



**ANNUAL CORPORATE GOVERNANCE REPORT AND
INFORMATION ON THE OWNERSHIP STRUCTURE – 2020**
Financial year

PURSUANT TO ART. 123-*bis* OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY
1998 (“TUF” – Consolidated Financial Law).

March 2021

www.saras.it/en

Foreword

Saras SpA (“Saras” or the “Company”) adheres to the self-regulatory code approved by the *Corporate Governance* Committee promoted, among others, by Borsa Italiana SpA in 2006 and subsequently amended and updated, most recently in July 2018 (the “Corporate Governance Code” or “Code”).

In January 2020, the aforementioned *Corporate Governance* Committee approved a new *corporate governance* code (the “New Corporate Governance Code”) which provides, inter alia, that companies that adopt the New *Corporate Governance Code* “*apply it starting from the first financial year that starts after 31 December 2020, informing the market in the report on corporate governance to be published in 2022*”.

In this regard, it is hereby specified that although the system of corporate governance rules adopted by Saras is already substantially in line with the principles of the New Corporate Governance Code, during the current year the Company will consider, what changes, if any, need to be made to its corporate practices according to the guidelines that inspired the revision of the Code and which will be disclosed to the market in the report on corporate governance that will be published in 2022.

The Code, as well as the New Corporate Governance Code, is accessible to the public on the Borsa Italiana SpA website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.en.htm>.

Saras is aware that an efficient corporate governance system is one of the essential elements for achieving the objectives of creating sustainable value.

The sections below describe - according to the “*comply or explain*” principle, which is the foundation of the Corporate Governance Code - the main features of Saras’ *corporate governance* system and the operation of its various components, especially as regards compliance with the recommendations contained in the Corporate Governance Code.

This report has been prepared in accordance with Article 123-*bis*, first paragraph of Legislative Decree no. 58 of 24 February 1998, as subsequently amended (“TUF” – Consolidated Financial Law).

This report was approved by the Board of Directors of Saras (“Board”) at the meeting on 30 March 2021, to be made available to shareholders, also by means of publication on the Company website (<https://www.saras.it/en>), in view of the meeting called to approve the financial statements for the financial year ended on 31 December 2020. The report refers to the 2020 financial year and, where relevant, also to corporate events occurring in 2021 until its approval date.

Saras does not fall under the definition of SME pursuant to Article 1, paragraph 1, letter w-quater.1), of the TUF and Article 2-ter of the Consob Issuers' Regulation.

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SECTION I

1. Ownership Structure

The Company's subscribed and paid-up share capital comprises 951,000,000 ordinary registered shares, fully paid up, with voting rights at both ordinary and extraordinary shareholders' meetings.

Based on the findings in the shareholders' register and public information or information available to the Company on the publication date of this report, there are no parties whose Company share capital ownership exceeds 1%¹, except (i) Massimo Moratti S.a.p.A. di Massimo Moratti, which owns a 20.011% stake in the Company's share capital (ii) STELLA HOLDING S.p.A.², which owns a 10.005% stake in the Company's share capital, (iii) ANGEL CAPITAL MANAGEMENT S.p.A., which owns a 10.005% stake in the Company's share capital, (iv) PLATINUM INVESTMENT MANAGEMENT LTD, which holds a 3.055% stake in the Company's share capital, and (v) URION HOLDINGS (MALTA) LIMITED which owns a 3.010% stake in the Company's share capital.

By virtue of the shareholders' agreement³ in force between STELLA HOLDING S.p.A., ANGEL CAPITAL MANAGEMENT S.p.A. and Massimo Moratti S.a.p.A. di Massimo Moratti, signed on 1 October 2013 (and, subsequently amended and supplemented) with regard to the shares they each own in Saras, it should be noted that the three companies exercise joint control over the issuer (also available on the website, <https://www.saras.it/en>).

The following table provides details of the above:

¹ As per Consob resolution no. 21304 of 17 March 2020, which entered into force on 18 March 2020, containing "Reduction of the initial percentage threshold of communication pursuant to Article 120, paragraph 2-bis, of Legislative Decree no. 58 of 1998 for shareholdings in the share capital of listed companies - having Italy as the member State of origin - with a high current market value and widely distributed shareholding structure".

² It should be noted that, as per the press release of 1 July 2019 published on the site www.saras.it, on 24 June 2019, a deed was stipulated for the full non-proportional spin-off of the company Mobro S.p.A. ("Mobro") in favour of the companies Angel Capital Management S.p.A. ("ACM") and Stella Holding S.p.A. ("Stella"). The aforementioned spin-off determined the winding-up of Mobro and the allocation of Saras shares already held by Mobro to ACM and Stella, which became holders of 95,152,280 and 95,152,279 Saras S.p.A. shares respectively. From 3 July 2019, the effective date of the spin-off, Stella and ACM took over Mobro's position as the sole party of the shareholders' agreement signed with Saras uninterruptedly.

³ It is noted that the key information concerning the Shareholders' Agreement was updated on 6 July 2019, more specifically the preambles and certain paragraphs, to take into account, in particular, the completion, on 3 July 2019, of the full non-proportional spin-off of the company Mobro in favour of the companies ACM and Stella.

SHAREHOLDERS	No. ORDINARY SHARES	% OF SHARE CAPITAL
STELLA HOLDING S.P.A.	95,152,279	10.005
ANGEL CAPITAL MANAGEMENT S.p.A.	95,152,280	10.005
MASSIMO MORATTI S.A.P.A. DI MASSIMO MORATTI	190,304,558	20.011
PLATINUM INVESTMENT MANAGEMENT LTD	29,049,570	3.055
URION HOLDINGS (MALTA) LIMITED	28,625,100	3.010

The company owns 9,220,216,000 treasury shares, equal to 0.97% of the share capital.

Furthermore, the following is noted:

- 1) there are no share transfer restrictions;
- 2) no shares or securities have been issued granting special control rights;
- 3) there is no specific mechanism for exercising voting rights in the case of employee share ownership;
- 4) there are no voting right restrictions;
- 5) there is a shareholders' agreement⁴ pursuant to Art. 122, paragraph 5, letters (a) and (b) of the TUF filed with the Companies' Register of Cagliari on 2 October 2013, communicated to Consob and available as an extract on the website, www.saras.it;
- 6) based on the communications received from the Company pursuant to Art. 120 of the TUF, the subjects that are, either directly or indirectly, holders of relevant shareholdings (pursuant to Art. 123-bis, paragraph 1, letter c), TUF) that exceed 1% of the share capital subscribed and paid up, are those indicated in the table attached to this Report (page 5).
- 7) the following is worth noting with regard to significant agreements entered into by Saras or its subsidiaries that could become effective, be amended or terminated in the event of a change in the Company's control:
 - the financing agreement signed on 12 February 2020, amounting to EUR 50 million;

⁴See note 3.

- the revolving credit line signed with a pool of banks on 5 February 2020 for an amount of EUR 305 million;
- the private debenture loan of € 200 million signed on 28 December 2017 for a term of 5 years;
- the loan agreement signed with a pool of banks on 23 December 2020 for EUR 350 million,

they provide for the right of withdrawal in favour of lending banks and the right for debenture holders to ask for the early repayment of the debentures held if:

(i) Messrs Massimo Moratti, Angelo Moratti, Angelomario Moratti, Gabriele Moratti, Giovanni Emanuele Moratti and their spouses, children and descendants individually or collectively, directly or indirectly (also through ANGEL CAPITAL MANAGEMENT S.p.A., STELLA HOLDING S.p.A.⁵ and Massimo Moratti S.p.A. di Massimo Moratti) (the “Shareholders”), cease to hold more than 30% of Saras’ shares with voting rights;

(ii) any person (other than a Shareholder) or group of people acting together (other than any group in which one or more Shareholders (a) represent the majority of the shares with voting rights or other interests in this group and (b) such Shareholders are owners or, either directly or indirectly, hold more than 30% of the Beneficiary’s shares with voting rights) obtains the right (both directly and indirectly) to:

- (A) appoint or remove several directors (or other equivalent offices) of Saras with respect to those that the Shareholders have the right to appoint or remove; or
- (B) exercise, together, a percentage of votes at the ordinary shareholders’ meeting of Saras, higher than the one that can be exercised by the Shareholders; or
- (C) exercise, in any case, control (as defined in Art. 93 of Legislative Decree no. 58 of 24 February 1998, as subsequently amended) over the Beneficiary.

- 8) there are no agreements between the Company and the directors providing for compensation in the event of resignation or dismissal without just cause or termination of the relationship as a result of a takeover bid;
- 9) the appointment and replacement of directors are governed by Art. 18 of the Articles of Association, published on the Company website (<https://www.saras.it/en>). Refer to the corresponding paragraphs (section II, paragraph 1.2) of this Report;
- 10) the Articles of Association may be amended by a resolution of the extraordinary shareholders’ meeting. For the valid constitution of the shareholders’ meeting, legal provisions apply and decisions relating to the amendment of the Articles of Association are taken by the extraordinary shareholders’ meeting with the majorities required by the law;

⁵ See note 2.

11) mandates to decide on share capital increases pursuant to Art. 2443 of the Italian Civil Code have not been awarded to the Board;

2. Company Organisation

The corporate organisation of Saras S.p.A. complies with the provisions of the Italian Civil Code and with other regulations specific to corporations, and in particular with those contained in the TUF, and reflects in its entirety the adoption of the recommendations of the Corporate Governance Code (as it does with those of the New Corporate Governance Code, regarding which, moreover, full information will be provided in the report on corporate governance to be published in 2022).

The Company has adopted the 'traditional' management system which comprises:

- a Board of Directors responsible for the business management, within which a Remuneration and Nomination Committee, Control and Risk Committee and Steering and Strategies Committee⁶ have been established;
- the Control and Risk Committee, to which the main functions of the Related Parties Committee were also conferred, to be carried out whenever necessary in compliance with the provisions of the relevant Procedure adopted by the Company in accordance with Article 2391-bis of the Italian Civil Code, as implemented by the Consob Regulation adopted under resolution no. 17221 of 12 March 2010; in addition, at the Board meeting on 6 February 2020, the functions of said Committee were supplemented with the functions of supervision, evaluation and monitoring regarding the sustainability profiles connected with business activities, with the result that the aforementioned Committee took the new name "Control, Risk and Sustainability Committee";
- a Board of Statutory Auditors, called, inter alia, (i) to oversee compliance with the law and the Articles of Association, as well as with management best practices when performing company activities and (ii) to also check the adequacy of the organisational structure, the internal control system and the Company's administration and accounting system; and
- a Shareholders' Meeting - whether Ordinary or Extraordinary - which is authorised to resolve, inter alia, on (i) the appointment and removal of members of the Board of Directors and the Board of Statutory Auditors and related remuneration and responsibilities, (ii) the approval of the financial statements and the allocation of profit, (iii) the purchase and sale of own shares, (iv) the amendments of the Articles of Association and (v) the issue of convertible debentures.

⁶ From 6 February 2020 "Control, Risk and Sustainability Committee" as a result of the attribution and supplementing of the same with the functions of supervision, evaluation and monitoring regarding the sustainability profiles connected with business activities.

On 28 April 2015, the audit firm EY S.p.A (“EY”) was appointed by the Shareholders' Meeting to audit its annual and consolidated financial statements for the financial years 2015-2023, and undertake the limited audit of the half-yearly reports for the same period.

Also note that, in line with the assessment made by the Company, the subsidiaries Sarlux S.r.l., Saras Ricerche e Tecnologie S.r.l., Sardeolica S.r.l. and Deposito di Arcola S.r.l. also appointed EY to audit their financial statements for the 2015-2023 financial years.

Saras also prepared the Group Sustainability Report for the year 2020, which constitutes the Consolidated Statement of Non-Financial and Diversity Information (known as the NFS), pursuant to Legislative Decree 254/2016.

This document was drafted according to the “*Global Reporting Initiative Sustainability Reporting Standards*” (GRI Standard), made available by the Global Sustainability Standards Board (GSSB), according to the “in accordance - core” option, and aims to describe, in relation to social, environmental and economic aspects, the activities carried out by the Group, the objectives set, and the performance achieved, as well as any risks associated with the non-achievement of the aforementioned objectives.

As every year, in the 2020 financial year the Group used the materiality analysis required by the GRI Standards to identify the areas of greatest interest and with greatest risks-opportunities, for the purposes of business development and the creation of sustainable value.

[The Covid-19 health emergency has accelerated processes and trends that were already underway, such as in particular the energy transition, requiring Saras too to carefully consider the need to be able to “transform itself to increase value” (as stated in the Group “Purpose”). The same health emergency also demonstrated the importance of preserving a healthy national energy and oil industry, to ensure continuity and security in the supply of electricity and fuels, essential to support the agricultural, industrial and services sectors, as well as domestic consumption and the activities of the Italian health service, so crucial in the most dramatic moments.]

