

**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**

Dear Shareholders,

With notice of call dated 2 April 2021, you have been called to take part in the Ordinary and Extraordinary Shareholders' Meeting in Milan, at the practice of the Notary Luca Barassi in Viale Bianca Maria No. 24, for **12 May 2021, at 10:00 a.m.**, on first call, and, if necessary, on 13 May 2021, at the same time and place, on second call, to discuss and resolve on the following

**AGENDA**

**Ordinary Part**

**1. Financial statements at 31 December 2020**

- 1.1 approval of the financial statements at 31 December 2020, presentation of the consolidated financial statements at 31 December 2020 and the consolidated non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016 - Sustainability Report;
- 1.2 resolutions on the results of the financial year.

**2. Appointment of Board of Directors:**

- 2.1 determination of the number of Board members;
- 2.2 determination of term of office;
- 2.3 appointment of 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 members of the Board of Statutory Auditors for the financial years 2021-2023:**

- 3.1 appointment of Board members and Chair;
- 3.2 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 fees paid, prepared pursuant to Article 123-ter, paragraph 4 of Legislative Decree No. 58 of 24 February 1998.

*5. Approval of a stock grant plan for the year 2021, called "Stock Grant Plan 2021 for Saras Group's top management", subject to the cancellation of the plan called "Stock Grant Plan 2019-2021 for Saras Group's top management". Relevant and ensuing resolutions.*

*6. Approval of a long-term incentive plan for the three-year period 2021-2023, called "Performance Cash Plan 2021-2023 for Saras Group's top management". Relevant and ensuing resolutions.*

## **Extraordinary Part**

*1 Amendment to Articles 18 (Board of Directors - Number of members and term of office) and 26 (Board of Statutory Auditors) of the Articles of Association. Relevant and ensuing resolutions.*

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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

Dear Shareholders,

with regard to the first item on the agenda, the Board of Directors informs you that the draft financial statements of the Company at 31 December 2020, 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 company 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 at 31 December 2020 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 at 31 December 2020 will also be filed at the Company's registered office, on the Company's website and with the other procedures provided for by Consob.

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In regard, therefore, to sub-points 1.1. and 1.2. of the first item on the agenda, at the meeting, we propose to adopt the following resolutions:

*"The Shareholders' Meeting*

- *having reviewed the separate financial statements of the Company at 31 December 2020;*
- *having considered the report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Article 153 of Legislative Decree No. 58/1998 (Consolidated Financial Law);*
- *having considered the Independent Auditors' report on the separate financial statements at 31 December 2020,*

*resolves*

*to approve the separate financial statements of the Company for the year ended at 31 December 2020 as a whole and in the individual entries and to cover the loss for the year with other reserves."*

You are also invited to take note of the results of the consolidated financial statements at 31 December 2020.

## Second item on the agenda

Dear Shareholders,

with regard to the second point on the agenda, you are reminded that the mandate of the current Board of Directors expires on the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2020; the Board of Directors 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 this regard, we invite you to take into account the considerations and indications expressed by the Board of Directors on the future size and composition of the Company's management body, as described in the document “*Guidelines of the Board of Directors of Saras to the Shareholders on the quantitative and qualitative composition of the new Board of Directors believed to be optimal*”, enclosed with this report and made available to Shareholders in the Governance section, Shareholders' Meeting, Go to Archives, 2021 of the website [www.saras.it](http://www.saras.it) (“**Guidelines**”).

In particular, the Board of Directors recommends that, in submitting the lists, the Shareholders, taking into account the complexity and specificity of the activities carried out by the Company and by the other Group companies, will consider (a) the need to maintain a suitable balance between executive, non-executive and independent directors; (b) the opportunity to confirm in the appointment persons who have already gained adequate knowledge of the sector in which the Company operates and its corporate governance structure; and (c) to confirm the current combination of professionalism and skills present within the Board; all this also through the entry of directors belonging to the less represented gender, in compliance with current legislation and the Articles of Association.

Having said this, the Shareholders are entitled to express a different opinion on the optimal composition of the Board of Directors.

### **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 envisages a number of members between 3 and 15.

The Board of Directors, referring to the Guidelines regarding the composition of the Board of Directors deemed optimal, therefore 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. 44 of 29 January 2021, at least 2.5% 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 progressive 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 present them and filed at the registered office 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 17 April 2021**.

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 for each list to include at least three, and no more than fifteen, candidates and for lists with a number of candidates equal to or greater than three to include candidates of both genders, so that the less represented gender has a number of candidates (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).

To ensure clarity with regard to the minimum number of candidates to be indicated in the lists and in the spirit of facilitating the submission of "minority lists", the Board of Directors declares that the provisions of the Articles of Association must be interpreted in the sense of allowing - and therefore will allow - lists composed of a number of candidates lower than 3 - therefore, purely by way of example, even lists composed of a single candidate (even if not meeting the independence requirement) - as this is compliant with the combination of the provisions of Article 18 of the Articles of Association with the provisions of Article 147-ter of Legislative Decree No. 58/1998 (TUF) and Article 144-undecies, paragraph 1 of the Issuers' Regulations (as amended in 2020).

