

**SARAS S.p.A.**

**REPORT OF THE BOARD OF DIRECTORS ON THE ITEMS ON THE AGENDA IN  
ACCORDANCE WITH ARTICLE 125-ter OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY  
1998**

Shareholders,

With notice of call dated 17 March 2023, you have been called to take part in the Ordinary and Extraordinary Shareholders' Meeting in Milan, at the office of the Notary Luca Barassi in Viale Piave 17, on **28 April 2023, at 10:00 a.m.**, on first call, and, if necessary, on 29 April 2023, at the same time and place, on second call, to discuss and resolve on the following

**AGENDA**

**Ordinary Part**

**1) Financial Statements as at 31 December 2022:**

1.1) *Approval of the financial statements as at 31 December 2022, presentation of the consolidated financial statements as at 31 December 2022 and the consolidated non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016 – Sustainability Report;*

1.2) *Resolutions concerning the result for the year and the distribution of the dividend.*

**2) Appointment of the Board of Directors:**

2.1) *determination of the number of Board members;*

2.2) *determination of term of office;*

2.3) *appointment of the Board members;*

2.4) *determination of the related remuneration;*

2.5) *possible derogation from the non-competition clause as per Article 2390 of the Italian Civil Code.*

**3) Appointment of the statutory audit for the financial years 31 December 2024 - 31 December 2032 and determination of the remuneration.**

**4) Report on the remuneration policy and compensation paid pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree No. 58 of 24 February 1998:**

4.1) *binding resolution on the first section concerning the remuneration policy prepared pursuant to Article 123-ter, paragraph 3, of Legislative Decree No. 58 of 24 February 1998;*

4.2) *non-binding resolution on the second section concerning compensation paid, prepared pursuant to Article 123-ter, paragraph 4, of Legislative Decree No. 58 of 24 February 1998.*

*5) Amendment of art. 2 of the Regulations of the Shareholders' Meetings of Saras S.p.A. Related and consequent resolutions.*

*Extraordinary Part*

*1) Amendment of art. 12 of the Articles of Association. Related and consequent resolutions.*

\* \* \* \* \*

This report has been prepared pursuant to Article 125-*ter* of Legislative Decree No. 58 of 24 February 1998, as subsequently amended ("**TUF**" [**Consolidated Financial Law**]).

In accordance with the above law, this report is made available to the public at the company's registered office and on Saras S.p.A.'s website ([www.saras.it](http://www.saras.it)) (the "**Company**"), at least forty days prior to the date set for the Shareholders' Meeting.

As specified below, any other report on the matters indicated in the items on the agenda required under applicable laws and regulations will be published within the time limits set by the law.

## **First item on the agenda of the ordinary session of the Shareholders' Meeting**

Shareholders,

With regard to the first item on the agenda, the Board of Directors informs you that the draft financial statements of the Company as at 31 December 2022, accompanied by the related report on operations and the certification pursuant to Article 154-bis, paragraph 5 of the TUF by the delegated administration bodies and the Designated manager responsible for drafting corporate accounting documents, and carrying the draft resolution prepared by the Board of Directors and submitted to the Shareholders' Meeting, together with the consolidated financial statements as at 31 December 2022 (drawn up in ESEF format) and the consolidated non-financial statement prepared pursuant to Legislative Decree No. 254 of 30 December 2016 ("*Sustainability Report*") will be made available at the Company's registered office and on the Company's website [www.saras.it](http://www.saras.it) within the time limits set by the law.

In addition, during the twenty-one days preceding the Shareholders' Meeting, a copy of the report of the Board of Statutory Auditors and the Independent Auditors' report on the draft financial statements as at 31 December 2022 will also be filed at the Company's registered office, on the Company's website and with the other procedures provided for by Consob.

\*.\*.\*.\*.\*

You are also invited to take note of the results of the consolidated financial statements as at 31 December 2022.