[The Group has therefore determined the importance of remaining focused on the “core business” of Refining and has also prepared a Roadmap of initiatives and projects that can be implemented in the medium and long term, to align with the objectives of the *European Green Deal* and energy transition.]

The 2020 Sustainability Report of the Saras Group, available on the website <https://www.saras.it/en>, provides extensive details on these issues and is considered, also within the Board, a valuable tool that the Group shares with its stakeholders, to describe its own sustainable activity, and to represent its values and strategic objectives.

3. Compliance with the Corporate Governance Code 2018 (pursuant to Art. 123-bis, paragraph 2, letter a) of the TUF)

Saras adheres to and complies with the recommendations of the Corporate Governance Code of Borsa Italiana S.p.A. of listed companies currently in force and accessible to the public on the website of the Corporate Governance Committee at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codiceeng2018.en.pdf>.

Saras is subject to the application, as a listed company, of the recommendations of the Corporate Governance Code specifically provided for said companies. For more details, please refer to paragraph 13 of the Report.

This Report is also drafted on the basis of the format proposed by Borsa Italiana.

At the date of publication of this Report, non-Italian legal provisions which could potentially influence the Company corporate governance structure do not apply to Saras or its subsidiaries of strategic relevance.

For the sake of completeness, it should also be noted that, as mentioned in the Introduction, Saras also intends to comply with the New Corporate Governance Code, published in January 2020 (accessible to the public on the Borsa Italiana website in the section dedicated to the Corporate Governance Committee: <https://www.borsaitaliana.it/comitato-corporate-governance/homepage/homepage.en.htm>) and, in this regard, we wish to clarify that although the system of corporate governance rules adopted by Saras is already substantially in line with the principles of the New Corporate Governance Code, over the course of 2021 the Company will consider what changes, if any, it needs to make to its corporate practices according to the guidelines that inspired the revision of the Corporate Governance Code.

SECTION II

DETAILED INFORMATION ON THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

1. The Board of Directors

1.1. Role and duties of the Board of Directors

Pursuant to the law and the Articles of Association, the Company's management rests with the Board of Directors that operates and is organised in such a way as to guarantee the effective and efficient performance of its functions, since it is invested for that purpose with all the broadest management powers, apart from those that by law or the Articles are reserved to the Shareholders' Meeting. The Board of Directors plays a central role in guiding and managing the Company.

The definition of the duties of the Board of Directors takes account of the recommendations set out in Articles 1.C.1 and 1.C.3. of the Code.

In particular, the Board, in addition to the other duties and legal powers:

- may delegate its powers to the Chair and/or one of the directors and/or an executive committee pursuant to Art. 2381 of the Italian Civil Code;
- may form one or more committees and/or boards to which specific functions or part of its powers can be delegated within the legal limits, also for the purpose of adjusting the corporate governance system to the Corporate Governance Code;
- decides, having examined the proposals of the relevant committee and after consultation with the Board of Statutory Auditors, on the remuneration of managing directors and those who hold certain offices;
- examines and approves the Company's strategic, industrial and financial plans and those of the group (the "Group") it heads, periodically monitoring their implementation;
- defines the Company's corporate governance system and the Group's structure;
- defines the nature and level of risk that is compatible with the Company's strategic objectives;
- may resolve upon: (i) the merger in the cases provided for by Articles 2505 and 2505-*bis* of the Italian Civil Code; (ii) the establishment or closure of secondary offices; (iii) the indication of which directors, besides the chairman, have the power to represent the Company, (iv) the reduction of the share capital in the event of the withdrawal of a shareholder, without prejudice to the case provided for in the last paragraph of Art. 2437-*quater* of the Italian Civil Code; (v) adjustments to the Articles of Association to comply

with legal regulations; (vi) the transfer of the registered office within the national territory; (vii) the reduction in capital due to losses as stated in Art. 2446 of the Italian Civil Code;

- assesses the general performance of operations, especially taking account of information received from bodies with delegated powers, as well as periodically comparing the results achieved with those planned;
- examines and approves, in advance, the most significant transactions of Saras and of the Group, indirectly identified through the appropriate limits set on the powers conferred to the Chairman and the Chief Executive Officer;
- assesses the adequacy of the organisational, administrative and accounting structure of the Company and the Group set up by the managing directors, with particular reference to the internal control and risk management system;
- performs, at least once a year, an assessment of the functioning of the Board and its committees as well as their size and composition also taking account of the professional background, experience, including managerial, and the gender of its members, as well as their seniority in terms of office;
- expresses its guidance in relation to the maximum number of directorships and auditor posts held by its members in other listed companies, namely in financial, banking, insurance companies or large enterprises;
- appoints, after consulting the Board of Statutory Auditors, a Designated manager responsible for drafting company accounting documents choosing among the Company's executives with proven experience in accounting and finance;
- formulates proposals to be submitted to the shareholders' meeting and reports to the shareholders' meeting.

The following paragraphs provide a detailed description of the composition and functioning of the Board as well as its actual implementation of the tasks and duties listed above.

At the meeting on 30 March 2021, the Board assessed the general operating performance and the adequacy of the organisational, administrative and accounting structure of the Company and of the subsidiaries of strategic relevance, with particular reference to the internal control and risk management system.

1.2. Members or the Board of Directors

The Articles of Association state that the shareholders' meeting fixes the number of members of the Board of Directors between a minimum of three and a maximum of fifteen members.

The Articles of Association state that the Board is elected by the shareholders' meeting through a list voting mechanism to enable the list that obtained the second best result, and not in any way connected to the majority list, to choose a director.

The lists of candidates will be presented by shareholders who, alone or together with other shareholders, represent at least 2.5% (two point five per cent), or a different measure established according to legislation in force at the time, of share capital consisting of shares with voting rights at the ordinary shareholders' meeting.

The lists of candidates must be filed at the registered office no later than the 25th day prior to the date of the first call of the shareholders' meeting.

The number of members of the Board will be equal to the number of candidates (from three to fifteen) indicated in the list that obtains the most votes.

The Articles of Association state that declarations by each of the candidates, together with each list, must be filed at the registered office, attesting, under their own responsibility, to the non-existence of causes of ineligibility and incompatibility, as well as confirming compliance with the requirements of current legislation and the current Articles of Association relating to the role of Company director.

In addition to the above lists and declarations, shareholders are also invited to file the additional documentation required by Art. 144-*octies* of the Issuers' Regulations at the registered office. The names of the candidates, together with information about their background, will also be promptly published on the Company website and through the authorised storage mechanism the Company subscribes to.

In determining the composition of the Board of Directors, the Company applies the criteria of diversity, including with regard to gender, in respect of the priority objective of adequate expertise and professionalism of its members. In particular, the lists for election that present a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that a quota of candidates (rounded up) at least equal to the number prescribed by the applicable regulations governing gender balance belongs to the less-represented gender.

In addition, if that does not actually ensure a composition of the Board of Directors that conforms to the applicable regulations governing gender balance, the candidate from the less represented gender elected last in progressive order in the list that obtained the highest number of votes is replaced by the first candidate from the less-represented gender not elected from said list, according to the progressive order in which they appear. If this procedure also does not guarantee a Board of Directors that conforms to the regulations governing gender balance, the shareholders' meeting, based on a relative majority, shall make a replacement, based on the prior presentation of the applications of the persons belonging to the less-represented gender.

In fact, with regards to 2020, 4 of the 12 members of the Board of Directors are of the less-represented gender.

In order to ensure the election of at least one director from a minority group, the Company sets forth that in addition to the candidates from the list that obtained the highest number of votes (excluding the last one), the first candidate is also elected from the list that obtained the second highest number of votes and who is not connected, in any way, including indirectly,

with the shareholders who presented or voted on the list ranked first in terms of number of votes.

Should one or more vacancies occur on the Board during the financial year, Article 2386 of the Italian Civil Code shall apply. Article 18, paragraph 12 of the Articles of Association regulates the possibility of replacing a departed director and, especially if the departed director had been taken from the second list that received the most votes, the replacement will be made by nominating a person taken, in progressive order, from the same list the departed director belonged to, if still eligible and prepared to accept the role. To confirm the director co-opted by Board resolution, i.e. by nomination of another director to replace them, procedures similar to those described above are followed at the subsequent shareholders' meeting. If the co-opted director, or the director they replace, had, on the other hand, been taken from a minority list, the shareholder representing the largest percentage of the share capital present at the meeting and shareholders linked to them, even indirectly, will not be able to vote. After the vote, the elected candidate will be the candidate with the most votes. The term of the new director will expire at the same time as that of the directors in place at the time of appointment, and they will be subject to the same laws and Articles of Association that apply to the other directors.

Every time that the majority of members of the Board resign their role for any cause or reason, the entire Board shall be deemed to have resigned and a shareholders' meeting must be called without delay by the directors remaining in office to reconstitute the Board.

Saras also communicates that it has not adopted Succession Plans for executive directors.

The Board in office on 31 December 2020, appointed with the list vote by the Saras ordinary shareholders' meeting on 27 April 2018, comprised a total of 12 directors, of which 2 were executive and 10 were non-executive directors (see table *sub I*), of whom six were independent non-executive directors: Gilberto Callera, Adriana Cerretelli, Laura Fianza, Francesca Luchi, Leonardo Senni and Isabelle Harvie-Watt.

On 31 December 2020, therefore, the Board, whose term of office expires on the date of approval of the financial statements as at 31 December 2020, was comprised of the 12 members indicated below:

Massimo Moratti	Chair Member of the Steering and Strategies Committee
Dario Scaffardi	<i>Chief Executive Officer</i> General Manager Member of the Steering and Strategies Committee
Angelo Moratti	Director Chair of the Steering and Strategies Committee
Gilberto Callera	Independent Director Chair of the Remuneration and Nomination Committee Chair of the Control, Risk and Sustainability Committee ⁷ <i>Lead Independent Director</i>
Adriana Cerretelli	Independent Director Member of the Control, Risk and Sustainability Committee ⁷
Angelomario Moratti	Director Member of the Steering and Strategies Committee
Gabriele Moratti	Director Member of the Steering and Strategies Committee
Giovanni Emanuele Moratti	Director Member of the Steering and Strategies Committee
Laura Fianza	Independent Director Member of the Control, Risk and Sustainability Committee ⁷

⁷See note 6.

	Member of the Remuneration and Nomination Committee
Isabelle Harvie-Watt	Independent Director Member of the Control, Risk and Sustainability Committee ⁷
Francesca Luchi	Independent Director Member of the Remuneration Committee
Leonardo Senni	Independent Director Member of the Control, Risk and Sustainability Committee ⁷

The above table provides the relevant information on each member of the Board of Directors in office at the date of this Report. In addition, a summary of their respective professional profiles is available on the Company's website (<https://www.saras.it/en>).

For more information about the composition of the Board and the Committees, refer to the sections below, as well as the attached table *sub* 1.

Upon appointment and every year, the Board of Directors verifies, during one of its meetings, the compatibility of the assignments undertaken by the Directors in other listed companies based on the examination and discussion of the individual positions declared by the Directors themselves. All Directors accept their offices when they believe that they can devote the necessary time to the diligent performance of their duties – taking account of both the number and quality of the offices held, outside the Company, in other companies listed on regulated markets (also foreign ones), in financial, banking, insurance companies or large corporations and the commitment required by the additional work and professional activities carried out and the association offices held – and devote the necessary time to the profitable performance of their duties, as they are well aware of the responsibilities inherent in the office held.

As regards the powers granted to the Board for 2018-2020, also on the basis of the opinion expressed by the Remuneration and Nomination Committee and the Self-assessment carried out upon renewal of corporate offices (start of 2018), the Board deemed it was inappropriate to define a numerical criteria, a priori, for the maximal number of offices held in other companies, and instead it believed it was fit to express an annual evaluation on the compatibility of the offices held in other companies by the same directors, with the possibility of effectively carrying out the duties associated with the office of director of the Company and of any member of internal Committees.

The evaluation is qualitative and is based on the examination and the discussion of the offices declared by the single Directors, taking account of the following criteria:

- Relevance of the office of Director or Statutory auditor held in other companies listed on regulated markets (also foreign ones), in financial, insurance companies or large corporations;
- Professionalism and independence of opinion shown by the Directors;
- Verification of the Directors' commitment and actual and constant participation in Board and Committee meetings, as well as their involvement in the Company's various management activities, also in light of their professional commitments.

For the 2020 financial year, the Board of Directors confirmed, based on the criteria set out above, that the offices held by the Directors in other companies are compatible with the effective performance of their office.