According to the rules for the election of the Board of Directors specified in the Articles of Association, in fact, 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 progressive 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 progressive 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' Regulation 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 first mandate of the Board of Director 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' Regulation, 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 Shareholders' Meeting on 27 April 2018 resolved to award each member of the Board of Directors total gross annual remuneration of €45,000.



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 Regulation 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 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 at least three, and no more than fifteen, candidates, assigned progressive 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 progressive 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 progressive 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 progressive 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 comma 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 provisions of law 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**

With regard to the third point on the agenda, the Board of Directors reminds you that the term of Board of Statutory Auditors appointed by the Shareholders' Meeting on 27 April 2018 for the 2018/2020 period shall expire on the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2020. Therefore, you have been called in ordinary session to resolve on the appointment of the members of the new Board of Statutory Auditors and to set their remuneration.

In particular, you have been called to appoint three standing auditors and two alternate auditors who, pursuant to the law and the Articles of Association, will remain in office for three years, until the Shareholders' Meeting called to approve the financial statements at 31 December 2023.

We remind you that the appointment of the members of the Board of Statutory Auditors will take place on the basis of lists, with the procedures described in Article 26 of the Articles of Association (the full text of which is provided at the end of the following section) by Shareholders who, alone or together with others, represent (as per Consob Resolution No. 44 of 29 January 2021) at least 2.5% of the share capital consisting of shares with voting rights in the Ordinary Shareholders' Meeting.

The lists must be filed at the registered office at least 25 days before the date of the Shareholders' Meeting in first call.

When the lists are filed in the terms mentioned above, supporting documentation must be filed with information on the identity of the shareholders who presented them, the total percentage of shares held, the statement of shareholders other than who hold, even jointly, a controlling or relative majority shareholding, declaring the absence of association relationships pursuant to Article 144-*quinquies* of the Issuers' Regulations, with the latter as well as exhaustive information on the personal and professional characteristics of the candidates and a statement to the effect that the requisites provided for by the Articles of Association and the law have been met and the candidature has been accepted, together with a list of administration and control held by them in other companies.

If only one list is filed by the twenty-fifth day prior to the date of the first call of the Shareholders' Meeting, or if the lists submitted are connected pursuant to the applicable legislation, the term for the presentation of the lists for the appointment to the Board of Statutory Auditors will be extended by three days, and the percentage for their presentation will be reduced to 1.25% of the share capital consisting of shares with voting rights in the Ordinary Shareholders' Meeting.

As a result of the vote, the following will be elected: (i) to the office of standing auditor, the candidates indicated at numbers 1 (one) and 2 (two) on the list that obtained the highest number of votes; (ii) to the office of Chairperson of the Board of Statutory Auditors, the auditor candidate indicated at number 1 (one) on the list that obtained the highest number of votes among the lists submitted and voted by shareholders who are not connected, not even indirectly, with the shareholders who submitted or voted for the list that obtained the highest number of votes; (iii) to the office of alternate auditors, the candidates indicated as alternate auditors at number 1 (one) on both the list that obtained the highest number of votes and the minority list from which the Chairperson of the Board of Statutory Auditors was drawn.

If two or more lists have received the same number of votes, a new vote will be taken in order to obtain an unequivocal result. If only one list of candidates is submitted, the standing auditors (including the Chair of the Board of Statutory Auditors) and alternates will be elected from that list.

We remind you that Law No. 160 of 27 December 2019 (in force at 1 January 2020) has amended Article 147-ter, paragraph 1-bis, and article 148, paragraph 1-bis of the TUF on gender balance in the Board of Directors and the Board of Statutory Auditors, and that the less represented gender must obtain at least two-fifths of the elected Statutory Auditors and that this applies for six consecutive terms starting from the first renewal of the management and control bodies of companies listed on regulated markets following the entry into force of this Law.

We also remind you that Consob, by Resolution No. 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.

Having said this, therefore, the appointment of the new Board of Statutory Auditors, pursuant to the aforementioned laws and regulations, will be subject to the provisions and clauses of the Articles of Association on gender balance in corporate bodies.

The Board reminds you that candidates for the office of auditor must meet the requirements of integrity and professionalism specified by current laws and regulations (and by the Corporate Governance Code of Listed Companies, which the Company has adopted, see Recommendation No. 9)

Considering also that, pursuant to Article 2400, final paragraph of the Italian Civil Code, at the time of their appointment and before accepting their appointment, the Shareholders' Meeting must be informed of the administration and control positions held by statutory auditors in other companies, the candidates are invited to provide a specific statement in the information on their personal and professional characteristics with a recommendation for updating, up to the date of the Shareholders' Meeting.

