

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP

in accordance with Art. 123-*bis* of the TUF

(Traditional management and control model)



Issuer: Immsi S.p.A.

Web site: www.immsi.it

Financial year to which the Report refers: 2022

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TABLE OF CONTENTS

GLOSSARY	5
1. ISSUER PROFILE	6
2. INFORMATION ON CORPORATE OWNERSHIP (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, TUF) AS OF 31/12/2022.....	7
a) Structure of share capital (pursuant to Art. 123-bis, paragraph 1, letter a), TUF)	7
b) Restrictions on the transfer of securities (pursuant to Art. 123-bis, paragraph 1, letter b), TUF). 7	
c) Significant investments in capital (pursuant to Art. 123-bis, paragraph 1, letter c), TUF)	7
d) Securities that grant special rights (pursuant to Art. 123-bis, paragraph 1, letter d), TUF)	7
e) Employee share ownership: exercising of voting rights (pursuant to Art. 123-bis, paragraph 1, letter e), TUF).....	7
f) Restrictions on voting rights (pursuant to Art. 123-bis, paragraph 1, letter f), TUF)	8
g) Shareholder agreements (pursuant to Art. 123-bis, paragraph 1, letter g), TUF)	8
h) Change of control clauses (pursuant to Art. 123-bis, paragraph 1, letter h), TUF) and statutory provisions concerning takeover bids (pursuant to articles 104, paragraph 1-ter and 104-bis, paragraph 1, of the TUF)	8
i) Authority to increase the share capital and authorisation to purchase own shares (pursuant to Art. 123-bis, paragraph 1, letter m), TUF)	9
j) Management and coordination (pursuant to Art. 2497 and following of the Italian Civil Code) ...	10
3. COMPLIANCE (PURSUANT TO ART. 123-BIS, PARAGRAPH. 2, LETTER A), TUF).....	11
4. BOARD OF DIRECTORS	11
4.1. ROLE OF THE BOARD OF DIRECTORS	11
4.2. APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, paragraph 1, letter l) TUF)	14
4.3 COMPOSITION (pursuant to Art. 123-bis, paragraph. 2, letter d) and d bis), TUF).....	16
4.4. OPERATION (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)	21
4.5. ROLE OF THE CHAIRMAN	22
4.6 EXECUTIVE DIRECTORS	24
4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR	25
5. MANAGEMENT OF CORPORATE INFORMATION	27
6.COMMITTEES WITHIN THE BOARD (PURSUANT TO ART. 123-BIS PARAGRAPH 2, LETTER D), TUF).....	28
7 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENT COMMITTEE	29
7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS	29

7.2 APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE	30
8. REMUNERATION OF DIRECTORS - APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE	31
8.1 REMUNERATION OF DIRECTORS	31
8.2 APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE	32
9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - RISK AND SUSTAINABILITY COMMITTEE	33
9.1 CHIEF EXECUTIVE OFFICER	34
9.2 RISK AND SUSTAINABILITY COMMITTEE	35
9.3 HEAD OF INTERNAL AUDIT	37
9.4 ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001	38
9.5 EXTERNAL AUDITORS	40
9.6 Executive in Charge of Financial Reporting AND OTHER COMPANY ROLES AND FUNCTIONS	40
9.7 COORDINATION BETWEEN PERSONS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM	41
10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES	41
11. BOARD OF STATUTORY AUDITORS	42
11.1 APPOINTMENT AND REPLACEMENT	42
11.2 COMPOSITION AND OPERATION (pursuant to Art. 123-bis, paragraph. 2, letter d) and d-bis), TUF)	44
12. RELATIONSHIPS WITH SHAREHOLDERS	48
13. SHAREHOLDERS' MEETINGS (PURSUANT TO ART. 123-BIS, PARAGRAPH 1, LETTER L) AND PARAGRAPH 2 LETTER C), TUF)	49
14. FURTHER CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER A), SECOND PART, TUF)	51
15. CHANGES AFTER THE FINANCIAL YEAR-END	51
16. CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE	51
ANNEX 1: SECTION ON THE "MAIN CHARACTERISTICS OF RISK MANAGEMENT AND INTERNAL CONTROLS SYSTEMS ESTABLISHED IN RELATION TO THE FINANCIAL DISCLOSURE	

PROCESS," PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER B), TUF 53

TABLES..... 57

ANNEX 2: EXPLANATORY SUMMERY 60

GLOSSARY

Shareholders' Meeting: the Shareholders' Meeting of the Issuer.

Borsa Italiana: Borsa Italiana S.p.A.

Corporate Governance Code / CG Code: the Code approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., in January 2020, available at www.borsaitaliana.it, adopted since 1 January 2021.

Italian Civil Code / CC: the Italian Civil Code.

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

Board / Board of Directors: the Board of Directors of the Issuer.

Board of Statutory Auditors: the Board of Statutory Auditors of the Issuer.

Date of the Report: the date of approval of this Report by the Board of Directors of Immsi S.p.A..

Issuer / Company / Immsi: the Issuer of the listed shares to which the Report refers.

Financial Year: the financial year to which the Report refers, i.e. the year ending 31 December 2022.

Group: the group of companies reporting to the Issuer.

Instructions to the Stock Exchange Regulations: the instructions to the Regulations for Markets organised and managed by Borsa Italiana S.p.A.

SME: Pursuant to Art. 1, paragraph 1, letter *w-quater*.1) of the TUF and Art. 2-ter of the Consob Regulation on Issuers, small and medium-sized enterprises have a market capitalisation of less than 500 million euros.

Stock Exchange Regulations: the Regulations of Markets organised and managed by Borsa Italiana S.p.A..

Consob Regulation on Issuers or Issuer Regulation: the Regulations issued by Consob by Resolution No. 11971 of 1999 (as amended) concerning Issuers.

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

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

Report: this report on corporate governance and corporate ownership prepared by Immsi pursuant to Art. 123-bis of the TUF, referred to the Financial Year.

Remuneration Report: the "*Report on remuneration policy and compensation paid*" prepared pursuant to Art. 123-ter of the TUF and Art. 84-quater of the Consob Regulation on Issuers, available in accordance with law at the registered office, on the website of the issuer at www.immsi.it and in the authorised storage mechanism "eMarket Storage" available at www.emarketstorage.it.

Company with Concentrated Ownership: the "companies with concentrated ownership" referred to in the CG Code, i.e. the company in which one or more shareholders participating in a shareholders' agreement hold, directly or indirectly (through subsidiaries, trustees or intermediaries), the majority of votes that may be exercised at the ordinary shareholders' meeting.

Large Company: the "large company" referred to in the CG Code, i.e. the company whose capitalisation exceeded €1 billion on the last open market day of each of the three preceding calendar years.

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

1. ISSUER PROFILE

Immsi is organised following the traditional management and control model established in Art. 2380-*bis* and following of the Italian Civil Code, with a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

In particular, the Company's purpose is: (i) investing in the equity of other Italian or foreign companies, i.e. the activity of acquiring, holding and managing the rights, whether represented by securities or not, over the share capital of other companies; (ii) the purchase, sale and management of bonds; (iii) the granting of loans, mortgages and guarantees. The above-mentioned activities may not be conducted with the public and will be in any event carried out pursuant to and within the limits of Italian Legislative Decree 385/1993 and its implementing rules.

Moreover, the Company's purpose includes all activities and transactions in the property sector, both in Italy and abroad, on its own behalf and for third parties, including but not limited to, the purchase, sale, exchange, construction, restructuring, management of corporate assets, leasing (non-finance) and maintenance of buildings and property in general for all types of use, as well as the establishment, purchase, sale and exchange of rights relating to property, excluding the activity of real estate brokerage. The Company may also provide technical, commercial and financial assistance in the preliminary and executive phases of property projects.

The Company may carry out the above activities directly and indirectly on its own behalf and for third parties, including accepting and/or assigning contracts or concessions and development ventures in the property field.

The Issuer may carry out, not directly with the general public, all those acts necessary, in the judgement of the Board of Directors, to implement the corporate purpose.

As part of the process to align with the recommendations in the Corporate Governance Code, the Board of Directors promotes the integration of sustainability issues within its own corporate governance system and remuneration policy, in the terms described below in the Report. For further information on the sustainability policies adopted by the Issuer and the Group, please refer to the Non-Financial Statement and the Code of Ethics published on the Issuer's *website*, in the sections "*Investors/Consolidated Non-Financial Statement*" and "*Governance/Procedures*" respectively.

The Board of Directors guides the Issuer with the aim of pursuing sustainable success, an objective that is substantiated in the creation of long-term value benefitting shareholders, taking into account the interests of other stakeholders that are relevant to the Issuer, as explained in more detail in the following sections of this Report.

Pursuant to Legislative Decree 254/2016, the Issuer prepares, on a mandatory basis, the Consolidated Non-Financial Statement, published as an annex to the Annual Financial Report, (available on the Issuer's *website* in the "*Investors/Consolidated Non-Financial Statement*" section, to which please refer for further information), which presents the main policies practised by the company, the management models and the main activities carried out by the Group during the year 2022 in relation to the issues expressly referred to by Legislative Decree 254/16 (environmental, social, personnel-related, respect for human rights, fight against corruption), as well as the main identified risks related to the aforementioned issues.

The Company falls within the definition of an SME pursuant to Art. 1, paragraph 1, letter *w-quater.1)* of the TUF and Art. 2-*ter* of the Consob Regulation on Issuers since it has a

capitalisation of less than 500 million euros, as shown in the list of issuers of listed shares "SMEs" published by Consob on its website at www.consob.it/web/area-pubblica/emittenti-quotati-pmi¹.

On the basis of provisions in the Corporate Governance Code, at the date of the Report, the Issuer did not qualify as a Large Company, but as a Company with Concentrated Ownership.

2. INFORMATION ON CORPORATE OWNERSHIP (pursuant to Art. 123-bis, paragraph 1, TUF) as of 31/12/2022

a) Structure of share capital (pursuant to Art. 123-bis, paragraph 1, letter a), TUF)

The share capital of the Issuer, fully subscribed and paid up, is equal to €178,464,000.00 divided into 340,530,000 dividend-bearing ordinary shares, with no indication of the nominal value. Each share carries the right to one vote, is indivisible, and was issued in dematerialised form.

Please refer to the table in the appendix that shows the information as of 31/12/2022 and the Report Date.

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

There are no securities transfer restrictions.

c) Significant investments in capital (pursuant to Art. 123-bis, paragraph 1, letter c), TUF)

As specified in paragraph 1 above, the Issuer qualifies as an SME pursuant to Art. 1, paragraph 1, letter *w-quater.1)* of the TUF and Art. 2-ter of the Consob Regulation on Issuers as it has a market capitalisation of less than 500 million euros, as shown in the list of issuers of listed "SME" shares published by Consob on its website at www.consob.it/web/area-pubblica/emittenti-quotati-pmi. Therefore, the threshold for the disclosure of relevant shareholdings pursuant to Art. 120 of the TUF is 5% of the share capital with voting rights (see Art. 120, paragraph 2, last sentence, TUF).

For indirect or direct material investments in capital, as resulting from disclosure made pursuant to Art. 120 of the TUF and specific information received by the Issuer, see the Table in the appendix that shows the information updated as of 31/12/2022 and the Report Date.

d) Securities that grant special rights (pursuant to Art. 123-bis, paragraph 1, letter d), TUF)

No securities have been issued that give special rights of control or special powers.

The articles of association of the Issuer do not contain provisions relating to the increased vote pursuant to Art. 127-quinquies of the TUF.

e) Employee share ownership: exercising of voting rights (pursuant to Art. 123-bis, paragraph 1, letter e), TUF)

No system for employees' equity holdings exists.

¹ In this regard, it should be noted that Art. 44-bis of Decree-Law 76/2020, introduced by Conversion Law No. 120 of 11 September 2020, amended the definition of SMEs set out in Art. 1, paragraph 1, letter *w-quater.1)* of the TUF by eliminating from the aforesaid definition the reference to the turnover parameter, and that by Resolution No. 21625 of 10 December 2020 Consob consequently amended Art. 2-ter of the Issuers' Regulations.

f) Restrictions on voting rights (pursuant to Art. 123-bis, paragraph 1, letter f), TUF)

There are no restrictions on voting rights.

g) Shareholder agreements (pursuant to Art. 123-bis, paragraph 1, letter g), TUF)

As far as the Issuer is aware, at 31 December 2022 and at the Date of the Report no agreements were ongoing between shareholders of the Company, of a content relevant pursuant to Art. 122 of the TUF.

h) Change of control clauses (pursuant to Art. 123-bis, paragraph 1, letter h), TUF) and statutory provisions concerning takeover bids (pursuant to articles 104, paragraph 1-ter and 104-bis, paragraph 1, of the TUF)

The Issuer has stipulated some significant agreements that could be amended or terminated in the event of changes in control of Immsi, such as: a Bullet - Multi Borrower loan agreement in effect at 31 December 2022 for a total of €120 million, of which €77.7 million disbursed to Immsi S.p.A., €30 million to ISM Investimenti S.p.A. and €12.3 million to Intermarine S.p.A.; further loan agreements and credit lines for a total nominal value of approximately €133.4 million.

The Piaggio group has signed significant agreements that may be modified or extinguished in the event of changes to the ownership of the contracting company. Specifically the following agreements have been made: a contract for a term loan and revolving credit facility for a total of €250 million; a debenture loan of €250 million issued by Piaggio & C. S.p.A.; a loan agreement with the European Investment Bank for €70 million; a loan agreement with the European Investment Bank for €70 million; a loan agreement with the European Investment Bank for €30 million; a term loan agreement with Banco BPM totalling €30 million; a revolving credit facility with Banca del Mezzogiorno MedioCredito Centrale for €10 million; a loan agreement with Banca Popolare Emilia Romagna for €20 million; a loan agreement with Banca Nazionale del Lavoro for €20 million and a credit line agreement with Intesa SanPaolo for €20 million; term loan agreements (*Schuldschein Loans*) with international banks totalling €100 million and a term loan agreement with Cassa Depositi e Prestiti for €30 million.

With regard to the subsidiary Intermarine S.p.A.², the following significant agreements are noted that may be modified or extinguished in the event of changes to the ownership of the contracting company. In particular: credit lines and loans related to the company's operating activities for a total amount utilised as of 31 December 2022 of €59.2 million, including the aforementioned portion of the Bullet - Multi Borrower loan disbursed to Intermarine S.p.A. for an amount of €12.3 million.

The subsidiary Is Molas S.p.A.³ also has two loan agreements in place that provide for compulsory early repayment in the event of a change of control of the investee for a total nominal amount of €15.6 million.

Lastly, i) as part of investments in other businesses operated by the Issuer and ii) as used in order to regulate and discipline governance with any minority shareholders of some of the companies in which Immsi S.p.A. directly or indirectly has investments, shareholders' agreements have been stipulated with these Shareholders and/or loans given by the above Shareholders to investee companies giving the contracting parties special rights (inter alia pre-emption rights, tag-along rights, tag-along obligations) in the event of a change in direct and/or indirect control of the

²Intermarine S.p.A. is wholly owned by RCN Finanziaria S.p.A., which in turn is controlled by the Issuer that has a 63.18% stake.

³ Is Molas S.p.A. is owned by ISM Investimenti S.p.A. with a 92.59% stake, which in turn is controlled by the Issuer that has a 72.64% stake.

investee company.

The provisions of the Articles of Association of the Issuer do not affect the passivity rule established by Art. 104, paragraphs 1 and 1-bis of the TUF. In addition, the Articles of Association of the Issuer do not provide for the application of neutralisation as Art. 104-bis, paragraphs 2 and 3 of the TUF.

**i) Authority to increase the share capital and authorisation to purchase own shares
(pursuant to Art. 123-bis, paragraph 1, letter m), TUF)**

With a resolution passed on 29 April 2022, the Ordinary Shareholders' Meeting authorised the purchase and allocation of treasury shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code, as well as Art. 132 of the TUF and relative implementing provisions, subject to withdrawal of the authorisation granted by the Ordinary Shareholders' Meeting on 30 April 2021. Purchase authorisation was granted for the 18-month period as of the date of the above resolution (i.e. 29 April 2022), whereas authorisation for placing was granted with no time limits.

The objective of the authorisation for the purchase and disposal of treasury shares is to give the Company a strategic investment opportunity for all purposes allowed by applicable regulations, including the purposes referred to in Art. 5 of Regulation (EU) No. 596/2014 (Market Abuse Regulation, hereinafter "**MAR**") and according to practices permitted by Art. 13 of the MAR, where applicable, including the purchase of treasury shares based on their subsequent annulment, according to terms and procedures to be decided by competent company boards.

This authorisation was requested for the purchase, also in several tranches, of ordinary shares of Immsi up to a maximum number which, considering the ordinary shares of Immsi held from time to time by the Company and by its subsidiaries, as applicable, is not more than the maximum limit established by applicable pro tempore regulations. Purchases may be undertaken according to procedures established in applicable provisions of Consob Regulation on Issuers implementing Art. 132 of the TUF, in compliance with conditions relative to trading as of Art. 3 of Delegated Regulation (EU) 2016/1052 ("**Regulation 1052**") and within a time frame deemed appropriate in the interests of the Company. As regards the consideration, the Board of Directors proposes that treasury shares are purchased in compliance with the trading conditions established in Art. 3 of Commission Delegated Regulation (EU) 2016/1052 in compliance with the MAR and rules issued by Consob in accordance with Art. 13 MAR, where applicable. In particular, purchases may be made for an amount that is no higher than the highest price between the price of the last independent transaction and the highest independent offer price in the trading venues where the purchase is made, provided that the unit amount is at least a minimum of 20% and a maximum not exceeding 10% of the arithmetic mean of official Piaggio share prices registered in the ten stock exchange days prior to each purchase transaction.

The Shareholders' Meeting also authorised the Board of Directors, and on its behalf its Chairman and the Chief Executive Officer, severally, so that, pursuant to and for the purposes of Art. 2357-ter of the Italian Civil Code, they may dispose at any time, entirely or partially, on one or several occasions, of treasury shares purchased according to the aforesaid resolution or in any case already in the Company's portfolio by selling them on the stock exchange or over the counter, also by selling any real and/or personal rights, including but not limited to securities lending, based on the terms, procedures and conditions of the act of disposal of treasury shares considered the most appropriate in the interests of the Company, in compliance with applicable pro tempore laws and regulations and in order to achieve the objectives as of the above shareholders' resolution. The Shareholders' Meeting therefore granted the Chairman of the Board of Directors and the Chief Executive Officer, again acting severally, the broadest powers to execute the disposition transactions referred to in the aforementioned resolution, as well as any other formalities related thereto, including the assignment of tasks to intermediaries authorised by law and with the power to appoint special Attorneys-in-fact; disposals of treasury shares held by the Company will be effected in compliance with the laws and regulations in force governing the execution of orders

for the trading of listed securities, including practices permitted by Consob in accordance with Art. 13 of the MAR, where applicable, and may occur in one or more tranches, timed as best suits the interests of the Company.

The Shareholders' Meeting also resolved that, in accordance with law, that the purchases under the aforementioned authorisation must not exceed the distributable profits and reserves available following the latest financial statements (including interim statements), approved at the time of execution of the transaction, and that upon the purchase and disposal of treasury shares, the necessary accounting entries must be made, in compliance with legal provisions and the applicable accounting standards.

For further information on the programme to purchase treasury shares, reference is made to the minutes of the aforesaid Ordinary Shareholders' Meeting and Report of the Board of Directors, available on the Company's website, www.immsi.it, in the Section "Governance/Shareholders' Meeting".

During the financial year, no treasury shares were purchased. At 31 December 2022 and at the Report Date, the Issuer did not hold any treasury shares.

j) Management and coordination (pursuant to Art. 2497 and following of the Italian Civil Code)

The Issuer is directly and indirectly controlled, in accordance with Art. 93 of the TUF, by Omniaholding S.p.A., a company wholly owned by the Colaninno family, through the subsidiary company Omniainvest S.p.A..

In particular, control of the Issuer does not actually correspond to management and coordination activities attributable to the specific case defined in Art. 2497 et seq. of the Italian Civil Code and none of the above entities have a structure or organisation that allows them to carry out said management and coordination activities. Therefore, the Company and, particularly, its Board of Directors make their respective decisions with complete autonomy.

* * *

The following should be noted:

- the information required by Art. 123-bis, paragraph one, letter i) ("*agreements between the company and directors ... that establish indemnity in case of resignation or dismissal without just cause or if their working relationship ceases following a take-over bid*") is included in the Remuneration Report published pursuant to Art. 123-ter of the TUF, available on the Issuer's website at www.immsi.it, in the "Governance/Shareholders' Meeting" section;
- the information required by Art. 123-bis, paragraph one, letter l) ("*regulations applicable to the appointment and replacement of directors... as well as amendments to the articles of association, if different from legal and regulatory provisions applicable on a supplementary basis*") are illustrated respectively in the section of this Report dedicated to the Board of Directors (Section 4.2) and in the section dedicated to the Shareholders' Meeting (Section 13);

3. COMPLIANCE (pursuant to Art. 123-bis, paragraph. 2, letter a), TUF)

The Issuer observes the CG Code.

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

Neither Immsi nor strategically important subsidiaries are subject to non-Italian legal provisions affecting the corporate governance structure of the Company.

The actual application of the principles of the CG Code, and any deviations and their reasons, are illustrated in the various paragraphs of the Report; reference is made to Appendix 2 of this Report for a summary of the level of application of the Code.

4. BOARD OF DIRECTORS

4.1. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors has a central role in connection with corporate organisation and is responsible for the functions and strategic guidelines, as well as the verification of the existence of the necessary controls to monitor the performance of the Issuer and Group companies of which it is the parent company.

Pursuant to Art. 23 of the Articles of Association and the Regulations of the Board of Directors ("**Board Regulations**"), the Board of Directors has all powers to manage the Company and to this end it may pass resolutions or take any action deemed necessary or useful for achieving the Company object, with the exception of powers assigned by law and the Articles of Association to the Shareholders' Meeting.

Pursuant to Art. 23 of the Articles of Association, the Board of Directors is also responsible for deciding upon all matters regarding:

- mergers and demergers in accordance with articles 2505, 2505-*bis* of the Italian Civil Code, the latter also referred to in Art. 2506-*ter* of the Italian Civil Code;
- the opening or closing of branches;
- Directors representing the Company;
- reductions in share capital in the event of Shareholder withdrawal;
- amendments to the Articles of Association to comply with regulatory provisions;
- transfer of the registered office to another location in Italy;

notwithstanding that such decisions may also be taken by the Extraordinary Shareholders' Meeting.

The Board of Directors, as set out in the Board Regulations: (i) leads the Company by pursuing its sustainable success; (ii) defines the strategies of the Company and its group, monitoring their implementation; (iii) defines the corporate governance system that is most suitable for carrying out the company's business activities and pursuing its strategies, taking into account the scope for autonomy offered by the legal system, and, if necessary, assesses and enacts the appropriate changes, submitting them, where appropriate, to the Shareholders' Meeting; (iv) promotes appropriate dialogue with shareholders and other stakeholders relevant to the Company.