The directors perform their duties competently and independently, pursuing the priority objective of creating sustainable value in the medium-long term. They are aware of the responsibilities inherent in the office held and, like the statutory auditors, are kept periodically informed by the competent corporate functions on the main regulatory and self-regulatory developments concerning the Company and the exercise of their functions.

Also during the 2020 financial year, *induction* initiatives were carried out aimed at providing, also with the support of top management, an illustration of the principal characteristics of the activities of Saras and the Group and (also through the work of the committees) the reference legislative and regulatory framework and the specific procedures and regulations adopted by the Company. In addition, in relation to the periodic information provided at Board meetings, in particular during the presentation of the periodic management reports to the Board, the Directors are trained and provided with relevant information so that they can gain adequate knowledge of the sector of business in which Saras operates, and of its products, of the dynamics of the company and their development, and of its organisation, risk control and management system and the reference legal framework, as well as of the main issues that may have an impact on the Group's current performance and the growth strategy in the short, medium and long term. Furthermore, the Company envisages the possibility of focusing on specific actions based on the need for an in-depth examination of issues that have arisen at meetings. With reference to application criterion 2.C.2 of the Code, it should be noted that during the 2020 financial year, and in consideration of the limitations imposed by the security measures for the containment of COVID-19 virus, the Company did not organise specific training programmes other than the periodic information on the development of the company business provided during meetings.

1.3. Board Meetings

Board meetings are also held at venues other than the Company's registered office, in Italy or in other EU countries. Board meetings are validly convened even if held by means of video conferencing and conference calling, provided that all the participants can be identified by the Chair and all attendees, that they can follow the discussion and participate in the discussion

of the topics discussed and decisions in real time, that they can receive, send and review documents, and that all of the above is recorded in the minutes.

Board meetings are convened by registered letter, telegram, fax or email sent at least five days before (or, in the case of urgency, at least twenty-four hours before) the meeting, sent to all directors and auditors.

In the 2020 financial year, the Board held 7 meetings. So far there have been 2 Board meetings in 2021, including the meeting that approved this Report. The meetings were held on a regular basis and regularly attended by the various directors as well as members of the Board of Statutory Auditors, as detailed in the attached summary table *sub-1*, to which reference should be made.

On 29 January 2021, the Company released its annual calendar of corporate events, drawn up pursuant to Art. 2.6.2, paragraph 1, letter (b) of the Regulations of the Italian stock exchange. It anticipates at least 5 meetings for 2021.

The directors and statutory auditors received the documentation and information necessary for them to express an informed opinion on the matters submitted to them with a notice period they themselves deemed reasonable and adequate. In the limited and exceptional cases in which it was not possible to transmit the documentation sufficiently in advance, complete information on the matter under examination was provided directly during the meeting, thus ensuring that the Directors could make informed decisions.

1.4. Delegations within the Board

Without prejudice to the powers of the Board summarily illustrated in par. 1.1 above, the Board, at meetings held on 6 November 2015 and on 3 May 2018, proceeded to reformulate the delegation of powers for the Company's operational management.

In particular, on 3 May 2018, the Board appointed Mr. Massimo Moratti as Chair of the Board of Directors and granted him extensive authority with consequent representation powers with respect to third parties with individual signing authority and the right to sub-delegate to implement the resolutions of the Board by proposing strategic guidelines and directives for the Company and Group companies, as well as certain ordinary operating powers. The Chair has powers of strategic guidance, direction, management and supervision of the Group's external relations and activities involving the search, exploration and assessment of possible extraordinary opportunities, as well as powers relating to funding or transactions involving shareholdings, companies, branches and relevant property.

It is noted that, also on 3 May 2018, the Board of Directors also decided to appoint Director Dario Scaffardi as *Chief Executive Officer* of the Company and to assign him extensive powers in terms of operational management. The Chief Executive Officer was also assigned the task of overseeing the operation of the internal control and risk management system. It should be noted that the *interlocking directorate* situation set out in application criterion 2.C.6. does not exist.

Executive directors also perform the duties assigned to them by the law and the Articles of Association.

The Board has finally established, in line with what is recommended by Article 1.C.1(d) of the Code, that directors with the individual powers indicated above report to the Board quarterly on the activity performed in exercising the powers delegated to them. This information activity has been regularly performed by the executive directors together with that referred to below.

1.5. Information for the Board

In accordance with Art. 2381 of the Italian Civil Code and Art. 150, paragraph 1 of the TUF, the Articles of Association state that the Board and the Board of Statutory Auditors should be informed by the bodies with delegated powers on the general performance of the Company, its outlook, any activities and operations of major economic, financial and equity importance carried out by the Company or its subsidiaries. In particular, bodies with delegated powers must report on operations in which they have an interest, on their own behalf or on behalf of third parties. The information is provided at least quarterly, during Board of Directors' meetings as well as, as regards the information provided to the Board of Statutory Auditors, by means of communication to the Chair of said Board.

With regard to the assessment by the Board of the general performance of operations, refer to the Report on Operations.

1.6. Non-executive and independent directors

At the present time, the Board has six non-executive directors who possess the independent characteristics set out in Article 3.C.1 of the Code (as well as in Articles 147-ter, paragraph 4 and 148, paragraph 3 of the TUF), namely Gilberto Callera, Adriana Cerretelli, Laura Fianza, Francesca Luchi, Leonardo Senni and Isabelle Harvie-Watt.

The number of directors who meet the independence requirements provided for by Art. 148, paragraph 3 of the TUF therefore complies with the provisions of Art. 147-ter, paragraph 4 of the TUF as amended by Legislative Decree no. 303 of 29 December 2006, in relation to boards of directors of listed issuers comprising more than seven members.

Their fulfilment of the aforementioned independence requirements, declared by each director when the lists are presented and when they accept appointment, was established by the Board of Directors on 3 May 2018, in the first meeting after their appointment, and was later assessed at the meetings held on 4 March 2019, 6 February 2020 and 23 February 2021, also based on statements and information provided by the directors concerned.

The Board of Statutory Auditors ascertained the correct application of the assessment criteria and procedures adopted by the Board of Directors for assessing the independence of directors.

As at 31 December 2020, the Board of Directors also included 4 additional directors who could be qualified as non-executive directors, namely Angelo Moratti, Angelomario Moratti, Gabriele Moratti and Giovanni Emanuele Moratti. In the light of the foregoing, the Board is currently comprised of a number of non-executive directors capable, also due to their authority, of having significant influence over Board decision-making.

1.7. Lead Independent Director and meetings of independent directors

In line with the recommendation in Article 2.C.4. of the Code, on 3 May 2018, the Board appointed (thereby confirming the appointment thereof with respect to the previous term) the independent director Gilberto Callera as *Lead Independent Director*, assigning him the task of collaborating with the Chair of the Board to ensure that directors receive complete and timely information, with the power to convene, autonomously or on the request of other directors, special meetings of independent directors or non-executive directors to discuss issues related to the functioning of the Board of Directors or the management of the Company.

With respect to the 2020 financial year and the first three months of 2021, the *Lead Independent Director* confirmed to the Board that the independent directors have verified that Board meetings were properly convened, and that they had monitored the completeness of the information provided to the directors on the items on the agenda of the various meetings, confirming that the information provided to all directors was adequate and that supporting documentation for meetings was made available to them promptly. Furthermore, with respect to the period indicated above and with reference to the Remuneration and Nomination Committee (of which three independent and non-executive directors are members) and the Control, Risk and Sustainability Committee (of which 5 of the 6 independent directors are members), the independent directors have checked that the activity of these committees was performed in a timely and satisfactory manner, in line with the tasks and responsibilities assigned to them.

Likewise, the flow and content of communications and *disclosure* to the market were considered satisfactory, both as regards the Company's website and the communications and meetings with operators.

In 2020, the independent directors have met once in the absence of the other directors, for the periodic assessment of the independence requirements.

There are no directors who qualified as independent at the date of their appointment who have lost this qualification during their term of office.

The independent and non-executive directors contribute to board and board committee discussions, bringing their specific skills and, due to their number, having a decisive influence on the decisions taken by the Board of Directors and the committees of which they are members.

1.8. Assessment of the composition of the Board and Committees

At the meeting held on 30 March 2021, in line with the recommendations of the Corporate Governance Code, the Board assessed the size, composition and operation of the Board and its internal Committees. The *Lead Independent Director*, supported by the Legal and Corporate Affairs function, coordinated the 2020 Board Evaluation carried out by sharing with the Directors a detailed questionnaire aimed at facilitating the collection of information deemed necessary for the self-assessment of the operation of the Board and its internal

Committees, with a particular focus on their professionalism, composition and operation. The assessment took account of the size and composition of the bodies concerned, and, more specifically, the professional characteristics, experience, including in management, gender of its members and seniority of office. By completing this a questionnaire, each Director could express their own evaluation, including any comments or recommendations for improvement they deemed fit, as regards the composition and operation of the Board and the Committees established by it.

The analysis of the questionnaires filled in by each Director revealed that for the 2020 financial year the Board operated properly and effectively, ensuring substantial compliance with the Corporate Governance rules and the objectives that it is designed to deliver, so as to ensure they are fit for purpose, also in light of changes due to the evolution of Saras's business and of the context in which it operates.

In addition, in line with the guidelines formulated by the *Corporate Governance*⁸ Committee, at the time of the Board Evaluation, the attention focused on the promptness, adequacy (and confidentiality) of the pre-Board information during the year was confirmed. On this occasion, the Board considered the individual and collective composition adequate in terms of size, professionalism, broad and diversified skills, diversity, and number of independent directors. The Board also expressed its appreciation for the contribution of the non-executive directors, in terms of their enrichment of Board discussions, by virtue of both their managerial experience and expertise, and of their diverse experience gained in different industrial sectors. The Board also positively assessed the contribution of the executive directors, who have ensured direct feedback from the operational reality by providing more tools for understanding the strategic and competitive scenario that is emerging in the current difficult economic environment.

The Board, in view of the constant presence at meetings of directors who hold positions in other companies and their significant contribution to the proceedings and once it has been determined that this does not negatively influence the effective performance of their roles in the Company, has not adopted general criteria about the maximum number of offices⁹ in other companies that may be considered compatible with effectively performing the role of director.

Lastly, taking account the current composition of the Board, the gender diversity provided by current regulations is adequate and can be considered useful for the Company's development. The composition of the Company's Board of Directors also complies with the recommendations of Articles 2.P.4 and 2.C.3 of the Corporate Governance Code.

In addition to the administrative, management and control bodies, the value of diversity characterises the entire company organisation, with the methods and terms reported in the NFS Report included with the Company's annual financial statements, to which reference should be made for further information. Ahead of the renewal of the corporate bodies, please also see the guidance to Saras shareholders on the optimal composition of the Board of

⁸ Also see, in this regard, chapter 13, Section II of this Report.

⁹ Also see, in this regard, the previous paragraph 1.2, chapter 1, Section II of this Report.

Directors formulated by the Board on 30 March 2021 and available for consultation on the Company's website.

In particular, and notwithstanding the approach to gender balance in the membership of the corporate bodies, on diversity issues and inclusion within the organisation of the company as a whole, and in consideration of the provisions of Art. 123-bis, paragraph 2, letter d-bis) of the TUF, the Company acknowledges that no specific policy on diversity has been adopted since, from the time Law no. 120 of 12 July 2011 came into force, valuing diversity and the principle of inclusion and gender balance have always been key elements of the Group's corporate culture, independently of the adoption of a specific policy on these issues. An example of this are the Saras Articles of Association, which in Art. 18, paragraph 4 establishes that *"Upon the election of members of the Board of Directors, in compliance with the current regulations concerning the balance between genders, one proceeds on the basis of lists of candidates (...)"* as well as the Code of Ethics of the Saras Group, which, in Art. 3.5 reaffirms that the entire Group *"abides by the principle of equal opportunities, without distinction of race, gender, nationality, political opinion, sexual orientation, social status, age or religious beliefs"*.

These principles were considered factors that underlie the medium- to long-term business sustainability, constituting a point of reference for both the employees of the Group and the members of the Saras Administration Body.

Lastly, the Board deemed adequate the flow of information ahead of meetings, and the documentation concerning company risks and controls, and expressed its satisfaction with the reporting provided to support Board meetings.

2. Board Committees

The Committees set up within the Board have preliminary, propositional and/or advisory duties in relation to the matters with respect to which the need for in-depth analysis is particularly felt, so as to guarantee that, also on these matters, there can be an effective and informed exchange of views.