## **Second item on the agenda of the ordinary session of the Shareholders' Meeting**

Shareholders,

With regard to the second point on the agenda, you are reminded that the mandate of the current Board of Directors (also the "Board") expires on the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2022; the Board has therefore called the Shareholders' Meeting also to approve the appointment of the new Directors and to set their number, term of office and remuneration.

In addition, the Board of Directors of Saras has adopted the Corporate Governance Code ("Code") which - pursuant to Article 4, Principle XIII and Recommendation 23, also taking into account the provisions of the Principles pursuant to Article 2 - recommends that the boards of directors of companies listed on regulated markets, in view of the renewal of the administrative body, provide their guidance to the shareholders on the quantitative and qualitative composition considered optimal, taking into account the results of the self-assessment carried out pursuant to the Recommendation 22 of the Code.

In this regard, it should be noted that the recommendation to provide a guidance with reference to the optimal composition of the Board of Directors, pursuant to Article 4, Principle XIII and Recommendation 23 of the Code, may not apply to Saras, as it may be classified as *Not a large concentrated ownership company* pursuant to the Code. Nevertheless, on the opinion of the Remuneration and Nomination Committee, the Board formulated its own Guidance on the optimal quantitative and qualitative composition of the new Board of Directors, in line with industry *best practices*. This Guidance, to which reference should be made, is published at the same time as this Report.

### **3.1 determination of the number of Board members;**

As regards the size of the Board of Directors, Article 18 of the Articles of Association provides for a number of members between 3 and 15.

The Board of Directors, taking into account the provisions of the Articles of Association, invites you to resolve on the number of members of the Board of Directors deemed suitable to ensure the correct performance of the corporate functions.

### **3.2 determination of term of office;**

In regard to the duration of the mandate of the Board of Directors, we remind you that Article 18 of the Articles of Association provides for the term of office of the Directors to be set at the time of their appointment by the Shareholders' Meeting, not exceeding 3 years, also specifying that directors may be re-elected.

Having said this and taking into account the provisions of the Articles of Association, the Board of Directors therefore invites you to resolve on the term of office of the Board of Directors.

### **3.3 appointment of Board members;**

As already noted in the notice of call of the Shareholders' Meeting, to which reference should be made for more information, we remind you that the appointment of the Board of Directors will take place on the basis of lists submitted in the manner described in Article 18 of the Articles of Association (the full text of which is provided at the end of this section) by Shareholders that, alone or together with others, represent, pursuant to Consob Resolution No. 76 of 30 January 2023, at least 1% of the share capital consisting of shares with voting rights in the Ordinary Shareholders' Meeting, with the obligation of proving ownership of the number of shares requested by means of specific documentation issued by an intermediary authorized in accordance with the law; if not available at the time the lists are filed, this documentation must be received by the Company at least twenty-one days prior to the date set for the Shareholders' Meeting.

We also remind you that, pursuant to the aforementioned article of the Articles of Association, the lists of candidates, listed by sequential number, accompanied by the CVs of the candidates as well as a statement where they accept the office, the absence of causes of ineligibility and incompatibility as provided by law, and the fulfilment of the requisites indicated in the list, must be signed by those who submit them and filed at the registered office (or sent by certified e-mail to [assemblea.saras@pec.grupposaras.it](mailto:assemblea.saras@pec.grupposaras.it)) by the twenty-fifth day prior to the date of the Shareholders' Meeting called in first call to resolve on the appointment of the members of the Board of Directors, **that is, by 3 April 2023**.

The candidate lists are made available to the public at the registered office, on the company's website and in the other ways provided for by Consob at least twenty-one days prior to the date of the Shareholders' Meeting.

For the appointment of the Board of Directors, each Shareholder may submit and vote on only one list and each candidate may appear on only one list.

To facilitate compliance with the provisions on the composition of the Board of Directors of the applicable laws and regulations, Article 18 of the Articles of Association provides that each list must be composed of no more than fifteen candidates and that the lists must be composed of candidates belonging to both genders, so that a quota of candidates belongs to the less represented gender (rounded up) equal to that required by the laws and regulations on gender balance in the Board of Directors in force at the time (i.e. two fifths of the elected directors).