In particular, as indicated in the Board Regulations, and in compliance with the CG Code, the Board of Directors: (a) examines and approves the strategic, business and financial plans of the Issuer and of the group headed by it, periodically monitoring implementation; (b) examines and approves the business plan of the Company and its parent group, including on the basis of the analysis of issues relevant to the generation of long-term value; (c) periodically monitors the implementation of the business plan and assesses general operating performance, periodically

comparing the results achieved with those planned; (d) defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all elements that may be relevant to the Company's sustainable success; (e) defines the Company's corporate governance system and the structure of its Group, and assesses the adequacy of the organisational, administrative and general accounting structure of the Company and of subsidiaries considered to be of strategic importance, with particular focus on the internal control and risk management system; (f) decides on transactions by the Company and its subsidiaries that have strategic, earnings, financial or cash-flow implications for the Company; (g) adopts internal procedures – including those concerning market abuse (Regulation (EU) No. 596/2014, the so-called Market Abuse Regulation) – on the proposal of the Chairman, in agreement with the Chief Executive Officer.

It should be noted that the Issuer, taking into account Immsi's current shareholder base and organisational structure, has not deemed it appropriate to adopt a shareholder engagement policy, postponing the assessment of whether to adopt such a policy to 2023, in line with the recommendation of the CG Code.

Pursuant to Art. 2381 of the Italian Civil Code and to Art. 1, Recommendation 1, letter d) of the Corporate Governance Code, during the year the Board evaluated the adequacy of the organisational, administrative and general accounting structure of the Issuer and its strategic subsidiaries, with particular reference to the internal control and risk management system, according to procedures adopted by the Issuer for this purpose. This assessment also took into account the provisions of Art. 2086 of the Italian Civil Code and Art. 3 of the Code of Business Crisis and Insolvency, considering such a set-up adequate for the timely detection of the crisis, with appropriate safeguards to promptly take action to overcome it. In particular, most recently at the meeting of 23 March 2023, the Board considered – among others – the functional company organisation charts of the main strategic companies of the Group, with a particular focus on the charts of the Administration, Finance and Control departments, also considering organisational changes taking place during the year.

Within the framework of this periodic activity the Board has, depending on the case, used the support of the Risk and Sustainability Committee, the Head of Internal Audit, the auditing company Immsi Audit S.c.a.r.l. and the Financial Reporting Officer, as well as the procedures and checks implemented also in accordance with Italian Law 262/2005. In particular, the Risk and Sustainability Committee of the Issuer, in its meeting of 11 May 2022, reviewed specific documentation in order to determine operating and significant companies to be included in its controls, pursuant to Italian Law No. 262/2005, agreeing on the methodology to apply and companies to be controlled.

Relevant subsidiaries were identified using quantitative parameters, determining specific threshold values, and qualitative parameters, performing assessments based on knowledge of the Company and existing specific risk factors. As a result of this analysis and also considering its nature as a diversified industrial group, the main subsidiaries of strategic importance were determined, and subsequently included in the scope of controls pursuant to Italian Law No. 262/2005.

For a description of the main characteristics of the risk management and internal control system in relation to the financial disclosure process, pursuant to Art. 123-*bis*, paragraph 2, letter b) of the TUF, see Attachment 1 in the appendix.

During the year, the Board evaluated the general trend of operations, at least quarterly, considering information received from authorised bodies, periodically comparing results with objectives. In accordance with legal provisions, the Articles of Association and the Code, the Board of Directors has examined and approved in advance transactions, conducted by the Issuer and its subsidiaries, of strategic importance or with a material impact on the financial position and performance of the Issuer, with a particular focus on transactions in which one or more Directors have a personal interest or interest on behalf of third parties.

The Chairman is appointed by the Board of Directors from its members, if not already appointed by the Shareholders' Meeting. The Board of Directors may also appoint a Deputy Chairman, who replaces the Chairman in their functions in their absence or impediment.

The Board of Directors may also delegate its powers, within the limits of the law and determining the limits of the delegation, to an Executive Committee composed of some of its members, as well as to one or more of its members, possibly with the title of Managing Directors, assigning them the corporate signature, individually or collectively, as it shall deem fit; the Board of Directors may also appoint General Managers, Managers and Attorneys-in-fact, with several or joint powers of signature, determining their powers and duties, as well as delegate powers for certain acts or categories of acts. Powers of representation and signature may also be granted by the Board, which determines the limits, to Company employees or to third parties.

The Board may also establish Committees with advisory and/or proposing functions, determining their competences, powers and operating procedures. The Board of Directors, subject to the mandatory opinion of the Board of Statutory Auditors, appoints and removes from office the Financial Reporting Officer, who has the powers and functions established by law and other applicable provisions, as well as the powers and functions established by the Board at the time of appointment or by subsequent resolution. The Board of Directors may determine the remuneration of the aforementioned executive.

and appoints a Secretary, who may also be a non-member of the Board.

On 4 March 2021, the Board of Directors resolved to amend articles 17 and 25 of the Articles of Association, in order to adapt the text to the regulation of gender balance in the composition of the administration and control bodies as provided for by Law 160/2019, as well as by the implementing provisions of Consob and the new Corporate Governance Code.

The Articles of Association, in their current version, can be downloaded from the Issuer's institutional website, in the section "*Governance/Articles of Association*".

The Board of Directors, in its meeting of 4 May 2021, resolved on the allocation of the management powers of the Administrative Body, reserving to the Board in its collective composition, in addition to the powers reserved to it by law or by provision of the Articles of Association, as well as the approval of "transactions with related parties" as provided for by the specific procedure adopted by the Company, the powers listed below:

- a) define the strategic, industrial and financial strategies as well as the general policy of the Company and Group;
- b) acquire and dispose of controlling investments, acquire or dispose of business units for individual amounts above €25 million, mergers and demergers;
- c) approve long-term plans;
- d) carry out property dealings for individual amounts above €25 million.

As regards the management of conflicts of interest and operations with related parties of the Issuer and the group of which the Issuer is parent, reference is made to section 10 hereunder.

In addition, the Remuneration Policy (illustrated in Section I of the Remuneration Report) provides that Directors shall abstain from voting during Board of Directors' resolutions concerning their own remuneration, all without prejudice to the rules on related party transactions set out in the RPT Procedure (where applicable).

Further information on the appointment of the Board of Directors, its composition, functioning, self-assessment, remuneration policy, internal control and risk management system, are contained in the subsequent sections of this Report dedicated to these topics (Sections 4.2, 4.3, 4.4, 7.1, 8.1, 9, respectively).

4.2. APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, paragraph 1, letter I) TUF)

The provisions of the Issuer's Articles of Association regulating the composition and appointment of the Board (Art. 17) are appropriate to ensure compliance with the gender balance in the composition of the board of directors as set out in Art. 147-ter, paragraph 1-ter of the TUF, as most recently amended by Law 160/2019, as well as Art. 144-undecies.1 of the Issuers' Regulation⁴.

The Company is managed by a Board of Directors comprising no fewer than five and no more than thirteen members appointed by the Shareholders' Meeting.

The Shareholders' Meeting determines the number of Board members as well as the term of their office which cannot be more than three years, and which will expire at the date of the Shareholders' Meeting called to approve the financial statements of the last year of their term of office. Board directors may be re-elected.

According to the Articles of Association, the Directors must meet the requirements of applicable pro tempore legislation; a minimum number of Directors, corresponding to the minimum required by law, must meet the independence requirements as of Art. 148, paragraph 3 of the TUF.

If a Director no longer has the prescribed requisites his or her term of office shall immediately expire. If a Director no longer meets the independence requirements as of Art. 148, paragraph 3 of the TUF, he/she will not have to step down, if the minimum number of Directors required by applicable laws meets these requirements.

The Board of Directors is appointed, in compliance with applicable pro tempore regulations on gender balance, on the basis of lists presented by the Shareholders with the procedures specified below, in which the candidates must be listed with a progressive number.

The lists presented by the Shareholders, signed by the parties presenting them, must be filed at the Company's headquarters, and made available for any person requesting them, at least twenty-five days before the date set for the Shareholders' Meeting on first call, and are subject to the other types of notification and filing procedures established by applicable pro tempore regulations.

Each Shareholder, Shareholders belonging to a significant shareholder agreement pursuant to Art. 122 of the TUF, the parent company, subsidiaries and entities subject to common control pursuant to Art. 93 of the TUF, may not present or contribute to the presentation, not even through a third party or trust company, of more than one list, nor may they vote for different lists and each candidate may be included in only one list, otherwise they cannot be elected. Support and votes expressed in breach of this prohibition are not attributed to any list.

Shareholders are entitled to present lists only if, alone or with other Shareholders, they hold shares with voting rights representing at least 2.5% of the share capital with voting rights at the Ordinary Shareholders' Meeting, or a different percentage that may be established by law or other regulations. In the Executive Ruling of the Corporate Governance Division Manager No. 76 of 30 January 2023, Consob established a requirement of 2.5% of the share capital as necessary for presenting lists of candidates for election to the Board of Directors of the Company.

Ownership of the shareholding required, pursuant to the above, for the purposes of presenting the list, is established in relation to the shares registered in the name of the Shareholder on the

⁴ Paragraph 1-ter, of Art. 147-ter, of the TUF in force at the date of the Report states, inter alia, that "*the least represented gender must account for at least two-fifths of the elected directors. This rule shall apply for six consecutive terms.*"

Furthermore, pursuant to Art. 144-undecies.1, paragraph 3, of the Issuers' Regulation, as last amended by Consob Resolution 21359 of 13 May 2020, "*when the application of the gender distribution rule does not result in a whole number of members of the management or control bodies belonging to the least represented gender, such number shall be rounded up to the next higher whole unit, with the exception of company boards made up of three members where it will be rounded down to the next lower whole unit.*"

date when the lists are filed with the Issuer; certification of the same can also be submitted subsequent to filing the list, provided that this takes place within the deadline for the publication of such lists.

Along with each list, the following must be filed at the registered office, save for any additional provisions in force pro tempore: (i) information concerning the identity of the shareholders who submitted the list; (ii) a curriculum vitae with the personal and professional characteristics of the candidates included in the list, indicating the person's suitability to be qualified as independent, as applicable, must be filed; as well as the (iii) statements of the individual candidates accepting their nomination and certifying, under their own responsibility, that there are no causes for ineligibility and incompatibility, and that they meet the requirements established for their respective positions, including the suitability to qualify as independent.

Lists that have a number of candidates greater than or equal to three must be composed of candidates belonging to both genders, in accordance with the current applicable regulations on gender balance.

Lists presented without complying with the above provisions are considered as not presented; the lists shall also be disclosed as provided for by applicable laws and regulations in force.

The Board of Directors is appointed as follows:

a) the list with the highest number of votes is used for presenting the Directors to elect, bar one, in the consecutive order in which they appear in the list;

b) the remaining Director is taken from the minority list that is not connected in any way, not even indirectly, with entities that presented or voted the list as of letter a) above and that obtained the second highest number of votes. If the minority list as of point b) has not achieved a percentage of votes equal to at least half that required for the presentation of lists, all Directors to be elected will be taken from the list as of point a).

If the candidates elected as above do not ensure the appointment of a minimum number of independent directors as established by Art. 148 of the TUF, the non-independent candidate pursuant to Art. 148 of the TUF, elected last in consecutive order in the list that received the highest number of votes, as of letter a) above, is replaced by the first independent candidate pursuant to Art. 148 of the TUF, according to the consecutive order, not elected in the same list, or, failing this, by the first independent candidate pursuant to Art. 148 of the TUF, according to the consecutive order, not elected in the other lists, according to the number of votes obtained by each one. This replacement procedure is repeated until the composition of the Board of Directors comprises a number of independent directors pursuant to Art. 148 of the TUF, equal to at least the minimum number required by law. If this procedure does not achieve the above, a replacement is made with a resolution passed by the Shareholders' Meeting with relative majority, subject to the presentation of candidates that meet the above mentioned requirements.

If, in addition, with the candidates elected in the manner described above, a composition of the Board of Directors compliant with current legislation in force concerning the balance between genders is not ensured, the candidate of the more represented gender elected as last in the sequential order in the list that received the most votes shall be replaced by the first candidate of the less represented gender not elected from the same list according to the sequential order. This replacement procedure is repeated until a composition of the Board of Directors compliant with current legislation in force concerning the balance between genders has been ensured. If the aforementioned procedure does not ensure the last result indicated above, the replacement will take place by resolution passed by the Shareholders' Meeting by relative majority subject to the presentation of candidates belonging to the less represented gender.

If only one list is presented or if no list is presented, the Shareholders' Meeting resolves with the majorities established by law, save for compliance with applicable pro tempore regulations on gender balance.

If during the year one or more vacancies occur on the Board, the procedure established in Art. 2386 of the Italian Civil Code shall be adopted according to the following indications, provided that the majority always consists of Directors appointed by the Shareholders' Meeting:

a) the Board of Directors replaces the vacancy, electing a person from the same list as the former director and the Shareholders' Meeting resolves with the majorities established by law, complying with the same criterion;

b) where no unelected candidates remain on the candidate list, or where for any reason whatsoever the provisions of point (a) above cannot be met, the Board of Directors replaces the director, as subsequently resolved by the Shareholders' Meeting, with majorities established by law, without voting for the list.

In any case the Board of Directors and the Shareholders' Meeting will appoint the director so that (i) the minimum number of independent directors pursuant to Art. 148 of the TUF is appointed as required by applicable pro tempore applications and (ii) applicable pro tempore regulations on gender balance are complied with.

If there is no longer a majority of Directors, due to resignations or other causes, the entire Board is considered as having resigned and shall cease to hold office from the time when the Board of Directors has been re-established following acceptance by at least half the new Directors appointed by the Shareholders' Meeting, that shall be called on an urgent basis. For further information on the above provisions, reference should be made to the Articles of Association published on the company's website www.immsi.it under the Section "Governance/Articles of Association" and on the authorised storage system, "eMarket Storage", which can be viewed at www.emarketstorage.it.

Given the organisational structure of the Issuer, as well as the practice of assigning the position of Executive Director to persons who have gained significant experience within the Company or to persons who have gained experience in sectors in which the Issuer operates, the Board of Directors deemed it unnecessary, most recently during the meeting of 23 March 2023, to adopt a plan for the succession of Executive Directors, with the right to make different evaluations in the future.

With regard to information on the role of the Board of Directors and the board committees in the self-assessment, appointment and succession of directors, please refer to Section 7.1 below.

4.3 COMPOSITION (pursuant to Art. 123-bis, paragraph. 2, letter d) and d bis), TUF)

In compliance with the Principles of the CG Code, the Board is made up of executive and non-executive directors, all of whom have the professionalism and expertise appropriate to the tasks entrusted to them (Principle V); The number and expertise of the non-executive directors, the majority of whom are independent, are such as to ensure they play a significant part in the adoption of board resolutions and guarantee effective monitoring of management.

The Shareholders' Meeting of 30 April 2021, after setting the number of members of the Board of Directors at nine, appointed, on the basis of the lists presented by the shareholders, the Directors in office at the end of the Financial Year and at the Date of the Report, for the three-year period 2021 - 2023, until approval of the financial statements as at 31 December 2023.

Two lists were submitted to the Shareholders' Meeting of 30 April 2021:

- the list submitted by the majority shareholder Omniainvest S.p.A., representing 46.666% of Immsi share capital (the "**Majority List**"), which: (i) included the following candidates: Colaninno Roberto, Colaninno Michele, Colaninno Matteo, Discepolo Daniele, Succi Gianpiero, Magnoni Ruggero, Corghi Livio, Mignani Paola, Molteni Giulia, Simonotto Alessandra, Ricci Rosanna, De Pasquale Patrizia and (ii) obtained 205,010,247 votes in favour, equal to 91.235% of the voting capital represented at the Shareholders' Meeting.

- the list submitted by a group of private, non-institutional shareholders representing 2.502% of Immsi's share capital (the "**Minority List**"): (i) included the following candidates: Rossi Piercarlo, Lopez Giuseppe, Faraudello Alessandra, Tanturli Anna, Pirilli Stefano and (ii) obtained 19,695,079 votes in favour, representing 8.765% of the voting capital represented at the Shareholders' Meeting.

For further information on the candidates and lists filed for the appointment of the management body, see the website of the Issuer www.immsi.it, in the section "*Governance/Shareholders' Meeting/Archive/2021*" or the authorised storage mechanism "eMarket STORAGE" available at www.emarketstorage.it; Moreover, the curriculum vitae of the Directors, which illustrate their professional characteristics in accordance with the provisions of Art. 144-*decies* of the Consob Issuers' Regulations, are also available in the "*Governance/Management*" section.

The Directors in office at the end of the financial year and at the date of the Report are:

- Roberto Colaninno (Chairman - Majority List);
- Daniele Discepolo (Deputy Chairman – Independent Director – Majority List);
- Michele Colaninno (Chief Executive Officer and General Manager - Majority List);
- Matteo Colaninno (Non-Executive Director - Majority List);
- Ruggero Magnoni (Non-Executive Director - Majority List);
- Gianpiero Succi (Non-Executive Director - Majority List);
- Alessandra Simonotto (Non-Executive Director - Majority List);
- Paola Mignani (Independent Director - Majority List);
- Patrizia De Pasquale (Independent Director - Majority List);
- Giulia Molteni (Independent Director - Majority List);
- Rosanna Ricci (Independent Director - Majority List);
- Piercarlo Rossi (Independent Director - Minority List).

Board Directors in office meet the requirements established in the Articles of Association and of applicable laws and regulations. Further information on the composition of the Board of Directors at the end of the Financial Year is given in the Table in the Appendix.

It should be noted that there have been no changes in the composition of the Board since the end of the Financial Year and up to the date of the Report.

Diversity criteria and policies in Board composition and corporate organisation

With regard to the company's diversity policies applied in relation to the composition of the Board of Directors concerning aspects such as age, gender composition and educational and professional background (Art. 123-*bis*, letter d-*bis*), TUF), it should be noted that the Board of Directors in office until 30 April 2021 specified in the illustrative report prepared pursuant to Art. 125-*ter* of the TUF, relating to the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements as of 31 December 2020, some indications for Shareholders regarding the diversity policy in the composition of the Board of Directors (also pursuant to Recommendation 8 of the Corporate Governance Code).

As regards the composition of the Board of Directors in office: (i) the Company's Board of Directors includes five directors belonging to the least represented gender, in compliance with current legislation on gender balance, which requires at least two-fifths of the Board of Directors to be from the least represented gender (rounded up to the nearest whole number, see Art. 144-*undecies*, paragraph 1, of the Consob Issuers' Regulation); (ii) Board members vary in age, from 79 to 43 years; (iii) the educational and professional backgrounds of the directors ensure a

balanced combination of member profiles and experiences within the administrative body, with members selected in order to ensure that all functions thereof are executed correctly.

For further information, please refer to the illustrative report on the appointment of the Board of Directors prepared for the Shareholders' Meeting of 30 April 2021 and published on the Issuer's institutional website www.immsi.it in the section "*Governance/Shareholders' Meeting/Archive/2021*" or to the authorised storage mechanism "eMarket STORAGE" available at www.emarketstorage.it.

It should be noted that the Company promotes inclusion, equal treatment and opportunities between genders within the corporate organisation, as set out in its Code of Ethics and in the Non-financial Statement (both published on the Issuer's website, in the "*Governance/Procedures*" and "*Investors/Consolidated Non-financial Statement*" sections, respectively).

Maximum accumulation of offices held in other companies

Each member of the Board of Directors shall make informed decisions, independently, pursuing the objective of creating value for Shareholders, and in his/her position held in the Company shall spend the time necessary to ensure functions are duly carried out, irrespective of other positions held outside the Immsi Group, aware of the responsibilities of his/her office.

For this purpose, each Director shall have evaluated, when accepting the position at the Company and regardless of limits established by law and by regulations on the number of positions that may be held, his/her ability to carry out assigned duties diligently and effectively, considering in particular the total commitment required of other positions outside the Immsi Group.

Each member of the Board of Directors shall also inform the Board of any positions as Director or Statutory Auditor in other companies, in order to comply with disclosure obligations established by applicable laws and regulations.

Most recently at the meeting of 23 March 2023, the Board decided not to define general criteria regarding the maximum number of administration and control positions that may be held in other companies, which may be considered as compatible with effectively acting as Director of the Issuer (also considering that the CG Code recommends providing guidance on the maximum number of positions that may be held on the management board only of Large Companies), without prejudice to the fact that each Director must assess the compatibility of positions held as Director and Statutory Auditor in other companies listed on regulated markets or of significant dimensions, with the diligent performance of the duties assigned to them as Board Director of the Issuer.

In the meeting of 23 March 2022 and in the meeting of 23 March 2023, the Board, after reviewing positions currently held by its Directors in other companies, considered that the number and type of positions held does not cause any interference and is therefore compatible with effectively carrying out duties as Director of the Issuer.

In addition, the majority of Board Members of the strategic subsidiary Piaggio & C. S.p.A. does not hold Administrative and/or Managerial positions in the Parent Company Immsi S.p.A.

The list of the companies in which each director holds management or control appointments as of December, indicating whether the company in which they hold the appointment forms part or not of the Group of which the Issuer is parent company or forms a part.

Below are the positions held as of 31 December 2022 by the Directors in office as of the Report Date.

Full name	Company	Management and control positions held in public companies as of 31/12/2022
Roberto Colaninno	Piaggio & C. S.p.A.* Omniaholding S.p.A.* Omniainvest S.p.A.* Piaggio Fast Forward Inc.* RCN Finanziaria S.p.A.* Intermarine S.p.A.* Is Molas S.p.A.*	Chairman BoD and Chief Executive Officer Chairman of the Board of Directors Chairman of the Board of Directors Member of the Advisory Board Director Director Director
Michele Colaninno	Omniaholding S.p.A.* Omniainvest S.p.A.* ISM Investimenti S.p.A.* Piaggio Fast Forward Inc.* Piaggio & C. S.p.A.* ACEM - Association des Constructeurs Européens de Motocycles Intermarine S.p.A.* Is Molas S.p.A.* RCN Finanziaria S.p.A.* Immsi Audit S.c.a r.l.*	Chief Executive Officer Chief Executive Officer Chairman of the Board of Directors Deputy Chairman of the Board Director with powers Chairman Director Director Director Director
Daniele Discepolo	Gruppo San Donato Real Estate S.r.l. Gruppo San Donato Sistemi e Servizi S.C. a R.L. Pianoforte Holding S.p.A. Hotel Lido Uno Gestioni S.r.l. Hotel Lido Uno S.r.l. Argenta S.p.A. Sorgenia S.p.A. Melville S.r.l. IHC S.p.A. Livingston S.p.A. Meraklon S.p.A. Meraklon Yarn S.r.l. Valtur S.p.A. Cooperativa Covac Gruppo Stabila – De Roma	Chairman of the Board of Directors Chairman of the Board of Directors Chairman of the Board of Statutory Auditors Chairman of the Supervisory Board Chairman of the Supervisory Board Chairman of the Supervisory Board Statutory Auditor Statutory Auditor Director Special Administrator Special Administrator Special Administrator Special Administrator Liquidating Administrator Chairman of the Supervisory Committee
Matteo Colaninno	Omniaholding S.p.A.* Piaggio & C. S.p.A.* Omniainvest S.p.A.*	Deputy Chairman and Chief Executive Officer Executive Deputy Chairman Director
Patrizia De Pasquale	-	-
Ruggero Magnoni	Compagnie Financière Rupert SCA M&M Capital Ltd RFM & Partners S.p.A. Omniainvest S.p.A.* Autostrade Lombarde S.p.A. Società di Progetto Brebemi S.p.A. KME Group S.p.A. Quattrodue Holding BV Trilantic Capital Partners Europe IFM Investors	General Partner/Unlimited Partner/Administrator Chairman Chairman Director Director Director Director Supervisor Director Senior Advisor and Member of the Advisory Council Senior Advisor to IFM Global Infrastructure Fund
Paola Mignani	E-Novia S.p.A. LU-VE S.p.A. Algo S.p.A. F2A S.r.l. Cairo Communication S.p.A. Clessidra SGR S.p.A.	Chairman of the Board of Statutory Auditors Statutory Auditor Statutory Auditor Statutory Auditor Director Director
Gianpiero Succi	Fondazione Violetta Caprotti Addvision SIM S.p.A.	Director Director
Giulia Molteni	Flae S.p.A.	Director

Alessandra Simonotto	Aprilia Racing* Fondazione Piaggio Onlus* Piaggio China Co. Ltd* Piaggio Espana S.L.U.* Piaggio Hellas* Piaggio Hrvatska d.o.o.* Zongsheb Piaggio Foshan Motorcycle Co. Ltd.* Foshan Piaggio Vehicles Technology R&D Co. Ltd PT Piaggio Indonesia* Piaggio Fast Forward Inc.*	Chairman of the Board of Directors Director Director Director Director Director Director Director Commissioner Authorized Officer
Rosanna Ricci	Aedes SIQ S.p.A.	Director
Piercarlo Rossi	Banca di Credito Coop. di Alba, Langhe, Roero e del Canavese	Director

* Company of the Group of which the Issuer is Parent Company or forms a part.