For any additional information on candidate requirements, presentation of lists and documentation to be attached, including documentation on individual candidates, as well as on the appointment procedures, please refer to the notice of call, Article 26 of the Articles of Association, Article 18 of the Shareholders' Meeting Regulation and the applicable laws and regulations, with particular reference to the provisions of Article 148 of the TUF and Article 144-*sexies* of the Issuers' Regulations.

You are therefore invited to appoint the members of the Board of Statutory Auditors by voting for one of the lists that will be submitted in compliance with the applicable laws and regulations and the Articles of Association, and to set their remuneration.

## **ARTICLES OF ASSOCIATION**

### **Article 26 - Board of Statutory Auditors**

*The Board of Statutory Auditors is composed of three standing members and two alternate members, who remain in office for three financial years, expiring on the date of the Shareholders' Meeting called to approve the financial statements for the third financial year, and may be re-elected.*

*The Board of Statutory Auditors and the auditors operate in accordance with the law.*

*The election of the standing and alternate members of the Board of Statutory Auditors shall be carried out, in compliance with the regulations in force at the time concerning gender balance, according to the list voting procedure provided for by the regulations in force from time to time, as supplemented below.*

*Lists may be submitted by shareholders representing 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. Lists that present a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that the least represented gender includes a quota of candidates (rounded up) for the office of standing auditor and candidates for the office of alternate auditor equal to that prescribed by the regulations in force at the time concerning the gender balance for the composition of the Board of Statutory Auditors.*

*Together with each list, before the submission deadline at the registered office, declarations must be submitted 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 current Articles of Association for the office of company auditor.*

*The candidates on the lists must meet the following professional requirements:*

*\*the first candidate on the list, both for the position of standing auditor and alternate auditor, must be entered in the Register of Auditors and must have exercised the activity of legal auditing for a period of not less than three years;*

*\*the other candidates, if they do not meet the requirement set out in the previous paragraph, must have at least three years' uninterrupted overall experience in the exercise of the following positions:*

- administration or control activities or management tasks in companies with share capital of at least two million euros;*
- professional activities or tenured university teaching in legal, economic, financial or technical-scientific subjects strictly related to the field of activity in which the company or the group to which it belongs operates;*
- managerial functions in public bodies or public administrations operating in the credit, financial and insurance sectors or in any case in sectors closely related to the activities of the company or the group to which it belongs.*

*Matters and sectors closely related to the activities of the company or the group to which it belongs are those resulting from the corporate purpose.*

*As a result of the vote, the following will be elected: to the office of standing auditor, the candidates indicated at numbers 1 (one) and 2 (two) on the list that obtained the highest number of votes; to the office of Chairperson of the Board of Statutory Auditors, the auditor candidate indicated at number 1 (one) on the list that obtained the highest number of votes among the lists submitted and voted by shareholders who are not connected, not even indirectly, with the shareholders who submitted or voted for the list that obtained the highest number of votes; to the office of alternate auditors, the candidates indicated as alternate auditors at number 1 (one) on both the*

*list that obtained the highest number of votes and the minority list from which the Chairperson of the Board of Statutory Auditors was drawn.*

*If the above procedures do not ensure that the composition of the Board of Statutory Auditors is in accordance with the pro tempore regulations in force regarding gender balance, the necessary replacements will be made from the candidates for the position of standing auditor from the list that obtained the highest number of votes, in the progressive order in which the candidates are elected.*

*If two or more lists have received the same number of votes, a new vote will be taken in order to obtain an unequivocal result. If only one list of candidates is submitted, the standing auditors (including the Chairperson of the Board of Statutory Auditors) and alternates will be elected from that list, subject to compliance with the applicable pro tempore regulations concerning gender balance. If an auditor leaves office, the alternate auditor belonging to the same list as the auditor to be replaced takes over. If the auditor leaving office is also Chairperson of the Board of Statutory Auditors, the alternate auditor will be appointed Chairperson of the Board of Statutory Auditors.*

*The Shareholders' Meeting called to reinstate the Board of Statutory Auditors in accordance with the law will, if the reinstatement concerns auditors from the minority list, take steps to comply with the aforementioned principle of minority representation, it being understood that at least one standing auditor and at least one alternate auditor must be entered in the register of auditors and have exercised the activity of legal auditing for a period of not less than three years.*

*It is understood that the above replacement procedures must in any case ensure that the composition of the Board of Statutory Auditors complies with the applicable pro tempore rules concerning gender balance.*

*For the appointment of auditors for any reason not elected in accordance with the procedures set out in the preceding paragraphs, the Shareholders' Meeting shall resolve with the majorities required by law, subject to compliance with the pro tempore regulations in force concerning gender balance.*

