



# SARAS

---

**ANNUAL CORPORATE  
GOVERNANCE REPORT  
AND INFORMATION  
ON THE OWNERSHIP STRUCTURE**

---

***2023 FINANCIAL YEAR - PURSUANT  
TO ART. 123-BIS OF LEGISLATIVE  
DECREE NO. 58 OF 24<sup>TH</sup> FEBRUARY 1998,  
("CONSOLIDATED FINANCE ACT")***

***March 2024***

*Drafted pursuant to Article 123-bis of Legislative Decree No. 58 of 24<sup>th</sup> February 1998.*

*Issuer: Saras S.p.A.*

*Website: [www.saras.it/en](http://www.saras.it/en)*

*Financial year to which the Report refers: 2023*

*Date of approval of the Report: 15<sup>th</sup> March 2024*

## Issuer's profile

Saras S.p.A. (“Saras” or the “Company”) adheres<sup>1</sup> to the Corporate Governance code approved by the Corporate Governance Committee promoted, among others, by Borsa Italiana S.p.A. published in January 2020 (the “Corporate Governance Code” or “Code”).

The Code is accessible to the public on the Borsa Italiana S.p.A. website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

Saras is aware that an efficient corporate governance system is one of the essential elements for achieving the objectives of creating sustainable value. In particular, the Board of Directors of the Company (also the “Board of Directors” or the “Board”) plays a central role in defining corporate strategies and processes helpful for achieving the main objective of sustainable success aimed at creating long-term value for the stakeholders. The methods with which the Board interprets this role are explained in this Report, in particular in chapters 2 of Section I and 1 of Section II below, to which the reader is referred.

The following paragraphs clarify, where necessary, application of the respective recommendations and application methods, including those introducing improvement, resolved by the Board of Directors. Specifically, they describe - according to the “comply or explain<sup>2</sup>” principle, which is the foundation of the 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.

As regards sustainable success, also in 2023 Saras, in addition to publishing the non-financial statement, pursuant to Italian Legislative Decree 254/2016, on a mandatory basis and its Sustainability Policy - as better described in the Chapter 2 of Section I - In February 2024, Saras also issued its Policy for the Protection of Human Rights, with the aim of formally declaring the founding values that provide the inspiration for it, and the practical actions it takes to protect human rights while carrying out its activities (in an even more detailed and targeted manner, with respect to what is already expressed in the Code of Ethics).

As in previous years, Saras used the materiality analysis to prepare the 2023 Sustainability Report, not only on the basis of the GRI reporting standards - 2021 Edition, necessary for identifying the areas of the most interest and with greater risks-opportunities, for the purposes of business development and the creation of sustainable value (as better described below), but, as far as possible, also with regard to the requirements of EU Directive 2022/2464 of 14/12/2022 (Corporate Sustainability Reporting Directive or, for short, “CSRD”), albeit not yet mandatory as of the date of publication of this Annual corporate governance report and information on the ownership structure (for short, the “Report”).

This Report was prepared in accordance with Article 123-bis, first paragraph of Legislative Decree no. 58 of 24<sup>th</sup> February 1998, as subsequently amended (“TUF”) and was approved by the Board of Directors of Saras at the meeting on 15<sup>th</sup> March 2024, 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<sup>st</sup> December 2023. The report refers to the 2023 financial year and, where relevant, also to corporate events occurring in 2024 until its approval date.

---

1. On 30<sup>th</sup> March 2021, the Board of Directors of Saras unanimously resolved to adhere to the aforementioned Code.

2. Compliance with the Corporate Governance Code is voluntary and issuers may choose not to apply all or part of its Recommendations. Nevertheless, the reasons for any non-application are justified in the Corporate Governance Report in keeping with the comply or explain principle envisaged by Article 123-bis TUF.

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 Consob Regulation No. 11971/1999 as amended (“Issuers’ Regulations” or “IR”).

With regard to the definitions contained in the Code applicable to Saras S.p.A., please refer to paragraph 3 below.

# CONTENTS

Issuer's Profile	3
------------------	---

## SECTION I

1. Information on the ownership structure (pursuant to Article 123-bis, paragraph 1, TUF) as of 5 <sup>th</sup> April 2024	8
2. Company Organization	11
3. Compliance with the Corporate Governance Code (January 2020) (pursuant to Article 123-bis, paragraph 2, letter a) TUF)	17

## SECTION II

1. Detailed information on the implementation of the recommendations of the Corporate Governance Code	
The Board of Directors	19
1.1. Sustainable Success. Role and duties of the Board of Directors	19
1.2. Appointment and replacement (pursuant to Art. 123-bis, paragraph 1, letter l, first part, TUF)	19
1.3. Members of the Board of Directors	21
1.3.1 Composition (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), TUF	22
1.3.2 Maximum number of positions held in other companies	25
1.4 Functioning of the Board and its meetings	26
1.5 Role of the Chair of the Board of Directors	27
1.5.1 Board Secretary	28
1.6 Delegations within the Board	29
1.7 Information for the Board	29
1.8 Non-executive and independent directors	30
1.9 Lead Independent Director and meetings of independent directors	30
1.10 Management of corporate information	31
1.11 Assessment of the composition of the Board and the Committees	31
1.12 Diversity criteria and policies in board composition and corporate organization	32
2. Board Committees	33
2.1 Remuneration and Nomination Committee	34
2.2 Control, Risk and Sustainability Committee	36
2.3 Related Parties Committee	38
2.4 Steering and Strategies Committee	38
3. Remuneration of directors and managers with strategic responsibilities	39
3.1 Directors' compensation in case of resignation, dismissal or termination following a takeover bid (pursuant to Article 123-bis, paragraph 1, letter i), TUF)	42
4. The Internal Control and Risk Management System	41
4.1 Internal Audit Function Manager	42
4.2 Organizational Model pursuant to Italian Legislative Decree 231/2001	44
4.3 Independent auditors	46
4.4 Designated manager in charge of preparing the corporate accounting documents	46

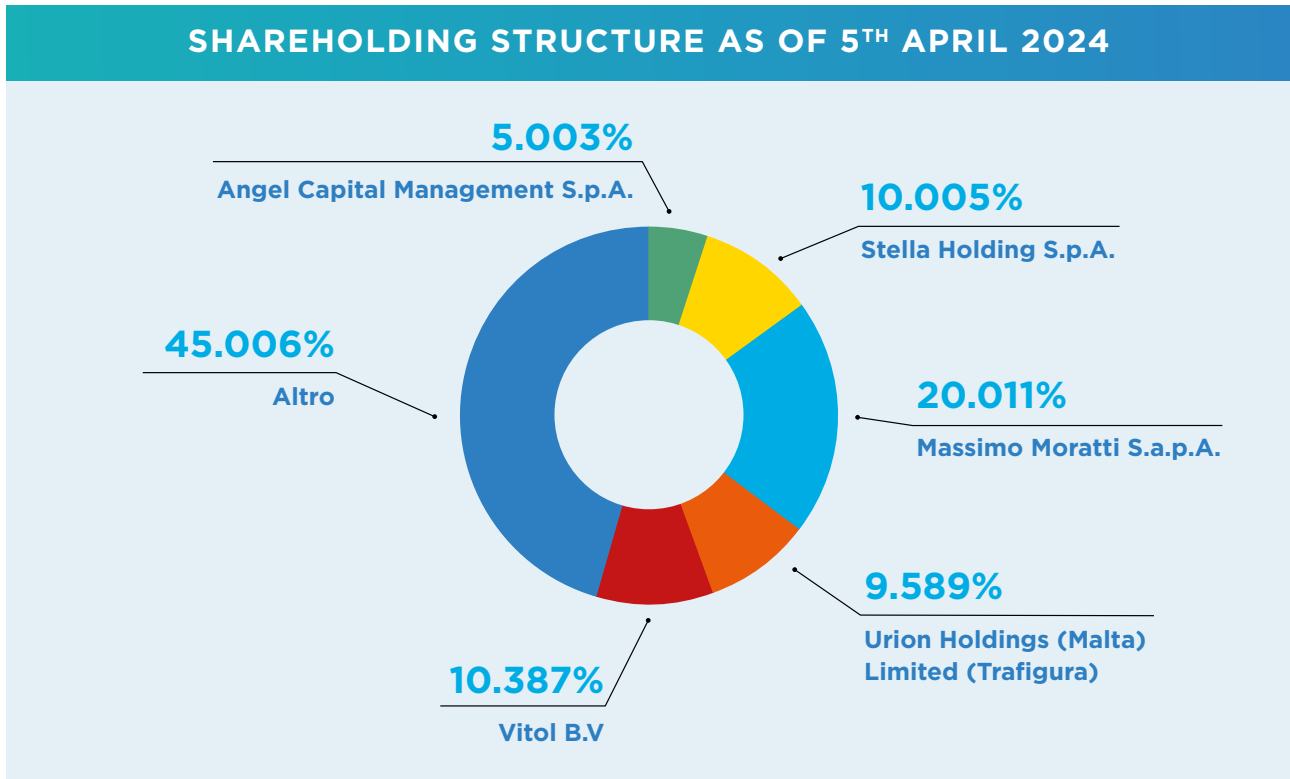
5. Processing of corporate information	47
6. Internal Dealing procedure	48
7. Directors' interests and significant transactions with related parties	49
8. Additional Financial Information pursuant to the amended Article 82-ter of the Issuers' Regulations	50
9. Board of Statutory Auditors	51
10. Shareholder relation	53
10.1 Accesso alle informazioni	53
10.2 Dialogue with the shareholders	53
11. Shareholders' Meetings	55
12. Additional Corporate Governance Practices	55
12.1 Whistleblowing system	56
13. Changes since the end of the reference financial year	56
14. Considerations on the letter of the Chair of the Corporate Governance Committee of 25 <sup>th</sup> January 2023	57

## ANNEXES

Table 1 - Information on the ownership structure as of [5/04/2024]	59
Table 2 - Structure of the board of directors as of 31/12/2023	60
Table 3 - Structure of the board committees as of 31/12/2023	61
Table 4 - Structure of the Board of Statutory Auditors as of 31/12/2023	62

# SECTION I

# 1. Information on the ownership structure (pursuant to Article 123-bis, paragraph 1, TUF) as of 5<sup>th</sup> April 2024



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 3%<sup>3</sup>, except (i) Massimo Moratti S.p.a. di Massimo Moratti, which owns a 20.011% stake in the Company's share capital (ii) STELLA HOLDING S.p.A., which owns a 10.005% stake in the Company's share capital,

(iii) Vitol BV, which holds a stake of 10.387% in the Company's share capital, (iv) ANGEL CAPITAL MANAGEMENT S.p.A., which holds a stake of 5.003% in the Company's share capital and (v) URION HOLDINGS (MALTA) LIMITED, which holds a stake of 9.589% in the Company's share capital.

It is acknowledged that, on 11<sup>th</sup> February 2024, the companies Massimo Moratti S.p.A. di Massimo Moratti, ANGEL CAPITAL MANAGEMENT S.p.A. ("ACM") and Stella Holding S.p.A. (collectively the "Moratti family") and Vitol B.V., a company based in the Netherlands, have entered into a sale and purchase agreement (the "SPA"), pursuant to which the Moratti family has undertaken to sell to Vitol, shares of Saras representing approximately 35% of Saras' corporate capital (the "Transaction"), at a price of €1.75 per share. Completion of the Transaction is exclusively subject to obtaining the required regulatory approvals (i.e., clearances under the EU foreign subsidies regulation, the EU anti-trust regulation and the Italian Golden Power framework)<sup>4</sup>.

3. In compliance with the provisions of Article 117 of the Issuers' Regulations.

4. For more details on the terms of the Transaction, see the press release published on the company website on 11.02.2024 (available at this link: <https://www.saras.it/sites/default/files/uploads/pressreleases/press-release-azionisti-e-vitol---ita.pdf>)



By virtue of the shareholders' agreement signed on 30<sup>th</sup> March 2022<sup>5</sup> between STELLA HOLDING S.p.A., ANGEL CAPITAL MANAGEMENT S.p.A. and Massimo Moratti S.a.p.A. di Massimo Moratti (for short, the "Saras Agreement") with regard to the shares they each hold 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>).

For detailed information on the above, please refer to Table 1 ("Information on the ownership structure as of 5/04/2024") annexed to this Report.

The company holds no treasury shares.

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' agreement<sup>6</sup> pursuant to Article 122, paragraph 5, letters (a) and (b) TUF filed with the Companies' Register of Cagliari on 1<sup>st</sup> April 2022, communicated to Consob and available in extract form on the website, [www.saras.it/en](http://www.saras.it/en);
6. based on the communications received from the Company pursuant to Article 120 TUF, the subjects that are, either directly or indirectly, holders of relevant shareholdings (pursuant to Article 123-bis, paragraph 1, letter c), TUF) that exceed 3% of the share capital subscribed and paid up, are those indicated in Table 1 at the bottom of this Report;
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 revolving credit line signed with a pool of banks on 5<sup>th</sup> February 2020 for an amount of EUR 305 million and expiring in February 2025;
  - the loan agreement signed with a pool of banks on 23<sup>rd</sup> December 2020 for EUR 350 million and expiring on 30<sup>th</sup> September 2024;
  - the loan agreement signed with a pool of banks on 13<sup>th</sup> May 2022 for EUR 312.5 million and expiring on 31<sup>st</sup> March 2028;provide for the right of withdrawal in favor of lending banks if:

(i) 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. and Massimo Moratti S.a.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

---

5. The Saras Agreement was partially waived as a result of the provisions for the completion of the Transaction. For more details, see the Essential Information and the press releases published on the company website on 16<sup>th</sup> February 2024.