Induction Programme

Also in compliance with the provisions of the Corporate Governance Code on each Director carrying out his/her duties effectively and in an informed manner, the Chairman and Chief Executive Officer ensure Directors and Statutory Auditors are kept informed at all times of the company situation and the markets in which the investee companies operate, as well as of main legal and regulatory developments affecting the Issuer and its Group.

In particular, during the Financial Year, the matters referred to in Art. 3, Recommendation 12, letter d) of the Corporate Governance Code (i.e. in-depth analyses of the business sector in which the Issuer operates, of corporate dynamics and their outlook, also with a view to the Company's sustainable success, of the principles of correct risk management, as well as of the regulatory and corporate governance framework), were regularly discussed during the meetings of the Risk and Sustainability Committee and subsequently presented during meetings of the Board of Directors, which were also attended by the members of the Board of Statutory Auditors.

Moreover, during the Year, the Directors and Statutory Auditors had the opportunity to deepen their knowledge of (i) the automotive, shipbuilding-naval and tourism-hotel sectors at board meetings relating to the approval of the accounting data for the period, therefore at least quarterly, where the Chairman and CEO updated the Board on the organisational evolution, strategic development lines and the Group's forecast situation, diversifying the analysis by individual *cash generating unit*, as well as (ii) the applicable legal, regulatory and self-regulatory framework. In particular, the directors and the statutory auditors received insights into the GRI UNIVERSAL STANDARDS 2021, to be used in the identification of material issues relevant to the "Materiality Scorecard 2022" reporting for the purposes of the Non-Financial Statement; they also received adequate information on the forthcoming entry into force of the Register of Beneficial Owners to be set up at the Companies Register pursuant to MEF Decree No. 55 of 11 March 2022 and related disclosure obligations.

At the meeting of 23 March 2023, the 2023 recommendations made by the Chairwoman of the Corporate Governance Committee, Prof. Lucia Calvosa, in connection with the findings of the 2022 Annual Report on the application of the CG Code, were also submitted to the Board of Directors for examination.

The Company's management also kept in constant contact with the corporate bodies for the appropriate information flows, with in-depth information and explanations on the activities and projects of the Group the Issuer heads, and/or updates on issues of interest.

In any case, the Issuer will draw up structured training plans if considered necessary, or required by company bodies.

4.4. OPERATION (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

The management of the Company is the responsibility of the directors, who carry out the operations necessary to achieve the company object.

Pursuant to Recommendation 11 of the Corporate Governance Code, the Board of Directors, at its meetings of 4 March 2021 and 15 April 2021, approved the adoption of its own internal regulations to govern the functioning of the Board of Directors, including the procedures for recording the minutes of meetings and the procedures for managing information flows to directors, in addition to the Articles of Association, legal provisions and the Board Regulations.

Pursuant to Art. 20 of the Articles of Association and the Board Regulations, the Chairman, or anyone acting on his behalf, shall convene a meeting of the Board of Directors, at the registered office of the Company or in another location, whenever deemed necessary in the interests of the Company or when requested by three Board members and coordinate its work. Board meetings will be convened in writing, with notice also sent by fax, telegram or email to Board members in office and to the Statutory Auditors, at least five days before the date set for the meeting, or, in urgent cases, with the same procedure, but with minimum notice of six hours. In the event of failure to formally convene a meeting, the meetings of the Board shall be considered validly constituted when all the members of the Board of Directors and the Board of Statutory Auditors are present.

Directors may take part in Board Meetings also by teleconferencing and/or video conferencing, provided that all those entitled to take part are able to do so and may be identified and can follow the meeting and intervene in real time as regards items being discussed. If these conditions are met, the Board Meeting shall be considered as having taken place in the location where the Chairman and Secretary of the meeting are present, in order to take the minutes, which are signed by both the Chairman and Secretary. It is understood that, pursuant to the Board Regulations, the latter provision does not apply if participation in the meeting takes place exclusively by means of telecommunications or if so permitted or provided for by regulatory provisions and/or the competent authorities.

Pursuant to Art. 22 of the Articles of Association and the Board Regulations, in order for resolutions of the Board of Directors to be valid, the majority of Board members in office shall be present. Resolutions are passed by an absolute majority of those present and must be recorded in minutes transcribed in a special book, signed by the Chairman of the meeting and its Secretary. The Board Regulations also govern procedures for appointing the Secretary of the Board of Directors, defining the professional requirements and duties in compliance with Recommendation 18 of the Corporate Governance Code.

The Board Regulations also govern the management of information to be provided prior to board meetings: The Chairman of the Board of Directors, through the Secretary, is responsible for ensuring that sufficient information is provided to all directors on the business tabled in the meeting agenda. In particular, this information is provided in a suitable way, so as to enable Directors to make informed decisions on the matters submitted to them, with draft documents requiring approval provided well in advance, excepting cases of demonstrated urgency. The Issuer shall send the most relevant material, as a rule, at least 48 hours in advance of the board meeting. This time-frame is considered appropriate by all Directors and has normally been observed. If the Chairman, or whoever is taking their place, deems it appropriate in relation to subject and the resolution in question, informative documentation may be provided directly during the meeting, giving prior notice to the members of the Board of Directors within 48 hours; all supporting documentation distributed to the Directors and Auditors is kept on the Board's files.

In addition, the Chairman, with the help of the Secretary, ensures that adequate and timely debates are carried out during the board sessions, fostering an informed debate that encourages the contribution of all participants, and ensuring that the items on the agenda can be given the necessary time to allow for constructive dialogue.

The Directors accept the position when they believe they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment connected with their own work and professional activities and the number of positions they hold in other companies or organisations (also foreign). During the Financial Year, the Directors ensured that they had sufficient time available to carry out their duties for the position held within the Company.

During the year, the Board of Directors held 7 meetings on the following dates: 4 March, 23 March, 12 May, 27 July, 2 September, 11 November and 16 December.

The meetings lasted on average one hour, thirty minutes, with the Board of Statutory Auditors taking part. The Director of Administration, Finance and Control and the Financial Reporting Officer almost always attended the board meetings to provide the appropriate insights into the items on the agenda.

For information on the participation of each Director in the meetings held during the Financial Year, please refer to the Table in the Appendix.

The Articles of Association do not stipulate a minimum number of board meetings; However, for the financial year 2023 the Board of Directors is expected to meet at least six times. As of the Report Date, 2 meetings were held on 14 March 2023 (approval of the budget and impairment test procedures and materiality matrix) and 23 March 2023 (approval of the draft financial statements and consolidated financial statements as at 31 December 2022).

In this regard, it should be noted that on 30 January 2023 Immsi S.p.A. notified the market management company of its annual calendar of corporate events for the financial year 2023. This calendar has also been published on the website of the Issuer, in the section “*Investors/Calendar*” and in the authorised storage mechanism “eMarket STORAGE” viewable at the web address www.emarketstorage.it.

To ensure the continuity and regularity of information to the financial community, the Company resolved to continue publishing quarterly information, on a voluntary basis, and, with effect from the year and until otherwise decided, to adopt the communication policy detailed in the press release of 21 December 2016 available on the website of the Issuer, in the section “*Investors/Media/Press Releases*” and in the authorised storage mechanism “eMarket STORAGE” viewable at the web address www.emarketstorage.it.

4.5. ROLE OF THE CHAIRMAN

The Chairman is appointed by the Board of Directors from its members, if not already appointed by the Shareholders' Meeting. Under the Articles of Association and the Board Regulations, the Chairman of the Board of Directors is vested with the power and capacity to chair Shareholders' Meetings, to call Board meetings, to represent the company legally before third parties and at law, and to act as signatory for the company.

Pursuant to the Articles of Association and the Board Regulations, the Chairman convenes the Board of Directors and coordinates its activities, ensuring that adequate information on items on the agenda is made available to all Directors, taking account of contingent circumstances. The Chairman chairs Shareholders' Meetings, ascertains the identity and entitlement of those attending, that the meeting is duly established, that a sufficient number of Shareholders is present for resolutions to be valid, and also governs the proceedings, establishing voting methods and monitoring results.

On 4 May 2021, following the Ordinary Shareholders' Meeting of 30 April 2021 that appointed the current Board of Directors, the latter appointed Director Roberto Colaninno as Chairman of the Board of Directors, who will remain in office until the approval of the financial statements for the year ending 31 December 2023. By Board resolution of 4 May 2021, the Chairman of the Board, in addition to the task of overseeing the management of the Company, has been assigned all powers of ordinary and extraordinary management, excluding those powers reserved by Law or

the Articles of Association to the entire Board of Directors, as well as the powers in all cases reserved to the Board on the basis of said resolution. In the event of extraordinary actions or operations, the Chairman shall adequately inform the Board at the first possible meeting.

The Board considers that granting executive powers to the Chairman meets the considerable organisational needs of the Issuer, i.e. streamlining the operation of the Board of Directors of the Company.

Pursuant to the Board Regulations, the Chairman also plays the role of liaison between the Executive Directors and the Non-Executive Directors and ensures the effective functioning of the Board proceedings and, with the help of the Secretary, performs the functions set out in Recommendation 12 of the Corporate Governance Code and the functions assigned to them by the Board Regulations.

In compliance with the provisions of the Board Regulations and with the Recommendations of the CG Code, the Chairman, during the Financial Year:

- ▶ ensured appropriate information was provided prior to board meetings, as well as additional information during board meetings, to enable the directors to act in an informed manner in performing their role;
- ▶ coordinated the work of the board committees (with advisory functions) with the activities of the Board;
- ▶ arranged for managers of the Issuer and Group companies, responsible for competent corporate functions, to attend board meetings, according to the subject matter – and also on request of individual Directors – in order to provide appropriate in-depth information on items on the agenda;
- ▶ arranged for members of the board of directors and board of statutory auditors, after their appointment and during their term of office, to take part in initiatives aimed at providing them with an adequate knowledge of the sectors of activity in which the Issuer operates, of corporate dynamics and their outlook, also with a view to the Issuer's sustainable success, of the principles of correct risk management, as well as of the regulatory and corporate governance framework;
- ▶ ensured the adequacy and transparency of the Board's self-assessment process, with the support of the Appointment Proposal and Remuneration Committee.

Pursuant to the Board Regulations, the Chairman, with the assistance of the Investor Relations Department, also ensures that the Board of Directors is informed of trends in and the significant content of shareholder engagement, by the first available meeting. It should be noted that the situation of *interlocking directorate* does not arise.

Board Secretary

Pursuant to the Articles of Association and to the Board Regulations, the Board of Directors may appoint a Secretary, who is not necessarily on the Board. The Secretary is appointed and removed from office on the proposal of the Chairman.

On 4 May 2021, the Board appointed Ms Federica Savasi, the Issuer's Legal and Corporate Affairs Manager, as Secretary of the Board of Directors until the expiration of the Board's term of office.

As provided for by the Board Regulations, the Secretary has an adequate professional level and experience, preferably gained in positions of responsibility in the corporate, legal or business areas. The Secretary also meets the requirements of independence of judgement and is not in a situation of conflict of interest. The Secretary supports the work of the Chairman, and to this end ensures:

- a) that appropriate information is provided prior to board meetings, as well as additional information during board meetings, to enable the Directors to act in an informed manner in

performing their role;

- b) that the work of the board committees with investigative, propositional and advisory functions be coordinated with the activities of the governing body;
- c) in agreement with the Chief Executive Officer, that the managers of the company and of the Group companies, responsible for the corporate functions relevant to the subject matter, attend board meetings, also at the request of individual Directors, in order to provide appropriate further information on items on the agenda;
- d) arranges for members of the board of directors and board of statutory auditors, after their appointment and during their term of office, to take part in initiatives aimed at providing them with an adequate knowledge of the sectors of activity in which the Company operates, of corporate dynamics and their outlook, also with a view to the Company's sustainable success, of the principles of correct risk management, as well as of the regulatory and corporate governance framework, assisted by the Lead Independent Director.

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

If prevented from attending or absent, the Secretary's duties are performed by another person, appointed from time to time by the Chairman of each meeting.

During the Financial Year, in her role as Secretary of the Board, Federica Savasi, supported the activities of the Chairman of the Board and provided impartial assistance and advice on all aspects relevant to the proper functioning of the corporate governance system, and in carrying out the tasks assigned to the Board and defined above.

Deputy Chairman

Pursuant to Art. 18 of the Articles of Association, the Board of Directors may elect a Deputy Chairman, who replaces the Chairman in their duties in the event of their absence or impediment.

The Chairman has powers to sign for the Company and is the legal representative vis-à-vis third parties and before the courts. In the case of his absence or impediment, these functions are overseen by the Deputy Chairman, if appointed.

On 4 May 2021, the Board of Directors confirmed Director Daniele Discepolo as Deputy Chairman, granting him the powers set out in the applicable provisions of law, the Articles of Association and the Board Regulations.

4.6 EXECUTIVE DIRECTORS

Chief Executive Officer

The Board of Directors may also delegate its powers to one or more of its members, possibly Chief Executive Officers, granting them several or joint powers of signature, as deemed appropriate. Pursuant to Art. 23 of the Articles of Association, the Board of Directors may appoint General Managers, Managers and Attorneys-in-fact, with several or joint powers of signature, determining their powers and duties, as well as delegate powers for certain acts or categories of acts.

Michele Colaninno, former General Manager of the Company, was appointed Chief Executive Officer on 4 May 2021.

In addition to powers to act as the Company's legal representative vis-à-vis third parties and before the courts and to sign on behalf of the company, the CEO was granted the power to oversee the ordinary management of the Company, being authorised, for this purpose, to carry out all standard operations for sums not exceeding €20 million per transaction or series of related transactions, and to adopt the resolutions passed by the Shareholders' Meeting and the Board of

Directors. He was also granted the power to appoint, dismiss, direct, supervise and discipline Company Manager(s) and their subordinates, with the approval of the Chairman, with the exception of any such power regarding the General Manager(s).

The powers of the Chief Executive Officer do not include powers assigned by law or by the Articles of Association to the Board of Directors, and powers that in any case are assigned to the Board according to the same resolution (see section 4.1, letters a), b), c) and d) above for details, for amounts also lower than those indicated).

Chairman

As anticipated, by Board resolution of 4 May 2021, in addition to the task of overseeing the management of the Company, the Chairman of the Board Roberto Colaninno has been assigned all powers of ordinary and extraordinary management, excluding those powers reserved by Law or the Articles of Association to the entire Board of Directors, as well as the powers in all cases reserved to the Board on the basis of said resolution. In the event of extraordinary actions or operations, the Chairman shall adequately inform the Board at the first possible meeting.

The Board considers that granting executive powers to the Chairman meets the considerable organisational needs of the Issuer, i.e. streamlining the operation of the Board of Directors of the Company.

Executive Committee

The Board of the Issuer has not established an Internal Executive Committee.

Information given to the Board of Directors and the Board of Statutory Auditors by the Directors / Delegated Bodies

During the year, the Executive Bodies and Officers reported to the Board of Directors and the Board of Statutory Auditors on the activities carried out, on the general performance of operations and its outlook, as well as on the most significant economic, financial and equity transactions carried out by the Company or its subsidiaries. The communication was made in a timely manner, and in any event at least quarterly at Board meetings, in order to allow the Board members to express their opinions in an informed manner on the matters submitted to them for examination from time to time.

Other Executive Directors

There are no executive directors other than the Chairman Roberto Colaninno and the CEO Michele Colaninno.

4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR

Independent Directors

The non-executive directors, currently ten out of twelve members of the Issuer's Board of Directors, six of whom are independent, are, due to their number and authority, capable of significantly influencing the Company's board decisions; are also appropriate to the needs of the company, the functioning of the Board and the constitution of the relevant committees. The non-executive and independent directors bring their specific competencies to board discussions, contributing to the making of decisions that conform to corporate interests.

It should be noted that the Chairman of the Board has not been qualified as independent and in order to rule out potential risks of limiting the management independence of the strategic subsidiary Piaggio & C. S.p.A., the majority Board Directors of Piaggio & C S.p.A. has no administrative and/or managerial duties in the Parent Company Immsi S.p.A.

The fulfilment of the independence requirements set out in Art. 2, Recommendation 7 of the Corporate Governance Code and Art. 148, paragraph 3, letters b) and c), of the TUF, of the independent Directors currently in office were verified by the Board of Directors, not only on the

first useful occasion after their appointment on 4 May 2021 (as communicated to the market on the same date), but most recently, at the meeting held on 23 March 2023, on the basis of the declarations of independence made in March 2023 by the Directors under assessment (i.e. Daniele Discepolo, Rosanna Ricci, Giulia Molteni, Patrizia De Pasquale, Paola Mignani and Piercarlo Rossi). On these occasions, the Board of Statutory Auditors acknowledged that the criteria and review procedures used by the Board of Directors to evaluate independence requirements had been correctly adopted.

Evaluating all the circumstances that appear to compromise independence identified by the TUF and the CG Code, and applying all the criteria set out in the CG Code regarding the independence of the Directors, the Board at the same time positively assessed the composition of the Board of Directors, half of which is made up of independent Directors, as required by the applicable regulations and considering the independence requirements set out in Art. 2, Recommendation 7 of the Corporate Governance Code. In this regard, each non-executive Director provided all elements necessary or useful for the Board's evaluations.

The Independent Directors are committed to maintaining independence during their term of office, and in any event shall promptly inform the Board of Directors of any situation that might compromise this status. Pursuant to the provisions of Art. 17, paragraph 4 of the Articles of Association of the Issuer, if a Director no longer meets the independence requirements as of Art. 148, paragraph 3 of the TUF, he/she will not have to step down, if the minimum number of Directors required by applicable laws meets these requirements.

The Board of Directors and the Board of Statutory Auditors have examined the advisability of adopting qualitative and quantitative criteria to assess the significance of the circumstances relevant to the independence of the members of the Board of Directors and the Board of Statutory Auditors; however, they resolved not to adopt any *ex ante* criteria and to rely on assessments that focus on substance over form and that consider each situation on a case-by-case basis, ensuring greater flexibility of independence evaluations and taking into account the relevant circumstances of each case.

The independent directors, in office since the Ordinary Shareholders' Meeting held on 30 April 2021, met on 15 February 2023 and, within the scope of their assigned competences and prerogatives, discussed issues related to sustainability and the Group's organisational evolution, starting from an introductory analysis for each Italian and foreign cash generating unit carried out by the CEO, who then left the meeting, allowing the interested parties to carry out the appropriate evaluations; the secretary in charge of taking minutes, the Administration, Finance and Control Director and two members of the Board of Statutory Auditors also took part in the meeting, which lasted 40 minutes. The meeting was coordinated by the Lead Independent Director.

For the financial year 2023, it is expected that the independent directors will meet at least twice, one meeting of which will be held on 15 February 2023.

Lead Independent Director

On 4 May 2021, the Board of Directors confirmed non-executive and independent Director Daniele Discepolo as Lead Independent Director to be the point of reference and coordination of the requests and contributions of the non-executive Directors and, in particular, of the independent Directors.

The Lead Independent Director Daniele Discepolo, with adequate expertise in accounting and finance and/or risk management, also holds the position of Chairman of the Risk and Sustainability Committee and of the Appointment Proposal and Remuneration Committee of the Issuer itself.

The Lead Independent Director also has the task of collaborating with the Chairman in order to ensure that the Directors receive complete and timely information flows, also through the organisation of specific induction activities; coordinates meetings of the independent Directors

and has the authority to convene meetings to discuss issues deemed of interest with respect to the operation of the Board of Directors or the management of the Company.

5. MANAGEMENT OF CORPORATE INFORMATION

During 2016, in order to comply with the EU provisions on market abuse (Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, the so-called Market Abuse Regulation ("MAR") and relative European Commission implementing standards), and in order to monitor access to and circulation of inside information before it is disseminated to the public, to ensure compliance with the confidentiality requirements provided by the laws and regulations in force, and to govern the internal management and external disclosure of this information, the company adopted the "Procedure for the Disclosure of Inside Information", the "Procedure for Management of the Insiders List" and the "Procedure for Meeting Insider Trading Obligations", with effect from 3 July 2016.

On 29 June 2021, the Board, on the proposal of the Chairman, updated the "Procedure for Insider Trading obligations".

The procedures are available on the Issuer's website www.immsi.it - in the section "Governance/Procedures" and in the authorised storage mechanism "eMarket STORAGE" viewable www.emarketstorage.it.

Procedure for the disclosure of inside information

The Procedure has been adopted by Immsi S.p.A. in compliance with the provisions of Art. 17 MAR and the associated European Commission implementing standards. It governs the provisions and procedures relating to the internal management and external disclosure of inside information (as defined in Art. 7 MAR) and Confidential information (as defined in the Procedure) concerning the Issuer and its subsidiaries.

In particular, the public disclosure of Inside Information must take place by means of a specific press release jointly prepared by the corporate functions involved; the release text must be submitted to the Chairman of the Board of Directors or the Chief Executive Officer, and if deemed advisable or necessary, to the Board of Directors, for final approval before certification and external disclosure. If the information contained therein refers to accounting data, the text must also be submitted to the Financial Reporting Officer, pursuant to and for the purposes of Art. 154-*bis* of the TUF.

The purpose of the procedure is to ensure compliance with applicable legal and regulatory provisions and to guarantee the utmost confidentiality of inside information; Specifically, the Procedure is designed to ensure greater transparency with the market and adequate preventive measures against market abuse and, in particular, against insider trading.

Procedure for management of the register of persons who have access to inside information

Art. 18 of the MAR and associated implementing standards of the European Commission regulations establish the obligation for "issuers, or persons acting on their behalf or for their account" to draw up, manage and update a register of persons who have access to inside information as defined in Art. 7 MAR.