*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.*

*To this end, each auditor must produce a special declaration to the Board of Directors, containing, where necessary, a mention of the renouncement of incompatible appointments.*

*Failure to produce the declaration referred to in the previous paragraph within 30 (thirty) days of the appointment or the subsequent assumption of incompatible positions pursuant to the same paragraph shall result in forfeiture of the office of auditor.*

*The Chairperson and the other members of the Board of Statutory Auditors are remunerated in accordance with applicable regulations.*

*Meetings of the Board of Statutory Auditors may be held by telecommunication means, provided that all participants can be identified and that they are allowed to take part in the controls, to follow the discussion and intervene in real time in the discussion of the topics discussed and in the deliberation as well as to receive, transmit and view documents. If these requirements are met, the Board of Statutory Auditors shall be deemed to meet at the place where it is convened, where at least one auditor must be present.*



## Fourth item on the agenda

Dear Shareholders,

the Board of Directors of the Company has called you in ordinary session to submit to you the Report on the remuneration policy and remuneration paid by Saras S.p.A. ("**Report**") drafted 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 and supplemented ("**Issuers' Regulation**"), as well as taking into account the recommendations in Article 5 of the Corporate Governance Code for listed companies of Borsa Italiana S.p.A. ("Corporate Governance Code").

In particular, we remind you that the Report is divided into two sections drafted in accordance with the current Annex 3A, Schedule 7-*bis* of the Issuers' Regulation: Section I, on remuneration policy, prepared pursuant to Article 123-ter, paragraph 3 of the TUF and Section II, on the remuneration paid, prepared pursuant to Article 123-ter, paragraph 4 of the TUF.

In this regard, it should be noted that this year the First Section of the Report is submitted to the vote of the Shareholders' Meeting, set for 12 May 2021, despite the three-year duration of the Report approved by the 2020 Shareholders' Meeting. This was done to update the Remuneration Policy also in light of the intervening changes to the Issuers' Regulation (and in particular to Annex 3A, Schedule 7-*bis*).

For all information on the Company's Remuneration Policy and the remuneration of directors and key managers, reference is made to the Report, which will be made available within the terms of law, at the Company's registered office, on the authorized storage mechanism IInfo and on the website [www.saras.it](http://www.saras.it).

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

We remind you that, following the entry into force of Directive (EU) 2017/828 of the European Parliament and of the Council, of 17 May 2017, of Legislative Decree No. 49 of 10 May 2019, and of Consob resolution No. 21623 of 10 December 2020, on remuneration policy, you will be called to resolve, pursuant to Article 123-ter, paragraph 3-*bis* of the TUF, on Section I of the Report, with binding resolution; pursuant to Article 123-ter, paragraph 6 of the TUF, on Section II of the Report, with a non-binding resolution.

The outcome of the vote will be made available to the public in the terms set by the law pursuant to Article 123-ter, paragraph 6 and Article 125-quater, paragraph 2 of the TUF.

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Having said this, we submit the following draft resolutions for your approval.

Draft resolution on item 4.1 on the agenda:

*“The Ordinary Shareholders’ Meeting of Saras S.p.A., having reviewed the Report on the remuneration policy and remuneration paid, drafted pursuant to Article 123-ter of Legislative Decree No. 58/1998 ("TUF") and Article 84-quater of Consob Regulation No. 11971 of 14 May 1999 ("Report") and, in particular, Section I of the Report containing the remuneration policy prepared by the Board of Directors pursuant to Article 123-ter, paragraph 3 of the TUF, RESOLVES to approve - pursuant to Article 123-ter, paragraph 3-bis of the TUF and for all other legal and regulatory purposes, and therefore with a binding resolution - Section I of the Report and the remuneration policy.”*

Draft resolution on item 4.2 on the agenda:

*“The Ordinary Shareholders’ Meeting of Saras S.p.A., having reviewed the Report on the remuneration policy and remuneration paid, drafted pursuant to Article 123-ter of Legislative Decree No. 58/1998 ("TUF") and Article 84-quater of Consob Regulation No. 11971 of 14 May 1999 ("Report") and, in particular, Section II of the Report prepared by the Board of Directors pursuant to Article 123-ter, paragraph 3 of the TUF, RESOLVES to approve - pursuant to Article 123-ter, paragraph 3-bis of the TUF and for all other legal and regulatory purposes, and therefore with a non-binding resolution - Section II of the Report.”*

## Fifth item on the agenda

Dear Shareholders,

With reference to the fifth item on the agenda, we remind you that Saras S.p.A. ("**Company**" or "**Saras**"), on 16 April 2019, submitted for the Shareholders' Meeting to approve (pursuant to Article 114-*bis* of the TUF) the plan known as "2019-2021 Stock Grant Plan for the top management of the Saras Group" ("**2019-2021 Stock Grant Plan**"), providing for the right of its beneficiaries to receive a given number of Saras S.p.A. shares ("**Shares**") conditional on the achievement, at the end of a three-year vesting period (the 2019-2021 period), of the following objectives:

1. TSR: relative positioning of the Total Shareholder Return (TSR) of Saras compared to the TSR of a group of industrial companies ("peer group") included in the FTSE Italia Mid Cap index (30% weight);
2. Margin vs EMC Benchmark Margin: the positioning of the Margin, expressed in \$/bbl, compared in terms of absolute divergence from the EMC Benchmark Margin (40% weight);
3. EBITDA of the Power segment (30% weight).

