



**GUIDELINES OF THE BOARD OF
DIRECTORS OF SARAS
FOR SHAREHOLDERS
ON THE QUANTITATIVE AND
QUALITATIVE COMPOSITION THAT IS
DEEMED OPTIMAL FOR THE NEW
BOARD OF DIRECTORS**

- 17 March 2023 -

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FOREWORD

In line with what was done in the past and pursuant to Recommendation no. 23 of the **Corporate Governance Code** drawn up by the Corporate Governance Committee of Borsa Italiana, which Saras S.p.A. (the "**Company**") adopted, the Board of Directors of Saras (the "**Board**"), taking into account the fact that, with the approval of the financial statements for the year 2022, its term of office expires, and having previously consulted with the Remuneration and Nomination Committee, has made a number of considerations, to be submitted to the Shareholders - in preparation for the presentation of the lists for the Shareholders' Meeting scheduled for 28 April 2023, on the quantitative and qualitative composition deemed optimal for the new Board, although this Recommendation may not apply to Saras as a company with concentrated ownership within the meaning of the Code.

These considerations have been developed by considering the outcome of the self-assessment and identifying the required managerial and professional profiles and skills, also in the light of the Company's sectoral characteristics as well as the diversity criteria set out by Principle VI and Recommendation no. 8 and the guidelines expressed on the maximum number of positions, in application of Recommendation no. 15.

In compliance with the Company's Articles of Association and the applicable legal and regulatory provisions in terms of eligibility, composition and balance between genders, this document therefore aims at identifying and defining the qualitative and quantitative composition characteristics of the Company's Board of Directors, while providing the appropriate indications to the Shareholders' Meeting for the renewal of the Board itself.

A) NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS

As regards the number of members of the Board of Directors, the Articles of Association envisage a number between 3 and 15.

With reference to corporate governance best practices, the Board notes that the number of members must be consistent with both the size and complexity of the Company and the number and composition of Board Committees.

Taking also account of the upcoming challenges that the Company will have to face, it is necessary to identify a Board structure capable of guaranteeing an adequate capacity to deal with the complex strategic, organizational and managerial issues that require adequate professionalism and continuous exchange of ideas between its members on the issues dealt with by the Board from time to time.

With regard to the appropriate size of the management body, account should be taken of the complexity and specificity of the activities carried out by the Company and the Group to which it belongs.

B) MEMBERS OR THE BOARD OF DIRECTORS

With reference to the composition, the following should be considered: *(a) the need to maintain an adequate ratio between executive, non-executive and independent Directors, (b) the opportunity to confirm at least some of the Directors who have already acquired adequate knowledge of the sector in which the Company operates and of its corporate governance structure, and (c) the need to broaden the current combination of professionalism and skills within the Board, also in order to adequately respond to the challenges that ESG issues impose.*

With reference to the skills that the members of the Company's future management body must have, without prejudice to the need to meet the requirements of professionalism, integrity and independence set forth by current legislation, the Board points out that the current ratio of executive, non-executive and independent directors is balanced and adequate for the proper functioning of the Board and for an adequate composition of the Board committees.

With regard to the professional figures whose presence is deemed most appropriate within the new Board of Directors, the Board considers the following:

(i) The Chairman of the Board of Directors should:

- be a person of appropriate authority and professionalism;
- have previous experience on the boards of directors of listed companies of a size and/or complexity comparable to that of the Company;
- have an adequate background and experience in corporate governance and corporate strategy;

- have leadership and balance to ensure the smooth functioning of the Board, while promoting internal debate;
- have listening, mediation, synthesis and communication skills;
- be able to involve and motivate the Board to support the CEO in Saras' digital and energy transition.

(ii) The Executive Directors should:

- have gained significant experience at the top management of companies of a size and/or complexity comparable to that of the Company;
- have adequate knowledge and experience in the oil refining and energy sector or other related or similar areas; and
- have adequate expertise in economic-financial matters and corporate strategy or in other issues (e.g. technical or legal) relevant to the Company's activities.

(iii) Non-executive Directors should:

- have gained high-profile experience also in leading national or international companies, or in institutional or professional bodies;
- have adequate expertise in economic-financial and/or legal matters relating to the corporate governance of listed companies;
- be predominantly people with experience in business areas comparable to those of the Company; and
- ensure complementarity of skills and professional backgrounds, both to allow for council debate and to allow for proper constitution of board committees.