The Committees are appointed by the Board of Directors and remain in office for the entire term of office of the Board itself, meeting whenever their Chair deems it appropriate, or if requested by at least one member, the Chair of the Board of Directors or the Chief Executive Officer, and in any case with a frequency that is adequate for the proper performance of their functions.

Remuneration and Nomination Committee

In accordance with the provisions in Articles 6.P.3. and 6.C.3. of the Code, the Board has established an internal Remuneration Committee, which has also been assigned, as provided for in Art. 4.C.1. (c) of the Code, the duties specific to the nomination committee referred to in Art. 5.C.1. of the Code. The minimum rules on composition, duties and operation of the Committee are laid down in the relevant Regulations, as amended on 9 August 2012 to take account of the new indications contained in the Corporate Governance Code and new duties assigned to the Committee.

In particular, with regard to remuneration, the Remuneration and Appointments Committee provides advice and makes proposals to the Board, and also plays a leading role in the preparation and verification of the operation of the incentive systems for management (including any shareholding plans), intended as tools aimed at attracting and motivating resources of adequate level and experience, developing their sense of belonging and ensuring that they constantly strive to create value over time. In particular, with regard to directors and managers with strategic responsibilities, it has the task of:

- formulating proposals to the Board of Directors for defining the remuneration policy;
- regularly assessing the adequacy, overall coherence and practical application of the remuneration policy by making use of, as regards managers with strategic responsibilities, the information provided by managing directors, formulating proposals on the following to the Board;
- performing preliminary activities and formulating proposals in relation to share-based payment arrangements.

Furthermore, the Committee submits proposals to the Board of Directors and expresses opinions on the remuneration of executive directors and other directors who hold particular offices as well as for the identification of performance objectives related to the variable component of that remuneration, monitoring the implementation of decisions adopted by the Board of Directors, and verifying, in particular, the actual achievement of performance objectives. As regards appointments, the Committee:

- formulates opinions to the Board regarding the size and composition of the Board and expresses recommendations regarding the professionals whose presence on the Board is considered suitable;
- proposes candidates to the Board for the office of director in cases of co-optation where independent directors need to be replaced;
- formulates opinions to the Board on any activities carried out by the directors in competition with those of the Company;
- carries out, at the request of the Board, the preliminary activity on the preparation of the succession plans of executive directors if the Board considers it appropriate to adopt them.

The Committee, in performing the tasks entrusted to it by the Board of Directors, may use external consultants expert in matters of remuneration policies, provided that they do not simultaneously provide the Human Resources Department, directors or managers with strategic responsibilities with services of significance such as to effectively compromise the independent judgement of said consultants.

The Remuneration and Nomination Committee's regulations state that the Committee shall comprise three non-executive directors, the majority of whom are independent, and that at least one member of the Committee should have adequate knowledge and experience of financial matters.

Currently, as a result of the appointment by the Board at the meeting on 3 May 2018, the Remuneration and Nomination Committee is comprised of the independent non-executive directors, Gilberto Callera (Chairman), Laura Fianza and Francesca Luchi.

The meetings of the Remuneration and Nomination Committee are convened by the Chair, whenever they deem it appropriate. The Committee is validly constituted when the majority of its members are present and it acts by an absolute majority of those present. The meetings of the Remuneration and Nomination Committee can be attended by anyone that the Committee deems fit, on the understanding that no director shall attend Committee meetings dealing with proposals related to their own remuneration. Minutes are taken for the Committee meetings. The Committee is awarded the powers referred to in Art. 6.C.5 of the Corporate Governance Code.

During the 2020 financial year, the Remuneration and Nomination Committee held 3 meetings, while 2 meetings have been held in 2021 up to the date of publication of this Report. All members attended all meetings, as detailed in the attached summary table *sub I*, to which reference should be made. The Chair of the Board of Statutory Auditors and/or an auditor designated by the Chair regularly participated in the meetings of the Committee. The Committee has used internal and external consultants while performing its functions.

In 2020, the Committee focused its activities on (i) the preparation of the remuneration policy guidelines and the Report, (ii) on the final balance of company results, and (iii) on the definition of performance objectives for the purposes of the variable incentive plans. Committee meetings held in the second half of 2020 and in 2021, which the Chair of the Board of Statutory Auditors also participated in, focused on assessing the adequacy, overall consistency and actual application of the Remuneration Policy adopted, on the Committee's own proposal and pursuant to the Company's Corporate Governance Code, and on the proposals for its modification, the review and analysis of the summary of the self-assessment undertaken by the Board of Directors; the Committee formulated its views in response to the Letter of the Chair of the Corporate Governance Committee of Borsa Italiana of 22 December 2020, and on adhesion to the new code of corporate governance adopted by Borsa Italiana S.p.A.; it assessed the proposal for a new closed Performance Cash Plan for the three-year period 2021-2023 ("Long Term Incentive" or "LTI"), and also reviewed the remuneration of the managers with strategic responsibilities in relation to the performance objectives to which payment of the variable short-term component is linked. Lastly, the contents of the new regulatory provisions on remuneration prescribed by the Issuers' Regulation were examined.

2.1 Control, Risk and Sustainability Committee

In accordance with the provisions of Art. 7 of the Corporate Governance Code, the Board of Directors has set up an internal Control and Risk Committee¹⁰ with the aim of providing advice and proposals to the Board.

At the meeting on 6 February 2020, the Board of Directors, notwithstanding the powers already conferred to the Steering and Strategies Committee for the definition of the guidelines and strategic directions of the Group regarding sustainability policies, attributed and

¹⁰See note 6.

supplemented the functions of the Control and Risk Committee with functions of supervision, evaluation and monitoring regarding the sustainability profiles connected with business activities, and the aforementioned Committee assumed the new name "Control, Risk and Sustainability Committee". At the subsequent meeting on 2 March 2020, the Board modified and approved the Regulation of the aforementioned Committee.

In particular, the Control, Risk and Sustainability Committee shall:

- (a) provide advice to the Board regarding (i) defining guidelines for the internal control and risk management system so that the main risks relating to the issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, (ii) determining the degree of compatibility of these risks with the company's management in line with the strategic objectives identified, (iii) assessing, at least annually, the adequacy of the internal control and risk management system with respect to the company's characteristics and the risk profile assumed, as well as its effectiveness, (iv) approving, at least annually, the work plan prepared by the head of the *internal audit* function, (v) describing the main features of the internal control and risk management system in the corporate governance report, and the arrangements for coordination between those involved, expressing its assessment of its adequacy, and (vi) assessing, after consulting the Board of Statutory Auditors, the results presented by the independent auditors in any suggestions letter and in the report on the fundamental issues arising during the audit;
- (b) assess the correct use of accounting standards and the consistency of such standards for the purposes of preparing the consolidated financial statements, in conjunction with the Designated manager responsible for drafting company accounting documents and in consultation with the independent auditors and the Board of Statutory Auditors;
- (c) express opinions on specific aspects of identifying the main company risks;
- (d) review periodic reports that assess the internal control and risk management system and reports of particular importance drafted by the *internal audit* function;
- (e) monitor the autonomy, adequacy, efficacy and efficiency of the *internal audit* function;
- (f) if it considers it advisable, ask the *internal audit* function to carry out audits on specific operating areas, simultaneously informing the Chair of the Board of Statutory auditors;
- (g) report to the Board of Directors, at least half-yearly, when approving the annual and half-yearly financial reports, on the activities performed and the adequacy of the internal control and risk management system.
- (h) support, with an adequate preliminary activity, the evaluations and decisions of the Board of Directors relating to the management of risks deriving from adverse events which the Board of Directors has gained knowledge of;
- (i) examine the implementation of the guidelines and sustainability plans and subsequent processes;

- (j) evaluate the matters of sustainability with the interaction between company activities and *stakeholders* and formulate proposals regarding environmental and social initiatives, monitoring their implementation over time;
- (k) review the sustainability reporting submitted annually to the Board of Directors, with particular reference to the general approach of the sustainability report and the structuring of its contents, as well as the completeness and transparency of the information provided in said report;
- (l) monitor the international sustainability initiatives and the Company's participation in them, aimed at consolidating the Company's reputation on the international front;
- (m) express, at the request of the Board of Directors, an opinion on other sustainability matters.

As set forth by the Committee Regulation, and on the date of publication of this Report on Corporate Governance, the Control, Risk and Sustainability Committee is composed of non-executive directors, all of whom are independent.

The Control, Risk and Sustainability Committee was also conferred the duties that pertain to the Related Parties Committee to be carried out every time it should be necessary in accordance with the provisions of the related Procedure adopted by the Company pursuant to Art. 2391-bis of the Italian Civil Code as implemented by Consob Regulation adopted by resolution no. 17221 of 12 March 2010.

The Control, Risk and Sustainability Committee is composed of:

Gilberto Callera independent director (Chair), and Adriana Cerretelli, Laura Fidanza, Isabelle Harvie-Watt and Leonardo Senni, all independent directors.

Control, Risk and Sustainability Committee meetings are convened by the Chair at least once every six months and, in any event, whenever they deem it appropriate. The Committee is validly constituted when the majority of its members are present and it acts by an absolute majority of those present.

The Board of Statutory Auditors, the Internal Audit Manager and the Internal Control, Planning and Reporting System Manager are invited to attend Committee meetings. *The Chief Executive Officer* and General Manager, the *Chief Financial Officer* (who is also the manager in charge of financial reporting) and representatives of the independent auditors also participate when topics within their sphere of competence are on the agenda. Any other person whose presence the Committee deems appropriate in relation to the matter to be discussed may also participate. Minutes are taken for the Committee meetings.

In the 2020 financial year, the Control, Risk and Sustainability Committee met 6 times.

The meetings were regularly attended by its members, as indicated in detail in the attached summary table under 1, to which reference is made, as well as members of the Board of Statutory Auditors, the Internal Audit Function Manager and the Manager of the Internal

Control, Planning and Reporting System (part of the Internal Audit Function). In the first quarter of 2021, the Committee met three times. The *Chief Executive Officer* and General Manager (who is also the director responsible for the Internal Control and Risk Management System), the *Chief Financial Officer* the manager of the Administration and Tax department, the Risk Officer and representatives of the independent auditor were also invited to attend meetings that addressed specific topics of interest.

In 2020, the Committee:

- reviewed and expressed a favourable opinion of the "2020 Programme of Internal Audit Activities" and the "2020 Audit Plan" developed by the Internal Audit Department for Saras and its Subsidiaries, subsequently approved by the Board of Directors of each company and by the Board of Directors of the Parent Company;
- assessed, based on the information received from the Designated manager responsible for drafting company accounting documents and from the independent auditor EY, together with the Designated manager and having heard the representatives of the independent auditor and the Board of Statutory Auditors, the correct application of the accounting standards and their standardisation for the purposes of drafting the consolidated financial statements and the half-yearly report for Saras and the Group;
- received periodic reporting from the *Internal Audit* Function Manager on the results of checks carried out and the implementation *status of the improvement actions* defined as a result of audits, at Saras and Group companies;
- received information on activities carried out by Supervisory Bodies of Saras and its Subsidiaries and by reference to the implementation and adjustment of the respective "*Organisation, Management and Control Models*" (see below);
- examined the half-yearly reports prepared by the *Internal Audit* Manager pertaining to activities carried out by the Internal Audit and the assessment of the internal control and risk management system;
- received information from the CEO and General Manager, the *Chief Financial Officer* and the *Risk Officer* regarding the risk management system;
- received information from the *Chief Financial Officer* on the ESG KPIs system ESG (Key Performance Indicators for Environment Social and Governance topics);
- received updates, in relation to the COVID-19 epidemic, on the measures undertaken by the Group companies for the prevention and mitigation of contagion risk and on Cybersecurity;
- received information from the *Chief Financial Officer* on financial reporting in light of Consob provision 6/20 of 9 April 2020 (COVID 19 - Drawing attention to financial reporting);

- prepared and approved, every six months, the "*Report on the Internal Control and Risk Management System*", for the Board of Directors, pertaining to the activity carried out by the Committee and containing the assessment of the adequacy of the internal control and risk management system.

In the month of February 2021, the Committee drew up the "*Report on the Internal Control and Risk Management System*", for the Board of Directors, reporting on the activity undertaken by the Committee in 2020 and on the assessment of the adequacy of the internal control and risk management system. The report was prepared based on information received from *management* and from the Half-yearly report prepared by the *Internal Audit* Function Manager on its activities and on the internal control and risk management system.

This Report was presented to the Board at its meeting on 30 March 2021

2.2.2. Related Parties Committee

In compliance with the provisions of the Procedure adopted by the Company pursuant to art. 2391-bis of the Italian Civil Code, as implemented by the Consob Regulation adopted with resolution no. 17221 of 12 March 2010, we would also inform you that during the 2020 financial year the Related Parties Committee met once and on that occasion it analysed and issued its opinion on a transaction of lesser importance concerning the revision of the terms of a loan (granted to some managers).