According to the rules for the election of the Board of Directors specified in the Articles of Association, at the end of the vote, the number of Directors will be equal to the number of candidates indicated in the list that obtained the highest number of votes and the following will be elected: (i) the candidates on the list that obtained the highest number of votes except the last candidate on that list, and (ii) the first candidate on the list that obtained the second highest number of votes that is not connected in any way, directly or indirectly, with the shareholders who submitted or voted the list that obtained the highest number of votes.

If only one candidate list is submitted and voted, the Board of Directors will include all candidates of the single list.

If, with the candidates elected in the manner indicated above, the composition of the Board of Directors does not comply with the laws and regulations on gender balance in force at the time, the candidate of the more represented gender elected last according to the sequential order in the list that obtained the highest number of votes will be replaced by the first candidate of the less represented gender not elected from the same list, according to the sequential order. If, after carrying out this replacement, the composition of the Board of Directors does not comply with the laws and regulations on gender balance in force at the time, the replacement will take place by resolution taken by the Shareholders' Meeting with a relative majority, subject to the presentation of candidates of the less represented gender.

Lastly, we note that Article 147-ter of Legislative Decree No. 58/1998 (TUF), as amended by Law No. 160 of 27 December 2019, and Article 144-undecies, paragraph 1 of the Issuers' Regulations provide that, for six consecutive mandates starting from the first renewal of the Board of Directors after 1 January 2020, each list with a number of candidates equal to or greater than three must be composed in such a way

that gender balance is ensured within the Board of Directors to an extent at least equal to the minimum required by the laws and regulations in force at the time, which currently reserve to the less represented gender a quota equal to at least two fifths of the Directors elected.

This being the third mandate of the Board of Directors after 1 January 2020, each list containing a number of candidates equal to or greater than three must therefore be composed in such a way to ensure to the less represented gender a quota equal to at least two fifths of the Directors elected.

We also remind you that, pursuant to Article 144-undecies, paragraph 1 of the Issuers' Regulations, if the application of the gender allocation criterion does not result in an integer number of members of the Board of Directors of the less represented gender, this number is rounded up to the next higher integer (with the exception of the case where the Board of Directors consist of three members, in which case the number would be rounded down to the lowest integer).

Lists submitted without complying with these provisions will be considered as if they had not been submitted.

### **3.4 determination of the related remuneration;**

We remind you that the Ordinary Shareholders' Meeting held on 27 April 2022 resolved to award each member of the Board of Directors total gross annual remuneration of EUR 45,000.00 (forty-five thousand/00).

The Board of Directors currently in office invites the Shareholders to set the remuneration for each member of the Board of Directors in compliance with the Company's Remuneration Policy, to be paid proportionally, based on the proposals that may be made by the Shareholders.

### **3.5 possible derogation from the non-competition clause as per Article 2390 of the Italian Civil Code.**

If the need arises in relation to the candidacies presented and in order to allow those who hold management positions in partner companies or, in any case, who operate in the same sector of the Company to bring their experience and expertise to the Board of Directors, the Board also deems it appropriate for the Shareholders' Meeting to consider the possibility of allowing an exception to the prohibition of competition pursuant to Article 2390 of the Italian Civil Code to be made for directors who do not hold executive positions.

For any further details on the presentation of the lists and the documentation to be attached, including documentation on the individual candidates, as well as the appointment procedures, please refer to the notice of call, to Article 18 of the Articles of Association, to Article 18 of the Shareholders' Meeting Regulations and to the applicable laws and regulations, with particular reference to the provisions of Article 147-ter of the TUF and Article 144-octies, paragraph 1, letter b) of the Issuers' Regulations.