6. See note 5.

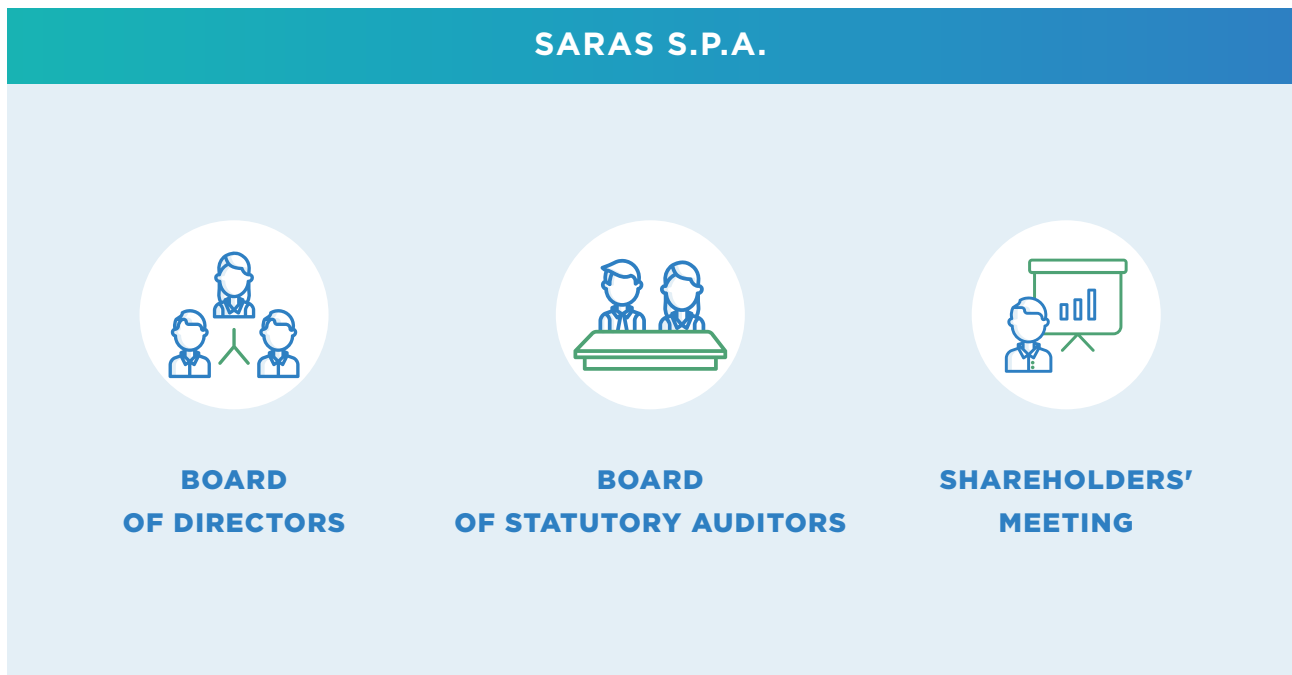
- B. exercise together a percentage of the vote in the ordinary shareholders' meeting of Saras, higher than the percentage that can be exerted by Shareholders; or
  - C. exercise control (as defined in article 93 of Legislative Decree No. 58 of 24 February 1998, as subsequently amended) over the Beneficiary.
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; for more details, please refer to Section II, paragraph 3.1 of this Report;
  9. the appointment and replacement of directors are governed by Article 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;
  11. mandates to decide on share capital increases pursuant to Article 2443 of the Italian Civil Code have not been awarded to the Board.

## 2. Company Organization

The corporate organization 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.

The Company has adopted the “traditional” management system which comprises:

- a Board of Directors responsible for the business management, in which a Remuneration and Nomination Committee<sup>7</sup>, a Control, Risk and Sustainability Committee and a Steering and Strategies Committee have been established;
- a Board of Statutory Auditors, called, inter alia, (i) to oversee compliance with the law and the Articles of Association, as well as management best practices when performing company activities and (ii) to also check the adequacy of the organizational structure, the internal control system and the Company’s administration and accounting system; and
- a Shareholders’ Meeting - whether Ordinary or Extraordinary - which is authorized 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 treasury shares, (iv) the amendments of the Articles of Association and (v) the issue of convertible debentures.



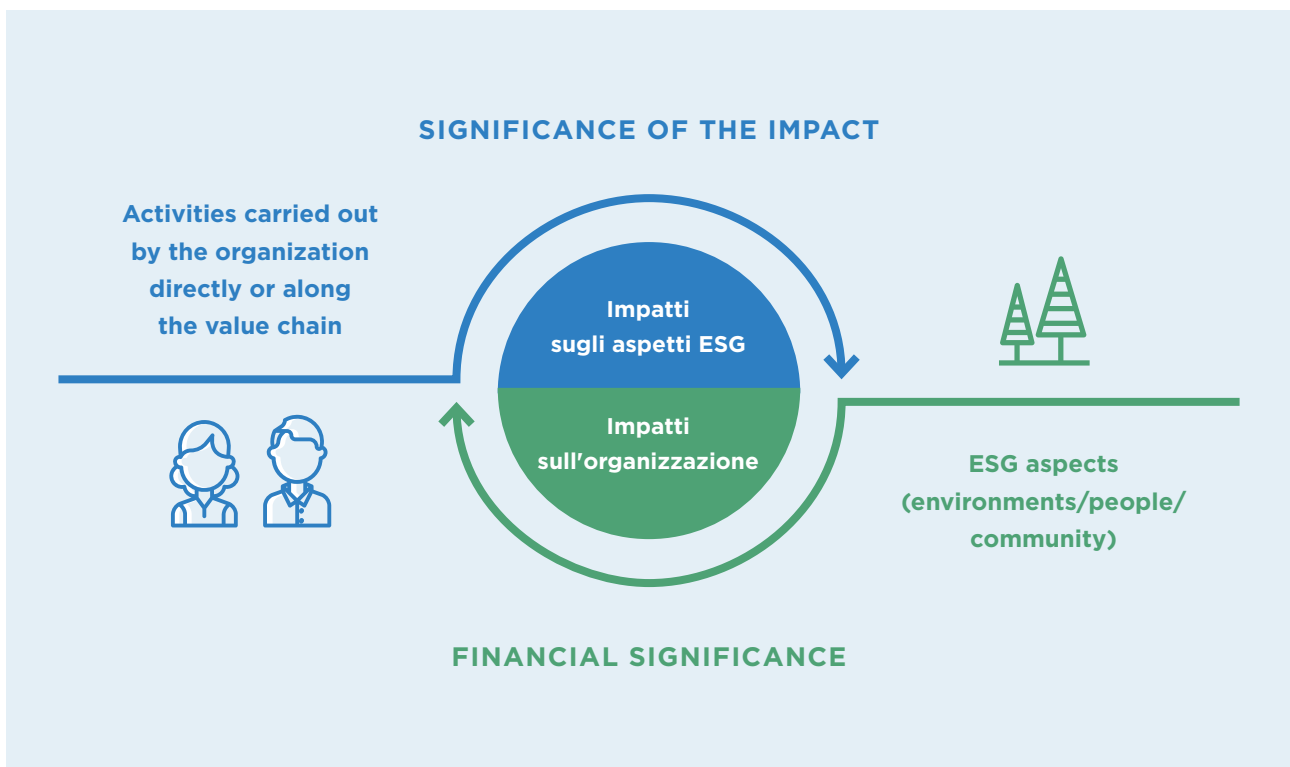
7. The Remuneration and Nomination Committee was also conferred the duties that pertain to the Related Parties Committee, to be fulfilled whenever necessary in accordance with the provisions of the related Procedure adopted by the Company pursuant to Article 2391-bis of the Italian Civil Code, as implemented by Consob Regulation adopted under resolution No. 17221 of 12<sup>th</sup> March 2010, as amended. For more details, please refer to Section II, Chapter 2, paragraphs 2.1 and 2.3 of this Report

The mandate to audit the accounts of Saras SpA, granted by the Shareholders' Meeting on 28<sup>th</sup> April 2015, to the audit firm "E&Y SpA" for the years 2015-2023, and pursuant to law no longer renewable, will expire on approval of the Financial Statements for the year ended 31<sup>st</sup> December 2023. The Shareholders' Meeting of 28<sup>th</sup> April 2023, pursuant to Article 13 of Italian Legislative Decree 39/2010, on the reasoned proposal of the Board of Statutory Auditors of Saras SpA, therefore appointed the audit firm "PwC SpA" to conduct the statutory audit of Saras SpA for the years 2024-2032, also determining the annual consideration due to the audit firm.

Also note that, in line with the assessment made by the Company, the subsidiaries Sarlux S.r.l., Sardeolica S.r.l. and Deposito di Arcola S.r.l. also appointed PwC to audit their financial statements for the 2024-2032 financial years.

Saras prepared the Group Sustainability Report<sup>8</sup> also for the year 2023, which constitutes the Consolidated Non-Financial Statement (known as the "NFS"), pursuant to Italian Legislative Decree 254/2016.

This document represents a fundamental point in a multi-year process of transparency, sharing and proactive discussion that Saras holds with its Stakeholders to accurately represent strategies aimed at ensuring economic growth, the creation of shared value and sustainable development.



8. The Saras 2023 Sustainability Report is available on the website <https://www.saras.it/it/sostenibilita/bilancio-di-sostenibilita>

As in previous years, the 2023 Sustainability Report was prepared in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” (“GRI Standards”) 2021 Edition, made available by the Global Sustainability Standards Board (“GSSB”), using the “in accordance” option.

In particular, the activities carried out by the Group, the objectives set, the performance achieved and the associated risks are described and analyzed. The “Significance of impact” analysis was also carried out, i.e. the assessment in terms of priority and relevance, of the actual and potential impacts deriving from these activities carried out by the Group on the environment, on the economy and on people (including human rights), taking into consideration the entire value chain of the hydrocarbon industry (oil and gas), as required by the specific Standard “GRI 11: Oil and Gas Sector 2021”<sup>9</sup>.

For the first time, in the 2023 Financial Statements, Saras integrated the of financial significance perspective<sup>10</sup> in the materiality analysis process<sup>11</sup>, in order to respond to the regulatory requirements introduced by the CSRD.

Finally, in consideration of the ever-increasing attention to sustainability issues and respect for and protection of Human Rights, in addition to the Sustainability Policy - adopted in 2022 - at its meeting on 6<sup>th</sup> February 2024, the Board approved the Saras Human Rights Protection Policy (the “Human Rights Policy”), both applicable to all Group companies.

The Saras Sustainability Policy, which applies to all Group companies, is inspired by the UN Sustainable Development Goals (SDGs), as well as to the core values of the Group, as expressed also in the Code of Ethics and in the company Purpose. It formally states the corporate strategy, targets, behaviors, and commitments, aimed at constantly improving the Group’s sustainability performance, the optimal management of ESG topics in which the company is involved, and the creation of value for Saras and all its Stakeholders. On the other hand, with reference to the Saras Policy for the Protection of Human Rights, all Group companies strive to safeguard the dignity and rights of the people with whom they work, enhance the development of skills, and recognize diversity as a resource. In addition, the Group promotes respect for these values also along the supply chain of goods and services necessary for the activities of each of its subsidiaries and contributes, directly and indirectly, to the well-being of the communities in which it carries out its business.

The Saras Sustainability Policy and the Saras Policy for the Protection of Human Rights are available on the corporate website [www.saras.it/en](http://www.saras.it/en), in the Sustainability section.

---

9. Using this method, roughly 20 topics with “material” impact were identified also for 2023.

The main material topics are once again GHG Emissions, Atmospheric Emissions, Biodiversity, Water Consumption and Water Stress, Waste Production and Disposal, Worker Health and Safety, Development and Protection of the Territory and of Local Communities.

10. This constitutes a first voluntary exercise in view of the adjustment, starting from next year, to the provisions of the new European Sustainability Reporting Directive and the new reporting standards called ESRS (European Sustainability Reporting Standards). This perspective required the identification of the ESG risks and opportunities that have, or can reasonably be expected to have, a material influence on the development of the organization, on its equity-financial position, on the economic result, on cash flows, on access to financing or on the cost of capital in the short, medium or long term.

11. The risk analysis was carried out starting from the Saras Corporate Risk Profile (CRP), or the document that identifies the significant risks of the Group, updated every six months by the Risk Owners. In particular, the ESG risks mapped by the Group in the Corporate Risk Profile and the topics and sub-topics envisaged by the ESRSs were correlated. The ESG risks present in the Corporate Risk Profile which could not be associated with the ESRS sub-topics are considered as “entity-specific” risks and, therefore, they were also included in the analysis. The identification of opportunities, on the other hand, was carried out mainly on the basis of the reference context, the expected energy transition scenario and the evolution of the regulatory scenario.

## SARAS GROUP SUSTAINABILITY POLICY

The Saras Sustainability Policy, which applies to all Group companies, is publicly available on the corporate website [www.saras.it/en](http://www.saras.it/en), in the Sustainability section. Below is a short extract, to briefly represent the areas covered:

- *Promotion of Ethical and Correct behavior, and Corruption prevention*

In carrying out its activities, Saras pays the utmost attention and is committed to complying with the Law, promoting ethical and correct behaviors, and preventing all forms of corruption

- *People-related topics, Human rights protection, Diversity, and Inclusion*

Dignity and respect for People are at the core of our corporate culture and are essential elements of the Group's sustainability. Respect for Human Rights, Equal Opportunities, Diversity and Inclusion, and the commitment against all forms of Discrimination have always characterized the way Saras operates, that recognizes and implements all the internationally recognized principles

- *Social Issues, focus Local Communities and dialogue with Stakeholders*

Saras Group acknowledges that maintaining and enhancing long-term relations with its Stakeholders and local communities is the cornerstone of business success and joint creation of value

- *Environmental Protection*

Managing operations and safeguarding the environment is essential for long-term sustainability, as well as for productivity and market competitiveness. Therefore, the Group carries out its activities by minimizing its environmental footprint and considering, in the development of its projects, the protection of ecosystems and biodiversity

- *Ecological Transition topics*

Technological innovation is one of the fundamental levers for pursuing the objectives of the Ecological and Energetic Transition, in a sector that plays a strategic role in the national, European and international economic systems

- *Relations with Goods and Services Suppliers*

Suppliers are essential partners in achieving the Group's sustainability objectives, and Saras relationships with its Suppliers are always based on respect, fairness, impartiality, and equal opportunities

## SARAS GROUP POLICY FOR THE PROTECTION OF HUMAN RIGHTS

The Saras Group Policy for the Protection of Human Rights, which applies to all Group companies, is publicly available on the company website [www.saras.it/en](http://www.saras.it/en), in the section dedicated to Sustainability.

Among the external references from which the Saras Group's Policy for the Protection of Human Rights derives, the main ones are the "Constitution of the Italian Republic", the "UN Universal Declaration of Human Rights", the "Fundamental Conventions of the International Organization of Labor (ILO)", the "EU Regulation 679/2016 (GDPR- General Data Protection Regulation)", the "Principles of the UN Global Compact on human rights, labor, environment and fight against corruption". There are also numerous internal references, explicitly cited, as well as other key documents on the subject.