Unless otherwise defined, the terms used in this section with a capital letter shall have the meaning given to them in the 2021 Stock Grant Information Document (as defined below).

During the first two years of the vesting period of the 2019-2021 Stock Grant Plan, its beneficiaries contributed to the achievement of excellent business performances by the Company with respect to the EBITDA and Margin targets set out in the 2019-2021 Stock Grant Plan, which were achieved respectively at the 98% and 104% level (average for the two-year period).

On the other hand, the strong discontinuity in the performance of the Shares, particularly accentuated by the effects of the Covid-19 epidemic crisis, had negative effects in terms of TSR compared to the targets set out in the 2019-2021 Stock Grant Plan and have resulted in an objective decrease of the intrinsic value of the share incentive envisaged for the beneficiaries of the 2019-2021 Stock Grant Plan.

This factor (which is in any case completely "external" and outside the control of the beneficiaries of the 2019-2021 Stock Grant Plan) has radically compromised the incentive value of this plan, undermining its ability to adequately motivate and incentivize the entire management of the Company, with the risk (at a time already marked by a significant increase in turnover) of causing key managers to leave the Group, at a time when it is instead essential to ensure business continuity also to allow the Group to adopt the extraordinary management actions and initiatives that may become necessary.

At the same time, the particularly significant impact of the economic crisis (also deriving from the Covid-19 pandemic) on the Company's reference sector has led to a redefinition of the Group's strategic priorities, so that the KPIs underlying the 2019-2021 Stock Grant Plan are no longer current or aligned with the long-term corporate strategy.

In this context, the Board of Directors therefore resolved to submit to the Shareholders' Meeting the cancellation of the 2019-2021 Stock Grant Plan and the approval of another plan, the "2021 Stock Grant Plan for the top management of the Saras Group" ("**2021 Stock Grant Plan**") aimed primarily at compensating the beneficiaries, formerly recipients of the 2019-2021 Stock Grant Plan ("**Beneficiaries**"), and at giving them a bonus for the excellent performances achieved in the 2019-2020 period with respect to the business indicators of the previous 2019-2021 Stock Grant Plan. It should be noted that (as proposed by the Board of Directors and explained in greater detail in the draft resolution below) the effectiveness of the shareholders' meeting resolution to cancel the 2019-2021 Stock Grant Plan and to approve the 2021 Stock Grant Plan will be subject to the suspensory condition that, by 30 June 2021, each current and effective beneficiary of the 2019-2021 Stock Grant Plan accepts the cancellation of this plan and renounces all rights connected to it ("**Condition**").

Therefore, if the Condition is not fulfilled, the resolution approving the 2021 Stock Grant Plan will not be effective and, consequently, the 2019-2021 Stock Grant Plan will not be cancelled and the 2021 Stock Grant Plan will not enter into force.

As for the structure of the 2021 Stock Grant Plan, the main terms and conditions (more detailed in the 2021 Stock Grant Information Document mentioned below) are as follows:

- (i) the 2021 Stock Grant Plan provides for a single share allocation cycle (for a maximum number of 9,220,216 shares, already available in the Company's reserves) which will take

place once, following the approval of the 2021 Stock Grant Plan by the Shareholders' Meeting and subject to the cancellation of the 2019-2021 Stock Grant Plan;

(ii) in implementation of the Plan, the Beneficiaries of the 2019-2021 Stock Grant Plan will be awarded a certain number of bonus Shares, which will be set by the Remuneration and Appointments Committee and by the Board of Directors, taking into account, among other things, the loss of the rights under the 2019-2021 Stock Grant Plan and the contribution of the beneficiaries to the excellent business performance of the Company in the 2019-2020 period against the EBITDA and Margin targets in the 2019-2021 Stock Grant Plan (respectively, 98% and 104%);

(iii) the number of Shares will be divided among the Beneficiaries in the same proportion with which shares would have been potentially awarded to each of them under the 2019-2021 Stock Grant Plan.

The Beneficiaries of the 2021 Stock Grant Plan, as identified by the Board of Directors, are the same as for the 2019-2021 Stock Grant Plan; they include the General Manager, other key management of the Company as well as some senior management of the Group, including some who are self-employed.