You are therefore invited to appoint the Board of Directors by voting on one of the lists that will be submitted pursuant to applicable laws and regulations and the Articles of Association, as well as to set the number, the duration of the office (which, pursuant to the law and the Articles of Association, cannot exceed three years) and the annual remuneration of the directors pursuant to Article 2389, paragraph 1 of the Italian Civil Code and to express your opinion on any exception to the prohibition of competition pursuant to Article 2390 of the Italian Civil Code.

## ARTICLES OF ASSOCIATION

### **Board of Directors**

#### **Article 18 Number of members and term of office**

*The company is managed by a board of directors consisting of no fewer than three and no more than fifteen members.*

*The Shareholders' Meeting sets the number of members of the board of directors within the aforementioned limits with the list voting mechanism referred to in the following paragraphs. The number of directors can be increased by resolution of the Shareholders' Meeting, within the maximum limit indicated above, even during the term of office of the Board of Directors; the mandate of directors appointed at that time ends together with the mandate of the directors already in office at the time of this appointment.*

*The term of office of the directors is set at the time of their appointment by the Shareholders' Meeting and cannot exceed three financial years. The mandate expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of the term of office. Directors may be re-elected.*

*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, as described below.*

*The Shareholders who, having regard to the shares that are registered in their name on the day the list is filed with the company, represent at least 2.5% (two point five percent), or the different percentage set by the laws in force at the time, of the share capital consisting of shares with voting rights in the Ordinary Shareholders' Meeting, may present a list of no more than fifteen candidates, sorted sequentially by number, and deposit it at the registered office at least twenty-five days prior to the date of the Shareholders' Meeting in first call, under penalty of forfeiture.*

*The certification issued by the intermediary proves ownership of the number of shares necessary for the presentation of the lists; said certification may be presented even after the filing of the list, provided this is done by the deadline set for the publication of the lists by the company. Lists with a number of candidates equal to or greater than three must include candidates of both genders, so that the less represented gender includes a quota of candidates (rounded up) equal to that prescribed by the laws and regulations on gender balance in force at the time for the composition of the Board of Directors.*

*Each member may submit and vote for only one list of candidates and each candidate may stand for election on only one list, under penalty of ineligibility. The vote of each shareholder shall relate to the list and therefore automatically to all the candidates on it, without the possibility of changes, additions or exclusions.*

*Statements by each candidate must be filed at the registered office together with each list within the deadline set for the filing of said list. Candidates must declare, under their own responsibility, that there are no causes of ineligibility and incompatibility and must confirm compliance with the requirements set by current laws, regulations and Articles of Association for appointment as director of the Company.*

*The number of directors will be equal to the number of candidates indicated on the list that obtained the highest number of votes.*

*At the end of the vote, the following will be elected: (i) the candidates on the list that obtained the highest number of votes except the last candidate on that list, and (ii) the first candidate on the list that obtained the second highest number of votes that is not connected in any way, directly or indirectly, with the shareholders who submitted or voted the list that obtained the highest number of votes. If only one candidate list is submitted and voted, the Board of Directors will include all candidates of the single list.*

*If, with the candidates elected in the manner indicated above, the composition of the Board of Directors does not comply with the laws and regulations on gender balance in force at the time, the candidate of the more represented gender elected last according to the sequential order in the list that obtained the highest number of votes will be replaced by the first candidate of the less represented gender not elected from the same list, according to the sequential order. If, after carrying out this replacement, the composition of the Board of Directors does not comply with the laws and regulations on gender balance in force at the time, the replacement will take place by resolution taken by the Shareholders' Meeting with a relative majority, subject to the presentation of candidates of the less represented gender.*