The Policy is divided into a first section relating to "Working Practices", which expresses the ways in which Saras respects and protects human rights and fundamental freedoms, also guaranteed by the laws in force in the countries in which the Group carries out its activities - namely Italy, Spain and Switzerland. In detail, the Group expresses:

- Refusal of forced or compulsory labor and child labor
- Respect for diversity and non-discrimination
- Freedom of association and collective bargaining
- Protection of health and safety in the workplace
- Fair and favorable working conditions

The second section of the Policy is then dedicated to the Saras model, based on development in harmony with the environment and local communities, inspired by principles of precaution, prevention, protection and continuous improvement, and specifically addresses:

- Relationship with the communities concerned and respect for their rights
- Prevention of corruption and fraud
- Respect for the rights of indigenous and tribal peoples
- Human rights in the supply chain
- Privacy and sensitive data.

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

Saras adheres to and complies with the recommendations of the Corporate Governance Code published in January 2020 and promoted by, among others, Borsa Italiana S.p.A. currently in force and accessible to the public on the website of the Corporate Governance Committee at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

Saras is subject to the application, as a listed company, of the recommendations of the Code.

In particular, regarding the classification of the listed companies with respect to the categories identified by the Code, it is acknowledged that the recommendations specifically set forth for Companies with Concentrated Ownership<sup>12</sup> apply to Saras, but not those for Large Companies<sup>13</sup>.

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

As of 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.

---

12. Pursuant to the Code, Companies with Concentrated Ownership are “companies in which one or more shareholders participating in a shareholders’ voting agreement have, directly or indirectly (through subsidiaries, trust companies or third parties), the majority of votes they can exercise in an ordinary shareholders’ meeting. Companies that lose the status of “Companies with Concentrated Ownership” can no longer make use of the proportionality measures established for such category starting from the second financial year after the relevant size condition occurs.”

13. The Code defines Large Companies as “companies whose capitalization was greater than EUR 1 billion on the last open market day of each of the three previous calendar years. Companies that take on the status of “large company” starting from 31<sup>st</sup> December 2020 apply the principles and recommendations addressed to this category of companies starting from the second financial year after the relevant size condition is verified”.



# SECTION II

# 1. Detailed information on the implementation of the recommendations of the Corporate Governance Code

## The Board of Directors

### *1.1 Sustainable Success. Role of the Board of Directors*

The current corporate governance structure of Saras has been established over time through the gradual introduction into the corporate system of rules of conduct that comply with the most stringent recognized principles of Corporate Governance.

The opening to the share capital market has emphasized the Company's propensity to base its behavior on criteria of transparency, fairness and sustainability and has accelerated the process of adjustment of its governance into line with these criteria.

Saras pursues its sustainable success through the creation of value for shareholders, over a medium-/long-term horizon, taking into account the interests of other stakeholders relevant to the Company and contributing positively to the socio-economic development of the country and the related local communities concerned by the production assets of the Saras Group and its business development projects, to ensure that future generations are capable of meeting their needs.

### *1.2 Appointment and replacement (pursuant to Art. 123-bis, paragraph 1, letter I, first part, TUF)*

Pursuant to the law and the Articles of Association, the Company's management rests with the Board of Directors that operates and is organized 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 of Association 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 Article 1 of the Code.

## THE DUTIES OF THE BOARD OF DIRECTORS

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 Article 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 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 business and financial plans of the Company and group to which it belongs (“Group”), also based on the analysis of the important topics for the generation of long-term value conducted with the possible support of a committee whose composition and functions are determined by the administration body;
- defines the Company’s corporate governance system and the Group structure;
- defines the nature and level of risk compatible with the Company’s strategic objectives, including all elements that might become important in the perspective of the Company’s sustainable success in its assessments;
- 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 chair, 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 Article 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 Article 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 Chair and the Chief Executive Officer;
- assesses the adequacy of the organizational, administrative and accounting structure of the Company and subsidiaries having strategic importance set up by the managing directors, with particular reference to the internal control and risk management system;
- in line with what Recommendation 22 of the Code suggests, performs, at least every three years in view of its renewal, 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, in the cases provided for in the Code, 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 in charge of preparing the corporate 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 are meant to 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 15<sup>th</sup> March 2024, the Board assessed the general operating performance and the adequacy of the organizational, 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.

In its first meeting on 3<sup>rd</sup> May 2023 following the appointment by the ordinary shareholders' meeting held on 28<sup>th</sup> April 2023, the Board approved its Regulation in compliance with the suggestions of Recommendation No. 11 of the Code. With the adoption of said Regulation - also acting on the recommendation that emerged during the previous Board Evaluation to bring forward and regulate the time-frames necessary for sharing documentation with directors and auditors in preparation for the discussion and examination of the various items on the agenda, the rules of operation of the Board of Directors were predetermined and defined, including the methods for taking minutes of the meetings and the procedures for managing the pre-board disclosure to the directors and appointing a Secretary, in line with Recommendation No. 18.

### ***1.3 Members of 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 25<sup>th</sup> 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 Article 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 "Info" authorized storage mechanism the Company subscribes to. In determining the composition of the Board of Directors and in complying with what Principle VII of the Code suggests, 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 most 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 2023, 5 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 him, 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.

### **1.3.1 Composition (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis), TUF**

The Board in office on 31<sup>st</sup> December 2023, appointed with the list vote by the Saras ordinary shareholders' meeting on 28<sup>th</sup> April 2023, comprised a total of 12 directors, of which 2 were executive and 10 were non-executive directors (see table sub 1). Six of the latter were independent non-executive directors: Valentina Canalini, Adriana Cerretelli, Laura Fidanza, Francesca Luchi, Giovanni Mancini and Silvia Pepino.

On 31<sup>st</sup> December 2023, therefore, the Board, whose term of office expires on the date of approval of the financial statements as of 31<sup>st</sup> December 2025, was comprised of the 12 members indicated in the table on page 23.

The above table provides the relevant information on each member of the Board of Directors in office as of 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>).

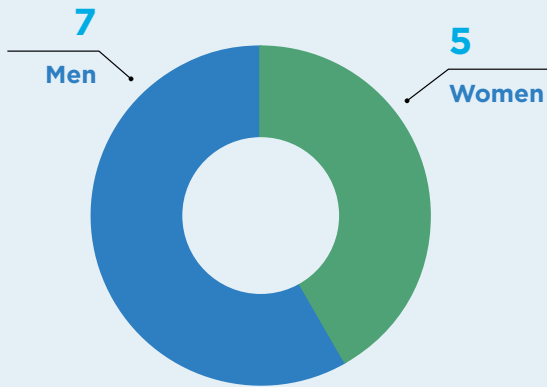
For more information about the composition of the Board and the Committees, refer to the sections below, as well as to tables 2 and 3 annexed to the Report.

### Board of Directors as of 31<sup>st</sup> December 2023

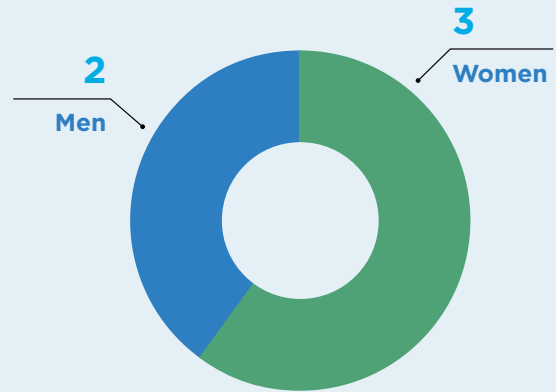
Members	Office
<i>Massimo Moratti</i>	Chair and Chief Executive Officer of the Steering and Strategies Committee Director responsible for the Internal Control and Risk Management System
<i>Franco Balsamo</i>	Board Member General Manager Deputy CEO Member of the Steering and Strategies Committee
<i>Angelo Moratti</i>	Director Member of the Steering and Strategies Committee
<i>Angelomario Moratti</i>	Consigliere Componente del Comitato d'Indirizzo e Strategie
<i>Gabriele Moratti</i>	Director Member of the Steering and Strategies Committee
<i>Giovanni Emanuele Moratti</i>	Director Member of the Steering and Strategies Committee Member of the Control, Risk and Sustainability Committee
<i>Valentina Canalini</i>	Independent Director Member of the Control, Risk and Sustainability Committee
<i>Adriana Cerretelli</i>	Independent Director Chair of the Control, Risk and Sustainability Committee Lead Independent Director Member of the Remuneration and Nomination Committee Chairman of the Related Parties Committee
<i>Laura Fianza</i>	Independent Director Member of the Control, Risk and Sustainability Committee Member of the Remuneration and Nomination Committee Member of the Related Parties Committee
<i>Francesca Stefania Luchi</i>	Independent Director Chair of the Remuneration and Nomination Committee Member of the Related Parties Committee
<i>Giovanni (also known as Gianfilippo) Mancini</i>	Independent Director Chair of the Steering and Strategies Committee
<i>Silvia Pepino</i>	Independent Director Member of the Control, Risk and Sustainability Committee

## MEMBERS OF GOVERNANCE BODIES BROKEN DOWN BY GENDER

**BOARD OF DIRECTORS**

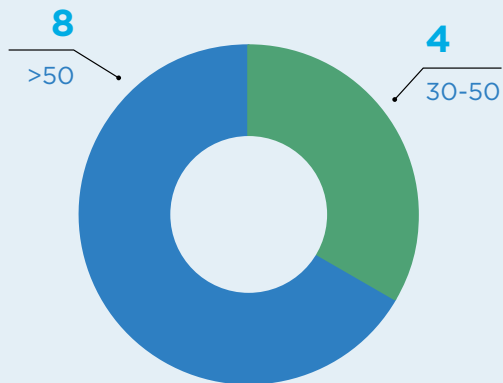


**BOARD OF STATUTORY AUDITORS**

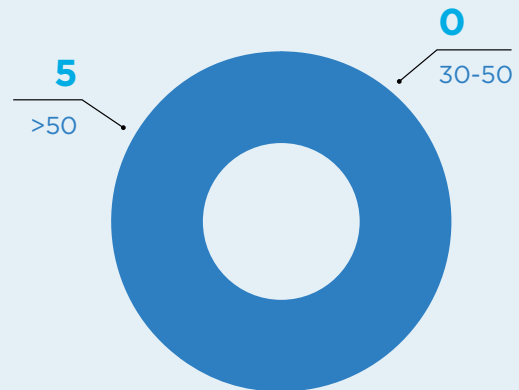


## MEMBERS OF GOVERNANCE BODIES BROKEN DOWN BY AGE

**BOARD OF DIRECTORS**



**BOARD OF STATUTORY AUDITORS**



### 1.3.2 Maximum number of positions held in other companies

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 2023, 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 in March 2023, the Board saw fit not to define a numerical criteria, a priori, for the maximum number of offices held in other companies, but instead express an annual judgment on the compatibility of the offices held in other companies by the same directors, with the possibility of effectively fulfilling the office of director or as members 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 2023 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.

With reference to Recommendation No. 12, letter d) of the Code, it should be noted that during the 2023 financial year, the Company organized 2 specific training programs, adding to the periodic information that is provided during meetings on the evolution of the company business. In particular, the induction sessions concerned (i) “the commodities market and price formation mechanisms” and a (ii) visit to the industrial site of Sarroch (CA) with an illustration of the production cycle.

However, the Chair of the Board of Directors and Chief Executive Officer, with the aid of the Board Secretary and in agreement with the General Manager, ensures that the managers of the company and of the Group companies responsible for the competent corporate functions, according to the subject matter, attend the board meetings, also upon the request of the individual directors, to provide the appropriate insights on the items on the agenda (also refer to paragraph 1.4 below).

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 rele-



vant 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, also in the perspective of the Company's sustainable success, and of its organization, risk control and management system (including tax/accounting matters), and the reference legal framework, main topics pertaining to Sustainability and the ESG parameters, as well as of the main issues that may have an impact on the Group 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.

#### 1.4 1.4 Functioning of the Board and its 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 2023 financial year, the Board held 7 meetings. So far there have been 3 Board meetings in 2024, 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 summary table 2 annexed to this Report, to which reference should be made.



On 30<sup>th</sup> January 2024, the Company released its annual calendar of corporate events, drawn up pursuant to Article 2.6.2, paragraph 1, letter (b) of the Regulations of the Italian stock exchange. It anticipates at least 5 meetings for 2024.

The directors and auditors received the documentation and information necessary to express a fully informed judgment on the matters submitted to them for examination, in observance of the terms for sending the pre-Board disclosure in advance set by the Board of Directors' Regulation adopted by the Company and in compliance with the provisions of Recommendation No. 11 of the Code. 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.

### **1.5 Role of the Chair of the Board of Directors**

During its meeting held on 3<sup>rd</sup> May 2023 following the ordinary Shareholders' Meeting held on 28<sup>th</sup> April 2023 which appointed the board members in the current structure, the Board of Directors appointed and confirmed Massimo Moratti<sup>14</sup> as Chair of the Board of Directors and Chief Executive Officer of Saras S.p.A. and confirmed his responsibilities as attributed by the law and by the Articles of Association, as well as the powers and functions previously awarded to him in the previous term of office because of the experience he has gained in the same role and his elevated and recognized professional and personal expertise and qualities.

In 2023, the Chair of the Board of Directors and Chief Executive Officer, in observance of the suggestions of the Code, particularly in Recommendation No. 12, and of the Board of Directors' Regulation, together with the support of the Board Secretary ensured that the Functions of the Company and Group would prepare complete and exhaustive supporting documentation - also summarized in the case of particularly complex topics - necessary to discuss the items on the agenda to be provided in advance to the directors and auditors in anticipation of the Board of Directors' meetings, in order to allow the directors to act in an informed manner in performing their roles.

Furthermore, as suggested by Recommendation No. 12 b) of the Code, the Chair guarantees the coordination of the activities of the board Committees with those of the Board, personally liaising with the Chair of each Committee, also with the support of the Secretary of the Board of Directors, and schedules the meetings of the Company's administrative body bearing in mind the responsibilities and powers recognized by the Code and by the respective Regulations of functioning to the Committees.