Steering and Strategies Committee

The Steering and Strategies Committee, composed of the directors Massimo Moratti, Angelo Moratti, Dario Scaffardi, Angelomario Moratti, Gabriele Moratti and Giovanni Emanuele Moratti, has advisory, proposal-making and support functions for the Board of Directors in specifying strategic business guidelines, including regarding finance, as well as sustainability guidelines, and is chaired by Angelo Moratti.

In the 2020 financial year, the Steering and Strategies Committee met twice.

3. Remuneration of directors and managers with strategic responsibilities

The Group's management remuneration system aims to attract, retain and motivate highly qualified profiles with the professional skills necessary to successfully manage the Company and pursue its long-term interests, to incentivise management to create value for shareholders and promote the sustainability of the Company in the medium to long term and to ensure that remuneration is linked to the results actually achieved by the Company and management. This remuneration system is therefore defined in such a way as to align the interests of the management with those of the shareholders, pursuing the priority objective of creating sustainable value in the medium-long term through an effective and verifiable link between remuneration, on the one hand, and individual and Group performance on the other.

On 10 November 2011, the Board of Directors approved, based on the proposal of the Remuneration Committee, the remuneration policy of directors and managers with strategic responsibilities pursuant to Art. 7 of the Corporate Governance Code ("General Policy").

The last amendment to the aforementioned General Policy, previously amended in the past, was resolved by the Board of Directors on 2 March 2020 in order to, inter alia, take account of the changes introduced by the new Art. 123-ter of the TUF, as amended by Legislative Decree no. 49 of 10 May 2019 in implementation of directive EU 2017/828 of the European Parliament and Council, of 17 May 2017 (Shareholder Rights Directive II) and to identify, in particular, specific sustainability objectives within the managers' variable component.

In its meeting on 30 March 2021, the Board of Directors resolved to again submit the First Section of the Report to a vote of the Shareholders' Meeting, scheduled for 12 May 2021, despite the three-year duration of the Report approved by the 2020 Shareholders' Meeting. This is being done to update the Remuneration Policy also in light of the changes made in the meantime to the Issuers' Regulation (and in particular to Annex 3A, Schedule 7-bis), which specifies a duration of one year.

For more detail on the changes made to the Policy, for information on the remuneration of the executive directors, the other directors vested with special offices, and the managers with strategic responsibilities, as well as for the information required by Art. 123-bis, paragraph 1, letter i) of the TUF, see the remuneration report published pursuant to Art. 123-ter of the TUF, as amended by Legislative Decree no. 49 of 10 May 2019 in implementation of directive EU 2017/828 of the European Parliament and Council of 17 May 2017 (Shareholder Rights Directive II).

Deviations with respect to the application criteria of Art. 6 of the Corporate Governance Code are mentioned below.

During 2020, the Committee confirmed the appropriateness of the decision to pay directors vested with special offices a fixed sum only, and to not provide for any type of incentive, bonus in shares or other variable remuneration.

In fact, the executive directors - which currently include the Chair and the Chief Executive Officer - receive the fixed remuneration determined by the Shareholders' Meeting pursuant to art. 2389 paragraph 1 of the Italian Civil Code and an additional fixed sum may be recognised, as remuneration for the special office assigned to them, determined by the Board of Directors pursuant to art. 2389 paragraph 3 of the Italian Civil Code on the proposal of the Remuneration Committee after having obtained the opinion of the Board of Statutory Auditors. In particular, to date, this additional remuneration has been envisaged for the Chair only (while the Chief Executive Officer receives only the basic remuneration determined by the Shareholders' Meeting, being remunerated in the context of his parallel and separate employment as General Manager). In fact, the executive directors currently in office are not beneficiaries of any form of variable remuneration in relation to their directorship.

In particular, insofar as the Chairman is concerned, he is the reference shareholder of Massimo Moratti S.p.A. di Massimo Morattii, a company that, by virtue of the shareholders' agreement signed on 1 October 2013 with Angel Capital Management S.p.A. and Stella

Holding S.p.A. (the beneficiaries of the demerger of MOBRO S.p.A.¹¹), as subsequently amended and supplemented, and relating to the shares each of the said companies own in Saras S.p.A., exercises joint control of the Company with the aforementioned companies. The interests of the Chair are therefore necessarily and intrinsically aligned with the pursuit of the priority objective of creating value for all shareholders of the Company. In fact, the positive or negative results achieved by them as executive directors of the Company will in most cases be reflected in the value of their majority holdings, thus generating the drive to achieve results that are more than satisfactory for Saras.

As regards the Chief Executive Officer, they are not the beneficiary of any incentive system by virtue of their directorship, but only by virtue of the distinct role of General Manager that they also hold at the same time, and in relation to which they participate in the systems incentives. We would also inform you that no remuneration has been prescribed for the role of Chief Executive Officer, since the remuneration received as General Manager was deemed adequate.

Members of the Board of Statutory Auditors are paid exclusively a fee, determined from time to time by the shareholders' meeting pursuant to Art. 2402 of the Italian Civil Code, at a fixed amount that is appropriate with respect to the responsibility, professionalism and commitment required by the relevance of the role covered and the size and sector characteristics of the company and its situation.

4. The Internal Control and Risk Management System

The Board is responsible for the internal control and risk management system, establishing the guidelines and periodically assessing their adequacy. To do this, the Board relies on the Control, Risk and Sustainability Committee (the "Committee") and the *Internal Audit* Department.

In 2020, the Control and Risk Committee reported at six monthly intervals to the Board of Directors on the activities it had carried out and, during the meetings on 28 February 2020 and 24 July 2020, expressed its opinion (in relation to the year 2019 and the first quarter of 2020) on the adequacy of the internal control and risk management system with respect to the characteristics of the enterprise and the risk profile assumed, as well as on its effectiveness, in light:

- of the updates received from the CEO (responsible for the institution and maintenance of the Internal Control and Risk Management System), the CFO and the Risk Officer on the suitability of the control and risk mitigation activities adopted by the Company, also in response to the global effects of Covid-19;
- of the information from the Internal Audit Manager, on the results of the audits conducted, the activities carried out and the evaluation of the suitability of the internal control and risk management outlined in the half-yearly report;
- of the judgment expressed by the Designated manager responsible for drafting company accounting documents, the representatives of the independent auditor, which was

¹¹See note 2.

appointed to conduct the independent audit engagement pursuant to Legislative Decree no. 39 of 27/1/2010, and by the Board of Statutory Auditors regarding the correct use of the accounting standards and their consistency for the purposes of drafting the consolidated financial statements;

- of the information received from management on the measures implemented by the Group companies for the prevention and mitigation of risks from Covid-19 (regarding health and safety at work, cybersecurity and the management and organisation of work activities in order to guarantee business continuity);
- of the information received from the management on the activities carried out and in progress to improve the internal control and risk management system.

In accordance with Art. 7.P.3 of the Code, the Board has identified among its members:

- (a) the director responsible for the Internal Control and Risk Management System¹² (Chief Executive Officer - CEO);
- (b) the Control, Risk and Sustainability Committee, having the characteristics indicated in Art. 7.P.4, with the aim of supporting, with appropriate preliminary activities, assessments and decisions of the Board of Directors concerning the Internal Control and Risk Management System.

The *Internal Audit* Function reports directly to the Board of Directors and reports on its activity to the Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Supervisory Body established pursuant to Legislative Decree 231/01. It has the specific task of verifying the operation and adequacy of the internal control and risk management system through independent and objective activities, and of assessing and improving the effectiveness of *governance*, risk management and control processes of the Company and the other companies of the Saras Group. The Company's *Internal Audit* Function Manager is Ferruccio Bellelli.

In 2019, the *Internal Audit* Manager prepared (i) periodic reports on the results of the verifications performed and (ii) half-yearly reports to provide information on its activities, on how risk management is performed and compliance with the plans defined for their containment and an assessment regarding the suitability of the internal control and risk management system.

These reports, also discussed in the Control and Risk Committee, were sent to the chairs of the Committee, of the Board of Statutory Auditors and of the Board of Directors, and to the Chief Executive Officer and, in relation to the results of the audits of the Organisation, Management and Control Model, to the Supervisory Bodies of each company.

In particular, with reference to the coordination activities and the exchange of information flows between the various parties involved in the internal control and risk management system, Saras communicates that this exchange of information flows is guaranteed in order to

¹²At the meeting on 3 May 2018, the Board identified the Chief Executive Officer as the manager in charge of the Internal control and risk management system assigning to them the duties and functions provided in the Corporate Governance Code in relation to that office.

maximise the efficiency of the system, reduce duplications of activities and ensure effective performance of the respective tasks:

- The Board of Statutory Auditors and the Manager of the Internal Audit Department are invited to attend meetings of the Control, Risk and Sustainability Committee. The Chief Executive Officer and General Manager (also as "Director responsible for the Internal Control and Risk Management System"), the Chief Financial Officer, the Risk Officer and the representatives of the independent auditor are also called to participate, at least once every six months; the Control, Risk and Sustainability Committee reports to the Board of Directors twice a year.
- The Company Supervisory Body's members include the internal audit function manager and a member of the Board of Statutory Auditors; it reports to the Board of Directors on its activities in half-yearly reports, sends to the members of the Board of Statutory Auditors the reports and documentation examined and discussed at its meetings, and takes part, through its delegates, in the meetings of the Board of Statutory Auditors;
- The Internal Audit Manager is also the Risk Officer, which helps to further focus the activities of the Internal Audit Department on a risk-based approach; in addition to taking part in all the meetings of the Control, Risk and Sustainability Committee, this manager is invited to the meetings of the Board of Statutory Auditors; they have periodic meetings with representatives of the independent auditor. They form part of the Company's Supervisory Body and report at the Control, Risk and Sustainability Committee also on the updating of the Organisational, Management and Control Model and the activities aimed at verifying its implementation.

The *Internal Audit* function has monitored, with the functions concerned, the implementation/progress status of the improvement actions agreed with said functions during the audits, through the use of an IT platform which allows each manager (or their delegate) to access the database of actions within their competence, updating their implementation status or proposing their closure following implementation; the Internal Audit function also sends, on a monthly basis, to each Line manager a *follow-up report* of the actions within their competence of the reference area. The implementation status of the improvement actions has been the subject of periodic *reporting* to the Committee and, as far as falling within the scope of their responsibility, to the Supervisory Bodies of each company.

In line with the provisions of the Corporate Governance Code and *best practices* for the sector, at the proposal of the Committee, the Board approved a document containing the guidelines of the internal control and risk management system. On the basis of this document, the "*Internal Control and Risk Management System*" Guidelines were drawn up, which define the phases of design, implementation, monitoring and updating of the system over time, using the "CoSO Report" as the reference framework, and describe, inter alia, the model of reference, the sub-processes and the activities necessary for the implementation of the internal control and risk management system in the companies of the Saras Group, in order for the management of the company to be sound, correct and consistent with the established objectives, through an adequate process for identifying, measuring and monitoring the main risks.

The policy followed by the Company in relation to the management and monitoring of the main corporate risks concerning, in particular, strategic risks, *compliance* risks, financial risks, liquidity risks, credit risks, IT risks and operational risks is based on the identification, assessment and management of the main risks associated with the Group's objectives, with reference to strategic, financial and operational areas. The management policy followed by Saras requires the main risks to be reported and discussed by the Group's senior management, in relation to their management as well as the assessment of the acceptable residual risk. Risk management is based on the principle whereby risk is managed by the person in charge of the related process, based on the indications of senior management, while the control function measures and controls the level of exposure to risks and the results of actions to reduce such risk.

With particular reference to the financial disclosure process, the risk management and internal control system is targeted at ensuring the reliability, accuracy and promptness of financial disclosure. Therefore, the processes which are significant for the purposes of the drafting of the financial disclosure documents, the main risks and controls in place to prevent/mitigate said risks have been identified. Tests on the key controls identified in the appropriate "Risk and Control matrix" are then carried out periodically, in order to verify their effective implementation and correct design.

In addition, as set forth in regulation 262/2005 and the Regulation of the manager responsible for drafting the company accounting documents adopted by the Company, the "Financial Statements and 262 Compliance" department, part of the group's broader administrative division, collects the certifications of the adequacy of the design process and of the correct implementation of the controls required by the company regulatory documents from the administrative process *Control owners* and *Process owners* every six months. On a half-yearly basis, the Designated manager responsible for drafting company accounting documents informs the Board of Directors, through an appropriate report, of the activities carried out regarding the internal control and risk management system of the financial disclosure process.

