cantieri Apuania (now the Issuer) from 21 December 2012 until 11 January 2017, President of the Board of Statutory Auditors from 8 May 2020.

All the members of the Board of Statutory Auditors meet the independence requirements envisaged by Article 148, paragraph 3, of the TUF and Article 2 of the Code. The declaration of the members of the Board of Statutory Auditors regarding meeting the independence requirements was verified by the Board of Directors on 26 February 2021. Furthermore, all the Statutory Auditors meet the requirements of professionalism and integrity required by Article 148 of the TUF and by the Regulation adopted by decree of the Ministry of Justice no. 162/2000. These requirements were verified by the Board of Directors on 28 April 2021 and confirmed on 24 March 2022.

It should be noted that the rules that provide for the allocation of the members of the Board of Statutory Auditors to be elected on the basis of a criterion that ensures gender balance, pursuant to the provisions of Article 148, paragraph 1-bis, of the TUF, have been incorporated in the Articles of Association. It is also specified that the adaptation to the provisions on gender has been implemented by the Issuer on a voluntary

basis and that the regulatory provisions pursuant to Article 147 paragraph 1-ter of the TUF will be applied starting from the first renewal of the administrative and control bodies.

Below is a brief resume of members of the Board of Statutory Auditors, which shows the skills and experience gained in the field of business management.

**Felice Simbolo**, born in Naples on 7 March 1963. He graduated in Economics and Commerce in 1989. During his career he worked as a statutory auditor, President of the board of statutory auditors and statutory auditor of numerous corporations and entities. Felice Simbolo has also held the role of chairman of the board of directors and director in corporations and is a founding partner of the company FMG & partners corporate advisors S.r.l. He held the position of director of the Issuer from 2012 to 2017 and from 8 May 2020 he is the Chairman of the Issuer's Board of Statutory Auditors.

**Mauro Borghesi**, born in Rome on 25 February 1971. He graduated in Economics and Commerce from the University of Rome, qualified as a chartered accountant and statutory auditor. He holds a master's degree in Finance and Management Control. He held the role of controller from 1998 to 2003 in Technicolor S.p.A., administrative manager of the investee companies of Astaldi S.p.A. from 2004 to 2006, manager of the administration and finance area in the Sigma Tau Group from 2006 to 2009, CFO of Cisa S.p.A. from 2010 to 2011, consultant of the Vintage capital Private Equity fund in 2012, CFO of Beauty Point S.p.A. from 2012 to 2014, since 2015 he has been a consultant to companies and works as a chartered accountant and statutory auditor.

**Barbara Bortolotti**, born in Rome on 6 June 1972. She graduated in Economics and Commerce from La Sapienza University of Rome, qualified as a chartered accountant and statutory auditor. Barbara Bortolotti is a member of boards of statutory auditors of corporations, as well as liquidator in various limited liability cooperatives in compulsory administrative liquidation and dissolution procedures pursuant to Article 2454 *septiesdecies* of the Civil Code. Ms. Bortolotti also offers consultancy services relating to financial statements, accounting and tax in real estate management companies and operating in other sectors; company and business unit assessments on a voluntary basis and pursuant to the law; management of tax disputes at tax commissions and financial offices and management of business crises (drafting of certified plans pursuant to Articles 160 et seq. RD 267/1942).

**Anna Lisa Naldi**, born in Florence on 25 March 1966. She graduated in Economics and Commerce from the University of Florence.

**Luisa Bortolotti**, born in Rome on 10 April 1975. She graduated in Economics and Commerce from La Sapienza University of Rome. Luisa Bortolotti is a member of boards of statutory auditors as well as a statutory auditor in corporations, she also provides advice on tax and management control matters.

The provisions of the Articles of Association regarding list voting will be applied on occasion of the first renewal of the Board of Statutory Auditors.

During the Financial Year, the Board of Statutory Auditors met 6 times and precisely on 4 February 2022, 4 April 2022, 1 July 2022, 13 September 2022, 26 October 2022 and 28 November 2022; the duration of the meetings was approximately 2 hours and 40 minutes. All the members of the Body have always been present. It should also be noted that, in the current Financial Year and up to the Report Date, 2 meetings were held, on 20 February 2023 for the usual quarterly audit and on 3 March 2023 for the co-optation of the director Mr. Marco Carniani.

For information on the meetings held during the Financial Year, please refer to **Table 3** at the end of this Report.

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

### **Diversity criteria and policies**

As already specifying in paragraph 11.2 above, the adaptation to the provisions on gender in relation to the composition of the control body has been implemented by the Issuer on a voluntary basis, as the regulatory provisions pursuant to Article 147, paragraph 1-ter of the TUF will be applied starting from the first renewal of the administrative and control bodies after the Trading Start Date.