Considering his role of liaison between executive and non-executive directors, and as required by Principle X of the Code, the Chair of the Board of Directors and Chief Executive Officer prepared the agenda of the various Board meetings and ensured, with the help of the Secretary, the completeness of the pre-Board disclosure. To this end, it is acknowledged that the Company continued, also in 2023, to make use of an IT platform, specialized in Secure Sharing, which enables Board documentation to be consulted, shared, filed, entered in the system and searched. This also ensures that the documentation can be traced and guarantees a strengthened level of data security and protection from illegal consultation or manipulation of the information contained therein. To make it easier to share information with a high degree of security, special tablets have been made available to the participants in the meetings of the Board of Directors, that allow consultation and sharing in real time of what is illustrated by the speakers as well as the use, in virtual mode, of the documentation in support of the discussion of the Board, with a view to ever-increasing sustainability of the material resources used. All the documentation was also extensively illustrated in the board meetings both by

---

14. See also Note 12 above with reference to the additional position of Chief Executive Officer granted by the Board of Directors on 15<sup>th</sup> March 2023 to Massimo Moratti.

the executive directors, and in particular by the General Manager, and, as regards the accounting and financial data, by the Chief Financial Officer of the Company, regularly invited to participate in the Board meetings.

The Chair oversaw the participation of the Directors in the related initiatives organized in the forms deemed most appropriate, in order to provide them with information on the business sector in which Saras operates, the company dynamics and their developments, the principles of proper risk management, as well as the associated legislative and self-regulatory framework of reference, with the organization of both in-depth meetings and discussions with the different corporate functions and training sessions as better described in paragraph 1.3.2 above.

In addition, with the help of the Board Secretary, the Chair and Chief Executive Officer - also upon the request of individual directors - ensured that the Group managers responsible for the competent corporate functions, depending on the subject matter, were also invited to the meetings of the Board and of the Committees held during 2023, such as the Chief Energy & Sustainability Officer, the General Counsel & Corporate Affairs, the Chief of Human Resources Officer and the Risk Officer, in this way increasing the value of the board meetings as an occasion for all the Directors to acquire adequate information on the management of the Company and Group and the appropriate detailed information on the items on the agenda.

For more details on what letters c), d) and e) of Recommendation No. 12 suggest, please also refer to paragraphs 1.2 and 1.10 of Section II of the Report.

### **1.5.1 Board Secretary**

In adhering to the contents of Recommendation No. 18, on 3<sup>rd</sup> May 2023 the Board appointed as its Secretary Simona Berri, General Counsel & Corporate Affairs of Saras S.p.A. (the “Secretary”), considering that she meets the appropriate requirements of professionalism and experience at the time of her appointment. The Board Regulation defines the requirements and functions of the Secretary in line with the provisions of the Corporate Governance Code.

In 2023, the Board of Directors made use of the Secretary’s support to organize its work.

More specifically, the Secretary supported the activity carried out by the Chair of the Board of Directors and Chief Executive Officer to guarantee the completeness and exhaustiveness of the pre-board disclosure, and the connection between the board activities and those carried out by the relevant Committees and the Board of Statutory Auditors. Furthermore, she supported the Chair and Chief Executive Officer in guaranteeing that the competent corporate Functions in the areas of the items on the agenda attended the Board meetings, and supervised the adequacy and transparency of the Board’s self-assessment process, providing advice and assistance on the important aspects for the proper functioning of the corporate governance system. In addition, the Secretary contributed to the development, in agreement with the Chair and Chief Executive Officer, of the initiatives aimed at digitizing the Board of Directors’ activities, and supporting the interaction and coordination between the Board of Statutory Auditors and the Company’s Supervisory Body established pursuant to Italian Legislative Decree 231/01. Lastly, the Secretary took the minutes of the meetings in compliance with the provisions of the Board Regulation.

## 1.6 Delegations within the Board

Without prejudice to the powers of the Board summarily illustrated in paragraph 1.1 above, the Board, at the meeting held on 3<sup>rd</sup> May 2023, reformulated the delegation of powers for the Company's operational management by granting special powers to the Chair and Chief Executive Officer and to the General Manager.

In particular, on 3<sup>rd</sup> May 2023, in continuity with the action taken in the previous mandate<sup>15</sup>, the Board appointed Massimo Moratti as Chair of the Board of Directors and Chief Executive Officer 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, inter alia, powers of strategic guidance, direction, management and supervision of the Group 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.

At the same meeting, the Board also resolved to confer Massimo Moratti with the task of overseeing the operation of the internal control and risk management system.

Franco Balsamo was appointed director by the Shareholders' Meeting of 28<sup>th</sup> April 2023 and, at the aforementioned board meeting of 3<sup>rd</sup> May 2023, he was also appointed as General Manager, in continuity with the action taken in the previous mandate as a result of the resignation of Mr. Codazzi.

Franco Balsamo was also appointed Deputy CEO.

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

The Board has finally established 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.

## 1.7 Information for the Board

In accordance with Article 2381 of the Italian Civil Code and Article 150, paragraph 1 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.

---

15. In the previous mandate, on 15<sup>th</sup> March 2023, Mr. Codazzi - the previous Chief Executive Officer and General Manager resigned, effective immediately. Taking into account the renewal of the Board of Directors, envisaged on the agenda of the Shareholders' Meeting convened for 28<sup>th</sup> April 2023, the Board of Directors' meeting of 15<sup>th</sup> March mentioned above did not co-opt another director and decided to appoint the Chair of the Board of Directors, Massimo Moratti, as Chief Executive Officer, giving him the relevant additional powers, and to appoint Franco Balsamo, as General Manager, giving him the same powers as the outgoing General Manager Codazzi.

## **1.8 Non-executive and independent directors**

As of today, the Board has six non-executive directors who possess the independent characteristics set out in Article 2 of the Code (as well as in Articles 147-ter, paragraph 4 and 148, paragraph 3 TUF), namely Valentina Canalini, Adriana Cerretelli, Laura Fidanza, Francesca Luchi, Giovanni Mancini and Silvia Pepino.

The number of directors who meet the independence requirements provided for by Article 148, paragraph 3 TUF therefore complies with the provisions of Article 147-ter, paragraph 4 TUF as amended by Italian Legislative Decree No. 303 of 29<sup>th</sup> December 2006, in relation to boards of directors of listed issuers comprising more than seven members, as well as the provisions of Recommendation 5.

The satisfaction of the independence requirements, declared by each director when submitting the lists and when accepting the appointment, was established by the Board of Directors on 3<sup>rd</sup> May 2023 at the first meeting after the appointment of the Shareholders' Meeting held on 28<sup>th</sup> April 2023, also based on statements and the information provided by the parties 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.

With reference to what Recommendation No. 7 of the Code suggests, the Board pre-agreed on the quantitative and qualitative criteria for assessing the significance of the relevant circumstances pursuant to the Code in order to evaluate the independence of the directors at the beginning of its mandate in the meeting held on 10<sup>th</sup> May 2023. For more details, please refer to what is indicated below in paragraph 14 of this Report.

As of 31<sup>st</sup> December 2023, in addition to the independent non-executive directors above, the Board of Directors included four 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.

## **1.9 Lead Independent Director and meetings of independent directors**

In line with the recommendation in Article 13 of the Code and in continuity with the previous mandate, on 3<sup>rd</sup> May 2023, the Board appointed the independent director Adriana Cerretelli as Lead Independent Director, assigning her the task of collaborating with the Chair of the Board and Chief Executive Officer 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 2023 financial year and the first three months of 2024, 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.

With regard to the period indicated above, also with reference to the Remuneration and Nomination Committee (of which three independent non-executive directors are members) and the Control, Risk and Sustainability Committee (of which, as regards the composition as of 31<sup>st</sup> December 2023, 4 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 2023, 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 as of 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.

### **1.10 Management of corporate information**

For more details on the procedure for the internal management and the external disclosure of documents and information regarding the Issuer, with particular reference to the insider information as suggested by Recommendation No. 1, letter f) of the Code, please see paragraph 5 below.

### **1.11 Assessment of the composition of the Board and Committees**

With reference to the 2022 financial year, at the meeting of 15<sup>th</sup> March 2023, the Board carried out an assessment of the size, composition and functioning of the Board itself and of its internal Committees and this self-assessment process, with the support of the Remuneration and Nomination Committee, was coordinated by the Chair, responsible for monitoring the implementation of any improvement actions defined following this assessment. At the above-mentioned meeting, the Board considered the individual and collective composition adequate in terms of size, professionalism, extensive, appropriate and diversified skills, diversity, and number of independent directors. The Board also expressed its appreciation for the contribution of the non-executive directors by virtue of both their managerial experience and expertise, and of their diverse experience gained in different industrial sectors. The Board 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. Finally, the BoD's discussion about the engagement policy and the sustainability plan emerged as areas for improvement.

The Board, in view of the constant presence at meetings of directors who hold positions in other companies and their significant contribution to 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 regarding the maximum number of offices<sup>16</sup> in other companies that may be considered compatible with effectively performing the role of director.

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.

---

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

### **1.12 Diversity criteria and policies in board composition and corporate organization**

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 and, furthermore, is also in line with what the Code recommends.

In addition to the administrative, management and control bodies, the value of diversity characterizes the entire company organization, with the methods and terms reported in the NFS Report included with the Company's annual financial statements (pursuant to chapter 2 of Section I of the Report above), to which reference should be made for further information.

In particular, and notwithstanding the approach to gender balance in the membership of the corporate bodies, on diversity issues and inclusion within the organization of the company as a whole, and in consideration of the provisions of Article 123-bis, paragraph 2, letter d-bis) TUF, the Company acknowledges that no specific policy on diversity has been adopted since, from the time Italian Law No. 120 of 12<sup>th</sup> July 2011 came into force, valuing diversity and the principle of inclusion and gender balance have always been key elements of the Group corporate culture, independently of the adoption of a specific policy on these issues.

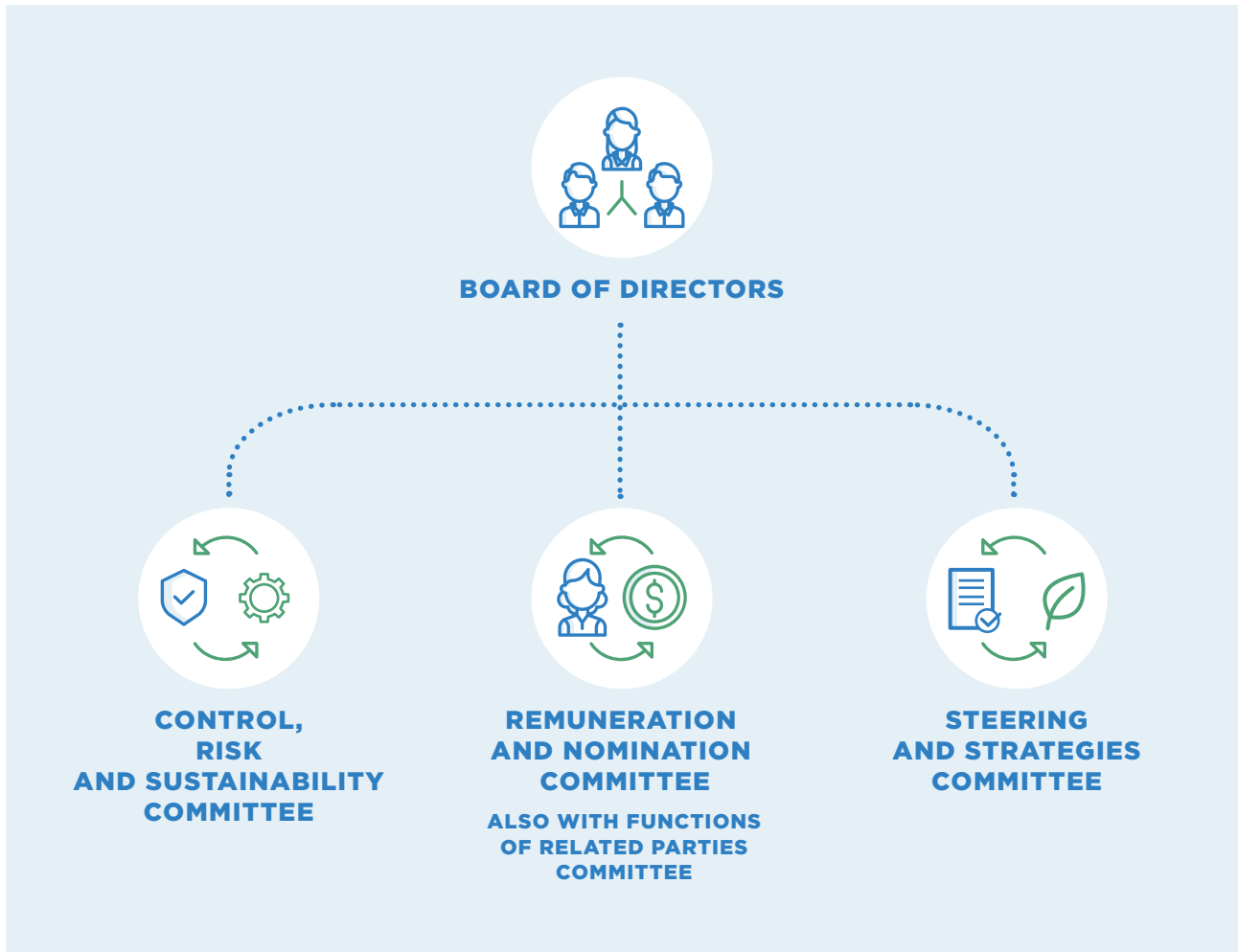
In addition to what is outlined in the Sustainability Report, both the Saras Articles of Association<sup>17</sup>, and the Saras Group Code of Ethics<sup>18</sup> are examples of this. The principle of "equal opportunities, without distinction of race, gender, nationality, political opinion, sexual orientation, social status, age or religious beliefs" was considered to be an element underlying 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.

---

17. Article 18, paragraph 4 of the Articles of Association envisages that "The members of the Board of Directors are elected on the basis of candidate lists, in compliance with the laws and regulations on gender balance in force at the time (...)".

18. Article 3.5 of the Saras Group Code of Ethics reasserts that the entire Group "abides by the principle of equal opportunities, without distinction as to race, gender, nationality, political opinion, sexual orientation, social status, age or religious beliefs".