The Company has also identified a complete picture of the significant risks facing the Group (*Corporate Risk Profile*) and has identified the Risk Officer, who reports to the Chief Executive Officer and General Manager, who is responsible for overseeing all the activities aimed at monitoring and updating the "*Corporate Risk Profile*", periodically collecting the information on risk identification, assessment and management made available by each risk owner, and at the same time formalising the appropriate reporting.

During 2020, the assessments of the risk portfolio made by the risk owners took account of the direct and indirect effects of the pandemic event and the complex scenario that emerged during the year, and consequently evaluated not only the impacts but also the suitability of the risk management measures adopted by the Company.

The management confirmed that the pandemic and the related health crisis also led to significant changes in the context *assumptions* for Saras too, and, in particular, for the refining sector, which had a significant impact on the Company's *economics*. This context also impacted the Group's Corporate Risk Profile (which includes a total portfolio of 92 risks) with an increase in the assessment, in terms of probability and impact, of 13 risk events (of which 10 top risks, i.e. with a medium or medium-high rating) and with the introduction of two new

risks: “biological/pandemic risk” and risk linked to an inadequate formalisation and management of the “Crisis Management Model”.

The in-depth analysis with the *risk owners* also revealed that the controls put in place for the management and mitigation of risks were substantially adequate and resilient, including when faced with the global effects of Covid-19; in fact, out of 44 Covid-related risks (i.e. risks potentially impacted by the new scenario in terms of risk assessment and changed reference operating context), only 12 risks saw the introduction of new and/or extraordinary mitigation actions.

The results of the annual monitoring of *risk assessment* were shared with the senior management of each company, for those issues within their sphere of activity, and with the CEO. They were also presented to the Control and Risk Committee.

Ferruccio Bellelli was appointed *Risk Officer* on 30 June 2016, while also continuing to hold the office of Internal Audit Manager.

As evidenced, also in the Control and Risk Committee, the role of the *Risk Officer* as a collector of information on the main business risks does not include any operating responsibility for the defining of tools for risk management, or for their implementation; this role therefore allows the Internal Audit Manager to focus more on Internal Audit activities with a *risk-based* approach without compromising their organisational independence.

The results of the half-yearly monitoring of the main risks were also used by the Internal Audit Manager to define the audits included in the 2021 Audit Plan, which, after the opinion of the Control and Risk Committee had been obtained, was submitted to the approval of the Board of Directors of Saras and, for the audits pertinent to the subsidiaries, to their Boards of Directors.

The Code of Ethics¹³ of the Saras Group is a fundamental element of the internal control system; it contains the values, principles and behavioural rules that Saras and its subsidiaries must follow to carry out their business activities.

The internal control system described above was further strengthened by the adoption of the organisation, management and control model of Saras (the "Model"), approved by the Board of Directors on 11 January 2006 and updated on several occasions in implementing the rules relating to the "Regulations governing the administrative liability of companies" pursuant to Legislative Decree no. 231/2001, in order to arrange a management and control system intended to prevent the risk of committing offences referred to the same Legislative Decree no. 231/2001.

The Saras Model was drawn up in compliance with the guidelines formulated by Confindustria and consists of a "general part" (which describes, inter alia, the objectives and functioning of the Model, the tasks of the internal control body called on to supervise its operation and compliance, and the sanctions scheme) and "special parts", concerning the various types of offences mentioned in Legislative Decree no. 231/2001.

The special parts have been prepared relating to the following offences:

¹³This can be obtained from the *link*: <http://www.saras.it/en/governance/documents-and-procedures/laws-and-company-articles>

- offences against public authorities;
- corporate and corruption offences between private individuals;
- offences with the purpose of terrorism or to subvert the democratic order and offences against public trust;
- manslaughter and serious or very serious bodily harm offences committed in breach of health and safety at work regulations;
- market abuse offences (abuse of insider information and market manipulation);
- cyber crime and illegal data processing;
- environmental crime;
- offences involving receiving stolen goods, money laundering and self-laundering;
- organised crime offences and transnational offences;
- induction not to make statements or to make false statements to the judicial authorities;
- crimes against the fundamental rights of freedom;
- employment of third country individuals with irregular permits of stay
- crimes against industry and commerce.

The last update, carried out on 14 May 2020, concerned the inclusion of new “Special Parts” with the integration of the following offences not yet explicitly and formally envisaged in the Model itself:

- organised crime offences;
- transnational offences;
- induction not to make statements or to make false statements to the judicial authorities;
- crimes against industry and trade;
- crimes against the fundamental rights of freedom;
- employment of third country individuals with irregular permits of stay.

In 2020, analyses were also carried out aimed at updating the Model to add tax offences, introduced in Legislative Decree 231/01 by Decree-Law 124/2019 (converted into Law on 24 December 2019) and smuggling offenses, introduced by Legislative Decree no. 75 of 14 July 2020, in implementation of Directive (EU) 2017/1371, with entry into force on 30 July 2020. Following this analysis, a proposal to revise the Model will be prepared within the first half of 2021, with the updating of the General Part and the preparation of the new Special Parts, and this will be submitted to the assessment of the Supervisory Body and subsequently to the Board of Directors for approval.

By implementing the Model, guidelines and procedures have been updated and issued over time, including:

- Compliance Guidelines - Internal regulations to manage insider information and establish a register of people who have access to it
- Code of Conduct for *Internal Dealing*
- Procedures for transactions with related parties
- Guidelines on relations with Public Authorities
- Guidelines on managing extraordinary operations
- Guidelines on relations with Public Supervision Authorities and management companies of regulated markets for financial instruments
- Guidelines on external communication of corporate information and documents

- Guidelines on ICT (Information and Communication Technology)
- Guidelines on combating bribery
- Guidelines on fraud prevention
- Guidelines on Procurement (which also governs the management of consultancy contracts)
- Guidelines on Administration and Financial Statements.

The Supervisory Body was established to promote the effective and correct implementation of the Saras Model.

The Saras Supervisory Body, the composition of which was modified by resolution of the Board of Directors on 14 May 2020 after the end of its term of office, is composed of Francesco Marini (Chair of the Board of Directors of subsidiary Sarlux s.r.l., with the role of Chair of the SARAS Supervisory Body), Paola Simonelli (external member and member of the Board of Statutory Auditors), Simona Berri (General Counsel and Corporate Affairs) and Ferruccio Bellelli (Internal Audit Manager).

Group companies (Sarlux s.r.l., Sartec s.r.l., Deposito di Arcola s.r.l., Sardeolica s.r.l.) have adopted and updated their Organisation, Management and Control Models; the companies have also established their respective Supervisory Bodies. Furthermore, the Spanish subsidiary Saras Energia SAU, by reference to the Código Penal, has adopted and updated its “*Manual de Prevención de Riesgos Penales*” and appointed a *Comitè Etico* and, likewise, Saras Trading S.A. (set up on 4 September 2015 in Geneva), by reference to the Swiss Criminal Code, has adopted in the month of May 2017 its own “Organisational Model” and appointed the Internal Audit Manager with “Supervisory” duties.

5. Processing of corporate information

Saras has adopted and consolidated over time a complex set of rules and procedures for the correct management of corporate information, in compliance with the regulations applicable to the various types of data. The processing of information, in particular, is supported by the information systems and processes linked to their development, maintenance and operation, on which specific requirements and rules insist, subject to a dedicated organisational supervision.

In execution of the provisions laid down regarding insider information and the associated disclosure obligations laid down in Regulation (EU) no. 596/2014 (known as the "MAR") and associated implementing provisions - including the Delegated Regulations (EU) 2016/522 and 2016/960 and the Implementing Regulations (EU) 2016/959 and 2016/1055 - entered into force on 3 July 2016 and concerning, respectively, the regulation of market abuse and related sanctions, as well as national legislation, including regulations, in force from time to time, on Information Regulated by the TUF and by the Issuers’ Regulations, the Company has amended its existing procedures concerning the management of Insider Information and *Internal Dealing*, also in light of the fact that they are based on Legislative Decree no. 231/2001 for the prevention of Market Abuse offences.

More specifically, we acknowledge that with reference to the obligation laid down in Article 18 of the MAR Regulation, as well as, until its abrogation with Art. 3 of Legislative Decree

no. 107 of 10/08/2018, and also to Art. 115-*bis* of the TUF, to create of a register of people who have access to insider information, as well as to the recommendations contained in Article 4 of the Code (which find justification in Article 114 of the TUF and in the implementing regulation), the Board has adopted, since May 2006, a set of “Internal regulations to manage insider information and establish a register of people who have access to it” (“Regulations”). These Regulations (now called “*Internal regulations to manage insider information and establish a List of people who have access to it*”) were integrated and amended by the Board of Directors of the Company, to implement the provisions set out in Art. 17 of the MAR, and Execution Regulation (EU) 2016/1055 of the European Commission of 29 June 2016, as well as the recommendations of Borsa Italiana and international best practice, firstly on 10 January 2017 and subsequently on 2 March 2020 and 4 November 2020, taking into account, inter alia, the Guidelines on the Management of Insider Information published by Consob in October 2017.

The Regulations, incorporated into the appropriate Compliance Guidelines issued by the Company in accordance with the Group’s Regulation System, contain procedures for the identification, internal management, access by external subjects and, depending on the case, external communication of insider or relevant information concerning the Company and its subsidiaries, with particular reference to “*price sensitive*” information, in order to prevent, inter alia, its communication from occurring selectively, in an untimely manner, or in an incomplete or inadequate manner.

The dissemination of statements is handled by the Investor Relations function.

6. Internal Dealing procedure

Also with the aim of adapting Saras’s *corporate governance* to the rules applicable to listed companies, the Board has also adopted, since May 2006, its “*Internal dealing procedure*”¹⁴ as updated on 1 August 2016 to the latest regulatory changes made by the MAR Regulation, directly applicable in Italy, which also transposes and gives application (where not conflicting with the aforementioned MAR) to the provisions of Art. 114, paragraph 7 of the TUF and Articles 152-*sexies* and following of the Issuers’ Regulations, to ensure correct and adequate transparency of information in respect of the market in relation to transactions on its securities carried out by persons internal to the Company. This Procedure lays down precise rules of conduct and communication in relation to transactions in shares or debt securities, derivatives or other financial instruments linked thereto issued by Saras and performed by relevant subjects (specifically the Company's directors and auditors, any senior executive with standard access to insider information and with the power to take management decisions that could impact the market trend and future prospects of the Company and any direct or indirect shareholder who owns at least 10% of the share capital of Saras) and people closely associated with these relevant subjects. In line with *best practice*, the Procedure also prohibits such relevant subjects or people closely associated with them, to perform transactions in the Company’s securities in certain periods.

¹⁴ Available from the following *link*: <https://www.saras.it/en/governance/internal-dealing>

7. Directors' interests and significant transactions with related parties

The Board of Directors has adopted procedures for transactions with related parties in accordance with the "Regulations regarding transactions with related parties" adopted by Consob (Resolution no. 17221 of 12 March 2010 - the "Regulations"), also in consideration of that indicated in Consob Communication no. DEM/10078683 of 24 September 2010.

The procedures are available on the Company website.

This applies to directors, their families and entities related to one or other of them, in the definition of a relevant related party for the purposes of the application of the Regulations. The procedures adopted by the Company represent suitable safeguards for managing situations in which a director has an interest on their own behalf or on behalf of third parties, notwithstanding the interest of a director not concerning a transaction with a related party, the director will also be required to disclose this pursuant to Art. 2391 of the Italian Civil Code.

Following the promulgation of Directive (EU) 2017/828 (the "Shareholders' Rights Directive 2" or "SHRD 2") - implemented in Italy with Legislative Decree 49/2019 - and at the end of a specific consultation procedure on the implementation of SHRD 2 at regulatory level, it should be noted that Consob amended regulation no. 17221/2010 (the Related Party Transactions Regulation) with effect from 1 July 2021. The new text of the Related Parties Regulation will therefore come into force on 1 July 2021 and will entail the introduction of significant changes such as, by way of example and not limited to: (i) the alignment of the current definition of "related party" to the definition envisaged by the applicable international accounting standards (opting for a mobile postponement instead of a fixed postponement); (ii) the introduction of mandatory abstention for directors and/or shareholders involved in the transaction with related parties; and (iii) the redefinition of some exemptions from the application of the Related Parties Regulation and the related internal procedures of the issuers.

Taking into account this regulatory context, it should be noted that Saras is already taking steps to update its procedures on related party transactions by 30 June 2021.

The Board has also approved a "*Code of Conduct for directors of the Group*", which was also positively assessed by the Control and Risk Committee and the Board of Statutory Auditors, the primary purpose of which is to provide the directors it is intended for with homogeneous conduct criteria to enable them to perform their office within a comprehensive framework of reference, respecting the legal provisions on the interests of directors and the principles of *corporate governance* and, when possible, in line with the interest of the Saras Group.