Pursuant to Art. 7 MAR, inside information is "*information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments*".

The obligation to establish and maintain the register are aimed at encouraging operators to pay more attention to the value of inside information and, therefore, to stimulate the establishment of adequate internal procedures for monitoring their circulation prior to dissemination to the public.

Procedure for the fulfilment of internal dealing obligations

The procedure governs the disclosure requirements for transactions involving financial instruments carried out by relevant persons, as identified in the same procedure, to ensure greater transparency with the market and adequate preventive measures against market abuse and, in particular, against insider trading.

The procedure is adopted by Immsi, implementing Art. 19 of the MAR, as amended.

6.COMMITTEES WITHIN THE BOARD (*pursuant to Art. 123-bis paragraph 2, letter d), TUF*)

In accordance with provisions in the Corporate Governance Code, the Board of Directors may set up internal committees with advisory functions regarding appointments, remuneration, risk control and sustainability, as well as other areas considered important for the Company; these committees are also tasked with supporting the Board in carrying out its role.

Within the Board, the Appointment Proposal and Remuneration Committee (see Section 7.2 and 8), the Risk and Sustainability Committee (see Section 9.2) and the Related Party Transactions Committee (see Section 10) were established, as required by Recommendation 16 of the Corporate Governance Code.

It should be noted that the Issuer, at the Board of Directors' meeting of 4 May 2021, established the Appointment Proposal and Remuneration Committee, which performs the functions of the two committees provided for in the CG Code. Functions have not been "distributed" among the Committees differently than recommended by the Code nor have the functions of one or more committees required by the Code been reserved to the entire Board, coordinated by the Chairman.

By Board resolution of 2 September 2021, the Company adopted two internal regulations governing the functioning of the Appointment Proposal and Remuneration Committee and the Risk and Sustainability Committee, including the procedures for taking minutes of meetings and the procedures for managing reports to Directors.

In particular, the Rules of Procedure of the Committees regulate their tasks and the procedures to be followed for the conduct of meetings and resolutions.

The Rules provide that any documentation relating to the items on the agenda shall be made available to the members as a rule at least 3 (three) days prior to the date of the meeting, except in cases of urgency or confidentiality requirements, in which the information documentation may be provided directly during the meeting, it being understood that if it is not possible to provide the information within the aforesaid terms, the timeliness and completeness of the information flows shall not be compromised, where possible, and it being understood that adequate and timely in-depth analysis shall be ensured during the meeting. During the financial year, the aforementioned deadline was routinely adhered to.

In determining the composition of the committees, the Board gave priority to the expertise and experience of the members. Despite the presence of the same Independent Directors on the Appointment Proposal and Remuneration Committee and the Risk and Sustainability Committee, the Board considered that these circumstances did not constitute a risk of excessive concentration of offices in the hands of the same persons impeding the proper functioning of the same committees.

Additional committees (other than those required by law or recommended by the Code)

There are no committees other than those required by law or recommended by the Code.

7 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENT COMMITTEE

7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

In accordance with the Board Regulations, as well as Art. 4, Principle XIV and Recommendation 21 of the Corporate Governance Code, the Board of Directors periodically assesses the effectiveness of its activities and the contribution made by its individual members, through formalised procedures whose implementation it oversees.

More specifically - although the CG Code expressly recommends only Large Companies other than Concentrated Ownership Companies to conduct their self-assessment on an annual basis (see Recommendation 22) - the Board of Directors continued, in line with internal practice and best practice in general, to conduct its own assessment annually. To this end, the Issuer carries out its own evaluation of the size, composition and actual functioning of the Board itself and of the Board Committees (the “board review”), also considering the role that the Board has played in defining strategies and monitoring management performance, and the adequacy of the internal control and risk management system.

In carrying out the board review, the Board was not assisted by external consultants.

Moreover, pursuant to the above provisions of the Corporate Governance Code and the Board Regulations, the Issuer's Board of Directors carried out the annual self-assessment on the basis of a questionnaire divided into various areas of inquiry (i.e. composition, structure, size and function of the Board, interaction with management, risk governance, composition and structure of committees, sustainability etc.), with the possibility to make comments and suggestions; this questionnaire was sent to and completed by all Directors, and examined by the Board on 23 March 2023.

In light of the results of this assessment, the Board deemed the administrative body to be substantially capable of performing the functions allocated to it by current legislation, maintaining that the size, composition and function of the Board itself and the committees thereof are able to meet the management and organisational requirements of the Issuer. The professional characteristics and experience (including managerial experience) and length of service of its members were also taken into account, as well as the presence of 10 non-executive directors, of which 6 independent non-executive directors and 5 women out of a total of 12 members. The foregoing are also responsible for ensuring that the composition of the Board's Committees is fit for purpose. In addition, the Directors considered that the composition of the Board of Directors reflects substantially adequate diversity profiles with regard to aspects such as age, gender composition and training and professional background.

The Board ensures, to the extent of its competence, that the process of appointing directors is transparent and functional to achieve the optimal composition of the board. In particular, in the illustrative report prepared pursuant to Art. 125-*ter* of the TUF, relating to the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements as of 31 December 2020, the Board in office until 30 April 2021 specified certain indications for Shareholders regarding the diversity policy in the composition of the administrative body (also pursuant to Recommendation 8 of the Corporate Governance Code).

With regard to the optimal composition of the Board of Directors, please refer to Section 4.3 of this Report.

Furthermore, the Board has not adopted a plan for the succession of executive Directors, taking into account the current shareholder and organisational structure of the Issuer and also considering that the CG Code recommends this only for Large Companies.

Art. 18 of the Articles of Association provides that, until otherwise resolved by the Shareholders' Meeting, the Directors are not bound by the prohibition set out in Art. 2390 of the Italian Civil

Code. During the course of the financial year, no matters pertaining to Art. 2390 of the Italian Civil Code were submitted to the Board of Directors.

7.2 APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE

The Board, in compliance with the CG Code and in consideration of the presence in the Articles of Association of the list voting system for the appointment of the Board of Directors, has assigned to an end-consultative committee, composed of independent non-executive directors, functions regarding appointments.

Composition and functioning of the Appointment Proposal and Remuneration Committee (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

The Board of Directors appointed by the Shareholders' Meeting of 30 April 2021, at its first useful meeting held on 4 May 2021, resolved:

- 1) to merge the functions of the Appointment Committee and the Remuneration Committee into a single committee called the "Appointment Proposal and Remuneration Committee"; the functions relating to remuneration and appointments – although assigned to a single committee – remained distinct and clearly identified and therefore dealt with separately in this Report;
- 2) to appoint as members of the Appointment Proposal and Remuneration Committee the independent non-executive directors Daniele Discepolo, as Chairman (also designated as Lead Independent Director), Paola Mignani and Rosanna Ricci, who will remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

There were no changes in the composition of this Committee after the Financial Year-end.

During the Financial Year, the Committee met once, on 22 March 2022, to verify the adequacy, transparency and results of the Board's self-assessment process by means of a questionnaire, as well as to deal with issues related to remuneration, as illustrated in section 8 of this Report.

The meeting was coordinated by the Chairman and duly minuted; the Chairman reported to the Board of Directors at the first meeting of the year on the activities carried out. The Committee meeting lasted half an hour; The table in the appendix shows the attendance of each member at this meeting.

The meeting of the Committee was attended by the members of the Board of Statutory Auditors, with no other company figures involved.

In the current financial year, 1 meeting is scheduled to be held on 22 March 2023 to review the adequacy, transparency and outcome of the Board's self-assessment process by means of a questionnaire.

Functions of the Appointments Committee

The Appointment Proposal and Remuneration Committee is entrusted with the tasks set out in Recommendation 19 of the CG Code.

The Appointment Proposal Committee has the duty of ensuring that the presentation procedure for lists set by the Articles of Association takes place correctly and transparently, in respect of applicable legislation and the Articles of Association. After it has checked the presentation procedure for lists, ensuring specifically that documents filed with the lists are complete and filing deadlines are met, the Committee arranges the formalities for presenting the lists to the General Shareholders' Meeting convened for the appointment of the Board of Directors or its members.

In accordance with Recommendation 19 of the CG Code, the Appointment Proposal Committee is also assigned the task of providing opinions to the Board, when considered necessary,

regarding its size and composition or making recommendations regarding the professional profiles that are considered advisable to be present within the Board, as well as the maximum number of positions of Director or Statutory Auditor that can be considered compatible with the effective performance of the position of Director in the Issuer, and regarding the advisability of authorising exemptions to the non-competition obligation. The Committee also advises the Board on candidates for the position of Director in the case of co-opting, when independent directors need to be replaced.

In addition, pursuant to the Board Regulations and Recommendation 19 of the Corporate Governance Code, the Committee assists the Board of Directors in the self-assessment process as well as the Chairman of the Board in ensuring the adequacy and transparency of the Board's self-assessment process, pursuant to Recommendation 12, letter e) of the Corporate Governance Code. In performing its functions, the Committee has the right to access the information and corporate functions necessary to perform its duties as well as to make use of external advisors, under the terms set by the Board.

No financial resources were allocated to this Committee, as it uses the funds and facilities of the Issuer to perform its duties.

8. REMUNERATION OF DIRECTORS - APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE

8.1 REMUNERATION OF DIRECTORS

On 25 March 2020, the Board, upon proposal of the Remuneration Committee, approved the "General Policy for the Remuneration of Directors and other key management personnel" (the "**Remuneration Policy**"). In particular, this Remuneration Policy – which defines the guidelines on the basis of which remuneration will then have to be determined by the competent corporate bodies – was amended at that time in order to incorporate the new provisions on remuneration introduced by SHRD and Legislative Decree 49/2019; the Remuneration Policy was also amended on 19 March 2021 in order to incorporate the adjustments made by Consob to the Issuers' Regulations (see Art. 84-*quater* and Annex 3A, Schedule 7-*bis*) in implementation of the SHRD with Resolution No. 21623 of 10 December 2020.

For a description of the Remuneration Policy and fees paid during the year to Directors, General Directors and other Key Senior Management, see Sections I and II respectively of the Remuneration Report, available, as established by law, on the website of the Issuer, in the section "*Governance/Shareholders' Meeting/Archive*" in the authorised storage mechanism "eMarket STORAGE" viewable at the web address www.emarketstorage.it.

Incentive mechanisms for the Internal Auditing Supervisor and Financial Reporting Officer.

The incentive mechanisms for the Internal Auditing Supervisor and Financial Reporting Officer are consistent with their duties.

Directors' indemnity in case of resignations, dismissal or cessation of the relationship following a public purchase offer (pursuant to Art. 123-*bis*, paragraph 1, letter i), TUF)

No agreements have been entered into between the Issuer and the directors that provide for indemnities in the case of resignation, dismissal/termination without just cause, or if the employment ceases following a public offering.

8.2 APPOINTMENT PROPOSAL AND REMUNERATION COMMITTEE

The Board, in accordance with the CG Code, has assigned to an end-consultative committee, composed of independent non-executive directors, functions relating to remuneration.

Composition and functioning of the Remuneration Committee (pursuant to Art. 123-bis, paragraph 2(d), TUF)

The Board of Directors appointed by the Shareholders' Meeting of 30 April 2021, at its first useful meeting held on 4 May 2021, resolved:

- 1) to merge the functions of the Appointment Committee and the Remuneration Committee into a single committee called the "Appointment Proposal and Remuneration Committee"; the functions relating to remuneration and appointments – although assigned to a single committee – remained distinct and clearly identified and therefore dealt with separately in this Report;
- 2) to appoint as new members of the Appointment Proposal and Remuneration Committee the independent non-executive directors Daniele Discepolo, as Chairman (also designated as Lead Independent Director), Paola Mignani and Rosanna Ricci, who will remain in office until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023. All members of the Committee have adequate experience and knowledge in financial and remuneration policy matters.

There were no changes in the composition of this Committee after the Financial Year-end.

During the Year, the Committee met once, on 22 March 2022, to examine the Remuneration Report prepared by the Company pursuant to articles 123-ter TUF and 84-quater Issuers' Regulation; In the same meeting, the degree of achievement of the variable component of the CEO's remuneration for the financial year 2021 and the targets for the financial year 2022 were also set.

The meeting was coordinated by the Chairman and duly minuted; the Chairman reported to the Board of Directors at the first meeting of the year on the activities carried out. The Committee meeting lasted half an hour; the table in the appendix shows the attendance of each member at this meeting.

The meeting of the Committee was attended by the members of the Board of Statutory Auditors, with no other company figures involved.

In the current year, 1 meeting was scheduled, held on 22 March 2023, to examine the Remuneration Report prepared by the Company pursuant to Art. 123-ter TUF and Art. 84-quater Issuers' Regulation, to assess the degree of achievement of the variable component of the Chief Executive Officer's remuneration for the year 2022, as well as to define the objectives for the year 2023, within which a parameter on ESG issues was introduced.

Pursuant to Recommendation 26 of the Corporate Governance Code, no Director participates in meetings of the Remuneration Committee in which proposals are formulated to the Board of Directors regarding his/her remuneration.

Functions of the Remuneration Committee

The Appointment Proposal and Remuneration Committee is entrusted with the tasks set out in Recommendation 25 of the CG Code. In particular, this Committee:

- a) assists the Board of Directors in drawing up the Remuneration Policy;
- b) submits proposals or gives opinions to the Board of Directors on the remuneration of executive Directors and other Directors holding special offices, and on setting performance objectives related to the variable component of the remuneration;

- c) monitors the actual adoption of the remuneration policy and verifying, in particular, the actual achievement of the performance objectives;
- d) periodically assesses the adequacy and overall consistency of the policy for the remuneration of directors and top management.

It also has the responsibilities and functions envisaged in the Remuneration Policy adopted by the company. In carrying out its functions, the Committee had the right to access information and company functions necessary to perform its duties.

No financial resources were allocated to the Committee, as it uses the funds and facilities of the Issuer to perform its duties.

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

The internal control and risk management system comprises rules, procedures and organisational structures to identify, measure, manage and monitor main risks, in order to contribute to the sustainable success of the Company. This system is integrated at various levels with general organisational and corporate governance strategies adopted by the Company, and contributes to safeguarding corporate assets, the efficiency and effectiveness of company processes, the reliability of financial information, and compliance with laws, regulations, the Company's articles of associations and internal procedures.

Pursuant to Recommendation 33 of the Corporate Governance Code, the Board of Directors, with the support of the Risk and Sustainability Committee:

- a) defines the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessment all risks that can be relevant in view of medium- to long-term sustainability;
- b) defines the guidelines of the internal control and risk management system, in line with the Company's strategies, and assesses, at least once a year, its adequacy in relation to the characteristics of the company and the risk profile undertaken, as well as its effectiveness;
- c) appoints and removes from office the Head of the Internal Audit Department, defining his/her remuneration in line with the company's policies, and ensuring that he/she is provided with adequate resources to carry out his/her tasks;
- d) approves, at least once a year, the work plan prepared by the Head of the Internal Audit Department, having consulted the Board of Statutory Auditors and the Chief Executive Officer;
- e) assigns to the Board of Statutory Auditors or to a specially constituted body the supervisory functions pursuant to Art. 6, paragraph 1, Letter b) of Legislative Decree No. 231/2001;
- f) assesses whether measures should be taken to ensure the effectiveness and impartiality of judgement of the other corporate functions involved in internal control and risk management system, verifying that they have adequate professionalism and resources;
- g) describes, in the corporate governance report, the main features of the internal control and risk management system and the methods of coordination between the subjects involved, indicating the models and applicable national and international best practices, expressing its overall assessment on its adequacy and being accountable for the choices made regarding the composition of the supervisory board;
- h) assesses, in consultation with the Board of Statutory Auditors, the results set out by the statutory auditor in the letter of suggestions, if any, and in the additional report addressed to the Board of Statutory Auditors.

In exercising these functions, the Board is assisted by the Chief Executive Officer and the Risk and Sustainability Committee; it also takes into consideration the compliance programmes adopted by the Issuer and Companies of the Group of which the Issuer is Parent Company, in accordance with Italian Legislative Decree No. 231/2001.

The following sections of this Report illustrate the internal control and risk management system and how the Chief Executive Officer, the Risk and Sustainability Committee, the Head of Internal Audit and the other corporate functions involved in controls, as well as the Board of Statutory Auditors, are involved, according to their respective responsibilities.

In the meetings of 23 March 2022 and 23 March 2023, the Board of Directors, also considering recommendations from the Risk and Sustainability Committee, evaluated the effectiveness of the internal control and risk management system of the Issuer as adequate, with respect to the relevant years covered and the characteristics of the company and its risk profile. The latter assessment also took into account the requirements of Art. 2086 of the Italian Civil Code and Art. 3 of the Code of Business Crisis and Insolvency, considering such a system adequate for the timely detection of the crisis, with appropriate safeguards to promptly take action to overcome it.

For a description of the main characteristics of the risk management and internal control system in relation to the financial disclosure process, pursuant to Art. 123-*bis*, paragraph 2, letter b) of the TUF, see Attachment 1 in the appendix.

9.1 CHIEF EXECUTIVE OFFICER

On 4 May 2021, the Board of Directors, in compliance with the provisions of the Corporate Governance Code, with the assistance of the Risk and Sustainability Committee, appointed CEO Michele Colaninno as Chief Executive Officer, in charge of the internal control and risk management system.

The Chief Executive Officer, as identified above, is in charge of setting up and maintaining the internal control and risk management system, and is also entrusted with the task of supervising the functionality of the internal control and risk management system within and in implementation of the guidelines established by the Board of Directors.

In this regard, during the Financial Year, the Chief Executive Officer:

- conducted an identification of the main corporate risks (strategic, operational, financial and compliance risks), taking account of the characteristics of the Issuer and its subsidiaries' business activities, and subjected them to periodic examination by the Board;
- implemented the guidelines defined by the Board, taking care of the design, implementation and management of the internal control and risk management system, constantly checking its overall adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legal and regulatory framework;
- oversaw changes to this system to take into account dynamics in operating conditions and legal developments;
- Although it must promptly report to the Board of Directors on problems and critical issues that have arisen in the performance of its activities or of which it has otherwise become aware, so that the Board may take the appropriate initiatives, it should be noted that, during the year, it was not necessary to provide such information.

The Chief Executive Officer has the power to request that the Internal Audit Department controls specific areas of operation and compliance with the internal rules and procedures in the execution of corporate operations, giving concurrent communication to the Chairman of the Board of Directors, the Chairman of the Risk and Sustainability Committee and the Chairman of the Board of Statutory Auditors.

During the Financial Year, although no need was identified to request the performance of specific audits in addition to those already scheduled in the Audit Plan, the Chief Executive Officer gave the Head of Internal Audit information for the preparation of the Audit Plan, according to a risk-based approach, which also took into account the same information provided by the Control Bodies.

9.2 RISK AND SUSTAINABILITY COMMITTEE

The Board of Directors of the Company, in compliance with the Corporate Governance Code, has established a Risk and Sustainability Committee, comprising non-executive, independent Directors, with committee works coordinated by a Chairman.

Composition and functioning of the Risk and Sustainability Committee (*pursuant to Art. 123-bis, paragraph 2, letter d), TUF*)

The Board of Directors appointed by the Shareholders' Meeting on 30 April 2021, at its first meeting held on 4 May 2021, resolved to assign the Control and Risks Committee also propositional and advisory functions towards the Board of Directors on sustainability issues and, therefore, to name it the "Risk and Sustainability Committee", appointing as members, on the basis of the professional characteristics of the proposed candidates, the independent directors Daniele Discepolo, as Chairman (also designated Lead Independent Director), Paola Mignani and Rosanna Ricci, all of whom have adequate experience in accounting and finance and/or risk management.

Since that last appointment, there have been no changes in the composition of the Committee.

During the year, the Risk and Sustainability Committee met 6 times, with each meeting lasting on average approximately 50 minutes, coordinated by the Committee Chairman.

The Internal Audit Department Manager takes the minutes of each meeting held by the Committee in order to officially certify the meeting's progress, contents and decisions made.

In addition, upon the invitation of the Committee and in relation to various items on the agenda, the meetings were also attended by the Board of Statutory Auditors, the Financial Reporting Officer and, during the meeting held on the occasion of the review of the audit plan, a representative from the independent auditors.

In particular, the Risk and Sustainability Committee operated during the year working with the Board of Statutory Auditors and with continuous information flows on issues in its remit.

For the financial year 2023, the Risk and Sustainability Committee is expected to meet at least seven times, the first three of which were held on 15 February, 13 March and 22 March 2023.

Please refer to the table in the appendix, which shows the attendance of each member at Committee meetings.

Functions of the Risk and Sustainability Committee

The Risk and Sustainability Committee, in assisting the Board of Directors in performing its duties concerning internal control and risk management:

- (i) provides the Board with a prior opinion for the performance of the tasks entrusted to it by the Corporate Governance Code on internal control and risk management;
- (ii) evaluates, in consultation with the Financial Reporting Officer, the independent auditors and the Board of Statutory Auditors, the correct use of accounting standards and their consistency in the preparation of the Consolidated Financial Statements;
- (iii) assesses the suitability of periodic financial and non-financial information to correctly represent the Issuer's business model, strategies, the impact of its activities and the performance achieved;

- (iv) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- (v) gives opinions on specific aspects relating to the identification of the main corporate risks and supports, by means of an adequate preliminary activity, the evaluations and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the Board of Directors has become aware;
- (vi) examines periodic reports and reports of particular relevance prepared by the Internal Audit Department;
- (vii) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
- (viii) entrusts the Internal Audit Department – where it deems it necessary – with the performance of any audits on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;
- (ix) reports to the Board when the annual and interim financial statements are approved, on activities performed and on the adequacy of the internal control and risk management system;
- (x) gives recommendations to the Board as regards decisions relative to the appointment, removal from office, remuneration and availability of resources of the Internal Audit Department Manager.

During the year, the Risk and Sustainability Committee monitored the internal control and risk management system on a continual basis and, in particular, in this context it:

- a) reviewed changes to the organisational structure, to processes and company activities;
- b) reviewed the progress of the internal auditing work plan, with particular reference to the implementation of measures concerning audits of previous years, the progress of the 2022 Audit Plan, including activities assisting the Risk Analysis unit and compliance audits conducted pursuant to Italian Law No. 262/2005 and Italian Legislative Decree No. 231/2001;
- c) monitored the independence, adequacy and effectiveness of the Internal Audit Department, also based on a review of specific indicators and of the Quality Assurance Review process adopted by the Department, which resulted in certification being obtained in compliance with international standards for the sector and recommendations of the Corporate Governance Code;
- d) reviewed, with the Financial Reporting Officer and after consulting the Independent Auditors and Board of Statutory Auditors, the financial disclosure process, the accounting standards adopted in preparing accounts and the financial statements, as well as the uniformity of these principles for preparing the consolidated financial statements;
- e) reviewed the impairment testing procedure used to verify adequacy and compliance with IAS/IFRS, as regards recommendations in the document issued by the Bank of Italy, Consob and ISVAP on 3 March 2010;
- f) examination of risk management and evolution of the risk assessment process;
- g) the examination, as part of the reporting of non-financial data and information, of the Non-Financial Statement required by Legislative Decree No. 254 of 30 December 2016;
- h) the examination of “sustainability” issues, and in particular those assessed as relevant according to the 'materiality' analysis, and non-financial reporting.