## 2. Board Committees



The Committees set up within the Board have preliminary, proposal-making 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. In accordance with the provisions of Recommendation No. 17 of the Code, the Board determined the composition of the committees giving priority to the expertise and experience of their members and avoiding excessive concentration of offices.

The members of Saras' Board Committees, in the composition as of 31<sup>st</sup> December 2023, were appointed at the board meeting on 3<sup>rd</sup> May 2023, and will expire upon the termination of the Board of Directors currently in office, namely on the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31<sup>st</sup> December 2025.



## 2.1 Remuneration and Nomination Committee

In accordance with the provisions in Article 3, Recommendations No. 16 and 17 of the Code, the Board has established, in continuity with its previous mandate, an internal Remuneration Committee, which has also been assigned, as provided for by Recommendation No. 19 of the Code, the duties specific to the nomination committee referred to in Article 4 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<sup>th</sup> August 2012 to take account of the indications contained in the Corporate Governance Code in force at the time and new duties assigned to the Committee.

With regard to remuneration, the Remuneration and Nomination 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 key managers (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 and in line with the provisions of Recommendation no. 25, it has the task of:

- assisting the Board of Directors in the development of the remuneration policy;
- submitting proposals or expressing opinions on the remuneration of the executive directors and the other directors who hold particular offices as well as on the setting of performance objectives for the variable component of said remuneration;
- monitoring the actual application of the remuneration policy and verifying, in particular, the actual achievement of the performance objectives;
- periodically assessing the adequacy and overall consistency of the remuneration policy for the directors and the top management.

Furthermore, in observance of the provisions of the Corporate Governance Code, 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 judgment 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<sup>rd</sup> May 2023 and in continuity with the previous mandate, the Remuneration and Nomination Committee is comprised of the independent non-executive directors, Francesca Luchi (Chair), Adriana Cerretelli and Laura Fidanza.

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 pursuant to Articles 4 and 5 of the Code.<sup>i</sup>

During the 2023 financial year, the Remuneration and Nomination Committee held 6 meetings, while 5 meetings have been held in 2024, up to the date of publication of this Report. All members attended all meetings, as detailed in table no. 3 attached to this report, 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. Minutes are taken for the Committee meetings.

In 2023, the Committee focused its activities (i) on the final balance of company results for the purpose of recognizing the short-term incentive, (ii) on the definition of performance objectives for the purposes of the variable incentive plans. The Committee also expressed its opinion on the (iii) new agreement for Franco Balsamo, General Manager of the Company, which removed and replaced the previous agreement for the consensual resolution of the employment relationship.

In particular, committee meetings held in the second half of 2023 and in 2024, which were also attended by the Board of Statutory Auditors, mainly focused on assessing the adequacy, overall consistency and actual application of the Remuneration Policy adopted, on a proposal of the same Committee and pursuant to the Code, by the Company and the examination and analysis of the summary document of the self-assessment of the Board of Directors. The Committee also formulated its considerations on the Letters dated 25<sup>th</sup> January 2023 and 14<sup>th</sup> December 2024 of the Chair of the Corporate Governance Committee of Borsa Italiana and also examined the remuneration of the Key Managers in connection with the performance objectives to whose achievement payment of the short-term variable component was anchored.

The Chief Financial Officer, the General Counsel & Corporate Affairs, the Chief of Human Resources, the Chief Energy Officer and the Head of Sustainability & Investor Relations were invited to attend meetings that dealt with specific topics of interest as well as representatives of the appointed external consultants.

With reference to the Remuneration of the Directors, please refer to what is illustrate in paragraph 3 of this Report below.

## 2.2 Control, Risk and Sustainability Committee

In accordance with the Recommendation No. 32 of the Corporate Governance Code, the Board of Directors has set up an internal Control, Risk and Sustainability Committee with the aim of providing advice and proposals to the Board.

During its meeting held on 3rd May 2023, the Board of Directors appointed the new members of the Control, Risk and Sustainability Committee and gave it the functions provided for by Recommendation No. 35 of the Corporate Governance Code as well as the sustainability functions.

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) determine the degree of compatibility of these risks with the company's management in line with the strategic objectives identified, (iii) assess, 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) approve, at least annually, the work plan prepared by the head of the internal audit function, (v) describe 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) assess, 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 in charge of preparing the corporate accounting documents and in consultation with the independent auditors and the Board of Statutory Auditors;
- c. assess the ability of the periodic financial and non-financial information to properly represent the business model, the company's strategies, the impact of its activity and the performance achieved;
- d. examine the content of the periodic non-financial information significant for the internal control and risk management system;
- e. express opinions on specific aspects of identifying the main company risks;
- f. review periodic reports that assess the internal control and risk management system and reports of particular importance drafted by the internal audit function;
- g. monitor the autonomy, adequacy, efficacy and efficiency of the internal audit function;
- h. 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;
- i. 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.
- j. 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;
- k. examine the implementation of the guidelines and sustainability plans and subsequent processes;
- l. 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;
- m. 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;
- n. monitor the international sustainability initiatives and the Company's participation in them, aimed at consolidating the Company's reputation on the international front;

o. 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 Corporate Governance Report, the Control, Risk and Sustainability Committee is composed of non-executive directors, the majority of whom are independent.

The Control, Risk and Sustainability Committee as of 31st December 2023 was composed of Adriana Cerretelli (Chair), Laura Fidanza, Valentina Canalini, Giovanni Moratti and Silvia Pepino, the majority (4 out of 5) of whom are 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 Deputy CEO and General Manager, the Chief Financial Officer (who is also the Designated manager in charge of preparing the corporate accounting documents), the Head of sustainability & Investor Relations, the Chief Energy & Sustainability Officer, the Chief Energy, the Chief New Initiatives Officer 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 2023 financial year, the Control, Risk and Sustainability Committee met 7 times.

The meetings were regularly attended by its members, as indicated in detail in table no. 3 attached to this report, 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 2024, the Committee met twice.

In 2023, the Committee:

- reviewed and expressed a favorable opinion of the “2023 Program of Internal Audit Activities” and the “2023 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 in charge of preparing the corporate accounting documents and from the audit firm EY, having heard the Board of Statutory Auditors, the correct application of the accounting standards and their standardization for the purposes of drafting the consolidated financial statements and the half-yearly report for Saras and the Group; assessed the *ability of the periodic financial and non-financial information* to properly represent the business model, the company’s strategies, the impact of its activity and the performance achieved;
- 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 as well as examined the half-yearly reports prepared by the Internal Audit Manager pertaining to activities carried out and the assessment of the internal control and risk management system;
- 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 “*Organization, Management and Control Models*”;
- received information on the risk management system (Corporate Risk Profile) from the CEO and General Manager, the Chief Financial Officer and the Risk Officer as well as prepared and adopted the “*Report on the Internal Control and Risk Management System*”<sup>19</sup> for the Board of Directors every six months;

---

19. This Report deals with the activity carried out by the Committee and includes the assessment of the adequacy of the internal control and risk management system.

- received information from the Head of sustainability & Investor Relations on sustainability: the Committee reviewed the system of Environmental, Social and Governance Key Performance Indicators (ESG KPIs); it reviewed the draft Sustainability Report of 2022 and 2023 to be submitted for approval by the Saras Board of Directors; it received extensive information on the ESG ratings and the activities relating to the energy transition from the Chief Energy & Sustainability Officer and from the Chief New Initiatives Officer.
- received updates regarding the Criminal Procedure 6733/2018 at the Public Prosecutor's Office of Cagliari in reference to purchases of Kurdish crude that took place between 2015 and 2016 and the related tax implications; received report on antitrust matters (proceedings in progress and formalization of the "Antitrust compliance program").

In March 2024, 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 2023 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.

Said *Report on the internal control and risk management system* was presented to the Board of Directors during its meeting held on 15<sup>th</sup> March 2024.

### **2.3 Related Parties Committee**

With the resolution passed on 3<sup>rd</sup> May 2023, the Board of Directors gave the Remuneration and Nomination Committee also the specific functions of the Related Parties Committee, to be carried out every time it should become necessary in compliance with the provisions of the *"Procedures for transactions with related parties"* adopted by the Company.

During the 2023 financial year, the Related Parties Committee met twice to express its reasoned non-binding opinion on (i) the terms and conditions of the new agreement signed with the General Manager, Franco Balsamo, and (ii) the assessment of the possible qualification of a shareholder with an interest of more than 5% as a Related Party of the Company pursuant to and for the purposes of the applicable regulations and the Procedures for transactions with related parties adopted by Saras SpA.

### **2.4 Steering and Strategies Committee**

The Steering and Strategies Committee as of 31<sup>st</sup> December 2023 was composed of the directors Massimo Moratti, Giovanni Mancini, Franco Balsamo, Angelo Moratti, 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 Giovanni Mancini.

During the 2023 financial year, the Steering and Strategies Committee held a meeting which was preceded and followed by several preparation and in-depth meetings. In the first 3 months of 2024, it met once.

### 3. Remuneration of directors and managers with strategic responsibilities

The Group 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 incentivize 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.

The process for defining the Policy (contained in Section I of the Report on remuneration and compensation paid) (the “Policy”) involves the Shareholders’ Meeting, the Board of Directors and the Remuneration and Nomination Committee, as well as a series of company departments, including in particular the General Counsel & Corporate Affairs and Human Resources functions. The Policy is therefore defined by the Board of Directors on the proposal of the Remuneration Committee on the basis of the guidelines and principles prepared and approved by the latter periodically.

The Shareholders’ Meeting, convened to approve the annual financial statements pursuant to Article 2364, paragraph 2 of the Italian Civil Code, resolves with a binding vote on the Policy and expresses itself with an advisory vote on the Second Section of the Report.

On 28<sup>th</sup> April 2023, the Shareholders’ Meeting approved the Report on remuneration and compensation paid (also the “2023 Report”)<sup>20</sup>, broken down into a Section I containing an explanation of the remuneration policy (also the “2023 Policy”)<sup>21</sup>, and Section II containing an explanation of the remuneration paid, in compliance with what is provided for (i) by Article 123-ter TUF, as amended by Italian Legislative Decree No. 49 of 10<sup>th</sup> May 2019 implementing EU directive 2017/828 of the European Parliament and Council, of 17<sup>th</sup> May 2017 (Shareholder Rights Directive II), as well as, except for what is specified herein, (ii) with the Corporate Governance Code to which the Company adheres.

For more detail concerning 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 Article 123-bis, paragraph 1, letter i) TUF, see the remuneration report published pursuant to Article 123-ter TUF, as amended by Legislative Decree No. 49 of 10<sup>th</sup> May 2019 in implementation of directive EU 2017/828 of the European Parliament and Council of 17<sup>th</sup> May 2017 (Shareholder Rights Directive II).

Several specific characteristics in applying some criteria of Article 5 of the Corporate Governance Code according to the “comply or explain”<sup>22</sup> principle are pointed out below.

---

20. Available on the Company’s website at the link: [https://www.saras.it/sites/default/files/meetings/relazione-sulla-remunerazione-\\_final.pdf](https://www.saras.it/sites/default/files/meetings/relazione-sulla-remunerazione-_final.pdf)

21. Please see the previous note.

22. See note 1.

With reference to Recommendation No. 27, letter a)<sup>23</sup> under Article 5 of the Corporate Governance Code, please note that in 2023 the Chair of the Board of Directors and Chief Executive Officer and the General Manager held the office of executive directors until 15<sup>th</sup> March 2023, and subsequently, the Chair and Chief Executive Officer and the General Manager held that office. In that year, the Board of Directors decided to grant an annual compensation (pursuant to Article 2389, paragraph 3 of the Italian Civil Code) only to the Chairman of the Board of Directors, in addition to the compensation determined by the Shareholders' Meeting.

On the other hand, the Chief Executive Officer in office until 15<sup>th</sup> March 2023 received only the basic remuneration determined by the Shareholders' Meeting for the office of director since he is remunerated as part of the parallel relationship as General Director.

Unlike in previous years, the Chair - following his appointment also as Chief Executive Officer was also included in the annual variable remuneration plan, with KPIs and target amounts envisaged by the 2023 Policy for the Chief Executive Officer, and fully in line with the aforementioned Recommendation of the Corporate Governance Code (see what is indicated in more detail in this regard in the 2024 Remuneration Report).

As for the Deputy CEO - to whom powers have been delegated only in acting capacity (in the event of the absence or unavailability of the Chair and Chief Executive Officer) - he is remunerated exclusively in relation to the distinct role, held at the same time, of General Manager, in whose scope he participates and has participated in the incentive systems of the Saras Group.

With reference to Recommendation No. 27, letter d) under Article 5 of the Corporate Governance Code, it is specified that the total "variable component" of the remuneration of the Company's top management breaks down - within the scope of the 2023 Policy, in line with past years - into a short-term variable system (i.e. the 2023 MBO plan) and into a long-term variable system (i.e. the 2021-2023 Performance Cash Plan, or "PCP") which together account for a significant portion of the remuneration.

The PCP plan is not share-based, but entirely monetary, although - also including a target, with a 20% weight, related to the "Relative TSR," thus also measured on the basis of the Company's stock performance - it was nevertheless subject to specific approval by the shareholders' meeting pursuant to Article 114-bis TUF. On the other hand, no share-based plans are currently in place.

Consistent with the Corporate Governance Code, the long-term variable system (which is a significant component of overall variable remuneration for key managers) includes a disbursement mechanism in part deferred (while, on the other hand, in line with the more widespread practice among comparable companies, the annual 2022 MBO system pays any accrued bonus in its entirety following the performance measurement period, albeit applying clawback mechanisms). In particular, the disbursement of 20% of any amount accrued as part of the PCP at the end of the performance period (concluded in 2023) is deferred by one year starting from payment of the first tranche in May 2024 (i.e. until May 2025). This deferral percentage was deemed adequate, in relation, inter alia, to the fact that it is a "single" plan (and not instead "rolling", i.e. with new cycles beginning every year), with a three-year performance period (which already intrinsically implies, in fact, a considerable deferral in disbursement of the long-term portion of the variable component).

---

23. Recommendation No. 27, letter a) under Article 5 of the Corporate Governance Code states that "The policy for remunerating executive directors and top management defines a) a balance between the fixed component and the variable component adequate and consistent with the strategic objectives and the risk management policy of the company, taking into account characteristics of the business activity and the sector in which it operates, in any case providing that the variable portion is a significant part of the total remuneration".