(iv) Independent Directors should:

- meet the independence requirements set out by Law and in the recommendations of the Corporate Governance Code, in the latter case having regard more to substance than to form; and
- have adequate authority and possibly experience in corporate governance in companies of a size and/or complexity comparable to that of the Company; and
- ensure complementarity of skills and professional backgrounds, both to allow for council debate and to allow for proper constitution of board committees.

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The Board also considers it appropriate that the members of the Board of Directors and, in particular, those who do not hold an executive role in the ordinary management of the Company, be guaranteed professionalism and in-depth knowledge of the business area in which the Company operates and of related ESG issues. To this end, it suggests that the Shareholders' Meeting exempt non-executive directors from the non-competition clause set forth in Article 2390 of the Italian Civil Code, thus allowing persons who hold management positions in partner companies or, in any case, operate in the same sector as the Company to contribute their experience and expertise to the Board of Directors.

Although taking into account the fact that the knowledge of an articulated and complex Group such as Saras requires an adequate period of experience, the Board also suggests that a partial turnover in the composition of the board of directors should be considered positive, so as to allow for the maintenance of members with seniority in office alongside newly appointed personalities capable of bringing different experiences and sensitivities, especially in view of the role assigned to the independent directors.

In addition, with regard to the assessment of the independence of directors, the Board suggests that due consideration should also be given to the benefit that the Board of Directors and its internal committees could derive from the experience and knowledge of the corporate governance structure of the members of the Board who have already held such office in the past.

C) GENDER

With regard to the gender requirement, the appointment of the administrative body shall comply with provisions of the Articles of Association and of the applicable Law, so that the distribution of the Directors to be elected is carried out on the basis of a criterion ensuring a balance between genders.

In particular, while considering the fact that Law no. 160 of 27/12/2019 (in force as at 1 January 2020), amended articles 147-ter, paragraph 1-bis, and 148, paragraph 1-bis, of the Consolidated Law on Finance on the subject of gender balance in the composition of the Board of Directors and the Board of Statutory Auditors, it should be noted that the less represented gender must obtain at least two-fifths of the elected Directors or elected Statutory Auditors and that this distribution criterion applies for six consecutive terms starting from the first renewal of the management and control bodies of companies listed on regulated markets following the date of entry into force of said Law. In order to adapt the Issuers' Regulations to the new gender quotas, the Board also notes that Consob, by Resolution 21359/20, amended article 144-undecies, paragraph 1 providing that the criterion for calculating the number of seats on the corporate bodies to be reserved for the less represented gender is - as a general rule and in continuity with the previous rules - that of rounding up, but specifying that rounding down must only take place in the event that the corporate bodies consist of three members, taking into account the arithmetical impossibility of ensuring gender balance on the basis of rounding up.

D) COMMITMENT

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 management and control bodies of 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 devote the necessary time to the profitable performance of their duties, as they are well aware of the responsibilities inherent in the office held.

Also on the basis of the opinion expressed by the Remuneration and Nomination Committee and of the Board Evaluation performed, the Board deems, as general indication, - that Directors should not hold, simultaneously, offices in management and control bodies of more than five companies listed on regulated markets (also foreign ones) as well as financial, banking, insurance companies or large corporations, in other words companies with a net worth of EUR 500 million or more. This indication would be, as already stated, of a general nature and could be overridden by a precise assessment of the individual situations of each candidate.

In addition, the Board believes that, for the purposes of calculating the maximum number of offices held, those held in companies of the Saras group are not relevant.

In particular, without prejudice to the fact that each Director shall, in any case, undertake to devote an adequate amount of time to the performance of his/her duties, a candidate may accept the appointment in the absence of the above-mentioned requirement if, for example, the role he/she plays within the Company's Board of Directors (e.g. non-executive role, not member of any internal committee) and his/her specific personal experience and skills lead to the belief that, despite the fact that the total number of offices held is higher than that indicated, the participation of such person in the Board of Directors is consistent with the Company's interests and with the effective performance of the Board's functions.

For the Board of Directors, the

Chairman

Mr. Massimo Moratti