In order to carry out its duties, the Committee:

- is assisted on an permanent basis by the Internal Audit Department;
- may access information and company functions necessary to carry out its duties;
- may be assisted by external professionals, within the limits of the budget established by the Board of Directors, provided they comply with necessary confidentiality requirements.

During the year, the Risk and Sustainability Committee regularly reported to the Board on its work, on the result of audits and checks made and on the operation of the internal control and risk management system, indicating that the system is appropriate for the size and organisational and operational structure of the Issuer.

The Board of Directors, in the meeting of 4 May 2021, set the annual expenditure budget for the Risk and Sustainability Committee at €30,000.

9.3 HEAD OF INTERNAL AUDIT

On 12 December 2008, a consortium company was established called Immsi Audit Società Consortile di Internal Auditing del Gruppo Immsi a r.l. ("Immsi Audit"), in order to start the centralisation and relocation of all internal auditing activities of Group companies to a single company. Immsi Audit provides its services solely for companies which are part of the consortium (Immsi S.p.A., Intermarine S.p.A., Is Molas S.p.A. and Piaggio & C. S.p.A.) and, in their interest, it carries out all activities connected with and functional to internal auditing, ensuring adequate standards of professionalism, independence and organisation, with the objective of improving the effectiveness and efficiency of the internal control and risk management system and assessing its functionality. This strategy allows the Group to acquire the necessary knowledge and expertise on internal control and risk assessment, whilst also achieving economies of scale and synergies in applying uniform audit methods.

On 4 May 2021, the Company's Board of Directors, upon the proposal of the Chief Executive Officer and having heard the favourable opinion of both the Risk and Sustainability Committee and the Board of Statutory Auditors, confirmed Maurizio Strozzi (CEO of Immsi Audit S.c. a r.l.) as the person in charge of the Internal Audit Department, with the task of verifying that the internal control and risk management system is functional and adequate and consistent with the guidelines defined by the Board. No specific financial resources were allocated to the Internal Audit Department Manager, as he uses funds and facilities of the Issuer to carry out his duties, and of Immsi Audit, which charges each company in the consortium for costs incurred for the services provided to them.

During the year, the Board of Directors, with the support of the Risk and Sustainability Committee, approved the work plan prepared by the Head of Internal Audit, in consultation with the Board of Statutory Auditors and the Chief Executive Officer.

The Internal Audit Department Manager, who is not responsible for any operating area of the Issuer and directly reports on activities carried out to the Board of Directors, and has direct access to all information useful for his position, during the year, which involved:

- verified, on both an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and adequacy of the Internal Control and Risk Management system, through an audit plan approved by the Board of Directors and based on a structured process that analyses and prioritises main risks;
- prepared periodic reports containing adequate information on its activities and an assessment of the suitability of the internal control and risk management system, as well as compliance with the action plans defined for their containment, and forwarded them to the Chairmen of the Board of Statutory Auditors, the Risk and Sustainability Committee and the Board of Directors, as well as to the Chief Executive Officer;

- prepared the audit plan for the 2022 financial year, comprising an audit of information system reliability, including accounting systems.

In particular, during the year, the Internal Audit Manager, assisted by Immsi Audit, S.c. a r.l., conducted an audit of the internal control and risk management system, in accordance with the Internal Audit Plan scheduled for the year, and approved by the Board of Directors on 4 March 2022, carrying out risk analysis, financial, operational and compliance auditing (with particular reference to audits carried out in order to comply with provisions of Law No. 262/2005 and Legislative Decree No. 231/2001), verifying the reliability of information systems, including accounting systems, and monitoring adoption of improvement/corrective actions agreed after internal audit activities.

The results of auditing activities, carried out based on the Audit Plans, were always analysed and discussed with various Managers of the processes/functions and Company Management, in order to agree on and adopt preventive/corrective measures, with implementation monitored. The Head of Internal Audit presented the audit reports to the Chairman, CEO, Chairman of the Audit, Risk and Sustainability Committee and Chairman of the Board of Statutory Auditors, as well as to the Supervisory Board and the Financial Reporting Officer, for areas under their responsibilities. This presentation was made at the end of the related audits, both by sending the audit reports and with examination of the specific outcomes during periodic meetings with mentioned recipients. In a specific report, the Head of Internal Audit also provided details on the work of the Internal Audit Department in the financial year, also with the Company's management, giving an opinion on the adequacy, effectiveness and efficiency of the Company's internal control and risk management system.

9.4 ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001

On 13 September 2004, the Issuer adopted the Model 231 for the prevention of offences indicated in Legislative Decree No. 231/2001 as amended. This strategy has also been adopted by subsidiaries with strategic importance, that in turn resolved to adopt their own Programmes pursuant to Legislative Decree No. 231/2001.

The current Programme comprises a general part, with the Code of Ethics (available on the website of the Issuer www.immsi.it, in the section "Governance/Procedure") and Disciplinary System, as well as special parts for the different types of offence considered in the Decree.

- "Special Section 1" concerns specific categories of offences against the Public Administration, against Public Property and the offences of inducing persons to give or promise benefits pursuant to articles 24 and 25 of the Decree, as well as computer crime and the unlawful processing of data pursuant to Art. 24-*bis* of the Decree, offences concerning the individual pursuant to Art. 25-*quinquies* of the Decree and offences concerning copyright infringement pursuant to Art. 25-*novies* of the Decree;
- "Special Section 2" refers to corporate crime and the offence of corruption between private individuals, as of Art. 25-*ter* of the Decree;
- "Special Section 3" covers market abuse offences, as of Art. 25-*sexies* of the Decree;
- "Special Part 4" concerns offences concerning occupational health and safety regulations, as of Art. 25-*septies* of the Decree;
- "Special Part 5" concerns types of offences relating to the handling of stolen goods and money laundering, use of money, goods or assets of unlawful origin and self-laundering as of Art. 25-*octies* of the Decree and the tax offences pursuant to Art. 25-*quinquiesdecies* of the Decree;

- “Special Part 6” is applied to the types of offences committed in violation of the environmental regulations pursuant to Art. 25-*undecies* of the Decree.

The Model, with regard to the rules on "Whistleblowing", sets out: i) procedures for reporting to the Supervisory Body, with one dedicated IT channel (a specific email address with only the Chairman of the Supervisory Body as the recipient), that are suitable for guaranteeing the confidentiality of the party reporting the unlawful conduct which is relevant pursuant to Legislative Decree 231/2001 or infringements of the Company's Model 231; ii) disciplinary system sanctions for persons that infringe measures to protect reporting parties, and for persons that, committing wilful misconduct or gross negligence, report information which is unfounded. The Company also plans to consider updating its own rules and regulations on this matter - related to Directive (EU) 2019/1937, transposed by the Legislative Decree approved on 9 March 2023 by the Council of Ministers - in order to update and coordinate the criteria and procedures for receiving, analysing and managing the reports in question in light of the relevant provisions that may result from such legislative developments.

It should be noted that, in parallel with the constant updating of the Model (which most recently took place on 23 March 2023 with the integration, according to the relevance to the activities managed, of the offences most recently provided for in the catalogue of Legislative Decree 231/01), there is also the updating of corporate procedures, the correct application of which is, on the indication and coordination of the Supervisory Board, constantly monitored through the planned compliance activities, carried out by Management and the Internal Audit Department. This monitoring process also involves Process Owners, i.e. the parties/entities responsible for company processes that are considered "sensitive" as regards the commission of offences, that periodically report to the Supervisory Board. Employees – top managers and positions reporting to them – as well as third parties (i.e. suppliers, customers, consultants, etc.) are informed about the adoption of the Code of Ethics and the Code of Conduct and, when signing contracts, specific clauses are included referring to the principles of ethics/conduct adopted.

The Issuer's Supervisory Board, as per resolution of the Board of Directors of 4 May 2021 and in continuity with the previous mandate, is composed of Marco Reboa, chosen among external professionals with the necessary requirements, who holds the position of Chairman, Giovanni Barbara, Standing Auditor, and Maurizio Strozzi, CEO of Immsi Audit S.c. a r.l., chosen as Head of the Internal Audit Department of the Company.

In this regard, the Issuer considered the feasibility of assigning supervisory functions to the Board of Statutory Auditors, but considered the supervisory functions of an ad hoc organisation, i.e. the Supervisory Board, to be more efficient and effective at monitoring the functioning of and compliance with the Programme.

This Board, that will remain in office until the date of the Shareholders' Meeting convened to approve the Financial Statements for the year ending 31 December 2023, operates at the highest company level, and according to principles of independence, autonomy, professionalism and impartiality, and also on the basis of Regulations approved by the Board of Directors, that it reports to periodically on activities carried out, information received and sanctions administered. During the year, no reports were made by the Issuer's employees via the email address with only the Supervisory Body as the recipient.

The Board has the financial and logistics resources necessary to carry out its duties. On 4 May 2021, the Board of Directors set the annual expenditure budget for the Supervisory Board at €30,000.

During the year, the Supervisory Board held 7 meetings, lasting an average of approximately 40 minutes, with an overall attendance of 100% of its members at the meetings.

In particular, the Body has i) monitored the actual application of the Model on the basis of the specific plan for verifying the reports of the company contact persons, through the examination of the findings of the audits carried out for internal control purposes relevant to Legislative Decree

No. 231/2001; ii) monitored the adequacy of the Model in relation to maintenance over time of the requisites of solidity and functionality, iii) examined the proposed updates to reflect changes in laws and corporate organisational changes having taken place, as well as personnel training put in place by the Company and iv) prepared and presented to the Board of Directors of the Company the report on the activities carried out during the Financial Year, as required by the Model.

For the financial year 2023, the Supervisory Body is expected to meet at least six times, the first two of which were held on 10 February 2023 and 21 March 2023; the Working Plan for 2023 was approved during the meeting of the Supervisory Board on 9 November 2022.

9.5 EXTERNAL AUDITORS

The Shareholders' Meeting of 14 May 2020 resolved to appoint Deloitte & Touche S.p.A. for the statutory auditing of the accounts for the period 2021-2029.

9.6 Executive in Charge of Financial Reporting AND OTHER COMPANY ROLES AND FUNCTIONS

In accordance with the Articles of Association, the Board of Directors, with the mandatory opinion of the Board of Statutory Auditors, appoints and revokes the Financial Reporting Officer, that shall meet requirements for good standing as of laws applicable to persons holding management and control positions, and shall also meet professional requirements, with specific administrative and accounting expertise. This competence, to be verified by the Board of Directors, must be gained through work experience gained in positions of adequate responsibility for a reasonable period of time. The above Manager has the powers and functions established by law and by other applicable provisions, as well as the powers and functions established by the Board on his appointment or by subsequent resolution.

On 2 September 2022, the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, appointed Mr. Stefano Tenucci, newly appointed also as CFO of the Issuer, as the Financial Reporting Officer, to replace Mr. Andrea Paroli, granting him all the powers and means necessary to perform the assigned tasks, and in particular:

- a) free access to all information considered important for carrying out duties, both within Immsi and within Group companies, with the power to review all financial reporting documents of Immsi and the Group and the power to request clarifications and explanations from all persons involved in the process of preparing the accounts of Immsi and the Group;
- b) attendance at the meetings of the Board of Directors;
- c) the right to engage with every Administrative and Control Body;
- d) the right to prepare and put forward for approval company procedures, when they affect the financial statements, the consolidated financial statements and documents submitted for certification;
- e) is involved in designing the information systems that affect financial position and performance, with the possibility of using them for control purposes;
- f) the right to organise a suitable structure within his own area of activity, internally employing available resources and, where necessary, outsourcing;
- g) the right to use the Internal Audit Department, for mapping processes in his area of activity and in carrying out specific controls, with the possibility of outsourcing if this Department is not available in-company.

The Financial Reporting Officer must also report, at least half-yearly, to the Board of Directors, on activities carried out and expenses sustained.

For a description of the main characteristics of the risk management and internal control system in relation to the financial disclosure process, pursuant to Art. 123-*bis*, paragraph 2, letter b) of the TUF, see Attachment 1 in the appendix.

9.7 COORDINATION BETWEEN PERSONS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Issuer, in order to ensure coordination between parties involved in the internal control and risk management system, promotes the organisation of meetings between these parties. This ensures maximum efficiency of the internal control and risk management system implemented by the Issuer, while also reducing the duplication of activities.

Upon the invitation of the Risk and Sustainability Committee and in relation to various items on the agenda, the meetings were also attended by the Board of Statutory Auditors, the Financial Reporting Officer and, during the meeting held on the occasion of the review of the audit plan, a representative from the independent auditors.

In particular, the Risk and Sustainability Committee operated during the year working with the Board of Statutory Auditors and with continuous information flows on issues in its remit.

On 23 March 2023, the Board of Directors – in accordance with Recommendation 33, letter a) of the Corporate Governance Code – expressed its opinion that the coordination between persons involved in the internal control and risk management system was adequate.

10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

In compliance with regulations in force and the Articles of Association, the examination and prior approval of the transactions by the Issuer and its subsidiaries in which one or more directors hold a personal interest or interest on behalf of third parties, are reserved to the Board.

Pursuant to the Related Parties Regulation, the Company has adopted a procedure for transactions with related parties (the "**Related Parties Procedure**") which, among other things, governs the approval and management of transactions with related parties pursuant to Art. 4 of the Related Parties Regulation.

Please note that, with Resolution No. 21624 of 10 December 2020, Consob adopted the amendments to the Related Parties Regulation and the Consob Market Regulation in order to implement the contents of the SHRD, including in the terms of secondary legislation. The aforementioned Resolution No. 21624 came into force on 1 July 2021; consequently, on 29 June 2021, the Board adapted its own Related Parties Procedure to the aforementioned changes, subject to the favourable opinion of the Related Party Transactions Committee.

The Related-Parties Procedure regulates the identification, approval and management of related-party transactions. In particular, the Procedure:

- regulates procedures for identifying related parties, defining the methods and times for preparing and updating the related parties list and for identifying competent company functions;
- establishes the procedures for identifying related-party transactions prior to their completion;
- regulates the procedures for the Company to perform related-party transactions, also through subsidiaries pursuant to Art. 2359 of the Italian Civil Code or companies that in any case are subject to management and coordination;

- establishes the procedures and times for complying with obligations to report to company bodies and the market.

The Related Parties Procedure, as last amended, is available on the Issuer's institutional website www.immsi.it, under "Governance/Procedures".

Related Party Transactions Committee

The Issuer's Board of Directors appointed a Related Party Transactions Committee responsible for approving both minor and major transactions with related parties. This Committee, most recently appointed by Board resolution of 4 May 2021, is composed of three independent Directors, who, in accordance with regulatory provisions, must also be unrelated Directors with respect to each transaction.

The Committee in office at the end of the Year and at the Report Date is composed of independent non-executive directors, in the persons of Rosanna Ricci, as Chairman, Paola Mignani and Patrizia De Pasquale.

This Committee is assigned the functions set out in the relevant Procedure.

The Related Party Transactions Committee did not meet during the Year; while one meeting is planned in the current year.

The Board, as reflected in the Procedure for Related Party Transactions, has provided that Directors who have an interest in the transaction must promptly and fully inform the Board of Directors of the existence of the interest and its circumstances, also pursuant to Art. 2391 of the Italian Civil Code. The Directors involved in the transaction shall assess, on a case-by-case basis, whether it is appropriate to leave the Board meeting at the time of the resolution. In any event, the Directors involved in the transaction shall abstain from voting on it.

11. BOARD OF STATUTORY AUDITORS

11.1 APPOINTMENT AND REPLACEMENT

The appointment and replacement of statutory auditors is governed by the pro tempore laws and regulations in force, and by Art. 25 of the Issuer's Articles of Association. The provisions of the Issuer's Articles of Association governing the appointment of the Board of Statutory Auditors are appropriate to ensure compliance with the gender balance in the composition of the supervisory bodies set out in Art. 148, paragraph 1-*bis* of the TUF, as most recently amended by Law 160/2019, and the related Consob implementing provisions⁵.

In accordance with Art. 25 of the Articles of Association, the Board of Statutory Auditors comprises three Statutory Auditors and two Substitute Auditors, who remain in office for three years, until the date of the Shareholders' Meeting called to approve the financial statements of the last year of their term of office, and may be re-elected.

The Auditors have the functions and duties assigned to them as of applicable laws and must also meet requirement of applicable laws concerning the total number of positions held.

⁵ Paragraph 1-*bis* of Art. 148 of the TUF in force at the date of the Report states, inter alia, that "*the deed of incorporation of the company shall also provide that the members referred to in paragraph 1 shall be divided in such a way that the lesser represented gender obtains at least two-fifths of the standing members of the Board of Statutory Auditors. This rule shall apply for six consecutive terms.*"

Furthermore, pursuant to Art. 144-*undecies*.1, paragraph 3, of the Issuers' Regulations, as last amended by Consob Resolution 21359 of 13 May 2020, "*when the application of the gender distribution rule does not result in a whole number of members of the management or control bodies belonging to the least represented gender, such number shall be rounded up to the next higher whole unit, with the exception of company boards made up of three members where it will be rounded down to the next lower whole unit.*"

All Auditors must be registered auditors and have practised for at least three years.

Auditors may not be elected and if elected will be removed from office if they do not meet requirements established by law. The Board of Statutory Auditors is appointed in accordance with applicable regulations pro tempore concerning gender balance, based on the lists submitted by Shareholders in which candidates are listed with a consecutive number.

The list, with the names marked by a consecutive number, of one or more candidates, indicates whether the candidate is standing for the position of Statutory Auditor or Alternate Auditor.

Lists that have a total number of candidates greater than or equal to three must be composed of candidates belonging to both genders, in accordance with the current applicable regulations on gender balance, both as regards candidates for the position of Standing Auditor and candidates for the position of Alternate Auditor. Each Shareholder, Shareholders belonging to a significant shareholder agreement pursuant to Art. 122 of the TUF, the parent company, subsidiaries and entities subject to common control pursuant to Art. 93 of the TUF, may not present or contribute to the presentation, not even through a third party or trust company, of more than one list, nor may they vote for different lists and each candidate may be included in only one list, otherwise they cannot be elected. Support and votes expressed in breach of this prohibition will not be attributed to any list.

The lists presented by the Shareholders must be filed at the Company's headquarters, at least twenty-five days before the date set for the Shareholders' Meeting on first call, save for other types of notification and filing procedures established by applicable pro tempore regulations. If, once the deadline has lapsed, only one slate of candidates has been filed or the candidate slates nominated are filed by shareholders that are connected in a material way with the candidates as per laws and regulations in force at the time, the deadline for filing candidate slates may be extended by the term contemplated by applicable ad interim laws and regulations. In this case, the minimum share ownership thresholds applicable for filing slates will be halved.

Shareholders who, alone or together with other Shareholders, hold a total of shares representing at least 1% of the share capital with voting rights at the Ordinary Shareholders' Meeting are entitled to submit lists. In the Executive Ruling of the Corporate Governance Division Manager No. 76 of 30 January 2023, Consob established a requirement of 2.5% of the share capital as necessary for presenting lists of candidates for election to the Board of Directors of the Company.

The lists must be presented along with:

- a) information concerning the identity of the Shareholders' who presented the lists indicating the overall ownership percentage held; ownership of the overall shareholding held, determined as regards the shares registered in the name of the Shareholder on the date when the lists are filed with the issuer, is certified, even after the filing of the lists, according to the deadlines and procedures provided for by legislation, also regulatory, in force at any time;
- b) a statement from Shareholders other than those that, even jointly, hold a controlling or relative majority interest, certifying that no connections exist with the latter, as required by applicable regulations;
- c) comprehensive information on the personal characteristics of the candidates, as well as a declaration issued by the same candidates attesting, under their own responsibility, that (i) there are no grounds of ineligibility and incompatibility, (ii) they possess the requisites prescribed by law and (iii) they accept their candidacy, and lastly the list of management and control positions held in other companies.

Any list presented without complying with the above will be considered as not presented. Each Shareholder may vote for only one list.

Auditors will be elected as follows: from the list that obtained the highest number of votes, in the consecutive order in which they are listed, two statutory auditors and one alternate auditor; from the list that obtained the second highest number of votes and that, in accordance with applicable

regulations is not connected, even indirectly, with persons who presented or voted the list that obtained the highest number of votes, in the consecutive order in which they are listed, one statutory auditor, who will be Chairman of the Board of Statutory Auditors and one alternate auditor.

If lists receive the same number of votes, the Shareholders' Meeting will vote again, with the candidates of the list obtaining a simple majority being elected.

If, according to the procedures described above, a composition of the Board of Statutory Auditors, in terms of its statutory members, which complies with current legislation in force concerning the balance between genders is not ensured, the necessary replacements shall be made, within the scope of candidates for the office of Statutory Auditor of the list which obtained the greatest number of votes, according to the sequential order in which the candidates are listed.

If only one list is presented or if no list is presented, the Statutory Auditors and Alternate Auditors will be elected from all candidates to these positions in the list or those voted by the Shareholders' Meeting, provided they obtain the relative majority of votes cast in the Shareholders' Meeting and save for compliance with applicable pro tempore regulations on gender balance.

If requirements of regulations and the Articles of Association are no longer met, the Auditor is removed from office.

If an Auditor is replaced, the alternate auditor from the same list is appointed. The foregoing is without prejudice to the fact that the Chairman of the Board of Statutory Auditors will be the minority Auditor and the composition of the Board of Statutory Auditors shall comply with applicable pro tempore regulations on gender balance.

When the Shareholders' Meeting has to appoint Statutory and/or Substitute Auditors, to make up numbers on the Board of Statutory Auditors, it proceeds as follows: if Auditors elected from the majority list have to be replaced, the appointment is made with a relative majority vote, without list restrictions; conversely, if the Statutory Auditors elected from the minority list are to be replaced, the Shareholders' Meeting shall replace them by relative majority voting, selecting them from among the candidates indicated in the list of the statutory auditor to be replaced.

If the application of the above procedures does not allow, for whatever reason, the replacement of the Statutory Auditors designated by the minority, the Shareholders' Meeting will replace them by relative majority voting; however, in verifying the result of this last voting no account will be taken of the votes cast by the subjects who according to the communications made in compliance with current legal regulation have, even indirectly or jointly with other Shareholders taking part to a Shareholders' Agreement pursuant to Art. 122 of the TUF, the relative majority of the votes that may be cast at the Shareholders' Meeting, as well as those Shareholders who control, are controlled or are subject to joint control by the same.

The above replacement procedures shall in any event ensure compliance with applicable regulations concerning gender balance.

For further information on the above provisions, reference should be made to the Articles of Association published on the Company's website www.immsi.it under the Section "Governance/Articles of Association" and on the authorised storage system, "eMarket Storage", which can be viewed at www.emarketstorage.it.