To ensure the retention of the Beneficiaries, the 2021 Stock Grant Plan provides that, unless otherwise decided by the Board of Directors, in the event of termination of the relationship currently in place with the Beneficiary (due to dismissal, revocation for just cause or resignation) before one year has elapsed from the assignment of the Shares, the Beneficiary will be required to return the full normal value of the Shares at the time of their award to the Beneficiary, net of the taxes paid with regard to such award.

The Share award will also be subject to clawback clauses, upon the occurrence of the conditions set out in the Company's Remuneration Policy, as well as, for a portion (equal to 10% of the shares available following the sale of the securities needed to meet the tax charges related to the award) to a lock-up period of one year, during which the shares cannot be sold or transferred to third parties for any reason.

More information about the 2021 Stock Grant Plan is made available in a special Information Document ("2021 Stock Grant Information Document"), pursuant to Article 114-*bis* of Legislative Decree No. 58 of 24 February 1998 (TUF) and Article 84-*bis* of Consob resolution No. 11971 of 14 May 1999 and subsequent amendments (Issuers' Regulation).

\* \* \* \* \*

In view of the above, the Company's Board of Directors invites the Shareholders' Meeting to approve the following draft resolution:

*“The Shareholders' Meeting di Saras S.p.A., gathered in ordinary session,*

- *having seen and reviewed the report of the Board of Directors on item 5 on the agenda of the meeting, in ordinary session, and the proposals contained therein;*
- *having seen and reviewed the information document on the "2021 Stock Grant Plan for the top management of the Saras Group", drafted pursuant to Article 114-bis of the TUF and Article 84-bis, paragraph 1 of the Issuers' Regulation and made available in the manner and within the terms set by the legal and regulatory provisions in force;*
- *having regard to Article 114-bis of the TUF and the additional, current and applicable provisions of laws and regulations;*
- *subject to the suspensory condition that, by 30 June 2021, each current and effective beneficiary of "2019-2021 Stock Grant Plan for the top management of the Saras Group", as identified by name by the Board of Directors, accept the cancellation of the 2019-2021 Stock Plan Grant and waive any right connected with this ("**Condition**"),*

*resolves*

1. *to approve, pursuant to Article 114-bis of the TUF, the cancellation of the "2019-2021 Stock Grant Plan for the top management of the Saras Group", approved by the Shareholders' Meeting of Saras S.p.A. on 16 April 2019;*
2. *to grant to the Board of Directors and, on its behalf, the Chairperson and the Chief Executive Officer at the time in office, separately and with the right to sub-delegate to third parties (within and outside the Board), the widest powers to fully implement the cancellation of the "2019-2021 Stock Grant Plan for the top management of the Saras Group", including, by way of example and not limited to, the power: (i) to negotiate, specify, sign and execute any agreement, deed and/or declaration necessary in relation to/for the purpose of obtaining the waiving of this plan by each beneficiary; and (ii) to verify the fulfilment of the Condition, making this resolution effective;*
3. *to approve, pursuant to Article 114-bis of the TUF, the adoption of the "2021 Stock Grant Plan for the top management of the Saras Group", the main terms and conditions of which are described in*

*the report of the Board of Directors and in the information document prepared pursuant to Article 114-bis of the TUF and Article 84-bis, paragraph 1 of the Issuers' Regulation;*

4. *to grant to the Board of Directors and, on its behalf, the Chairperson and the Chief Executive Officer at the time in office, separately and with the right to sub-delegate to third parties (within and outside the Board), the broadest powers to fully implement the "2021 Stock Grant Plan for the top management of the Saras Group", including, by way of example and not limited to, the power: (i) to prepare the contractual documentation necessary to regulate the plan, with the right to make any changes that may be necessary and/or appropriate, and to give complete and full execution to this, exercising the faculties, rights and prerogatives that will be specified and/or considered there; (ii) after verifying the conditions and the existence of the relevant assumptions, to award the Saras S.p.A. shares to each beneficiary;*
5. *to grant to Board of Directors: (i) the broadest powers to put in place and carry out any activity, deed, fulfilment, formality, deposit, communication and/or declaration, including towards the public and/or any Authority, which may be necessary and/or opportune to give complete and integral execution to these provisions; and (ii) the right to delegate, fully or in part, the powers thus attributed to the Chairperson and the Chief Executive Officer at the time in office, severally and with the right to sub-delegate to third parties (within and outside the Board)".*

## Sixth item on the agenda

Dear Shareholders,

within the context described in relation to the 2021 Stock Grant Plan, the Company redefined the strategic priorities of the Group and following an in-depth analysis of the overall situation by the Remuneration and Appointments Committee, the Board of Directors prepared a new Cash Performance Plan for the 2021-2023 period ("**2021-2023 Plan**") with the aim of providing the Company with a remuneration tool that better represents management performance, more in line with the current strategy and able to support the hiring and retaining of the Group's management, as well as to increase the potential to attract resources outside Saras.

In particular, the 2021-2023 Plan responds to the need to have an incentive tool:

- a. more in line with the medium-long term objectives and the changed strategies of Saras (in compliance with one of the founding principles of the Company's Remuneration Policy, namely the alignment of management's interests with Saras' business strategies);
- b. better able to reflect the actual contribution of managers to the achievement of the objectives of the business plan and to engage them in consideration of the challenges that await the Company in the coming years;
- c. able to attract external talent, if necessary.

This Plan provides for its beneficiaries the option of receiving only a monetary amount (without therefore granting any actual shares, phantom shares, stock options or other financial instruments; "**Incentive Amount**").

Unless otherwise defined, the terms used in this section with a capital letter shall have the meaning given to them in the 2021-2023 Plan Information Document (as defined below).

However, since the 2021-2023 Plan includes a TSR target (which is linked to the performance of the Saras shares), the following main terms and conditions are also submitted for approval by the Shareholders' Meeting (described in more detail in the 2021-2023 Plan Information Document, mentioned below):

- i. the 2021-2023 Plan has a three-year performance period starting from 2021;



ii. in implementation of the 2021-2023 Plan, Incentive Amounts disbursed to beneficiaries will be calculated according to criteria set by the Board of Directors, on a three-year period, and will be disbursed in two instalments (80% after the end of the performance period, the remaining 20% after one year from the first payment);

iii. the targets to which the allocation of the Incentive Amounts is subject are specified by the Board of Directors. They are based on the following performance and sustainability parameters that can be objectively measured and are consistent with the Group's business priorities and strategy: (a) Saras Margin vs EMC Benchmark (40% weight); (b) Total Shareholder Return (20% weight); (c) Debt reduction (NFP improvement (40% weight));

iv. for each beneficiary of the 2021-2023 Plan, the "target" amount of the payable Incentive Amount is set in terms of a percentage of the total fixed remuneration component<sup>1</sup>.

In particular, this percentage is, on a three-year basis, (a) equal to 320% for the General Manager; (b) equal to 270% for the other Key Managers; (c) less than 180% on average for beneficiaries other than the General Manager and Key Managers ("*Baseline*").

The allocation of the Incentive Amount can vary from 0% to 120% of the target amount thus calculated (the maximum allocation is achieved if the average achievement of the target set is equal to or greater than 120%).

The Board of Directors, having heard the opinion of the Remuneration and Appointments Committee, may make to the 2021-2023 Plan and the related regulations, independently and without the need for further approval by the Shareholders' Meeting, always in line with the reference Remuneration Policy, all amendments and additions deemed necessary or appropriate following changes to the laws in force and/or in relation to extraordinary and/or unforeseeable circumstances that may affect the Group, the Company or the market in which this operates, making the necessary adjustments, in line with the overall structure approved by the Shareholders' Meeting, ensuring that the essential contents of the 2021-2023 Plan remain substantially unchanged, preserving its main incentive purposes.

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<sup>1</sup> Including Gross Annual Salary and benefits (calculated at the relative full value, and not only for the portion of any taxable amount)

The beneficiaries of the 2021-2023 Stock Grant Plan shall be identified by the Board of Directors and the General Manager and shall include, besides the latter, other Key Managers of the Company as well as some senior management of the Group, including some who are self-employed.

The Incentive Amounts paid out in execution of the 2021-2023 Plan may be subject to malus or clawback mechanisms under the terms set out in the Company's Remuneration Policy and in the event of termination of the employment or independent service provision or directorship between the 2021-2023 Plan beneficiary and Saras or one of Saras' subsidiaries ("**Relationship**") before the respective payment date:

- in good leaver cases (e.g. retirement, death, disability, dismissal for objective reasons, etc.), a recalculated Incentive Amount may be paid to the beneficiaries proportionally (in relation to the period of participation in the 2021-2023 Plan with respect to the three-year performance period) and calculated based on the target bonus amount (if the termination of the Relationship occurs before the end of the three-year performance period);
- in bad leaver cases (e.g. dismissal for disciplinary reasons, revocation for just cause, voluntary resignation or other cases other than good leaver cases), the beneficiaries of the plan will lose all right to the Incentive Amount.

More information about the 2021-2023 Plan is made available in a special Information Document ("2021-2023 Information Document"), pursuant to Article 114-*bis* of Legislative Decree No. 58 of 24 February 1998 (TUF) and Article 84-*bis* of Consob resolution No. 11971 of 14 May 1999 and subsequent amendments (Issuers' Regulation).

\* \* \* \* \*

It should be noted that: (i) the approval of the 2021-2023 Plan will be discussed and submitted to the Shareholders' Meeting only if the draft resolution on the cancellation of the 2019-2021 Stock Grant Plan and the approval of the 2021 Stock Grant Plan which is the fifth item on the agenda have been approved; and (ii) the Board of Directors will execute the resolution proposed below only if the Condition has been met and, therefore, the aforementioned resolution on the fifth item on the agenda has become effective.