*Should one or more vacancies occur on the Board during the financial year, Article 2386 of the Italian Civil Code shall apply. If the outgoing director had been taken from the second list that obtained the highest number of votes, the replacement will be made by nominating a person taken, in sequential order, from the same list the outgoing director belonged to, provided this is still eligible and willing to accept the office. The procedure to confirm the director co-opted by resolution of the Board of Directors, or to appoint another director to replace this, at the next Shareholders' Meeting, is as follows: shareholders representing at least 2.5% (two point five percent), or any other percentage set pursuant to laws and regulations in force at the time, of the share capital consisting of shares with voting rights in the Ordinary Shareholders' Meeting may indicate a candidate by depositing the name of this at the registered office at least ten days prior to the date of Shareholders' Meeting in first call. The previous provisions of this Article 18 apply, insofar as they are compatible. If the co-opted director, or the director they replaced, had been taken from a minority list, the shareholder representing the largest percentage of the share capital present at the meeting and shareholders linked to him, 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. In any case, the replacement of outgoing directors is carried out by the Board of Directors so as to ensure compliance with the laws and regulations on gender balance in force at the time.*

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

### **Third item on the agenda of the ordinary session of the Shareholders' Meeting**

Shareholders,

In relation to the third item on the agenda, the Board of Directors notes that the Shareholders' Meeting of 28 April 2015 assigned the task of auditing the accounts for the years 2015/2023 to the Audit Firm EY S.p.A.

In view of the expiry of the term of the aforesaid appointment at the time of approval of the financial statements as at 31 December 2023, the Board of Statutory Auditors, in agreement with the competent corporate functions and consistent with a widespread practice at many listed companies, has deemed it advisable to anticipate the start of the selection procedure for the assignment of the audit engagement for the nine-year period 2024-2032 to allow for an effectively organized transition process between the outgoing auditor and the new one.

The bringing forward of the selection process by one year with respect to the natural expiry of the audit appointment also stems from the need to comply with the new limits introduced by Regulation (EU) No. 537/2014 of 16 April 2014 (the "European Regulation") to guarantee the statutory auditor's independence (the so-called "cooling-off", pursuant to Article 5 of the European Regulation, according to which the auditor must refrain from providing certain services, other than the statutory audit, during the financial year immediately preceding the first year of the audit).

Saras, therefore, started - in 2022 - the preparatory activities for the completion of the selection procedures for the identification of the new statutory auditor.

The explanatory report on this topic, prepared on the proposal of the Board of Statutory Auditors, will be made available in the manner and within the terms of the law.

#### **Fourth item on the agenda of the ordinary session of the Shareholders' Meeting**

Shareholders,

In relation to the fourth item on the agenda, the Board of Directors informs you that the Report on the remuneration policy and compensation paid by Saras S.p.A. (the "Report"), drawn up pursuant to Article 123-ter of the TUF and Article 84-quater of Consob Regulation No. 11971 of 14 May 1999 implementing Legislative Decree No. 58 of 24 February 1998 concerning the regulation of issuers, as most recently amended ("Issuers' Regulations"), as well as based on the recommendations under Article 5 of the Corporate Governance Code, will be made available as required by law, at the Company's registered office, and on the Authorized Storage Mechanism Info, and on the Company's website [www.saras.it](http://www.saras.it).

#### **Fifth item on the agenda of the ordinary session of the Shareholders' Meeting**

Shareholders,

In relation to the fifth item on the agenda, the Board of Directors informs you that the Shareholders' Meeting of Saras will also be called upon to resolve on the amendment of Article 2 of the Regulations regarding the Shareholders' Meetings of Saras S.p.A.

The explanatory report on this topic will be made available in the manner and within the terms of law.

\*.\*.\*.\*.\*

**First item on the agenda of the extraordinary session of the Shareholders' Meeting**

Shareholders,

With regard to the first item on the agenda of the extraordinary session, the Board of Directors informs you that you have also been called to resolve on the proposal to amend some provisions of Article 12 of the Articles of Association, as indicated and highlighted in the explanatory report, drafted in accordance with and following the layout of Annex 3A, Schedule 3 of the Issuers' Regulations, which will be made available to the public in the manner and within the terms set by current laws and regulations.

\*\*\*\*\*

Milan, 17 March 2023

For the Board of Directors

The Chairman

Mr. Massimo Moratti