11.2 COMPOSITION AND OPERATION (pursuant to Art. 123-bis, paragraph. 2, letter d) and d-bis), TUF)

The Shareholders' Meeting of 30 April 2021 appointed, on the basis of the lists submitted by the shareholders, the Statutory Auditors in office at the end of the Financial Year and as at the Report Date, for the three-year period 2021 - 2023, i.e. until the approval of the financial statements as at 31 December 2023. Two lists were presented there:

- the list submitted by the majority shareholder Omniainvest S.p.A., representing 46.666% of Immsi share capital (the "**Majority List**"), which: (i) included the following candidates: Lai Alessandro, Barbara Giovanni, Castellini Maria Luisa as Statutory Auditors and Losi Gianmarco and Fornara Elena as Alternate Auditors; obtained 204,980,571 votes in favour, or 91.234% of the voting capital represented at the Shareholders' Meeting.
- the list submitted by a group of private, non-institutional shareholders representing 2.502% of Immsi's share capital (the "**Minority List**"): (i) included the following candidates: Giachetti Antonella and Gnesi Andrea as Statutory Auditors and Dami Filippo as Alternate Auditor; (ii) obtained 19,695,079 votes in favour, or 8.766% of the voting capital represented at the Shareholders' Meeting.

For more information on the list filed for the appointment of the control body, see the website of the Issuer, www.immsi.it, in the section "*Governance/Shareholders' Meeting/Archive/2021*" or the authorised storage mechanism "eMarket STORAGE" viewable at the web address www.emarketstorage.it. Furthermore, the professional curriculum vitae of the Statutory Auditors, pursuant to articles 144-*octies* and 144-*decies* of the Consob Issuers' Regulations, are also available in the "*Governance/Management*" section.

The Board of Statutory Auditors in office at the end of the financial year and at the date of the Report was composed as follows:

- Antonella Giachetti (Chairman - Minority List)
- Alessandro Lai (Statutory Auditor - Majority List);
- Giovanni Barbara (Statutory Auditor - Majority List);
- Gianmarco Losi (Alternate Auditor - Majority List);
- Filippo Dami (Alternate Auditor - Minority List);

The composition of the current Board of Statutory Auditors is adequate to ensure, in accordance with the principles of the CG Code, its independent and professional functioning. As regards its independence, all members of the Board of Statutory Auditors meet the independence requirements, as also verified during the Financial Year by the Board of statutory auditors; As regards professionalism, the Articles of Association require the Statutory Auditors to be chosen from persons that meet legal and regulatory requirements, also regarding professionalism. Compliance with the professionalism requirements is evident from the *curricula* mentioned above.

For the list of companies in which, as of the Date of the Report, each Statutory Auditor holds positions of administration or control, please refer to the list published by Consob on its website pursuant to Art. 144-*quinquiesdecies* of the Issuers' Regulation.

Further information on the composition of the Board of Statutory Auditors at the end of the Financial Year is given in the Table in the Appendix.

It should be noted that there have been no changes in the composition of the Board of Statutory Auditors since the end of the Financial Year and up to the date of the Report.

The Board of Statutory Auditors exercises the powers and functions assigned to it by law and other applicable provisions and must meet at least every ninety days.

Pursuant to Art. 25 of the Articles of Association, meetings of the Board of Statutory Auditors may also be held by teleconference and/or videoconference provided that all Statutory Auditors can participate and attend, can be identified and are allowed to follow the meeting and intervene in real time in the discussion of the issues. If these prerequisites are met, the meeting is deemed to be held in the place where the Chairman is located.

The type of disclosure to the board allows Statutory Auditors to have adequate knowledge of the sector in which the Issuer operates, of corporate dynamics and their developments, as well as

the regulatory framework.

During the financial year, the Board of Statutory Auditors held 15 meetings on the following dates: 14 January 2022, 03 March 2022, 22 March 2022, 04 April 2022, 06 April 2022, 08 April 2022, 28 April 2022, 11 May 2022, 26 July 2022, 01 August 2022, 01 September 2022, 2 September 2022, 15 September 2022, 10 November 2022 and 11 November 2022. The average duration of these meetings was about 1.5 hours.

For the year 2023 the Board of Statutory Auditors is expected to meet at least 13 times. At the date of this Report, the Board had met 4 times on the following dates: 10 February, 15 February, 13 March and 22 March 2023.

For information on the participation of each Statutory Auditor in the meetings held during the Financial Year, please refer to the Table in the Appendix.

Diversity criteria and policies

With regard to the company's diversity policies applied in relation to the composition of the Board of Statutory Auditors in office (Art. 123-*bis*, letter d-*bis*), TUF), it should be noted that the Board of Directors in office until 30 April 2021 included in the illustrative report prepared pursuant to Art. 125-*ter* of the TUF, relating to the appointment of the Board of Statutory Auditors by the Shareholders' Meeting called to approve the financial statements as of 31 December 2020, some indications for shareholders regarding the diversity policy in the composition of the control body (also pursuant to Recommendation 8 of the Corporate Governance Code), inviting shareholders to propose candidates that take into adequate account the need for diversity in the composition of the control body in terms of age and educational and professional background, so that the appropriate skills to ensure the proper performance of the functions assigned to it are guaranteed.

For further information, please refer to the illustrative report on the appointment of the Board of Statutory Auditors prepared for the Shareholders' Meeting of 30 April 2021 and published on the Issuer's institutional website www.immsi.it in the section "*Governance/Shareholders' Meeting/Archive/2021*" or to the authorised storage mechanism "eMarket STORAGE" available at www.emarketstorage.it.

As regards the composition of the Board of Statutory Auditors in office: (i) the Chairman of the Board of Statutory Auditors belongs to the lesser represented gender, in accordance with gender balance legislation; (ii) Board members vary in age, from 48 to 65 years; (iii) without prejudice to the professional requirements set out by law, the educational and professional backgrounds of members of the Board of Statutory Auditors currently in office ensure that these individuals have the appropriate profiles and experience to ensure that all functions thereof are executed correctly.

See the Table in the appendix.

The type of disclosure to the board allows Statutory Auditors to have adequate knowledge of the sector in which the Issuer operates, of corporate dynamics and their developments, as well as the regulatory framework. The Chief Executive Officer reported to the Board of Statutory Auditors on their work in a suitable and timely manner as prescribed by law and the Articles of Association, i.e. at least on a quarterly basis, regarding general operational performance and the outlook, as well as on the more significant transactions made by the Issuer and its subsidiaries according to their size and characteristics.

In carrying out its own activity, the Board of Statutory Auditors is coordinated both with the Internal Audit Department and with the Risk and Sustainability Committee. In particular, it is noted that the person in charge of the Internal Audit has participated in some meetings of the Board of Statutory Auditors, while the Board of Statutory Auditors has participated to the majority of the meetings of the Risk and Sustainability Committee.

Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135/2016, identifies the Board of Statutory Auditors as the Internal Control and Audit Committee, appointed to carry out the following activities in particular:

- to inform the competent body of the audit outcome and send the latter the additional report, as per Art. 11 of Regulation No. 537/2014, along with any observations;
- to monitor the financial disclosure process and make recommendations or proposals to ensure the integrity of this process;
- to monitor the effectiveness of internal quality control and business risk management systems and, if applicable, of internal auditing activities, as regards financial disclosures by the organisation subject to audit, without affecting its independence;
- to monitor the auditing of the financial statements and consolidated financial statements, in consideration of any results and findings of quality controls conducted by Consob pursuant to Art. 26, paragraph 6 of Regulation No. 537/2014, where available;
- – to verify and monitor the independence of the statutory auditors or independent auditors pursuant to articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree No. 39/2010 and of Art. 6 of Regulation No. 537/2014, in particular as concerns the adequacy of services provided other than those concerned with the auditing of the entity in question, in accordance with Art. 5 of the aforementioned Regulation;
- to be responsible for the procedure to appoint the statutory auditors or independent auditors or to recommend the appointment of statutory auditors or independent auditors pursuant to Art. 16 of Regulation No. 537/2014.

Independence

In addition to the meeting of the Board of Directors held on 4 May 2021, shortly after its appointment (the outcome of which was communicated to the market on the same date), the Board of Statutory Auditors verified, most recently in its meeting of 23 March 2023, the continued existence of the independence requirements of its members, also based on the criteria set out in Art. 2, Recommendation 7 of the Corporate Governance Code with reference to Directors and Art. 148, paragraph 3, letters b) and c) of the TUF with reference to its members.

In this regard it is also pointed out that the Board of the Issuer, subject to the assessment of the Board of Statutory Auditors as to its composition, resolved on 4 May 2021 to consider it appropriate, in the interest of the Company, not to apply the criterion referred to in Art. 2, Recommendation 7, Letter e) of the Corporate Governance Code (referred to by Recommendation 9 of the same Art. 2 of the Corporate Governance Code) with respect to the Statutory Auditor Alessandro Lai, focusing on a profile of substance and also taking into account the fact that Alessandro Lai meets requirements of considerable professionalism and experience, which have proved valuable over time for the Issuer and adequate to operate in Immsi's complex regulatory and structural framework. This assessment, with reference to Recommendation 7, Letter e) of the Corporate Governance Code - was most recently confirmed by the Board of Statutory Auditors at the meeting of 23 March 2023.

It should be noted that in making the above assessments, the Board of Statutory Auditors considered all the information made available by each member of the Board of Statutory Auditors, assessing all the circumstances that appear to compromise independence as identified by the TUF and the Corporate Governance Code, and applied (among others) all the criteria set out in the Code with reference to the independence of Directors (except as indicated above).

As noted in section 4.7 above of the Report, the Board of Directors and the Board of Statutory Auditors decided not to adopt qualitative and quantitative criteria to assess the significance of circumstances relevant to independence.

Remuneration

As regards remuneration paid during the Financial Year to administrative and control bodies for any reason and in whatever form, reference is made that illustrated in Section II of the Remuneration Report issued pursuant Art. 123-*ter* of the TUF.

Interest management

Statutory auditors that have a personal interest or interest on behalf of a third party in any of the Issuer's transactions are required to promptly and fully inform the other statutory auditors and the Chairman of the Board of Directors of the nature, terms, origin and scope of their interest.

12. RELATIONSHIPS WITH SHAREHOLDERS

Access to information and shareholder engagement

The Company feels that engaging with Shareholders and institutional investors, on the basis of a mutual understanding of roles, is in its own interests and also a duty it has to the market; such a relation should be carried on within the observance of the "Procedure for Communicating Privileged Information to the General Public", available on the Issuer's institutional website www.immsi.it, in the section "*Governance/Procedures*".

It was considered that this relationship with the majority of shareholders and institutional investors could be facilitated via the constitution of dedicated corporate structures, provided with the suitable personnel and organisational resources.

For this purpose, during the meeting held on 15 October 2003, the Board of Directors of the Company decided to establish an Investor Relations Department, which, assisted by the Legal and Corporate Affairs Department, oversees relations with Shareholders and Institutional Investors and carries out specific duties regarding the handling of price-sensitive information, as well as relations with Consob and Borsa Italiana S.p.A.

As of the Report Date, the Head of the Investor Relations Department is Stefano Tenucci, appointed by the Board of Directors on 2 September 2022. This department can be contacted at: stefano.tenucci@immsi.it.

Investor Relations reporting is also ensured by making the most significant corporate documentation available in a timely manner and ongoing basis on the website of the Issuer www.immsi.it, in the sections "Investors and Governance" and in the authorised storage mechanism "eMarket STORAGE" viewable at the web address www.emarketstorage.it.

For the transmission and storage of Regulated Information, the Issuer uses the "eMarket SDIR" dissemination system and the "eMarket STORAGE" storage mechanism available at www.emarketstorage.it, managed by Teleborsa S.r.l. – with registered office in Piazza Priscilla, 4 Rome – following the authorisation and CONSOB Resolutions Nos. 22517 and 22518 of 23 November 2022.

In particular, the company website provides Italian and English versions of the CVs of Directors and Auditors, all press releases distributed to the market, periodical accounting documents of the Company approved by Company Bodies, as well as documents distributed at meetings with professional investors, analysts and the financial community. It is also possible to view the documentation prepared for the Shareholders' Meetings, the communications on internal dealing, the annual report on the corporate governance system and the ownership structure, and any other document whose publication, on the website of the Issuer, is required by the applicable regulations.

To facilitate prompt reporting to the market, the Company has an email alert service for material published on its site in real time.

Considering the Issuer's current shareholder base and organisational structure, the Company did not deem it necessary to adopt a shareholder engagement policy.

13. SHAREHOLDERS' MEETINGS (pursuant to Art. 123-bis, paragraph 1, letter I) and paragraph 2 letter c), TUF)

The Shareholders' Meeting represents all Shareholders and its resolutions, passed in compliance with law and the Articles of Association, are binding for all Shareholders, even if not taking part or not in agreement.

The Ordinary Shareholders' Meeting shall be convened at least once a year to approve the financial statements within one hundred and twenty days from the end of the reporting period, or within one hundred and eighty day according to the terms and conditions established by laws.

Ordinary and Extraordinary Shareholders' Meetings are convened by the Board of Directors, also at a venue other than the registered office, provided this is in Italy, by a notice published on the website of the Company and, if required by applicable pro tempore regulations, in a notice published in the Gazzetta Ufficiale della Repubblica or, as decided by the Board of Directors, in at least one of the following newspapers: "Il Sole 24 Ore" or "MF" – "Milano Finanza", according to the terms established by law and save for any other requirement of applicable regulations and the Articles of Association.

Pursuant to Art. 127-ter of the TUF, those with voting rights may submit questions on the items on the agenda prior to the Shareholders' Meeting, but in any case by the record date, to which the Company, having verified their relevance to the items on the agenda of the Shareholders' Meeting and the legitimacy of the applicant, shall provide an answer, as an exception to the minimum term provided for pursuant to Art. 123-ter, paragraph 1-bis, TUF, at least three days prior to the Shareholders' Meeting in first call, by means of publication in a specific section of the Company's website (at the address www.immsi.it, Section "Governance/Shareholders' Meeting/Archive"), in order to enable those entitled to vote to express themselves in an informed manner on the items on the agenda, with the Company having the right to provide a unified response to questions with the same content. Applications may be sent to the Company by electronic communication to the certified email address immsi.legalmail@legalmail.it; entitlement to exercise this right is certified by notice given to the Company by the intermediary authorised by law; however, this notice is not necessary if the Company receives the notice from the intermediary necessary for participation in the Shareholders' Meeting.

The Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or by a person acting on his/her behalf or by another person designated by Board of Directors; failing such, the shareholders' meeting shall appoint its own Chairman. The Chairman of the Shareholders' Meeting shall be assisted by a Secretary, appointed by the same Shareholders' Meeting, and said person does not necessarily have to be a shareholder.

Both the Ordinary and Extraordinary Shareholders' Meetings are duly established and may pass resolutions according to law. Each share gives entitlement to one vote.

Ordinary Shareholders' Meetings can: (a) approve the financial statements; (b) appoint and remove Directors, Auditors and the Chairman of the Board of Statutory Auditors and the subject to which the auditing of company accounts is assigned; (c) determine the emoluments of the Directors and the Statutory Auditors, if not established in the Articles of Association; (d) decide on the responsibilities of the Directors and Statutory Auditors; (e) resolve on any other matters assigned by law to the Shareholders' Meeting, as well as decide on authorisations required by the Articles of Association for activities of Directors, save for the responsibility of Directors for such activities; (f) approve any rules governing meetings; (g) approve any other matters it must resolve on pursuant to law.

The Extraordinary Shareholders' Meeting resolves on amendments to the Articles of Association, the appointment, replacement and powers of official receives and on any other matter expressly assigned to them by law.

In accordance with Art. 23 of the Articles of Association, the board competence is derogated to

the Board of Directors for deciding upon all matters regarding:

- mergers and demergers in accordance with articles 2505 and 2505-*bis* of the Italian Civil Code, the latter being referred to by Art. 2506-*ter* of the Italian Civil Code;
- establishment or closure of secondary offices;
- which Directors represent the Company;
- reductions in share capital in the event of withdrawal of the shareholder;
- amendments to the Articles of Association in order to comply with legal provisions;
- transfer of the registered office to another location in Italy.

Such decisions may also be taken by an Extraordinary Shareholders' Meeting.

Applicable laws and regulations in force govern the rights of shareholders; besides that which has already been stated in the above paragraphs in this Report.

Pursuant to Art. 12 of the Issuer's Articles of Association, all shareholders registered as of the seventh market trading day prior to the first scheduled date of a Shareholders' Meeting, as notified to the Company within the statutory term by the intermediary responsible by law for the keeping of shareholder accounts, are entitled to attend the shareholders' meeting and exercise their voting rights. To this end, reference is made to the date of the first call, as long as the dates of any subsequent calls are indicated in the single notice convening the meeting; otherwise, reference is made the date of each meeting call.

The credit and debit entries made in the accounts after said deadline are irrelevant for the purposes of entitlement to exercise voting rights at the Shareholders' Meeting.

All subjects with voting rights may appoint, in writing, a proxy to attend and vote on their behalf. The electronic notification of the proxy may be carried out, in accordance with the methods specified in the meeting notice, sending a message to the certified email box indicated in the meeting notice itself or using a special section of the Company's website.

The Chairman of the Shareholders' Meeting has the duty to ascertain the regularity of the proxies and the right of those present to attend the Shareholders' Meeting, as well as to establish the rules for its performance including therein the timing of any speakers.

The Issuer takes action to aid and encourage the fullest participation of the Shareholders in the meetings and to use these meetings as a moment of dialogue and liaison between the Company and the Investors, guaranteeing, to all the participants legitimated to intervene, the right to be able to express their opinion in relation to the topics on the agenda.

The Company does not currently see the need to propose the adoption of a specific regulation governing Shareholders' Meetings, considering that it deems appropriate that, in principle, the shareholders shall be assured the widest participation and expression in shareholder discussions.

The Board, through the Chairman and the Chief Executive Officer, reports to the Shareholders' Meeting on the activity it has performed and programmed, taking steps to assure the Shareholders, the necessary information so that they can knowledgeably make their decisions.

During the year, only one Shareholders' Meeting was held on 29 April 2022, at which 9 out of 11 Directors and the entire Board of Statutory Auditors attended (also by telephone connection).

In accordance with Art. 106 of Decree Law No. 18/2020, converted, with amendments, by Law No. 27/2020, which introduced certain exceptional rules applicable to shareholders' meetings of listed companies, as extended by Decree Law No. 228/2021 converted by Law No. 15/2022 - the Company decided to avail itself of the right established therein, providing that attendance of Shareholders' Meetings by those entitled to attend would take place exclusively through the granting of proxy (or sub-delegation) to the representative designated by the Company pursuant to Art. 135-*undecies* of the TUF.

It is also deemed that the Shareholders have been adequately informed about the manner in which the Remuneration Committee functions are exercised through the Remuneration Report, prepared by the Company pursuant to Art. 123-ter of the TUF, and published on the Issuer's institutional website, in the section "Governance/Shareholders' Meeting/Archive" and in the authorised storage mechanism "eMarket STORAGE" available at www.emarketstorage.it.

In the meeting of 23 March 2022 and 23 March 2023, the Board decided that it was not necessary to propose amendments to the Shareholders' Meeting concerning the percentages established to protect minorities as, in accordance with Art. 144-quater of the Consob Regulation on Issuers on presenting lists for the appointment of members of the Board of Directors and the Board of Statutory Auditors, articles 17 and 25 of the Articles of Association of the Issuer have established a requirement of 2.5% and 1% of the share capital with voting rights.

The current Articles of Association, most recently amended by the Board of Directors on 4 March 2021, are published on the Issuer's institutional website under "Governance/Procedures".

14. FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to Art. 123-bis, paragraph 2, letter a), second part, TUF)

The Issuer does not adopt practices of corporate governance other than those required by the laws and/or regulations, described in this Report.

15. CHANGES AFTER THE FINANCIAL YEAR-END

At the date of closing the year, no change has occurred to the corporate governance structure, than those notified within the specific sections.

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

The letter of 25 January 2023 from the Chairman of the Corporate Governance Committee to the Chairs of the Boards of Italian listed companies was brought to the attention of the Board of Statutory Auditors the Issuer's Board of Directors at the Board meeting of 23 March 2023; as well as the Risk and Sustainability Committee at its meeting on 22 March 2023.

The Board acknowledged the analyses and recommendations made in the letter and confirmed the overall adequacy of the Company as regards the relative indications:

With regard to the areas for improvement indicated in the letter, the Issuer has implemented the recommendation to highlight, in summary form, the essential information on compliance with the specific recommendations of the Corporate Governance Code, by including a table in Appendix 2 to the Report that indicates the application, non-application or non-applicability of each provision of the Corporate Governance Code.

Furthermore, the following should be noted with specific regard to the recommendations for 2023:

- allocation of management powers to the Chairman: the Board of Directors considers that this meets the considerable organisational needs of the Issuer, i.e. streamlining the operation of the Board of Directors of the Company, also taking into account its size;
- information prior to board meetings: the management of information flows to the Board of Directors is regulated in the Board Regulations. In particular, this information is provided in a suitable way, so as to enable Directors to make informed decisions on the matters

submitted to them, with draft documents requiring approval provided well in advance, excepting cases of demonstrated urgency. Effective compliance with the deadlines for information prior to board meetings was confirmed during the financial year (see section 4.4 of the Report);

- *managers’* participation in Board meetings: for detailed information on *managers’* participation in Board meetings, please refer to section 4.4 of the Report (Functioning of the Board of Directors);
- guidelines on the optimal composition of the Board of Directors: It should be noted that the Board of Directors in office until 30 April 2021 specified, in the illustrative report prepared pursuant to Art. 125-ter of the TUF, relating to the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements as of 31 December 2020, certain indications for Shareholders regarding the diversity policy in the composition of the Board of Directors (also pursuant to Recommendation 8 of the Corporate Governance Code);
- transparency of remuneration policies on the weighting of variable components and long-term horizons in remuneration policies: please refer to the Report on 2023 Remuneration Policy and compensation paid in 2022 for information on the variable component of executive directors’ and top management’s remuneration.

The Board of Directors also took note of the additional recommendations contained in the letter regarding the following issues:

- engagement with the shareholders and the relevant *stakeholders*: considering the Issuer’s current shareholder base and organisational structure, the Company did not deem it necessary to adopt a shareholder and stakeholder engagement policy. However, the Company believed it to be in its own specific interest – besides being its duty to the market – to establish a continuous dialogue with the majority of its shareholders, as well as with institutional investors, based on the reciprocal understanding of their respective roles; for details please refer to section 12 of the Report;
- criteria for assessing the significance of commercial, financial, and professional relations and of additional remuneration: the Board of Directors and the Board of Statutory Auditors did not deem it necessary to predefine qualitative and quantitative criteria for assessing the significance of commercial, financial, and professional relations and of additional remuneration with respect to the fixed remuneration for the office, as specified in section 4.7 of the Report. The annual assessment on the independence requirements of individual Directors and members of the Board of Statutory Auditors is carried out in application of a principle of substance over form that takes into account the principles established by the Corporate Governance Code, the professionalism and commitment shown, as well as attendance at meetings.

Annex 1: Section on the “Main characteristics of risk management and internal controls systems established in relation to the financial disclosure process,” pursuant to Art. 123-bis, paragraph 2, letter b), TUF

Introduction

Immsi S.p.A. has established specific guidelines to update its own Internal Control System on financial disclosure, requesting Delegated Company Bodies and Delegated Managers (where appointed) / Administrative Directors of subsidiaries, formal certification vis-à-vis the Chief Executive Officer and Financial Reporting Officer on the adequacy and effective application of administrative and accounting procedures adopted to prepare documents on consolidation sent to the parent company.