In accordance with Recommendation No. 29 under Article 5 of the Corporate Governance Code, no non-executive director receives a variable remuneration as part of and in performance of the relevant corporate office<sup>24</sup>. Members of the Board of Statutory Auditors are paid exclusively a fee, determined from time to time by the shareholders' meeting pursuant to Article 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.

### ***3.1 Directors' compensation in case of resignation, dismissal or termination following a takeover bid (pursuant to Article 123-bis, paragraph 1, letter i), TUF)***

With reference to the policy on benefits envisaged in case of termination of office or termination of employment, non-competition agreements and any service contract after the termination of office or employment, as described in detail in the Report on Remuneration and compensation paid to which reference is made, there is the possibility of "parachute" contracts with Key Managers, i.e., contracts that regulate ex ante the termination of office or employment.

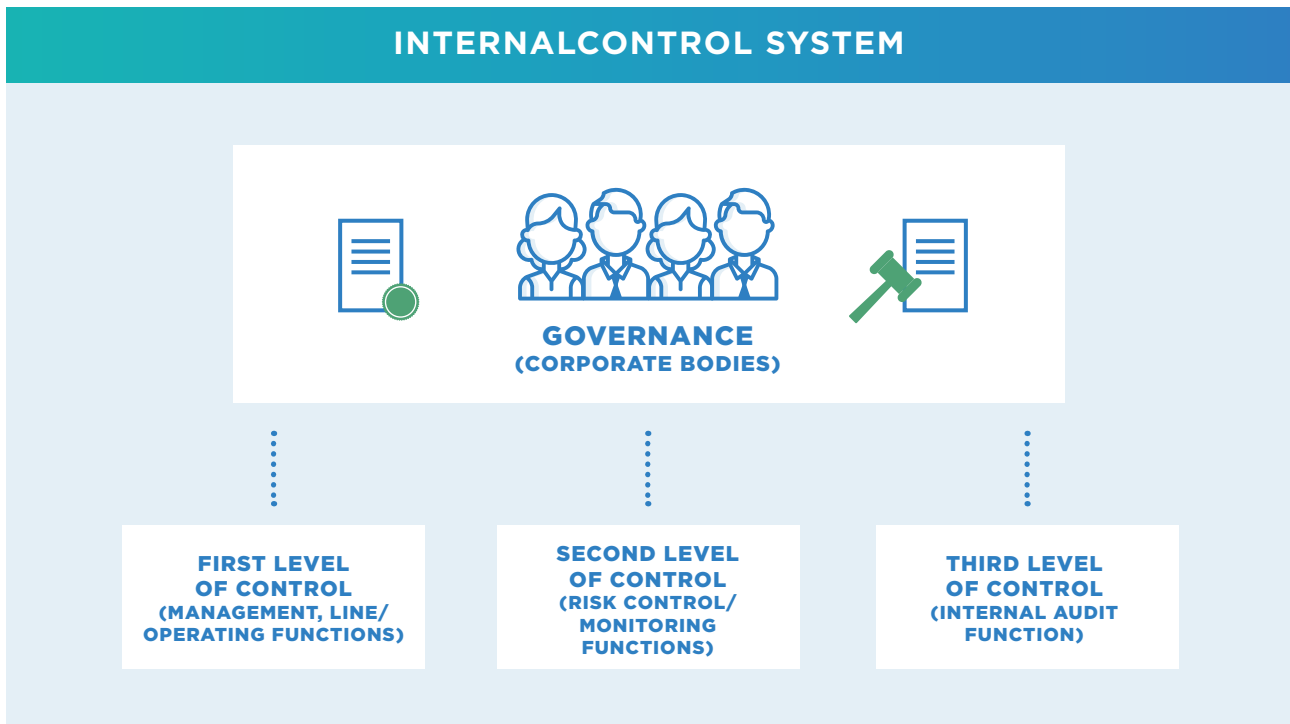
Any agreements - which may be reached with a view to or on the occasion of a future termination of the relationship - are defined in accordance with the provisions described in detail in the Report on Remuneration and compensation paid published by the Company on the "Info" storage mechanism and on the website [www.saras.it/en](http://www.saras.it/en) and to which reference is made.

---

24. For the sake of completeness, as reported in the Corporate Governance Report of 2023, one of the non-executive directors in office for 2022 (and for a few months in 2023, until the expiry of the Board of Directors with approval of the 2022 financial statements) was (already at the time of appointment), bound by a separate contractual relationship, with role, duties and functions not related to his/her work as a non-executive director - in which they receive variable remuneration (in the same way as for other executives of the Company), which they retained as already part of their previous remuneration package as a manager.



## 4. The Internal Control and Risk Management System



The Board is responsible for the internal control and risk management system, which established the guidelines and periodically assesses their adequacy. To do this, the Board relies on the Control, Risk and Sustainability Committee (the “Committee”) and the Internal Audit Department.

For more details on the composition and functioning of the Control, Risk and Sustainability Committee, please refer to what is explained in paragraph 2.2 above.

In 2023, the Control, Risk and Sustainability Committee reported at six-month intervals to the Board of Directors on the activities carried out and, during the meetings on 15<sup>th</sup> March and 31<sup>st</sup> July 2023, expressed its opinion (in relation to the year 2022 and the first half of 2023) 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 establishment and maintenance of the Internal Control and Risk Management System), from the Deputy CEO, the CFO and the Risk Officer on the suitability of the control and risk mitigation activities adopted by the Company;
- of the information from the Internal Audit Manager on the activities carried out and on 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 in charge of preparing the corporate accounting documents, the independent auditors, which were appointed to conduct the independent audit assessment pursuant to Italian 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 the management on the activities carried out and in progress to improve the internal control and risk management system.

In accordance with Recommendation No. 32 of the Code, the Board has identified among its members:

- a. the Chief Executive Officer – CEO, tasked with establishing and maintaining the internal control and risk management system (Recommendation No. 34);
- b. the Control, Risk and Sustainability Committee, having the characteristics indicated in Recommendation No. 35, 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.

#### 4.1 Internal Audit Function Manager

The Internal Audit Function reports directly to the Board of Directors and also reports on its activity to the Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Supervisory Body established pursuant to Italian 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 2023, the Internal Audit Manager prepared (i) periodic reports on the results of the audits performed and (ii) half-yearly reports to provide information on their 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, Risk and Sustainability Committee, were sent to the chairs of the Committee, of the Board of Statutory Auditors and of the Board of Directors (who holds also the role of CEO), to the General Manager and, in relation to the results of the audits of the "Organization, 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 maximize 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 General Manager, the Chief Financial Officer, the Head of Sustainability & Investor Relations, the Risk officer and the independent auditors are also called to participate, at least 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 Function on a risk-based approach; in addition to taking part in the meetings of the Board of Directors, for matters within its competence, this manager takes part in all the meetings of the Control, Risk and Sustainability Committee and is invited to the meetings of the Board of Statutory Auditors; they have periodic meetings with the independent auditors. They form part of the Company's Supervisory Body and report at the Control, Risk and Sustainability Committee also on the updating of the Organization, 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 function 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 sent, 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, managing 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, health, safety and environmental 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 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 senior management, in relation to their management as well as the assessment of the acceptable residual risk.<sup>25</sup>

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.

In addition, as set forth in regulation 262/2005 and the Regulation of the Designated manager in charge of preparing the corporate accounting documents adopted by the Company, the “Accounting, reporting & Compliance 262” function, part of the Group 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 in charge of preparing the corporate 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 General Manager and Deputy CEO, 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 formalizing the appropriate reporting.

---

25. 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.

During 2023, the assessments of the risk portfolio made by the risk owners took account of the direct and indirect effects of the complex geo-political 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 in-depth analysis with the risk owners revealed that the controls put in place to manage and mitigate the risks were substantially adequate; special attention was paid to market, tax and international sanction risks.

The results of the annual monitoring of risks (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, Risk and Sustainability Committee.

Ferruccio Bellelli was appointed Risk Officer on 30<sup>th</sup> June 2016, while also continuing to hold the office of Internal Audit Manager.

As highlighted, also in the Control, Risk and Sustainability Committee, the role held as Risk Officer as a collector of information relating to the main business risks does not include any operating responsibility regarding the definition of tools aimed at risk management and their implementation; this assignment therefore allows the Internal Audit Manager to focus more on Internal Audit activities with a risk-based approach, without compromising organizational 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 2024 Audit Plan, which, after the opinion of the Control, Risk and Sustainability 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 Ethics<sup>26</sup> of the Saras Group is a fundamental element of the internal control system; it contains the values, principles and behavioral rules that Saras and its subsidiaries must follow to carry out their business activities.

#### **4.2 Organizational Model pursuant to Italian Legislative Decree 231/2001**

The internal control system described above was further strengthened by the adoption of the organization, management and control model of Saras (the “Model”), approved by the Board of Directors on 11<sup>th</sup> January 2006 and updated on several occasions in implementing the rules relating to the “Regulations governing the administrative liability of companies” pursuant to Italian Legislative Decree No. 231/2001, in order to arrange a management and control system intended to prevent the risk of committing offenses referred to the same Italian 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 offenses mentioned in Italian Legislative Decree No. 231/2001.

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

- offenses against public authorities;
- corporate and corruption offenses between private individuals;
- offences with the purpose of terrorism or to subvert the democratic order and offences against public

---

26. This can be obtained from the Company's website at: <http://www.saras.it/it/governance/documenti-e-procedure/statuto-e-codici-societari>

- trust;
- manslaughter and serious or very serious bodily harm offences committed in breach of health and safety at work regulations;
  - market abuse offenses (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;
  - organized crime offenses and transnational offenses;
  - 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 trade;
  - tax offenses;
  - contraband offenses.

The last update was carried out on 8<sup>th</sup> November 2023, following the amendments made to Legislative Decree 231/01 by Legislative Decree 24/2023, implementing Directive (EU) 2019/1937 concerning the protection of whistleblowers. In particular, the amendment concerned the General Part of the Model (sanction system and reporting to the Supervisory Body). By implementing the Model, guidelines and procedures have been updated and issued over time<sup>27</sup>.

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

The Saras Supervisory Body as of 31<sup>st</sup> December 2023 is composed of Renato Colavolpe (Chair), Paola Simonelli (external member and member of the Board of Statutory Auditors), Simona Berri (General Counsel & Corporate Affairs) and Ferruccio Bellelli (Internal Audit Manager). Group companies (Sarlux s.r.l., Deposito di Arcola s.r.l., and Sardeolica s.r.l.) have adopted and updated their Organization, 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 Comité Etico and, likewise, the Swiss subsidiary Saras Trading S.A., by reference to the Swiss Criminal Code, has adopted its own “Organization Model” and appointed the Internal Audit Manager with “Supervisory” duties.

---

27. These include the following: (i) Compliance Guidelines of Internal regulations to manage relevant information and insider information and establish a register of people who have access to it; (ii) Internal Dealing Procedure; (iii) Procedures for transactions with related parties; (iv) Guidelines on relations with Public Authorities; (v) Guidelines on managing extraordinary operations; (vi) Guidelines on relations with Public Supervision Authorities and management companies of regulated markets for financial instruments; (vii) Guidelines on external communication of corporate information and documents; (viii) Guidelines on ICT (Information and Communication Technology); (ix) Guidelines on combating bribery; (x) Guidelines on fraud prevention; (xi) Guidelines on Procurement (which also governs the management of consultancy contracts); (xii) Guidelines on Administration and Financial Statements; (xiii) Tax Guidelines.

### **4.3 Independent auditors**

With reference to what is explained in paragraph 2 above of Section I of this Report for more details on the Independent Auditors, it is also noted that the Shareholders' Meeting called to approve the financial statements as of 31st December 2023, marked the expiry of the engagement granted to the Audit Firm EY S.p.A. for the nine-year period from 2015 to 2023. In compliance with the provisions of European Regulation No. 537/2014 (hereinafter "European Regulation") and Italian Legislative Decree No. 39/2010 as amended by Italian Legislative Decree No. 135/2016, the external audit engagement for the years 31st December 2024 to 31st December 2032 was assigned to PWC S.p.A. by the shareholders' meeting of 28<sup>th</sup> April 2023 and on a reasoned proposal of the Board of Statutory Auditors, identified through a special selection procedure implemented in accordance with the criteria and procedures established by Article 16 of the European Regulation.

### **4.4 Designated manager in charge of preparing the corporate 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 Article 154-bis TUF, appointed a designated manager in charge of preparing the corporate accounting documents (also "Manager in charge of financial reporting"). Presently, the Manager in charge of financial reporting is the Company's Chief Financial Officer, Fabio Peretti, who was called to fill this role by the Board of Directors at a meeting held on 3rd May 2023.

The Manager in charge of financial reporting performs the tasks laid down in Article 154-bis TUF, for which the Board has awarded him all the necessary or appropriate powers.

In particular, the Manager in charge of financial reporting is responsible for the internal control system on financial reporting and, to this end, prepares administrative and accounting procedures for the formation of periodic accounting documents and any other financial communication by certifying, together with the Chief Executive Officer, in a special report attached to the financial statements, the condensed half-yearly financial statements and the consolidated financial statements, the adequacy and effective application of these procedures during the period to which the aforementioned accounting documents refer. The Board of Directors supervises, pursuant to Article 154-bis TUF, that the Manager in charge of financial reporting has adequate powers and means to carry out the assigned duties and monitors effective compliance with the aforementioned procedures.

The Manager in charge of financial reporting provides a periodic report to the Supervisory Body established pursuant to Article 6, lett. b) of Italian Legislative Decree No. 231 of 8th June 2001, and to the Control and Risk Committee.

## 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 organizational 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 3rd 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 Italian Legislative Decree No. 231/2001 for the prevention of Market Abuse offenses.

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 Article 3 of Italian Legislative Decree No. 107 of 10/08/2018, and also to Article 115-bis 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 Article 17 of the MAR, and Execution Regulation (EU) 2016/1055 of the European Commission of 29<sup>th</sup> June 2016, as well as the recommendations of Borsa Italiana and international best practice, firstly on 10<sup>th</sup> January 2017 and subsequently on 2nd March 2020 and 4<sup>th</sup> 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 Regulation System, define internal roles and responsibilities, with particular regard to the assessment of the privileged nature of information and the formalities to be adopted in the case of the use of delayed dissemination to the market; moreover, it contains 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 department.