### **Independence**

As already specified in paragraph 11.2 above, all the members of the Board of Statutory Auditors meet the independence requirements envisaged by Article 148, paragraph 3, of the TUF and Article 2 of the Code. The declaration of the members of the Board of Statutory Auditors regarding meeting the independence requirements was verified by the Board of Directors on 26 February 2021. Furthermore, all the Statutory Auditors meet the requirements of professionalism and integrity required by Article 148 of the TUF and by the Regulation adopted by decree of the Ministry of Justice no. 162/2000. These requirements were verified by the Board of Directors on 28 April 2021.

The Board of Statutory Auditors reported to the Board of Directors on 24 March 2022 on its self-assessment carried out on 4 February 2022.

### **Remuneration**

The remuneration of statutory auditors provides for a remuneration adequate to the competence, professionalism and commitment required by the importance of the role covered and by the company's size and sectoral characteristics.

## **Interest management**

Statutory auditors who, on their own account or on behalf of third parties, have an interest in a specific Issuer's transaction

must promptly and comprehensively inform the other statutory auditors and the chairman of the Board of the nature, terms, origin and extent of their interest.

In carrying out its activities during the Financial Year, the Board of Statutory Auditors coordinates with the Internal Audit function and with the Control and Risk Committee, by holding joint meetings and exchanging the related documentation.

## **12. RELATIONS WITH SHAREHOLDERS**

### **Access to information**

The Issuer has set up a special section within its website, easily identifiable and accessible, in which information is made available concerning the Issuer which is of importance to its shareholders in order to allow the latter to consciously exercise their rights.

Furthermore, on 30 June 2022, the Issuer's Board of Directors appointed Ms. Benedetta De Maio, replacing Ms. Maria Grazia Mantini, as head of institutional relations and relations with the other shareholders (Investor Relations Manager). The Issuer has also set up an *ad hoc* corporate structure to facilitate dialogue with Shareholders and timely and adequate information regarding the Issuer.

### **Dialogue with shareholders**

In accordance with the principles set out in the Code, the Issuer deems it consistent with its own specific interest, as well as a duty towards the market, to establish an ongoing dialogue with its shareholders, with investors, in particular with institutional investors, and more generally with all the stakeholders who come into contact with the Company, based on the mutual understanding of roles. The Issuer considers the shareholders' meeting as an opportunity for discussion between the shareholders and the board of directors and for communication to the shareholders of information on the Company, in compliance with the rules on inside information. The Issuer listed in June 2021, at the Report Date, has adopted a Shareholder Engagement Policy, approved by the Board of Directors on 24 January 2023 and available on the Company's website ([www.investor.theitalianseagroup.com](http://www.investor.theitalianseagroup.com) in the Section "Corporate Governance/Documents, Policies, and Procedures").

**13. SHAREHOLDERS' MEETINGS (pursuant to Article 123-bis, paragraph 1, letter l) and paragraph 2, letter c), of the TUF)**

The Shareholders' meeting, duly constituted, represents the universality of shareholders and its resolutions, taken in compliance with the law and the Articles of Association, are binding on all shareholders. The Shareholders' Meeting can be convened on an ordinary and extraordinary basis pursuant to the law and provides for the provisions of the law.

The ordinary shareholders' meeting must be convened at least once a year, within 120 days from the end of the financial year, or within 180 if the Company is required to prepare the consolidated financial statements or when special needs relating to the structure and the purpose of the Company require it, without prejudice to the provisions of Article 154-ter of Legislative Decree 58/98, as amended and, in any case, any legislative or regulatory provision in force from time to time.

Without prejudice to the calling powers provided by specific legal provisions, the Shareholders' Meeting must be called by the directors by means of a notice containing the indication of the day, time, place of the meeting and the matters to be discussed, as well as the additional information required pursuant to the law, including regulations, in force from time to time.

The notice must be published on the Company's website and in the additional ways and terms established by the law, including regulations, in force from time to time.

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

The Shareholders' Meeting may also be convened in a place other than the registered office, as long as it is in the national territory.

It is possible for the ordinary and extraordinary Shareholders' Meetings to take place, if provided for in the notice of call, with attendees located in various places, contiguous or distant, connected by means of audio and/or videoconferencing, provided that all participants can be identified and allowed to follow the discussion, to intervene in real time in the discussion of the topics addressed, to receive and transmit documents and to participate in the vote and that all of the above be acknowledged in the relative minutes.