Aims and objectives

The risk management and internal control system in relation to Immsi Group financial disclosure was developed using the “COSO Report”⁶ as a reference model. According to this report, the Internal Control System, given its broadest meaning, is defined as “*a process, carried out by the Board of Directors, by Senior Management and other subjects of the company structure, intended to provide reasonable certainty as to achieving objectives in the following categories:*

- *Effectiveness and efficiency of operations;*
- *Reliability of financial reporting;*
- *conformity with applicable laws and regulations”.*

In relation to the financial disclosure process, these objectives are mainly identified in the reliability, accuracy, dependability and timeliness of information.

Main characteristics of the risk management and internal control system in relation to the financial disclosure process

Methodological approach

The internal control and risk management system in relation to Immsi Group financial disclosure is part of the Group's wider-ranging Internal control and risk management system, which includes the following:

- the Code of Ethics;
- Model 231 pursuant to Legislative Decree No. 231/2001 and related protocols;
- Market Abuse Regulation procedures;
- Principles and procedures for material transactions and transactions with related parties;
- the System granting powers and proxies;
- Company Organisation Chart and Job profiles;
- Risk Analysis process adopted (Risk Assessment);

⁶ The COSO Model, developed by the *Committee of Sponsoring Organizations of the Treadway Commission* - “*Internal Control – Integrated Framework*” published in 1992 and updated in 2013 by the *Committee of Sponsoring Organizations of the Treadway Commission*.

- Accounting and Management Control System.

In turn, the Accounting and Management Control System of Immsi S.p.A. comprises a set of procedures and operative documents, including:

- the Accounting and Administrative Auditing Model – a document available to all employees directly involved in the process of preparing and/or controlling accounting information and aimed at defining the operating procedures of the Accounting Auditing System;
- The Group Accounting Manual – a document designed to promote the development and application of standard accounting policies across the Group for the recognition, classification and measurement of operations;
- Operational instructions for financial statements and reports and closing schedules – documents designed to instruct the various company departments on specific operational procedures for preparing financial statements by set common deadlines;
- Administrative and accounting procedures – documents that identify responsibilities and rules in administrative and accounting processes.

The Accounting and Administrative Control Model of Immsi S.p.A. defines a methodological approach for the risk management and internal control system, comprising the following stages:

- a) Identification and assessment of risks involved in financial disclosure;
- b) Identification of controls to minimise risks identified;
- c) Assessment of controls to minimise risks identified and the management of any problems found.

Elements of the system

a) Identification and assessment of financial disclosure risks

Risks connected with the preparation of financial reports are identified through a step-by-step risk assessment process. The process involves identifying the objectives that the internal control system for financial disclosure is expected to deliver, so as to ensure that financial reports are fair and truthful. Those objectives cover the assertions made in financial reports (regarding the existence and occurrence of events, comprehensiveness, rights and obligations, the measurement/recognition of items, presentation and disclosures) and other control objectives (such as, for example, compliance with approval limits, the separation of roles and responsibilities, the documentation and traceability of transactions, and so on).

Risk assessment, including the risk of fraud, is therefore focused on the different areas of the financial statements in which the failure to deliver control objectives would have a potential impact on financial disclosure requirements.

The process to determine the scope of entities and processes that are “significant” in terms of potential impact on financial disclosure identifies, with reference to the consolidated financial statements of the Group, financial statement items, subsidiaries and administrative accounting processes considered as significant, based on evaluations made using quantitative and qualitative parameters.

Those criteria are determined by:

- by determining the quantitative threshold values to compare accounts of the consolidated financial statements and the relative contribution of subsidiaries within the framework of the Group;
- making qualitative judgements on the basis of managers' knowledge of the company and existing specific risk factors inherent to administrative-accounting processes.

b) Identification of controls for identified risks

The controls needed to mitigate risks identified in administrative-accounting processes are identified by considering, as mentioned earlier, the control objectives associated with financial disclosure.

In particular, the accounts of the financial statements classified as significant are connected to the business processes underlying them in order to identify controls that meet the objectives of the internal control and risk management system for financial disclosure. Assessments are then made of the adequacy and effective application of the controls identified. For automatic controls, the assessment of adequacy and effective application also concerns general IT controls on the software applications used to support processes of material relevance.

The functions involved in the financial disclosure process ensure that administrative and accounting procedures and relative controls are updated, as concerns areas in their remit.

If, after defining the scope of actions, sensitive areas are identified which are not regulated, either wholly or in part, by administrative and accounting procedures, existing procedures are supplemented and new procedures are formalised, overseen by the Financial Reporting Officer, in relation to management areas in his remit.

c) Evaluation of controls for identified risks and management of any problems detected

The financial audit system is reviewed and assessed regularly at least once every six months, and when the separate annual financial statements, consolidated annual financial statements, and the condensed consolidated interim financial statements are each prepared.

Evaluations related to the adequacy and actual application of administrative and accounting procedures and controls in these procedures are developed through specific monitoring (testing) based on best practices in this sector.

Testing is done throughout the financial year, as arranged and coordinated by the Financial Reporting Officer through his own department, supported if necessary by the internal audit department or appropriately selected external consultants.

Control tests are run on the administrative and functional departments coordinated by the Financial Reporting Officer or by his officers, assisted by the Internal Audit department to ensure that controls for administrative and accounting procedures are carried out, in addition to specific focused controls on companies, processes and accounting entries.

Delegated bodies and administrative managers of subsidiaries report to the Financial Reporting Officer on the monitoring of the adequacy and application of administrative and accounting procedures.

The Financial Reporting Officer, assisted by the Internal Auditing Manager, produces a report summarising the results of evaluations on controls for previously identified risks (Management Summary). This is based on the outcome of monitoring activities, also carried out by delegated administrative bodies and based on statements received from managers of subsidiaries. The assessment made of controls may entail the identification of compensatory controls, corrective measures or improvement plans to address any problems identified.

Once cleared by the Chief Executive Officer, the management summary is sent to the Board of Statutory Auditors, to the Risk and Sustainability Committee and to the Board of Directors.

Roles and departments involved

The risk management and internal control system for financial disclosure is governed by the Financial Reporting Officer appointed by the Board of Directors. Working in concert with the Chief Executive Officer, the financial reporting officer is responsible for designing, implementing and

approving the Financial and Administrative Audit Model, assessing its application and issuing an attestation statement for the separate and consolidated annual and interim financial statements, and the separate, consolidated and half-year reports.

The Financial Reporting Officer is also responsible for identifying suitable administrative and accounting procedures for the preparation of the separate and consolidated annual financial statements and, with the support of the Internal Audit department, for providing subsidiaries considered "material" for the purposes of consolidated Group financial reporting with guidelines for assessing their own financial and administrative audit systems.

In carrying out activities, the Financial Reporting Officer:

- interacts with the Internal Audit Department / Internal Audit Department Manager, that carries out independent audits on the operation of the control system and assists the Financial Reporting Officer, and interacts with the Legal and Corporate Affairs Department as regards regulatory and legal compliance concerning financial disclosure;
- is assisted by Function Managers. These managers ensure complete, reliable information flows to the Financial Reporting Officer, for areas in their remit, for accounting disclosure purposes;
- coordinates the activities of the administrative managers of "material" subsidiaries, who, together with their executive officers, are tasked with implementing a suitable financial audit system in their respective companies to control administrative-accounting processes, assessing the effectiveness of the system over time, and reporting outcomes to the parent company via internal attestation statements;
- exchanges information with the Risk and Sustainability Committee and with the Board of Directors, reporting on activities carried out, on the use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, and on the adequacy of the internal control and risk management system as regards financial disclosure, as part of a wider overall evaluation of corporate risks.

Finally, the Board of Statutory Auditors, the Risk and Sustainability Committee and the Supervisory Board are informed of the adequacy and reliability of the administrative/accounting system.

TABLE 1: INFORMATION ON CORPORATE OWNERSHIP

STRUCTURE OF THE SHARE CAPITAL as of 31/12/2022					
	No. Shares	% of share cap.	No. of voting rights	Listed	rights and obligations
Ordinary shares	340,530,000	100%	340,530,000	MTA Standard Segment	Each share gives the right to one vote. The shareholders rights and obligations are those in articles 2346 et seq. of the Italian Civil Code.
Shares with multiple voting					
Shares with restricted votes					
Shares without voting rights					
Other					

OTHER FINANCIAL INSTRUMENTS (assigning the right to subscribe newly issued shares) as of 31/12/2022				
	Listed (indicate the markets)/ not listed	Number of instruments in issue	Class of shares for the conversion / exercise	Number of shares for the conversion / exercise
Bonds bonds	-	-	-	-
Warrants	-	-	-	-

SIGNIFICANT HOLDINGS IN THE SHARE CAPITAL as of 31/12/2022			
Declarer	Direct shareholder	% of ordinary share capital	% of shares with voting rights
Omniaholding S.p.A.	Omniaholding S.p.A.	19.874%	19.874%
	Omniainvest S.p.A.	40.000%	40.000%
	Total	59.874%	59.874%

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND THE COMMITTEES AT THE END OF THE 2022 FINANCIAL YEAR

Board of Directors													Risk and Sustainability Committee		Appointment Proposal and Remuneration Committee		Related Party Transactions Committee			
Position	Members [∞]	Year of birth [▶]	Date of first appointment [*]	In office since	In office up to	List ^{**}	Exec.	Non-exec.	Indep. Code	Indep. Consolidated Law on Finance	No. of other positions ^{***}	(*)	(*)	(**)	(*)	(**)	(*)	(**)		
Chairman	Roberto Colaninno	16/08/1943	31/01/2003	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M	X				7	6/7								
Deputy Chairman [◊]	Daniele Discepolo	20/07/1947	13/05/2015	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X	X	X	15	6/7	6/6	C	1/1	C				
CEO [◊]	Michele Colaninno	23/11/1976	13/11/2006	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M	X				10	7/7								
Director	Matteo Colaninno	16/10/1970	31/01/2003	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X			3	7/7								
Director	Patrizia De Pasquale	02/04/1961	13/05/2015	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X	X	X	0	4/7					0/0	M		
Director	Ruggero Magnoni	10/02/1951	27/08/2010	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X			10	7/7								
Director	Simonotto Alessandra	23/09/1960	30/04/2021	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X			10	7/7								
Director	Rossi Piercarlo	13/11/1973	30/04/2021	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	m		X	X	X	1	7/7								
Director	Succi Gianpiero	14/11/1974	10/05/2018	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X			2	6/7								
Director	Mignani Paola	17/04/1966	10/05/2018	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X	X	X	6	7/7	6/6	M	1/1	M	0/0	M		
Director	Molteni Giulia	23/06/1979	30/04/2021	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X	X	X	1	7/7								
Director	Ricci Rosanna	01/08/1959	30/04/2021	Shareholders' Meeting for 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M		X	X	X	1	7/7	6/6	M	1/1	M	0/0	C		
----- DIRECTORS NO LONGER IN OFFICE DURING THE REPORTING PERIOD -----																				
Number of Meetings held during the reporting period – BoD: 7						Risk and Sustainability Committee: 6				Appointment Proposal and Remuneration Committee: 1		Related Party Transactions Committee: 0								
Indicate the quorum required by minorities to submit lists to elect one or more members (pursuant to Art. 147-ter TUF): 2.5%																				

◊ Chief Executive Officer ◊ CEO ◊ Lead Independent Director (LID).

∞ 41.67% of Directors are female, while 58.33% are male. ▶ 33.33% of Directors are in the 30-50 age bracket, while 66.67% are over 50.

* Date when the Director was first appointed to the Board of the Issuer.

** List from which each Director was appointed ("M": majority list; "m": minority list; "BoD": list presented by the Board of Directors).

*** Number of positions held as Director or Auditor by the person in other companies listed on regulated markets, also abroad, and in financial, banking, insurance or large-scale companies.

(*) Participation of Directors in meetings of the Board of Directors and Committees (indicate the number of meetings attended and the total number of meetings the person could have attended).

(**) Qualification as Director within the Committee: "C": Chairman; "M": member.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE 2022 FINANCIAL YEAR

Board of Statutory Auditors									
Position	Members [∞]	Year of birth [►]	Date of first appointment [*]	In office since	In office up to	List ^{**}	Indep. Code	Involvement in Board meetings ^{***}	No. of other positions ^{****}
Chairman	Giachetti Antonella	06/04/1957	30/04/2021	Shareholders' Meeting 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	m	X	15/15	14
Statutory Auditor	Alessandro Lai	10/01/1960	05/05/2003	Shareholders' Meeting 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M	X	15/15	7
Statutory Auditor	Giovanni Barbara	19/12/1960	10/05/2018	Shareholders' Meeting 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M	X	12/15	15
Alternate auditor	Gianmarco Losi	22/07/1964	29/04/2009	Shareholders' Meeting 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	M	X	-	-
Alternate auditor	Dami Filippo	26/03/1974	30/04/2021	Shareholders' Meeting 2020 Financial Statements 30/04/2021	Shareholders' Meeting for 2023 Financial Statements	m	X	-	-
----- AUDITORS NO LONGER IN OFFICE DURING THE REPORTING PERIOD -----									
Number of meetings held during the reporting period: 15									
Indicate the quorum required by minorities to submit lists to elect one or more members (pursuant to Art. 148-ter TUF): 1%									

[∞] 33.3% of auditors are female, while 66.7% are male.

[►] 100% of auditors are aged over 50.

^{*} Date when the Auditor was first appointed to the Board of Statutory Auditors the issuer.

^{**} List from which each Auditor was appointed ("M": majority list; "m": minority list).

^(*) Participation of Auditors in meetings of the Board of Statutory Auditors (indicate the number of meetings attended and the total number of meetings the person could have attended).

^{****} Total number of positions held with other companies pursuant to Book V, Section V, Parts V, VI and VII of the Italian Civil Code. For information on the positions of director and auditor held by members of the Board of Statutory Auditors, which are relevant pursuant to articles 144-*duodecies* et. seq. of the Consob Issuer Regulation, see data published by Consob pursuant to Art. 144-*quinquiesdecies* of the Consob Regulation on Issuers, on the website www.sai.consob.it in the section "Company Boards – Information for the public".

ANNEX 2 - EXPLANATORY SUMMARY

CORPORATE GOVERNANCE CODE 2020	Applied	Not applied	Inapplicable	Reference paragraph
Article 1 - Role of the Governing Body				
Principles				
I. The governing body guides the Company, pursuing its sustainable success.	√			Paragraph 4.1 "Role of the Board of Directors"
II. The governing body defines the strategies of the Company and its Group consistent with Principle I and monitors their implementation.	√			Paragraph 4.1 "Role of the Board of Directors"
III. The governing body defines the corporate governance system that is most suitable for carrying out the company's business activities and pursuing its strategies, taking into account the scope for autonomy offered by the legal system. If necessary, it assesses and enacts the appropriate changes, submitting them, where appropriate, to the Shareholders' Meeting.	√			Paragraph 4.1 "Role of the Board of Directors"
IV. The governing body promotes appropriate dialogue with the Company's shareholders and other relevant stakeholders.	√			Paragraph 4.1 "Role of the Board of Directors"
Recommendations				
1. The governing body:				
a) examines and approves the business plan of the Company and its Group, also on the basis of the analysis of issues related to value creation in the long term; if necessary, such analysis is carried out with the support of a committee whose composition and functions are determined by the governing body;				
b) periodically monitors the implementation of the business plan and assesses general operating performance, periodically comparing the results achieved with those planned;				
c) defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all elements that may be relevant to the Company's sustainable success;				
d) defines the Company's corporate governance system and the structure of its Group, and assesses the adequacy of the organisational, administrative and general accounting structure of the Company and of subsidiaries considered to be of strategic importance, with particular focus on the internal control and risk management system;	√			Paragraph 4.1 "Role of the Board of Directors"
e) decides on transactions by the Company and its subsidiaries that have strategic, earnings, financial or cash-flow relevance for the Company; To this end, it establishes general criteria for identifying significant transactions;				
f) In order to ensure the proper management of corporate information, it adopts, on the proposal of the chairman in agreement with the chief executive officer, a procedure for the internal management and external disclosure of documents and information concerning the Company, with special focus on price-sensitive information.				
2. If deemed necessary in order to define an appropriate corporate governance system that meets the company's needs, the governing body prepares reasoned proposals to be submitted to the shareholders' meeting on the following topics:				
a) choice and characteristics of the corporate model (traditional, 'one-tier', 'two-tier');				
b) size, composition and appointment of the governing body and term of office of its members;	√			Paragraph 13 "Shareholders' Meetings (pursuant to Art. 123-bis, paragraph 1, letter I) and
c) administrative and property rights of the shares;				

d) percentage thresholds for the exercise of prerogatives to protect minority shareholders. In particular, if the governing body intends to submit a proposal to the shareholders' meeting for the introduction of loyalty shares, it provides adequate justification in its explanatory report to the shareholders' meeting on the purpose of such decision and indicates the expected effects on the ownership and control structure of the Company and its future strategies, giving an account of its decision-making process and any contrary opinions expressed within the board.				paragraph 2, letter c), TUF)"
3. The governing body, on the Chairman's proposal, made in agreement with the chief executive officer, adopts and describes a shareholder engagement policy within the corporate governance report, also taking into account the engagement policies adopted by institutional investors and asset managers. The Chairman in any case ensures that the governing body is informed of trends in and the significant content of shareholder engagement, by the first available meeting.			√	Paragraph 4.1 "Role of the Board of Directors" The Issuer, taking into account Immsi's current shareholder base and organisational structure, did not adopt a shareholder dialogue policy
Article 2 - Composition of corporate bodies Principles				Paragraph 4.3 "Composition (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"
V. The governing body is made up of executive and non-executive directors, all of whom have the professionalism and expertise appropriate to the tasks entrusted to them.	√			
VI. The number and expertise of non-executive directors are such as to ensure they play a significant part in the adoption of board resolutions and guarantee effective monitoring of management. A significant portion of non-executive directors is independent.	√			Paragraph 4.3 "Composition (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"
VII. The Company applies diversity criteria, including gender criteria, for the composition of the governing body, in compliance with the priority objective of ensuring adequate expertise and professionalism of its members.	√			Paragraph 4.3 "Composition (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"
VIII. The control body has an appropriate composition to ensure the independence and professionalism of its function.	√			Paragraph 11.2 "Composition and operation (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"
Recommendations				
4. The governing body defines the allocation of management powers and identifies the chief executive officer from among the executive directors. Where the Chairman is assigned the office of chief executive officer or is granted significant management powers, the governing body shall explain the reasons for this choice.	√			Paragraph 4.6 "Executive Directors"
5. The number and expertise of the independent directors is appropriate to the needs of the company and the functioning of the governing body, as well as to the establishment of the relevant committees. The governing body includes at least two independent directors, other than the Chairman.	√			Paragraph 4.7 "Independent Directors and Lead Independent Directors"
In large companies with concentrated ownership, independent directors make up at least one third of the governing body. In other large companies, independent directors make up at least half of the governing body. In large companies, meetings are held by the independent directors to the exclusion of the other directors, on a regular basis and in any case at least once a year to assess issues that are deemed of interest for the functioning of the governing body and the management of the company.	√			Paragraph 4.7 "Independent Directors and Lead Independent Directors"
6. The governing body assesses the independence of each non-executive director immediately after appointment as well as during	√			Paragraph 4.7

<p>the term of office upon the occurrence of circumstances relevant to their independence and in any case at least once a year. For the purpose of this assessment, each non-executive director provides any necessary or useful information to the governing body which shall consider, on the basis of all available information, any circumstance that affects or may appear to affect the director's independence.</p>				<p>“Independent Directors and Lead Independent Directors”</p>
<p>7. The circumstances that compromise, or appear to compromise, the independence of a director are at least the following:</p> <ul style="list-style-type: none"> a) he/she is a significant shareholder of the company; b) he/she is, or has been in the previous three financial years, an executive director or an employee: <ul style="list-style-type: none"> - of the company, of a strategically relevant subsidiary of the company or of a company under common control; - of a significant shareholder of the company; c) he/she – either directly or indirectly (e.g. via subsidiaries or companies in which they are executive directors, or as a partner in a professional firm or a consulting company) – has, or has had in the previous three financial years, important commercial, financial or professional relationships: <ul style="list-style-type: none"> - with the company or its subsidiaries, or with their respective executive directors or top management; - with a person who, alone or jointly with others through a shareholders' agreement, controls the company; or, if the parent company is a corporation or institution, with its executive directors or top management; d) he/she receives, or has received in the previous three financial years, from the company or any of its subsidiaries or from the parent company, significant additional remuneration with respect to the fixed remuneration for the office and that provided for participation in the committees recommended by the Code or required by current legislation; e) he/she has been a director of the company for more than nine financial years, even non-consecutively, in the last twelve financial years; f) he/she holds the position of executive director in another company in which one of the company's executive directors is also a director; g) he/she is a shareholder or director of a company or entity belonging to the corporate network of the independent auditor engaged by the company; h) he/she is a close relative of a person who is in one of the situations referred to in the preceding points. 	√			<p style="text-align: center;">Paragraph 4.7 “Independent Directors and Lead Independent Directors”</p>
<p>The governing body, at least at the beginning of its term of office, defines in advance the quantitative and qualitative criteria for assessing the significance referred to in (c) and (d) above. If a director is also a partner in a professional firm or consulting company, the governing body assesses the significance of the professional relationships that may have an effect on his/her position and role within the firm or consulting company or that otherwise relate to important transactions of the company and its group, also irrespective of quantitative parameters</p>		√		<p style="text-align: center;">Paragraph 4.7 “Independent Directors and Lead Independent Directors”</p> <p>The Board of Directors and the Board of Statutory Auditors have decided not to adopt fixed and predetermined <i>ex ante</i> criteria at this time in order to allow for evaluations that allow for the criterion of substance over form to prevail</p>
<p>The chairman of the governing body, who has been designated as a candidate for this role in accordance with Recommendation 23, may be assessed as independent if none of the above circumstances apply. If the chairman assessed as independent participates in the committees recommended by the Code, the majority of the committee members shall be made up by other independent directors. A chairman who has been assessed as independent shall not chair the remuneration committee and the internal control and risk management committee.</p>			√	<p style="text-align: center;">Paragraph 4.7 “Independent Directors and Lead Independent Directors”</p> <p>The Chairman of the Board does not qualify as independent</p>