## 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" as updated on 1st 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, which regulates the flow of information from the obliged parties, identified by the pro tempore regulations in force, as well as the Procedure itself, to the Company, Consob and the public, 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 practices, the Procedure also prohibits such relevant subjects or people closely associated with them, to perform transactions in the Company's securities in certain periods.

More specifically, the Internal Dealing Procedure is designed to:

- identify those persons within the Company who are required to make disclosures ("Relevant Persons");
- define the procedures by which Relevant Persons and persons closely related to them, as defined in the Internal Dealing Procedure, will communicate to the Company information relating to transactions in shares, debt securities, derivative instruments, as well as other financial instruments related thereto;
- define the procedures by which the Company will manage the communications received from its Relevant Persons as well as from persons closely related to them, and comply with the disclosure obligations incumbent on it by identifying the person in charge of receiving, managing and disseminating such communications to the public;
- regulate the "black out periods," i.e., periods during which Relevant Persons are prohibited from carrying out transactions, either directly or indirectly, on their own behalf or on behalf of third parties, during specific periods of the year.

The Internal Dealing Procedure is available on the website at the following link:

<https://www.saras.it/it/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<sup>th</sup> March 2010 - the "Regulations"), also in consideration of that indicated in Consob Communication No. DEM/10078683 of 24<sup>th</sup> September 2010. The procedures ("RPT Procedures") are available on the Company website<sup>28</sup>.

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 Article 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 1st July 2021. The new text of the Related Parties Regulation therefore came into force on 1st July 2021, entailing 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.

The Board of Directors on 8<sup>th</sup> June 2021 amended the procedures and adopted the new text, adapted to and aligned with the new regulatory regime applicable following issue of Italian Legislative Decree 49/2019 of 10<sup>th</sup> May 2019 implementing Shareholder II and Consob Regulation No. 17221 of 12<sup>th</sup> March 2010 as amended.

The Board has also approved a "Code of Conduct for directors of the Group", which was also positively assessed by the Control, Risk and Sustainability 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.

---

28. The Procedures on the subject of transactions with related parties are available on the company's website at the link: [https://www.saras.it/sites/default/files/in\\_page/saras\\_procedureparticorrelate.pdf](https://www.saras.it/sites/default/files/in_page/saras_procedureparticorrelate.pdf)

## 8. Additional Financial Information pursuant to the new art. 82-ter of the Issuers' Regulation

The Board of Directors of the Company, in exercising the powers recognized by Article 82-ter of the Issuers' Regulations<sup>29</sup>, decided to proceed with the voluntary publication, starting from 10<sup>th</sup> 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.

## 9. 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 of both genders, so that a proportion of candidates at least equal to the proportion prescribed in the applicable regulations on gender balance belongs 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 2023, 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 25<sup>th</sup> day prior to the Shareholders' Meeting date and must be made available to the public at the

---

29. 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 Article 82-ter to the Issuers' Regulations concerning additional period financial information thereby providing that listed companies could choose, on a voluntary basis, whether or not to publish additional periodic financial information (with respect to Annual and Half-Yearly Reports).

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 12<sup>th</sup> May 2021 with a term of office that ends on the date of approval of the financial statements as of 31<sup>st</sup> December 2023 - comprises the following members as of the date of publication of this Report:

### Board of Statutory Auditors as of 31<sup>st</sup> December 2023

Members	Office
<i>Giancarla Branda</i>	Chair
<i>Fabrizio Colombo</i>	Statutory auditor
<i>Paola Simonelli</i>	Statutory auditor
<i>Pinuccia Mazza</i>	Alternate auditor
<i>Andrea Perrone</i>	Alternate auditor

In the financial year 2023, the Board of Statutory Auditors held 18 meetings. In 2024, up to the date of publication of this Report, the Board of Statutory Auditors has met 6 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.

Based on the statements provided by the Auditors and in observance of the provisions of the "Rules of conduct of the board of statutory auditors of listed companies" published by the Italian accounting profession council in December 2023, which the Board of Statutory Auditors decided to adhere to, the Board of Statutory Auditors carried out its self-assessment by internal verification of its independence requirements pursuant to the law and based on the criteria set forth in the Code with reference to the directors both following its appointment and afterwards each year, and the verification had a positive outcome. Therefore, on 15<sup>th</sup> March 2024, the Board of Statutory Auditors ascertained that each member of the Body possesses and continues to possess the independence requirement established by law and by the codes of conduct which the Company has declared it follows, affirming that during 2023 and until the date mentioned above, no facts able to jeopardize full possession of the aforesaid requirement have emerged. The attendance of the Board of Statutory Auditors at the meetings of the Control, Risk and Sustainability Committee ensures the necessary coordination with the Committee and with the Internal Audit Function.

With reference to the remuneration envisaged for the members of the Board of Statutory Auditors, please refer to what is described in paragraph 3 of Section II of this Report above.

## 10. Shareholder relations

### 10.1 Access to information

The Corporate Governance of Saras is functional for creating value for the shareholders and for reconciling the interests of the Company's Stakeholders. Saras ensures the monitoring of the issues of mutual interest and observance of the rules, and promotes constructive dialogue with its Stakeholders, with the ultimate aim of directing its actions towards the creation of shared value.

The Company maintains a regular dialogue with shareholders in general and institutional investors 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 to manage insider information and establish a List of people who have access to it.

In order to promote the dialogue mentioned, the Company, in accordance with the recommendations referred to in the Corporate Governance Code, proceeded to select a person responsible for managing relations with shareholders and institutional investors, namely the Investor Relations function. In particular, since 2023 this function has been part of the new Sustainability & Investor Relations function, with the aim, in line with the Group strategy, which places increasingly more attention on projects dedicated to the energy transition, to integrate more effectively in the communication addressed to the financial community the messages concerning sustainability and ESG issues that involve Saras and its reference market.

During 2023, the Company's Management (CEO, CFO and Head of Sustainability & IR and Head of Investor Relations) participated in person in 3 Investor Conferences dedicated to investors specialized in the "Energy" and "Oil & Gas" sectors" (in Milan and London). During the year, the Management also participated in 8 investor meetings, either group or one-on-one, promoted by the Company or requested by investors.

In addition to these meetings, the Investor Relations function maintained a continuous dialogue with shareholders and other stakeholders through virtual meetings, telephone calls and emails.

On these occasions, clarifications and insights were provided to Shareholders and Other Stakeholders concerning the relevant market scenario, operating and financial results, income and financial prospects of the Saras Group and shareholder remuneration policies; sustainability policies, ESG ratings and the Group energy transition strategies. The changes in the governance of Saras S.p.A. during the year were also explained.

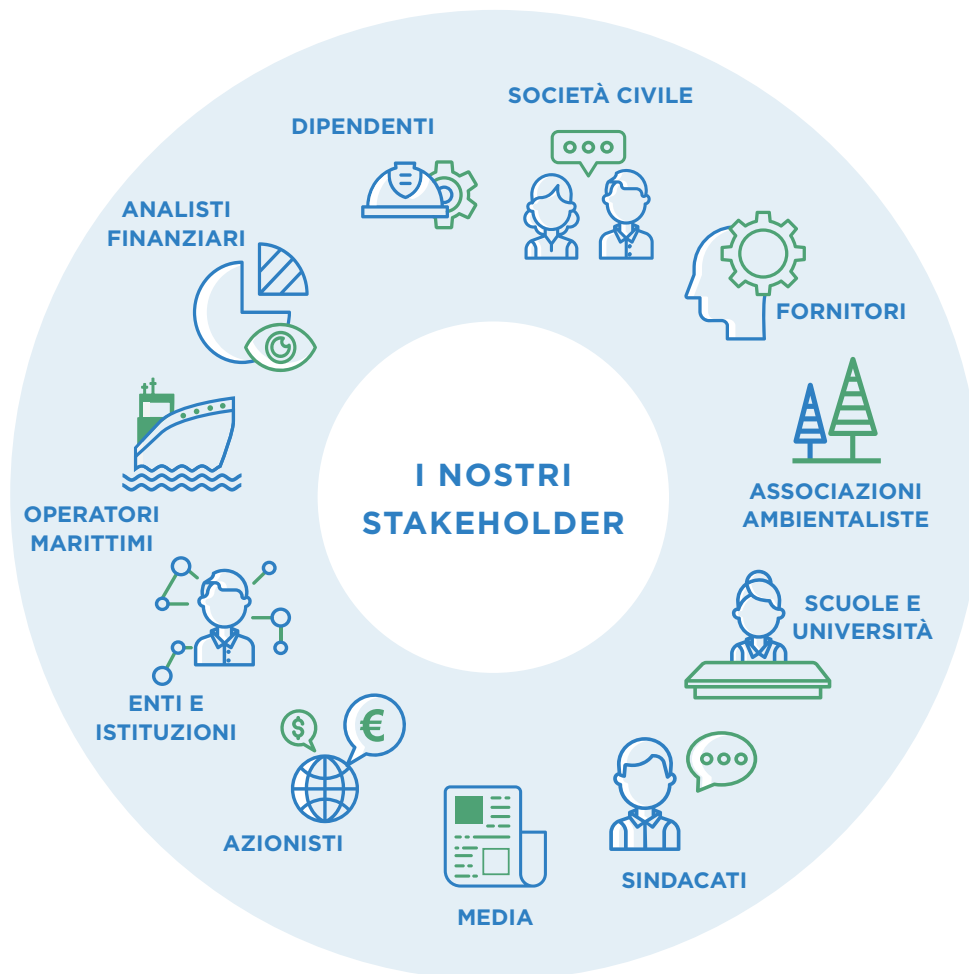
### 10.2 Dialogue with the shareholders

In its meeting of 16<sup>th</sup> February 2022, with the aim of further promoting the dissemination of financial information, and in compliance with the recommendations of the Corporate Governance Code, the Board of Directors of Saras S.p.A., on the joint proposal of the Chair and the Chief Executive Officer, approved its "Policy for managing dialogue with shareholders and other stakeholders" (also "Engagement Policy")<sup>30</sup> - where the term "other stakeholders" refers to professional and retail institutional investors, financial analysts and proxy advisors.

This Policy sets out to explain the general principles, management methods and content of the dialogue between Saras, its shareholders and other stakeholders, also taking into account engagement policies adopted by institutional investors and asset managers. The Engagement Policy describes the methods with which Saras guarantees constant interaction with the entire financial community through tools that comprise both

---

30. Reperibile sul sito Saras al link: <https://www.saras.it/it/investitori/politica-di-engagement>



the ordinary communication channels (e.g. publications and updates on the Company's website, ongoing dialogue with the market through the Investor Relations department, the Shareholder's Meeting, the use of tools such as webcasting / conference calls, etc.), and also dialogue between the Board of Directors and the stakeholders.

The Engagement Policy adopted by Saras designates the CEO and CFO as the parties identified by the Saras Board of Directors to conduct the dialogue with the Stakeholders who request it on issues not already discussed as part of the regular and ongoing dialogue.

During 2023, the Company did not receive requests for direct dialogue with members of the Board of Directors. The organizational 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;  
e-mail: [ir@saras.it](mailto:ir@saras.it).

Toll-free number for individual (i.e. non-institutional) investors: 800511155.

## 11. 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 (Article 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. In addition, the shareholders' meeting may also be held exclusively by means of telecommunication without specifying the place where it is to be held (known as "virtual-only meeting")<sup>31</sup> in accordance with the laws and regulations in force at the time. The board of directors can provide that, in relation to individual Shareholders' Meetings, the persons entitled to attend the meeting and exercise voting rights may attend the Shareholders' Meeting by electronic means. In this case, the notice of call will specify, including by reference to the Company's website, the aforementioned methods of attendance.

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 authorized storage mechanism "IInfo" ([www.iinfo.it](http://www.iinfo.it)). The documentation as provided for by Article 125-quater TUF is also made available on the Company website. Pursuant to Article 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 Article 83-sexies of Italian 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.

The Company has adopted a suitable shareholders' meeting regulation<sup>32</sup>, also drawn up according to the system developed up by ABI and Assonime, designed to ensure the orderly and effective conduct 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.

---

31. Article 12 was amended by the Shareholders' Meeting of 28<sup>th</sup> April 2023.

32. See: <https://www.saras.it/it/governance/assemblea>

This regulation, which, although not in the nature of a statutory provision, was approved by the Ordinary Shareholders' Meeting by virtue of a specific responsibility attributed to that body by the Articles of Association, was amended by the Ordinary Shareholders' Meeting in April 2011 in order to make it compliant with the new terminology introduced by Italian Legislative Decree no. 39 of 27<sup>th</sup> January 2010 on the one hand and, on the other hand, to adapt it to the provisions on the record date (and related system for identifying those entitled to exercise the right to vote) and the right of shareholders to pose questions (Article 127-ter TUF) by Italian Legislative Decree no. 27 of 27<sup>th</sup> January 2010.

## 12. Additional Corporate Governance Practices

The corporate governance practices adopted by the Company are those established by law and by applicable regulatory obligations as well as those indicated in the Code. As explained above, the Company adopted the Model pursuant to Italian Legislative Decree 231/2001.

### 12.1 Whistleblowing system

The Company employs a system for reporting any irregularities or violations of the applicable regulations and internal procedures that guarantees the anonymity of the whistleblower in line with existing national and international best practices.

Since 23<sup>rd</sup> December 2022, a platform (Whistleblowing Portal) has been active, accessible from the website of the Parent Company and the websites of other Group companies, which enables the sending, receiving and management of reports of potential irregularities (known as whistleblowing), ensuring maximum protection of the whistleblower and full compliance with the European Directive on Whistleblowing 2019/1937.

The Whistleblowing Portal (available on the Company's website at: <https://www.saras.it/it/governance/gestione-delle-segnalazioni>) is available to those (employees, customers, suppliers, business partners, lenders, consultants, collaborators) who, in good faith and in accordance with ethical principles of integrity, wish to make a report on the matters referred to therein.

Furthermore, following the publication, in March 2023, of Legislative Decree no. 24 of the implementation of the European Directive and the issue of the ANAC Guidelines (entity identified as a control body on the matter), the Company has updated the Group procedure "Management of reports of potential violations" and its Organization, Management and Control Model.