8. Designated manager responsible for drafting company accounting documents

Since it listed its shares in May 2006, the Company, after appropriate amendments to the Articles of Association in accordance with the provisions of Art. 154-*bis* of the TUF, appointed a Designated manager responsible for drafting company accounting documents.

Presently, the Designated manager is the Company's *Chief Financial Officer*, Franco Balsamo, who was called to fill this role by the Board of Directors at a meeting held on 6 November 2015.

The Designated manager performs the tasks laid down in Art. 154-*bis* of the TUF, for which the Board has awarded him all the necessary or appropriate powers.

9. Additional Financial Information pursuant to the amended Art. 82-ter of the Issuers' Regulations

The Board of Directors of the Company, in exercising the powers recognised by Art. 82-ter of the Issuers' Regulations¹⁵, decided to proceed with the voluntary publication, starting from 10 January 2017 and until it decides otherwise, of the information relating to business developments for the first and third quarter of each year that will be subject to the approval of Board of Directors meetings to be held within 45 days after the closure of the first and third quarter of each year.

10. Board of Statutory Auditors

As set out in the Company's Articles of Association, the Board of Statutory Auditors is comprised of three standing auditors and two alternate auditors.

The Articles of Association require auditors to be appointed on the basis of a list voting system that ensures the minority can appoint a standing auditor (who will be appointed Chair of the Board of Statutory Auditors) and an alternate auditor. The lists of candidates can be submitted by shareholders who represent at least 2.5% (two point five per cent), or a different measure established according to legislation in force at the time, of the share capital consisting of shares with voting rights at the ordinary shareholders' meeting. Together with each list, before the submission deadline at the registered office, the following must be submitted: (i) exhaustive information about the personal and professional background of the candidates, and (ii) declarations in which the individual candidates accept their nomination and attest, under their own responsibility, that there are no grounds for ineligibility and incompatibility (including not exceeding the regulatory limits regarding the number of offices held), as well as the existence of the requirements laid down by law and the Articles of Association for the office of company auditor. The office of standing auditor is incompatible with the performance of similar offices in more than three other companies listed on Italian regulated markets, with the exclusion of the Company and its subsidiaries.

In determining the composition of the Board of Statutory Auditors, the Articles of Association lays out the criteria of diversity, including gender, in respect of the priority objective of adequate expertise and professionalism of its members. In particular, the lists for election that present a number of candidates equal to or greater than three must be composed of candidates

¹⁵ As a result of the transposition of the Transparency II Directive (2013/50/EU), Consob has repealed the requirement to publish the interim operating statements and has introduced the new Art. 82-*ter* to the Issuers' Regulations concerning additional periodic financial information thereby providing that listed companies could choose, on a voluntary basis, whether to publish additional periodic financial information or not (with respect to annual and half-yearly reports).

of both genders, so that a proportion of candidates at least equal to the proportion prescribed in the applicable regulations on gender balance belong to the less represented gender. In addition, if that does not actually ensure a composition of the Board of Statutory Auditors, in terms of its standing members, compliant with relevant regulations in force governing gender balance, the Company makes the necessary replacements, choosing the candidates for the office of standing auditor from the list that obtained the highest number of votes, according to the progressive order in which the candidates are elected.

In fact, with regards to 2020, at least one third of standing and alternate members of the Board of Statutory Auditors was composed of statutory auditors from the less represented gender.

Based on the Articles of Association, the lists of candidates must be submitted to the registered office by at least the 25th day prior to the Shareholders' Meeting date and must be made available to the public at the Company's registered office, on the website and with the other procedures laid down by Consob with regulations at least twenty-one days before the Shareholders' Meeting date.

For more information concerning the procedure for appointing the Board of Statutory Auditors, refer to the Articles of Association and the rules laid down in Articles 144-ter and following of the Issuers' Regulations.

The Board of Statutory Auditors currently in office - which was appointed by list voting at the meeting held on 27 April 2018 with a term of office that ends on the date of approval of the financial statements as at 31 December 2020, comprises the following members at the date of publication of this Report:

Giancarla Branda	Chair
Fabrizio Colombo	Statutory auditor
Paola Simonelli	Statutory auditor
Pinuccia Mazza	Alternate auditor
Andrea Perrone	Alternate auditor

With regard to the third item on the agenda, we inform you that the standing auditor Giovanni Luigi Camera, appointed by the Shareholders' Meeting of 27 April 2018 from among the candidates on the list that obtained the highest number of votes, resigned with effect from the date of the Shareholders' Meeting called to approve the annual financial statements at 31 December 2019 . On the occasion of the Shareholders' Meeting of 22 May 2020, called to approve the financial statements for the year ended 31 December 2019 and, also, to complete the Board of Statutory Auditors in accordance with the provisions of the Articles of Association and through a list voting system, the Board was completed with the appointment of a standing auditor in the person of Fabrizio Colombo. In the financial year 2020, the Board of Statutory Auditors held 16 meetings. In 2021, up to the date of publication of this Report, the Board of Statutory Auditors has met 9 times. The meetings were regularly attended by the standing auditors, as analytically indicated in the attached summary table *sub* 2, to which reference should be made.

The Board of Statutory Auditors performed, after its appointment and, subsequently, will perform annual internal checks provided for by Art. 8.C.1 of the Code regarding their independence requirements pursuant to the law and on the basis of the criteria laid down by the Code with reference to directors, and the checks were successful.

The attendance of the Board of Statutory Auditors at the meetings of the Control and Risk and Sustainability Committee ensures the necessary coordination with the Committee and with the *Internal Audit* Department.

The auditor who, on their own behalf or on behalf of third parties, has an interest in a given Company operation, shall immediately and comprehensively inform the other auditors and the Chair of the Board of the nature, terms, origin and scope of their interest.

11. Shareholder relations

The Company, since listing its shares on the Stock Exchange, decided in line with its own specific interest - in addition to having a duty in respect of the market - to establish a regular dialogue with shareholders in general and institutional investors; a dialogue intended in any case to also be conducted in compliance with, in addition to the existing legislation and principles contained in the "Guidelines for information to the market" published by Borsa Italiana S.p.A., the Regulations for the management of relevant information and inside information.

In order to promote the dialogue mentioned, the Company, in accordance with the recommendations referred to in Art. 9 of the Code, proceeded to select a person responsible for managing relations with shareholders and institutional investors.

The Company decided to further facilitate dialogue with investors through an adequate preparation of the contents of its website (www.saras.it/en, "*Investor Relations*" section), recently renewed in both graphics and content to make it easier to find information and documents, where information of an economic and financial nature (financial statements, half-yearly and quarterly reports, presentations to the financial community, analyst estimates and trends in the Company's share prices), and updated data and documents of interest to shareholders in general (press releases, composition of the Board and management of the Company, Articles of Association, the Group's Code of Ethics, Shareholders' Meeting Rules and the *Internal Dealing* Procedure) can be found, in Italian and English. The website also includes a section called "Shareholders' Meetings"¹⁶ which provides information about the procedures for participating and exercising the right to vote in meetings in accordance with applicable legislation, as well as documentation relating to items on the agenda, including lists of candidates for the posts of director and auditor with their personal and professional details.

During shareholders' meetings, the Board of Directors reports on its activity, performed and planned in accordance with the regulations on insider information.

¹⁶ Accessible from the following link: <https://www.saras.it/en/shareholders-meetings?year=2020>.

The organisational unit responsible for relations with investors and shareholders can be contacted at the following addresses:

Saras S.p.A. – Investor Relations, Galleria Passarella 2 – 20122 Milan
Toll-free number: 800511155 – e-mail: ir@saras.it

The Investor Relations department reports to the Chief Executive Officer and has the objective of communicating Group results, objectives and strategies to the financial community, maintaining an open and constructive dialogue with equity and credit analysts, investment funds (including ESG funds), retail shareholders, bondholders and with associations of small shareholders. Following the travel limitations introduced due to the spread of the Covid-19 virus, the financial communication programme was carried out in 2020 through virtual events with investors from different countries. Conference calls on financial results and related road shows with equity and credit investors, virtual meetings with the financial community, and road shows with ESG investment funds were organised on a quarterly basis.

12. Shareholders' Meetings

The Company considers shareholders' meetings to be a special time to establish a worthwhile dialogue between shareholders and the Board of Directors and as an occasion to communicate Company news to shareholders, obviously in line with the rules on insider information, and to ensure shareholders receive adequate information about the necessary elements so they can take the decisions required of shareholders with full knowledge of the facts.

Shareholders' meetings can be ordinary or extraordinary, pursuant to law.

The Articles of Association (Art. 12) state that a shareholders' meeting is convened by a notice published, in the manner and by the deadlines laid down in the provisions applicable, on the Company website, as well as according to other procedures laid down by the legislation in force.

All the documentation relating to items on the agenda of the shareholders' meeting is disclosed to the public, as required by the law, and therefore it is filed at the registered office and the administrative offices, and also at the authorised storage mechanism "linfo" (www.linfo.it). The documentation as provided for by Art. 125-*quater* of TUF is made available on the Company *website*. Pursuant to Art. 14 of the Articles of Association, persons with voting rights are entitled to attend a shareholders' meeting provided that their legitimacy is certified according to the methods and by the deadlines provided for by law and by the regulations.

Pursuant to Art. 83-sexies of Legislative Decree no. 58/98, the eligibility to attend the Shareholders' Meeting and exercise the right to vote is certified by a communication to the Company, issued by an intermediary, in accordance with the data in its accounting records, certifying the party entitled to vote on the base of the shareholder information applicable upon conclusion of the accounting day for the seventh day of market trading before the date fixed for the first convening of the Shareholders' Meeting.

The Articles of Association also state that each person who is entitled to attend the Shareholders' Meeting may be represented by a written proxy by another person pursuant to law.

The proxy may be conferred electronically in line with the applicable regulations and notified electronically according to the procedures indicated for each Shareholders' Meeting notice of call.

The Company may appoint one or more people for each Shareholders' Meeting, who can be conferred a proxy by those having the right, with voting instructions for all or some of the proposals on the agenda.

The notice of call shows, in addition to specifying the agenda, the rules for attending the shareholders' meeting and exercising the rights of shareholders, as governed by the law and the Articles of Association.

In particular, to minimise the risks associated with the current health emergency, the Company decided to avail itself of the option established by Decree Law no. 18 of 17 March 2020 on "Measures to strengthen the national health service and provide economic support for families, workers and businesses related to the Covid-19 epidemic emergency" (the "Cura Italia" Decree), converted with amendments by Law no. 27 of 24 April 2020, also taking into account the provisions of Article 3, paragraph 6, of Decree Law no. 183 of 31 December 2020, converted with amendments into Law no. 21 of 26 February 2021, and therefore to set forth that the intervention of shareholders at the Shareholders' Meeting shall take place exclusively through the representative appointed pursuant to Article 135-undecies TUF, without physical participation by shareholders.

In accordance with the recommendations referred to in Art. 9 of the Code, the Company has adopted a suitable shareholders' meeting regulation¹⁷, also drawn up according to the system developed up by ABI and Assonime, designed to ensure the orderly and effective conducting of meetings through detailed rules for the various stages, in compliance with the fundamental right of each shareholder to request clarification on different topics under discussion, to express their opinion and formulate proposals.

While it is not a statutory provision, this regulation was approved by the Ordinary Shareholders' Meeting by virtue of specific competence allocated to this body by the Articles of Association, and was amended by the Ordinary Shareholders' Meeting in April 2011 to make it compliant with the new terminology introduced by Legislative Decree no. 39 of 27 January 2010, on the one hand, and on the other hand to adapt it to the provisions laid down regarding the *record date* (and connected to the system of identifying those entitled to exercise the right to vote) and the right of shareholders to ask questions (Art. 127-*ter* of TUF) by Legislative Decree no. 27 of 27 January 2010.

¹⁷ See: <https://www.saras.it/en/governance/shareholders-meetings>

13. Guidance on the composition of the new Board of Directors

With the approval of the financial statements as at 31 December 2020, the mandate of the current Board of Directors will expire and the shareholders will be called upon to renew the Board.

In view of the renewal, also in compliance with the recommendations of the new Corporate Governance Code, the Board of Directors of Saras, in continuity with its action in the past, has expressed its opinion on the size and composition of the new Board, although the Company is not obliged to do so as a company with concentrated ownership as defined by the aforementioned new Corporate Governance Code. It did so on the basis of the self-assessment carried out for the third and final year of the three-year period.

In considering twelve directors to be an adequate number, the Board expressed the opinion that its composition should take account of the company's requirements, including its prospective requirements, and of the need to maintain a significant presence of independent directors, with a diversity capable of bringing value to the discussions, in line with the recommendations of the new Corporate Governance Code.

14. Considerations on the letter of the Chair of the Corporate Governance Committee of 22 December 2020.

The letter of the Chair of the Corporate Governance Committee dated 22 December 2020 (the "Letter") was distributed and shared with the members of the Remuneration and Nominations Committee and those of the Board of Directors and the Board of Statutory Auditors of the Company, and, once again, specific attention was paid to it during the activity preliminary to the drafting of this Report.

The recommendations it contains may represent a useful governance reference for the Board of Directors (not only the one currently in office, but especially for the Board that will be appointed by the next Shareholders' Meeting called to approve the financial statements as at 31 December 2020).

In particular, the contents of the recommendations formulated in the Letter and in the recent "*2020 Report on the application of the Code*" published with the Letter were specifically considered, also during the Board's self-assessment and when preparing and approving this report on 30 March 2021, in order to identify, according to the principles of the Corporate Governance Code, possible evolutions in governance, highlighting for this purpose the main areas for improvement of compliance, or to fill any gaps in their application, or in the explanations provided.

In line and in continuity with what was already reported last year, the Board of Directors of Saras shares the call of the Corporate Governance Committee to sustainability and the declination of the concept in terms of sustainable success, according to an overall and synergistic vision of the different dimensions of the business phenomenon, in its relations with all stakeholders. In particular, in relation to the first critical area identified in the Letter - concerning the Committee's invitation to the boards of directors to make provision to ensure

that the sustainability of company activities are integrated into the definition of strategies, the internal control and risk management system, and the remuneration policy, also on the basis of an analysis of the relevance of factors that might affect the generation of value over the long term - it is noted that Saras, drawing inspiration from the principal national and international regulations, has, over time, recognised the growing importance of the contribution of non-financial aspects in defining the Company's value and has considered the topic of sustainability as an integral and fundamental part of its business strategy, *first and foremost* through the publication of its own "Sustainability Report". As specified *below*, Saras started a materiality analysis process aimed at identifying the areas of the greatest interest as well as those characterised by the greatest risks-opportunities for the development of the Company's business and the creation of value with a view to long-term sustainability. The Company's commitment, starting from its top management, to making business sustainability a shared priority, integrated into the company processes and into the Saras mission, is confirmed. Sustainability-related issues are in fact an integral part of the company strategy, so much so that it is to be noted that Saras has, among other things, disseminated a programme for alignment with the energy transition in addition to having set 29 ESG objectives to be achieved in 2020, as well as the usual financial and economic objectives. In fact, the Group recognises the ever-increasing importance of ESG aspects in defining the value of the company, and has therefore undertaken a multi-year process of transparency, sharing and proactive comparison with all its stakeholders, in order to accurately represent, in detail, the strategies focussed on guaranteeing its economic growth and the sustainable development of its business. In addition, at the meeting on 6 February 2020, the Company's Board of Directors, notwithstanding the powers already conferred to the Steering and Strategies Committee for the definition of the guidelines and strategic directions of the Group regarding sustainability policies, attributed and supplemented the functions of the Control and Risk Committee with functions of supervision, evaluation and monitoring regarding the sustainability profiles connected with business activities, and the aforementioned Committee assumed the new name "Control, Risk and Sustainability Committee". The Remuneration Policy adopted by the Company also envisages, among other things, non-financial parameters for determining the variable remuneration paid to Managers.

Therefore, Saras has fully complied with the recommendation of the Chair of the Corporate Governance Committee.

With reference to the second area of improvement identified in the Letter in which the Chair of the Corporate Governance Committee hoped for an improvement in the quality of the information flows to the Board, Saras, confirming that the adequacy and timeliness of the information provided are essential conditions for the prompt and correct exercising of the responsibilities of the Board of Directors, points out that, in the Board Evaluations of 2018, 2019 and 2020, the information documents provided to the directors were considered adequate, as were the quality and average timing of the information flows, particularly when compared with the results of the previous Board Evaluations. The results of the self-assessment in fact testify to the commitment to improvement and the successes achieved in this area, defining methods for preparing and organising meetings that reflect the multiplicity and complexity of the issues submitted to the attention of the board and, vice versa, on which the Board itself wishes to proactively exercise its role to provide guidance and independent supervision. The next Saras Board of Directors (which will be elected by the shareholders' meeting called to approve the financial statements as at 31 December 2020) may adopt - in

line with the provisions of the New Corporate Governance Code - its own Regulations, also incorporating what is suggested in the Letter in relation to the determination of the terms deemed appropriate for sending the documentation.

By contrast, in relation to the other critical areas identified in the Letter, it should be noted that the Company is already in line with the recommendation regarding the practical and full application of the independence criteria recommended by the Corporate Governance Code given that, as specified *below*, at the date of the publication of this Report, as many as six of the twelve directors on the Board are non-executive directors who meet the independence requirements pursuant to Art. 3.C.1 of the Code and/or Articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF.

The number of directors who meet the independence requirements provided for by Art. 148, paragraph 3 of the TUF therefore complies with the provisions of Art. 147-ter, paragraph 4 of the TUF as amended by Legislative Decree no. 303 of 29 December 2006, in relation to boards of directors of listed issuers comprising more than seven members. The Company also promoted the constant monitoring and verification of the possession, maintenance and concrete and full application of the independence criteria by its independent directors. The next Saras Board of Directors, in line with the provisions of the New Corporate Governance Code, will be able to identify and define quantitative and/or qualitative criteria at the beginning of its mandate to assess the significance of relations with independent directors, also acknowledging the provisions suggested in the Letter.

In relation to that suggested in the Letter with reference to the appointment and succession of executive directors, note that the next Board of Directors of Saras, in line with the provisions of the New Corporate Governance Code, will be able to identify a succession plan for executive directors, identifying the procedures to be followed in the event of early termination of the appointment.

The decision of the Board of Directors to be responsible for its own renewal (going beyond the planning of the succession of executive directors only, but also the mere expression of “guidance” on the optimal qualitative-quantitative composition of the board) is the most evident result of the consistent application of these principles.

Lastly, with reference to the final area of improvement highlighted in the Letter, concerning the remuneration of non-executive directors and the members of the control body, to be considered in light of the expected commitment from said persons in fulfilling their office and the subsequent responsibility profiles, Saras communicates that the judgment on the quantification of the aforesaid compensation - which, nonetheless, appears to be commensurate to the required commitment and relevance of the role, as well as the characteristics of the company - was issued by its majority shareholder. Moreover, as a result of the refinements made over time, it is believed that Saras's remuneration policy and its disclosure fully meet the requirements suggested by the Corporate Governance Committee (already largely aligned with the principles that underlie the reform introduced following the implementation of what is known as the Shareholders' Rights II Directive).

The Group confirms that the remuneration of the non-executive Directors and Statutory Auditors will be subject to specific analysis (including through benchmarks) ahead of the

expiry of the mandates, at the time of the shareholders' meeting to approve the financial statements as at 31 December 2020.

In conclusion, the Board of Directors of Saras S.p.A., having confirmed the high degree of compliance by the Company with the provisions of the Corporate Governance Code, as well as with the instructions contained in the Letter, renews its commitment to and its constant focus on monitoring *compliance* with the recommendations expressed by the Corporate Governance Committee.

TABLE 1: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES AS AT 31/12/2020

Board of Directors												Control, Risk and Sustainability Committee		Remuneration and Nomination Committee		Steering and Strategies Committee		Executive Committee (if any)
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Exec.	Non-exec.	Indep. Code	Indep. TUF	Number of other positions ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chair	Massimo Moratti	1945	26/06/1972	27/04/2018	App. of 2020 financial statements	M	X					7/7					2/2	M
Chief Executive Officer • ◊	Dario Scaffardi	1958	19/10/2006	27/04/2018	App. of 2020 financial statements	M	X					7/7					2/2	M
Director	Angelo Moratti	1963	28/04/1993	27/04/2018	App. of 2020 financial statements	M		X				7/7					2/2	P
Director ◯	Gilberto Callera	1939	22/02/2006	27/04/2018	App. of 2020 financial statements	M		X		X		7/7	6/6	P	3/3	P		
Director	Angelomario Moratti	1973	30/05/2005	27/04/2018	App. of 2020 financial statements	M		X				7/7					2/2	M
Director	Gabriele Moratti	1978	27/04/2010	27/04/2018	App. of 2020 financial statements	M		X				2/7					2/2	M
Director	Giovanni Emanuele Moratti	1984	20/04/2017	27/04/2018	App. of 2020 financial statements	M		X				7/7					2/2	M
Director	Adriana Cerretelli	1948	28/04/2015	27/04/2018	App. of 2020 financial statements	M		X	X	X		7/7	6/6	M				
Director	Isabelle Harvie-Watt	1967	28/04/2015	27/04/2018	App. of 2020 financial statements	M		X		X		7/7	6/6	M				
Director	Laura Fidanza	1973	28/04/2015	27/04/2018	App. of 2020 financial statements	M		X	X	X		7/7	5/6	M	3/3	M		
Director	Francesca Luchi	1967	27/04/2018	27/04/2018	App. of 2020 financial statements	M		X	X	X	1	7/7			3/3	M		
Director	Leonardo Senni	1961	27/04/2018	27/04/2018	App. of 2020 financial statements	m		X	X	X		7/7	6/6	M				
DIRECTORS WHO CEASED TO HOLD OFFICE DURING THE REFERENCE FINANCIAL YEAR																		
-	-	-	-	-	-								-	-	-	-	-	-
Number of meetings held during the financial year: Board of Directors 7						Control, Risk and Sustainability Committee: 6				Remuneration and Nomination Committee: 3				Steering and Strategies Committee: 2				Executive Committee: -

	Indicate the required quorum for minority shareholders to present a list for the election of one or more members (pursuant to Art. 147-ter TUF): 2.5%
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NOTES

The symbols below entered in the "Office" column represent the following:

• This symbol indicates the director responsible for the Internal Control and Risk Management System.

◊ This symbol indicates the main person responsible for the management of the issuer (*Chief Executive Officer* or CEO).

○ This symbol indicates the *Lead Independent Director* (LID).

* Date of first appointment of each director shall mean the date on which the director was appointed for the first time (ever) in the Issuer's Board of Directors.

** This column shows the list from which each director was selected ("M": majority list; "m": minority list).

*** This column indicates the number of offices as director or statutory auditor the party concerned holds in other companies listed on organised markets, including foreign markets, in financial, banking, insurance companies or large corporations.

(*) This column indicates the attendance of directors at meetings of the Board of Directors and committees respectively. For each director, the number of meetings attended with respect to the total number of meetings that they could have attended is indicated.

(**) This column indicates the position of each Director within the Committee: "P": Chair; "M": member

TABLE 2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AS AT 31.12.2020

BOARD OF STATUTORY AUDITORS									
<i>Office</i>	Members	Year of birth	Date of first appointment*	In office since	In office until	List **	Indep. Code	Board meetings attendance ***	Number of other positions ****
Chair	Branda Giancarla	1961	28/04/2015	27/04/2018	Approval of the 2020 financial statements	m	X	16/16	6
Statutory auditor	Colombo Fabrizio	1968	22/05/2020	22/05/2020	Approval of the 2020 financial statements	M	X	9/10	9
Statutory auditor	Simonelli Paola	1964	28/04/2015	27/04/2018	Approval of the 2020 financial statements	M	X	16/16	2
Alternate auditor	Mazza Pinuccia	1957	28/04/2015	27/04/2018	Approval of the 2020 financial statements	M	X		
Alternate auditor	Andrea Perrone	1965	27/04/2018	27/04/2018	Approval of the 2020 financial statements	m	X		
AUDITORS WHO CEASED TO HOLD OFFICE DURING THE REFERENCE FINANCIAL YEAR									
Statutory auditor	Camera Giovanni Luigi	1936	28/03/1985	27/04/2018	22/05/2020	M	X	2/6	
Number of meetings held during the financial year: 16									
Indicate the required quorum for minority shareholders to present a list for the election of one or more members (pursuant to Art. 148 TUF):2.5%									

NOTES

* Date of first appointment of each statutory auditor shall mean the date on which the statutory auditor was appointed for the first time (ever) in the Issuer's Board of Statutory Auditors.

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

*** This column shows the attendance of auditors at meetings of the Board of Statutory Auditors (it features the number of meetings attended compared to the total number of meetings that could have been attended).

**** This column indicates the number of director or statutory auditor offices held by the person concerned pursuant to Art. 148-bis of the TUF and its implementing provisions contained in the Consob Issuers' Regulations.