<p>8. The company defines the diversity criteria for the composition of the governing and control bodies and identifies, also taking into account its corporate ownership, the most appropriate instrument for their implementation. At least one-third of the governing body and of the control body, if autonomous, shall be made up of members of the less represented gender. Companies take measures to promote equal treatment and equal opportunities between genders within the entire company organisation and monitor the actual implementation of such measures.</p>	√			<p>Paragraph 4.3 "Composition (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"</p> <p>Paragraph 11.2 "Composition and operation (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"</p>
<p>9. All members of the control body meet the independence requirements set out in Recommendation 7 for directors. The assessment of independence is carried out, with the time frame and in the manner provided for in Recommendation 6, by the governing body or the control body, based on the information provided by each member of the control body.</p>	√			<p>Paragraph 11.2 "Composition and operation (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"</p>
<p>10. The outcome of the independence assessments of the directors and members of the control body, as referred to in Recommendations 6 and 9, is disclosed to the market immediately after the appointment by means of a special announcement and, subsequently, in the Corporate Governance Report; the criteria used for assessing the materiality of the relationships under review are indicated on such occasions and, if a director or member of the control body has been deemed independent despite the occurrence of any of the situations indicated in Recommendation 7, a clear and reasoned justification for this choice is provided in relation to the position and individual characteristics of the person assessed.</p>	√			<p>Paragraph 4.7 "Independent Directors and Lead Independent Directors"</p> <p>Paragraph 11.2 "Composition and operation (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)"</p>
<p>Article 3 - Functioning of the governing body and chairman's role Principles IX. The governing body defines the rules and procedures for its own functioning, in particular in order to ensure an effective management of board reporting.</p>	√			<p>Paragraph 4.4 "Operation of the Board Of Directors (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)"</p>
<p>X. The chairman of the governing body plays a liaison role between the executive and non-executive directors and ensures the effective functioning of the governing body.</p>	√			<p>Paragraph 4.5 "Role of the Chairman of the Board of Directors"</p>
<p>XI. The governing body ensures an appropriate internal division of its functions and establishes board committees with advisory functions.</p>	√			<p>Paragraph 6 "Committees within the Board (pursuant to Art. 123-bis paragraph 2, letter d), TUF)"</p>
<p>XII. Each director ensures adequate time availability for the diligent performance of his/her duties.</p>	√			<p>Paragraph 4.4 "Operation of the Board Of Directors (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)"</p>
<p>Recommendations 11. The governing body adopts regulations defining the rules of operation of the body itself and its committees, including the procedures for taking minutes of meetings and the procedures for managing information to the directors. These procedures identify deadlines for the information to be sent in advance and manners for ensuring the confidentiality of the data and information provided in a way that does not prejudice the timeliness and completeness of information flows. The report on corporate governance provides adequate information on the main contents of the governing body's regulations and on compliance with procedures relating to the timeliness and adequacy of information provided to the directors.</p>	√			<p>Paragraph 6 "Committees within the Board (pursuant to Art. 123-bis paragraph 2, letter d), TUF)"</p>
<p>12. The chairman of the governing body, assisted by the secretary of said body ensures: a) that appropriate information is provided prior to board meetings, as well as additional information during board meetings, to</p>	√			<p>Paragraph 4.5 "Role of the Chairman of the Board of Directors"</p>

<p>enable the directors to act in an informed manner in performing their role;</p> <p>b) that the work of board committees with advisory functions is coordinated with the work of the governing body;</p> <p>c) in agreement with the Chief Executive Officer, that the managers of the company and of the group companies, responsible for the corporate functions relevant to the subject matter, attend board meetings, also at the request of individual directors, in order to provide appropriate further information on items on the agenda;</p> <p>d) that all members of the governing and control bodies, after their appointment and during their term of office, take part in initiatives aimed at providing them with an adequate knowledge of the sectors of activity in which the company operates, of corporate dynamics and their outlook, also with a view to the company's sustainable success, of the principles of correct risk management, as well as of the regulatory and corporate governance framework;</p> <p>e) the adequacy and transparency of the board's self-assessment process, with the support of the nomination committee.</p>				
<p>13. The governing body appoints an independent director as lead independent director:</p> <p>a) if the chairman of the governing body is the chief executive officer or holds significant management powers;</p> <p>b) if the chairman's office is held by the person who controls the company, including through common control;</p>	√			Paragraph 4.7 "Independent Directors and Lead Independent Directors"
<p>c) in large companies, even if the conditions set out in (a) and (b) are not met, if a majority of the independent directors so request.</p>			√	
<p>14. The lead independent director:</p> <p>a) represents a point of reference for, and coordinates the requests and contributions of non-executive directors and, in particular, of independent directors;</p> <p>b) coordinates meetings held solely by independent directors.</p>	√			Paragraph 4.7 "Independent Directors and Lead Independent Directors"
<p>15. In large companies, the governing body issues guidelines as to the maximum number of positions held as director or statutory auditor in other listed or large companies that may be considered compatible with the effective performance of the office of director in the company, taking into account the commitment resulting from the position held.</p>			√	Paragraph 4.3 "Composition (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis, TUF)"
<p>16. The governing body establishes internal committees with advisory functions in the areas of appointments, remuneration and control and risk. The functions that the Code assigns to committees may be distributed differently or merged into a single committee, provided that adequate information is provided on the tasks and activities performed for each of the functions assigned and the Code's recommendations for the composition of the relevant committees are complied with.</p> <p>The functions of one or more committees may be assigned to the entire governing body, under the coordination of the chairman, provided that:</p> <p>a) the independent directors represent at least half of the governing body;</p> <p>b) the governing body devotes adequate space in its meetings to performing the functions typically attributed to these committees.</p> <p>If the functions of the remuneration committee are reserved for the governing body, the last sentence of Recommendation 26 applies. Companies other than large ones may assign the functions of the control and risk committee to the governing body, even if the condition mentioned in (a) above is not met.</p>	√			Paragraph 6.0 "Committees within the Board (pursuant to Art. 123-bis paragraph 2, letter d), TUF)"
<p>Companies with concentrated ownership, including large ones, may assign the functions of the control and risk committee to the governing body, even if the condition mentioned in (a) above is not met.</p>			√	
<p>17. The governing body defines the committees' tasks and determines their composition, giving priority to the expertise and experience of</p>	√			Paragraph 6.0 "Committees within the Board (pursuant to Art.

<p>their members and avoiding, in large companies, an excessive concentration of tasks in that area.</p> <p>Each committee is coordinated by a chairperson who informs the governing body of its activities at the first possible meeting.</p> <p>The committee's chairman may invite the chairman of the governing body, the chief executive officer, the other directors and, informing the chief executive officer, the representatives of the corporate functions with relevant expertise, to individual meetings; the meetings of each committee may be attended by members of the control body.</p> <p>The committees can access and consult the corporate information and departments necessary to carry out their duties, have access to the necessary resources and also use external consultants within the terms set by the governing body.</p>				<p>123-bis paragraph 2, letter d), TUF)</p> <p>Paragraph 7.2 "Appointment Proposal and Remuneration Committee"</p> <p>Paragraph 8.2 "Appointment Proposal and Remuneration Committee"</p> <p>Paragraph 9.2 "Risk and Sustainability Committee"</p>
<p>18. On the proposal of the chairman, the governing body decides on the appointment and dismissal of the secretary of the body and defines his professional requirements and powers in its regulations. The Secretary assists the chairperson in his/her activities and provides impartial assistance and advice to the governing body on all matters relevant to the proper functioning of the corporate governance system.</p>	√			<p>Paragraph 4.5 "Role of the Chairman of the Board of Directors"</p>
<p>Article 4 - Appointment of directors and self-assessment of the governing body Principles</p> <p>XIII. The governing body ensures, to the extent of its responsibilities, that the appointment and succession of directors is transparent and functional to achieving an optimal composition of the body according to the principles set out in Art. 2.</p>	√			<p>Paragraph 7.1 "Self-assessment and succession of directors"</p>
<p>XIV. The governing body periodically assesses the effectiveness of its activities and the contribution made by its individual members, through formalised procedures whose implementation it oversees.</p>	√			<p>Paragraph 7.1 "Self-assessment and succession of directors"</p>
<p>Recommendations</p> <p>19. The governing body entrusts the nomination committee with the task of assisting it in the following activities:</p> <ol style="list-style-type: none"> self-assessment of the governing body and its committees; definition of the optimal composition of the governing body and its committees; identification of candidates for the office of director in the event of co-optation; possible submission of a list by the outgoing body to be implemented in a manner that ensures its transparent formation and submission; preparation, updating and implementation of any succession plan for the chief executive officer and other executive directors. 	√			<p>Paragraph 7.2 "Appointment Proposal and Remuneration Committee"</p>
<p>20. The majority of the nomination committee is made up of independent directors.</p>	√			<p>Paragraph 7.2 "Appointment Proposal and Remuneration Committee"</p>
<p>21. The self-assessment focuses on the size, composition and actual functioning of the governing body and its committees, also considering its role in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.</p>	√			<p>Paragraph 7.1 "Self-assessment and succession of directors"</p>
<p>22. The self-assessment is carried out at least every three years, in view of the renewal of the governing body.</p> <p>In large companies other than those with concentrated ownership, the self-assessment is conducted annually and may also be carried out in a differentiated manner during the body's term of office, assessing the advisability of assistance by an independent consultant at least every three years.</p>	√			<p>Paragraph 7.1 "Self-assessment and succession of directors"</p>
<p>23. In companies other than those with concentrated ownership the governing body:</p>				<p>Paragraph 4.3</p>

<p>- in view of each renewal, issues guidelines on its optimal quantitative and qualitative composition, taking into account the results of the self-assessment;</p> <p>- requires those who submit a list containing a number of candidates exceeding half of the members to be elected to provide adequate information, in the documentation submitted for filing the list, on the conformity of the list with the guidelines issued by the governing body, also with regard to the diversity criteria set forth in Principle VII and Recommendation 8, and to indicate their candidate for the office of chairman of the governing body, whose appointment is made according to the procedures set forth in the articles of association.</p> <p>The guidelines issued by the outgoing governing body is published on the company's website well in advance of the publication of the notice of shareholders' meeting convened for its renewal. The guidelines identify the managerial and professional profiles and skills deemed necessary, also in light of company's sectoral characteristics, considering the diversity criteria set out in Principle VII and Recommendation 8 and the guidelines on the maximum number of positions in application of Recommendation 15.</p>			√	<p>“Composition (pursuant to Art. 123-bis, paragraph 2, letter d) and d-bis), TUF)”</p>
<p>24. In large companies, the governing body:</p> <p>- with the support of the nomination committee, defines a plan for the succession of the chief executive officer and the executive directors that at least identifies the procedures to be followed in the event of early termination of office;</p> <p>- makes sure that there are adequate procedures in place for the succession of top management.</p>			√	<p>Paragraph 7.1 “Self-assessment and succession of directors”</p>
<p>Article 5 - Remuneration Principles XV. The policy for the remuneration of directors, members of the control body and the top management is functional to the pursuit of the company's sustainable success and takes into account the need to have, retain and motivate people with the expertise and professionalism required by their roles in the company.</p>	√			<p>Section I, letter j), of the Report on Immsi's Remuneration Policy and Remuneration Payments</p>
<p>XVI. The remuneration policy is drawn up by the governing body through a transparent procedure.</p>	√			<p>Section I, letters a) and b), of the Report on Immsi's Remuneration Policy and Remuneration Payments</p>
<p>XVII. The governing body ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, in light of the results achieved and other circumstances relevant to its implementation.</p>	√			<p>Section I, letter a), of the Report on Immsi's Remuneration Policy and Remuneration Payments</p>
<p>Recommendations 25. The governing body entrusts the remuneration committee with the task of:</p> <p>a) assisting it in drafting the remuneration policy;</p> <p>b) submitting proposals or giving opinions on the remuneration of executive directors and other directors holding special offices, and on setting performance objectives related to the variable component of the remuneration;</p> <p>c) monitoring the actual adoption of the remuneration policy and verifying, in particular, the actual achievement of the performance objectives;</p> <p>d) periodically assessing the adequacy and overall consistency of the policy for the remuneration of directors and top management.</p>	√			<p>Paragraph 8.2 “Appointment Proposal and Remuneration Committee”</p>
<p>To ensure that its corporate officers have adequate expertise and professionalism, the company defines the remuneration of directors, both executive and non-executive, and of the members of the control body by taking into account the remuneration practices prevailing in the reference industries and for companies of similar size, also considering comparable foreign experiences and making use of an independent consultant, if necessary.</p>		√		<p>Section I, letter p), of the Report on Immsi's Remuneration Policy and Remuneration Payments The Company did not use remuneration</p>

				policies of other companies as a reference.
26. The remuneration committee is composed of non-executive directors only, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies, to be assessed by the governing body at the time of appointment. No director takes part in remuneration committee meetings at which proposals are submitted concerning his or her remuneration.	√			Paragraph 8.2 “Appointment Proposal and Remuneration Committee” Section I, letter b), of the Report on Immsi's Remuneration Policy and Remuneration Payments
27. The policy for the remuneration of executive directors and top management defines: a) a balance between the fixed component and the variable component that is appropriate and consistent with the company's strategic objectives and risk management policy, taking into account the characteristics of the company's business and the sector in which it operates, ensuring in any case that the variable component accounts for a significant part of the overall remuneration; b) maximum limits on the disbursement of variable components; c) performance targets that are predetermined, measurable and linked in significant part to a long-term horizon and to which the payment of the variable components is linked. They are consistent with the company's strategic objectives and are designed to promote its sustainable success, including, where relevant, non-financial parameters; d) an adequate deferral period – with respect to the time of vesting – for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity and the related risk profiles; e) contractual arrangements permitting the company to demand repayment, in whole or in part, of the variable components of the remuneration that was paid (or to withhold amounts subject to deferral) on the basis of data that later proved to be manifestly erroneous and other circumstances that may be identified by the company; f) clear and pre-determined rules for the payment of severance pay, which define the maximum total sum payable by linking it to a certain amount or a certain number of years of remuneration. This indemnity is not paid if the employment comes to an end due to objectively inadequate results.	√			Section I, letters e), f), k), l) and m), of the Report on Immsi's Remuneration Policy and Remuneration Payments
28. Share-based remuneration plans for executive directors and <i>top management</i> incentivise alignment with shareholder interests over a long-term horizon, with a predominant part of the plan having an overall vesting period and retention period of at least five years.			√	Section II, page 15, of the Report on Immsi's Remuneration Policy and Remuneration Payments There are no share-based incentive plans for executive, non-executive and other Key Management Personnel.
29. The policy for the remuneration of non-executive directors provides for remuneration commensurate with the expertise, professionalism and commitment required by the tasks assigned to them within the governing body and its committees; this remuneration is not linked, except for an insignificant part, to financial performance targets.	√			Section I, letter f), of the Report on Immsi's Remuneration Policy and Remuneration Payments
30. The remuneration of members of the control body provides for remuneration commensurate with the expertise, professionalism and commitment required by the importance of the role covered and the size and sectoral characteristics of the company and its situation.	√			Section I, letter f), of the Report on Immsi's Remuneration Policy and Remuneration Payments
31. When the term of office and/or the service agreement with an executive director or general manager comes to an end, the	√			

<p>governing body issues a press release at the end of the internal processes leading to the allocation or payment of any indemnity and/or other benefits, disclosing to the market detailed information on:</p> <ul style="list-style-type: none"> a) the allocation or payment of indemnities and/or other benefits, the circumstances justifying their vesting (e.g. due to expiry of the term of office, removal from office or settlement agreement) and the resolution procedures followed within the company for such purpose; b) the total amount of the indemnity and/or other benefits, their components (including non-monetary benefits, retention of rights connected to incentive plans, consideration for non-competition undertakings or any other remuneration awarded for any reason and in any form) and the timing of their payment (distinguishing the portion paid immediately from that subject to deferral mechanisms); c) the application of any clawback or malus clauses; d) compliance of the elements in a), b) and c) above with the remuneration policy, with a clear indication of the reasons and resolution procedures followed in the event of deviation, even partial, from the policy; e) information on the procedures that have been or will be followed to replace the departing executive director or general manager. 				<p>Section I, letter m), of the Report on Immsi's Remuneration Policy and Remuneration Payments</p> <p>The Remuneration Policy does not envisage the signing of agreements with Directors and Key Managers regulating <i>ex-ante</i> the payment of indemnities and/or the granting or maintenance of other benefits (monetary and non-monetary) in the event of termination of office or relating to the early termination of employment at the initiative of the Company or the person concerned.</p>
<p>Article 6 - Internal control and risk management system Principles XVIII. The internal control and risk management system comprises rules, procedures and organisational structures designed to identify, measure, manage and monitor the main risks, in order to contribute to the company's sustainable success.</p>	√			<p>Paragraph 9 "Internal Control and Risk Management System - Risk and Sustainability Committee"</p>
<p>XIX. The governing body defines the guidelines of the internal control and risk management system in line with the company's strategies and assesses its adequacy and effectiveness annually.</p>	√			<p>Paragraph 9 "Internal Control and Risk Management System - Risk and Sustainability Committee"</p>
<p>XX. The governing body defines the principles concerning the coordination and information flows between the various parties involved in the internal control and risk management system in order to maximise the system efficiency, reduce duplication of activities and ensure effective performance of the tasks of the control body.</p>	√			<p>Paragraph 9.7 "Coordination between persons involved in the internal control and risk management system"</p>
<p>Recommendations 32. The organisation of the internal control and risk management system involves, each within their respective responsibilities:</p> <ul style="list-style-type: none"> a) the governing body, which plays a role in guiding and assessing the adequacy of the system; b) The Chief Executive Officer, who is responsible for establishing and maintaining the internal control and risk management system; c) the internal control and risk management committee, established within the governing body, with the task of supporting the governing body's assessments and decisions on the internal control and risk management system and the approval of periodic financial and non-financial reports. In companies adopting the 'one-tier' or 'two-tier' corporate model, the functions of the internal control and risk management committee may be assigned to the control body; d) the head of the Internal Audit Department, in charge of verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the governing body; e) the other corporate functions involved in controls (such as risk management and legal and non-compliance risk control functions), structured according to the size, sector, complexity and risk profile of the company; 	√			<p>Annex 1: Section on the "Main characteristics of risk management and internal controls systems established in relation to the financial disclosure process," pursuant to Art. 123-bis, paragraph 2, letter b), TUF</p> <p>Paragraph 9 "Internal Control and Risk Management System - Risk and Sustainability Committee"</p>

<p>f) the control body, which monitors the effectiveness of the internal control and risk management system.</p>				
<p>33. The governing body, with the support of the internal control and risk committee:</p> <p>a) defines the guidelines of the internal control and risk management system, in line with the Company's strategies, and assesses, at least once a year, its adequacy in relation to the characteristics of the company and the risk profile undertaken, as well as its effectiveness;</p> <p>b) appoints and removes from office the Head of the Internal Audit Department, defining his/her remuneration in line with the company's policies, and ensuring that he/she is provided with adequate resources to carry out his/her tasks. If it decides to entrust the Internal Audit Department, as a whole or by segments of operations, to an entity external to the company, it ensures that the entity satisfies adequate professionalism, independence and organisation requirements and provides adequate justification for this choice in the Corporate Governance Report;</p> <p>c) approves, at least once a year, the work plan prepared by the Head of the Internal Audit Department, having consulted the control body and the chief executive officer;</p> <p>d) assesses whether measures should be taken to ensure the effectiveness and impartial judgement of the other corporate functions mentioned in Recommendation 32, Letter e), verifying that they have adequate professional skills and resources;</p> <p>e) assigns the supervisory functions envisaged in Art. 6, paragraph 1, Letter b) of Legislative Decree No. 231/2001 to the control body or to an ad hoc body. If the selected body is not the control body, the governing body assess whether it is appropriate to appoint to the body at least one non-executive director and/or a member of the control body and/or holder of corporate legal or control functions, in order to ensure coordination between the various persons involved in the internal control and risk management system;</p> <p>f) assesses, after consulting with the control body, the results presented by the independent auditor in any letter of findings and in the additional report addressed to the control body;</p> <p>g) describes, in the corporate governance report, the main features of the internal control and risk management system and the methods of coordination between the subjects involved, indicating the models and applicable national and international best practices, expressing its overall assessment on its adequacy and being accountable for the choices made regarding the composition of the supervisory board referred to in e) above.</p>	√			<p>Paragraph 9 “Internal Control and Risk Management System - Risk and Sustainability Committee”</p>
<p>34. The chief executive officer:</p> <p>a) oversees the identification of the main corporate risks, taking into account the characteristics of the company's and its subsidiaries' business activities, and periodically submits them to the governing body for examination;</p> <p>b) implements the guidelines defined by the governing body, taking care of the design, implementation and management of the internal control and risk management system, constantly checking its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legal and regulatory framework;</p> <p>c) may appoint the Internal Audit Department to perform verifications on specific areas of operation and on compliance with internal rules and procedures in the execution of corporate operations, giving concurrent communication to the chairman of the governing body, the chairman of the internal control and risk management committee and the chairman of the control body;</p> <p>d) reports promptly to the internal control and risk management committee on problems and critical issues that have arisen in the course of his/her work or of which he/she has otherwise</p>	√			<p>Paragraph 9.1 “Chief Executive Officer”</p>

become aware, so that the committee may take appropriate action.				
<p>35. The internal control and risk management committee is composed of non-executive directors only, the majority of whom are independent, and is chaired by an independent director.</p> <p>As a whole, the committee's expertise in the company's business sector is adequate to assess the relevant risks; at least one member of the committee has adequate knowledge and experience in accounting and finance or risk management.</p> <p>In assisting the governing body, the internal control and risk management committee:</p> <ul style="list-style-type: none"> a) evaluates – after consulting with the Executive in charge of financial reporting, the independent auditors and the control body – the correct use of accounting standards, and for groups, their consistency in the preparation of the Consolidated Financial Statements; b) assesses the suitability of the periodic financial and non-financial information to fairly represent the company's business model, strategies, the impact of its activities and the performance achieved, coordinating its activity with the committee, if any, envisaged in Recommendation 1, Letter a); c) examines the content of periodic non-financial information relevant to the internal control and risk management system; d) gives opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the governing body relating to the management of risks arising from harmful events of which the latter has become aware; e) examines periodic reports and reports of particular relevance prepared by the Internal Audit Department; f) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Department; g) may appoint the Internal Audit Department to audit specific operating areas, informing the chairman of the control body; h) reports to the governing body at least when the annual and interim financial statements are approved, on activities performed and on the adequacy of the internal control and risk management system. 	√			<p>Paragraph 9.2 "Risk and Sustainability Committee"</p>
<p>36. The head of the Internal Audit Department is not responsible for any operational area and reports hierarchically to the governing body. He/she has direct access to all information useful for the performance of his/her duties.</p> <p>The head of internal audit:</p> <ul style="list-style-type: none"> a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and adequacy of the internal control and risk management system, through an audit plan approved by the governing body and based on a structured process that analyses and prioritises the main risks; b) prepares periodic reporting containing adequate information on its activities, on the manner risk management is conducted, and on compliance with the plans established to reduce risks. The periodic reporting contains an assessment of the suitability of the internal control and risk management system; c) also at the request of the control body, prepares timely reports on events of special significance; d) forwards the reports referred to in points (b) and (c) to the chairmen of the control body, the internal control and risk management committee and the governing body, as well as to the chief executive officer, unless the subject of such reports specifically concerns the activities of those persons; e) verifies, as part of the audit plan, the reliability of information systems including accounting systems. 	√			<p>Paragraph 9.3 "Head of Internal Audit"</p>
<p>37. A member of the control body who has a personal interest or interest on behalf of a third party in any of the company's transactions is required to promptly and fully inform the other members of that body and the chairman of the governing body of the nature, terms, origin and scope of his/her interest.</p>	√			<p>Paragraph 11.2 "Composition and operation (pursuant to Art. 123-bis, paragraph</p>

<p>The control body and the internal control and risk management committee exchange information relevant to the performance of their respective tasks in a timely manner. The chairman of the control body, or another member designated by the chairman, participates in the work of the internal control and risk management committee.</p>				2, letter d) and d-bis), TUF)”
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