In any case, the Shareholders' Meeting is deemed to be duly constituted if the entire share capital is represented and the majority of the Directors and regular members of the Board of Statutory Auditors in office participate in the Shareholders' Meeting, pursuant to Article 2366 of the Civil Code.

The right to attend and to representation at the Shareholders' Meeting are governed by the law, including regulations, in force from time to time.

Any person who has the voting right and for whom the Company has received communication made by the intermediary authorised pursuant to the applicable law, including regulations, may attend the Shareholders' Meeting. It is up to the Chairman of the Shareholders' Meeting, who may make use of specific appointees, to ascertain the right to attend the Shareholders' Meeting and to resolve any disputes.

For representation at the Shareholders' Meeting, the rules, including regulations, in force from time to time apply.

The proxy may also be notified to the Company by certified e-mail in compliance with the applicable provisions in force from time to time.

The Company does not make use of the option to designate a representative to whom the entitled parties can confer a proxy with voting instructions, without prejudice to the application of rules that derogate from the above.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in their absence or impediment, by the Deputy Chairman if appointed. If there are several Deputy Chairmen, the oldest Deputy Chairman takes precedence.

In the event of the absence or impediment of the aforementioned subjects, the Shareholders' Meeting elects its own Chairman from among the directors or, failing that, from outside them. For the validity of the constitution and resolution of both ordinary and extraordinary Shareholders' Meetings, the provisions of the law in force from time to time apply.

The Shareholders' Meeting appoints a secretary, who may also be a non-shareholder. In the cases provided for by law, and in any case when the Chairman of the Shareholders' Meeting so deems it, the minutes are drawn up by a Notary chosen by the Chairman themselves. The resolutions of the Shareholders' Meeting will be confirmed by the minutes signed by the Chairman and by the Secretary or by the Notary.

On 24 March 2022 the Board of Directors resolved to propose to the Shareholders' Meeting to adopt a Shareholders' Meeting Regulation, which governs the orderly and functional conduct of the meetings of the Issuer's Shareholders' Meeting. This regulation was approved by the Issuer's Shareholders' Meeting held on 29 April 2022.

Up to the Report Date, the Board has not considered it necessary to elaborate motivated proposals in order to define a corporate governance system more functional to the needs of the company, to be submitted to the shareholders' meeting regarding:

- a) choice and characteristics of the corporate model (traditional, one-tier, two-tier);
- b) size, composition and appointment of the Board and term of office of its members;
- c) articulation of the administrative and equity rights of the shares;

d) established percentages for the exercise of the prerogatives set for the protection of minorities.

#### **14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to Article 123-bis, paragraph 2, letter a), second part, of the TUF)**

There are no corporate governance practices other than those already indicated in the preceding points of this Report.

#### **15. CHANGES SINCE THE END OF THE REFERENCE FINANCIAL YEAR**

From the end of the Financial Year at 31 December 2022 there have been no changes in the Issuer's governance structure.

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

In the meeting of 18 February 2021, the Chairman of the Board of Directors, in the presence of the Board of Statutory Auditors, provided extensive information regarding the responsibilities and obligations deriving from the laws and regulations in force and consequent to the admission to listing and trading of the Company's shares. It also illustrated the new version of the Code, which came into force on 1 January 2021.

On 27 January 2023, the members of the Board of Directors received and examined the press release from the Corporate Governance Committee regarding the related report for the year 2022, also assessing the "Recommendations of the Committee for 2023".

In particular, the Committee has identified some areas where the application of the Code recommendations requires a refinement of the application methods: (i) dialogue with shareholders, (ii) dialogue with other relevant stakeholders, (iii) 'assignment of management powers to the Chairman, (iv) pre-meeting information, (v) guidelines on the optimal composition, (vi) participation of managers in board meetings, (vii) criteria for assessing the significance of relationships that may influence the independence of directors, (viii) transparency of the remuneration policies on the weighting of variable components, (ix) long-term time frames in remuneration policies, (x) ESG parameters for the remuneration of directors.

With reference to the first point, the Committee invited companies to adopt a policy of dialogue with shareholders that also provides for the possibility of this being initiated by the investors, defining graded methods and procedures, based on the principle of proportionality, as a function of the company's characteristics in terms of size and ownership structure.



The responsibility assigned by the Code to the Board of Directors to promote dialogue with shareholders cannot be considered limited to the adoption of a policy, but requires effective monitoring of its implementation and an adequate assessment of its results.

With reference to the second topic, the Committee invited companies to provide, in their Corporate Governance Report, adequate information on the criteria and methods used by the management body to promote dialogue with other relevant stakeholders.