In view of the above, the Company's Board of Directors invites the Shareholders' Meeting to approve the following draft resolution:

*“The Shareholders' Meeting of Saras S.p.A., in ordinary session,*

- *having seen and reviewed the report of the Board of Directors on item 6 on the agenda of the meeting, in ordinary session, and the proposals contained therein;*
- *having seen and reviewed the information document on the long-term incentive 2021-2023 plan called "2021-2023 Performance Cash Plan for the top management of the Saras Group", drafted pursuant to Article 114-bis of the TUF and Article 84-bis, paragraph 1 of the Issuers' Regulation and made available in the manner and within the terms set by the legal and regulatory provisions in force;*
- *having regard to Article 114-bis of the TUF and the additional, current and applicable provisions of laws and regulations;*
- *having acknowledged the approval of the draft resolution on item 5 on the agenda and the fact that its effectiveness is subject to the condition that, by 30 June 2021, each current and effective beneficiary of "2019-2021 Stock Grant Plan for the top management of the Saras Group", as identified by name by the Board of Directors, accept the cancellation of the 2019-2021 Stock Plan Grant and waive any right connected with this ("**Condition**");*
- *acknowledging that the Board of Directors will execute the resolution below only if the Condition has been fulfilled and, therefore, the resolution on item 5 on the agenda has become effective,*

*resolves*

1. *to approve, pursuant to Article 114-bis of the TUF, the adoption of the "2021-2023 Performance Cash Plan for the top management of the Saras Group", the main terms and conditions of which are described in the report of the Board of Directors and in the information document prepared pursuant to Article 114-bis of the TUF and Article 84-bis, paragraph 1 of the Issuers' Regulation;*

2. *to grant to the Board of Directors and, on its behalf, to the Chairperson and the Chief Executive Officer in office at the time, separately and with the right to sub-delegate to third parties (within and outside the Board), the broadest powers to fully implement the long-term incentive plan for the 2021-2023 period known as "2021-2023 Performance Cash Plan for the top management of the Saras Group", including, by way of example and not limited to, the power: (i) to prepare the related regulation, with the right to make any change that may be necessary and/or appropriate, and to give them complete and integral*

*execution, exercising the rights and prerogatives that will be provided for there; (ii) to set the reference numerical and quantitative targets of the plan, with the right to change and reset them if this becomes necessary and/or appropriate in the light, for example, of the performance of the Company, of the reference markets and of the stock exchange and taking into account the purposes of the plan itself, as well as to make any change that may be necessary and/or appropriate in the context of the main terms and conditions described in the Information Document; (iii) to identify by name the beneficiaries of the plan; (iv) to calculate the monetary amounts attributable and to be attributed to each beneficiary; and (v) after verifying the achievement of the objectives and the existence of the related conditions, to carry out the payment of these monetary amounts;*

3. *to grant to Board of Directors: (i) the broadest powers to put in place and carry out any activity, deed, fulfilment, formality, deposit, communication and/or declaration, including towards the public and/or any Authority, which may be necessary and/or opportune to give complete and integral execution to these provisions; and (ii) the right to delegate, fully or in part, the powers thus attributed to the Chairperson and the Chief Executive Officer at the time in office, severally and with the right to sub-delegate to third parties (within and outside the Board)".*

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

Dear 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 Article 18 (Board of Directors - Number of members and term of office) and Article 26 (Board of Statutory Auditors) of the Articles of Association, as indicated in the report, drafted in accordance with and following the layout of Annex 3A, Schedule 3 of the Issuers' Regulation, which will be made available to the public in the manner and within the terms set by current laws and regulations.

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Milan, 2 April 2021

For the Board of Directors  
The Chairperson  
Massimo Moratti



**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**

**- 31 March 2021 -**

**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**

**FOREWORD**

In line with what has been done in the past and pursuant to Recommendation no. 23 of the **Corporate Governance Code** ("Corporate Governance Code") drawn up by the Corporate Governance Committee of Borsa Italiana, to which Saras S.p.A. (the "**Company**") adhered in the January 2020 edition, after hearing the Remuneration and Nomination Committee and taking into account the fact that the Board's term of office will expire with the approval of the 2020 financial statements, the Board of Directors of Saras (the "**Board**") has expressed a number of considerations concerning the quantitative and qualitative composition of the new Board, which it considers optimal in view of the submission of lists for the Shareholders' Meeting scheduled for 12 May 2021. These considerations are given even if the Company, as a concentrated ownership company, is not actually obliged to comply with this recommendation. 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 envisages 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 to the size and complexity of the Company and to 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, organisational 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, honourableness 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;



- possess leadership and balance to ensure the smooth functioning of the Council, 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) 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 council 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 council committees.

\*

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 of the Company to contribute their 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.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, insurance companies or large corporations. 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 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