## SARAS GROUP WHISTLEBLOWING SYSTEM

As part of the system for reporting potential violations of laws, the Group Code of Ethics and the Model pursuant to Italian Legislative Decree 231/01, following the entry into force of the EU Whistleblowing Directive 2019/1937, starting from 28<sup>th</sup> December 2022, the Saras Group has adopted an IT platform for reporting potential irregularities (“Whistleblowing”), which was added to the channels already present (e-mail and post), and is accessible from the Saras website and the websites of the subsidiaries, in all the languages used at Group level (Italian, English and Spanish).

The new platform is able to meet the most stringent requirements of European legislation, and is accessible 24 hours a day and 7 days a week not only to Group employees, but also to suppliers, customers, partners or other external stakeholders, guaranteeing maximum protection of the whistleblower and full compliance with the European Whistleblowing Directive 2019/1937.

By using the platform, the report is made through an encrypted connection; in addition, the IP address and geolocation are not stored at any time. The whistleblowers are given access to a reserved Inbox so that they can receive updates on the status of the report and be able to communicate any additional information (also while remaining anonymous).

The data provided by the whistleblowers are stored in a database of an independent company that ensures maximum protection of the information; all data stored in the database is encrypted using state-of-the-art technology. Only personnel authorized to handle reports have access to the data in the Whistleblowing platform.

### 13. Changes since the end of the reference financial year

No changes have occurred in the corporate governance structure as of the date the financial year ended.



## 14. Considerations on the letter of the Chair of the Corporate Governance Committee of 14<sup>th</sup> December 2023

The letter of the Chair of the Corporate Governance Committee dated 14<sup>th</sup> December 2023 (the “Letter”) was distributed and shared with the members of the Remuneration and Nomination 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 preliminary investigation in view of the drafting of this Report.

The recommendations contained therein may represent a useful governance reference for the Board of Directors.

In particular, the contents of the recommendations formulated in the Letter and in the “*Committee recommendations for 2024*” published with the Letter were specifically considered during the preparation and approval of this report on 15<sup>th</sup> March 2024, in order to identify, according to the principles of the Code, possible developments in governance, highlighting for this purpose the main areas of improvement of compliance, or to fill any gaps in 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, with reference to the Recommendations of the Letter dedicated to the approval of the business plan and the analysis of the issues relevant to Sustainable Success, the Corporate Governance Committee (in short also “CGC”) invited the companies to provide adequate disclosure in the Corporate Governance Report “*on the involvement of the administrative body in the examination and approval of the business plan and in the analysis of the relevant issues for the generation of long-term value*” (ref. Principle I and Recommendation 1, letter a) of the Code). With reference to Saras, it should be noted that, as in previous mandates, the Board of Directors of 10<sup>th</sup> May 2023 approved the Group strategies with regard to the achievement of sustainable success with a view to the Energy Transition Strategy for the 2023-2030 period and, as also occurred in previous mandates, the Company published a specific press release (i.e. made public on 10<sup>th</sup> May 2023) to provide the market with adequate disclosure of the main contents of the aforementioned guidelines. It should be noted that, in 2020 Saras introduced a set of different performance indicators (KPIs) covering the ESG dimensions. They are expressed on an annual basis, with the purpose of giving the Group improvement objectives, quantitatively measuring the progress in each of the areas identified, and guiding the implementation of the Company’s Sustainability strategy. Therefore, Saras can currently consider itself compliant with the recommendation of the Chair of the Corporate Governance Committee.

Another area for improvement identified in the Letter regards the quality and management of the board’s flows of information as well as the timeliness and adequacy of pre-board disclosure. The CGC noted that, even if the issuers define the terms of notice for sending the pre-board disclosure, the normal practice of providing exemptions to the defined term for generic reasons of confidentiality/secretcy of information still appears to be widespread. It therefore invited the companies “*to give adequate reasons in the event of derogation from the timeliness of the pre-board disclosure for reasons of confidentiality, possibly envisaged in the Board regulations and/or adopted in normal practice*” (ref. Principle IX and Recommendation 11 of the Code). In this regard, it is acknowledged that Saras, also in this case, can be considered in line with the recommendation of the Chair of the Corporate Governance Committee, given that also incorporating the suggestions that emerged during the Board Evaluations of recent years of anticipating and regulating the timescales necessary for the sharing of the preliminary documentation in preparation for the discussion and examination of the various items on the agenda of the Board of Directors, the Company has taken concrete steps and is

committed to improving the management of the board's flows of information. Article 5 of the Saras Board of Directors Regulations requires that in order to ensure the timeliness, completeness, adequacy and usability of pre-board disclosure, the supporting documentation must be made available to Board members and auditors at least five days before each meeting. This documentation is currently made available to directors and statutory auditors on a dedicated portal with restricted access via a username and password.

Continuing with the examination of the Recommendations contained in the Letter, the CGC invited companies with non-concentrated ownership *"to clearly indicate and give adequate justification in the corporate governance report of any failure to express, in conjunction with the renewal of the management body, the guidance on its qualitative-quantitative composition and/or the failure to request those submitting a "long" list to provide adequate information on the compliance of the list with the guidance expressed"* (ref. Principle XIII and Recommendation 23 of the Code). In this regard, with reference to the definitions contained in the Code, Saras is to be considered a concentrated ownership company not large, thus entailing the right to choose whether or not to adhere to this obligation. However, also considering the hoped-for outcomes of the Recommendations for 2023, the Board of Directors of Saras, on the opinion of the Remuneration and Nomination Committee, saw fit to present, in 2023 as also in the past, its own Guidelines<sup>33</sup> on the optimal quantitative and qualitative composition of the new Board of Directors, appointed by the last shareholders' meeting of 28<sup>th</sup> April 2023, line with what was already communicated in March 2021.

Lastly, with reference to the last recommendation contained in the Letter relating to the introduction of the increased vote, it should be noted that the CGC has invited the administrative bodies to give adequate disclosure, in any proposals of the management body to the shareholders' meeting, *"on the introduction of the increased vote, the purposes of the choice and the expected effects on the ownership and control structures and on future strategies and to provide adequate justification for any failure to indicate these elements"* (ref. Principle III and Recommendation 2 of the Code). In this regard, it is confirmed that Saras does not intend to make use of the increased vote.

During the meeting of 15<sup>th</sup> March 2024, the Board of Directors approved this Report and examined the considerations made with regard to the above-mentioned issues, in particular.

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. The process of implementing the topics referred to in the above Letter into the Company's governance structure began during the year and will continue in the coming years.

---

33. Available at: [https://www.saras.it/sites/default/files/meetings/orientamenti-cda\\_finale.pdf](https://www.saras.it/sites/default/files/meetings/orientamenti-cda_finale.pdf)

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AS OF 05/04/2024**

<b>Share Capital Structure</b>				
	<b>No. shares</b>	<b>No. rights to vote</b>	<b>Listed (specify markets) / unlisted</b>	<b>Rights and obligations</b>
Ordinary shares <i>Note: Possibility to increase right to vote is not contemplated</i>	951,000,000	951,000,000	<b>EURONEXT MILAN</b>	Rights and Obligations as provided for by law and the Articles of Association
Preference shares	----	---	---	---
Shares with multiple vote	----	---	---	---
Other categories of shares with right to vote	----	---	---	---
Savings shares	----	---	---	---
Convertible savings shares	----	---	---	---
Other categories of shares without right to vote	----	---	---	---
Other	----	---	---	---

### **Other Financial Instruments (attributing the right to subscribe to newly issued shares)**

	<b>Listed (specify markets) / unlisted</b>	<b>No. outstanding instruments</b>	<b>Category of shares at service of conversion/exercise</b>	<b>No. shares at service of conversion/exercise</b>
<b>Convertible bonds</b>	----	---	---	---
<b>Warrants</b>	---	---	---	---

### **Significant Investments in the Capital**

<b>Declarant</b>	<b>Direct shareholder</b>	<b>Portion % on ordinary capital</b>	<b>Portion % on voting capital</b>
Massimo Moratti	MASSIMO MORATTI SAPA di Massimo Moratti	20,011	20,011
Gabriele Moratti	STELLA HOLDING S.P.A.	10,005	10,005
Angelo Moratti	ANGEL CAPITAL MANAGEMENT SPA	5,003%	5,003%
FARRINGFORD FOUNDATION	URION HOLDINGS (MALTA) LIMITED	9,589%	9,589%
VITOL HOLDING II SA	VITOL B.V.	10,387%	10,387%

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AS OF 31/12/2023**

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (pre-senters) (**)	List (M/m) (***)	Exec.	Non-exec.	In-dep. Code	In-dep. TUF	Number of other positions (****)	Equity investment (*****)
<b>Chairman and Chief Executive Officer •</b>	Massimo Moratti	1945	26/06/1972	28/04/2023	App. 2025 Financial Statements	Shareholders	M	X					7/7
<b>Chief Executive Officer, General Manager and Deputy CEO</b>	Franco Balsamo	1960	28/04/2023	28/04/2023	App. 2025 Financial Statements	Shareholders	M	X					4/7
<b>Director</b>	Angelo Moratti	1963	28/04/1993	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X				6/7
<b>Director</b>	Giovanni (also known as Gianfilippo) Mancini	1965	27/04/2022	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X	X	X		7/7
<b>Director</b>	Angelomario Moratti	1973	30/05/2005	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X				6/7
<b>Director</b>	Gabriele Moratti	1978	27/04/2010	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X				3/7
<b>Director</b>	Giovanni Emanuele Moratti	1984	20/04/2017	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X				7/7
<b>Director</b>	Adriana Cerretelli	1948	28/04/2015	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X	X	X		7/7
<b>Director</b>	Silvia Pepino	1976	28/04/2023	28/04/2023	App. 2025 Financial Statements	Shareholders	m		X	X	X		4/7
<b>Director</b>	Laura Fidanza	1973	28/04/2015	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X	X	X		7/7
<b>Director</b>	Francesca Luchi	1967	27/04/2018	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X	X	X	1 <sup>(1)</sup>	7/7
<b>Director</b>	Valentina Canalini	1983	28/04/2023	28/04/2023	App. 2025 Financial Statements	Shareholders	M		X	X	X		4/7
Directors who ceased to hold office during the financial year													
<b>CEO and General Manager</b>	Pier Matteo Codazzi	1967	31/10/2022	31/10/2022	15/03/2023	Shareholders		X					2/7

**Table 2: structure of the Board of Directors as of 31/12/2023**

Specify the number of meetings held during the Financial Year: 7

Indicate the required quorum for minority shareholders to present a list for the election of one or more members (pursuant to Article 147-ter TUF): 1%

### 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 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 whether the list from which each director was selected was presented by shareholders (specifying "Shareholders") or by the Board of Directors (specifying "BoD")

(\*\*\*) This column shows whether the list from which each director was selected is "majority list" (specifying "M") or "minority list" (specifying "m").

(\*\*\*\*) This column indicates the number of offices as director or statutory auditor the party concerned holds in other listed companies or large corporations.

(\*\*\*\*\*) This column indicates the attendance of directors at meetings of the BoD (the number of meetings attended compared to the total number of meetings which could have been attended, e.g. 6/8, 8/8, etc. is shown).

(1) Ms. Francesca Stefania Luchi is also Chairperson of PRELIOS S.G.R.

**TABLE 3: STRUCTURE OF THE BOARD COMMITTEES AS OF 31/12/2023**

BoD		Executive Committee (if any)		RPT Committee		Control, Risk and Sustainability Committee		Remuneration and Nomination Committee		Steering and Strategies Committee	
Office/qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
<b>The Chairman and Chief Executive Officer<sup>(1)</sup></b>	Massimo Moratti									1/1	M
<b>Chief Executive Officer, General Manager and Deputy CEO<sup>(1)</sup></b>	Franco Balsamo									1/1	M
<b>Director</b>	Angelo Moratti									1/1	M
<b>Director</b>	Giovanni (as know as Gianfilippo) Mancini									1/1	P
<b>Director</b>	Angelomario Moratti									1/1	M
<b>Director</b>	Gabriele Moratti									1/1	M
<b>Director</b>	Giovanni Emanuele Moratti					3/7	M			1/1	M
<b>Director</b>	Adriana Cerretelli			2/2	P	7/7	P	6/6	M		
<b>Director</b>	Valentina Canalini					4/7	M				
<b>Director</b>	Laura Fidanza			2/2	M	6/7	M	6/6	M		
<b>Director</b>	Francesca Luchi			2/2	M			6/6	P		
<b>Director</b>	Silvia Pepino					4/7	M				
<b>Directors who ceased to hold office during the financial year</b>											
<b>CEO and General Manager</b>	Pier Matteo Codazzi										M
<b>Any members who are not directors</b>											
<b>No. of meetings held during the financial year</b>		-		RPT Committee: 2		Control, Risk and Sustainability Committee: 7		Remuneration and Nomination Committee: 6		Steering and Strategies Committee: 1	

**Notes:**

(\*) This column indicates the attendance of directors at committee meetings.

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

(1) Executive director

**TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AS OF 31/12/2023**

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (M/m)	Indip. Codice	Board meetings attendance (***)	Number of other positions (****)
<b>Chair</b>	Giancarla Branda	1961	28/04/2015	12/05/2021	Approval of the 2023 financial statements	m	X	18/18	5
<b>Statutory auditor</b>	Fabrizio Colombo	1968	22/05/2020	12/05/2021	Approval of the 2023 financial statements	M	X	18/18	13
<b>Statutory auditor</b>	Paola Simonelli	1964	28/04/2015	12/05/2021	Approval of the 2023 financial statements	M	X	16/18	18
<b>Alternate auditor</b>	Pinuccia Mazza	1957	28/04/2015	12/05/2021	Approval of the 2023 financial statements	M	X		
<b>Alternate auditor</b>	Andrea Perrone	1965	27/04/2018	12/05/2021	Approval of the 2023 financial statements	m	X		

**Auditors who ceased to hold office during the reference financial year**

**Number of meetings held during the financial year: 18**

**Indicate the required quorum for minority shareholders to present a list for the election of one or more members (pursuant to Article 148 TUF): 1%**

**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 whether the list from which each auditor was selected is "majority list" (specifying "M") or "minority list" (specifying "m").

(\*\*\*) This column shows the attendance of auditors at meetings of the Board of Statutory Auditors (it features the number of meetings attended by each auditor 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 Article 148-bis TUF and its implementing provisions contained in the Consob Issuers' Regulations.

The complete list of the offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulations.