



**Annual Report on the Corporate Governance System and Ownership Structure for the  
Year 2022**

pursuant to Article 123-bis of Legislative Decree 58 of 24 February 1998

**Issuer: Seri Industrial S.p.A.  
Financial year to which the Report refers: 2022  
(traditional administration and control model)**

**Approved by the Board of Directors on 22 March 2023**

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at the registered office, on the website [www.seri-industrial.it](http://www.seri-industrial.it), as well as on the storage system [www.1info.it](http://www.1info.it)

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## GLOSSARY

**Directors:** indicates the members of the Board of Directors of the Company.

**Executive Directors:** means a) the Chairman of the Company or of a subsidiary company having strategic relevance, when he/she is delegated to manage or formulate corporate strategies; b) the Directors who are delegated to manage and/or hold management positions in the Company or in a subsidiary company having strategic relevance, or in the parent company when the position also concerns the Company;

**Independent Directors pursuant to the Code:** indicates the non-executive Directors who do not have, nor have they recently had, even indirectly, relations with the Company or persons linked to the latter, such as to condition their current independence of judgement as envisaged by the Code.

**Independent Directors pursuant to the Consolidated Law on Finance (TUF):** indicates the non-executive Directors who meet the requirements of independence set forth in Article 148, paragraph 3, of the Consolidated Law on Finance (TUF), referred to in Article 147-ter, paragraph 4, of the Consolidated Law on Finance (TUF).

**Shareholders' Meeting:** indicates the Issuer's Shareholders' Meeting.

**Chief Executive Officer (CEO):** means the person primarily responsible for the management of the company and coincides with the figure of the Issuer's Chief Executive Officer.

**Code or Corporate Governance Code:** means the Corporate Governance Code approved in January 2020 by the Corporate Governance Committee promoted by Abi, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana.

**Italian Civil Code:** means Royal Decree No. 262 of 16 March 1942, as amended from time to time.

**Board of Statutory Auditors:** means the Issuer's Board of Statutory Auditors, i.e. the collegiate body entrusted with the functions of "*audit committee*" (in Italy referred to as the "internal control and audit committee") pursuant to Directive 2006/43/EC or similar functions for companies that do not have their registered office in a European Union country to which that Directive does not apply.

**Control, Risk and Sustainability Committee:** means the internal committee of the Board of Directors established in compliance with the Corporate Governance Code.

**Nomination and Remuneration Committee:** means the Committee within the Board of Directors established in accordance with the Corporate Governance Code.

**Related Party Transactions Committee or RPT Committee** means the Committee within the Board of Directors established in accordance with the RPT Regulation.

**Board or Board of Directors:** means the Issuer's Board of Directors, i.e. the collegial body responsible for deciding on strategic guidelines, monitoring their implementation, and on transactions of strategic importance.

**Consob:** means the National Commission for Companies and the Stock Exchange, with registered office in Rome, Via G.B. Martini, no. 3.

**Issuer, Seri Industrial, Seri Industrial S.p.A. or Company:** means the company Seri Industrial S.p.A. - issuer of listed shares, to which the Report refers.

**Financial Year:** indicates the financial year to which the Report refers.

**ESG:** stands for *Environmental, Social and Governance* and indicates the three central factors in measuring the sustainability of an investment, paying attention not only to economic aspects but also to those of an *environmental, social and governance* nature.

**Seri Industrial Group or Group:** means Seri Industrial S.p.A. collectively and its subsidiaries pursuant to Article 2359 of the Italian Civil Code and Article 93 of the TUF.

**Business Plan:** means the planning document in which the Company's strategic objectives are defined and the actions to be taken in order to achieve these objectives in line with the chosen level of risk exposure, with a view to promoting the sustainable success of the Company.

**RPT Procedure:** means the procedure for transactions with related parties adopted by the Company in compliance with the regulation containing provisions on transactions with related parties, adopted by Consob with resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented

**Issuers' Regulation:** means the Regulation issued by Consob with resolution No. 11971 of 1999, as subsequently amended

**RPT Regulation:** means the regulation containing provisions on transactions with related parties, adopted by Consob with resolution No. 17221 on 12 March 2010, as subsequently amended and supplemented.

**Corporate Governance Report or Report:** means the report on *corporate governance* and ownership structure, prepared on the basis of the *Corporate Governance Code*, which companies issuing shares listed on regulated markets are required to prepare pursuant to Article 123-bis of the Consolidated Law on Finance (TUF), also in compliance with the provisions of Article 89-*bis* of the Issuers' Regulation.

**Remuneration Report:** indicates the report on remuneration policy and compensation paid that companies are required to prepare and publish pursuant to Article 123-ter of the Consolidated Law on Finance (TUF) and Article 84-quater of the Regulation on Issuers.

**Companies with concentrated ownership:** this indicates companies in which one or more shareholders participating in a shareholders' voting agreement hold, directly or indirectly (through subsidiaries, trusts or intermediaries), the majority of the votes that can be exercised at ordinary shareholders' meetings. Companies that lose the status of "Concentrated Ownership Company" may no longer avail themselves of the proportionality measures provided for this category as from the second financial year following the occurrence of the relevant size condition.

**Large company:** means a company whose capitalization exceeded EUR 1 billion on the last trading day of each of the three preceding calendar years. Companies assuming the status of "large company" as from 31 December 2020 apply the principles and recommendations addressed to this category of companies as from the second financial year following the fulfilment of the relevant size condition.

**Sustainable success:** the objective that guides the Board of Directors' action and that takes the form of the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company.

**Top management:** means senior managers who are not members of the Company's Board of Directors and who have the power and responsibility for planning, directing and controlling the activities of the Company and the group it heads.

**TUF:** means Legislative Decree No. 58 of 24 February 1998, as subsequently supplemented and amended (Consolidated Law on Finance (TUF)).

## INTRODUCTION

### Regulatory references

The regulatory framework of reference is set forth in Article 123-*bis* of the Consolidated Law on Finance (TUF) and Article 89-*bis* of the Issuers' Regulation.

### The Corporate Governance System of Seri Industrial S.p.A.

This Report, approved by the Board of Directors, provides a general and complete overview of the Issuer's corporate governance ("**Corporate Governance**") and ownership structure with respect to the Financial Year and up to the date of its approval. The Report has been prepared in accordance with Article 123-*bis* of the Consolidated Law on Finance (TUF), Article 89-*bis* of the Issuers' Regulation, the recommendations of the Code as well as taking into account the document "*format for the report on corporate governance and ownership structure*" (9th Edition January 2022) of Borsa Italiana.

The Company is convinced that aligning its internal governance structures to those suggested by the principles and recommendations outlined in the Code and identified as *best practice*, within the limits and/or with the adjustments allowed by the Company's size, structure and typical activities, represents a valid and indispensable opportunity to increase its reliability with the market. This is because the Company's primary goal is to maximise *shareholder value*, to be achieved by means of an efficient structure, designed to continuously monitor the conduct of business activities and control the related risks, and attentive to the needs and expectations of the market, reconciling them with the pursuit of long-term sustainable success, taking into account not only the interests of *shareholders*, but also the interests of other relevant *stakeholders*.

The Company's pursuit of these objectives was consolidated in an increasingly pronounced and conscious manner during the Financial Year, in which the Board of Directors continued to drive a series of initiatives aimed at progressively adapting its governance system to best practices, as will be better described below.

The contents of this Report, from the above-mentioned perspective, provide feedback on the methods and limits of Seri Industrial's implementation of the principles and recommendations of the *Corporate Governance Code*, in the version issued in January 2020.

\* \* \* \*

This Report, approved by the Board of Directors, is filed at the Issuer's registered office, together with the Management Report accompanying the annual and consolidated financial statements, and is available on the Company's website [www.seri-industrial.it](http://www.seri-industrial.it), in the section "*Governance/Corporate Governance Report*" and in the section "Investor - Meetings".

The following is a brief description of the Issuer's organisation as well as a comparison between the *Corporate Governance* system actually implemented by the Issuer and the model defined by the principles and recommendations of the Code.

## 1. ISSUER PROFILE

Seri Industrial S.p.A. is a company listed on the *Euronext* market of Milan managed and organised by Borsa Italiana S.p.A., at the head of a group of companies with strong vertical integration, operating in the plastics and batteries sectors according to the principles of the *circular economy*.

A central role in the Issuer's governance is played by the Board of Directors (see Section 4, paragraph 4.1), which pursues the objective of creating long-term value for the benefit of shareholders, taking into account the interests of other relevant *stakeholders*.

For more information on how the Board of Directors concretely interprets its role in guiding the Issuer, please refer to the specific sections within the Report and, in particular:

- for the ways in which this objective is integrated into (a) corporate strategies, in Section 4, paragraph 4.1, (b) remuneration policies, in Section 8, and (c) the internal control and risk management system, in Section 9;
- for the *corporate governance* measures specifically adopted in this regard, in Sections 4, 6, 7, 8 and 9.

The Issuer's current Board of Directors consists of 10 members and was appointed by the Ordinary Shareholders' Meeting on 6 May 2022 and will end its term of office with the Shareholders' Meeting called to approve the 2024 financial statements (Section 4, paragraph 4.3).

The appointment of the members of the Board of Directors is governed by Article 21 of the Bylaws, which provides - also pursuant to Article 147-ter of the Consolidated Law on Finance (TUF) - for list voting for the appointment of directors. The quorum required for the submission of lists is 2.5% (two point five per cent) of the Issuer's share capital, unless otherwise provided for by law or regulations (Section 4, paragraph 4.2).

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, without any exceptions whatsoever, and is empowered to perform all acts deemed appropriate for the implementation and achievement of the corporate purposes (Section 4, Paragraph 4.1).

The Issuer, considering its structure, its size and the activity it carries out, believes that the current composition of the Board of Directors represents a balance (which can however be perfected) between executive and non-executive directors and that the latter's contribution to the board's work and judgement, in terms of number and authority, is undoubtedly capable of significantly contributing to the taking of informed and considered board decisions (Section 4, paragraph 4.3). The delegation of powers within the Board of Directors does not exclude the broad powers of the Board, which, in any case, remains collectively vested with the power to direct and control the Issuer's overall business, examining and approving, inter alia, the Issuer's strategic, industrial and financial plans, the most significant transactions and transactions with related parties of greater or lesser significance that are not included in the delegated powers. The Board is competent to define the corporate structure and the allocation of operational responsibilities and management powers (Section 4, paragraphs 4.4, 4.5, 4.6 and Section 10).

The Board of Directors includes four (4) independent directors within the meaning of the TUF, two (2) of whom are independent within the meaning of the Code, including the Chairman of the Board of Directors (Section 4, Paragraph 4.7). The endoconsiliar committees have consequently been constituted taking into consideration the effective articulation of the Board of Directors between executive and non-executive Directors and among the latter those who have declared to meet the requirements of independence only pursuant to the Consolidated Law on Finance (TUF) or both pursuant to the Consolidated Law on Finance (TUF) and the Code.

The Board of Directors has:

- (i) an Appointments Committee (Section 7, paragraph 7.2) and Remuneration Committee (Section 8, paragraph 8.2), made up of three (3) non-executive Directors, the majority of whom are independent pursuant to the Code
- (ii) a Control, Risk and Sustainability Committee (Section 9, paragraph 9.2) composed exclusively of non-executive Directors, who are independent pursuant to the law, divided into two sections, the first consisting of four (4) members, two (2) of whom qualify as independent Directors pursuant to the Code, and the second consisting of three (3) Directors, the majority of whom qualify as independent pursuant to the Code
- (iii) a Committee for Related Party Transactions (Section 9, paragraph 9.6) of lesser importance, consisting of three (3) non-executive Directors, all of whom shall be independent pursuant to law and the majority of whom shall be independent pursuant to the Code
- (iv) a Committee for Related Party Transactions (Section 9, paragraph 9.6) of greater importance, consisting of two (2) non-executive and independent Directors pursuant to the Consolidated Law on Finance (TUF) and the

Code and one (1) member of the Board of Statutory Auditors, chosen from time to time, indicated by the Chairman of the control body;

- (v) established the function of Manager in charge of drafting corporate accounting documents (Section 9, paragraph 9.6);
- (vi) established the corporate *internal audit* function (Section 9, paragraph 9.3) and *investor* relations function (Section 12) and consequently appointed the persons in charge of these functions;
- (vii) adopted a procedure for the handling of inside information (Section 5);
- (viii) approved the code of conduct on *Internal Dealing*;
- (ix) approved a policy for managing dialogue with investors and market participants (Section 4, paragraph 4.1);
- (x) appointed a director to oversee the internal control and risk management system other than the *Chief Executive Officer* who has been delegated powers on ESG matters (Section 9, paragraph 9.1)
- (xi) established a Supervisory Board in accordance with the provisions of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231 of 8 June 2001 (Section 9, paragraph 9.4)
- (xii) adopted a system for the management of 'Reports' suitable for guaranteeing the receipt, analysis and processing of reports relating to violations of the Code of Ethics, the Organisation, Management and Control Model and, more generally, the Internal Control and Risk Management System, and a procedure defining the methods for processing the information flows received (Section 9)
- (xiii) adopted a Supplier Code of Ethics, a Procurement Management Policy, an Anti-Corruption Policy, an Environment, Energy, Occupational Health and Safety Policy and a Human Rights, Respect for Human Rights and Diversity Commitment Policy (Section 9, paragraph 9.2).

The Shareholders' Meeting is ordinary and extraordinary and deliberates on matters reserved to it by law and/or the Articles of Association. For the time being, it has not been deemed necessary to adopt shareholders' meeting rules to regulate the proceedings of this body, which, however, have so far been conducted in an orderly and proper manner, guaranteeing all participants the right to intervene (Section 13).

Pursuant to the Articles of Association, the Board of Statutory Auditors consists of three (3) standing members and two (2) alternate members, and performs the duties assigned to it by law. The Articles of Association expressly provide for list voting for the appointment of the members of the Board of Statutory Auditors, including the election of the Chairman, to be carried out in accordance with the law. The quorum required for the submission of lists is 2.5% (two point five per cent) of the Issuer's share capital, unless otherwise provided for by law or regulations (Section 11).

At the end of the Financial Year, the configuration of the Group was as follows:

Denomination	N° shares/ stake	Currency	Share capital owned	Site	% control	through	% Group control
Seri Plast SpA	1	Euro	1.000.000,00	San Potito Sannitico (CE)	100,00	Seri Industrial SpA	100,00
ICS EU SAS	100	Euro	10.000,00	Peronne - Francia	100,00	Seri Plast SpA	100,00
PLASTAM EUROPE SAS	23.760	Euro	2.376.000	Arras - Francia	100,00	Seri Plast SpA	100,00
ICS Poland Sp. Z o.o. (3)	99	Złoty	5.000,00	Cracovia (PL)	100,00	Seri Plast SpA	100,00
Plast Research & Development Srl	1	Euro	10.000,00	San Potito Sannitico (CE)	100,00	Seri Plast SpA	100,00
P2P Srl	1	Euro	5.000,00	San Potito Sannitico (CE)	50,00	Seri Plast SpA	50,00
FIB SpA	1	Euro	8.000.000,00	San Potito Sannitico (CE)	100,00	Seri Industrial SpA	100,00
FS Srl	1	Euro	10.000,00	San Potito Sannitico (CE)	100,00	FIB SpA	100,00
Repiombo Srl	1	Euro	2.256.000,00	San Potito Sannitico (CE)	99,82	FIB SpA	99,82
FAAM Research Center Srl	1	Euro	10.000,00	San Potito Sannitico (CE)	100,00	FIB SpA	100,00
FLB Srl	1	Euro	10.000,00	San Potito Sannitico (CE)	100,00	FIB SpA	100,00
F&F Srl	1	Euro	6.000,00	San Potito Sannitico (CE)	60,00	FIB SpA	60,00
FAAM Asia Limited	31.046.800	HKD	31.046.800,00	Hong Kong	100,00	FIB SpA	100,00
Yixing Faam Industrial Batteries Ltd. oppure YIBF	1	CNY	51.506.955,29	Yixing - 'eople's Republic of China	100,00	FAAM Asia Limited	100,00
<b>Altre attività</b>							
Tolo Energia Srl in liquidazione	1	Euro	207.119,11	San Potito Sannitico (CE)	100,00	Seri Industrial SpA	100,00

The associated and subsidiary companies, which were not included in the scope of consolidation because they were not operational, were as follows at the end of the financial year:

Denomination	N° shares/ stake	Currency	Share capital owned	Site	% control	through	% Group control
FAAM Baterias SL		Euro	1.530,00	L'Hospitalet de Llobregat Barcellona (Spagna)	51,00	FIB Srl	51,00
Jujuy Litio SAPEM		Pesos	400.000,00	San Salvador de Jujuy - Argentina	40,00	FIB Srl	40,00
Bluecap Ltd		Us Dollar	5.624,20	Newport -Inghilterra	20,00	FIB Srl	20,00
Turkuaz Gold Madencilik				Ankara (Turchia)	10,00	Bluecap Ltd	2,00

For further information on the Issuer's subsidiaries, please refer to the information contained in the separate and consolidated financial statements for the Year.

#### a) Non-financial Statement

The Issuer is obliged to publish the Non-Financial Declaration (the "DNF") pursuant to Legislative Decree No. 254/2016 on a consolidated basis. A copy of the DNF is made available to the public within the terms of the law at the registered office in San Potito Sannitico (CE), Via Provinciale per Gioia snc, on the Company's website at ([www.seri-industrial.it](http://www.seri-industrial.it)) in the Investor/Non-Financial Statement section, as well as on the Computershare S.p.A. storage system. ([www.1info.it](http://www.1info.it)).

#### b) SME qualification

The Issuer qualifies as an 'SME', pursuant to Article 1(1)(w-quater 1) of the Consolidated Law on Finance (TUF) and Article 2-ter of the Issuers' Regulation, as a small and medium-sized enterprise issuing listed shares.

The attribution of SME status entails some significant changes to the applicable regulations on:

1. transparency of ownership structures, with the raising of the minimum threshold of significant shareholdings to be disclosed pursuant to Article 120 of the TUF from 3% to 5% of the share capital;
2. mandatory takeover bids, with specific reference to the right of SME issuers to establish, by way of articles of association, a takeover threshold other than the standard one, provided that it is between 25 per cent and 40 per cent (Art. 106(1-ter) of the Consolidated Law on Finance (TUF)).

The legislative intervention that introduced a special regulation on takeover bids for SMEs also amended the regulatory regime concerning mandatory takeover bids, introducing the provision according to which '*In companies other than SMEs, the offer referred to in paragraph 1 is also made by anyone who, as a result of purchases, comes to hold a shareholding greater than the threshold of twenty-five per cent in the absence of another shareholder holding a higher shareholding*' (Article 106, paragraph 1-bis, of the Consolidated Law on Finance (TUF)).

During the financial years 2020, 2021 and 2022, the Company had a market capitalization of less than EUR 500 million, understood as the simple average of the daily capitalization calculated with reference to the official price recorded during each annual financial year.

(in € thousand)	Esercizio 2020	Esercizio 2021	Esercizio 2022
Average Market capitalization	140.546	347.169	344.487

Since the aforesaid limits have not been exceeded for three consecutive years, the company is therefore to be deemed to be in possession of the qualification of "SME", as provided for by Article 1, paragraph 1, letter w-quater 1), of the Consolidated Law on Finance (TUF).

Consob, with its Determination No. 74 of 23 January 2023, made public the list of issuers of listed 'SME' shares pursuant to Article 1(1)(w-quater 1) of the Consolidated Law on Finance (TUF) as at 31 December 2022.

#### c) Qualification as a "Concentrated Ownership Company"

The Issuer falls into the category of "Concentrated Ownership Companies" in that it is owned by a shareholder who directly holds the majority of the votes exercisable at the ordinary shareholders' meeting.

**d) Absence of requirements to qualify as a “Large Company”**

The Issuer does not fall within the definition of a large company as its capitalization did not exceed EUR 1 billion on the last trading day of each of the three preceding calendar years.

## 2. INFORMATION ON OWNERSHIP STRUCTURES (pursuant to Article 123-bis(1) TUF)

### a) Share capital structure (pursuant to Article 123-bis(1)(a) TUF

As of the date of approval of the Report, Seri Industrial's share capital amounted to 106,456,682.03 euros, divided into 53,979,002 ordinary shares, with no indication of par value, all representing the same fraction of capital.

It should be noted that, as per the communication of 10 January 2023, the composition of the share capital (fully subscribed and paid up) was changed following the conclusion of the last exercise period of the Uno SERI 2017 - 2022 Warrants (ISIN code IT0005273336) and the subscription of the compendium shares.

Following the aforesaid subscription, 4,571,748 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of Euro 5.03 per share, of which Euro 3.03 as share premium. The fully subscribed and paid-up share capital of the Company is therefore made up of 53,979,002 registered ordinary shares with no par value and is equal to Euro 106,456,682.03. Previously, at the end of the Financial Year, it amounted to €97,313,186.03 made up of 49,407,254 ordinary shares.

\* \* \* \*

Until the end of December 30, 2022 last trading day of the year 2022 (inclusive), the Uno SERI 2017 - 2022 *Warrants* (ISIN code IT0005273336) were in circulation, which gave the right to subscribe no. 1 new Seri Industrial ordinary share, resulting from the Uno SERI 2017 - 2022 Warrant Increase, for every no. 10 warrants held. The exercise periods of the Uno SERI 2017 - 2022 *Warrants* were the last 10 (ten) trading days of each of March, June, September and December of each year in which the warrant was valid.

During the exercise periods of the *Warrants* Uno SERI 2017 - 2022, the following warrants were exercised, as of the date of their allocation:

Description	Periods	Date of change of share capital	N° Warrants	N° Subscribed Shares	Countervalue in euro	Increase of share capital
<b>Issued Warrants</b>			<b>99.312.807</b>			
Total Exercise 2018	1-4		37.930	3.793	19.078,79	7.586,00
<b>Ousting Warrants at the end of exercise 2018</b>			<b>99.274.877</b>			
Total Exercise 2019	5- 8		83.550	8.355	42.025,65	16.710,00
<b>Ousting Warrants at the end of exercise 2019</b>			<b>99.191.327</b>			
Total Exercise 2020	9- 12		4.460	446	2.243,38	892,00
<b>Ousting Warrants at the end of exercise 2020</b>			<b>99.186.867</b>			
Total Exercise 2021	13- 16		16.034.030	1.603.403	8.065.117,09	3.206.806,00
<b>Ousting Warrants at the end of exercise 2021</b>			<b>83.152.837</b>			
March 2022	17	28.03.2022	1.125.910	112.591	566.332,73	225.182,00
June 2022	18	01.07.2022	587.040	58.704	295.281,12	117.408,00
September 2022	19	03.10.2023	3.362.020	336.202	1.691.096,06	672.404,00
December 2022 (*)	20	10.01.2023	45.717.480	4.571.748	22.995.892,44	9.143.496,00
Total Exercise 2022	13-16		50.792.450	5.079.245	25.548.602,35	10.158.490,00
<b>Unexercised Warrants 2022</b>			<b>32.360.387</b>			
<b>Summary after Warrants exercise in the 5 exercise periods</b>			<b>66.952.420,00</b>	<b>6.695.242</b>	<b>33.677.067,26</b>	<b>13.390.484,00</b>

(\*) The change in share capital took place in January of the following year.

Below are the provisions of Article 5 of the Articles of Association with reference to the transactions described above.

*"The Extraordinary Shareholders' Meeting, on 25 May 2017, resolved to delegate the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to approve a paid share capital increase, in one or more tranches, by 30 June 2017, to be carried out by issuing ordinary shares to be subscribed and paid up in cash, to service the exercise of the*

warrants to be assigned free of charge in favour of the shareholders of KRE<sup>1</sup> on the date of the execution of the contribution and other than the holders of special shares deriving from the capital increase in kind resolved by the Shareholders' Meeting on 25 May 2017 (the "Existing Shareholders" and the "Warrants to Existing Shareholders"), for a maximum amount of Euro 50.000,000 and the bonus issue of the aforementioned Warrants to Existing Shareholders, subject to the completion of the execution of the contribution. The Warrants to the Existing Shareholders are assigned to the Existing Shareholders in the amount of 3 (three) for each ordinary share held on the date of execution of the contribution. Each warrant to the Existing Shareholders shall entitle the Existing Shareholders to subscribe for one additional share and their duration shall not be less than 5 years; without prejudice to the foregoing, the Board of Directors has been delegated the power to determine the characteristics and rights of the Warrants to the Existing Shareholders, it being understood that the final date for their exercise shall not be later than 31 December 2022<sup>2</sup>.

On 26 June 2017, the Board of Directors, in exercise of the proxies granted to it by resolution of the Extraordinary Shareholders' Meeting held on 25 May 2017, resolved to increase the share capital against payment in divisible form, for the amount (including share premium) of a maximum of EUR 49,954,341.92 to service the exercise of the Warrants to Existing Shareholders, to be executed by the final deadline of 31 December 2022."

The following tables show the categories of shares that make up the subscribed and paid-up share capital at the end of the relevant Financial Year and the other outstanding financial instruments that give the right to subscribe for newly issued shares:

**Table 1: Information on ownership structure**

SHARE CAPITAL STRUCTURE AT THE DATE OF THE REPORT				
	No. shares	No. of voting rights	Listed (indicate markets) / unlisted	Rights and obligations
Ordinary shares (with the possibility of increased voting rights) <sup>1</sup>	53.979.002	53.979.002	Euronext Milan at Borsa Italiana S.p.A.	

**Note<sup>1</sup>** The Shareholders' Meeting of 14 May 2021 approved the amendment of Article 5 of the Articles of Association, which provides that two votes shall be attributed for each share held by a shareholder who has requested to be registered in the Special List and has maintained it for a continuous period of not less than 24 months from the date of registration in the said List.

As stated above, the subscription right for the Uno SERI 2017 - 2022 Warrants had to be exercised, under penalty of forfeiture, by submitting the exercise request by the expiry date of 30 December 2022 on the last trading day of the year 2022 (inclusive). Therefore, as of the date following the expiration date, the remaining No. 32,360,387 Warrants for which the exercise request was not submitted became definitively ineffective. Consequently, no more warrants are outstanding at the end of the Exercise Period.

OTHER FINANCIAL INSTRUMENTS granting the right to subscribe for newly issued shares				
Instrument	Listed (indicate markets) / unlisted	No. of instruments in circulation	Category of shares serving the conversion/exercise	No. of shares in service of conversion/exercise
Warrant Uno SERI 2017-2022	Listed Borsa Italiana S.p.A.	0	Ordinary Shares	0

Lastly, it should be noted that on 6 May 2022, the Extraordinary Shareholders' Meeting resolved to increase the Company's share capital in one or more tranches, by payment, within the final term of 30 June 2031, for a maximum amount of €1,956,000.00, by issuing, also in several instalments, a maximum of 978,000 ordinary shares, with no indication of par value, having the same characteristics as the ordinary shares in circulation at the issue date, with regular enjoyment, excluding option rights pursuant to Article 2441, paragraph 4, second sentence, 6 and 8 of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the stock option plan called "Stock Option Plan 2022" approved by the ordinary shareholders' meeting of 6 May 2022, at an issue price equal to the arithmetic average of the official prices of the company's shares on Euronext Milan in the thirty trading days prior to the meeting

<sup>1</sup> Now Seri Industrial

<sup>2</sup> As a result of the reverse stock split as of 22 January 2018, 10 (ten) Warrants to Existing Shareholders entitle them to subscribe for one compendium share.

of the Board of Directors that proceeds to allocate the options to the beneficiaries of said stock option plan and determines the number of options allocated to each of them; of said issue price, an amount equal to (or in any case not exceeding) €2.00 will be allocated to share capital and the remainder will be allocated to share premium. Pursuant to Article 2439(2) of the Italian Civil Code, if not fully subscribed by the final deadline of 30 June 2031, the share capital will be increased by an amount equal to the subscriptions collected.

#### **b) Restrictions on the Transfer of Securities (pursuant to Article 123-bis(1)(b) TUF)**

There are no restrictions on the transfer of securities.

The shares are registered, freely transferable and indivisible and each of them entitles the holder to vote at all ordinary and extraordinary Shareholders' Meetings of the Company, as well as to other patrimonial and administrative rights in accordance with the applicable provisions of law and the Articles of Association.

#### **c) Significant shareholdings in the capital according to the communications made pursuant to Article 120 of the Consolidated Law on Finance (TUF) (pursuant to Article 123-bis(1)(c) of the Consolidated Law on Finance (TUF))**

Significant direct or indirect shareholdings in the capital, according to the Company's knowledge, based on the results of the shareholders' register, the notifications made pursuant to Article 120 of the Consolidated Law on Finance (TUF), as supplemented by the information received during pre-meeting filings and other communications received, are indicated in the following table:

Registrant	Direct Shareholder	Number of shares	Share % of ordinary capital	Share % of voting capital
Vittorio Civitillo	SE.R.I. S.p.A.	30.426.770	56,37%	56,37%
	Vittorio Civitillo	22.000	0,04%	0,04%
Neuberger Berman AIFM Sarl (*)	Neuberger Berman AIFM Sarl	3.967.648	7,35%	7,35%

(\*) Neuberger Berman AIFM Sarl in its capacity as management company and on behalf of the closed-end mutual fund reserved for qualified investors called "Fondo Atlante Private Equity".

Eng. Vittorio Civitillo, Managing Director in Seri Industrial, and Andrea Civitillo, director with proxies in Seri Industrial, indirectly own, through SE.R.I. S.p.A., shares corresponding in total to 56.37% of the share capital of the Company. SE.R.I. S.p.A. is owned by Mr. Vittorio Civitillo, who holds 50.60% and by his brother Andrea Civitillo, who holds 49.40%.

#### **d) Securities conferring special rights (pursuant to Article 123-bis(1)(d) TUF)**

No securities are issued that confer special rights of control.

With regard to the increase in voting rights, Article 5 of the Articles of Association, following the amendment resolved by the shareholders' meeting on 14 May 2021, provides that:

*"Ordinary shares are registered, freely transferable and indivisible. Each share entitles the holder to one vote, subject to the provisions of the following paragraphs.*

*Notwithstanding the provisions of the preceding paragraph, each share entitles the holder to a double vote (i.e. two votes for each share) if both of the following conditions are met (a) the share has belonged to the same person, by virtue of a right in rem legitimating the exercise of voting rights (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least twenty-four months (b) the recurrence of the condition under (a) is attested by the continuous registration, for a period of at least twenty-four months, in the special list established for this purpose governed by this article (the "Special List"), as well as by a specific communication attesting the share ownership referring to the date of expiry of the continuous period issued by the intermediary with whom the shares are deposited pursuant to applicable regulations.*

*The acquisition of the increase of voting rights is effective on the first date in time between: (i) the fifth trading day of the calendar month following the date on which the conditions required by the By-Laws for the increase of voting rights are fulfilled; or (ii) the so-called record date of any shareholders' meeting, determined pursuant to applicable laws and regulations, following the date on which the conditions required by the By-Laws for the increase of voting rights are fulfilled.*

*The Company establishes and maintains at its registered office, with the forms and contents provided for by applicable laws and regulations, the Special List, to which persons intending to benefit from the increase of voting rights must register.*

*In order to obtain enrolment in the Special List, the party entitled pursuant to this Article must submit a special application, enclosing a communication attesting to the share ownership - which may also concern only part of the shares held by the holder - issued by the intermediary with which the shares are deposited pursuant to applicable regulations. The surcharge may also be claimed for only part of the shares held by the holder. In the case of entities other than natural persons, the application must specify whether the entity is subject to direct or indirect control by third parties and the identification data of the controlling entity, if any.*

*The provisions relating to the shareholders' register and any other relevant provisions, including those concerning the disclosure of information and the right of inspection of shareholders, apply to the Special List referred to in this Article, insofar as they are compatible.*

*The Special List is updated by the Company by the fifth trading day after the end of each calendar month and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to attend and vote in shareholders' meetings.*

*The Company proceeds to remove from the Special List in the following cases:*

*a) renunciation by the interested party*

*b) communication by the interested party or intermediary proving that the prerequisites for the increase of the voting right have ceased to exist or that the ownership of the legitimating real right and/or the relative voting right has been lost;*

*c) ex officio, if the Company is informed of the occurrence of facts that entail the loss of the prerequisites for the increase of the voting right or the loss of the ownership of the legitimate real right and/or the related voting right.*

*The increased voting right ceases to exist*

*a) in the event of a transfer for consideration or free of charge of the share, it being understood that "transfer" also includes the establishment of a pledge, usufruct or other encumbrance on the share when this results in the loss of the shareholder's voting right*

*b) in the event of direct or indirect disposal of controlling interests in companies or entities that hold shares with an increased voting right above the threshold provided for in Article 120, paragraph 2, of Legislative Decree No. 58 of 24 February 1998.*

*The increased voting rights*

*a) is retained in the event of the establishment, by the party registered in the special list, of a pledge or usufruct on the shares, as long as the voting right remains attributed to the party establishing the pledge or granting the usufruct*

*b) is retained in the event of succession upon death in favour of the heir and/or legatee;*

*c) is preserved in the event of a merger or demerger of the holder of the shares in favour of the company resulting from the merger or beneficiary of the demerger*

*d) is extended proportionally to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code and capital increase by means of new contributions made in the exercise of option rights*

*e) may also apply to shares assigned in exchange for shares to which increased voting rights are attributed, in the event of a merger or demerger of the Company, if so provided by the relevant plan*

*f) is retained in the event of a transfer from one portfolio to another of the UCIs managed by the same party;*

*g) is retained in the event of a gratuitous transfer to an entity such as, by way of example, a trust, an estate fund or a foundation, of which the transferor himself or his heirs are beneficiaries;*

*(h) is preserved, if the participation is attributable to a trust, in the event of a change of trustee. In the cases referred to in letters (d) and (e) of the preceding paragraph, the new shares acquire the voting surplus (i) for the newly issued shares to which the holder is entitled in exchange for shares for which the voting surplus has already accrued, from the time of their registration in the Special List, without the need for a further accrual of the continuous holding period (ii) for newly issued shares to which the holder is entitled in exchange for shares for which the voting surplus has not already accrued (but is in the process of accruing), from the time of completion of the period of ownership calculated from the original registration in the Special List.*

*The right of the holder of the increased voting right to irrevocably renounce (in whole or in part) the increased voting right at any time, by means of a written notice to be sent to the Company, is always recognised, it being understood that the increased voting right may be reacquired with respect to the shares for which it was renounced with a new registration in the Special List and the full expiry of the period of continuous membership of not less than 24 months. The increased voting right is also counted for the purposes of determining constitutive and deliberative quorums which refer to share capital ratios, but has no effect on the rights, other than voting rights, accruing by virtue of holding certain share capital ratios.*

*For the purposes of this Article, the notion of control is that provided for in the regulatory framework for listed issuers. Any amendment (for the better or for the worse) of the regulations on the increase of the voting rights dictated by this article or its abolition shall require the approval of the Extraordinary Shareholders' Meeting pursuant to law.”*

**e) Employee share ownership: mechanism for exercising voting rights (pursuant to Art. 123-bis(1)(e) TUF)**

There are no mechanisms for exercising voting rights under any employee share ownership scheme.

**f) Voting restrictions (pursuant to Article 123-bis(1)(f) TUF)**

There are no restrictions on voting rights.

**g) Shareholders' agreements (pursuant to Article 123-bis(1)(g) TUF)**

To the Company's knowledge, based on the communications sent to Consob, pursuant to Article 122 of the Consolidated Law on Finance (TUF) and the applicable provisions of the Regulation on Issuers, there are no agreements in place between shareholders.

**h) Change of control clauses (pursuant to Article 123-bis(1)(h) of the Consolidated Law on Finance (TUF)) and statutory provisions on takeover bids (pursuant to Articles 104(1-ter) and 104-bis(1) of the Consolidated Law on Finance (TUF))**

- (i) The Issuer or its subsidiaries have not entered into any significant agreements that take effect, are amended or are terminated in the event of a change in the Company's control situation, except for: a loan agreement underwritten by Seri Industrial S.p.A. with Cassa Depositi e Prestiti S.p.A., for the initial amount of Euro 15 million, which provides for compulsory early repayment events, customary for loans of a significant amount, including the occurrence of a change of control, consisting of any transaction as a result of which the relevant shareholders (Vittorio Civitillo, Andrea Civitillo and their descendants cease to hold direct or indirect control of Seri Industrial S.p.A.)
- (ii) a loan agreement underwritten by FIB S.p.A. with Deutsche Bank S.p.A., for the initial amount of Euro 3 million, which provides for compulsory early repayment events, usual for loans of a significant amount, including the occurrence of a change of controlling shareholder of the subsidiary Fib S.p.A.;
- (iii) a loan agreement entered into by Seri Industrial S.p.A. with Unicredit S.p.A., for the initial amount of Euro 20 million, which provides for compulsory early repayment events, customary for loans of a significant amount, including the occurrence of a change of control, consisting of any transaction as a result of which Industrial S.p.A. ceases to hold control of Seri Industrial S.p.A.;
- (iv) a pool loan agreement entered into by FIB S.p.A. with Cassa Depositi e Prestiti S.p.A. for a maximum initial amount of € 15 million, which provides for compulsory early repayment events, usual for loans of a significant amount, including the occurrence of a change of control, consisting of any transaction as a result of which Vittorio Civitillo ceases to hold, directly or indirectly, control, pursuant to Article 2359(1) of the Italian Civil Code, of FIB S.p.A. and Seri Industrial S.p.A.;
- (v) an unsecured loan contract entered into by FIB S.p.A. with Banca Progetto S.p.A., for the initial amount of Euro 5 million, which provides for compulsory early repayment events, usual for loans of a significant amount, including the occurrence of a change of control, consisting of any operation as a result of which Seri Industrial S.p.A. ceases to hold 100% or control of FIB S.p.A.;
- (vi) an unsecured loan contract signed by Seri Industrial S.p.A. with Banca Progetto S.p.A., for the initial amount of Euro 4 million, which provides for compulsory early repayment events, usual for loans of a significant amount, including the occurrence of a change of control, consisting of any operation as a result of which the main shareholder Industrial S.p.A. ceases to hold control of Seri Industrial S.p.A..

With reference to the current provisions on Takeover Bids, it should be noted that the Bylaws do not provide for any waiver of the passivity rule provisions set forth in Article 104, paragraphs 1 and 1-bis, of the Consolidated Law on Finance (TUF), nor do they provide for the application of the neutralisation rules set forth in Article 104-bis, paragraphs 2 and 3, of the Consolidated Law on Finance (TUF).

**i) Powers of attorney to increase the share capital and authorisations to purchase treasury shares (pursuant to Art. 123-bis(1)(m) TUF)**

There are no proxies to increase the share capital.

Furthermore, the Shareholders' Meeting did not authorise the purchase of treasury shares pursuant to Articles 2357 et seq. of the Italian Civil Code..

**j) Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)**

The Issuer is directly controlled by right, pursuant to Article 2359, paragraph 1, no. 1, of the Italian Civil Code and Article 93 of the Consolidated Law on Finance (TUF), by SE.R.I. S.p.A., by Vittorio Civitillo at 50.60% and by Andrea Civitillo at 49.40%.

The Company is not subject to the management and coordination activities of others as of 28 June 2021, the date on which the Board of Directors, after a lengthy evaluation process, ascertained that no actual elements existed to consider the Company subject to the management and coordination activities of SE.R.I. S.p.A..

\* \* \* \*

There are no agreements between the company and the directors that provide for indemnities in the event of resignation or dismissal without just cause or if their employment ceases as a result of a takeover bid.

For more details on the remuneration policy, including the information required by Article 123-bis, paragraph 1, letter i) of the Consolidated Law on Finance (TUF), i.e., "*agreements between the Company and the directors that provide for indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a takeover bid*", please also refer to Section 8 of this Report and the detailed information in the Report on Remuneration Policy and Remuneration Paid published pursuant to Article 123-ter of the Consolidated Law on Finance (TUF).

In relation to the information required by Article 123-bis, paragraph 1, letter l), first part, of the Consolidated Law on Financial Intermediation ("*the rules applicable to the appointment and replacement of directors ...if different from the laws and regulations applicable on a supplementary basis*"), please refer to Section 4, paragraph 4.2.

In relation to the information required by Article 123-bis, paragraph 1, letter l), second part, of the Consolidated Law on Finance (TUF) ("*the rules applicable ..... to the amendment of the Articles of Association, if different from the laws and regulations applicable by way of supplementary provisions*"), please refer to the information contained in Section 13.

### 3. COMPLIANCE (pursuant to Article 123-bis(2)(a), TUF)

The Issuer has formally adhered to the Corporate Governance Code, applicable as of 2021, which can be found on the Corporate Governance Committee's website at: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.htm>.

The Company's Board of Directors has consequently adapted its Governance system to the relevant provisions, except for the non-adherence to certain principles and/or recommendations, or subject to certain adaptations adopted in applying them.

Non-adherence to some of the recommendations of the principles set forth in the Code is specifically indicated, together with the underlying reasons, in compliance with the "*comply or explain*" criterion, in the various sections of the Report. Similarly, with respect to the aforesaid recommendations, where necessary or useful for a better understanding of the Issuer's Governance, clarifications are provided as to the manner in which adherence is actually applied.

The Issuer or its strategically important subsidiaries are not subject to non-Italian legal provisions, such as to influence their Governance structure.

## 4. BOARD OF DIRECTORS

### 4.1. ROLE OF THE BOARD

According to the Code, the Board of Directors plays a central role in corporate governance.

As far as the functions of the Board of Directors are concerned, pursuant to Article 23 of the Articles of Association and in compliance with Principle 1 of the Code, the Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company and, more specifically, has the power to perform all acts deemed necessary to achieve the corporate purpose, excluding those that the law and the Articles of Association reserve strictly to the Shareholders' Meeting.

Decisions concerning the definition of the strategic development and direction lines of corporate management, also on a multi-year basis, as well as the annual industrial and economic-financial plan (budget) and multi-year forecast plans with the relative investment plans, are exclusively reserved to the Board of Directors, and cannot be delegated in any way.

The Board of Directors is also vested with the power to establish internal rules and procedures of conduct, as well as the power to set up committees and commissions, also for the purpose of conforming the corporate governance system to the model envisaged by the Code and/or regulations in force over time.

Furthermore, again pursuant to Article 23 of the Company Bylaws, the Company approves related party transactions as set forth in the RPT Procedure, in accordance with the provisions of the law and regulations in force over time, as well as with its own bylaws and the procedures adopted on the matter. In this context, the RPT Procedure adopted by the Company in relation to transactions with related parties provides for the exclusion from their scope of application of urgent transactions, including those falling within the purview of the Shareholders' Meeting, in compliance with the conditions and within the limits allowed by the applicable legal and regulatory provisions.

The same article of the Bylaws provides that the Board of Directors is responsible for adopting certain resolutions entailing amendments to the Bylaws and, in particular:

- i. the merger of wholly owned companies (Art. 2505 of the Civil Code) or companies owned for at least 90% of the share capital (Art. 2505-bis of the Civil Code)
- ii. the reduction of the share capital in the event of withdrawal of a shareholder;
- iii. adjustments of the Articles of Association to comply with mandatory provisions of law;
- iv. the establishment or suppression of secondary offices;
- v. the transfer of the registered office within the national territory and the transfer of the registered office within the same municipality.

Pursuant to the provisions of the Code, the Board of Directors, without prejudice to its exclusive competence in the matters set forth in Article 2381 of the Civil Code, is the body that:

- guide the Issuer by pursuing its sustainable success (*Principle I*);
- defines the strategies of the Issuer and its Group consistent with the pursuit of sustainable success and monitors their implementation (*Principle II*);
- it defines the corporate governance system that best serves the performance of the company's activities and the pursuit of its strategies: (i) taking into account the spaces of autonomy offered by the legal system; (ii) where appropriate, evaluating and promoting appropriate changes, submitting them, when relevant, to the shareholders' meeting (*Principle III*);
- promotes, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the Issuer (*Principle IV*).

The Board of Directors is reserved:

- the examination and approval of the Issuer's and the Group's Business Plan, also based on the analysis of the issues relevant to the generation of long-term value (*Recommendation 1, a*);
- the periodic monitoring of the implementation of the Business Plan, as well as the assessment of the overall management performance, by periodically comparing the results achieved with the planned results (*Recommendation 1, b*);

- the definition of the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments all elements that may be relevant to the Issuer's sustainable success (*Recommendation 1, c*);
- the definition of the Issuer's corporate governance system and the structure of its Group (*Recommendation 1, d, part 1*);
- the assessment of the adequacy of the organisational, administrative and accounting structure of the Issuer and strategically important subsidiaries, with particular reference to the internal control and risk management system (*Recommendation 1, d, part 2*). For further information, please refer to Section 9;
- deciding on transactions of the Issuer and its subsidiaries that have a significant strategic, economic, capital or financial importance for the Issuer, establishing the general criteria for identifying significant transactions (*Recommendation 1, e*);
- the adoption, upon proposal of the Chairman, in agreement with the *Chief Executive Officer*, of a procedure for the internal management and external disclosure of documents and information concerning the Issuer, with particular reference to inside information (*Recommendation 1, f*). For further information, please refer to Section 5.

With regard to *Recommendation 1 a) and b)*, on 22 June 2022 the Board of Directors approved an update to the Group's Industrial Plan, extending it to the period 2022-2026, in order to include the economic and financial forecasts inherent to the new post-consumer packaging recovery project to be implemented in Pozzilli, in partnership with Unilever B.V., through the subsidiary P2P S.r.l..

For more details on the current and planned investment projects, for which the Company is constantly monitoring the relative implementation status, please refer to the Directors' Report on Operations accompanying the financial statements and consolidated financial statements for the Year, available on the Company's website at ([www.seri-industrial.it](http://www.seri-industrial.it)) in the Investor/Financial Statements and Reports section, as well as on the Computershare S.p.A. storage system, ([www.1info.it](http://www.1info.it)).

In relation to the comparison of the results achieved against the planned results (*Recommendation 1 b*), as recommended by the Code, it should be noted that the Board of Directors has not formalised a specific monitoring procedure, as it has decided to examine the specific profiles at the time of the verification of the economic and financial performance reported annually and half-yearly. The Board believes that, with respect to the Company's size and typical activities, this way of monitoring the final figures is, at present, suitable to equally achieve the objective of adequately monitoring the Group's management performance.

With regard to the definition of the nature and level of risk compatible with the Issuer's strategic objectives, including the elements that may be relevant to the Issuer's sustainable success, as referred to in *Recommendation 1, c*), please refer to what is described in more detail in the Consolidated Non-Financial Statement (the "DNF") in Section 1. 5, 1.6 and 1.7 thereof. prepared pursuant to Legislative Decree No. 254/2016, available on the Company's website at ([www.seri-industrial.it](http://www.seri-industrial.it)) in the Investor/Non-Financial Statement section, as well as on the Computershare S.p.A. storage system ([www.1info.it](http://www.1info.it)).

In particular, in relation to the definition of the nature and level of risk compatible with the Company's strategic objectives (*Recommendation 1, c*), it should be noted that the Board of Directors has not formalised an overall assessment procedure of the level of risk compatible with the strategic objectives, as provided for by the Code, preferring the Board itself to assess its status from time to time, but the necessary controls have been identified to verify that the Company's risks are identified and managed appropriately, for details of which please refer to Section 9. The Issuer, in the Directors' Report on Operations, which accompanies the financial statements, and within the DNF, discloses the risk factors relating to Seri Industrial and the companies of the Group, with regard to the business sectors in which they operate.

With regard to the definition of the Issuer's corporate governance system and the structure of the Group to which it belongs (*Recommendation 1, d, first part*) and the assessment of the adequacy of the organisational, administrative and accounting structure of the Issuer and its subsidiaries with strategic importance, with particular reference to the internal control and risk management system during the Financial Year, the Board of Directors is responsible for:

- a) the appointment of managers;
- b) the appointment of the Supervisory Board set up by it, pursuant to Legislative Decree No. 231 of 8 June 2001, and the approval of the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001, as amended
- c) the appointment and revocation of the Manager in charge of preparing the company's accounting documents, subject to the mandatory opinion of the Board of Statutory Auditors, pursuant to Article 27 of the Bylaws
- d) the appointment of the internal auditor upon the proposal of the Director in charge of overseeing the control and risk system, with the favourable opinion of the Control, Risk and Sustainability Committee and after consulting the Board of Statutory Auditors;
- e) the remuneration of the Chairman, the Vice Chairman, the Chief Executive Officer and, if appointed, of the directors holding special offices, the members of the committees provided for by the Code and composed of directors of the Company, as well as, if the Shareholders' Meeting has not already done so, the subdivision of the global base remuneration due to the individual members of the Board of Directors, after examining the proposals of the Nomination and Remuneration Committee, (and where applicable, after obtaining the opinion of the Committee for Related Party Transactions) and after hearing the Board of Statutory Auditors.

Within the Board of Directors, the Director in charge of overseeing the internal control and risk management system has been identified and entrusted with the task of coordinating the management of ESG issues (this figure is different from the *Chief Executive Officer*), and the Control and Risk Committee has been established, which, following an expansion of its functions to include sustainability issues, has been renamed the Control, Risk and Sustainability Committee.

The Company's organisational structure also includes the figures of the *internal auditor* and the Manager responsible for preparing the company's financial reports, as well as the Supervisory Board pursuant to Legislative Decree 231/2001, and of course the Board of Statutory Auditors, as well as the appointment of an auditing company.

Resolutions of the Issuer and its subsidiaries regarding transactions with a significant economic, equity or financial impact (*Recommendation 1, e*), with particular reference to transactions with related parties and situations of conflict of interest, or those in which directors, auditors and managers have an interest on their own behalf or on behalf of third parties, are reserved to the Board of Directors. However, the Board of Directors did not deem it necessary to pre-establish general criteria to identify significant transactions, considering that what is set forth in the Management and Coordination Regulations adopted by the Company is already suitable to ensure that the subsidiaries' resolutions are taken within the guidelines and guidelines dictated by the Issuer.

While it remains the exclusive responsibility of each subsidiary to assess the adequacy of (i) its organisational, administrative and accounting structure, (ii) the strategic, industrial and financial plans of the companies and (iii) the general performance of operations, in accordance with the provisions of a Management and Coordination Regulation adopted by the Group, the parent company Seri Industrial is called upon, among other things, to:

- (i) examining and approving in advance strategically and financially significant transactions of subsidiaries;
- (ii) imparting strategic, management and supervisory guidelines with a view to achieving the common goals set
- (iii) communicating to the subsidiaries the guidelines to be implemented in the process of drawing up plans and budgets by the individual Group companies;
- (iv) prepare the Group's strategic, industrial and financial plans and budgets by examining and approving in advance those of the subsidiaries and, where necessary, amending them to resubmit them to the subsidiaries.

The administrative bodies of the subsidiaries are responsible for compliance with the instructions, directives, procedures and controls issued by the Issuer for the purpose of the effective exercise of management and coordination activities.

Furthermore, on the basis of the RPT Procedure, issued in 2010 by the Issuer's Board of Directors and last updated on 28 June 2021, the administrative body and/or delegated bodies, within the limits of the powers granted to them, are reserved for the examination and prior approval of related party transactions of the Issuer and its subsidiaries, depending on the significance of the transaction.

In particular, the Board of Directors is exclusively responsible for the approval of '*significant transactions with related parties*' and resolves on the same, subject to the favourable opinion of the RPT Committee, composed exclusively of

unrelated and independent directors pursuant to both the Consolidated Law on Finance (TUF) and the Code, on the Company's interest in carrying out the transaction, as well as on the appropriateness and substantive and procedural fairness of the related conditions. If the Company's Board of Directors does not include at least three (3) independent directors both pursuant to the Consolidated Law on Finance (TUF) and the Code and unrelated, the RPT Committee called upon to express an opinion is made up of two (2) independent directors, who with reference to each transaction must also be unrelated directors, and one (1) member of the control body, indicated by the Chairman of the Board of Statutory Auditors.

The Board of Directors and/or the delegated bodies, within the limits of the powers conferred upon them, have the power to decide on '*minor transactions with related parties*'. The Board of Directors or the delegated bodies shall approve the transactions, subject to the reasoned, non-binding opinion of the RPT Committee, composed of unrelated, non-executive and independent directors pursuant to both the Consolidated Law on Finance (TUF) and the Code, on the Company's interest in carrying out the transaction, as well as on the appropriateness and substantial fairness of the related conditions.

If the Company's Board of Directors does not include at least three (3) independent directors pursuant to both the Consolidated Law on Finance (TUF) and the Code, the RPT Committee called upon to express an opinion shall be composed of two (2) independent directors and one (1) non-executive director, who must also be non-related directors with reference to each transaction.

With regard to investee companies, subsidiaries are considered companies of strategic importance:

- Seri Plast S.p.A., *sub-holding* at the head of the entities operating in the plastics sector and to which all related activities have been delegated;
- FIB S.p.A., *sub-holding* at the head of the entities operating in the battery production sector and to which all related activities have been delegated.

In particular, the aforementioned companies are required to apply the Group's procedures concerning the management of information and transactions with related parties and have adopted an Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001, which is uniform to that of the parent company. Their directors are also required to comply with the Internal Dealing procedure.

With regard to the scheme of powers that the two subsidiaries with strategic importance - FIB S.p.A. and Seri Plast S.p.A. - In particular, it was verified that the structure adopted by the two subsidiaries with strategic importance, based on the Management and Coordination Regulation, allows Seri Industrial to examine and approve in advance the most significant transactions from a strategic-equity and financial point of view of the subsidiaries.

Moreover, during the Year, as described below, the Board of Directors adopted, on 9 June 2022, a policy for the management of dialogue with investors and market operators (*Recommendation 3*).

In particular, the Board of Directors, after having developed a dialogue with shareholders, including retail shareholders, and other stakeholders relevant to the Issuer, through the introduction of a specific forum, accessible from the company website <https://www.seri-industrial.it>, in the forum section, during the Financial Year, adopted a specific policy for the management of dialogue with the generality of investors and market operators, developed taking into consideration the engagement policies adopted by institutional investors and asset managers, whether they are already shareholders or are potentially shareholders. For more information on the latter, please refer to Section 12.

With regard to further powers pertaining to the Board of Directors in the area of:

- (a) composition of the administrative body, see section 4.3 below;
- (b) operation, please refer to section 4.4 below;
- (c) appointment and self-assessment, see Section 4.2 and Section 7, paragraph 7.1 below;
- (d) remuneration policy, see Section 8, paragraph 8.1;
- (e) internal control and risk management system, see Section 9.

## 4.2. APPOINTMENT AND REPLACEMENT

### (pursuant to Article 123-bis(1)(l), first part, TUF)

This section provides information on the rules applicable to the appointment and replacement of directors and, in particular:

- ✓ the shareholding required for the submission of lists, in each case giving evidence of the shareholding determined by Consob pursuant to Article 144-quater of the Issuers' Regulations
- ✓ the procedures and deadlines for submitting lists;
- ✓ the statutory mechanism adopted to ensure gender balance when appointing directors and in the event of their replacement, as required by Article 147-ter, paragraph 1-ter, TUF
- ✓ the mechanism adopted in the Bylaws to ensure the appointment of a minority director, pursuant to Article 147-ter, paragraph 3, of the Consolidated Law on Finance (TUF); the procedures for the appointment and selection of candidates from the various lists submitted
- ✓ the mechanism envisaged to ensure the election of the minimum number of independent directors pursuant to Article 147-ter, paragraph 4, of the Consolidated Law on Finance (TUF);
- ✓ whether the Bylaws (as allowed by Article 2387, Civil Code, and Article 147-ter, paragraph 4, of the Consolidated Law on Finance (TUF)) provide for independence requirements, in addition to those established for statutory auditors pursuant to Article 148 of the Consolidated Law on Finance (TUF), and/or honourableness and/or professionalism requirements for the assumption of the office of director, also with reference to the requirements in this regard provided for by codes of conduct drawn up by companies managing regulated markets.

The Articles of Association do not contain a provision allowing the outgoing Board of Directors to submit a list, as well as - in case of actual submission - the related formation and publication procedures.

Furthermore, the Articles of Association (as permitted by Article 147-ter, paragraph 1 of the Consolidated Law on Finance (TUF)) do not provide that, for the purposes of the allocation of the directors to be elected, lists that have not obtained a percentage of votes equal to at least half of the percentage required by the Articles of Association for the submission of lists are not taken into account.

The Issuer, in addition to the applicable provisions of the Consolidated Law on Finance (TUF) and its implementing regulations as well as the provisions set forth in the Italian Civil Code and the provisions of the Code, is not subject to further rules on the appointment and replacement of the governing bodies and their composition, except as provided for by the Articles of Association.

For information on the role of the Board of Directors and its committees in the processes of self-assessment, appointment and succession of directors, please refer to the information contained in Section 7.

#### Appointment of Directors

Information is provided below concerning the rules applicable to the appointment and replacement of directors as well as the provisions of the Bylaws, where different from the laws and regulations, which are applicable in a supplementary manner.

In accordance with Article 21 of the Bylaws, directors are appointed on the basis of lists submitted by shareholders, in accordance with the procedure described below.

Lists may be submitted by shareholders who, at the time the list is filed, prove that they own at least 2.5% (two point five per cent) of the shares with voting rights at the Ordinary Shareholders' Meeting, unless the law or regulatory provisions establish a different percentage.

The shareholding percentage determined by Consob pursuant to Article 144-quater of the Issuers' Regulation with regard to the Financial Year is 2.5 per cent (two point five per cent); the same shareholding percentage has been determined by Consob with regard to the financial year following the one to which this Report refers.

The lists must contain a number of candidates not exceeding the number of members to be elected, listed by a progressive number. Each candidate may only be presented on one list under penalty of ineligibility. Each list must

contain, under penalty of ineligibility, a number of candidates who, in compliance with Consob regulations, meet the independence requirements prescribed by the laws and regulations in force and by the Corporate Governance Code in its latest version, indicating them separately and including one of them as the first candidate in the list. If, with reference to the mandate in question from time to time, mandatory criteria of gender distribution (male and female) are applicable, each list containing at least three (3) candidates shall contain a number of candidates of the least represented gender at least equal to the minimum quota applicable from time to time.

Each shareholder may, directly or indirectly through a trust company or a third party, submit only one list. In the event of violation of this rule, the shareholder's vote with respect to any of the lists submitted shall be disregarded.

The lists, signed by the shareholders who presented them, must be deposited at the company's registered office at least twenty-five days before the date set for the Shareholders' Meeting on first or single call. In order to prove ownership of the number of shares necessary to present the lists, shareholders, at least twenty-one days prior to the date set for the Shareholders' Meeting on first call, or on single call, must send a specific communication issued pursuant to current regulations through an authorised financial intermediary. The filing of the lists, carried out in accordance with the above, is also valid for the calls subsequent to the first call, where applicable.

Outgoing directors may be re-elected.

Within the aforementioned deadline, declarations must also be filed in which the individual candidates accept their candidacy and declare, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements prescribed by law, regulations and the Articles of Association for the respective offices, including any independence requirements, specifying also the existence of the independence requirements provided for by the Corporate Governance Code in its latest version.

Lists for which the above provisions are not complied with shall be considered as not submitted, subject to the resolution of the Board of Directors, having consulted the Board of Statutory Auditors.

Each person entitled to vote may only vote for one list.

In accordance with the relevant regulatory and legal provisions, if several lists are submitted, except as provided for in the following paragraph, the directors shall be appointed as follows:

- all the directors, with the exception of one, shall be taken from the list that has obtained the relative majority of the votes cast by the shareholders, in the progressive order in which they are listed on the list
- the appointment of the latter shall be made by respecting the progressive order of the minority list that has obtained the highest number of votes and that is not connected in any way, not even indirectly, with the list that has obtained the highest number of votes.

If, as a result of the application of the provisions of the preceding paragraph, any minimum quota of the lesser represented gender applicable from time to time is not met, the next candidate of the lesser represented gender from the same list shall be appointed instead of the last candidate of the more represented gender from the list that has obtained a relative majority of the votes cast by the shareholders.

On the other hand, if no more than one list is presented, all directors shall be drawn, in sequential order, from the only list presented.

If no lists are submitted, the directors shall be appointed on the basis of proposals made by individual shareholders, in compliance with any minimum gender distribution proportions set forth by the law and regulations in force at the time, without prejudice to the necessary election of the minimum number of independent directors set forth by the Bylaws, laws or regulations in force.

#### [Replacement of Directors](#)

Pursuant to Article 21 of the Articles of Association, if one or more directors from the majority list cease to hold office, the Board of Directors, pursuant to Article 2386 of the Italian Civil Code, shall integrate the Board of Directors by appointing the first, or in the event of his or her impediment, the second, and so forth, of the unelected candidates from the majority list, provides for the integration of the Board of Directors by appointing the first, or in the event

that he is prevented from doing so, the second, and so forth, of the non-elected candidates indicated in the majority list; However, if this mechanism does not comply with the minimum gender proportions, if any, as well as in the event of a total exhaustion of the candidates indicated in that list, the Board of Directors shall appoint by co-optation a new member indicated by the majority of the Board of Directors, in compliance with the minimum gender proportions, if any, provided for by law and the regulations in force from time to time.

In the event of the termination of the director taken from the minority list, the Board of Directors shall replace him by appointing the first, or if he is prevented from doing so, the second, and so on, of the unelected candidates indicated in the minority list from which the director to be replaced came; However, if this mechanism does not comply with the minimum gender proportions, if any, as well as if there are no candidates in the minority list from which the director to be replaced came from, the legal provisions shall be complied with, in compliance with the minimum gender proportions, if any, set forth by the law and regulations in force from time to time.

The Shareholders' Meeting convened to replace a director who has ceased to hold office or to appoint one or more directors during the term of office of the Board of Directors shall in any case resolve with the majorities required by law, taking care to ensure that the Board of Directors includes the necessary number of members who meet the independence requirements prescribed by the laws and regulations in force, as well as to comply with any minimum gender proportions provided for by law and the regulations in force from time to time.

Furthermore, in accordance with Article 19 of the Articles of Association:

- if one or more directors leave office during the financial year, without prejudice to the provisions of Article 21 of the Articles of Association, the others shall replace them by resolution approved by the Board of Statutory Auditors, provided that the majority is still made up of directors appointed by the Shareholders' Meeting. The directors thus appointed remain in office until the next Shareholders' Meeting;
- if the majority of the directors appointed by the Shareholders' Meeting is no longer in office, the entire Board of Directors shall be deemed to have resigned and the Shareholders' Meeting must be convened without delay by the Board of Directors to reconstitute it.

The resignation of directors takes effect immediately, if the majority of the Board of Directors remains in office, or, if not, it takes effect from the moment the Board of Directors is reconstituted.

The resignation of directors due to expiry of the term takes effect from the moment the Board of Directors is reconstituted.

#### **4.3. COMPOSITION** **(pursuant to Article 123-bis(2)(d) and (d-bis) TUF)**

The Board of Directors is made up of executive and non-executive directors, all with professionalism and skills appropriate to the tasks entrusted to them (*Principle V*).

The number and skills of the non-executive directors are such as to ensure that they have a significant weight in the adoption of board resolutions and guarantee effective monitoring of management; it should be noted that, with respect to the Code's Principle that requires most non-executive directors to also be independent (*Principle VI*), of the six (6) non-executive directors on the Board of Directors, four (4) are independent pursuant to the TUF, of these two (2) are independent pursuant to the Code.

The Shareholders' Meeting of 6 May 2022 resolved to set at 10 (ten) the number of members of the Board of Directors, which remains in office for three financial years until the Shareholders' Meeting called to approve the financial statements as of 31 December 2024.

In view of the current company structure, which falls into the category of "Concentrated Ownership Company", the Articles of Association do not provide for a different term for the various members of the Board of Directors.

The following table provides information on the qualification of each member: executive, non-executive, independent, role held, length of service since first appointment, participation in committees provided for by the Code and constituted within the Board. Below, for each member, the main professional skills and characteristics are also provided.

**Table 2: Structure of the Board of Directors at the end of the Financial Year**

Board of Directors													
Role	Component	Date of birth	Date of first appointment (*)	In office since	In office until (approval of the financial statement as of)	List (presenters) (**)	List (***)	Executive	Non-Executive	Indip. Code	Indip. TUF	N. other appointments (****)	(****)
Chairman	Roberto Maviglia	1960	13/09/2019	6/05/2022	31/12/2024	Shareholders	M		X	X	X	1	16/16
Vice Chairman	Luciano Orsini	1959	3/08/2016	6/05/2022	31/12/2024	Shareholders	M	X				0	16/16
CEO	Vittorio Civitillo	1972	13/11/2017	6/05/2022	31/12/2024	Shareholders	M	X				1	15/16
Director	Fabio Borsoi	1956	13/09/2019	6/05/2022	31/12/2024	Shareholders	M		X		X	0	16/16
Director	Andrea Civitillo	1975	7/11/2018	6/05/2022	31/12/2024	Shareholders	M	X				0	12/16
Director	Marco Civitillo	1993	6/05/2022	6/05/2022	31/12/2024	Shareholders	M	X				0	11/11
Director	Annalisa Cuccaro	1974	13/09/2019	6/05/2022	31/12/2024	Shareholders	M		X	X	X	1	16/16
Director	Rosaria Martucci	1982	6/05/2022	6/05/2022	31/12/2024	Shareholders	M		X			0	9/11
Director	Manuela Morganate	1961	23/11/2017	6/05/2022	31/12/2024	Shareholders	M		X		X	1	15/16
Director	Alessandra Ottaviani	1986	6/05/2022	6/05/2022	31/12/2024	Shareholders	M		X			0	10/11
<b>DIRECTORS CEASED DURING THE FINANCIAL YEAR</b>													

Il numero di riunioni svolte durante l'Esercizio è pari a n. 16 The number of meetings held during the financial year was 16.

The *quorum* required for the submission of lists by minorities for the election of one or more members (pursuant to Article 147-ter TUF) is 2.5% (two point five per cent) of the Company's share capital.

#### NOTES

The following symbols must be entered in the Office' column:

• This symbol indicates the director in charge of the internal control and risk management system.

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

(\*) The date of first appointment of each director means the date on which the director was first appointed (ever) to the Board of Directors of the Issuer.

(\*\*) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating 'Shareholders') or by the Board of Directors (indicating 'Board of Directors').

(\*\*\*) This column indicates whether the list from which each director was drawn is 'majority' (indicating 'M'), or 'minority' (indicating 'm').

(\*\*\*\*) This column shows the number of directorships or auditorships held by the person concerned in other listed or large companies. In the Corporate Governance Report, the offices are indicated in full.

(\*\*\*\*\*) This column shows the directors' attendance at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

With reference to the offices held by the directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large companies, it should be noted that:

*Roberto Maviglia* holds the position of Independent Director in a financial company: 4 AIM Sicav S.p.A..

*Vittorio Civitillo* holds offices in companies of significant size: he is Sole Director in SE.R.I. S.p.A..

*Fabio Borsoi* works within Neuberger Berman (NB), a global asset manager and current manager of the Atlante Private Equity Fund of which Fabio Borsoi is a *key man*.

*Annalisa Cuccaro* holds the position of director in Agenzia de Laurentiis S.r.l., a non-banking financial intermediary, registered in the general list pursuant to art. 106 of the Consolidated Banking Act.

*Manuela Morgante* holds the position of Independent Director in Banca del Fucino S.p.A..

The Shareholders' Meeting of 6 May 2022 appointed the members of the Board of Directors in the persons of:

- Fabio Borsoi;
- Andrea Civitillo;
- Marco Civitillo;
- Vittorio Civitillo;
- Annalisa Cuccaro
- Rosaria Martucci;
- Roberto Maviglia;
- Manuela Morgante;
- Luciano Orsini;
- Alessandra Ottaviani;

All the elected members were taken from the only list, submitted by the majority shareholder Industrial S.p.A.<sup>3</sup>, owner (at that time) of 29,606,722 ordinary shares, equal to 60.41% of the Issuer's share capital.

There are no unelected candidates.

The resolution of the Shareholders' Meeting, regarding the number of members and their term of office, was passed with the favourable vote of no. 32,910,409 shares (i.e. 99.56%), that of election through list voting, no. 31,123,308 shares (i.e. 94.15%), that of the appointment of the Chairman, no. 29,996,030 shares (i.e. 90.74%), and that relating to the allocation of the remuneration due to the Board of Directors of 30,303,896 shares (i.e. 91.67%), compared to the 33,056,009 shares present, representing 100.00% of the capital present at the Shareholders' Meeting.

At this meeting, the Shareholders' Meeting delegated the appointment of the Chairman of the administrative body to the Board of Directors, as provided for by Article 24 of the Articles of Association.

The Shareholders' Meeting was attended by a total of 28 shareholders in person or by proxy for 30,303,896 ordinary shares representing 67.44% of the ordinary share capital.

On 6 May 2022, the Board of Directors of Seri Industrial S.p.A., upon taking office, appointed:

- Roberto Maviglia - Chairman;
- Luciano Orsini - Deputy Chairman;
- Vittorio Civitillo - Chief Executive Officer (CEO);

conferring proxies and powers on councillors Vittorio Civitillo, Luciano Orsini, Andrea Civitillo and Marco Civitillo.

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<sup>3</sup> It should be noted that Industrial S.p.A. was merged into SE.R.I. S.p.A. effective as of 1 May 2022.

The powers conferred on Managing Director Luciano Orsini were last adjusted by the Board of Directors on 30 January 2023 by extending his functions with regard to ESG issues.

Subsequently, on 25 May 2022, the Board of Directors set up:

1. a Nomination and Remuneration Committee, comprising three (3) members, in the persons of:
  - Annalisa Cuccaro - Chairman and Independent Director pursuant to the Consolidated Law on Finance (TUF) and the Code;
  - Roberto Maviglia - Independent Director pursuant to the Consolidated Law on Finance (TUF) and the Code;
  - Manuela Morgante - Independent Director pursuant to the Consolidated Law on Finance (TUF);
2. a Control and Risk Committee (subsequently renamed the Control and Risk and Sustainability Committee following the expansion of its functions), divided into two sections, the first consisting of four (4) members, in the persons of:
  - Roberto Maviglia - Chairman and Independent Director pursuant to the TUF and the Code;
  - Fabio Borsoi - Independent Director pursuant to the Consolidated Law on Finance (TUF);
  - Annalisa Cuccaro - Independent Director pursuant to the Consolidated Law on Finance (TUF) and the Code;
  - Manuela Morgante - Independent Director pursuant to the TUF;

and the second consisting of three (3) members, in the persons of:

- Roberto Maviglia - Chairman and Independent Director pursuant to the TUF and the Code;
  - Fabio Borsoi - Independent Director pursuant to the Consolidated Law on Finance (TUF);
  - Annalisa Cuccaro - Independent Director pursuant to the TUF and the Code;
3. a Committee for Related Party Transactions of Lesser Importance, consisting of three (3) members, in the persons of:
    - Manuela Morgante - Chairman and Independent Director pursuant to the TUF;
    - Roberto Maviglia - Deputy Chairman and Independent Director pursuant to the Consolidated Law on Finance (TUF) and the Code;
    - Annalisa Cuccaro - Independent Director pursuant to the TUF and the Code;and to envisage as an alternative oversight for transactions of major importance a Committee composed of three (3) members in the persons of:
    - Roberto Maviglia - Chairman and Independent Director pursuant to the Consolidated Law on Finance (TUF) and the Code;
    - Annalisa Cuccaro - Independent Director pursuant to the Consolidated Law on Finance (TUF) and the Code;
    - a member of the Board of Statutory Auditors designated, from time to time, for the specific transaction by the Chairman of the Board of Statutory Auditors.

Please refer to Section 7, Paragraph 7.2 for a description of the functions entrusted to the Nomination and Remuneration Committee in respect of appointments and to Section 8, Paragraph 8.2 for those in respect of remuneration.

Conversely, please refer to Section 9, Paragraph 9.2 for the description of the functions entrusted to the two sections of the Control and Risk and Sustainability Committee.

\* \* \* \*

Pursuant to Article 144-decies of the Issuers' Regulation, information is provided in relation to the personal and professional characteristics of each director.

#### **Roberto Maviglia**

Graduated in Law from the University of Rome, La Sapienza. Lawyer since 1991. He carries out his professional activity within the Associated Law Firm Maviglia & Partners, advising on investment solicitation transactions, drafting of prospectuses, IPOs, corporate transactions. Previously he was an associate at the tax law firm SLT (Ernst & Young) and of counsel at the law firms Sciumè-Zaccheo & A. and NCTM. He has been a director of numerous companies, including

listed ones, including Breda Ferroviaria S.p.A. (1994-1995), Fondiaria Sai (2013) and Mediolanum S.p.A. (2014-2015). He was a member of the panel of the Ombudsman - Banking Jury (Conciliatore Bancario) Italy and Expert/Consultant at the Presidency of the Council of Ministers (1992-1996). He was a lecturer, from 1991 to 1992, of the Advanced Course on Financial Markets at the Faculty of Political Science at the University of Rome La Sapienza and in 1993 of Stock Exchange Law at the Faculty of Economics and Business at the University of Rome La Sapienza. From 2009 to 2012, he was a member of the Teaching and Scientific Council and lecturer at the Master's Degree Course for Intermediaries, Issuers and Financial Markets at the University of Rome La Sapienza, and a speaker at Seminars and Conferences on various topics related to corporate, banking and financial market law. He is the author of numerous publications on corporate law and financial market law.

#### **Luciano Orsini**

Graduated in Economics and Commerce at the University of Bologna, he has been working professionally since 1990, in public and private institutions, both as auditor, company evaluator and auditor. He is a member of the Teramo Order of Chartered Accountants and Accounting Experts and of the Register of Auditors. He holds directorships in Seri Industrial Group companies. In the course of his professional experience, he has held numerous positions as a member of the Board of Statutory Auditors and Board of Directors in Italian and foreign companies.

#### **Vittorio Civitillo**

Graduated in Chemical Engineering from the University of Naples Federico II, entrepreneur and founding partner (in 1999) of SE.R.I. S.p.A., a holding company of a group operating in the industrial sector (lead and lithium ion batteries, industrial plants, plastic production and moulding), in the real estate sector, in the energy sector and in financial and engineering services. He holds directorships within both the SE.R.I. S.p.A. Group and the Seri Industrial Group. Among other things, he is sole director of the holding companies SE.R.I. S.p.A. and Industrial S.p.A..

#### **Andrea Civitillo**

Entrepreneur and founding partner in 1999 of SE.R.I. S.p.A., the controlling holding company of a group operating in the industrial sector (along the chain of electric batteries, industrial plants, plastic production and moulding), in the real estate sector, in the energy sector and in financial and engineering services. He holds numerous directorships in Seri Industrial Group companies.

#### **Marco Civitillo**

Graduated in Economics and Finance from Luiss Guido Carli University in Rome, after a brief professional experience in investment banking (in Lazard and Arkios Italy), since 2018 he started working with Seri Industrial Group covering the role of Head of Investor Relations. He currently also holds the position of Director in other companies belonging to the Seri Industrial Group, including FIB S.p.A. active in the production of lead-acid and lithium-ion batteries.

#### **Fabio Borsoi**

Mr Borsoi has been with Neuberger Berman (NB), a global asset manager and current manager of the Atlante Private Equity Fund of which FB is a *key man*, since 2018. From 2009 to 2020 he was Managing Director of IMI Fondi Chiusi SGR SpA (from 2020 NEVA SGR), the Intesa Sanpaolo Group's asset management company specialising in the management of private equity and venture capital funds, which among others launched the Atlante PE Fund in 2010. Since 2002, Fabio Borsoi has been Head of a fund specialising in investments in Southern Italy managed within the Sanpaolo IMI Group (subsequently merged into Intesa Sanpaolo), where he worked since 1987, first in the credit area and then, since '92, as Director in the Merchant Banking Department. Fabio Borsoi began his career in 1981 as a project engineer at Technip Italy, gaining various experiences abroad. He has served and still serves on the boards of several national industrial companies and was a member of the executive committee of AIFI. He graduated in 1981 in Mechanical Engineering from the University of Rome La Sapienza and has been a member of the Order of Engineers of Rome since 1982.

#### **Annalisa Cuccaro**

Graduated in Economics and Commerce at the University of Naples Federico II. She is a Chartered Accountant and Auditor; she works as a freelancer assisting companies in crisis prevention and management. Since 2010, she has been appointed as judicial custodian in real estate executions, receiver, judicial commissioner and judicial liquidator by the main courts in Campania. In the course of his professional experience, he served as auditor at PricewaterhouseCoopers S.p.A. from 1998 to 2006 and at PKF Italia S.p.A. from 2008 to 2010. He holds positions as director, liquidator and member of the Board of Statutory Auditors in various companies.

#### **Rosaria Martucci**

With a degree in Economics and Management from the University of Naples Federico II, she began her professional career at Adecco S.p.A., a multinational employment agency. Since 2008, she has held the position of HR Manager of the companies belonging to the SERI Industrial Group.

#### **Manuela Morgante**

Graduated with honours in Economics and Commerce at the University of Rome "La Sapienza", she has been a Chartered Accountant and Auditor since 1990 and works as a freelancer. He began his professional career at Ernst & Young, as Senior Manager, subsequently holding the position of Head of Training Management, at the Ernst & Young Business School in 1998. From 2005 to 2018, he was a Member of the Board of Directors of Cassa di Risparmio dell'Aquila. From 2014 to 2017, he was a Member of the Supervisory Board pursuant to Legislative Decree 231/2001 of the company Astral S.p.A.. From 2017 until January 2022, she was Chairman of the Management Board of the Consorzio Acquedottistico Marsicano S.p.A.. Since July 2021, she has held the position of Independent Director in Banca del Fucino S.p.A. and is General Manager of the Nilde Iotti Foundation. She holds the position of statutory auditor or Chairman of the Board of Statutory Auditors in companies operating in the industrial and commercial sector. He is an adjunct lecturer on the subject of "Transactions with Related Parties" in the second level Master's Degree Course "Accounting and Auditing", Department of Law and Economics of Productive Activities, La Sapienza University of Rome at the Faculty of Economics.

#### **Alessandra Ottaviani**

Graduated in Legal Sciences, at the University of Sannio and subsequent Master's Degree in High Management Training in Corporate Law, accredited by the National Forensic Council, with specialisation in "Corporate Law and Corporate Governance Features". To date, he holds the position of Corporate Secretary of the SERI Industrial Group. He handles relations between the various corporate bodies, contributing to the smooth functioning of Corporate Governance. She carries out support activities for the committees set up within the Group and the various control functions. From November 2017 to September 2019, she was previously a member of the Board of Directors of Seri Industrial S.p.A.

As of the end of the Financial Year, there were no changes in the composition of the Board of Directors

#### **Diversity criteria and policies in the composition of the Board of Directors and corporate organisation**

With regard to diversity policies in the composition of the administration and management bodies in relation to aspects such as age, gender and educational and professional background (Article 123-bis, paragraph 2, letter *d-bis*, of the Consolidated Law on Finance (TUF)), the Company has applied gender diversity criteria in the composition of the Board of Directors, in compliance with the priority objective of ensuring adequate competence and professionalism of its members (*Principle VII*).

With regard to the diversity criteria defined by the Issuer for the composition of the Board of Directors, as well as the instruments identified for their implementation (*Recommendation 8*), Article 21 of the Company Bylaws provides that, where, with reference to the mandate in question, mandatory criteria of gender distribution (male and female) are applicable, each list that contains at least three (3) candidates shall contain a number of candidates of the lesser represented gender at least equal to the minimum quota applicable from time to time.

Furthermore, if the minimum quota of the less represented gender, if any, applicable from time to time is not met, the last candidate of the more represented gender of the list that has obtained the relative majority of the votes cast by the shareholders shall be appointed instead of the next candidate of the less represented gender of the same list.

The Bylaws also provide that, in the event of the termination of a director's office, he/she shall be replaced in compliance with the minimum gender proportions set forth by law and regulations in force from time to time.

On the other hand, in relation to diversity policies concerning aspects such as age, educational and professional background, the Board of Directors has not formalised, for the time being, a diversity policy in relation to the composition of the governing bodies, as it does not deem it necessary. In any case, it is believed that the issue is covered as the composition of the Board of Directors is adequately diversified in terms of age, seniority in office and educational and professional background, as can be seen from the personal curricula of the directors.

It should be noted that the Issuer has deemed it appropriate to provide, in the periodic process of self-assessment of the Board of Directors and its committees, also an assessment of the professional skills to be considered optimal in the qualitative and quantitative composition of the Board of Directors in relation to other companies listed on regulated markets (including foreign markets). This assessment also concerned the size, composition and functioning of the Board of Directors and its committees. Please refer to Section 7, paragraph 7.1 for further information.

In any case, as the Issuer falls within the category of "Concentrated Ownership Companies", it is not deemed necessary to express guidelines to shareholders on the professional figures and optimal quantitative and qualitative composition of the Board of Directors, when the Board of Directors is being renewed.

As far as gender diversity is concerned, it should be noted that the Shareholders' Meeting held on 6 May 2022, when renewing the current Board of Directors, elected four (4) members of the female gender and six (6) of the male gender, in compliance with the combined provisions of Article 147-ter, paragraph 1-ter, of the Consolidated Law on Finance (TUF) and Article 147-undecies.1, paragraph 31, of the Issuers' Regulation. Furthermore, the provision indicated in *Recommendation 8*, which provides that at least one-third of the members of the Board of Directors be made up of the least represented gender, rounded off to the nearest whole number, has been complied with.

In fact, Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the Consolidated Law on Finance (TUF), concerning gender balance within the corporate bodies of listed companies, provide that the portion to be reserved for the less represented gender is equal to two-fifths, rounded upwards to the nearest whole number, if the administrative body is composed of more than three members. Considering that the current legal provisions envisage a quota equal to or greater than that envisaged by the Code for the next six mandates, compliance with Recommendation 8 is guaranteed.

Furthermore, the Issuer did not deem it necessary to introduce further policies to promote equal treatment and equal opportunities between genders within the company organisation, considering that the issue is already adequately covered (*Recommendation 8*).

Lastly, it should be noted that, taking into account the provisions of Article 19 of the Articles of Association, the directors are not required to comply with the non-competition clause set forth in Article 2390 of the Italian Civil Code, unless otherwise resolved by the Ordinary Shareholders' Meeting. Since the Shareholders' Meeting has authorised a general and preventive waiver of the non-competition clause set forth in Article 2390 of the Italian Civil Code, the Board of Directors is called upon to carry out assessments on each case deemed problematic or critical, reporting it to the first useful Shareholders' Meeting. To this end, each director shall inform the Board of Directors, upon acceptance of the appointment, of any activities performed in competition with the Company and, subsequently, of any relevant changes.

#### Maximum cumulation to offices held in other companies

The Board of Directors has not expressed its orientation as to the maximum number of positions on the administration or control bodies in other listed companies or companies of significant size that can be considered compatible with an effective performance of the role of director of the Issuer, taking into account the commitment deriving from the role held (*Recommendation 15*), considering that in practice the Directors currently in office hold a number of positions outside of the Group that can be considered prima facie not excessive.

Furthermore, it was considered that this assessment should be made firstly by the shareholders when appointing directors and secondly by the individual director, in his or her professional assessment, when accepting the office. This choice is also consistent with the recommendations of the Code, which require that this orientation be carried out by the Board of Directors if the Company falls into the category of 'Large Company'.

#### **4.4 OPERATION OF THE BOARD OF DIRECTORS (pursuant to Article 123-bis(2)(d) TUF)**

Information is provided below on the rules and procedures established by the Board of Directors for its own functioning, also with a view to ensuring effective management of Board information (*Principle IX*).

General information is also provided on the activities of the Board of Directors and the availability of time ensured by

each director (*Principle XII*).

The Issuer's Board of Directors has adopted regulations to define the rules of operation of the Board itself (the 'Board Regulations'). Specific regulations have also been adopted to establish the rules of operation of the committees formed within the Board of Directors (*Recommendation 11*).

First of all, the provisions of Art. 22 of the Articles of Association, which establishes that the Board of Directors shall meet, either at the registered office or elsewhere, in Italy or in another European Union state or in Switzerland, whenever the Chairman or, in his absence or impediment, the Deputy Chairman, if appointed, or in the event of his absence or impediment, a Managing Director, if appointed, deems it necessary, or when a written request is made by at least two of its members, by the Board of Statutory Auditors or by a member of the Board of Statutory Auditors.

The Board of Directors is convened by the aforementioned persons, with notice to be sent at least 5 (five) days prior to the meeting to each member of the Board of Directors, as well as to the Statutory Auditors and, in cases of urgency, at least 1 (one) day prior.

The presence of the majority of the members in office is required for Board resolutions to be valid.

The Board is chaired by the Chairman of the administrative body or, in the event of his absence, absence or impediment attributable to any situation, including the impossibility of setting up the secretarial office of the Board meeting in the place where the Chairman is present, by the Deputy Chairman, if appointed, or by one of the managing directors. Failing this, they are chaired by another director designated by the Board of Directors.

Resolutions of the Board of Directors shall be adopted with the favourable vote of the majority of the members present; any director abstaining shall be deemed to be present at the vote. In the event of an equal number of votes, the proposed resolution shall be deemed approved or not approved depending on how the person presiding over the meeting voted.

With regard to information on the main contents of the Board of Directors' Rules of Procedure concerning (a) the procedures for taking minutes of meetings and (b) the procedures for managing information to directors, below are the deadlines for the prior submission of information to the board and the procedures for protecting the confidentiality of the data and information provided, so as not to prejudice the timeliness and completeness of information flows.

Information is also provided on compliance with the Rules of the Board of Directors, with particular regard to the procedures concerning the timeliness and adequacy of information provided to directors (*Recommendation 11*).

Compared to the provisions of Article 24 of the Articles of Association, which envisages a minimum quarterly frequency of board meetings, the Board of Directors' Rules and Regulations envisage that the Board of Directors meet, as a rule, on a monthly basis.

Each director is given the right to propose topics of discussion for subsequent meetings of the Board of Directors.

The Chairman, and/or the managing directors, with the agreement of those present, may invite persons from outside the Board to attend meetings as auditors or in a supporting capacity.

Should the Chairman deem it appropriate, also upon the request of one or more directors, he may request that the executives of the Company and those of the Group companies it heads, responsible for the corporate functions competent according to the subject matter, attend Board meetings to provide the appropriate details on the items on the agenda.

Meetings of the Board of Directors may be held by audio- or video-conference, provided that each of the participants can be identified by all the others and is able to intervene in real time during the discussion of the topics examined as well as receive, transmit and view documents.

The Chairman of the Board of Directors takes steps to ensure that the documentation relating to the items on the agenda is brought to the attention of the directors and statutory auditors sufficiently in advance of the date of the board meeting, compatibly with the time required for the preliminary investigation and except in cases of urgency and special cases: the documentation is sent after the notice of call, which, according to the provisions of the Articles of Association, is sent within five days of the scheduled date of the meeting, except in cases of urgency, again as provided for by the Articles of Association.

During the course of the year, the Board of Directors adjusted its Rules of Procedure by determining the deadline deemed appropriate for the transmission of the documentation relating to the items on the agenda, taking into account the provisions of *Recommendation 11* of the Code (according to which the Board of Directors, in its Rules of Procedure, shall establish the procedures for the management of information to directors, also in relation to the terms for the prior transmission of information and the methods for protecting the confidentiality of data); the aforesaid deadline was set by the 3rd calendar day prior to the date scheduled for the meeting, without prejudice to the possibility of derogating from the deadline in cases of urgency.

With regard to certain items on the agenda, for which it is deemed necessary to preserve the confidentiality of information, the possibility of considering sending a summary report is not ruled out, in order to better guarantee the confidentiality of the item, and to safeguard the possibility of discussing it directly during the council meeting.

Minutes of each board meeting are drawn up, signed by the chairman of the meeting and the secretary of the board of directors (or the notary public in the cases provided for by current legislation). These minutes are submitted for approval, as a rule, at the first subsequent board meeting; in the meantime, the resolutions passed may be implemented.

The minutes of the board meetings remain available (together with the relevant annexes and the documentation filed with the minutes themselves) for consultation at the request of each of the directors and members of the Board of Statutory Auditors.

As previously mentioned, the Board of Directors met 16 times during the year, with an aggregate attendance rate of 94%; the average duration of the meetings was 1 hour and 27 minutes. The attendance of the Statutory Auditors was 100%.

During the financial year 2022, the Council was convened 15 times in ordinary time (94% of the total), 1 time in urgent time (6% of the total). The need to urgently convene the Board meeting was influenced by the examination and approval of some corporate documents, which, therefore, required convening in shorter terms.

In the current financial year, following the financial year covered by this Report, five meetings were held, including the meeting to approve this Report. For the financial year 2023, the Issuer's Board of Directors has planned to hold one meeting per month, including the four scheduled in the calendar of corporate events 2023, subject of course to the need for additional meetings occurring during the year.

#### **4.5. ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS (pursuant to Art. 123-bis(2)(d) TUF)**

##### **Chairman of the Board of Directors**

The Chairman of the Board of Directors acts as a liaison between the executive and non-executive directors and ensures the effective functioning of board proceedings (*Principle X*).

In particular, during the Financial Year, the Chairman of the Board of Directors ensured the suitability of the pre-consultation information, as well as the adequacy of the additional information provided during board meetings to enable directors to act in an informed manner in the performance of their role (*Recommendation 12, a*).

Following the dispatch of pre-meeting documentation, all directors and auditors have always declared themselves informed at the opening of proceedings on the items on the agenda.

The Company, in order to better respond to the above, makes pre-consultation documentation available in a file accessible to all directors and auditors to make it more user-friendly.

Where, in specific cases, it was not possible to provide the necessary information well in advance, the Chairman ensured that adequate information was provided during Board meetings, including by inviting the Company's consultants on specific issues to the meeting, or, in particular cases, even adjourning the Board to a later meeting, to allow time for more adequate evaluations.

In addition, the Chairman ensured that documents could be exchanged among the participants in compliance with the provisions of Article 22 of the Articles of Association.

During the year, the Chairman ensured that the choice of topics to be placed on the agenda was given all the time necessary to allow for constructive debate, encouraging contributions from directors during the meetings, stimulating discussion and debate on issues of particular importance.

During the financial year, the Chairman of the Board of Directors ensured the coordination of the activities of the committees (with investigative, proposing and advisory functions) with the activities of the Board of Directors (*Recommendation 12, b*). This coordination was made easier thanks to the participation of the Chairman himself, in the committees set up within the Board.

During the Financial Year, the Chairman of the Board of Directors, in agreement with the Chief Executive Officer, ensured that the main managers of the Issuer and the Group companies it heads, competent according to the subject matter, attended Board meetings - also at the request of individual directors - to provide the appropriate in-depth analysis on the items on the agenda (*Recommendation 12, c*), particularly with regard to financial reporting, legal and corporate issues and specific matters subject to market disclosure.

Following the dissemination of the Covid-19, training initiatives (induction) on specific topics, aimed at providing knowledge of the business sectors in which the Issuer operates, of corporate dynamics and their evolution, as well as of the regulatory framework of reference, also with visits to the main plants, have not been fully implemented (*Recommendation 12, d*). At the date of this Report, training activities were organised in relation to the business sectors in which the Group operates, with visits to the Teverola and Alife plants, accompanied by technical staff.

It should be noted, in any case, that several meetings were held during the year, both in and outside the boardroom, between directors, managers of corporate areas and the Company's main consultants, concerning specific issues relating to the Issuer, the Group and the regulatory framework.

With regard to the role of the Chairman of the Board of Directors in relation to the adequacy and transparency of the Board of Directors' self-assessment process, carried out with the support of the Nomination and Remuneration Committee (*Recommendation 12, e*) please refer to the information set forth in Section 7, paragraph 7.1, also with regard to the methods and timing envisaged for carrying out the assessment process and the functions involved.

Finally, the Chairman of the Board of Directors, considering the recent introduction of a '*Policy for the management of dialogue with the generality of investors and market operators*', ensured that the Board of Directors would in any case be informed, by the approval of this Report, on the development and significant contents of the dialogue held with all shareholders, with respect to the Code's recommendation that such an update should take place at the first useful meeting (*Recommendation 3*).

The Issuer, in particular, chose to create the forum to implement, with regard to the relationship with investors, the provisions of *Principle IV* of the Code, according to which the Board of Directors promotes, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the Company; in fact, the Board of Directors considered that a relationship with shareholders based on continuous dialogue and the active involvement of investors - whatever category they belong to - denotes its sense of responsibility towards the reference corporate structure and the market as a whole.

During the financial year, a '*Policy for managing dialogue with investors and market operators in general*' was also adopted, for details of which please refer to Section 12.

#### [Secretary of the Board of Directors](#)

During the course of the financial year, the Board of Directors decided to comply with *Recommendation 18* of the Code by appointing the head of the Corporate Affairs Office, a person with the requisites to take on this role, as Secretary of the Board of Directors, whose duties include coordinating secretarial activities and assisting the Chairman in the performance of his duties.

The secretary's duties have been defined by adapting the Board of Directors' Operating Rules.

The duties of the secretary are set out below, illustrating the activity performed and also specifying the support provided to the activity of the Chairman of the Board (particularly in relation to the aspects indicated in *Recommendation 12* of the Code).

The secretary of the Board of Directors supports the activity of the Chairman and provides impartial assistance and advice to the Board of Directors on any aspect relevant to the proper functioning of the corporate governance system (*Recommendation 18*); to this end, the secretary ensures, following Board decisions or in compliance with regulatory requirements, the specific fulfilments such as, by way of example but not limited to, communications to Consob, the Company Registry, the Italian Stock Exchange, as well as all those that are necessary in compliance with the regulations in force from time to time.

The Secretary of the Board of Directors:

- carries out functions of assistance to the activities of the directors and the Board of Statutory Auditors, providing them with the relevant support
- takes care of corporate activities, both ordinary and extraordinary, and the management of all related fulfilments, including the convening of meetings of the corporate bodies, the performance of all activities envisaged in support thereof
- coordinates secretarial activities, the keeping and updating of corporate books, the preparation and performance of all corporate obligations, as well as the filing of related documents with the competent offices
- coordinates relations with the notary for the necessary fulfilments; prepares powers of signature, proxies and powers of attorney to management, based on the resolutions passed.

The secretary assumes, together with the Chairman, the role of guarantor of compliance with the rules guaranteeing the proper functioning of the Board of Directors and the correct recording of Board proceedings, as well as the valid adoption of Board resolutions.

#### 4.6. EXECUTIVE DIRECTORS

The Board of Directors, as set forth in Article 25 of the Articles of Association, with the limitations it deems appropriate and in compliance with the provisions and within the limits set forth in Article 2381 of the Italian Civil Code, may delegate its powers either to an Executive Committee composed of some of the directors or to one or more of the directors, as managing directors.

It is stipulated that the Board of Directors:

- appoint the Chairman of the Board of Directors from among its members at the first meeting, if he has not already been appointed by the Shareholders' Meeting;
- may appoint a Vice-Chairman to replace the Chairman in the event of his absence or impediment.

The office of chairman of the administrative body and that of managing director may be combined in the same person.

Even if there are other managing directors, the Chairman of the administrative body may also be granted operating powers.

The Executive Committee - if appointed - may be delegated powers, with the exception of those reserved by law or the Articles of Association to the competence of the Board of Directors.

Of the Executive Committee, if formed, the Chairman of the Board of Directors, who chairs it, the Vice-Chairman, if appointed, and the directors with delegated powers, if appointed, are members by right. The corresponding provisions of the Articles of Association for the Board of Directors apply to the meetings of the Executive Committee, insofar as they are compatible.

The Board of Directors may appoint one or more General Managers whose duties and powers are to be determined, after ascertaining that they possess the requisites of honourableness normally prescribed. The General Managers attend the meetings of the Board of Directors and those of the Executive Committee, with the right to express their non-binding opinion on the matters under discussion.

Both the Board of Directors, on the one hand, and the Executive Committee and the Managing Directors, on the other hand, within the limits of their powers, including those of representation, may grant executives, officers, and employees of the Company, as well as third parties, appointments and powers of attorney for the performance of certain acts or categories of acts.

The Board of Directors may also set up: (i) committees envisaged by codes of conduct drawn up by companies managing regulated markets; (ii) strategic committees or other committees with specific functions, establishing their powers, duties, number of members and rules of operation.

Information is provided below on the directors in office at the end of the Financial Year who have received proxies. The Board of Directors, in office until the Shareholders' Meeting called to approve the financial statements as of 31 December 2024, granted management powers to some of its members at the first useful meeting after their appointment, which took place on 6 May 2022, and subsequently, on 30 January 2023, extended their powers and proxies to one of them.

### Chief Executive Officer

#### Vittorio Civitillo

At the Board meeting held on 6 May 2022, Mr. Vittorio Civitillo was appointed Chief Executive Officer and the following powers were granted to him, to be exercised with sole and joint signature.

Specifically, Chief Executive Officer Vittorio Civitillo was granted the following powers, with the power to represent the Company before third parties with reference to such powers:

- represent, with the broadest powers and without any limitation whatsoever, the Company vis-à-vis States, Ministries, Regions, Provinces, Municipalities, Public Authorities, Organisations, Italian, foreign, international and supranational public and private Bodies, central and peripheral Finance and Tax Authorities and Offices, Tax Litigation Bodies, etc., in any venue and at any level, as well as vis-à-vis any individual or legal entity
- implement the decisions of the Shareholders' Meeting and the Board of Directors, also with reference to budgets and business plans
- implement the company and group strategies within the guidelines, budgets and business plans approved by the board of directors and exercise the delegated powers to prepare the annual budget and business plan proposal, to be submitted to the board of directors
- define and organise the functional structures of the company and subsidiaries subject to management and coordination;
- coordinating and managing employees;
- enter into employment contracts with employees, with the exclusion of managers;
- hiring and dismissing employees, promoting any disciplinary sanctions and settling individual labour disputes; representing the company at trade union meetings;
- enter into current account and deposit account agreements for sums of money or securities, also under administration, with Italian and foreign credit institutions, companies, private individuals and post offices, agreeing the terms and conditions thereof;
- operate on such accounts by means of payment orders and/or issue of cheques, money orders or bills of exchange, within the limits of the credit lines granted, and in general dispose of sums, values, credits. Proxies are granted with free and disjointed signatures and the delegate may open or close competing accounts with banks and credit institutions; the delegate may grant specific proxies to the treasury managers or officers so that they may carry out the same and similar operations;
- manage the purchase or sale of public and private bonds, bankers' acceptances, commercial credit policies, bills of exchange, the underwriting of repurchase agreements, swap agreements, options and derivative transactions in euros or on foreign currencies and interest rate contracts, within the expense or value limits of €1,000,000
- enter into and sign contracts for the granting of cash and commercial credit lines;

- enter into, amend and terminate medium- and long-term loan agreements in favour of the Company, of any type and duration, up to the limit of €7,500,000 per individual agreement
- grant loans to subsidiaries, up to the limit of €30,000,000 per individual deed, with the power to enter into, amend and terminate the related financing agreements, including medium- and long-term financing agreements, of any type and duration;
- collect debts, collect sums, by whatever means, and withdraw valuables from anyone and for whatever reason owed to the Company
- transfer funds between bank current accounts in the company's name and from postal current accounts in the company's name to bank accounts in the company's name, without any limit as to amount
- sign cash pooling contracts with companies belonging to the Seri Industrial Group and manage their operations;
- negotiating and signing credit assignments receivable and payable and accepting payment delegations;
- endorse, negotiate, demand cheques, cheques, postal, telegraphic and bank money orders, vouchers, warrants, and any other security and effect of commerce issued in favour of the Company for any reason, including bills of exchange (drafts and promissory notes), signing the relative documents and endorsements, issuing the necessary receipts; discount the Company's portfolio, signing the necessary endorsements
- provide, in the interest of subsidiaries, sureties, letters of guarantee, or other guarantees, up to a maximum limit of €30,000,000 per individual deed;
- obtain, renew in the interest of the company and/or its subsidiaries, bank and/or insurance sureties and letters of guarantee
- to promote, support and represent the Company in legal actions, whether plaintiff, appellant and defendant, in any judicial, civil, criminal or administrative venue and at any level of jurisdiction, and therefore also before the Constitutional Court, the Court of Cassation, the Council of State, the regional courts and any other magistrates' court, including special courts, and also in proceedings for revocation and third-party proceedings; to legally represent the Company also in extrajudicial proceedings and in particular in domestic, foreign or international arbitrations, with the power to settle disputes of any nature
- appoint and revoke attorneys and solicitors, compromise, have protests, injunctions, conservative and executory deeds issued;
- enter into agreements concerning any licences, active or passive, of patents, know-how and trademarks and in general any act of acquisition and assignment or protection of industrial and intellectual property rights within the expense or value limits of Euro 500,000 per individual transaction or for a series of related transactions
- sign income tax and VAT declarations as well as any other fulfilment of a fiscal nature;
- represent the company in tax audits in inspections and tax assessment and audit reports and sign the related minutes;
- sign, grant and revoke consultancy appointments within the expense or value limits of EUR 500,000 per individual transaction;
- purchase, sell and exchange movable and immovable property, motor vehicles, furnishings and equipment within the spending or value limits of €1,000,000 per transaction
- entering into, renewing, terminating lease, purchase, sale, rental, commodate, surface, movable and immovable property contracts within the spending or value limits of €1,000,000 per individual transaction
- enter into, renew, terminate insurance, hire, deposit, brokerage, business procurement, agency, mandate, supply contracts;
- participate, to the extent of its competence, in any type of public or private auction or auction, in Italy and abroad;
- grant and revoke proxies and/or powers of attorney within the scope of the aforementioned powers, for individual acts or categories of acts both to employees of the company and to third parties, including legal persons.

The Board of Directors, in assigning proxies and powers to the Chief Executive Officer, has defined specific limits and methods of exercise, reserving to the Board the stipulation of labour relations with management personnel, the exercise of powers regarding participation in shareholders' meetings of investee companies, the possibility of establishing, amending, transforming and dissolving companies, disposing of companies and/or company branches, and limiting the amounts of expenditure and/or value of certain transactions that may be performed within the scope of delegated powers (in particular, those to purchase, sell and exchange movable and immovable assets, motor vehicles, furnishings and equipment, or to sign, confer and terminate, lease, purchase, sale, rent, comodato, surface, movable and immovable assets). Also taking into account the development prospects of the activities of the investee

companies, the Chief Executive Officer, on the other hand, has been granted expenditure limits for activities, considered ordinary in nature, connected with the activation and termination of financing relationships and the signing of surety agreements with banks, in favour of the subsidiaries.

Considering the Issuer's nature as a holding company of industrial holdings, the *governance* system within the Group provides for the assignment of tasks and the granting of proxies and powers to Mr. Vittorio Civitillo also in the Group's subsidiaries with strategic importance, such as Fib S.p.A. and Seri Plast S.p.A., taking into account the specific professionalism and experience gained by the *Chief Executive Officer* in the industrial sectors of reference.

Given the system of proxies and the actual exercise thereof, both within the Issuer and within the main subsidiaries, the Chief Executive Officer, Mr. Vittorio Civitillo, can be qualified as the main person responsible for the management of the company or *Chief Executive Officer (Recommendation 4)*.

Mr. Vittorio Civitillo also holds the position of Sole Director in the parent company SE.R.I. S.p.A..

Chief Executive Officer Vittorio Civitillo holds 50.60% of the share capital of SE.R.I S.p.A., while his brother Andrea Civitillo holds 49.40%. In turn, SE.R.I S.p.A. holds 56.37% of the Issuer's share capital. Mr. Vittorio Civitillo holds shares corresponding to 0.04% of the Issuer's share capital.

## Other Board Members

### Luciano Orsini

On 6 May 2022, the Board of Directors conferred upon Mr. Luciano Orsini, until the expiry of his term of office, a series of powers, subsequently extended by resolution of 30 January 2023 in relation to the management of sustainability issues.

In particular, Mr. Luciano Orsini, until the expiry of his term of office, was granted the following powers, to be exercised with single signature:

- represent, with the widest possible powers, within the scope of the delegated powers, the Company in dealings with States, Ministries, Regions, Provinces, Municipalities, Public Authorities, Organisations, Italian, foreign, international and supranational public and private Bodies, Administrations and Financial and Tax Offices, central and peripheral, Tax Litigation Bodies, etc., in any venue and at any level, as well as with any individual or legal entity
- develop, manage and supervise the internal control and risk management system, in accordance with the provisions of the Corporate Governance Code for Listed Companies; and
- represent, to all intents and purposes, the company before all public and private entities and bodies in charge of exercising the supervisory, verification and control functions provided for by general regulations. In particular, with regard to safety at work, compliance with privacy regulations, accident prevention, occupational hygiene, environmental protection and fire prevention, it assumes all the broadest decision-making powers, with the relative assets, necessary to perform the delegated activities. The delegation conferred provides for the commitment to comply with the regulations on work safety and prevention against accidents and occupational diseases provided for, inter alia, but not limited to, Article 2087 of the Italian Civil Code and Legislative Decree 81/08, as amended and supplemented, as well as the fulfilment of any other provision that may be issued in the future on the matter. For the fulfilment of the foregoing, the delegate shall be endowed with broad powers of initiative and organisation and shall decide in full autonomy and without spending limits, ensuring the punctual and complete fulfilment of all the obligations and burdens provided for by the laws and regulations in force;
- coordinating the implementation of systems and procedures and organisational solutions aimed at increasing within the company organisation the management of issues such as environmental commitment, respect for corporate values, the promotion of gender equality and the Company's actions in an accurate and transparent manner, submitting to the board of directors solutions aimed at implementing the governance system with the objective of orienting the management of the company and the group towards sustainable development and the generation of long-term value to the benefit of shareholders and stakeholders<sup>4</sup>;

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<sup>4</sup> Powers extended by the Board of Directors on 30 January 2023

- coordinating the activities aimed at preparing the non-financial statement or the sustainability report if the company is not obliged to prepare the non-financial statement<sup>5</sup>;
- sign all documents relating to the Public Motor Vehicle Register; allow, by proxy, the use of motor vehicles to third parties
- entering into the necessary policies with Italian and foreign insurance companies, defining the premiums, conditions, terms and conditions; agreeing the settlement of insurance indemnities in favour of the company, giving receipt to the companies; negotiating and entering into insurance brokerage contracts, defining the fees, conditions, terms and conditions
- signing tax and VAT declarations as well as any other tax obligations. Representing the company in tax audits in inspections and tax assessment reports and signing the related minutes;
- Supporting the Managing Director in preparing the annual budget and business plans to be submitted to the Board of Directors for approval.

Given the system of proxies and the actual exercise thereof, Mr. Luciano Orsini is to be considered the Director in charge of overseeing the control and risk management system and coordinating the management of sustainability issues.

Mr. Luciano Orsini is not a controlling shareholder of the Issuer, nor does he hold shares of the Issuer.

#### Andrea Civitillo

On May 6, 2022, the Board of Directors granted Andrea Civitillo the following powers, to be exercised with free and disjointed signature:

- to represent, with all the broadest powers, within the scope of the delegated powers, the Company in dealings with States, Ministries, Regions, Provinces, Municipalities, Public Authorities, Organizations, Italian, foreign, international and supranational public and private Bodies, Administrations and Financial and Tax Offices, central and peripheral, Tax Litigation Bodies, etc., in any venue and at any level, as well as in dealings with any individual or legal entity;
- support the chief executive officer in preparing the annual budget and business plans to be submitted to the board of directors for approval.

Given the system of proxies and the actual exercise thereof, Managing Director Andrea Civitillo does not qualify as the main manager in charge of management at the Issuer. Taking into account the offices and proxies conferred on him also in the Group's main subsidiaries, such as Fib S.p.A., Seri Plast S.p.A. and Repiombo S.r.l., due to the specific professionalism and experience he has gained in the relevant industrial sectors, he can be qualified, together with his brother Vittorio Civitillo, as one of the main persons responsible for the management of the Group's activities.

Managing Director Andrea Civitillo holds 49.40% of the share capital of SE.R.I. S.p.A. while his brother Vittorio Civitillo holds 50.60%. SE.R.I. S.p.A. holds 56.37 percent of the Issuer's share capital.

#### Marco Civitillo

Dr. Marco Civitillo is to be considered an executive director since the Board of Directors, on May 6, 2022, granted him, until the end of his term of office, the authority to:

- support the CEO in the preparation of presentations on the annual budget, business plans and group performance reports for approval by the board of directors;
- support the Company in its relations with the financial advisors appointed from time to time for corporate transactions;
- Coordinate strategic and operational communication and marketing activities and manage the related activities.

Given the system of proxies and the actual exercise thereof, Managing Director Dr. Marco Civitillo does not qualify as the main person responsible for the management of the company.

Managing Director Marco Civitillo is the brother of Andrea Civitillo who holds 49.40% of the share capital of SE.R.I. S.p.A. and Vittorio Civitillo who holds 50.60%. SE.R.I. S.p.A. holds 56.37 percent of the Issuer's share capital.

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<sup>5</sup> Powers extended by the Board of Directors on 30 January 2023

### Chairman of the Board of Directors

On May 6, 2022, the Board of Directors appointed Mr. Roberto Maviglia to the position of Chairman of the Board of Directors, who was assigned the functions required by law, the Articles of Association and the Code. No proxies have been conferred on the Chairman. The same does not qualify as the main person responsible for the management of the company and represents a "super partes" figure, chosen to optimize the balance between the management functions held by the directors with delegated powers and the independent functions of supervision of company management, both within the Board of Directors and within the various committees. The Chairman, Mr. Roberto Maviglia, does not hold shares in the Issuer.

### Vice-chairman

On May 6, 2022, the Board of Directors appointed Dr. Luciano Orsini to the position of Vice-Chairman of the Board of Directors, with the possibility of replacing the Chairman in case of absence and/or impediment for the functions attributed by the Bylaws to the Chairman himself.

### Disclosure to the Board of Directors by directors/delegated bodies

At present, the Board Regulations do not expressly provide for the periodicity with which the Managing Directors must report to the Board of Directors on the activities carried out in the exercise of the powers delegated to them, considering the relevant provisions of the Civil Code and the Articles of Association to be adequate with respect to the size of the Company and the activities carried out. As a matter of practice, in any case, at the opening of each meeting, among the communications directed to the Board, the Managing Director and the other directors with delegated powers report on the main activities carried out within the scope of their delegated powers.

Meetings have been scheduled for the year following the year of this Report to approve the draft annual and consolidated financial statements as of December 31, the voluntary quarterly supplementary disclosures, as of March 31 and September 30, and the condensed consolidated half-yearly financial statements as of June 30. One meeting per month has been planned, including the four meetings scheduled in the 2022 corporate events calendar, subject to additional meetings that may be necessary in connection with specific issues and/or determined for reasons of urgency.

With regard to the Exercise, the delegated bodies reported to the Board of Directors on the activities carried out in the exercise of the powers delegated to them on a quarterly basis in relation to economic and financial performance; on a monthly basis, as a rule, in relation to other operations, except in cases where an update was provided at the first useful meeting.

### Other executive directors

The Board of Directors is composed of four (4) executive directors in the persons of Vittorio Civitillo, Andrea Civitillo, Marco Civitillo, and Luciano Orsini.

As described above, Mr. Vittorio Civitillo is to be considered executive because he holds the position of Chief Executive Officer in the Issuer, having received management proxies from the Board of Directors; in addition, he holds the position of Chairman and Chief Executive Officer in Seri Plast S.p.A. and in FIB S.p.A., subsidiaries with strategic importance. Finally, Mr. Vittorio Civitillo holds the position of Sole Director in the direct parent company SE.R.I. S.p.A.

Below are the names of the other directors to be considered executive directors by reason of: i) the management positions held in the Issuer and/or ii) the office of Chairman of a subsidiary company of the Issuer having strategic relevance, when he is delegated powers in the management or elaboration of corporate strategies; and/or iii) the office of Managing Director, or management positions, in a subsidiary company of the Issuer having strategic relevance, or in the Issuer's parent company when the office also concerns the Issuer.

Dr. Luciano Orsini is to be considered an Executive Director due to the specific delegated powers and authority granted to him in the Issuer itself on May 6, 2022 and extended on January 30, 2023. The same holds directorships with proxies in subsidiaries within the Group, including the strategically important subsidiary FIB S.p.A.

Mr. Andrea Civitillo is to be considered an executive director due to the specific proxies and powers granted to him in the Issuer itself on May 6, 2022, and the positions of managing director held in FIB S.p.A. and Seri Plast S.p.A., subsidiaries of the Issuer with strategic significance. The same holds directorships with proxies in other subsidiaries within the Group.

Finally, Mr. Marco Civitillo is to be considered an executive director due to the powers granted to him by the Issuer's Board of Directors on May 6, 2022. The same holds directorships with proxies in subsidiaries within the Group, including the strategically important subsidiary FIB S.p.A..

#### 4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTORS

##### Independent directors

The current Board of Directors consists of two (2) Directors who meet the independence requirements of the Code, in the persons of: Roberto Maviglia, who also holds the position of Chairman and Annalisa Cuccaro and four (4) to be considered independent also on the basis of the criteria provided by law in the persons of Roberto Maviglia, Fabio Borsoi, Manuela Morgante and Annalisa Cuccaro.

With regard to the reasons why Directors Fabio Borsoi and Manuela Morgante are not to be considered independent under the Code, please refer to what is described below.

The number and competencies of the Directors who qualified as independent are adequate to the needs of the business and the functioning of the Board of Directors, while it was necessary to make some exceptions regarding the establishment of the relevant committees with respect to the provisions of the Code (*Recommendation 5*).

Within the Board of Directors-as the Company does not fall into the category of "Large Company"-there are four (4) independent Directors in accordance with the law, two (2) of whom are to be considered independent Directors in accordance with the Code, including the Chairman who has declared himself independent in accordance with both the TUF and the Code.

In particular, the Nomination and Remuneration Committee is composed of three (3) non-executive Directors, the majority of whom are to be considered independent pursuant to the TUF and the Code (but the Chairman of the Board of Directors was also considered among them); the chairmanship of the committee - in accordance with the Code - was assumed by a Director who meets the independence requirements of the Code (other than the figure of the Chairman of the Board of Directors who is independent pursuant to both the TUF and the Code).

The Control, Risk and Sustainability Committee was divided into two sections: the first composed of four (4) Non-Executive Directors, all independent under the TUF of which two (2) are also independent under the Code; the second composed of three (3) Non-Executive Directors, all independent under the TUF, the majority of whom are also independent under the Code (including the Chairman of the Board of Directors); contrary to the provisions of the Code, the chairmanship of this committee was assumed by the Chairman of the Board of Directors who qualified as independent under both the TUF and the Code in order to avoid the concentration of chairmanship positions in the head of the other independent Director under the Code.

The Chairman of the Board of Directors was qualified as independent in accordance with the TUF and the Code because he was listed as a candidate for that role in the majority list from which he was drawn, with none of the circumstances appearing to compromise the independence of directors (*Recommendation 7*) occurring.

Below is an indication of the relevant evaluation process with regard to both the figure of the Chairman and the other Directors who qualified as independent under the TUF and the Code.

The process adopted by the Issuer for the verification of independence provides that the existence of the requirement must be declared by the director concerned when submitting candidacies, as well as when accepting the appointment, and ascertained by the Board of Directors at the first useful meeting. The results are then disclosed to the market. The independent director, upon acceptance of the office, undertakes to notify the Board of Directors of situations that would result in the loss of the independence requirement for appropriate evaluations in consideration of the provisions of the law. It should be noted that, for the purpose of approving the Report, the Board of Directors renews

the periodic request for confirmation of the existence of the independence requirement, provided for by law (TUF) and the Code, through the completion of a special questionnaire.

In accordance with the illustrated procedure, the Board of Directors, in its meeting of May 25, 2022, (the first useful date after the installation meeting of the administrative body held on May 6, 2022 on the same day as the Shareholders' Meeting that appointed said body), carried out the verification of the existence of the independence requirements provided for by the TUF and the Code in the case of non-executive directors, based on the information provided by them, making the outcome of its assessments known through a press release disseminated to the market (Art. 144-novies, paragraph 1-bis, Issuers' Regulations and *Recommendation 6 and Recommendation 10*).

Preliminarily, the Board of Directors in its meeting of May 25, 2022, in order to be able to assess the significance of any commercial, financial and professional relationships, took steps to define to a more restrictive extent than those indicated in the Code the quantitative and/or qualitative criteria on which to base the assessment of the independence requirements provided by the Code, without, however, adopting assessment parameters different from those indicated in the Code itself, as well as by the aforementioned Article 148, paragraph 3, of the TUF. Said evaluation parameters were at the same time provided for within the Board Regulations.

As a result of these evaluations, the directors Roberto Maviglia, Manuela Morgante, Fabio Borsoi and Annalisa Cuccaro met the independence requirements pursuant to the law, and the directors Roberto Maviglia and Annalisa Cuccaro met the requirements pursuant to the Code.

The Board of Statutory Auditors subsequently verified the correct application of the criteria and the assessment procedure adopted by the Board of Directors to evaluate the independence of its members, reporting a favorable outcome.

Also during the year 2023, the Board of Directors, in its meeting of March 20, 2023, carried out the periodic verification on the existence of the independence requirements provided by the TUF and/or the Code on the part of the non-executive directors (*Recommendation 6*), taking into account the principles contained in the Code and the criteria adopted by the Board of Directors, always based on the information provided by the same directors who made available to the Board of Directors all the elements necessary or useful to carry out the assessment (*Recommendation 6*). The outcome of the evaluations was made known through a press release disseminated to the market.

In making these evaluations, no other evaluation parameters, other than those required by law and the Code, were used. In particular, the Board of Directors made use of qualitative and quantitative criteria established in advance by the administrative body itself, taking into account the provisions of Recommendation 7, of the Code, considering the permanence of the requirement of independence by both the TUF and the Code, in the case of the two directors who declared themselves to be such (Roberto Maviglia and Annalisa Cuccaro), on the assumption that for none of them there are significant commercial, financial or professional relationships or remuneration in addition to the fixed remuneration, likely to compromise it, or other impediments contemplated by the above provisions. It has also been confirmed that two other directors, Manuela Morgante and Fabio Borsoi, meet the independence requirement only pursuant to the TUF, since they cannot be considered independent also pursuant to the Code as explained in more detail below.

The Board, as mentioned above, following its own appointment and before proceeding to verify the existence of the requirements of independence down to the non-executive members, has defined the quantitative and qualitative criteria to be considered in order to assess the significance of relationships and additional remuneration, which alongside other objective elements, are likely to compromise or otherwise make it appear that a director's independence is compromised.

Generally speaking, independent directors are considered to be those nonexecutive directors who do not have, nor have recently had, even indirectly, any relationships with the Company or parties related to the Company that would affect their current independent judgment.

Circumstances that compromise, or appear to compromise, a Director's independence include at least the following, as outlined in "Recommendation 7" of the Code:

- a) whether he is a significant shareholder of the Company;
- b) whether he is, or has been in the previous three fiscal years, an executive director or employee:
  - of the company, a strategically important subsidiary of the company, or a company under common control;
  - of a significant shareholder of the Company;
- c) whether, directly or indirectly (e.g., through subsidiaries or companies of which he or she is an executive director, or as a partner in a professional firm or consulting firm), he or she has, or has had in the previous three fiscal years, a significant commercial, financial, or professional relationship:
  - with the Company or its subsidiaries, or its executive directors or senior management;
  - with a person who, including together with others through a shareholders' agreement, controls the company; or, if the parent is a company or entity, with its executive directors or top management;
- d) If he/she receives, or has received in the previous three fiscal years, from the Company, one of its subsidiaries or the parent company, significant additional remuneration over and above the fixed remuneration for the office and the remuneration provided for participation in committees recommended by the Code or provided for by the regulations in force;
- e) Whether he has been a director of the Company for more than nine fiscal years, including non-consecutive fiscal years, in the last twelve fiscal years;
- f) If he or she serves as an executive director in another company in which an executive director of the company serves as a director;
- g) If he/she is a partner or director of a company or entity belonging to the network of the company's statutory auditing firm;
- h) If he/she is a close family member of a person who is in one of the situations referred to in the previous points.

In the case of a director who is also a partner in a professional firm or consulting firm, the Board assesses the significance of professional relationships that may have an effect on his or her position and role in the firm or consulting firm or that otherwise pertain to important operations of the Company and its parent group, even independently of the quantitative parameters.

The quantitative and qualitative criteria are promptly defined by the Board of Directors before their actual application, prior to the actual assessment of the independence of individual directors.

With reference to the significance of the aforementioned relationships and the quantitative and qualitative criteria for assessing the significance referred to in (c) and (d) above, the Board of Directors on May 25, 2022 determined) that:

- a) *business and financial relationships*, with the exclusion of the holding of equity securities or other financial instruments issued by the company and the other relevant persons for the purposes of this assessment to a maximum value of 200,000 euros, should be considered significant at all times and that therefore, in good substance, no business and financial relationships can exist with nonexecutive directors who have declared themselves independent, except for the holding of equity securities or other financial instruments within the above limits;
- b) with regard to the significance of *professional relationships*, a professional relationship should always be understood to be significant, whether it exists directly with the director or whether it exists in relation to the legal person, organization, or professional firm, of which the director has control or is a significant exponent or partner or a close relative of the director;
- c) with regard to the significance of the remuneration additional to the fixed remuneration should be understood as significant remuneration whose total value is more than 100% of the remuneration related to the fixed remuneration and in any case more than 50% of the annual income as set forth in the director's last statement.

For the purpose of calculating significant additional remuneration, compensation for participation in committees and for serving as chairman and vice chairman are not considered as additional remuneration. Instead, positions held in subsidiaries must be considered to be included among the positions relevant for the purposes of calculating significant additional remuneration, therefore, the related compensation received by the director is considered additional remuneration and is assessed in its significance.

For the purposes of assessing independence in accordance with the criteria set forth in the Code, the Board of Directors may, however, in relation to the specific situations concerning each director, consider any additional element deemed useful and appropriate, adopting additional and/or partially different criteria that privilege substance over form, providing information about them in the Corporate Governance Report; in particular, those relationships that, although not economically significant, are particularly relevant to the prestige of the director concerned will also be taken into consideration. To this end, each director is required to promptly notify the Board of Directors of the existence of any commercial, financial or professional relationships with the Company and the group, so that the executive body can assess their relevance regardless of their economic value.

The loss of independence requirements does not result in forfeiture of office as long as there remains a number of independent directors on the Board that complies with the provisions of the rules applicable from time to time.

With regard to the predetermined quantitative and/or qualitative criteria, the Board of Directors has assessed the independence of its non-executive members having regard to substance as well as form and bearing in mind that the circumstances that compromise, or appear to compromise, a director's independence are those envisaged by *Recommendation 7*, of the Code, to be considered, however, as not exhaustive.

Specifically, with regard to Dr. Manuela Morgante, the assessment made on May 25, 2022 on independence exclusively in accordance with the law took into account the relationship of cohabitation with the person in charge of the internal audit function, while for the director Fabio Borsoi it took into account the fact that he has been in the previous three fiscal years, an executive director of the Issuer, albeit with very limited delegated powers.

With regard to the figure of the Chairman of the Board of Directors, the Board of Directors, at the time of assigning the office of Chairman to Mr. Roberto Maviglia, chose to entrust this office to an independent "super partes" and non-operating director considering it useful and appropriate to entrust this office to an independent director, in order to optimize the balance between management functions and independent functions of supervision of corporate management both within the Board of Directors and within the various committees (*Recommendation 6 and Recommendation 7*).

In particular, with regard to the possibility of assessing the independence of the Chairman of the Board of Directors, also with respect to the provisions of Recommendation 23, referred to by *Recommendation 7* of the Code, which, referring to companies with unconcentrated ownership, provides the Board of Directors with the indication to "require[re] those who submit a list that contains a number of candidates exceeding half of the members to be elected to provide adequate information (... ) to indicate their candidate for the office of Chairman of the Board of Directors, whose appointment shall be made in accordance with the procedures identified in the bylaws," the Board of Directors concluded its assessment in the affirmative. The independence of the Chairman of the Board of Directors was confirmed, ascertaining the existence of all other conditions of independence provided for in the aforementioned *Recommendation 7* and, conversely, justifying the decision to disapply the condition relating to the explicit identification of his candidacy for the role of Chairman in the list submitted for nomination. The motivation in question was identified in the fact that the indication of the name of lawyer Roberto Maviglia in the first place of the list, with the other candidates listed in alphabetical order, expressed a clear indication of the intention of the shareholder who presented the list to nominate him for this role.

Subsequently, the Board of Statutory Auditors, on June 20, 2022, verified the correct application of the assessment criteria and procedures adopted by the Board of Directors, in the meeting of May 25, 2022, to assess the independence of its members, reporting a favorable outcome (Article 149, paragraph 1, letter C-bis, TUF). In particular, the auditing body carried out the verification through the analysis of: (i) the statements made by the members of the Board of Directors and acquired in the records of the Board meeting; (ii) the correspondence of the statements made with the independence requirements provided for by Recommendation 7 of the Corporate Governance Code, and Article 148, paragraph 3, of the TUF, recalled by Article 147-ter, paragraph 4, of the TUF; (iii) the results of the verification of the requirements of the directors carried out by the Board of Directors.

The judgment of the independent directors, by virtue of their authority and competence, assumes significant weight in the taking of all board resolutions.

The presence of independent non-executive directors on the Issuer's administrative body is preordained for the broadest protection of corporate "good governance" to be implemented through discussion and dialectic among all directors.

The contribution of independent directors allows, inter alia, the Board of Directors to deal with sensitive issues and potential sources of conflicts of interest with sufficient independence.

Contrary to the possibility provided for in the Code (*Recommendation 5*), the independent directors, during fiscal year 2022, did not hold meetings in the absence of the other directors, outside of the activities carried out for the committees. It should be noted, in any case, that in view of the recommendations set forth in the Code, it is no longer required for the Company to comply with this provision, its application having been arranged for companies falling into the category of "Large Companies," as indicated in *Recommendation 5*.

The directors who, in the lists for the appointment of the Board of Directors, have indicated their eligibility to qualify as independent, have undertaken to notify the Board of Directors of situations that would lead to the loss of the independence requirement for appropriate evaluations in view of the provisions of the law and the Code. The same non sino committed to maintain independence throughout the term of office and, if appropriate, to resign.

#### [Lead Independent Director](#)

The current Board of Directors did not consider introducing the figure of Lead Independent Director because the Chairman of the Board of Directors (a) is not the Chief Executive Officer of the Issuer nor does he hold significant management powers (b) is not the person who controls, even jointly, the Issuer. In addition, the Issuer does not fall into the category of a "Large Company" (*Recommendation 13*).

The main person responsible for the management of the Issuer as well as the main shareholder, is, in fact, as previously indicated the *Chief Executive Officer* (CEO).

## 5. CORPORATE INFORMATION MANAGEMENT

The Issuer, by a resolution of the Board of Directors, adopted a procedure for the handling of material information and inside information, concerning the methods of internal management and external communication of such information (*Recommendation 1, f*). This procedure was subsequently transmitted to all persons who play a strategic role in the Group's business and who become aware of material or privileged information, i.e., those so-called price sensitive information concerning the Issuer or the Group.

The procedure makes it possible to avoid, in general, that the external dissemination of information concerning the Issuer takes place non-selectively, untimely or in an incomplete and inadequate form, particularly with regard to so-called price-sensitive information, the outsourcing of which, by reason of its relevance, could have repercussions on the regular formation of prices on the regulated market on which the Issuer's shares are traded.

Said procedure was last updated by the Board of Directors on February 17, 2021. The procedure for the management of inside information has been forwarded to the main Group companies for subsequent adoption.

The Issuer has, in addition, adopted an Internal Dealing procedure, which governs, among other things:

- 1) the disclosure obligations that relevant persons and/or persons closely related to relevant persons, as well as significant shareholders who hold an interest of at least 10% of the Issuer's share capital represented by voting shares, as well as any other person who controls the Company, are required to comply with in relation to transactions they carry out on financial instruments of the Issuer or other financial instruments related to them;
- 2) the Issuer's obligations to the market in relation to transactions in financial instruments carried out by relevant persons and persons closely related to them, and significant shareholders.

Said procedure was last updated by the Board of Directors on April 10, 2019 and for formal amendments on March 3, 2020.

The procedures referred to have been transfused into protocols that are an integral part of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001.

The Issuer has made available on its website [www.seri-industrial.it](http://www.seri-industrial.it) in the "Governance" section the procedure for the management of material information and inside information and the procedure on Internal Dealing at the following address: <https://www.seri-industrial.it/index.php/market-abuse-e-internal-dealing>.

## 6. INTERNAL BOARD COMMITTEES (Pursuant to Article 123 - bis, paragraph 2, letter d) TUF)

In accordance with the Code, which recommends that listed companies should have internal committees of the Board of Directors with responsibility for specific matters, the Board of Directors has established internal committees with investigative, advisory and propositional functions in accordance with applicable laws and regulations (*Principle XI and Recommendation 16*).

With regard to the Exercise, the Board of Directors has, specifically, established internally:

- (i) A Nominating and Compensation Committee;
- (ii) an Control, Risk and Sustainability Committee.

A committee for related party transactions (the "RPT Committee") was also established.

Please refer:

- to Section 7, paragraph 2 with regard to the composition and functions entrusted to the Nomination and Remuneration Committee with regard to appointments;
- to Section 8, paragraph 2 with regard to the composition and functions entrusted to the same Committee with regard to remuneration;
- to Section 9, paragraph 2 regarding the composition and functions entrusted to the Control, Risk and Sustainability Committee;
- to Section 10 with regard to the composition to the Committee for Related Party Transactions.

### Operation of committees

The Board of Directors has adopted specific regulations that define, in addition to the tasks and functions assigned to them, the rules of operation, including the procedures for taking minutes of meetings and the procedures for managing the reporting to the directors who are members of them, specifying the deadlines for the prior sending of the report and the procedures for protecting the confidentiality of the data and information provided so as not to affect the timeliness and completeness of information flows (*Recommendation 11*). In this regard, the aforementioned regulations stipulate that any documentation related to the items on the agenda shall be forwarded by the chairman, including through the secretary, as a rule at the same time as the notice of the meeting and in compliance with regulatory and corporate provisions protecting the confidentiality of information. (*Recommendation 11*).

Committees shall meet with adequate frequency to ensure the proper performance of their functions and duties. With regard to the manner in which they are convened and operate the following are the main contents of the regulations. Committees normally meet at the registered office of the Company; if necessary, it may meet at another location indicated in the notice of meeting, provided that it is within the national territory.

The notice of meeting, containing an indication of the day, time and place of the meeting as well as the list of matters to be discussed, is sent by the chairman or, in case of his absence or impediment, by the most senior member of the Committee, also through the secretary, normally at least three days before the meeting, by fax or e-mail to the address indicated by each recipient. In case of urgency this term may be shortened, subject to a minimum notice of at least twenty-four hours. It is understood that the participation of all committee members in the meetings counts as a waiver of the convening formalities required by the regulations. The notice of the meeting is also sent to the Chairman of the Board of Auditors and any other persons invited to attend the meeting.

Committee meetings are chaired by the chairman or, in the event of his absence or impediment, by the oldest member. Committee meetings may also be held by audio video telecommunication means.

Committee meetings may be attended by the chairman of the Board of Statutory Auditors or another regular auditor designated by the latter; however, other regular auditors may also attend. The chairman may, from time to time, invite to the committee meetings other members of the Board of Directors or representatives of corporate functions or third parties, whose presence may be of assistance in the discussion of the items on the agenda.

For committee meetings to be valid, a majority of the members in office must be present. The committee's determinations are made by a majority vote of those present. In cases where the committee consists of two members,

meetings are validly constituted if both members are present, and determinations are made unanimously.

Members of the Committee, who within the scope of their assigned duties and functions have an interest, on their own behalf or on behalf of third parties, in conflict with that of the Company (or a Subsidiary) shall abstain from discussion and any voting.

Committee meetings are recorded in minutes signed by the person who chaired the meeting and the Secretary.

### Functions of committees

The tasks and functions regarding the control and risk management system were assigned to a specific committee, as provided for in the Code: the Control, Risk and Sustainability Committee.

On November 15, 2022, the Board of Directors deemed it useful to voluntarily expand the functions entrusted to the aforementioned Committee to include the management of issues related to sustainability; at the same time, the Committee formerly known as the "Control and Risk Committee" was renamed the "Control, Risk and Sustainability Committee."

Conversely, the duties and functions regarding nominations and compensation have been merged into a single committee (*Recommendation 16*).

Notwithstanding the above, the functions entrusted to the aforementioned committees have not been distributed differently than recommended by the Code.

For the establishment of a single committee, to which the functions provided by the Code for the Nomination and Remuneration Committee should be entrusted, the conditions set forth in Recommendation 20 (which provides that the Nomination Committee be composed of a majority of independent directors within the meaning of the Code) and Recommendation 26 (which provides that the Remuneration Committee be composed of directors who are all nonexecutive directors, the majority of whom are independent within the meaning of the Code and with an independent chairman, as well as with a component that has adequate knowledge and experience in financial matters or remuneration policies) have been met.

In view of the fact that only two independent directors within the meaning of the Code sit on the Board of Directors, a partial departure was made from the Code's recommendations by providing that, in calculating the composition of the committees, the figure of the Chairman of the Board, declared to be independent within the meaning of the Code, was also taken into account in order to verify that the same is composed of a majority of independent directors within the meaning of the Code.

The Nomination and Remuneration Committee is composed of three (3) members, all of whom meet the requirements of independence pursuant to Article 148, paragraph 3, of the TUF and are in the majority independent according to the provisions established in the self-regulatory framework, with the exception described above.

The Control, Risk and Sustainability Committee is composed of directors, all of whom meet the requirements of independence under Article 148, paragraph 3, of the TUF. The same is divided into two sections: the first consisting of four (4) members, all of whom are independent pursuant to the TUF, two (2) of whom meet the independence requirements pursuant to the Code, and the second consisting of three (3) members, all of whom are independent pursuant to the TUF, two (2) of whom meet the independence requirements pursuant to the Code.

In carrying out their functions, the committees have the right to access the information and corporate functions necessary for the performance of their duties as well as to make use of external consultants, under the terms established by the Board of Directors.

The Issuer shall consider whether to make financial resources available to the committees for the performance of their duties on a precautionary basis, or, where appropriate, also for specific activities. Persons who are not members of each committee, including other members of the Board or the Issuer's structure, may attend meetings of each committee at the invitation of the committee, with reference to individual items on the agenda.

With regard to the tasks, resources, and activities entrusted to the committees on nominations, see *Section 7, paragraph 2*; on compensation, *Section 8, paragraph 2*; and on the control and risk management system, *Section 9, paragraph 2*.

The composition of the committees was determined by the Board of Directors, taking into account the number of nonexecutive and independent directors within the meaning of the TUF and the Code on the Board. In identifying the figure of the chairman of each committee, the Board of Directors took into account the specific skills and experience gained by the individual members (*Recommendation 17*).

In determining the composition of the committees, the Board of Directors was unable to avoid the concentration of offices, as there are four (4) Directors on the Board of Directors who meet the requirements of independence under the TUF, of which only two (2) also meet the requirements of independence under the Code (*Recommendation 17*), and the Board of Directors gave preference, in defining the composition of the committees, to the existence of independence requirements over mere non-executive.

#### *Additional committees (other than required by regulation or recommended by the Code)*

With the exception of the Related Party Transactions Committee, no additional committees other than those recommended by the Code (and described in Sections 7, 8 and 9 in Sections 7.2, 8.2 and 9.2, respectively) have been established.

The Related Party Transactions Committee (described in Section 10) is entrusted with all the tasks regarding related party transactions set forth in the specific RPT Procedure adopted by the Company, in accordance with the RPT Regulations. For more information on related party transactions, please also refer to the RPT Procedure - available on the Company's website [www.seri-industrial.it](http://www.seri-industrial.it) in the "Governance" section, at the following address: <https://www.seri-industrial.it/index.php/procedura-per-le-operazioni-con-le-parti-correlate>, adjusted, most recently, by resolution of the Board of Directors on June 28, 2021.

It was not deemed necessary to set up a specific committee with the task of supporting the Board of Directors in the analysis of issues relevant to the generation of value in the long term (*Recommendation 1, lett. a*) having the administrative body preferred, when defining the system of proxies, to assign three (3) directors the task of assisting the Chief Executive Officer in the preparation of the business plans of the Issuer and the Group headed by it, so as to enable them to provide input on issues relevant to the generation of value in the long term instead of providing for additional committees.

It should be noted that the Board of Directors has, however, considered expanding during the Year, on a voluntary basis, the functions entrusted to the Control, Risk Committee by also entrusting it with functions on sustainability issues relevant to the sustainable success of the Company and the Group. For more information on the functions entrusted to the Control, Risk and Sustainability Committee, see Section 9, paragraph 9.2.

For more information on the composition of the RPT Committee and the relative participation of its members, please refer to the table on additional board committees (ex art.123-bis, paragraph 2(d), TUF) included in Section 10.

## 7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - NOMINATING COMMITTEE (Pursuant to Art. 123-bis, paragraph 2 (d) TUF)

### 7.1. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

#### Self-evaluation

The Board established for the first time during the Year a process for periodically evaluating the effectiveness of its own activities and the contribution made by its individual components, through a predefined process whose implementation it supervised (*Principle XIV*).

In particular, during the Financial Year, the Board of Directors decided to initiate - every three years in view of the renewal of the administrative body (*Recommendation 22*) - a self-assessment of itself and its committees, focusing on their size, composition (such as professional characteristics, experience including managerial and gender experience of its members) and concrete functioning (also considering the role played by the Board of Directors in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system) (*Recommendation 21*).

The Company has determined to use questionnaires as a comprehensive yet streamlined way of conducting the assessment process.

The Questionnaire is divided into three separate chapters:

- a) the first related to the evaluation of the board of directors, which consists of a series of questions designed to allow for the evaluation of aspects such as composition, appointment, quality, duties, and remuneration. This chapter concludes by asking for a general evaluation of the board's performance.
- b) the second in which an assessment of the competencies considered optimal in the composition of the Board of Directors is requested. This second chapter is intended to provide guidance on the professional figures whose presence on the Board of Directors is deemed appropriate. It contains a list of areas of expertise relevant to the Seri Industrial Group. Each Director is asked to assess which areas of expertise are considered a priority for the proper functioning of the Board and, consequently for guidance in the possible choice of directors who should make up the Board, taking into account the Group's dimensional characteristics and the overall specificity of the sector in which the Group operates.
- c) the third chapter allows for comments and suggestions.

The Issuer did not use external consultants for the activity. About the process followed, the Board of Directors availed itself of the Nomination and Remuneration Committee, which took part in the definition of the questionnaires, availing itself of the support of the corporate affairs and legal affairs office. A draft of the questionnaires was preliminarily submitted to the Board of Directors and the Board of Statutory Auditors for review in order to gather suggestions and guidance, and finally the documents were brought to a meeting of the administrative body for approval.

The Chairman of the Board of Directors, with the assistance of the Corporate Affairs Office, including in its capacity as secretary of the body itself, oversaw the adequacy and transparency of the evaluation process. Through the Corporate Affairs office, the questionnaires were distributed to individual directors, and once completed, the questionnaires were analyzed by the Nominating and Compensation Committee, which reported to the Board of Directors on the outcome of the assessments. The self-assessment process on the size, composition, and functioning, of the Board of Directors and committees was successfully finalized at the March 3, 2022, Board meeting in view of the renewal of the Board of Directors that took place at the May 6, 2022, Shareholders' Meeting.

At the board meeting, the Directors shared the findings of the analysis and agreed on the elements that emerged. With reference to the functioning of the Board of Directors, the members attribute a positive assessment regarding the frequency of meetings, the mode of representation as well as the treatment of the most significant issues, and finally, the completeness and transparency of both oral communication and written minutes. With regard to the activities carried out, the directors felt that they had properly exercised the powers provided for by law and the Articles of Association, and that they had devoted important time efficiently and effectively to the approval of strategic plans, the review of results and the analysis of deviations from forecasts, and, finally, the definition of guidelines on the internal control and risk management system.

All members consider the remuneration of directors and executives with strategic responsibilities to be substantially adequate, although the introduction of plans based on the assignment of financial instruments appears necessary.

Regarding the committees' self-assessment, overall, the members of the committees (Control, Risk and Sustainability

Committee, Nomination and Remuneration Committee, and OPC Committee) consider that they have interpreted their roles well, believing that they have adequate expertise with respect to the sector in which the Company operates, possess adequate knowledge and experience in financial matters and remuneration policies, and have effectively supported the Board with the preliminary investigations on the issues within their competence.

As part of the work carried out, a number of areas for improvement were also identified for the Reporting Year, such as:

- provide for the formal appointment of a secretary to the Board, to support the work of the Chairman and provide assistance and advice to the Board, in deference to the provisions of the Corporate Governance Code. The secretary was appointed by Board resolution on March 18, 2022. Please refer to Section 4, paragraph 4.5;
- To define the timeline within which to make documents available to the Board, in support of the items on the agenda of the scheduled meeting. The timeline has been defined in an update of the Rules of the Board. For more details, please refer to Section 4, paragraph 4.4;
- to increase the frequency of meetings in which to discuss the adequacy of the internal control system and the preventive precautions adopted with respect to the various types of business risks, an instance that was accepted by the Board of Directors on March 3, 2022;
- Seek to improve the breadth of shareholder participation in shareholders' meetings and make it easier for shareholders to exercise their rights.

### Succession plans

The Board of Directors, considering its own functioning, the corporate and shareholder context, as well as the statutory and regulatory rules provided for the appointment and renewal of the Board itself, has not deemed it necessary to regulate and adopt a succession plan for executive directors. However, the Company reserves the right to adopt a succession plan, involving the Nomination and Remuneration Committee, at a later date, if it finds such a need (*Principle XIII*).

Furthermore, the Issuer, being a company with concentrated ownership pursuant to the Code, (i) will not express, in view of the renewal of the Board of Directors, an orientation on its quantitative and qualitative composition deemed optimal, taking into account the results of its own self-assessment (*Recommendation 23*) and consequently (ii) will not require those who submit a list containing a number of candidates exceeding half of the members to be elected to provide adequate information, in the documentation submitted for the filing of the list, on the correspondence of the list itself to the orientation expressed by the Board of Directors (*Recommendation 23*).

As far as the appointment of the Chairman is concerned, the Company allows those submitting a list to indicate their candidate for the office of Chairman of the Board of Directors (*Recommendation 23*); in the absence of such indication, the Shareholders' Meeting shall proceed directly to request the name of the candidate to be appointed on the basis of the proposals of the individual shareholders. If the Shareholders' Meeting decides not to appoint the Chairman of the Board of Directors, as provided for in the Articles of Association, the Board of Directors will proceed directly.

The choices adopted by the Issuer appear, moreover, to be consistent with the provisions of the Code with regard to companies not falling into the category of "Large Companies" and those falling into the category of "Concentrated Ownership Companies".

## **7.2. NOMINATIONS COMMITTEE**

Due to the current size and characteristics of the Group, the Board of Directors has set up a single internal Nomination and Remuneration Committee, consisting of three (3) non-executive Directors, the majority of whom are independent pursuant to the Code (*Recommendation 16*).

### Composition and functioning of the Committee

It should be noted that, at the end of the Year, the Nomination and Remuneration Committee was - as at the date of this Report - composed of: Annalisa Cuccaro - Chairman, Roberto Maviglia and Manuela Morgante, with proven knowledge and experience in accounting and financial matters.

The functioning of the Nomination and Remuneration Committee is governed by a specific regulation.

**Table 3. Structure of the Nomination and Remuneration Committee at the end of the financial year (pursuant to Article 123-bis, paragraph 2(d) of the Consolidated Law on Finance (TUF))**

Below is a table showing the composition of the Nomination and Remuneration Committee and the relative participation of its members in the tasks assigned to the committee in the field of appointments. The Nomination and Remuneration Committee met 14 times; in 2<sup>6</sup> meetings, the items discussed by the committee concerned activities pertaining to the functions assigned to the Appointments Committee by the Code.

Directors in office at the end of the financial year			
Board of Directors		Nomination and Remuneration Committee	
Position/qualification	Component	(*)	(**)
Non-Executive and Independent Director as per TUF and Code	Annalisa Cuccaro	14/14	P
Chairman of the Board of Directors non-executive and independent as per TUF and Code	Roberto Maviglia	14/14	M
Non-Executive and Independent Director as per TUF	Manuela Morgante	14/14	M
Number of meetings held during the financial year		Nr. 14 <sup>(4)</sup>	

**NOTES**

(\*) This column shows the directors' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(\*\*) This column indicates the title of the director within the committee: 'P': chairman; 'M': member.

The average duration of the Nomination and Remuneration Committee meetings is 51 minutes.

The number of meetings (at which issues concerning functions relating to appointments were discussed) held during the year following the reporting period was 0, and no further meetings were scheduled.

The work of the Nomination and Remuneration Committee is coordinated by its chairman; the meetings are duly minuted and the chairman of the committee reports on its activities at the first useful meeting of the Board of Directors.

During the Financial Year, the Nomination and Remuneration Committee was composed of two (2) independent directors pursuant to the Code (*Recommendation 20*), including one (1) independent director pursuant to the Code (other than the Chairman of the Board of Directors) (*Recommendation 7*), as there are four (4) independent directors pursuant to the TUF on the Board of Directors, but only two (2) of these are also independent pursuant to the Code, including the Chairman of the Board of Directors himself. The committee was chaired by an independent director other than the Chairman of the Board of Directors.

Directors or representatives of corporate functions that are not members of the committee may attend meetings of the Nomination and Remuneration Committee at the invitation of the committee chairman. If the participation of a representative of a relevant corporate function was deemed necessary or appropriate, the Chairman of the Board of Directors and the Chief Executive Officer were informed (*Recommendation 17*).

Meetings of the Nomination and Remuneration Committee were attended by members of the Board of Statutory Auditors (*Recommendation 17*).

They attended 1 meeting out of a total of 14 meetings held during the year.

**Functions of the Committee**

With regard to nomination issues, the Nomination and Remuneration Committee is vested with the following functions:

<sup>6</sup> With respect to the 14 meetings held during the financial year, 12 meetings dealt with remuneration matters, 1 meeting with matters related to the self-assessment of the board, which the Code entrusts to the Nomination Committee, and 1 meeting with matters related to both remuneration matters and matters which the Code entrusts to the Nomination Committee.

- a) assisting the Board of Directors in the process of periodic self-assessment of the Board of Directors and its committees pursuant to the Code (*Recommendation 19, a*); supporting the Chairman of the Board of Directors in ensuring the adequacy and transparency of the self-assessment process (*Recommendation 12, e*)
- b) assisting the Board of Directors in defining the optimal composition of the Board of Directors and its committees (*Recommendation 19, b*);
- c) in case of co-option, assist the Board of Directors in identifying candidates for the office of Director (*Recommendation 19, c*);
- d) assist the Board of Directors in the possible presentation of a list by the outgoing Board of Directors to be implemented in a manner that ensures its transparent formation and presentation (*Recommendation 19, d*);
- e) support the Board of Directors through the necessary preliminary activity for the possible preparation of a plan for the succession of the Managing Director and of the executive directors (*Recommendation 19, e*)
- f) if requested by the Board of Directors, assisting the Board of Directors in connection with any problematic cases related to the application of the non-competition clause provided for by Article 2390 of the Italian Civil Code, if the Shareholders' Meeting, in order to meet organisational requirements, has authorised in general and in advance exceptions to the non-competition clause.

The previous Board of Directors in office, as reported in section 7.1 above, carried out an assessment of the size, composition and functioning of the Board of Directors and its committees, before the end of its term of office, with the assistance of the Nomination and Remuneration Committee (*Recommendation 19, b*).

In addition, the Nomination and Remuneration Committee assisted the expiring Board of Directors during the Financial Year in the process of periodic self-assessment of the Board of Directors and its committees (*Recommendation 19, a*); supported the Chairman of the Board of Directors in ensuring the adequacy and transparency of the self-assessment process (*Recommendation 12, e*); and through this process provided guidance to the Board of Directors on the definition of the optimal composition of the Board of Directors and its committees (*Recommendation 19, b*).

In the course of the Financial Year, it was not necessary to carry out the functions provided for in *Recommendations 19, c, d) and e)*, nor those indicated under f) above, as no problematic cases arose in connection with the application of the non-competition clause.

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In the performance of its functions, the Nomination and Remuneration Committee had access to the information and corporate functions necessary to perform its duties (*Recommendation 17*); in the performance of its functions, the Committee may also avail itself of external consultants, at the Company's expense, under the terms established by the Board of Directors.

In consideration of the activities performed, the Nomination and Remuneration Committee did not make use of external consultants during the Financial Year. The amount of financial resources made available to the Nomination and Remuneration Committee to enable it to perform its duties was not defined. The Board of Directors reserved the right to allocate, from time to time, financial resources to the Nomination and Remuneration Committee for the performance of specific activities.

## 8. DIRECTORS' REMUNERATION - REMUNERATION COMMITTEE

### 8.1. DIRECTORS' REMUNERATION

#### Remuneration policy

This section briefly illustrates the procedure through which the Board of Directors developed the policy for the remuneration of directors, auditors and top management (*Principle XVI*). For more information, please refer to the specific Report on Remuneration Policy and Remuneration Paid, approved annually by the Board of Directors, in compliance with legal and regulatory provisions.

The basic remuneration of directors, the remuneration of directors to whom special offices are assigned and for directors appointed to committees within the Board was established by the Shareholders' Meeting, which set an overall maximum amount.

Considering the maximum limit set by the Shareholders' Meeting, the basic remuneration was then set by the Board of Directors, upon the proposal of the Nomination and Remuneration Committee, after consulting the Board of Statutory Auditors.

A similar procedure is applied for the determination by the Board of Directors of the remuneration of directors who have been granted special offices, and for defining the remuneration to be attributed to directors appointed to Board committees.

The latter procedure is also applied by the Boards of Directors of the subsidiaries to determine the remuneration to be paid to those directors who are granted special offices in the subsidiaries and who are also present on the Issuer's Board of Directors. On the other hand, for directors vested with special offices, other than directors who are also present in the Issuer, the remuneration for special offices is determined by the Board of Directors of the subsidiaries, after consulting the Board of Statutory Auditors, without involving the RPT Committee.

The appointment of managers in the Issuer and in companies having strategic importance is left to the Board of Directors of each company.

The Shareholders' Meeting resolves on the remuneration due to the Board of Statutory Auditors pursuant to Article 2402 of the Italian Civil Code, which provides as follows: "*the annual remuneration of auditors, if it is not established in the articles of association, shall be determined by the shareholders' meeting at the time of their appointment for the entire term of their office*".

The policy for the remuneration of directors, statutory auditors and top management defined by the Board of Directors is functional to the pursuit of the Issuer's sustainable success and takes into account the need to dispose of, retain and motivate people with the competence and professionalism required by the role held in the Issuer (*Principle XV*). In this regard, in compliance with the Code's recommendations, the Shareholders' Meeting held on 6 May 2022, voted in favour of the Board of Directors' proposal to introduce a remuneration plan based on the assignment of financial instruments.

In order to have people with adequate expertise and professionalism, the remuneration of directors, both executive and non-executive, and that of statutory auditors is defined by taking into account the remuneration practices prevalent in the reference sectors and for companies of similar size, also considering comparable foreign experiences (*Recommendation 25*). In assessing the introduction of a stock option plan, the Company preliminarily verified the practice applied by other Italian listed issuers that have adopted incentive plans based on financial instruments, also with regard to the performance targets used.

The Company did not make use of external consultants to obtain information on market practices regarding remuneration policies, and consequently it was not necessary to verify in advance situations that could compromise its independence of judgement.

#### Remuneration of executive directors and top management

The policy for the remuneration of executive directors and *top management*, adopted during the year, was based on fixed components (in addition to the assignment of stock option plans as illustrated below), and consequently does not provide for

- a) a balance between the fixed component and the variable component that is adequate and consistent with the Issuer's strategic objectives and risk management policy, taking into account the characteristics of the business activity and the sector in which it operates (*Recommendation 27, a*)
- b) maximum limits on the payment of variable components (*Recommendation 27, b*);
- c) performance objectives - to which the payment of variable components is linked - that are: (i) predetermined, measurable and linked in significant part to a long-term horizon; (ii) consistent with the Issuer's strategic objectives and aimed at promoting its sustainable success, including, where relevant, also non-financial parameters (*Recommendation 27, c*)
- d) an adequate deferral period - with respect to the time of vesting - for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity carried out and the related risk profiles (*Recommendation 27, d*)
- e) any contractual arrangements allowing the Issuer to request the repayment, in whole or in part, of variable components of remuneration paid (or to withhold amounts subject to deferral), determined on the basis of data that subsequently prove to be manifestly erroneous and other circumstances that may be identified by the Issuer (*Recommendation 27, e*)
- f) payment of severance indemnities, and consequently the need to define clear and predetermined rules that: (i) define the upper limit of the total amount payable by linking it to a certain amount or a certain number of years of remuneration and (ii) provide that such indemnity shall not be paid if the termination of the relationship is due to the achievement of objectively inadequate results (*Recommendation 27, f*).

#### Share-based remuneration plans

The Issuer, with respect to the Financial Year to which this Report refers, adopted a share-based remuneration plan for executive directors and top management.

The Ordinary Shareholders' Meeting of 6 May 2022 approved the adoption of a share-based incentive plan pursuant to Article 114-*bis* of the Consolidated Law on Finance (TUF), prepared on the basis of a proposal formulated by the Nominations and Remuneration Committee (the '2022 Stock Option Plan'). This instrument appears functional to the pursuit of the sustainable success of the Company and the Group, thanks to the alignment of the individual interests of the beneficiaries with the long-term interests of the Company itself.

The Board of Directors deemed it appropriate to submit to the Shareholders' Meeting a proposal for the introduction of remuneration mechanisms based on financial instruments in favour of members of the Board of Directors, management, employees or collaborators not linked to the Company by employment relationships, or members of the Board of Directors, employees or collaborators of subsidiary companies.

The mechanisms adopted have the Company's aim of contributing to the adaptation - as far as possible, considering the nature and size of the Company in the sector in which it operates - of corporate policies to the provisions of the Code, which considers that remuneration plans based on shares or other financial instruments can encourage the alignment of the interests of directors and top management with those of shareholders, in a long-term horizon (*Recommendation 28*).

Also with the support of the Nomination and Remuneration Committee, the Board of Directors has envisaged that, under the terms approved by the Shareholders' Meeting of 6 May 2022, the remuneration plan based on the granting of options giving the right to subscribe shares - upon reaching certain performance target thresholds - contemplates both an overall vesting period (vesting period) and a period of retention of a certain number of shares for a predetermined number of years from the date on which the options are exercised (lock-up period) (*Recommendation 28*).

The 2022 Stock Option Plan is reserved for executive directors, managers, employees, and/or collaborators and/or consultants of Seri Industrial and its Subsidiaries who hold strategically relevant roles, identified by the bodies in charge of the implementation of the 2022 Stock Option Plan, after consulting with the Nomination and Remuneration Committee.

The 2022 Stock Option Plan provides for the free assignment to each of the beneficiaries of options that grant the right to subscribe ordinary shares in the ratio of no. 1 (one) ordinary share for every no. 1 (one) option exercised.

The exercise price of the shares is determined as equal to the arithmetic average of the official prices of the Company's shares on Euronext Milan in the thirty days prior to the date the options are granted to the beneficiaries.

The number of options to be granted to each beneficiary is expected to be defined by assessing the strategic importance of each beneficiary in terms of the creation of new value, considering the following elements: (i) the organisational weight of the role; (ii) the criticality of retention and (iii) talent and potential.

The 2022 Stock Option Plan lasts until 30 June 2031 and provides for 2 award cycles and a 5-year vesting period for the options granted to the beneficiaries. Each beneficiary will be able to exercise the options granted subject to the achievement of specific medium-long term performance targets linked in part

- to the performance of the Company's Total Shareholder Return (TSR) compared to the average TSR performance of a reference panel and the FTSE Star Italia index

- the use in the production cycle of a percentage of recycled material with respect to the total raw materials used<sup>7</sup>.

The Company shall make available to the beneficiary the ordinary shares to which the beneficiary is entitled following the exercise of the options under the terms and conditions that shall be set forth in the regulation of the 2022 Stock Option Plan (the "2022 Stock Option Plan Regulation") adopted by the Company with respect to the first allocation cycle by Board resolution of 16 December 2022.

In addition, the 2022 Stock Option Plan provides that beneficiaries who are executive directors, as identified by the Board of Directors, will have the obligation to hold continuously from the date of exercise of the relevant options and until the date of termination of their office as director, a certain number of shares with respect to those subscribed by them following the exercise of the options.

Beneficiaries who are executives with strategically important roles as identified by the Board of Directors, will be obliged to hold continuously for a certain period from the Exercise Date of the relevant options, a certain number of shares with respect to those subscribed by them following the exercise of the options.

For further information on the 2022 Stock Option Plan, please refer to the information document relating to the 2022 Stock Option Plan, prepared pursuant to Article 84-bis and Annex 3A of the Issuers' Regulations made available to the public and available on the Company's website [www.seri-industrial.it](http://www.seri-industrial.it), in the "Governance/ remuneration/2022" Section as well as at the storage mechanism [www.1info.it](http://www.1info.it).

### Remuneration of non-executive directors

The policy for the remuneration of non-executive directors provides for remuneration: (i) appropriate to the competence, professionalism and commitment required by the tasks assigned to them within the Board of Directors (*Recommendation 29*).

As far as the Financial Year is concerned, this policy does not provide for variable components and consequently is not linked to financial performance objectives (*Recommendation 29*).

### Maturation and payment of remuneration

The Board ensures that the remuneration paid and accrued is consistent with the principles defined in the policy adopted by the Company and the Group (*Principle XVII*). As no variable components are defined for the relevant financial year, the remuneration paid is not linked to the results achieved and other relevant circumstances that may affect its implementation.

### Directors' indemnity in the event of resignation, dismissal or termination following a takeover bid (pursuant to Art. 123-bis(1)(i) TUF)

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<sup>7</sup> for the production of lithium-ion batteries, the use of sustainability and environmental impact criteria in the choice of materials/technologies to be used and the development of technologies for the progressive recycling of spent lithium-ion batteries in line with circular economy policies.

No agreements have been entered into between the Issuer and the directors that provide for indemnity in the event of resignation or dismissal/termination without just cause or if the employment relationship is terminated following a takeover bid.

During the financial year, there were no terminations of office and/or termination of employment by any executive director.

In consideration of the current remuneration policy, in the event of termination of office of an Executive Director, it is therefore not necessary to provide the market with the information envisaged by *Recommendations: 31 a) to d)*, since they are not applicable, on the subject of (a) allocation of indemnities and/or other benefits, (b) timing of their disbursement, (c) existence of clauses for the restitution (claw-back) or withholding (malus) of certain sums; (d) compliance of the same with the remuneration policy adopted by the Company.

Depending on the relevance and the role of an Executive Director to be replaced, the Company reserves the right to assess - should this occur - to disclose, by means of a press release to be disseminated to the market, the procedure followed for the replacement of the same (*Recommendation 31, e*).

With regard to the 2022 Stock Option Plan, the same provides for the existence and maintenance of an employment relationship, with a fixed or indefinite term, or of a collaboration relationship, including consultancy relationships, or of an executive management relationship between the beneficiary and the Company or a subsidiary. The termination of the relationship affects the exercise of the options, determining, in the cases contemplated by the 2022 Stock Option Plan, the extinction of the options themselves.

The 2022 Stock Option Plan also provides for the possibility of early exercise of the options by the Beneficiaries upon the occurrence of a change of control of the Company pursuant to Article 93 of the Consolidated Law on Finance (TUF) resulting in the delisting of the Company's ordinary shares from a regulated market ("Delisting").

The 2022 Stock Option Plan provides for claw back clauses. In the cases in which, within the term of three years from the initial exercise date, it turns out that the performance objectives have been ascertained by the Board of Directors on the basis of data that has proven to be manifestly erroneous, or one of the following facts is ascertained against the beneficiary:

- fraudulent or seriously negligent conduct to the detriment of the Company,
- breach of loyalty obligations,
- conduct of the beneficiary from which a significant financial or asset loss for the Company has resulted,

the Board of Directors, reserves the right to obtain:

- the revocation of the options and/or the return of the shares, minus an amount corresponding to the Exercise Price of the options and the tax, social security and welfare charges connected to the exercise of the options, or
- if the shares have already been sold, the restitution of the sale value, minus the amount corresponding to the Exercise Price of the options and the tax, social security and welfare charges connected to the exercise of the options, possibly also by offsetting with the beneficiary's salary and/or severance pay.

## 8.2. REMUNERATION COMMITTEE

The Board of Directors, due to the current size and characteristics of the Group, as already described in Section 7, paragraph 7.2 above, has set up a single Nomination and Remuneration Committee, consisting of three (3) non-executive Directors, two (2) of whom are independent pursuant to the Code (*Recommendation 16*).

### [Composition and functioning of the Committee \(pursuant to Article 123-bis\(2\)\(d\) of the Consolidated Law on Finance \(TUF\)\)](#)

It should be noted that, at the end of the Year, the Nomination and Remuneration Committee was - as at the date of this Report - composed of: Annalisa Cuccaro -Chairman, Roberto Maviglia and Manuela Morgante. The functioning of the Committee is governed by a specific regulation.

### [Table 3. Structure of the Nomination and Remuneration Committee at the end of the financial year](#)

The following table shows the composition of the Nomination and Remuneration Committee and the relative participation of its members in relation to the tasks assigned to the committee in matters of remuneration.

The Nomination and Remuneration Committee met 14 times; in 13<sup>8</sup> meetings, the topics discussed by the committee were related to activities pertaining to the tasks assigned to the remuneration committee.

Directors in office at the end of the financial year			
Board of Directors		Nomination and Remuneration Committee	
Position/qualification	Member	(*)	(**)
Non-Executive and Independent Director as per TUF and Code	Annalisa Cuccaro	14/14	P
Chairman of the Board of Directors non-executive and independent as per TUF and Code	Roberto Maviglia	14/14	M
Non-Executive and Independent Director as per TUF	Manuela Morgante	14/14	M
Number of meetings held during the financial year		Nr. 14 <sup>(6)</sup>	

#### NOTES

(\*) This column shows the directors' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(\*\*) This column indicates the title of the director within the committee: 'P': chairman; 'M': member.

The average duration of the Nomination and Remuneration Committee meetings is 51 minutes.

The number of meetings held during the following year (at which issues concerning remuneration-related functions were discussed) was 1 and no further meetings were scheduled.

The work of the Nomination and Remuneration Committee is coordinated by the Chairman; the meetings are duly minuted and the Chairman of the committee reports to the first useful meeting of the Board of Directors upon completion of an activity.

During the Financial Year, the Nomination and Remuneration Committee was composed of non-executive Directors, the majority of whom are independent pursuant to the Code (*Recommendation 20*), one of whom is independent pursuant to the Code (other than the Chairman of the Board of Directors) (*Recommendation 7*), as there are four (4) independent Directors on the Board of Directors pursuant to the TUF, but only two (2) of these are independent, also pursuant to the Code, including the Chairman of the Board of Directors himself. The committee was chaired by an independent Director other than the Chairman of the Board of Directors.

All three (3) members of the committee have knowledge and experience in accounting and finance, which was deemed adequate by the Board of Directors at the time of appointment (*Recommendation 26*).

Directors must abstain from attending committee meetings (or if they do attend, must abstain from making proposals) at which proposals are made to the Board regarding their own remuneration (*Recommendation 26*).

Meetings of the Nomination and Remuneration Committee may be attended by directors or representatives of corporate functions who are not members of the committee at the invitation of the chairman of the committee. If the participation of a representative of a relevant corporate function was deemed necessary or appropriate, the Chairman of the Board of Directors and the Chief Executive Officer were informed (*Recommendation 17*).

Meetings of the Nomination and Remuneration Committee were attended by members of the Board of Statutory Auditors (*Recommendation 17*). They attended 1 meeting out of a total of 14 meetings held during the year.

#### Functions of the Committee

<sup>8</sup> With respect to the 14 meetings held during the financial year, 12 meetings dealt with remuneration matters, 1 meeting with matters related to the self-assessment of the board, which the Code entrusts to the Nomination Committee, and 1 meeting with matters related to both remuneration matters and matters which the Code entrusts to the Nomination Committee.

With regard to aspects concerning remuneration, the Nomination and Remuneration Committee has the following functions:

- a) Advise the Board of Directors on the development of a policy for the remuneration of directors and senior executives (Recommendation 25, a);
- b) submit proposals or express opinions to the Board of Directors on the remuneration of executive directors and other directors holding special offices, as well as on the setting of performance targets related to the variable component of such remuneration (Recommendation 25, b). It should be noted that the remuneration policy currently applied is based exclusively on fixed components and consequently the Committee is not called upon to express an opinion in relation to variable components;
- c) monitor the concrete application of the remuneration policy and verify, in particular, the actual achievement of performance targets (Recommendation 25, c)
- d) periodically assess the adequacy, overall consistency and concrete application of the remuneration policy for directors and senior management (top management) (Recommendation 25, d)
- e) examine in advance the annual remuneration report to be made available to the public pursuant to the applicable regulations, with regard to the policy actually applied and the performance targets actually achieved;
- f) cooperating with the Board of Directors, for matters pertaining to directors' remuneration, in the preparation of the annual report on the Corporate Governance system and ownership structure, drawn up pursuant to Article 123-bis T.U.F;
- g) perform any other duties assigned to it by the Corporate Governance Code or by the Board of Directors;
- h) report to the Shareholders' Meeting called to approve the financial statements for the year, through the Chairman of the Committee or another member designated by the latter, on how it performs its duties, with regard to the tasks assigned to the Committee on remuneration.

The Nomination and Remuneration Committee, during the financial year,

- advised the Board of Directors on the development of a remuneration policy based on the issuance of financial instruments;
- examined in advance the annual remuneration report and the corporate governance report with regard to matters pertaining to the remuneration policy before they were approved by the Board and made available to the public;
- submitted proposals to the Board of Directors on the remuneration of executive directors and other directors holding particular offices, within the scope of the remuneration defined by the Shareholders' Meeting
- examined the Stock Option Plan Regulations before they were adopted by the Company;
- submitted proposals to the Board of Directors on the allocation of financial instruments to executive directors and other directors holding special offices, within the scope of the Stock Option Plan 2022 approved by the Shareholders' Meeting, as well as on the setting of *performance* targets.

During the Financial Year, it was not necessary to involve the Nomination and Remuneration Committee to (i) to make proposals on the remuneration of executives with strategic responsibilities, as there was no need to do so; (ii) to submit proposals on the setting of performance objectives related to the variable component, as no variable components were envisaged; and consequently to (iii) monitor the actual achievement of performance objectives; Finally, no member of the committee reported to the Shareholders' Meeting, as there was no need to do so during the meeting's proceedings.

\* \* \* \*

In carrying out its functions, the Nomination and Remuneration Committee had access to the information and business functions necessary to perform its duties (*Recommendation 17*). In view of its activities, the Nomination and Remuneration Committee did not make use of external consultants. The amount of financial resources made available to the Nomination and Remuneration Committee to enable it to perform its tasks has not been defined. The Board of Directors reserved the right to allocate financial resources to the Nomination and Remuneration Committee from time to time for the performance of specific activities (*Recommendation 17*).

In view of the current remuneration policy, the Nomination and Remuneration Committee did not use consultants to obtain information on market practices regarding remuneration policies, and consequently it was not necessary to verify in advance situations that could compromise its independence of judgement (*Recommendation 17*).

\* \* \* \*

On the subject of remuneration, the Nomination and Remuneration Committee must take into account the provisions of the RPT Procedure adopted by the Company, which provides for the exclusion from the application of the rules established by it with regard to:

- a) resolutions of the Shareholders' Meeting pursuant to Article 2389, paragraph 1, of the Italian Civil Code, concerning the remuneration due to the members of the Board of Directors and of the Executive Committee;
- b) resolutions concerning the remuneration of directors vested with special offices falling within the overall amount previously determined by the Shareholders' Meeting pursuant to Article 2389, paragraph 3, of the Italian Civil Code
- c) compensation plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Financial Intermediation and related transactions.
- d) as well as resolutions relating to the remuneration of directors and directors holding special offices as well as other executives with strategic responsibilities, provided that: - the Company has adopted a remuneration policy approved by the Shareholders' Meeting;
  - a Committee consisting exclusively of non-executive directors or directors with a majority independent status, identified in the Remuneration Committee itself, has been involved in the definition of the remuneration policy
  - the remuneration awarded is identified in accordance with such policy and quantified on the basis of criteria that do not involve discretionary assessments.

The provisions of the RPT Procedure also do not apply to shareholders' resolutions pursuant to Article 2402 of the Italian Civil Code, concerning the remuneration due to members of the Board of Statutory Auditors.

The establishment and operation of the RPT Committee, also with regard to remuneration, guarantees the widest possible information and transparency on the remuneration due to directors holding particular offices as well as on the respective determination methods.

However, it is understood that, in accordance with Article 2389, paragraph 3, of the Italian Civil Code, the Committee only has the power to make proposals, whereas the power to determine the remuneration of directors vested with special offices remains, in any case, with the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

## 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - THE CONTROL, RISK AND SUSTAINABILITY COMMITTEE

### Preamble

The internal control and risk management system consists of the set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the Issuer's sustainable success (Principle XVIII) - in accordance with the Issuer's strategies (Principle XIX and *Recommendation 33, a*).

This section describes the main characteristics of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating, where applicable, national and international reference models and best practices (*Recommendation 33, g*).

It also illustrates how the system involves, each within their respective spheres of competence: the Board of Directors; the Chief Executive Officer (or, as specified below, the Director in charge of the internal control and risk management system); the Control, Risk and Sustainability Committee; the head of the internal audit function; any other corporate functions involved in controls, such as, for example, the Manager in charge of preparing the company's financial reports; the Board of Statutory Auditors (*Recommendation 32*).

Similar information is provided with regard to the management of environmental, social and governance issues (ESG issues) and in relation to the consolidated non-financial reporting process.

In relation to the financial reporting process, also consolidated, the main characteristics of the existing risk management and internal control systems are therefore described (pursuant to Article 123-bis, paragraph 2, letter b), Consolidated Law on Finance (TUF)).

### Description of the main features of the internal control and risk management system

As a whole, the following are important elements of the internal control and risk management system:

- the System of delegated and proxy powers and, more generally, the Governance system;
- the Company Organogram;
- the Code of Ethics;
- the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001;
- the "Whistleblowing" management system and related procedure;
- the Anti-Corruption Policy,
- the Procurement Management Policy,
- the Supplier Code of Ethics,
- the Human Rights Policy
- the Environment, Energy, Occupational Health and Safety Policy;
- the Procedure for the Management of Privileged Information;
- the Code of Conduct on Internal Dealing;
- the Procedure regulating transactions with related parties;
- the Procedures pursuant to Law 262/2005;
- the Accounting and Administrative Control System;
- the Management Control;
- the UNI EN ISO 9001 quality procedures applied at the main company sites of the companies belonging to the Batteries Division (reporting to the subsidiary FIB S.p.A.) and of the companies belonging to the Plastics Division (reporting to the subsidiary Seri Plast S.p.A.)
- the procedures for the organisation of UNI EN ISO 14001 environmental management systems applied at the Monterubbiano and Monte Sant'Angelo industrial sites of FIB S.p.A. and at the Alife site of Seri Plast S.p.A;

- ISO 45001 workplace health and safety management procedures applied at the Alife site of Seri Plast S.p.A..

In particular, the activities related to the operation of the control system concern, in addition to the Issuer:

- the activities of Seri Plast S.p.A., focused in the plastics segment through the production of plastic components, the sale to third parties of plastic components by enhancing the compound produced internally and the sale of plastic granules
- the activities of FIB S.p.A. (which produces under the FAAM brand) focused in the segment of the production and sale of lead and lithium-ion electric batteries for industrial, storage and specialties applications, and its subsidiary Repiombo S.r.l., which deals with the production of secondary lead and plastic recovered from spent batteries.

In relation to the definition of the nature and level of risk compatible with the Company's strategic objectives, within the framework of the updating of the Organisation and Management Model (or "**Model 231**"), lastly adjusted by Board resolution of 20 March 2023, the necessary controls were identified to verify that corporate risks are identified and managed appropriately. The Issuer discloses within the financial disclosure and within the non-financial statement (the "**DNF**") the risk factors relating to Seri Industrial and the Group companies, the business sectors in which they operate and the financial instruments offered.

Thanks to Model 231, the Board of Directors has defined the guidelines of the internal control and risk management system, so that the main risks pertaining to the Issuer and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, determining the compatibility of these risks with a management of the company consistent with the identified strategic objectives.

During the year, the Company and the two strategically important companies introduced a system for the management of "Reports" on the corporate website suitable for guaranteeing the receipt, analysis and processing of reports relating to violations of the Code of Ethics, Model 231 and, more generally, the Internal Control and Risk Management System. They have adopted a procedure that regulates the processing of information flows received, concerning possible violations, conduct, practices that do not comply with the provisions of the Code of Ethics and/or Model 231, which may cause damage or harm, even only to the image of Seri Industrial or one of its subsidiaries, referring to employees, contacts of the Supervisory Board, members of corporate bodies (Board of Directors, Board of Auditors), auditing firms and third parties (customers, suppliers, consultants, collaborators) in business relations with these companies.

Every year, the Board of Directors approves the audit plan for the relevant financial year, after examination by the Control, Risk and Sustainability Committee, after consulting the Board of Statutory Auditors and the Director in Charge, identifying the activities to be performed and planning the actions to be taken.

In assessing the adequacy of the internal control and risk management system in relation to the characteristics of the business and the risk profile assumed, as well as its effectiveness, the Board of Directors relied on the reports of the Control, Risks and Sustainability Committee, the Supervisory Board, the Executive in Charge of Financial Reporting and the *internal audit* function, as well as the reports of the Director in charge of overseeing the internal control system.

During the year, the Board of Directors implemented a series of initiatives aimed at strengthening the control system on the Company and, more generally, on the Group, focusing on sustainability issues.

In fact, the ever-increasing importance of sustainability has required the company to provide for a series of specific controls, strategically committed to safeguarding social and environmental issues, which are considered qualifying and competitive elements of the business. A distinctive element among those who make sustainability a driver for the creation of value is in fact the management of risks, including those related to sustainability. Indeed, if business-relevant issues are addressed by considering sustainability-related risks and opportunities, the ability of an organisation to achieve its goals is greater and the value created is consequently greater. To this end, in 2022 the Company expanded the functions entrusted to the Control and Risk Committee, which was renamed the Control, Risk and Sustainability Committee, in order to assist the Board of Directors in managing these issues. At the same time, the powers entrusted to the Director in charge of the internal control and risk management system were expanded in order to provide for a high-profile coordinating figure within the organisation on corporate initiatives in these areas, given that the current macroeconomic context is highlighting a growing attention in materia to the management of risks of a 'non-financial nature' or 'ESG' risks. In fact, the nature of risks is profoundly transforming and evolving from the economic-financial sphere towards trend-topics linked to the environment, in particular climate change, and the social dimension.

Further safeguards put in place include the composition of the control bodies of the two strategically important subsidiaries, Seri Plast S.p.A. and FIB S.p.A., in which there are two members who at the same time also hold the control body of the Issuer, so as to facilitate the system of controls and information flows within the Group.

A similar solution was adopted with regard to the composition of the Supervisory Bodies, which see the presence of the same body in all three companies that have adopted the 231 Model.

In particular, given the highly specialised nature of the activities carried out by the two strategically important subsidiaries, it was deemed necessary to find solutions that would ensure that the Supervisory Board could benefit from the support of the right mix of professionalism. In this regard, it was decided to make available to the Supervisory Board, constituted in monocratic form, both internal figures specialised in the legal, administrative and corporate sphere and a figure who could act as a liaison on issues of a technical nature specific to each industrial site. For more information, see Section 9, Paragraph 9.4.

Moreover, during the Financial Year, following the adaptation of its system to the provisions of the Corporate Governance Code, the Company submitted to the Control, Risks and Sustainability Committee proposals to adapt the regulations of the Board of Directors, of the Control, Risks and Sustainability Committee itself and of the Nomination and Remuneration Committee, prior to the relevant amendments, implemented with Board of Directors resolutions of 25 May 2022 and subsequently of 15 November 2022, the latter in order to expand the functions of the Control, Risks and Sustainability Committee with regard to ESG issues.

Lastly, during the financial year, following the appointment of the Board of Directors, the Company defined its own system of proxies and powers for the members of the Board of Directors.

In this regard, the parent company Seri Industrial, on the basis of the Board of Directors Regulations, is called upon to (i) examine and approve in advance the significant operations, from a strategic, financial and equity standpoint, of its subsidiaries; (ii) impart strategic, management and supervisory guidelines in view of achieving the common objectives set (iii) communicating to the subsidiaries the guidelines that must be incorporated into the process of drawing up plans and budgets by the individual Group companies; (iv) preparing the Group's strategic, industrial and financial plans and budgets by examining and approving in advance those of the subsidiaries and, where necessary, amending them to forward them to the subsidiaries.

In addition, the Issuer's entire Board of Directors is called upon to express its opinion on shareholders' meeting decisions concerning subsidiaries with strategic importance.

In order to strengthen the safeguards and separation of duties, the Board of Directors has deemed it appropriate to appoint an independent director, with extensive experience in matters related to listed companies, as Chairman of the Board of Directors.

With reference to transactions with related parties and carried out in the presence of directors' interests, given the roles played by the Chief Executive Officer Vittorio Civitillo, the brothers Andrea Civitillo and Marco Civitillo in the Company, in subsidiaries and in companies related to them, particular attention was paid to the execution of transactions with related parties and to the correct application of the exemption regulations, with particular reference to intra-group transactions and ordinary transactions concluded at standard market conditions, entrusting the RPT Committee with the annual verification of such transactions.

Lastly, attention was paid to the preparation of a consolidated business plan functional not only for the correct execution of tests aimed at verifying the value of assets recorded in the financial statements (i.e., goodwill, other intangible assets, deferred tax assets, etc.) but also in order to formalise guidelines and schedules to support company management.

### Roles and functions involved

The internal control and risk management system involves, each within their respective competences:

1. the Board of Directors, which plays a role in guiding and assessing the adequacy of the system and has identified from among its members:
  - (i) a director in charge of establishing and maintaining an effective internal control and risk management system (hereinafter, the "Director in Charge of the Internal Control and Risk Management System"), which does not coincide with the position of Chief Executive Officer, and

- (ii) the Control, Risk and Sustainability Committee, with the task of supporting the Board of Directors' evaluations and decisions relating to the internal control and risk management system, as well as those relating to the approval of periodic non-financial reports, by means of an adequate preliminary activity;
- 2. the head of the *internal audit* function, responsible for verifying that the internal control and risk management system is functioning and adequate;
- 3. other corporate roles and functions with specific tasks in the area of internal control and risk management;
- 4. the Board of Auditors, which supervises the effectiveness of the internal control and risk management system.

#### Main features of the internal control and risk management system in financial reporting

The Group's system of internal control and risk management over financial reporting is defined as the set of activities aimed at identifying and assessing actions or events whose occurrence or absence could compromise - partially or totally - the achievement of the objectives of reliability, accuracy, trustworthiness, and timeliness of financial information. It is part of the overall internal control and risk management system.

This system, represented by the set of rules adopted by the individual company operating units, is aimed at ensuring that the administrative-accounting procedures adopted and their application are adequate to guarantee (i) a process capable of producing timely and reliable accounting and financial information as well as the preparation of the financial statements in accordance with the reference accounting standards; and (ii) the achievement of the company's objectives of reliability, accuracy, trustworthiness and timeliness of information through an adequate process of identification of the main risks associated with the preparation and dissemination of financial information.

During the year, the Control, Risk and Sustainability Committee assessed, together with the Manager in charge of preparing the company's financial reports, after consulting the Independent Auditors and the Board of Statutory Auditors, that the accounting standards used are compliant with regulations and that they are consistent for the purposes of preparing the financial statements and the consolidated financial statements.

Within the corporate organisation of listed companies, the Financial Reporting Officer:

- interacts with *internal audit*, which carries out independent checks on the operation of the control system and supports the Manager in charge in monitoring the internal control system;
- is supported by the function managers involved, who, with regard to the area of their competence (e.g. personnel management area, legal affairs area and tax area), ensure the completeness and reliability of the information flows to the Manager in charge of preparing the financial reports
- establishes an internal documentation and communication process with the administrative managers of the investee companies and with those responsible for the individual financial statements;
- establishes a reciprocal exchange of information with the Director in charge of the internal control and risk management system, the Control, Risk and Sustainability Committee and with the Board of Directors, reporting on the activities carried out and on the adequacy of the Internal Control System with particular reference to the risks inherent to financial reporting;
- informs the Board of Statutory Auditors on the adequacy, also organisational, and reliability of the administrative-accounting system
- informs the Supervisory Board of all events of an extraordinary nature that have an impact on financial reporting, such as, by way of example: any observations by auditing firms, the outcome of any investigations by the Financial Administration, significant transactions made in derogation of the procedures adopted by the Company.

The Manager in charge of preparing corporate accounting documents, together with the delegated administrative bodies (e.g. the Chairman and/or Chief Executive Officer), issues the attestation provided for in paragraph 5 of Article 154-bis of the Consolidated Law on Finance (TUF); he issues a statement certifying the correspondence with the documentary results, books and accounting records of the deeds and communications that the Company discloses to the market pursuant to paragraph 2 of the aforementioned Article 154-bis of the Consolidated Law on Finance (TUF).

The preparation of financial information is coordinated by a manager in charge of the administrative area and a manager in charge of the consolidation process, as well as several managers in charge of preparing the individual financial statements of the companies belonging to the Group. The management of the information required for the preparation of the consolidated financial statements is carried out centrally using a special system.

\* \* \* \*

In relation to the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness (Principle XIX, Recommendation 33, a) and Recommendation 33, g), it should be noted that the Board of Directors has not formalised an overall assessment procedure of the level of risk compatible with the characteristics of the business, as required by the Code, preferring to assess the appropriateness of the Board itself on a case-by-case basis, but the necessary controls have been identified to verify that business risks are identified and managed appropriately. The Issuer, in the directors' report accompanying the financial statements, and within the DNF, discloses the risk factors relating to Seri Industrial and the companies of the Group, with regard to the business sectors in which they operate.

### 9.1. DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Board of Directors has entrusted a Director - other than the *Chief Executive Officer* - with the task of establishing and maintaining the internal control and risk management system (*Recommendation 32, b*), considering it more efficient to entrust this activity to a Director dedicated to managing such activities.

In this regard, the Board of Directors, on 25 May 2022, confirmed Mr. Luciano Orsini as Director, entrusting him with the task of establishing and maintaining an effective internal control and risk management system (hereinafter the '**Appointed Director**').

The Appointed Director has been granted powers to:

- develop, manage and supervise the internal control and risk management system, in accordance with the provisions of the Corporate Governance Code for Listed Companies
- represent, with the widest powers, within the scope of the delegations conferred, the Company towards States, Ministries, Regions, Provinces, Municipalities, Public Authorities, Organisations, Italian, foreign, international and supranational public and private Bodies, Administrations and Financial and Tax Offices, central and peripheral, Tax Litigation Bodies, etc., in any venue and at any level, as well as towards any natural person or legal entity
- represent, to all intents and purposes, the Company before all public and private entities and bodies in charge of exercising the supervisory, verification and control functions provided for by general regulations. In particular, with regard to safety at work, compliance with privacy regulations, accident prevention, occupational hygiene, environmental protection and fire prevention, it assumes all the widest decision-making powers, with the relative assets, necessary to perform the delegated activities. The delegation of powers includes the commitment to comply with the regulations on work safety and prevention against accidents and occupational diseases provided for, inter alia, but not limited to - Article 2087 of the Civil Code, and Legislative Decree 81/08, as amended, as well as the fulfilment of any other provision that may be issued in the future on the matter. For the fulfilment of all the obligations provided for by the laws in force, the delegate shall be endowed with broad powers of initiative and organisation and shall decide in full autonomy and without spending limits, ensuring the punctual and complete fulfilment of all the obligations and charges provided for by the laws in force on the protection of personal data.

Subsequently, in the course of the financial year following the one to which this Report refers, the powers conferred on Mr. Orsini were extended, entrusting him with the task of:

- coordinating the implementation of systems and procedures and organisational solutions aimed at increasing within the corporate organisation the management of issues such as environmental commitment, respect for corporate values, the promotion of gender equality and the Company's actions in an accurate and transparent manner, submitting to the board of directors solutions aimed at implementing the governance system with the objective of orienting the management of the company and the group towards sustainable development and the generation of long-term value for the benefit of shareholders and stakeholders
- coordinating activities aimed at preparing the non-financial statement or the sustainability report if the company is not obliged to prepare the non-financial statement.

\* \* \* \*

The Appointed Director is called:

- to take care of the identification of the main corporate risks, taking into account the characteristics of the activities performed by the Issuer and its subsidiaries, and to submit them periodically to the Board of Directors for examination (*Recommendation 34, a*)
- implementing the guidelines defined by the Board, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and (*Recommendation 34, b*);
- taking care of the adaptation of this system to the dynamics of the operating conditions and the legislative and regulatory landscape (*Recommendation 34, b*);
- entrusting the internal audit function with the performance of checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, while simultaneously notifying the Chairman of the Board of Directors, the Chairman of the Control, Risk and Sustainability Committee and the Chairman of the Board of Statutory Auditors (*Recommendation 34, c*)
- to report to the Control, Risk and Sustainability Committee (or the Board of Directors) on problems and critical issues that have arisen in the performance of its activities or of which it has otherwise become aware, so that the Control, Risk and Sustainability Committee (or the Board of Directors) can take the appropriate initiatives (*Recommendation 34, d*).

For the fulfilment of all obligations under current legislation, the delegated person is endowed with broad powers of initiative and organisation and makes decisions in complete autonomy.

The Appointed Director within the scope of his delegated powers has spending powers for the performance of the activity. In particular, with regard to safety at work, compliance with privacy regulations, accident prevention, occupational hygiene, environmental protection and fire prevention, the Board of Directors, on 13 September 2019, granted him broad powers of initiative and organisation, giving him the power to make decisions in full autonomy and without spending limits.

## 9.2. CONTROL, RISK AND SUSTAINABILITY COMMITTEE

The Board of Directors established an internal Control and Risk Committee, renamed the Control, Risk and Sustainability Committee during the Year, divided into two sections; the first comprised of four (4) Directors, all non-executive and independent pursuant to the CFA, two (2) of whom are independent pursuant to the Code, and the second comprised of three (3) Directors, all non-executive and independent pursuant to the CFA, the majority of whom are independent pursuant to the Code (*Recommendation 16*).

### [Composition and functioning of the Committee pursuant to Article 123-bis\(2\)\(d\) of the Consolidated Law on Finance \(TUF\)](#)

At the end of the Financial Year, the Control, Risk and Sustainability Committee was - as at the date of this Report - divided into two sections: the first consisting of: Roberto Maviglia - Chairman, Fabio Borsoi, Annalisa Cuccaro and Manuela Morgante; the second composed of: Roberto Maviglia - Chairman, Fabio Borsoi, Annalisa Cuccaro.

The functioning of the Control, Risk and Sustainability Committee is governed by specific regulations.

### [Table 3. Structure of the Control, Risk and Sustainability Committee at the end of the year](#)

Below is a table showing the composition of the Control, Risk and Sustainability Committee and the relative membership of its members.

Directors in office at the end of the financial year	
Board of Directors	Control, Risk and Sustainability Committee

Role/qualification	Member	(*)	(**)
Chairman of the Board of Directors non-executive and independent as per TUF and Code	Roberto Maviglia	6/6	P
Non-Executive and Independent Director as per TUF	Fabio Borsoi	2/2	M
Non-Executive and Independent Director as per TUF and Code	Annalisa Cuccaro	6/6	M
Chairman of the Board of Directors non-executive and independent as per TUF	Manuela Morgante	6/6	M <sup>9</sup>
Number of meetings held during the financial year		Nr. 6	

#### NOTES

(\*) This column shows the directors' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(\*\*) This column indicates the title of the director within the committee: 'P': chairman; 'M': member.

The average duration of the meetings of the Control, Risk and Sustainability Committee is 1 hour and 7 minutes. The number of meetings held during the next financial year was 6 and no further meetings were scheduled.

The meetings were duly minuted and the Chairman of the committee informs them at the first meeting of the Board of Directors upon completion of an activity. The work was coordinated by the Chairman of the Control, Risk and Sustainability Committee in the person of Roberto Maviglia, as of 25 May 2022, the date on which the committee was reconstituted following the renewal of the administrative body at the Shareholders' Meeting of 6 May 2022. Previously, the role of chairman of the committee was held by Dr Manuela Morgante, who chaired the meetings, except for those relating to the audit plan and periodic reports of internal audit, which were coordinated by Dr Annalisa Cuccaro, in which Dr Morgante abstained. For further details on the structure of the Committee, please refer to the following.

The current Control, Risk and Sustainability Committee, as indicated above, is divided into two separate sections and is made up of non-executive and independent Directors pursuant to the Consolidated Law on Finance (TUF). The first section of the Committee is composed of four (4) Directors, two (2) of whom are independent pursuant to the Code, the second section, of three (3) Directors, the majority of whom are independent pursuant to the Code (Recommendation 35).

Considering the current composition of the Board of Directors, in which there are two independent Directors within the meaning of the Code, including the Chairman of the Board of Directors, however, the provision of *Recommendation 7*, which states that if the Chairman assessed as independent participates in the committees recommended by the Code, the majority of the committee members shall be other independent Directors, cannot be guaranteed.

The Company, moreover, in order to allow for a more effective management of the endo-committees, has preferred to entrust the chairmanship of the two committees envisaged by the Code to different individuals, chosen from among those who meet the independence requirements pursuant to the Code. Consequently, the chairmanship of the Control, Risk and Sustainability Committee was entrusted to the Chairman assessed as independent, having entrusted the chairmanship of the Nomination and Remuneration Committee to the other independent Director pursuant to the Code.

All four (4) members of the committee have knowledge and experience in accounting and finance, deemed adequate by the Board of Directors at the time of their appointment. As a whole, they have adequate expertise in the business sector in which the Issuer, as a holding company, operates, in order to assess the relevant risks. (*Recommendation 35*).

Meetings of the Control, Risk and Sustainability Committee have been attended by directors or representatives of corporate functions who are not members of the Committee at the invitation of the Committee Chairman or another member. If the participation of a representative of a relevant corporate function was deemed necessary or

<sup>9</sup> Manuela Morgante held the position of Chairmane of the committee until 6 May 2022, the date of the renewal of the Board of Directors by the Shareholders' Meeting.

appropriate, the Chairman of the Board of Directors and the Chief Executive Officer (or the Director in Charge) were informed (*Recommendation 17*).

The meetings of the Control, Risk and Sustainability Committee were attended by the members of the Board of Statutory Auditors (*Recommendation 17*). They attended 5 meetings, compared to a total of 6 meetings held during the year.

#### Functions assigned to the Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee has advisory and proposing functions and reports to the Board of Directors on its work and on the adequacy of the internal control and risk management system, at least every six months on the occasion of the approval of the draft annual and consolidated financial statements and the condensed consolidated half-yearly financial statements. The Control, Risk and Sustainability Committee performs its duties in a completely autonomous and independent manner, both with regard to the Managing Directors, as regards issues of safeguarding the company's integrity, and with regard to the independent auditors, as regards the assessment of the results they present in their reports on the financial statements and on fundamental issues.

It should be noted that the current figure of the internal auditor, appointed on 14 January 2020 and most recently renewed on 30 January 2023, is co-habiting with the independent director pursuant to the Consolidated Law on Finance (TUF), Dr. Manuela Morgante. For this reason, the Board of Directors has set up a committee divided into two sections; the first section consisting of four (4) Directors and the second of three (3), which does not envisage the participation of Ms. Morgante in relation to the decisions and/or proposals of the Control, Risk and Sustainability Committee concerning:

- reviewing the periodic and significant reports prepared by the internal audit function (*Recommendation 35, d*);
- monitoring the independence, adequacy, effectiveness and efficiency of the internal audit function (*Recommendation 35, f*);
- requests to the internal audit function to conduct audits of specific operational areas (*Recommendation 35, g*);
- the prior opinions to be provided to the Board of Directors:
  - for the approval, at least once a year, of the work plan prepared by the head of the *internal audit* function;
  - on the proposal concerning the appointment, dismissal and definition, in line with the company's policies, of the remuneration of the head of the *internal audit* function, as well as the adequacy of the resources allocated to him/her for the performance of his/her responsibilities.

It abstains from Board of Directors' resolutions pertaining to the aforementioned topics.

In particular, in accordance with the provisions of the Code (*Recommendation 33*), the Control, Risk and Sustainability Committee is entrusted with the following functions:

- a) assessing, in consultation with the Manager in charge of preparing the Company's financial reports, the Statutory Auditor and the Board of Statutory Auditors, the correct use of accounting standards and their consistency for the purposes of preparing the consolidated financial statements (*Recommendation 35, a*)
- b) assess the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved, coordinating with any additional committees set up within the Board of Directors (*Recommendation 35, b*). It should be noted that no other committees have been established as mentioned in *Recommendation 1, a*) of the Code;
- c) examining the content of periodic non-financial information relevant to the internal control and risk management system (*Recommendation 35, c*);
- d) expressing opinions on specific aspects relating to the identification of the main corporate risks and supporting the Board of Directors' assessments and decisions relating to the management of risks arising from prejudicial facts of which the latter has become aware (*Recommendation 35, d*)
- e) review periodic and particularly significant reports prepared by the internal audit function (*Recommendation 35, d*);
- f) monitor the independence, adequacy, effectiveness and efficiency of the internal audit function

(*Recommendation 35, f*);

- g) entrust the internal audit function with the performance of audits on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors; for coordination purposes, it shall also notify the Chairman of the Board of Directors, the Managing Director and the Director delegated to supervise the internal control and risk management system, unless the subject of the audit request specifically concerns the activity of such persons (*Recommendation 35, g*)
- h) reporting to the Board of Directors, at least once every six months, on the occasion of the approval of the annual and half-yearly financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system (*Recommendation 35, h*);
- i) performs any further tasks assigned to it by the Corporate Governance Code or the Board of Directors.

The Control, Risk and Sustainability Committee also assists the Board of Directors:

- (i) in the definition of the guidelines of the internal control and risk management system, so that the main risks pertaining to the Company and its subsidiaries are correctly identified as well as adequately measured, managed and monitored, and the determination of the degree of compatibility of such risks with a management of the company consistent with the identified strategic objectives;
- (ii) in assessing, at least once a year, the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness;
- (iii) in appointing, revoking and defining, consistently with the Company's policies, the remuneration of the head of the internal audit function, as well as the adequacy of the resources assigned to the latter for the performance of his/her responsibilities. If the Company decides to entrust the internal audit function, as a whole or by segments of operations, to an entity outside the Company, the Control, Risk and Sustainability Committee shall assist the Board of Directors in ensuring that the internal audit function has adequate professionalism, independence and organisational requirements;
- (iv) in approving, at least once a year, the work plan prepared by the head of the internal audit function, without prejudice to the need for the Board of Directors to also consult the Board of Statutory Auditors and the Director delegated to oversee the internal control and risk management system;
- (v) in assessing the appropriateness of adopting measures to ensure the effectiveness and impartial judgment of the other corporate functions involved in the controls in which the Company and its subsidiaries are organised, verifying that they are endowed with adequate professionalism and resources;
- (vi) in assigning to a specially constituted Supervisory Board the supervisory functions pursuant to Article 6, paragraph 1, letter b) of Legislative Decree No. 231/2001. If the Supervisory Board does not coincide with the Board of Statutory Auditors, the Committee shall assist the Board of Directors in assessing the advisability of appointing to the Supervisory Board at least one non-executive director and/or a member of the Board of Statutory Auditors and/or the holder of legal or control functions of the Company, in order to ensure coordination between the various persons involved in the internal control and risk management system. If a Supervisory Board composed only of members external to the Company is set up, the Committee shall assist the Board of Directors in ensuring - through the support of the corporate functions and the care of adequate information flows - adequate coordination with the subjects involved in the internal control and risk management system;
- (vii) in assessing the results set forth by the independent auditors in their letter of suggestions, if any, and in their report on the key issues arising during the statutory audit, without prejudice to the need for the Board of Directors to also hear the Board of Statutory Auditors;
- (viii) in the description, contained in the report on corporate governance, of the main characteristics of the internal control and risk management system and on the methods of coordination between the parties involved in it, as well as the assessment of the adequacy of the system itself, and in the indication of the models and national and international best practices of reference and the choices made regarding the composition of the Supervisory Board referred to in the Model provided for by Legislative Decree No. 231/2001.

Following the Board resolution of 15 November 2022, the functions entrusted to the Control, Risk and Sustainability Committee were extended, which, on a voluntary basis, was assigned sustainability tasks such as the task of:

- A) support the Board of Directors' sustainability assessments and decisions;
- B) examine and evaluate sustainability issues related to the company's operations and the dynamics of its interaction with all stakeholders, and report its assessments to the Board of Directors

- C) examine and evaluate the sustainability policy adopted by the company and report its assessments to the Board of Directors;
- D) monitor the implementation of sustainability strategies and the Company's positioning in the main sustainability indices and report its findings to the Board of Directors;
- E) expressing direct opinions to the Board of Directors or to the director delegated by the same for the matter, on the initiatives and programmes promoted in the field of corporate social responsibility;
- F) examining the layout of the Sustainability Report and the articulation of its contents, as well as the completeness and transparency of the information provided therein, and in this regard providing its own observations to the Board of Directors called upon to approve this document;
- G) at the indication of the Board of Directors or of the director delegated by the same for the matter, or even on its own initiative, formulating opinions or proposals addressed to the Board itself or to the director delegated by the same for the matter, as well as carrying out any further tasks assigned by the Board of Directors on sustainability issues.

During its term of office, the Control, Risk and Sustainability Committee carried out the functions indicated in points (a), (b), (c), (e), (f) and (h) above, and assisted the Board in relation to the activities pertaining to points (i), (ii), (iii) (iv) and (viii) through periodic meetings with the various persons operating in various capacities in the management of the internal control system, and was involved in the identification of persons to be appointed both for internal audit activities, examining annually and in advance the relevant audit plans, and to be appointed within the Supervisory Board. Following the expansion of its functions as of the following financial year, the Board of Directors began to exist in respect of points A), B) and F).

During the Year, the Control, Risk and Sustainability Committee performed the following activities:

- assessed, together with the Manager responsible for preparing the Company's financial reports and having heard the statutory auditor and the Board of Statutory Auditors, the correct use of accounting standards and, in the case of groups, their uniformity for the purposes of preparing the consolidated financial statements;
- after consulting the statutory auditor and the Board of Statutory Auditors, verified the methodology adopted by the Company to perform impairment tests;
- monitored the state of preparation of the statutory and consolidated financial statements for the period ending 31 December 2021, conducting meetings with the independent auditors and the Board of Statutory Auditors, also in order to verify the suitability of the periodic, financial information to correctly represent the Company's business model and strategies;
- examined the content of periodic non-financial information relevant to the internal control and risk management system;
- examined the audit plan prepared by the Head of *Internal Audit*;
- carried out discussions with the Supervisory Board concerning the status of implementation of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001;
- examined the periodic reports of the Director in charge of managing the control and risk management system and held discussions with him on the development of systems for managing ESG issues
- examined the periodic reports of the *Internal Auditor* and the Supervisory Board;
- it preliminarily examined the amendments to be made to the Regulations of the Board of Directors, the Control and Risk Committee and the Nomination and Remuneration Committee aimed at adapting the Company's governance system to the recommendations and principles of the new *Corporate Governance Code*
- examined the amendments to be made to the Regulation of the Control, Risk and Sustainability Committee in order to expand its functions on sustainability matters;
- examined a report by the *Chief Executive Officer* on compliance with the procedure for the management of material information and inside information.
- reported to the Board of Directors on the approval of the annual financial report, on the activities carried out regarding the adequacy of the internal control and risk management system.

During the Year, the Control, Risk and Sustainability Committee:

- it was not called upon to express opinions on specific aspects concerning the identification of the main

corporate risks or to support the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter became aware

- it was not necessary to entrust the internal audit function with the performance of checks on specific operational areas.

With regard to issues relevant to ESG, the Committee proposed the following Policies to the Board of Directors, in consultation with the Director in Charge:

- Code of Ethics for Suppliers,
- Procurement management policy,
- Anti-corruption policy,
- Environment, Energy, Occupational Health and Safety Policy and
- Human Rights Policy, Commitment to Respect for Human Rights and Diversity,

before they were approved by the Board of Directors and disseminated both within and outside the organisation through publication on the company website. Subsequently, the same policies were adopted by subsidiaries of strategic importance: FIB S.p.A. and Seri Plast. S.p.A..

In the performance of its functions, the Control, Risk and Sustainability Committee had the right to access the information and corporate functions necessary to perform its duties, as well as the possibility of using external consultants under the terms established by the Board (*Recommendation 17*).

The Committee was endowed by the Board with financial resources to perform its functions, amounting to 20 thousand euros, on an annual basis, for the entire term of office, reserving the right, in any case, to allocate additional financial resources to the Committee from time to time for the performance of specific activities. (*Recommendation 17*).

### 9.3. HEAD OF THE INTERNAL AUDIT FUNCTION

The person in charge of the internal audit function (the '**Head of Internal Audit**') was appointed for the three-year period 2020 - 2022 by the Board of Directors, at the meeting of 14 January 2020, upon the proposal of the Director in Charge, after consulting the Board of Statutory Auditors and obtaining the opinion of the Control and Risk Committee and the RPT Committee, in the person of Mr. Daniele Bergamini, an external professional, in order to verify that the internal control and risk management system is functioning and adequate (Recommendation 32, d, Recommendation 33, b).

The appointment, which expired, was renewed for the three-year period 2023- 2025 by resolution of the Board of Directors on 30 January 2023, adopting the same procedure.

The internal audit function is entrusted to a person external to the Company, with adequate requirements of professionalism and independence. The decision to outsource the function was made to ensure an adequate level of independence, also assigning the function an adequate expense budget in order to be able to perform its activities independently, as indicated above.

The remuneration of the Head of Internal Audit is consistent with company policies and was defined, after consulting the Control, Risk and Sustainability Committee and the RPT Committee, the latter in consideration of the cohabitation relationship with Director Dr. Manuela Morgante, and after consulting the Board of Statutory Auditors. The Head of Internal Audit was assigned an expense budget of Euro 10 thousand, on an annual basis, for the entire term of office (Recommendation 33, b).

The internal audit function has no connection with any operational area and reports hierarchically to the Board of Directors and functionally to the Control, Risk and Sustainability Committee. Furthermore, the Head of Internal Audit had direct access to all information relevant to the performance of the task (Recommendation 36).

On this point, in relation to the relationship existing with the independent Director, Manuele Morgante, the RPT Committee, which, preliminarily, assessed the professionalism of the person to be entrusted with the assignment, evaluating his remuneration, which was found to be in line with that recognised to the previous internal auditor and adequate to market values, also in relation to the candidate's characteristics and professional experience, also expressed its opinion on the requirements of autonomy when the assignment was made. With regard to this aspect,

the RPT Committee considered that the professional in question, in the performance of the assignment, since no operational proxies were attributed to Ms. Manuela Morgante, did not see her autonomy being violated. In fact, in the case at hand, there is a convergence of interests between the independent Director Dr. Morgante and the internal audit function, since this function is in charge of performing a monitoring and control role, which is precisely to support the entire Board of Directors and, in particular, the independent Directors. However, it was deemed necessary to establish a Control, Risk and Sustainability Committee divided into two sections, in the second of which, dedicated to assessing issues related to internal audit activities, Dr. Manuela Morgante is not a member.

Until the expiry of the term of office of the previous Board of Directors, on the other hand, Dr. Morgante, in the context of the role and functions entrusted to her within the Control and Risk Committee, abstained from all assessments and resolutions concerning internal audit activities.

The appointment of the Head of Internal Audit does not result in the Board being relieved of its duties and responsibilities with regard to the duty to supervise general management performance.

The audit plan for the financial year was approved by the Board of Directors on 3 March 2022, after review by the Control, Risk and Sustainability Committee. The audit plan for the financial year following the reporting year was reviewed by the Control, Risk and Sustainability Committee, after consultation with the Board of Statutory Auditors and the Director in Charge (*Recommendation 33, c*). It was approved by the Board of Directors on 20 March 2023.

The internal audit function - among its powers - is required to verify, in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritization of the main risks (*Recommendation 36, a*).

The Head of Internal Audit prepared periodic reports containing adequate information on his activities, on the way in which risk management is conducted and on compliance with the plans defined for their containment, as well as an assessment of the degree of suitability of the internal control and risk management system (*Recommendation 36, b*) and forwarded them to the Chairman of the Board of Statutory Auditors, the Control, Risk and Sustainability Committee, the Chairman of the Board of Directors, as well as to the Director in Charge, the Chief Executive Officer and the Supervisory Board (*Recommendation 36, d*).

The Head of Internal Audit did not carry out in-depth investigations or prepare reports on particularly significant events in a timely manner, also at the request of the Board of Statutory Auditors (*Recommendation 36, c*) and forwarded the results to the above-mentioned persons (*Recommendation 36, d*).

As part of the audit plan for the financial year, the internal audit function was not requested to perform specific checks on the reliability of information systems, including accounting systems (*Recommendation 36, e*). In this regard, it should be noted that the main Group companies use the "SAP" administrative accounting system, interfaced with the management system.

\* \* \* \*

The main activities carried out by the Head of Internal Audit during the financial year concerned audits on the management of the liability cycle, assets, purchases and extraordinary maintenance, asset cycle (commercial) and allowance for impairment, and trade receivables.

#### **9.4. ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001**

The Issuer has adopted an Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001 (the '231 Model'), which is constantly evolving in order to take into account the types of offences it is intended to prevent.

The Company's Model 231 was most recently adjusted by a Board resolution on 20 March 2023.

Similarly, Model 231 was adopted by the two strategically important subsidiaries: Seri Plast S.p.A. and FIB S.p.A..

Model 231:

- provides guidance on the contents of Legislative Decree 231/2001, which introduced into our legal system a liability of companies and entities, for offences committed, in their interest or to their advantage, by their representatives or employees; and
- outlines the organisation, management and control model, aimed at informing on the contents of the law, directing company activities in line with Model 231 and supervising the functioning and observance of Model 231.

In particular, the Organisation, Management and Control Model aims to:

- to determine, in all those who work in the name and on behalf of the companies that have adopted Model 231 in activities envisaged by Legislative Decree 231/2001, the awareness that they may incur, in the event of violation of the provisions of the law, in an offence, liable to penalties against themselves and against the Company (if the latter has benefited from the commission of the offence, or in any case if the latter has been committed in its interest)
- to reiterate that unlawful conduct is condemned by the companies that have adopted Model 231 in that it is contrary to the provisions of law and the principles to which Seri Industrial intends to adhere in the performance of its corporate mission
- set out these principles and explain the organisation, management and control model in use
- enable internal monitoring and control actions, aimed in particular at the company areas most exposed to Legislative Decree 231/2001, to prevent and combat the commission of offences.

With specific reference to a number of companies that have adopted it, Model 231 aims to prevent the following types of offence:

- Misappropriation of funds, fraud to the detriment of the State or a public body or the European Union for the purpose of obtaining public funds and computer fraud to the detriment of the State or a public body and fraud in public procurement (Article 24, Legislative Decree no. 231)
- Computer crimes and unlawful processing of data (Art. 24-bis, Legislative Decree no. 231/2001)
- Organised crime offences (Art. 24-ter, Legislative Decree no. 231/2001)
- Embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office (Art. 25, Legislative Decree no. 231/2001)
- Forgery of money, public credit cards, revenue stamps and identification instruments or signs (Art. 25-bis, Legislative Decree no. 231/2001)
- Crimes against industry and trade (Art. 25-bis.1, Legislative Decree no. 231/2001)
- Corporate offences (Art. 25-ter, Legislative Decree no. 231/2001)
- Crimes for the purpose of terrorism or subversion of the democratic order provided for by the Criminal Code and special laws (Art. 25-quater, Legislative Decree no. 231/2001)
- Crimes against the individual (Art. 25-quinquies, Legislative Decree no. 231/2001)
- Market abuse offences (Art. 25-sexies, Legislative Decree no. 231/2001)
- Crimes of culpable homicide and serious or very serious culpable injuries, committed in breach of the rules on accident prevention and on the protection of hygiene and health at work (Art. 25-septies, Legislative Decree no. 231/2001)
- Receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering (Art. 25-octies, Legislative Decree no. 231/2001)
- Crimes relating to non-cash payment instruments (Art. 25-octies.1, Legislative Decree no. 231/2001)
- Copyright infringement offences (Art. 25-novies, Legislative Decree no. 231/2001)
- Inducement not to make statements or to make false statements to the judicial authorities (Art. 25-decies, Legislative Decree no. 231/2001)
- Environmental offences (Art. 25-undecies, Legislative Decree no. 231/2001)
- Employment of third-country nationals whose stay is irregular (Art. 25-duodecies, Legislative Decree no. 231/2001)
- Tax offences (Art. 25-quinquiesdecies, Legislative Decree no. 231/01)
- Offence of smuggling - border rights (Art. 25-sexiesdecies, Legislative Decree no. 231/01)

- t. Crimes against cultural heritage (Art. 25-septiesdecies, Legislative Decree no. 231/01)
- u. Laundering of cultural assets and devastation and looting of cultural and landscape assets (Art. 25-duodevicies, Legislative Decree no. 231/01)
- v. Transnational offences (Law no. 146/2006 amended by Law no. 236 /2016)

With regard to Model 231, the Company carried out activities in order to allow it to be updated following the issuance of

- of Legislative Decree No. 184 of 8 November 2021 ("Implementation of Directive (EU) 2019/713 on combating fraud and counterfeiting of non-cash means of payment"), which inserted Art. 25-octies.1 into the body of offences covered by Legislative Decree 231/01,
- of Legislative Decree No. 195 of 8 November 2021 ("Implementation of Directive (EU) 2018/1673, on the fight against money laundering by means of criminal law") which amended the offences covered in Art. 25-octies of Legislative Decree 231/01 on receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering; and
- Law no. 22 of 9 March 2022, which added Art. 25-septiesdecies and Art. 25-duodevicies and, therefore, extended the catalogue of offences covered by the administrative liability of entities.

In particular, with regard to Article 25-septiesdecies, the relevant offences included in the list of predicate offences are offences against cultural heritage, while with regard to Article 25-duodevicies, the relevant offences included in the list of predicate offences refer to the laundering of cultural goods and the devastation and looting of cultural goods and landscapes.

The 231 Model is available on the Company's website [www.seri-industrial.it](http://www.seri-industrial.it), as well as the Code of Ethics in the section '*Governance/Control System/Model of Organisation and Control and Code of Ethics*'.

\* \* \* \*

On 28 October 2021, the Board of Directors renewed, until the Shareholders' Meeting called to approve the financial statements as of 31 December 2023, a Supervisory Board, composed of a member external to the Company, with the requirements of professionalism and independence necessary to carry out the task, in the person of Antonio Nobile - a lawyer who carries out professional activities of consultancy and assistance in corporate criminal law. Subsequently, the subsidiaries FIB S.p.A. and Seri Plast S.p.A. also renewed their Supervisory Bodies until the year 2023, on 22 November 2021 and 23 December 2021, respectively.

Although providing for the establishment of a body in a monocratic form, the body was supported by internal referents with specialised skills with respect to the Company's activities in order to allow the Supervisory Body to benefit from professionalism, also of a technical nature, with respect to the different sectors and production sites of the companies that have adopted the 231 Model.

The Company, in evaluating the figure to be entrusted with the task, did not opt for entrusting the function to the Board of Statutory Auditors or to provide for at least one non-executive director or a member of the Board of Statutory Auditors to be present within the body, as it is considered that entrusting a different person would allow for an additional autonomous and independent oversight with respect to the Board of Statutory Auditors or a director (*Recommendation 33, e*).

In order to ensure coordination between the various parties involved in the internal control and risk management system (*Recommendation 33, e*), the Supervisory Board is invited to attend meetings of the Control, Risk and Sustainability Committee, and it is envisaged that there will be close contact with internal contacts of the various entities.

At the time of its appointment, the Board of Directors provided the Supervisory Board with financial resources for the performance of its mandate in the amount of EUR 15,000, on an annual basis, for the entire term of office.

## 9.5. AUDITING COMPANY

On 3 December 2019, the Shareholders' Meeting approved the engagement of the auditing firm EY S.p.A. for the financial years 2019 to 2027, with regard to the auditing of the annual financial statements, the consolidated financial statements, the limited audit of the condensed half-yearly financial statements, the verification of the proper keeping

of the company accounts, the opinion on the consistency of the report on operations, and of certain specific information in the report on corporate governance and ownership structure, with the annual financial statements and the consolidated financial statements and their compliance with the law, as well as the activities aimed at issuing the declaration on the possible identification of significant errors, and the activities aimed at signing the tax declarations. The envisaged remuneration is EUR 80,000.00, plus reimbursement for expenses incurred in performing the work.

On an annual basis, the Company's Board of Directors grants the assignment for the limited review of the consolidated non-financial statement, pursuant to Legislative Decree 254/2016, which, for the Financial Year, was entrusted to the auditing company EY S.p.A..

In anticipation of the preparation of the subsequent financial statements, the Company takes into account the indications set forth by the auditor in the additional report addressed to the Board of Statutory Auditors, even if no special meeting of the Board of Directors was held during the Year in which the results set forth were discussed collectively (*Recommendation 33, f*).

#### **9.6. MANAGER IN CHARGE OF PREPARING CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS**

Article 27 of the Bylaws provides that the Board of Directors shall appoint and dismiss the person to whom the functions and responsibilities relating to the preparation of corporate accounting documents shall be assigned, pursuant to Article 154-bis of Legislative Decree No. 58/1998. The appointment of the Manager in charge of preparing the company's accounting documents, as set forth in Article 27 of the Bylaws, is made after the Board of Directors verifies that he/she has a degree in economics and experience in the field of accounting and/or finance and/or management control. The Bylaws also provide that the appointment of the Manager in charge of preparing the company's financial reports must be preceded by a mandatory but non-binding opinion of the Board of Statutory Auditors, to be rendered within five days of the Board of Directors' request.

The functions of Manager in charge of preparing corporate accounting documents have been entrusted as of 14 January 2020 to Mr. Pasquale Basile, having verified the requirements of Article 27 of the Articles of Association, subject to the mandatory opinion of the Board of Statutory Auditors.

The Board of Directors introduced a Regulation for the Manager in charge of preparing the company's accounting documents, which regulates the activities, powers and responsibilities of the Manager in charge from an organisational point of view.

In order to allow for the autonomous performance of the activities entrusted to the Financial Reporting Officer, on 25 March 2021, the Board of Directors made available to the Financial Reporting Officer an expense budget for the performance of the relative mandate, amounting to EUR 10,000, on an annual basis, for the entire period of the appointment, unless otherwise determined and/or required.

As regards the risks connected with financial reporting, which must be adequately monitored, these mainly concern for the annual financial statements:

1. carrying out Impairment Tests on the recovery value of major holdings;
2. the recognition of deferred tax assets and their recoverability based on prospective plans;

for the consolidated financial statements:

1. carrying out Impairment Tests on the recovery value of goodwill allocated to Cash Generating Units (CGUs);
2. the recognition of deferred tax assets and their recoverability based on prospective plans;
3. relations with related parties
4. financial debt with regard to compliance with financial covenants.

#### **Other corporate roles and functions with specific tasks relating to internal control and risk management**

The following is an indication of other corporate roles and functions that are entrusted with specific tasks in terms of internal control and risk management, taking into account the size, complexity and risk profile of the Company and its

strategically important subsidiaries. The Issuer and its strategically important subsidiaries reserve the right to identify other corporate roles and functions with specific tasks in terms of internal control and risk management, should the need arise (*Recommendation 37*).

With regard to the protection of health and safety in the workplace, the current legislation set forth in Legislative Decree 81/08, identifies a number of figures entrusted with the responsibility of preventing risks in the workplace. The Company, strategically important subsidiaries and other subsidiaries, depending on the complexity of the individual business, have identified:

- the employer who, in the field of health and safety in the workplace, has control of the organisation and manages the system with specific provisions within the scope of delegated decision-making powers. This figure, and that of the employer's deputy, where appointed, also with the help of deputies, have the task of identifying the sources of risks in the workplace, appointing the competent doctor, ensuring that the training of other safety figures takes place, and that the necessary individual protection devices are provided to workers;
- managers and supervisors, who act on the basis of decisions taken by the employer and exercise their functions by delegation, overseeing the execution and management of the system;
- the persons in charge of the prevention and protection service (also RSPP) to whom the functions of general coordination of risk prevention and protection at individual sites are delegated, including the management and maintenance of the risk assessment document ('DVR'), the identification of risk factors (relating, for example, to plant, tools, space, noise and related stress, presence of hazardous substances or waste, etc.) and the development of preventive measures.

Within the framework of the management of UNI EN ISO 9001 quality systems adopted at the company sites of the companies belonging to the Batteries Division (of which Fib S.p.A. is the lead company) and those belonging to the Plastics Division (of which Seri Plast S.p.A. is the lead company), the persons responsible for the management of said quality systems have been identified.

In addition, within the framework of the organisation of UNI EN ISO 14001 environmental management systems applied at the industrial sites of Monterubbiano and Monte Sant'Angelo of FIB S.p.A. and at the Alife site of Seri Plast S.p.A., those responsible for the management of said systems have been identified.

For further information, please also refer to the non-financial statement (the "DNF"), prepared at a consolidated level, available on the corporate website in the Investor / Non-financial statement section, at: <https://www.seri-industrial.it/index.php/dichiarazione-non-finanziaria> in which information is provided on environmental, social, personnel-related, respect for human rights and the fight against active and passive corruption, in implementation of the provisions of Legislative Decree 254/2016, containing provisions implementing Directive 2014/95/EU.

In the same document, indications are also provided on the risks generated and suffered in the various areas of reference mentioned above for direct activities, for products, for commercial policies and for subcontracting relationships. Particular attention is paid to the use of energy resources (including those from renewable sources), water resources, the emission of greenhouse gases and emissions of pollutants into the atmosphere, assessing the impact that such uses or emissions have on the environment, health and safety. Further elements are aimed at providing information on actions to guarantee gender equality and the implementation of international conventions on the subject, the existing dialogue between the social partners, and respect for human rights.

Finally, the Company, in accordance with the provisions of EU Regulation 2016/679 on Privacy, has identified systems Director within its organisation.

## **9.7. COORDINATION BETWEEN THOSE INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The methods of coordination between the various parties involved in the internal control and risk management system are set out below. Specifically, in consideration of the context and size of the Issuer, the Company resorts to periodic meetings between the various parties involved in the internal control and risk management system, increasing the exchange of information flows between them and taking into consideration any specific needs that may have arisen during the Financial Year. The exchange of flows is aimed at maximising the efficiency of the system itself, reducing the duplication of activities and ensuring the effective performance of the tasks of the Board of Auditors (*Principle XX*).

Thanks to periodic meetings of the Control, Risk and Sustainability Committee in which, in addition to the Board of Statutory Auditors, the Supervisory Board, the internal audit function, the Director in charge and, as far as financial reporting is concerned, the Manager in charge and the auditing firm are invited to participate, it is possible to ensure that the exchange of information between the various parties takes place efficiently (*Recommendation 37*).

The table below summarises the methods of exchange between the various parties involved in the internal control

Organisational structures	Guidelines	Financial Reporting Audits/Information	Request for specific verifications to be carried out	Audit Plan	Carrying out verifications	Information to the B.o.D.	Additional report pursuant to Legislative Decree 39/2010 of the auditor
<b>Board of Directors (B.o.D.)</b>	It has the role of defining the guidelines and evaluating them annually	Evaluates the DP's information report		<i>Approves the Audit Plan annually</i>		Receives regular briefings, from ASCR, JRC, SB, IA	Evaluates annually the results presented by the auditor in the Additional Report if it contains relevant elements
<b>Director-in-Charge (ASCR)</b>	executes the guidelines defined by the B.o.D.	Receives the evaluations carried out by the DP Examines the DP's information report	It may request audits to be carried out by the IA, informing the Chairman of the BoD, SC and JRC.	Shares the Audit Plan	Receives the periodic report of the IA	Reports to the B.o.D. on the identification of major risks Informs the JRC, Board of Directors on specific critical issues and problems that have arisen	Receives from the SC the Additional Report transmitted by SR if it contains relevant elements
<b>Control, Risk and Sustainability Committee (RAC)</b>		a. Establishes a systematic relationship with the DP b. Supports the DP on the correct use of the adopted accounting principles c. Receives the DP's information report	May request audits from the IA, informing the Chairman of the CS, the CDA and the ASCR	Shares the Audit Plan	Receives and examines the periodic report of the IA	Reports periodically to the BoD on its activities	Receives from the SC the Additional Report transmitted by SR if it contains relevant elements
<b>Supervisory Board (SB)</b>		a. Receives information from the DP	It may request the IA to carry out verifications	Shares the Activity Plan with the IA	Receives and examines the periodic report of the IA	Reports to the BoD on its activities Reports annually to the BoD In urgent cases, informs the Chairman of the BoD, the CS and the ASCR	
<b>Internal Auditor (IA)</b>		Establish a systematic relationship with the DP		Prepares the Audit Plan annually in consultation with the Supervisory Board and the Board of Auditors	Carries out checks and prepares a periodic report	Report periodically to the B.o.D.	
<b>Board of Auditors (CS)</b>		a. Establishes a systematic relationship with the DP b. Receives information from the DP c. Exchanges information with the SR		Receives the Audit Plan, to be approved in consultation with the Board of Auditors	Receives and examines the periodic report of the IA		Receives from the SR the Additional Report required by Legislative Decree 39/2010
<b>Auditing company (SR)</b>		a. Establishes a systematic relationship with the DP b. Exchanges information with the Board of Auditors					Prepares the Additional Report required by Legislative Decree 39/2010
<b>Financial Reporting Officer (DP)</b>		a. Adopt organisational and procedural solutions in the area of financial reporting in agreement with the ASCR b. Prepares an information report for the BoD, the SC, CCR and the ASCR					

and risk management system and their frequency.



## 10. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

### Preamble

The Issuer has in place an RPT Procedure adopted, in accordance with the provisions of Article 2391-bis of the Italian Civil Code and the RPT Regulation, by the Board of Directors on 28 June 2021, after receiving the favourable opinion of the RPT Committee. It is envisaged that the Company's Board of Directors will periodically assess, and in any case at least every three years, whether to revise the RPT Procedure, taking into account, inter alia, any changes in the ownership structure, as well as the effectiveness demonstrated in practice by the rules and controls adopted to ensure the transparency and substantive and procedural fairness of transactions with related parties. The Board of Statutory Auditors monitors the compliance of the RPT Procedure with the principles indicated in the RPT Regulation, as well as its compliance over time, and reports to the Shareholders' Meeting pursuant to Article 153 of the Consolidated Law on Finance (TUF).

The RPT Procedure governing transactions with related parties, the full text of which is available on the Company's website [www.seri-industrial.it](http://www.seri-industrial.it), in the "Governance" section, defines the guidelines and criteria for the identification of transactions with related parties and outlines the roles, responsibilities and operating procedures aimed at ensuring, for such transactions, adequate information transparency and procedural and substantive fairness.

### Appointment of the Related Party Transactions Committee

The appointment of the Committee for Related Party Transactions (hereinafter the 'RPT Committee') is the responsibility of the Company's Board of Directors. To this end, the Company's Board of Directors may proceed directly to identify the directors called upon to permanently serve on the Committee, may supplement its composition if necessary, and may assign its functions to one of the Committees already established within it, whose composition meets the necessary requirements.

When setting up the RPT Committee, the Board of Directors of the Company appoints the Chairman of the Committee.

If there are at least three (3) independent directors on the Company's Board of Directors, pursuant to both the Code and the TUF, the RPT Committee shall be composed of three (3) independent directors, who must also be unrelated directors for each transaction.

If one or more members of the RPT Committee are related, the Company's Board of Directors shall proceed to integrate the Committee by appointing other independent and unrelated directors to the RPT Committee if there are more than three (3) independent directors within the Board of Directors, both pursuant to the law and to the implementation of the self-regulatory codes.

If the Company's Board of Directors does not include at least three (3) independent directors, pursuant to both the Consolidated Law on Finance (TUF) and the Code, the Committee called upon to express an opinion on less material transactions with related parties shall be composed of two (2) independent directors, pursuant to both the Consolidated Law on Finance (TUF) and the Code, and one non-executive director, who must also be non-related directors with reference to each transaction.

If the Board of Directors is composed of only (a) two (2) non-executive and independent directors pursuant to the Consolidated Law on Finance (TUF) and the Code or (b) one (1) independent director pursuant to the Consolidated Law on Finance (TUF) and the Code and one (1) non-executive director, who with reference to the specific transaction must also be non-related directors, the third member shall be chosen, upon the indication of the Chairman of the Board of Statutory Auditors, from among the members of the control body.

If the Company's Board of Directors does not include at least three (3) independent directors, pursuant to both the Consolidated Law on Finance (TUF) and the Code, who, with reference to each transaction, must also be unrelated directors, the Committee called upon to express an opinion on transactions of greater significance shall be composed of two (2) independent directors, pursuant to both the Consolidated Law on Finance (TUF) and the Code, who, with reference to each transaction, must also be unrelated directors, and one (1) member of the control body, indicated by the Chairman of the Board of Statutory Auditors.

Lastly, should it be impossible to make such additions, the Company's Board of Directors shall appoint an independent expert.

#### *Roles, responsibilities and operating procedures under the Related Party Transaction Procedure*

Based on the RPT Procedure, the administrative body or delegated bodies are reserved for the examination and prior approval of related party transactions of the Issuer and its subsidiaries, depending on the materiality of the transaction, according to predetermined materiality ratios.

#### *Major Transactions with Related Parties*

On the basis of the RPT Procedure, the Board of Directors is the body exclusively competent to approve highly significant transactions with related parties. The RPT Committee must be involved in the negotiation and preliminary stages in a timely manner, through the receipt of complete, up-to-date and adequate information. The Board of Directors resolves on transactions of greater significance with related parties, subject to the favourable, binding opinion of the RPT Committee on the Company's interest in carrying out the transaction, as well as on the appropriateness and substantive and procedural correctness of the related conditions.

In any case, the Board of Directors may approve a transaction of greater significance, even in the presence of a contrary opinion of the RPT Committee, if it decides to submit the transaction of greater significance to the authorisation of the Shareholders' Meeting. In this case, the transaction - where provided for by the Company Bylaws and without prejudice to compliance with the constitutive and deliberative quorums required for the adoption of shareholders' resolutions of an ordinary or extraordinary nature - may not be carried out if the proposed resolution to be submitted to the Shareholders' Meeting is not also approved with the favourable vote of the majority of non-related voting shareholders, provided that the latter represent at least 10% of the share capital with voting rights at the Shareholders' Meeting. To this end, before the start of the meeting proceedings, those entitled to vote are required to disclose the possible existence of a correlation relationship with respect to the specific transaction on the agenda.

#### *Minor Transactions with Related Parties*

The Board of Directors or the delegated bodies have the power to decide on transactions of lesser importance with related parties, within the limits of the powers conferred on them, subject to the opinion of the RPT Committee, which must receive adequate and complete information in advance on the characteristic elements of the transactions, such as the nature of the relationship, the manner in which the transactions are carried out, the conditions, including economic conditions, for their implementation, the underlying interest and motivations, and any risks for the Company. The Board of Directors or the delegated bodies approve transactions of lesser significance, subject to the reasoned, non-binding opinion of the RPT Committee on the Company's interest in carrying out the transaction, as well as on the appropriateness and substantive and procedural correctness of the related conditions.

\* \* \* \*

In the event that, on the basis of legal provisions or the Articles of Association, a less material transaction or a more material transaction with related parties falls within the competence of the Shareholders' Meeting or must be authorised by it, during the negotiation phase, the preliminary investigation phase and the phase of approval of the proposed resolution to be submitted to the Shareholders' Meeting, the provisions described above apply depending on the type of transaction.

On the basis of the RPT Procedure indicated above, the Board has expressly defined which transactions must be approved by the Board itself, subject to the opinion of the RPT Committee, and the latter may also be assisted by independent experts.

The Company has provided in the RPT Procedure that the transactions contemplated in Articles 13 and 14 of the RPT Rules are excluded from the procedural rules, including those of small amounts, i.e., those transactions with a maximum amount of consideration or foreseeable maximum value of the transfer of resources, services or obligations to the Company or the subsidiary not exceeding (i) Euro 100,000 if the related party is a natural person and Euro 150,000 if the related party is a legal person.

The RPT Procedure does not apply to transactions with related parties that do not fall within the competence of the Shareholders' Meeting, nor need to be authorised by it, if they are approved under urgent conditions, and certain conditions set forth in the RPT Procedure are met.

It should be noted that the RPT Procedure described has been transfused into a specific protocol that is an integral part of Model 231.

### Interest Management

If the transaction involves the interests of one of the directors of the Company (or of the subsidiary), the director who is in the condition of a related party with respect to the transaction must promptly and fully inform, through the Corporate Affairs Department, the RPT Committee, the Board of Directors of the subsidiary, the Chairman of the Board of Directors of the Company and the Board of Statutory Auditors of the latter, about the existence of the relevant interest pursuant to Article 2391 of the Civil Code, refraining from participating in the resolution.

In the event that the Board of Directors of the Company (or, if the transaction concerns a subsidiary, that of the subsidiary) nevertheless deems it desirable for the director in question to participate in the preliminary stage, the same may allow, after consulting the Board of Statutory Auditors, the participation of the director concerned in the preliminary stage of the transaction.

In any case, the above-mentioned directors, who have in the transaction an interest, on their own behalf or on behalf of third parties, in conflict with that of the Company (or, if the RPT concerns a subsidiary company, that of the subsidiary), if the transaction is within the competence of the board of directors, shall abstain from voting on it. The same shall contribute to the constituent quorum of the administrative body, but shall be excluded from the deliberative quorum.

If the transaction involves the interests of one of the executives with strategic responsibilities of the Company (or, if applicable, of the subsidiary) involved in the transaction, the executive who is in the status of a related party with respect to the transaction must promptly and fully inform the Chairman of the Board of Directors of the Company, the Chief Executive Officer of the Company, and the Chairman of the Committee of the existence of the relevant interest.

Without prejudice to the provisions of Article 2391 of the Civil Code, it should be noted that the Issuer periodically carries out a formal verification of any situations of conflict of interest of directors and auditors, based on information provided by them through self-declarations filed in the records during the approval process of this Report.

### Members of the Related Party Transactions Committee or OPC Committee.

On May 25, 2022, the Board of Directors, at its first useful meeting after taking office, permanently established the OPC Committee responsible for less material transactions with related parties, composed of three (3) non-executive Directors, all independent pursuant to the TUF, two (2) of whom are also independent pursuant to the Code in the persons of Annalisa Cuccaro, Manuela Morgante and Roberto Maviglia, appointing Manuela Morgante as Chairman of the OPC Committee and Roberto Maviglia as Vice Chairman;

The Board of Directors has also decided to provide, as an alternative oversight for transactions of greater significance, an OPC Committee composed of two (2) non-executive and independent Directors both pursuant to the TUF and the Code in the persons of Annalisa Cuccaro and Roberto Maviglia; the latter as Chairman and a member of the Board of Statutory Auditors who will be, from time to time, designated by the Chairman of the Board of Statutory Auditors.

The RPT Committee, until May 6, 2022 when the term of office of the previous Board of Directors ended, was composed of three (3) independent Directors, in the persons of Roberto Maviglia - Chairman, Annalisa Cuccaro and Manuela Morgante.

[Table 3. Structure of additional board committees as of the end of the fiscal year \(ex art.123-bis, paragraph 2\(d\), TUF\)](#)

Below is a table containing the composition of the OPC Committee and the relative membership of its members.

Directors in office at the end of the fiscal year			
Board of Directors		OPC Committee	
Position/qualification	Member	(*)	(**)
Non-executive and independent director by TUF and Code	Manuela Morgante	24/24	P
Non-executive and independent director by TUF and Code	Annalisa Cuccaro	34/34	M
Chairman of the Board of Directors non-executive and independent as per TUF and Code	Roberto Maviglia	34/34	M/P <sup>10</sup>
Statutory Auditor	Susanna Russo	7/7	M
Statutory Auditor	Daniele Cauzillo	4/4	M
Number of meetings held during the Exercise		Nr.34	

**NOTES**

(\*) This column shows directors' attendance at committee meetings (indicate the number of meetings attended out of the total number of meetings they could have attended; e.g., 6/8; 8/8, etc.).

(\*\*) This column indicates the title of the advisor within the committee: "P": chairman; "M": member.

The average duration of OPC Committee meetings is No. 48 minutes. The number of meetings held during the following fiscal year is No. 8.

Taking into account the tasks and functions assigned to the RPT Committee, no meetings were scheduled for the following fiscal year except for the one expressly provided for in the RPT Rules. Pursuant to the RPT Procedure, it is provided that in anticipation of the examination and approval of the annual financial report, the Corporate Affairs Department shall transmit to the Related Party Transactions Committee information on the application of the cases of exclusion provided for in the RPT Procedure, with reference to transactions of minor and major significance.

The work of the RPT Committee is coordinated by the Chairman; the meetings were duly recorded in minutes.

With regard to the activities carried out by the RPT Committee during the Year, they concerned:

- to the assessment on the proper application of the conditions of exclusion to transactions of greater significance defined as ordinary and concluded on market or standard terms, as part of a broader review on the execution of related party transactions and the implementation of the conditions expressed by the Committee;
- to the examination of transaction of minor significance consisting of the hiring of former Whirlpool Emea S.p.A. employees (opinion issued on January 24, 2022);
- to the issuance of an opinion regarding transactions of minor significance relating to the renewal of existing real estate lease agreements between the subsidiaries of Seri Industrial S.p.A. and Pmimmobiliare S.r.l. (opinion issued on January 29, 2022);
- to the issuance of an opinion on a minor transaction related to the signing of an independent collaboration agreement between FIB S.p.A. and Mr. Giacomo Civitillo (opinion issued on March 2, 2022);

<sup>10</sup> Roberto Maviglia was Chairman of the previous RPT Committee until 6 May 2022, when the mandate of the previous Board of Directors expired. Roberto Maviglia currently holds the position of Chairman of the alternative control to the RPT Committee for the purposes of the investigation of the most significant RPTs..

- to the issuance of an opinion regarding minor transactions consisting of the takeover of Pmimmobiliare S.r.l in the O&M contracts on photovoltaic plants between Seri Development & Real Estate S.r.l and subsidiaries of Seri Industrial S.p.A. (opinion issued on June 16, 2022);
- to the issuance of an opinion on a minor transaction consisting of making changes to the remuneration policies and consequently to the stock option plan and related disclosure document. (opinion issued on June 28, 2022);
- to the issuance of an opinion on a transaction of minor significance consisting of the signing of the "Agreement for the provision of services" between Seri Industrial S.p.A. and subsidiaries with Pmimmobiliare S.r.l. (opinion issued July 7, 2022);
- to the issuance of an opinion related to a transaction of greater significance consisting of Seri Plast S.p.A.'s waiver of the purchase of the Pozzilli Property, through its subsidiary Packaging to Polymers S.r.l, envisaged by the framework agreement for the reindustrialization of the Pozzilli (IS) site, with PMImmobiliare S.r.l. taking over (opinion issued on October 1, 2022) and an opinion on a minor transaction consisting of the stipulation of a "Lease Agreement" between Packaging to Polymers S.r.l and Pmimmobiliare S.r.l. (opinion issued on September 30, 2022). Said transaction is yet to be implemented pending acceptance to have the related party take over allowed by the counterparty;
- to the issuance of an opinion on a minor transaction consisting of the liberal disbursement by Fib S.p.A. to Polisportiva Matese S. S. D. a r. l. aimed at maintenance and restoration work on a public sports facility located in the Municipality of Piedimonte Matese as part of the Bonus Sport (opinion issued on November 30, 2022) governed by the Budget Law of 12/30/2021, no. 234, art. 1, paragraph 190, which extended for the year 2022 the possibility of making liberal disbursements for maintenance and restoration of public sports facilities and for the construction of new public sports facilities already provided by the budget law for the year 2019 in art. 1 paragraphs 621 to 627;
- to the issuance of an opinion on a major transaction consisting of the sale of the Property in Arras (France) by Plastam Europe SaS to PMImmobiliare Srl. (opinion issued on December 19, 2022), together with the issuance of an opinion on a transaction of lesser significance relating to the transaction constituted by the signing of a "Lease Agreement" between Plastam Europe S.a.S. and Pmimmobiliare S.r.l. (opinion issued on December 19, 2022).

During the fiscal year following the one to which this Report refers, the RPT Committee proceeded to verify the proper execution of the transactions concluded during the Year, examining both the transactions carried out with related parties outside the Seri Industrial Group and those involving the Seri Industrial Group and excluded from the scope of the RPT Procedure, as they did not involve other related parties outside the Group. The analysis covered all transactions of minor and major significance and those of small amounts, including those excluded from the procedural scope.

It should be noted that the Board of Directors, in the RPT Procedure, determined to broaden the scope of material transactions and narrow the category of ordinary transactions, in order to increase the market's and institutions' reliance on how related party transactions are defined and approved, which for the Issuer, which has chosen not to have its own instrumental real estate but to make ordinary use of real estate held by related parties, in order to enjoy greater operational flexibility, and which relies on the financial support of the controlling shareholder, constitute physiological solutions and substantially management opportunities.

In particular, it is stipulated that of the "*Transactions of Greater Significance*" are defined as RPTs:

- (i) in which at least one of the materiality ratios, as defined in the RPT Procedure, applicable depending on the specific transaction, is greater than 5.0%, respectively;
- (ii) related to real estate leases entered into with the parent company or with related parties of the parent company, which are themselves related to the Company, in which the materiality index of the countervalue, as defined below, is greater than 2.5% (two point five percent);
- (iii) entered into with the parent company or parties related to the latter, which are themselves related to the Company, regardless of the magnitude of the materiality ratios, as defined below, applicable depending on the specific transaction, relating to:
  - a) the purchase or sale, in whatever manner carried out, or the contribution of companies, business branches or shareholdings in other companies or entities, as well as the stipulation of active or passive contracts of lease or usufruct of a company or business branch;

- b) the incorporation of companies and/or other entities, or the subscription of shareholdings in the capital of companies and/or other entities;
- c) merger or demerger transactions;
- d) the purchase and sale of real estate.

## 11. BOARD OF AUDITORS

### 11.1. APPOINTMENT AND REPLACEMENT OF AUDITORS

This section provides information on the rules applicable to the appointment and replacement of members of the Board of Statutory Auditors and, in particular, illustrates the provisions of the Bylaws governing the functioning of list voting, indicating, among other things

- the shareholding, if any, envisaged for the submission of lists, in each case giving evidence of the shareholding determined by Consob pursuant to the Issuers' Regulations
- the procedures for submitting the lists
- the criteria for identifying the candidate to be elected in the event of a tie between lists, based on the provisions of Article 144-sexies, paragraph nine, of the Issuers' Regulations.

The Articles of Association do not contain any provisions that

- allow alternate auditors to be drawn from the minority list to replace the minority member, in addition to the minimum required by Consob regulations, based on the provisions of Article 144-sexies, paragraph eight, of the Issuers' Regulations
- provide for the election of more than one minority auditor, in compliance with the criteria for the proportional allocation of seats, as required by Article 144-sexies, paragraph ten, of the Issuers' Regulation.

The Issuer, in addition to the applicable provisions of the Consolidated Law on Finance (TUF) and its implementing regulations, as well as the provisions of the Code, is not subject to further rules on the appointment and replacement of the control and administration bodies and their composition, without prejudice to the provisions of the Articles of Association.

It should be noted that, in addition to the powers and duties provided for by the Articles of Association, the law and regulations in force, as of the entry into force of the Italian regulations to comply with the European Directive on statutory audits, the Board of Statutory Auditors supervises;

- on the financial and non-financial reporting process;
- on the effectiveness of the internal control, internal audit and risk management system;
- on the statutory audit of the annual and consolidated financial statements;
- on the independence of the statutory auditors, in particular as regards the provision of non-audit services.

Furthermore, pursuant to the RPT Procedure for Related Party Transactions, the Board of Statutory Auditors is required to supervise compliance with the RPT Procedure and report to the Shareholders' Meeting.

In carrying out its activities, the Board of Statutory Auditors coordinates with the Control, Risks and Sustainability Committee, the internal audit function, as well as the Supervisory Board, attending - some of its members - the meetings called by the Control, Risks and Sustainability Committee.

#### Appointment of Statutory Auditors

In accordance with the provisions of the law on the protection of minorities, the appointment of auditors is made on the basis of lists submitted by shareholders pursuant to Article 26 of the Articles of Association.

Shareholders who, at the time of filing their lists, prove that they own at least 2.5 per cent (two point five per cent) of the shares with voting rights at the Ordinary Shareholders' Meeting are entitled to submit lists, unless the law or regulatory provisions establish a different minimum percentage.

The shareholding percentage determined by Consob pursuant to Article 144-quater of the Issuers' Regulation for the financial year is 2.5 per cent (two point five per cent), which was also confirmed for the financial year following the one to which this Report refers.

The lists must contain a number of candidates not exceeding the number of members to be elected, listed by a progressive number. Each candidate may only appear on one list under penalty of ineligibility. Each shareholder may,

directly or indirectly through a trust company or intermediary, present only one list. In the event of violation of this rule, the shareholder's vote shall be disregarded with respect to any of the lists submitted.

If, with reference to the term of office, which is the subject of a shareholders' resolution from time to time, mandatory criteria of gender distribution (male and female) are applicable, each list that contains at least three (3) candidates shall contain a number of candidates of the lesser represented gender at least equal to the minimum quota applicable from time to time (both with regard to the office of standing auditor and that of alternate auditor).

The lists signed by the shareholders submitting them must be deposited at the Company's registered office at least twenty-five days prior to the date set for the Shareholders' Meeting on first or single call. In the event that, by the aforementioned deadline, only one list has been filed, or only lists presented by shareholders who are connected with each other pursuant to applicable provisions, lists may be presented up to the third day following that date. In this case, the minimum percentage envisaged above is reduced to half.

Shareholders other than those holding a controlling or relative majority interest must simultaneously submit, at the Company's registered office, a declaration certifying the absence of any relationship, as envisaged by the applicable provisions, with shareholders who hold, even jointly, a controlling or relative majority interest and/or any other declaration envisaged by the laws and regulations in force from time to time.

In order to prove ownership of the number of shares necessary to submit lists, shareholders, at least twenty-one days prior to the date set for the Shareholders' Meeting on first call, or on single call, must send a special notice issued pursuant to current regulations through an authorised financial intermediary.

The filing of the lists, carried out in accordance with the above, is also valid for the second and third call, where applicable.

Outgoing Statutory Auditors may be re-elected. Within the aforementioned deadline, exhaustive information on the personal and professional characteristics of the candidates must also be filed, as well as declarations in which the individual candidates accept their candidacy and declare, under their own responsibility, the non-existence of causes of ineligibility and incompatibility provided for by law, as well as the existence of the requirements prescribed by law for members of the Board of Statutory Auditors. Lists for which the above provisions are not complied with shall be considered as not submitted.

Each person entitled to vote may only vote for one list.

Except as provided for in the following paragraph, the election of the members of the Board of Statutory Auditors shall be conducted as follows:

- two statutory auditors and one alternate auditor are taken from the list that obtained the highest number of votes at the Shareholders' Meeting, based on the progressive order in which they are listed in the list
- from the second list that obtained the highest number of votes at the Shareholders' Meeting, the remaining standing member, who also assumes the office of Chairman of the Board of Statutory Auditors pursuant to the law, and the other alternate member are taken in the progressive order in which they appear on the list.

If, as a result of the application of the provisions of the preceding paragraph, any minimum quota of the lesser represented gender applicable from time to time is not met (with regard to both the office of Statutory Auditor and that of Alternate Auditor), the last candidate of the more represented gender of the list that has obtained a relative majority of the votes cast by the shareholders shall be appointed instead of the candidate of the lesser represented gender of the same list.

In the event of a tie between lists, the one submitted by the shareholders owning the largest shareholding at the time of submitting the list, or, subordinately, by the largest number of shareholders, shall prevail.

In the absence of minority lists, all members of the Board of Statutory Auditors shall be elected from the majority list. The Chairman of the Board of Statutory Auditors is, in this case, the first candidate for statutory auditor.

If no list is submitted, the members of the Board of Statutory Auditors shall be appointed on the basis of proposals from individual shareholders, in compliance with any minimum gender distribution proportions provided for by law and regulations in force from time to time.

#### Replacement of statutory auditors

In the event of the replacement of a standing auditor, the alternate auditor belonging to the same list as the replaced auditor shall take over, unless another alternate auditor from the same list is required to take over in order to comply with the minimum gender quota applicable from time to time. If even in this case, the minimum gender distribution quota applicable from time to time is not respected, the Shareholders' Meeting must be called to appoint an auditor of the less represented gender.

The Shareholders' Meeting provided for in Article 2401, paragraph 1, of the Italian Civil Code, shall proceed with the appointment or replacement in compliance, however, with the principle of necessary representation of minorities, as well as with any minimum gender distribution proportions provided for by law and regulations in force from time to time.

### **11.2 COMPOSITION AND OPERATION (Pursuant to Article 123-bis(2)(d) and (d- bis) TUF)**

Article 26 of the Articles of Association provides that the powers, duties and term of office of the Statutory Auditors shall be those established by the law and regulations in force from time to time. Pursuant to the Articles of Association, the Board of Statutory Auditors consists of (3) statutory auditors and two (2) alternate auditors.

The Board of Statutory Auditors was elected by the Ordinary Shareholders' Meeting of 14 May 2021, holds office for three financial years (2021-2023) and may be re-elected.

The election took place on the proposal of the only list presented by the shareholder Industrial S.p.A. (a company currently merged by incorporation into SE.R.I. S.p.A.), owner of 29,606,722 ordinary shares of Seri Industrial, corresponding to 62.59% of the share capital. The shareholders' meeting resolution was passed with the favourable vote of no. 30,411,755 shares, corresponding to 99.936% of the share capital present at the meeting, consisting of no. 30,431,241 shares with voting rights and with no. 19,486 shares abstaining.

The same shareholders' meeting determined the remuneration due to the Board of Statutory Auditors with 29,746,722 shares voting in favour, corresponding to 97.751% of the capital present at the meeting, with 604,233 voting against and 80,286 abstaining. For further information on the remuneration of the Statutory Auditors, please refer to the report on the remuneration policy and fees paid, prepared pursuant to Article 123-ter of the Consolidated Finance Act.

The Board of Statutory Auditors, therefore, at the end of the Year was - and as of the date of this Report was - composed as follows:

Matteo Caratozzolo	Chairman;
Daniele Cauzillo	Statutory Auditor;
Susanna Russo	Statutory Auditor;
Lucio Cercone	Alternate Auditor;
Anna Maria Melenchi	Alternate Auditor.

#### Table 4. Structure of the Board of Statutory Auditors at the end of the financial year

Below is the composition of the Board of Statutory Auditors in office at the end of the financial year.

During the financial year, the Board of Statutory Auditors held 20 meetings and the aggregate attendance of its members at the meetings was 97%. In relation to the number of meetings of the Board of Statutory Auditors scheduled for the financial year following the reference year, according to the provisions of the Articles of Association, the Board of Statutory Auditors must meet at least every 90 days (four times a year).

AUDITORS IN THE OFFICE AT THE END OF THE FINANCIAL YEAR									
Office	Member	Year of birth	First appointment date (*)	In office from	In office until	List (M/m) (**)	Indep. code.	BoA No. of participants (***)	Other appointments (****)
Chairman	Caratozzolo Matteo	1939	31/07/2019	14/05/2021	31/12/2023	M	X	18/20	7
Statutory Auditor	Cauzillo Daniele	1973	31/07/2019	14/05/2021	31/12/2023	M	X	20/20	5
Statutory Auditor	Russo Susanna	1961	14/05/2021	14/05/2021	31/12/2023	M	X	20/20	6
Alternate Auditor	Melenchi Anna Maria	1966	18/12/2018	14/05/2021	31/12/2023	M	X	0/0	Na
Alternate Auditor	Cercone Lucio	1965	31/07/2019	14/05/2021	31/12/2023	M	X	0/0	Na
AUDITORS WHO CEASED OFFICE DURING THE FINANCIAL YEAR									
Number of meetings held during the financial year				20					
Quorum required for the submission of lists by minorities for the election of one or more members				2,5%					

#### NOTES

(\*) The date of first appointment of each Statutory Auditor means the date on which the Statutory Auditor was first appointed (ever) to the Issuer's Board of Statutory Auditors.

(\*\*) This column indicates whether the list from which each mayor was drawn is 'majority' (indicating 'M'), or 'minority' (indicating 'm').

(\*\*\*) This column shows the attendance of the auditors at meetings of the board of auditors (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(\*\*\*\*) This column shows the number of directorships or auditor appointments held by the person concerned pursuant to Article 148-bis of the Consolidated Law on Finance (TUF) and the related implementing provisions contained in the Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Issuers' Regulation.

Below are the personal and professional characteristics of each auditor (Article 144-decies of the Issuers' Regulation):

#### Matteo Caratozzolo

Graduated with honours in Economics and Commerce and with honours in Law, he served as Chairman of the Order of Chartered Accountants of Rome and was also a member of the National Council of Chartered Accountants. Among the prestigious positions he has held, he has acted as Statutory Auditor and Chairman of the Board of Statutory Auditors of numerous companies and entities (Eni SpA, Meridiana SpA and the medium-term credit institution CREDIOP), and was Commissioner ad acta of Fondiaria-SAI SpA, Chairman of the National Commission for the Establishment of Accounting Principles of the National Councils of Chartered Accountants and Bookkeepers, Chairman of the Technical Scientific Committee of the Organismo Italiano di Contabilità, and has also held senior positions in Commissions and Technical Committees at the Ministry of the Treasury and the Chamber of Deputies. He chaired the Commission of the National Councils of Certified Public Accountants and Bookkeepers which, among other activities, issued the principles of conduct of the Board of Statutory Auditors in listed companies. He was a member of the Board of the Italian Banking Ombudsman Giurì Bancario. In addition to the above-mentioned numerous assignments, he has worked as a university lecturer. He is the author of three monographs on company financial statements and numerous scientific articles on corporate law, business economics and tax law. He holds, among others, the position of Chairman of the Board of Statutory Auditors in Salini Costruttori S.p.A., in Salini S.p.A., in Eni Fuel S.p.A. and that of statutory auditor in Bracco S.p.A..

#### Daniele Cauzillo

Chartered Accountant and Auditor. *Temporary Manager (CFO)*.

He is a member of administrative and control bodies and a consultant, with over 20 years of experience, in national and multinational companies, in the form of joint stock companies and cooperatives, operating in the real estate, building and construction, environmental, social, mechanical, security, energy, clothing, education, and financial sectors. He has gained experience in the management of administration and finance functions, the management of corporate restructuring, the reorganisation of companies in reversible crisis and the management of pre-bankruptcy phases. He has also gained experience in the drafting and optimisation of corporate procedures, with particular reference to the administration and finance functions, through change management and team coordination, as well as acting as advisor and asseverator of reorganisation plans, debt restructuring plans and composition with creditors.

He has 20 years of experience in company valuation and party technical consultancy in civil and criminal proceedings. He is a lecturer and speaker in courses and conferences on corporate, civil law, accounting and tax aspects of joint stock companies and cooperatives.

#### **Susanna Russo**

Graduated in Economics and Commerce at the University of Rome "La Sapienza", she is a Chartered Accountant and Auditor, and performs her profession exclusively in corporate and tax consultancy and auditing for companies and non-profit organisations. She holds positions in corporations and non-commercial entities as Statutory Auditor, Legal Auditor, member of Supervisory Board and Chairman of Control Body.

She is currently a delegate of the National Pension and Assistance Fund for Chartered Accountants (CNPADC). She is a member of the Third Sector and Non-Profit Commission at the Order of Chartered Accountants and Accounting Experts of Rome. She is a member of the Territorial Disciplinary Council of the Order of Chartered Accountants and Accounting Experts of Rome.

#### **Anna Maria Melenchi**

Graduated in Economics and Commerce at the University Federico II of Naples and in Law. She is a member of the Order of Chartered Accountants and Accounting Experts of Caserta, She has flanked her activity as a chartered accountant with that of conciliator, professional mediator, tax magistrate and property custodian. In the course of his career, he set up the Melenchi Commercial Firm and has held positions as statutory auditor and auditor. He is the legal representative of several companies.

#### **Lucio Cercone**

He holds a degree in Economics and Commerce from the University of Rome 'La Sapienza' and a PhD in 'Comparative Economic and Financial Law' from the Second University of Naples. He holds the chair of Corporate Taxation at the Department of Political Science 'Jean Monnet' of the University of Campania 'Luigi Vanvitelli' and is the author of numerous publications on tax and fiscal matters. Alongside his teaching activities, he is a chartered accountant and auditor in the private and public sectors.

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The composition of the Board of Statutory Auditors is adequate to ensure the independence and professionalism of its function (*Principle VIII*) having verified the declarations made by the candidates in anticipation of their appointment whereby the same, in addition to having accepted the candidature and eventual appointment, have certified the non-existence of causes of ineligibility and incompatibility, as well as the possession of the requirements of professionalism and honourableness provided for by Articles 1 and 2 of Ministerial Decree No. 162 of 30 March 2000, attaching a professional curriculum containing exhaustive information on the personal and professional characteristics of the same, and a list of the administration and control positions held in other companies, as provided for by Article 2400 of the Italian Civil Code..

#### **Diversity criteria and policies**

When appointing the Board of Statutory Auditors on 14 May 2021, the Issuer applied diversity criteria, including gender criteria, in the composition of the Board of Statutory Auditors. In fact, at least one third of the standing and alternate members of the Board of Statutory Auditors at the time of their appointment are auditors of the least represented gender.

In fact, pursuant to Article 26 of the Bylaws, where, with reference to the term of office in question, mandatory criteria of gender distribution (male and female) are applicable, each list that contains at least three (3) candidates must contain a number of candidates of the least represented gender at least equal to the minimum quota applicable from time to time (with regard to both the office of standing auditor and that of alternate auditor).

Furthermore, if the minimum quota of the least represented gender applicable from time to time is not met (with regard to both the office of Standing Auditor and that of Alternate Auditor), the last candidate of the most represented gender of the list that has obtained the relative majority of the votes cast by the shareholders shall be deemed to be appointed instead of the next candidate of the least represented gender of the same list.

In the event of the replacement of a standing auditor, the alternate auditor belonging to the same list as the replaced auditor shall take over, unless another alternate auditor from the same list is required to take over in order to comply with the minimum applicable gender quotas. If even in this case, the minimum gender distribution quota applicable from time to time is not respected, the Shareholders' Meeting must be convened to appoint an auditor of the less represented gender.

With regard to gender balance, pursuant to Article 148, paragraph 1-bis of the Consolidated Law on Finance (TUF) and Article 144-undecies.1, paragraph 3 of the Regulation on Issuers and Recommendation 8 of the Code, the allocation of the members of the Board of Statutory Auditors must be made in such a way that the less represented gender obtains - in substance - at least one third of the effective members of the Board of Statutory Auditors. This distribution criterion was applied for the first time at the renewal of the Board of Statutory Auditors, which took place at the Shareholders' Meeting of 14 May 2021, and applies for six consecutive terms.

On the one hand, Recommendation 8 of the Code stipulates that at least one third of the members of the Board of Statutory Auditors must be members of the least represented gender.

Dall'altra, l'art. 148, comma 1-bis, del TUF disciplina che: *"l'atto costitutivo della società stabilisce, inoltre, che il riparto dei membri di cui al comma 1 sia effettuato in modo che il genere meno rappresentato ottenga almeno due quinti dei membri effettivi del collegio sindacale"*. Quindi, l'art. 144-undecies.1, del Regolamento Emittenti prevede che sia almeno pari a due quinti (il 40%) la quota di posti negli organi sociali di gestione e di controllo riservata al genere meno rappresentato. Tuttavia, Consob, chiarendo che il criterio per il computo dei posti negli organi sociali da riservare al genere meno rappresentato sia quello dell'arrotondamento per eccesso, ha previsto l'arrotondamento per difetto solo nel caso di organi sociali formati da tre (3) componenti, tenuto conto della impossibilità aritmetica di garantire l'equilibrio di genere in base all'arrotondamento per eccesso.

Si segnala che in considerazione delle attuali dimensioni della Società e del Gruppo, e in coerenza con le raccomandazioni del Codice, che richiedono che tale orientamento si applichi qualora una società non rientri nella categoria delle "Società a proprietà concentrata", non sono state definite ulteriori politiche, oltre a quella di genere, in ordine alla composizione degli organi di controllo relativamente a aspetti quali l'età e il percorso formativo (Raccomandazione 8).

### Independence

The Board of Statutory Auditors, following its appointment by the Ordinary Shareholders' Meeting of 14 May 2021, verified that its members met the independence requirements envisaged by law (art. 148, paragraph 3 of the Consolidated Law on Finance (TUF)) and by the same Code for statutory auditors of companies with listed shares, and forwarded the results of this verification to the Board of Directors.

On 3 June 2021, the market was informed, by means of a press release to the market, of the assessment on the independence of the members of the Board of Statutory Auditors, indicating the criteria used to assess the significance of the relationships. In particular, the verification was based on the self-assessment carried out by the Board of Statutory Auditors itself on 21 May 2021 (Art. 144-novies, paragraph 1-bis, Issuers' Regulation and Recommendation 6 as referred to by Recommendation 9, as well as Recommendation 10). Moreover, the individuals concerned, already in the documentation made available in anticipation of the Shareholders' Meeting, had declared to be independent, in accordance with Article 148, paragraph 3, of the TUF and Recommendation 7, of the Code. Finally, the Statutory Auditors at the meeting of the Board of Directors on 3 June 2021 confirmed the content of the self-assessment they had performed on 21 May 2021, pointing out that, in relation to the verification of the independence requirements of the Statutory Auditors, no other assessment parameters or quantitative and/or qualitative criteria were used in addition to those provided for by the aforementioned regulations and by the "Rules of Conduct for the Board of Statutory Auditors of Listed Companies", issued by the CNDCEC (*Recommendation 7, as referred to by Recommendation 9*).

The Board of Statutory Auditors also verified, during the Financial Year, the existence/permanence of the independence requirements for the members of the Board of Statutory Auditors themselves, transmitting its self-assessment report to the Company on 20 June 2022 (*Recommendation 6 as recalled by Recommendation 9*).

In carrying out the above assessments, the Board of Statutory Auditors considered all the information made available by each member of the Board of Statutory Auditors (*Recommendation 9*), also assessing - if any - circumstances that appear to compromise independence identified as provided for by the Consolidated Law on Finance (TUF) and the Code (*Recommendation 6, as recalled by Recommendation 9*) and applied, among others, all the criteria provided for by the Code with reference to the independence of directors (*Recommendation 7, as recalled by Recommendation 9*).

In particular, the Company, in order to comply with the provision set forth in Recommendation No. 30 of the Code, has appointed two standing members of the Issuer's Board of Statutory Auditors within the control bodies of the two strategically important subsidiaries, also with a view to facilitating the exchange of information between the two companies.

### Remuneration

The remuneration of statutory auditors is commensurate with their competence, professionalism, the commitment required, the relevance of the role covered and the size and sectoral characteristics of the company and the Group.

### Interest Management

The RPT Procedure provides that, in the event that a transaction involves the interests of one or more of the Company's (or, if applicable, the subsidiary's) auditors, the auditors who are in the position of a related party with respect to the transaction must promptly and exhaustively inform the other auditors, the Chairman of the RPT Committee, the Chairman of the Company's Board of Directors and the Company's Chief Executive Officer of the existence of the relevant interest. This provision ensures that an auditor who, on his own behalf or on behalf of a third party, has an interest in a certain transaction of the Issuer promptly and exhaustively informs not only the other auditors, but also the Chairman of the Board of Directors, of the nature, terms, origin and extent of his interest (*Recommendation 37*).

It should be noted that the Issuer annually verifies any situations of conflict of interest of the auditors, based on information provided by them through self-declarations filed with the company records, at the time of approval of this Report.

## 12. RELATIONS WITH SHAREHOLDERS

The Company believes that the Shareholders' Meeting represents an important opportunity for shareholders and directors to exchange views and, for this reason, adopts measures to encourage shareholders to attend the Shareholders' Meeting and exercise their voting rights.

The Issuer has set up specific Sections (Investor and Governance) within its website ([www.seri-industrial.it](http://www.seri-industrial.it)), which are easily identifiable and accessible, in which information concerning the Issuer that is relevant to shareholders is made available, so that shareholders can exercise their rights in an informed manner.

The management of confidential and inside information is taken care of by Mr. Marco Civitillo, who was appointed as investor relations manager (the investor relator) at the meeting of the Board of Directors held on 14 January 2020, with the task of also taking care of the dialogue with institutional investors and other shareholders. In his capacity as Executive Director, by resolution of 25 May 2022, he was entrusted, inter alia, with the task of supporting the Company in relations with the financial advisors appointed from time to time for corporate transactions and the coordination of communication activities and strategic and operational marketing. It should be noted that Mr. Marco Civitillo is the brother of the executive directors and shareholders of the Issuer (through companies related to them), Vittorio Civitillo and Andrea Civitillo.

Information to investors, the market and the media concerning periodic reports on significant events and transactions is guaranteed by press releases and related documentation published in accordance with the law.

The public disclosure is easily accessible from the sections of the website [www.seri-industrial.it](http://www.seri-industrial.it). Specifically:

- in the "Investor" section, it is possible to find both economic and financial information, as well as data and documents of interest to shareholders in general, so as to allow the latter to exercise their rights in an informed manner
- in the "Governance" section, it is possible to access all relevant information regarding the Governance system, corporate bodies, the Company's Shareholders' Meetings, Regulations, the Procedure for Transactions with Related Parties, the Internal Dealing Procedure and the Procedure for the Management of Material Information and Inside Information.

### Dialogue with shareholders

It should be noted that the Board of Directors, as part of the process of adapting its own *Governance* system to the provisions of the Code, in order to improve dialogue with shareholders in general (Principle IV), has created a forum, accessible from the website [www.seri-industrial.it](http://www.seri-industrial.it), in the 'Forum' section.

In fact, the Company believes that a relationship with shareholders based on continuous dialogue and the active involvement of investors - whatever category they belong to - denotes its sense of responsibility towards the reference corporate structure and the market as a whole.

In this regard, the Company, on 9 June 2022, adopted a '*Policy for Managing Dialogue with Investors and Market Participants as a whole*' accessible from the website [www.seri-industrial.it](http://www.seri-industrial.it), in the Investor/Shareholder Information section, in accordance with Recommendation No. 3 of the Code. The resolution was made at the proposal of the Chairman and formulated in agreement with the *Chief Executive Officer*, and describes the policy adopted for the management of dialogue with shareholders in general, also taking into account the engagement policies adopted by institutional investors and asset managers, whether they are already shareholders or potentially shareholders, as well as with market operators.

The Policy aims to promote opportunities to meet and discuss with all investors and market operators as well as to foster, in compliance with EU and national regulations on market abuse, continuous, proactive, clear and timely communication, also taking into account engagement practices developed at national and international level.

In adopting this Policy, the Company has defined the responsibilities of the Board of Directors, the Chairman, the *Chief Executive Officer* and the Investor Relations Manager, a person who reports directly to the *Chief Executive Officer* in relation to dialogue with investors and market operators.

The Company has predefined the matters subject to interaction with investors and market operators, such as those pertaining to results and the economic and financial outlook, the industrial and strategic plan, *corporate governance* (such as, for example, the composition of corporate bodies, information flows, etc.), social and environmental sustainability, policies on the remuneration of directors and executives with strategic responsibilities, the internal control and risk management system, and the Company's policies on ethics.

In addition to providing for the Issuer's procedures for managing dialogue through relations with the Investor Relations Manager, participation in meetings and conference calls, the Company has also defined the procedures for managing dialogue when it takes place at the initiative of investors and market operators, facilitating dialogue also thanks to a dedicated '*Forum*'.

As regards the Financial Year, the main topics of dialogue with shareholders in general concerned social issues, corporate governance, the Group's industrial development with particular regard to its business units, and sustainability.

In particular, with regard to Corporate Governance and Social issues, discussions took place during meetings planned by the Company in which analysts and investors were able to participate, one-to-one meetings and telephone discussions, organised by the Investor Relations Manager with regard to:

- the composition of the Company's Board of Directors and Board of Statutory Auditors, both in terms of the number of members meeting the independence requirements and the proportion of the lesser represented gender;
- H.R. activity, with particular regard to the professional growth of personnel expected in the 2022-2026 plan period and the number of engineers/technicians present and to be hired in view of the planned development plans;
- increased voting rights;
- the presence of performance targets based on ESG criteria in the definition of *CEO and management remuneration*;
- the composition of the endoconsiliar committees (and specifically the committee with functions on ESG issues);
- the appointment of a person formally in charge of managing sustainability issues within the company;
- the presence of company policies on anti-corruption, code of ethics, whistleblowing, and whether the company has a system for monitoring and managing the number of alerts received;
- any risk of dilution of the controlling shareholder, shareholders holding more than 5% of the Issuer's share capital, shares held by management, and shares held by family members of the person at the top of the chain of control over the Issuer;
- the existence of a plan for the management of ESG issues;
- information on training hours carried out, as well as on leisure activities for employees;
- the presence of the female gender in management and top management and the percentage of disabled personnel employed in the Group as a percentage of the total.

With regard to aspects of industrial development, discussions covered:

- supply chain management (with particular regard to the management of the procurement of critical raw materials),
- how sustainability is managed within the production process (not just the end-market product),
- emissions management (Scope 1 and Scope 2),
- the carbon footprint,
- the SDG goals as part of the materiality analyses conducted by the Issuer on ESG issues, as well as
- the importance of vertical integration and
- the independence of the production chain with respect to the Asian market.

In view of the recent introduction of the Policy for the Management of Dialogue with Investors and Market Participants, during the Year, information on the development and significant contents of the dialogue with shareholders was provided to all members of the Board of Directors in this Report and not, as required by the Code, by the Chairman, at the first useful meeting.

## 13. MEETINGS

### Convocation

Pursuant to Article 11 of the Articles of Association, Shareholders' Meetings are convened at the registered office or at another location, provided that it is within the European Union or Switzerland.

The Shareholders' Meeting is convened whenever the Board of Directors, or on its behalf, the Chairman of the Board of Directors, or the Vice-Chairman or one of the managing directors, if appointed, deems it necessary or appropriate, or when it is requested by the Board of Statutory Auditors or by at least two members thereof pursuant to and in accordance with the procedures provided for by law.

The Shareholders' Meeting must also be convened when a request is made to the administrative body, or, on its behalf, to the Chairman of the Board of Directors, indicating the items to be discussed, by shareholders representing at least 5% (five per cent) of the share capital. Notice of the Shareholders' Meeting shall be given in the manner and within the time limits set forth by law and other legal and regulatory provisions, by means of a notice published on the Company's website, as well as in the other manner set forth by applicable regulations.

Shareholders who, also jointly, represent a shareholding of at least 2.5% (two point five per cent) of the share capital may, in accordance with the procedures, terms and limits set forth by law, request the integration of the list of items to be discussed, indicating in their request the additional items they propose. Notice of such integration shall be given pursuant to law.

Ordinary and extraordinary Shareholders' Meetings are normally convened in a single call. However, they may be convened in first and second call, or in subsequent calls after the second call, applying the majorities required by law in each case.

Notice of Shareholders' Meetings shall be given in the manner and within the time limits set forth by law and other legal and regulatory provisions, by means of a notice published on the Company's website, as well as in the other manner provided for by applicable regulations.

### Intervention at the Shareholders' Meeting - proxy and representation

Pursuant to Article 12 of the Articles of Association, persons entitled to attend the Shareholders' Meeting and exercise their voting rights are those for whom the Company has received notices from the intermediaries belonging to the centralised financial instrument management system, pursuant to the laws and regulations in force from time to time.

Any person who has the right to attend the Shareholders' Meeting may be represented by written proxy, within the limits and according to the procedures provided for by the laws and regulations in force at the time.

Proxy may also be conferred electronically in the manner established by the law and regulations in force at the time. Electronic notification of the proxy may be made, as indicated in the notice of call, either by using the appropriate section of the Company's website [www.seri-industrial.it](http://www.seri-industrial.it), or by sending the document to the Company's certified email address.

Representation may only be conferred for individual meetings, with effect also for subsequent meetings pursuant to the provisions of the law in force. It is up to the Chairman of the Shareholders' Meeting to ascertain the validity of the proxies and, in general, to decide on the entitlement to attend the Shareholders' Meeting.

The Company may designate, for each Shareholders' Meeting, with an indication contained in the notice of call, a person to whom shareholders may grant proxy with voting instructions on all or some of the proposals on the agenda, within the terms and in the manner provided by law.

### Constitution and reporting

Pursuant to Article 13 of the Articles of Association, the regular constitution of the Shareholders' Meeting, its proper conduct and the validity of resolutions are governed by the law and regulations in force.

The minutes of the Shareholders' Meeting, drawn up in compliance with the laws and regulations in force, summarise, at the request of the shareholders, their statements pertaining to the agenda. The minutes are the only document proving the company's resolutions and shareholders' declarations.

Resolutions of the Shareholders' Meeting, passed in accordance with the law and these Articles of Association, are binding on all shareholders, even if not attending or dissenting, without prejudice to the right of withdrawal pursuant to Article 2437 of the Italian Civil Code and Article 2437-quinquies of the Italian Civil Code.

The notice of call may allow the exercise of voting rights by correspondence or electronically, in accordance with the procedures set forth in the applicable laws and regulations.

Pursuant to Article 16 of the Articles of Association, for the constitution of Shareholders' Meetings and the validity of their resolutions, both in ordinary and extraordinary session, the quorums required by law shall apply, depending on whether they are convened on multiple or single call. The right of each member to take the floor on the items under discussion is guaranteed to all members.

Before commencing the discussion of the items on the agenda of the Shareholders' Meeting, the Chairman invites the attending shareholders to declare the existence, if any, of causes of impediment or suspension - pursuant to the law - of the right to vote, to be valid for all the items expressly listed on the Agenda.

As a matter of practice, the Chairman points out the following:

- a) the Company has set up an attendance system at the entrance to the room where the meeting is held;
- b) a check has been carried out to ensure compliance with the provisions of law, regulations and the Articles of Association concerning the attendance of shareholders at the meeting and the issue of proxies
- c) the lists with the names of the participants and holders of voting rights present in person or by proxy, with an indication for each of them of the number of shares pertaining to them, are prepared at the opening of the Shareholders' Meeting and on the occasion of each vote, and will be attached to the minutes
- d) all votes shall be open and by show of hands; in this regard, the Chairman shall invite those who intend to vote against or abstain from voting to specifically state so in each vote, declaring their personal details, their capacity as holder of the voting right who is present in person or by proxy and the number of shares pertaining to them
- e) fiduciary companies, proxies and all those who, having the right to do so, wish to cast a different vote shall explicitly indicate so
- f) those who find themselves in a situation of ineligibility to vote must make it known before each vote, and this, in particular, pursuant to Article 2359-bis of the Italian Civil Code and Article 120 et seq. of the Consolidated Law on Finance (TUF) (with the clarification that the shares for which voting rights cannot be exercised are, in any case, counted for the purposes of the regular constitution of the Shareholders' Meeting)
- g) those present are requested not to leave the room, in order to ensure the orderly conduct of the Shareholders' Meeting proceedings; those absent from the room are requested to notify the personnel in charge of the exit of the room, so that the exit is recorded for the purposes of the regularity of voting; those present are in any case requested to refrain from leaving the room during voting, from the time the vote is called and until the result is declared
- (h) leaving the room entails non-participation in the voting for all the shares pertaining to the person who has left;
- (i) if a member claims to have made a mistake in the expression of his/her vote, it shall be permissible to correct it if the voting operations have not yet been completed; the beginning of the counting of votes shall therefore preclude the making of corrections to the votes cast
- (l) it is not considered advisable to appoint scrutineers; such appointment shall be made should the need or advisability arise;
- m) those who wish to make speeches are invited to present themselves at the secretariat of the Shareholders' Meeting, indicating their name; they shall then be called upon to make their speeches, with the invitation to comply with the time limits indicated above, to keep to the agenda, and to limit any replies; only one speech shall be permitted for each item on the agenda, except in exceptional cases;
- n) depending on the circumstances, questions shall be answered at the end of each intervention or at the end of all interventions;
- o) whether or not the Company has received questions on the items on the agenda pursuant to Article 127-ter of the TUF.

Furthermore, the Chairman informs whether the Company has designated a representative to whom shareholders are

entitled to send their proxies, pursuant to Article 135-undecies of the Consolidated Law on Finance (TUF), as provided for in Article 12, last paragraph, of the Articles of Association.

With regard to the Shareholders' Meeting held during the Financial Year, the Company, in consideration of the fact that in previous Shareholders' Meetings those entitled to use this figure did not identify a designated representative for the conferment of proxies and the related voting instructions.

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Article 23 of the Bylaws, as allowed by Article 2364, paragraph 1, no. 5 of the Italian Civil Code, provides that the Shareholders' Meeting must authorise specific acts of the directors.

In particular, since Article 23 of the Bylaws requires the Company to approve transactions with related parties, as set forth in Consob Resolution No. 17221 of 12 March 2010 ("Related Parties Regulation"), in accordance with the provisions of the law and regulations in force from time to time, as well as with its own Bylaws provisions and the procedures adopted on the matter, certain transactions must be authorised by the Shareholders' Meeting in order to be executed.

Article 6.2 of the RPT Procedure adopted by the Company in respect of transactions of greater significance with related parties provides that if the RPT Committee has expressed a 'favourable but conditional opinion', the Company's Board of Directors may approve a transaction of greater significance with related parties without taking into account the conditions set by the RPT Committee, provided that the transaction is authorised by the Shareholders' Meeting.

Similarly, if the RPT Committee has expressed a "negative opinion" on a transaction of greater significance with related parties, the Board of Directors cannot proceed with the execution of the transaction, unless it decides to submit the transaction to the Shareholders' Meeting for authorisation. In this case, the transaction - where envisaged by the Articles of Association (i.e. Article 23) and without prejudice to compliance with the quorums required for the adoption of ordinary or extraordinary shareholders' meeting resolutions - may not be carried out if the proposed resolution to be submitted to the Shareholders' Meeting is not also approved with the favourable vote of the majority of the voting Unrelated Shareholders, provided that the latter represent at least 10% of the share capital with voting rights at the Shareholders' Meeting. To this end, before the Shareholders' Meeting proceedings begin, those entitled to vote are required to disclose the possible existence of a correlation relationship with respect to the specific transaction of greater significance on the agenda.

It should also be noted that a series of powers may be removed from the competence of the shareholders' meeting and be attributed to the competence of the Board of Directors. Article 23 of the Bylaws, in this regard, provides that 'the internal procedures adopted by the company in relation to transactions with related parties may also provide for the exclusion from their scope of application of urgent transactions, including those falling within the purview of the Shareholders' Meeting, in compliance with the conditions and within the limits of what is permitted by the applicable laws and regulations'.

Article 6.3 of the RPT Procedure specifies that: "*Where expressly permitted by the Company's Articles of Association, in cases of urgency related to corporate crisis situations, Related Party Transactions falling within the competence of the Shareholders' Meeting, or to be authorised by it, may be concluded in derogation of the previous provisions, provided that:*

- (i) the Board of Directors of the Company prepares a report containing an adequate explanation of the reasons for the urgency;*
- (ii) the Board of Statutory Auditors reports to the Shareholders' Meeting its evaluations on the existence of the reasons for urgency*
- (iii) the report and the assessments referred to in points (i) and (ii) above are made available to the public at least twenty-one days prior to the date set for the Shareholders' Meeting at the Company's registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulations.*

*In the event that the Board of Statutory Auditors' assessments are negative, the transaction - where envisaged by the Company's Articles of Association and without prejudice to compliance with the quorums required for the adoption of resolutions of ordinary or extraordinary Shareholders' Meetings - may not be carried out if it is not also approved with the favourable vote of the majority of the voting Unrelated Shareholders, provided that the latter represent at least 10% of the share capital with voting rights at the Shareholders' Meeting. To this end, prior to the commencement of*

*the meeting's proceedings, those entitled to vote are required to disclose the possible existence of a relatedness relationship with respect to the specific transaction on the agenda.*

*If this is not the case (i.e. in the event that the Board of Statutory Auditors' assessments are positive), by the day following the Shareholders' Meeting, the Company shall make available to the public, in the manner indicated in Part III, Title II, Chapter I, of the Issuers' Regulations, the information relating to the outcome of the Shareholders' Meeting vote, with particular regard to the number of votes overall cast by Unrelated Shareholders (as defined in 6.2)".*

Article 23 of the Bylaws further provides that a further series of powers are removed from the competence of the shareholders' meeting and are assigned to the competence of the Board of Directors. In particular, pursuant to Article 2365, paragraph 2, of the Italian Civil Code, the Board of Directors is competent to pass resolutions concerning

- a) incorporation of companies that are wholly owned or 90% (ninety per cent) owned;
- b) reduction of the share capital in the event of withdrawal of a shareholder;
- c) adaptation of the Articles of Association to mandatory statutory provisions;
- d) establishment or suppression of secondary offices;
- e) transfer of the registered office within the national territory, and transfer of the registered office within the same municipality.

\* \* \* \*

There are no shares with multiple voting rights, whereas, during the financial year 2021, the Shareholders' Meeting authorised the introduction of multiple voting rights.

Art. 5 of the Articles of Association, has been expanded by providing that as an exception to the provision in the Articles of Association that each share gives the right to one vote: 'Each share gives the right to a double vote (and thus to two votes for each share) if both of the following conditions are met: (a) the share has belonged to the same person, by virtue of a right in rem legitimizing the exercise of voting rights (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least twenty-four months; (b) the recurrence of the condition under (a) is attested by the continuous registration, for a period of at least twenty-four months, in the special list established for this purpose governed by this Article (the "Special List"), as well as by an appropriate communication attesting the share ownership referring to the date of expiry of the continuous period issued by the intermediary with whom the shares are deposited pursuant to applicable regulations. "

For further information on the increase of voting rights, please see Section 2, paragraph e) "Securities carrying special rights".

\* \* \* \*

During the year, the Articles of Association did not envisage - just as, as of the date of this Report, it does not envisage - any special provisions regarding the percentages established for the exercise of shares and the prerogatives established to protect minorities.

The Board did not deem it necessary to take any further initiatives to try to reduce the constraints and fulfilments that make it difficult or burdensome for shareholders to attend Shareholders' Meetings and exercise their voting rights (by way of example but not limited to, telematic voting, audiovisual connections), considering the current rate of attendance by shareholders at Shareholders' Meetings.

During the financial year, the shareholders controlling the Issuer did not submit any proposals to be submitted to the Shareholders' Meeting on matters on which the Board of Directors had not formulated a specific proposal.

Lastly, the Board of Directors decided not to provide the Company, at this time, with shareholders' meeting regulations to regulate the conduct of shareholders' meeting proceedings, which, in any case, have been conducted so far in an orderly and correct manner, guaranteeing all participants the right to intervene..

\* \* \* \*

The Board reports to the Shareholders' Meeting on the activities carried out and planned, and endeavors to ensure that the shareholders are adequately informed of the elements necessary for them to make informed decisions at the Shareholders' Meeting.

During the Financial Year, the only Shareholders' Meeting held on 6 May 2022 was attended by five (5) Directors, while two (2) Directors were absent with justification. The aggregate attendance of the Directors was 71.4%, that of the Statutory Auditors 100%.

During the Shareholders' Meeting, neither the Chairman of the Nomination and Remuneration Committee nor the Chairman of the Control and Risk Committee reported to the shareholders on how the Committee exercised its functions.

\* \* \* \*

During the year, the Board of Directors, believing that the current corporate governance system is functional to the company's needs, did not deem it necessary to develop proposals to be submitted to the Shareholders' Meeting, regarding (a) the choice and characteristics of the corporate model (between traditional model, one-tier, two-tier); (b) the size, composition and appointment of the Board and the term of office of its members and (c) the percentages established for the exercise of the prerogatives set to protect minorities (*Recommendation 2*).

With regard to the articulation of the administrative and equity rights of the shares, it should be noted that the Board of Directors submitted a proposal to the Extraordinary Shareholders' Meeting of 14 May 2021 to provide for the introduction of increased voting rights. Following the favourable resolution, this system was adopted. For further information on the increased voting right, please refer to Section 2, paragraph e) "Securities carrying special rights" and Section 12 (General Meetings). In anticipation of the aforesaid Shareholders' Meeting, the Board of Directors, in the illustrative report relating to the specific item on the agenda on the introduction of the increased voting right, provided reasons on the purpose of the choice, indicating the expected effects on the Issuer's ownership and control structure and on its future strategies, and giving an account of the decision-making process followed (*Recommendation 2*).

The Board of Directors, in particular, considered that the introduction of the increased vote, by incentivising - through the attribution of a 'premium' in terms of the ability to influence shareholders' meeting decisions - the medium-long term investment in the Company's share capital, is in the Company's interest, as it can increase the stability of the shareholding structure, favouring the lasting creation of value and a corresponding progressive strengthening of the share price.

Shareholder stability is, in fact, a strategic factor for the success of the Company's organic growth projects, since these are projects that - due to the characteristics of the Group's business - are destined to develop over a medium-long term and therefore require the support of shareholders whose investment logic and return prospects are aligned to the aforesaid time horizon.

These growth projects envisage substantial investments intended for a long term and therefore, in parallel, the Company aims to attract shareholders equally guided by long-term logics. With this in mind, the introduction of increased voting, is a mechanism that can develop and optimise shareholder activism, and lends itself to incentivising, also through possible capital increase operations, the entry of shareholders, such as pension funds and other institutional investors, inclined to invest, not with speculative intentions, but over the long term, also by taking an active part in corporate life. For minority shareholders who want to play an active role, moreover, the possibility of increased voting rights allows them to have greater weight in the election of members of corporate bodies indicated in minority lists and in other decisions within the purview of the shareholders' meeting.

At the same time, the adoption of this institution makes it possible to make a useful contribution to countering phenomena of share volatility, often connected to the short-term choices of financial investors.

On the basis of the notifications received, the shareholders who have requested to be included in the Special List of Shareholders waiting for an increase are listed in the table below.

**Section Relating to Persons Awaiting Augmentation**

Registered Subject	Quantity Actions pending increase	% (of total voting rights) also increased <sup>11</sup>	Date of listing of shares pending increase	Date on which the surcharge will be obtained
SE.R.I. S.p.A.	23.426.464	39,11%	06/07/2021	07/08/2023
SE.R.I. S.p.A.	2.317.597	4,29%	06/07/2021	07//08/2023
SE.R.I. S.p.A.	6.180.258	11,45%	31/01/2021	07/02/2024
<b>Total</b>	<b>29.606.722</b>	<b>54,85%</b>		

A double voting right is granted for each share held for a continuous period of not less than 24 months, starting from the registration in the special list established by the Company.

Assuming there are no other shareholders requesting an increase in voting rights with respect to the entire shareholding held by them, the effects on voting rights with respect to the number of shares outstanding at the date of approval of this Report are shown in the table below.

	Number of ordinary shares	% of share capital	Number of voting rights	% voting rights
SE.R.I. S.p.A. pending increase	29.606.722	54.85%	59.213.444	70,84%
SE.R.I. S.p.A.	820.048	1,52%	820.048	0,98%
Vittorio Civitillo	22.000	0.04%	22.000	0,03%
<b>Vittorio Civitillo TOTAL</b>	<b>30.448.770</b>	<b>56,41%</b>	<b>30.448.770</b>	<b>71,85%</b>
Market	23.530.232	43,59%	23.530.232	28,15%
<b>Total</b>	<b>53.979.002</b>	<b>100,00%</b>	<b>78.506.479</b>	<b>100,00%</b>

\* \* \* \*

During the Year, there was a change in the value of the official price of the stock, admitted for trading on the regulated market managed by Borsa Italiana, which went from about euro 9.6815 per share at the beginning of the Year to euro 5.1409 per share at the end of the Year. Market capitalization at the end of the year was about euro 254 million; at the beginning of the year, it was about euro 467 million.

During the first few months of the year following the year under review, the official share price increased compared to the end of the Year.

At the close of the stock exchange session on 21 March 2023, the official price was EUR 6.1634 per share. Market capitalization increased from Euro 254 million at the end of the Financial Year to approximately Euro 333 million on 21 March 2023.

There were no changes in the composition of the Issuer's shareholding structure during the Year under review.

<sup>11</sup> The percentage indicated refers to the no. 53,979,002 ordinary shares outstanding at the date of approval of this Report

#### **14.FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to Article 123-bis(2)(a) second part, TUF)**

No other corporate governance practices other than those indicated in the various parts of the Report are reported.

\* \* \* \*

With reference to a liability action resolved by the Shareholders' Meeting of 18 December 2018 against certain members of the corporate bodies that have ceased to hold office, the Board of Directors has mandated legal firms it trusts to promote the legal action; an action that, as of the date of this Report, has been commenced in order to obtain compensation for damages caused by acts of mala gestio committed jointly by corporate officers and consultants in office at the time of the events.

Specifically, the aforesaid Shareholders' Meeting had resolved in favour of the proposal to bring a liability action, pursuant to Articles 2392 and 2393 of the Italian Civil Code and, to the extent necessary, pursuant to Article 2043 of the Italian Civil Code, against Mr. Antonio Bruno and Mr. Serge Umansky, as former directors of the Company in the period from 1 January 2015 to 3 August 2016, as well as, pursuant to Article 2407 of the Italian Civil Code, and, insofar as necessary, pursuant to Article 2043 of the Italian Civil Code, against Mr. Fabio Petruzzella, as former Chairman of the Board of Statutory Auditors. The aforementioned resolution was triggered by the complaint made on 11 May 2016 pursuant to Article 2408 of the Italian Civil Code by a shareholder and by all the checks carried out, on the corporate acts, independently by the new corporate bodies and with reference to the decisions taken by the aforementioned persons in the period from January 2015 to 3 August 2016.

The liability action, subject to the favourable assessment of the Board of Directors, was also extended against Ms. Isabella Perazzoli, as a former director of the Company in the period from 1 January 2015 to 3 August 2016, as well as against Steel S.r.l. and Mr. Gianluigi Facchini, in consideration of the fact that the latter was a member of the Board of Directors. Gianluigi Facchini, in consideration of the consultancy engagement between K.R. Energy S.p.A. and Steel S.r.l. during the above-mentioned period for the support "both of a strategic/commercial and financial nature, with particular regard to planning and control activities, budget and multi-year plans processing". As a result of the above-mentioned consulting assignment, the agreed services were rendered in favour of the Company by Mr Pierluigi Facchini as a collaborator of Steel S.r.l..

## 15. CHANGES SINCE THE END OF THE REPORTING PERIOD

As of the end of the financial year, there were no changes in the *corporate governance* structure.

## 16. COMMENTS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The recommendations contained in the letter of 25 January 2023 from the Chairman of the *Corporate Governance* Committee on *Corporate Governance* were brought to the attention of both the delegated bodies and the Board of Statutory Auditors of the Issuer, noting that many of the areas for improvement set forth in the letter have already been assessed by the Company, which, during the course of the Financial Year, worked to adapt its own Governance system to the issues that were the subject of attention. The recommendations constitute, in any case, a useful element to refine over time the application methods of what has already been adopted, believing that the governance system must adapt over time to the evolution of the environmental and social context in which it operates by adopting behaviours consistent with the needs felt not only by the Company but also by the market and civil society.

With regard to the issue of dialogue with shareholders, in June 2022 the Company adopted a 'Policy for the Management of Dialogue with Investors and Market Operators' as illustrated in Section 12. In adopting this policy, the Company defined the responsibilities of the Board of Directors, the Chairman, the Chief Executive Officer and the Investor Relations Manager, a person who reports directly to the Chief Executive Officer in relation to dialogue with investors and market operators.

The Company has predefined the matters subject to interaction with investors and market operators, such as those pertaining to results and the economic and financial outlook, the industrial and strategic plan, corporate governance (such as, for example, the composition of corporate bodies, information flows, etc.), social and environmental sustainability, policies on the remuneration of directors and executives with strategic responsibilities, the internal control and risk management system, and the Company's policies on ethics.

In addition to providing for the procedures for the management of the Issuer's dialogue with shareholders and analysts, in the Policy adopted, the Company has also defined the procedures for the management of dialogue when it takes place at the initiative of investors and market operators.

Furthermore, as also illustrated in Section 12 and in Section 4, paragraph 4.5, the Company has activated a Forum in order to increase dialogue with shareholders in general and not only with institutional shareholders, who already have the opportunity to exchange views with the Company in the context of scheduled meetings or telephone discussions with the Investor Relations Manager.

For further information on the main topics of dialogue, please refer to Section 12, which illustrates the topics discussed with regard to social, *corporate governance* and sustainability issues, as well as issues related to the industrial development of the Group and its *business units*.

With regard to dialogue with other stakeholders relevant to some of them, such as employees, suppliers and business partners, a reporting system has been activated on the company website. This system guarantees the receipt, analysis and processing of reports, also in confidential form, transmitted by anyone operating within the organisation as well as by third parties such as: customers, suppliers, consultants, collaborators, shareholders, partners of the company, each within the scope of their functions and responsibilities. (see Section 9 for further details). The "Seri Industrial C'E" Forum is also active on the Company's website, with the aim of fostering continuous dialogue not only with investors but also with parties that may have an interest in the activities carried out by the Company and the Group.

The relationship with local communities, as better described in section 7.1 of the DNF, is also expressed through the close relationship that Group companies, which carry out research & development activities for the battery market, maintain with Universities and Research Centres.

The constant cooperation with entities - such as ENEA, RSE, MEET Muenster, EBA (European Battery Alliance), AIT Vienna, not to mention the Federico II University of Naples, the University of Camerino, and La Sapienza University - represents the Company's and the Group's strong commitment to sharing new knowledge of a specialised nature; this cooperation is ensured through the involvement in these cooperation activities of technicians specialised in electric accumulators and lithium technologies, in order to enable a transfer of know-how and consolidate a system of dialogue within the European Union.

Group companies took part in numerous national events, for which please refer to the company's internal website: <https://www.seri-industrial.it/index.php/stories>.

Seri Industrial supports the importance of the objectives envisaged by the Project of European relevance IPCEI - batteries, also through the realisation of open-site events at the production site of Teverola (CE) with Technical Institutes, Universities, start-up incubators and schools to promote the spill-over effects on the lithium market/segment/world with the intention of creating an important technological cluster of reference for all of Southern Europe, for the connection between Universities, companies, investors and start-ups.

A spill-over effect is, in fact, any process through which an activity has a broader impact on society, the territory and the surrounding economy and brings improvements to both companies and consumers.

Seri Industrial Group also believes in the importance of promoting social activities as an aggregative and educational element, aimed at improving relations in the context in which it operates, so much so that over the years it has made a considerable contribution to the local communities with which it interacts.

In this regard, through sponsorships, Group companies promote and support the sporting activities of Polisportiva Matese, in the province of Caserta, which has about 220 athletes, including basketball and volleyball, divided by age group. During the summer period, Polisportiva Matese also organises summer camps (Matese EDU CAMP), especially for the youngest children, full of fun and involvement in activities such as hiking, cycling, guided tours and various workshop activities.

Si segnala infine che nel novembre del 2022 la controllata FIB S.p.A. ha concesso, nell'ambito del "Bonus Sport", una erogazione liberale di euro 200.000 sempre alla Polisportiva Matese S.S.D. a r.l., quale concessionaria di un impianto sportivo pubblico denominato "Palazzetto dello Sport" di proprietà del Comune di Piedimonte Matese (CE), per consentire alla stessa Polisportiva di eseguire interventi di manutenzione e restauro a detto impianto. L'operazione consente al gruppo Seri Industrial e alla FIB di rafforzare e radicare ulteriormente i rapporti con il territorio, contribuendo a migliorare impianti e spazi destinati ad essere utilizzati dalle comunità locali. Grazie alla liberalità la Polisportiva Matese S.S.D. potrà realizzare il risanamento di un impianto sportivo, con conseguente opportunità di miglioramento economico e sociale del territorio per una piccola realtà locale quale quella del Matese.

With regard to the issue concerning the attribution of management powers to the Chairman of the Board of Directors, the Company has adopted a governance model that provides for a non-executive and independent Chairman. The same represents a "super partes" figure, chosen to optimise the balance between the management functions covered by the directors with delegated powers and the independent functions of supervision over company management, both within the Board of Directors and within the various committees. Please refer to Section 4, paragraph 4.7 for more information on the choice made.

With regard to the recommendation on the timeliness and adequacy of pre-Board meeting information, the Company in FY 2022, through an amendment to the Board of Directors Regulation, predetermined the terms deemed congruous within which to transmit to the participants in Board of Directors meetings the documentation necessary to allow them to make informed and considered decisions. This deadline was set no later than the third calendar day prior to the board meeting, allowing for exceptions, in any case, in cases of urgent board meetings or when particular needs require it. A copy of the documentation transmitted to the board members is also made available to the participants on an electronic filing system in order to facilitate consultation and traceability.

With regard to the participation of managers in Board of Directors' meetings, the Company has provided in the Board of Directors' Rules of Procedure and in the rules governing the operation of committees the possibility of access to the corporate functions responsible for the matters discussed. As a rule, managers attend committee meetings, where the Chairman of the committee that intends to invite corporate officers to the committee meetings informs the Chief Executive Officer of this choice. With reference to the participation of managers in meetings of the Company's Board of Directors, since the Issuer is a holding company, it is less frequent for managers to attend such meetings. Vice versa, in the investee companies having strategic relevance: such as FIB S.p.A. and Seri Plast S.p.A., the solution adopted is to provide that, in the board of directors of the same, the main managers entrusted with operational proxies are present.

With regard to the recommendation concerning the outgoing administrative body's guidelines on the optimal composition of the body itself and the Code's recommendation concerning the introduction of succession plans for executive directors, as the Issuer falls into the category of 'Concentrated Ownership Companies', the simplification provided for by the Code for companies falling into this category was positively assessed.

With regard to the recommendation to define ex ante the criteria for assessing the significance of the relationship that may affect the director's independence, the Board of Directors, following the renewal of the administrative body by the Shareholders' Meeting, at the first useful meeting, defined the qualitative and quantitative criteria for assessing the significance of the relationships between the Company and the Directors that may affect the assessment of their independence before proceeding to verify their independence. Please refer to Section 4, paragraph 4.7 for more details on the criteria adopted.

With regard to the transparency of remuneration policies on the weight of variable components, the remuneration policy currently adopted does not provide for the recognition of short-term monetary variable components. During the financial year, a stock option plan was introduced that provides for the assignment of options that entitle the holder to subscribe to shares at the end of a five-year vesting period. Details on the weight of the assignment of options in favour of the Company's executive directors can be found in the Remuneration Report, where these data have been summarised in tabular form in order to allow for verification of the significance of the variable component with respect to the fixed component and the significance of the variable component in the long term, since there are no short-term variable components.

The purpose of the stock option plan, approved by the Shareholders' Meeting of 6 May 2022, whose introduction was proposed by the Board of Directors itself, is to balance the remuneration of executive directors and top management between fixed and variable components, over a long-term horizon, with the latter representing a part of the total remuneration (Recommendation 27, letter a) of the Code). In defining the performance targets to be achieved in order to be awarded shares as part of the variable remuneration, measurable parameters have been identified in advance, linked in significant part to a long-term horizon and consistent with the strategic objectives of the company and aimed at promoting its sustainable success (Recommendation 27, letter c)). In fact, part of the performance objectives were linked to the achievement of ESG performance, i.e. they will accrue upon the achievement of strategic environmental and social objectives such as increasing the use of recycled material in the production cycle compared to the total amount of material used.

The Board of Directors, noting that almost all of the recommendations contained in the January 2023 letter of the Chairman of the Corporate Governance Committee have already been implemented by the Company or, in any case, taken as a guideline with respect to the adjustments to the Corporate Governance structures planned for the current financial year, has decided not to plan any further initiatives, other than those described in this Report. It should be noted, in this regard, that the Corporate Governance Code is characterised - among other things - by a greater proportionality of the recommendations it contains, depending on the size and ownership structure of the companies, and takes into account the needs and peculiarities of companies falling into the category of "Concentrated Ownership Companies" (many of which are family businesses) and "non-large" companies, and that its implementation requires a gradual process of adherence.

San Potito Sannitico, 22 march 2023

Seri Industrial S.p.A.  
On behalf of the Board of Directors  
The Chairman  
Avv. Roberto Maviglia