With reference to the third issue, the Committee invited companies whose Chairman is assigned significant management powers to provide, in their Corporate Governance Report, adequate reasons for this choice, even if the Chairman is not qualified as CEO.

With reference to pre-meeting information, the Committee invited management bodies to provide procedures for the management of pre-meeting information that do not provide for generic exemptions to the timeliness of the information for reasons of confidentiality of data and information and to provide, in their corporate governance report, detailed information on any failure to comply with the notice period indicated in the procedures for sending the board documentation, explaining the reasons for this and illustrating how adequate in-depth analysis was ensured at board meetings.

With reference to the fifth point, the Committee invited companies to define, in the regulations adopted for the functioning of the management body and its committees, the methods used by said bodies to access the competent corporate functions according to the subject matter discussed, under the coordination of the Chairman of the Board of Directors or of the Committee, respectively in agreement with or with information to the CEO. The Committee also invited companies to provide, in their corporate governance reports, information on the actual participation of managers in the meetings of the board and committees, indicating the functions involved and the frequency of involvement.

The point relating to the optimal composition guidelines is not applicable to the Company, as ownership is concentrated.

With reference to the criteria for assessing the significance of relationship that may affect the independence of directors, the Committee reiterated the importance of defining in advance and disclosing the quantitative parameters and qualitative criteria in their corporate governance reports to assess the significance of any commercial, financial or professional relationship and any additional remuneration for the purposes of the independence of directors.

On the transparency of the remuneration policies on the weighting of the variable components, the Committee invited companies to include in the remuneration policy of the CEO and other executive directors an executive summary, in table form, showing the composition of the remuneration package, with an indication of the characteristics and weighting of the fixed, short-term variable and long-term variable components with respect to total remuneration, at least with reference to the achievement of the target objective of the variable components.

With respect to the ninth topic, the Committee invited companies to include a variable component with a multi-year time frame in their remuneration policies, in line with the company's strategic objectives and the pursuit of sustainable success.

With reference to the last point, the Committee invited companies that provide incentive mechanisms for CEOs and other executive directors linked to sustainability objectives to provide a clear indication of the specific performance objectives to be achieved.

## TABLES

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

<b>SHARE CAPITAL STRUCTURE</b>				
	No. of shares	No. of voting rights	Listed (indicate markets)	Rights and obligations
Ordinary shares	53,000,000	100%	Borsa Italiana - Euronext Milan	Pursuant to the law and the Articles of Association
Preferred shares	-	-	-	-
Multiple voting shares	-	-	-	-
Other categories of shares with voting rights	-	-	-	-
Savings shares	-	-	-	-
Convertible savings shares	-	-	-	-
Other categories of shares without voting rights	-	-	-	-
Other	-	-	-	-

<b>SIGNIFICANT EQUITY INVESTMENTS</b>			
Declarant	Direct shareholder	% share of ordinary capital	% share of voting capital
MARC COUCKE	MYLECKE MANAGEMENT, ART & INVEST NV	0.47	0.47
	ALYCHLO NV	10.963	10.963
	MARC COUCKE	0.385	0.385
GIORGIO ARMANI SPA	GIORGIO ARMANI SPA	4.99	4.99
GIOVANNI COSTANTINO	GC HOLDING S.P.A.	62.683	62.683

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

Board of Directors													
Office	Members	Year of birth	Date of first appointment	In office since	In office until	List (presenters) (**)	List (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. other offices (****)	Equity investments
<b>Chairman</b>	Filippo Menchelli	1972	31 May 2013	21 October 2020	Financial year 31/12/2022	-	-	x		-	-	-	30/30
<b>Deputy Chairman</b>	Giuseppe Taranto	1969	28 July 2014	21 October 2020	Financial year 31/12/2022	-	-	x		-	-	-	28/30
<b>Chief Executive Officer</b>	Giovanni Costantino	1963	21 December 2012	21 October 2020	Financial year 31/12/2022	-	-	x		-	-	-	30/30
<b>Director</b>	Massimo Bianchi	1949	6 May 2014	21 October 2020	Financial year 31/12/2022	-	-		x	x	x	32	27/30
<b>Director</b>	Fulvia Tesio	1967	18 February 2021	8 June 2021	Financial year 31/12/2022	-	-		x	x	x	3	30/30
<b>Director</b>	Gianmaria Costantino	1976	27 October 2022	27 October 2022	Financial year 31/12/2022	-	-		x	-	-	-	6/6
<b>Director</b>	Antonella Alfonsi	1967	18 February 2021	8 June 2021	Financial year 31/12/2022	-	-		x	x	x	11	30/30
<b>DIRECTORS DISCONTINUED DURING THE YEAR</b>													
<b>Director</b>	Giulio Pennacchio	1976	21 October 2020	21 October 2020	27 October 2022	-	-	x	-	-	-	-	23/23

Indicate the number of meetings held during the Financial Year: 30

**Indicate the quorum required for the presentation of lists by minorities for the election of one or more members (pursuant to Article 147-ter of the TUF): 2.5% of the shares with voting rights in the Shareholders' Meeting**

## NOTES

The symbols indicated below must be inserted in the “Office” column:

- This symbol indicates the director in charge of the internal control and risk management system.
- This symbol indicates the Lead Independent Director (LID).

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

(\*\*) This column indicates whether the list from which each director was drawn was presented by shareholders (indicating “Shareholders”) or by the BoD (indicating “BoD”).

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

(\*\*\*\*) This column indicates the number of positions as director or statutory auditor held by the person concerned in other listed or large companies. The offices are indicated in full in the Corporate Governance Report.

(\*\*\*\*\*) This column indicates the attendance of directors in the meetings of the BoD (indicate the number of meetings they attended compared to the total number of meetings they could have attended; e.g., 6/8; 8/8 etc.).

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

Board of Directors		Executive committee		RPT Committee		Control and Risk Committee		Remuneration Committee		Appointment Committee		Other committee		Other committee	
Position/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman of the BoD/executive/non-independent	Filippo Menchelli	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deputy Chairman of the BoD/executive/non-independent	Giuseppe Taranto	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chief Executive Officer/executive/non-independent	Giovanni Costantino	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director/non-executive/non-independent	Gianmaria Costantino	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-executive director - independent pursuant to the TUF and/or the Code	Massimo Bianchi	-	-	2/2	P	5/5	P	3/3	M	3/3	M	-	-	-	-
Non-executive director - independent pursuant to the TUF and/or the Code	Fulvia Tesio	-	-	2/2	M	5/5	M	3/3	P	3/3	P	-	-	-	-
Non-executive director - independent pursuant to the TUF and/or the Code	Antonella Alfonsi	-	-	2/2	M	5/5	M	3/3	M	3/3	M	-	-	-	-

**DIRECTORS DISCONTINUED DURING THE YEAR**

Executive director	<b>Giulio Pennacchio</b>	1976	21 October 2020	21 October 2020	27 October 2022	-	-	-	-	-	-	-	-	-	-
--------------------	--------------------------	------	-----------------------	-----------------------	-----------------------	---	---	---	---	---	---	---	---	---	---

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

<b>Board of Statutory Auditors</b>									
<b>Office</b>	<b>Members</b>	<b>Year of birth</b>	<b>Date of first appointment (*)</b>	<b>In office since</b>	<b>In office until</b>	<b>List (M/m) (**)</b>	<b>Indep. Code</b>	<b>Participation in Board meetings (***)</b>	<b>No. other offices (****)</b>
<b>Chairman</b>	Felice Simbolo	1963	21 December 2012	8 May 2020	Financial year 31/12/2022	-	x	5/5	6
<b>Standing Auditor</b>	Mauro Borghesi	1971	8 May 2020	8 May 2020	Financial year 31/12/2022	-	x	5/5	3
<b>Standing Auditor</b>	Barbara Bortolotti	1972	8 May 2020	8 May 2020	Financial year 31/12/2022	-	x	5/5	2
<b>Alternate Auditor</b>	Anna Lisa Naldi	1966	8 May 2020	8 May 2020	Financial year 31/12/2022	-	x	-	10
<b>Alternate Auditor</b>	Luisa Bortolotti	1975	8 May 2020	8 May 2020	Financial year 31/12/2022	-	x	-	3
<b>STATUTORY AUDITORS DISCONTINUED DURING THE YEAR</b>									
	-	-	-	-	-	-	-	-	-

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

Indicate the quorum required for the presentation of lists by minorities for the election of one or more members (pursuant to Article 148-ter of the TUF): 2.5% of the shares with voting rights in the Shareholders' Meeting



---

NOTES

(\*) The date of first appointment of each statutory auditor means the date on which the auditor was appointed for the first time (ever) as member of the Issuer's Board of Statutory Auditors.

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

(\*\*\*) This column indicates the attendance of statutory auditors in the meetings of the Board of Statutory Auditors (indicate the number of meetings they attended compared to the total number of meetings they could have attended; e.g., 6/8; 8/8 etc.).

(\*\*\*\*) This column indicates the number of offices as director or statutory auditor held by the person concerned pursuant to Article 148-bis of the TUF and the related implementation provisions contained in the Consob Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulation.

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