

CORPORATE GOVERNANCE REPORT AND OWNERSHIP STRUCTURE **2023**

pursuant to article 123 *bis* of Italian Legislative Decree no. 58
of 24th February 1998

Approved on 19th March 2024
by the Board of Directors

www.recordati.it

'Traditional' management and control model





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GLOSSARY

CG Code: the Corporate Governance Code for Listed Companies approved on 31st January 2020 by the Corporate Governance Committee to be applied by listed companies as from 2021, to which the Board of Directors of Recordati S.p.A. resolved to adhere to at the end of 2020.

Civil Code/c.c.: the Italian Civil Code.

Committee/CG Committee/Corporate Governance Committee: the Italian Committee for the Corporate Governance of listed companies, promoted, in addition to Borsa Italiana S.p.A., by ABI, Ania, Assogestioni, Assonime and Confindustria.

Board: the Board of Directors of Recordati S.p.A.

Issuer: Recordati S.p.A.

Financial Year: the financial year to which this Report relates (2023).

Recordati: Recordati S.p.A.

Consob Issuers' Regulations: regulations governing issuers as established by Consob regulation no. 11971 of 1999 (as subsequently amended).

Consob Markets Regulations: regulations governing markets as established by Consob regulation no. 16191 of 2007 (as subsequently amended).

Consob Related-party Regulations: the regulations issued by Consob with Resolution no. 17221 of 12th March 2010 (as subsequently amended) concerning transactions with related parties.

Report: the corporate governance report and the ownership structure that issuers are required to prepare pursuant to article 123 *bis* of the TUF.

Remuneration Report: the report on remuneration policy and remuneration paid that companies are required to prepare and publish pursuant to article 123-*ter* of the TUF and article 84-*quater* of the Consob Issuers' Regulations.

Company: Recordati S.p.A.

TUF: Italian Legislative Decree no. 58 dated 24th February 1998 (*Testo Unico della Finanza*).



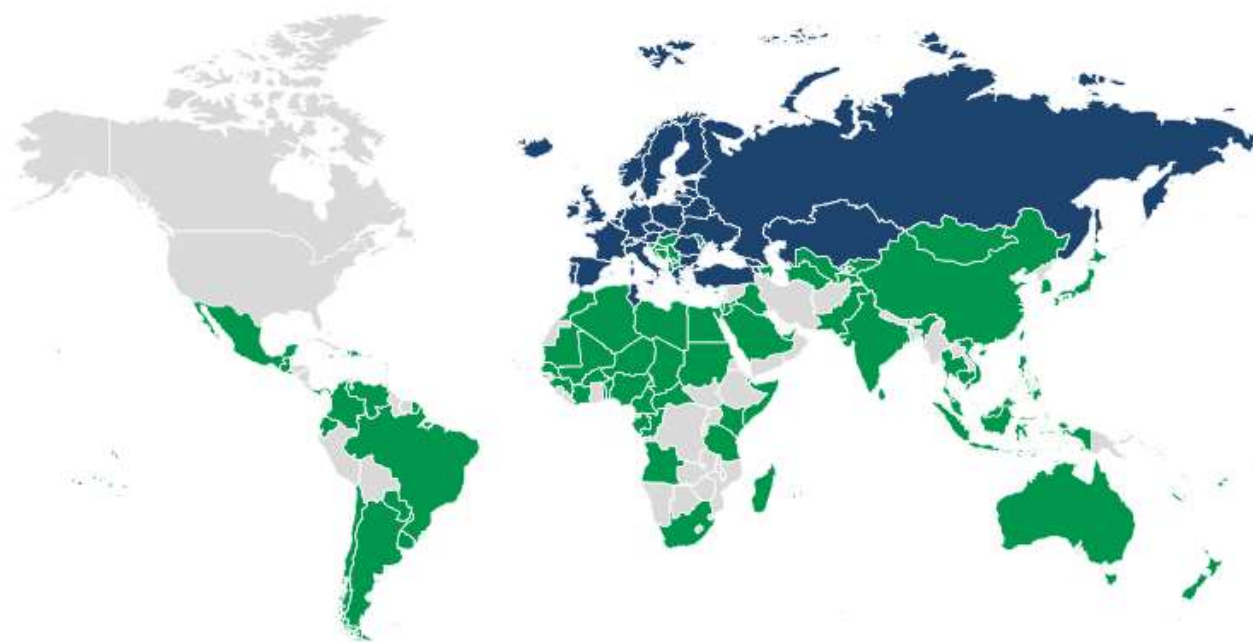
1. PROFILE OF THE ISSUER AND GENERAL INFORMATION

Recordati S.p.A. (Reuters RECI.MI, Bloomberg REC IM) was founded in 1926 and is a joint stock company listed on the *Mercato Telematico Azionario* (electronic stock exchange) operated by Italian Borsa S.p.A. (ISIN IT 0003828271).

The Company and the Group that it leads has over 4,300 employees. They perform research and development, production, marketing and sales of pharmaceuticals – both original and licensed, belonging to different therapeutic areas including a specialised activity in rare diseases – supplements and medical devices, as well as pharmaceutical chemical products. Recordati is engaged in the research and development of innovative pharmaceuticals, particularly, therapies for rare diseases. They perform their activities in the principal European countries, including Russia, Turkey, North Africa, the United States of America, Canada, Mexico, some countries in South America, Japan, Australia, China and South Korea.

As at 31st December 2023, the Group was composed of 52 subsidiaries (of which 4 are Italian), in addition to the Parent Company, Recordati S.p.A.

GENERAL AND SPECIALIST MEDICINE

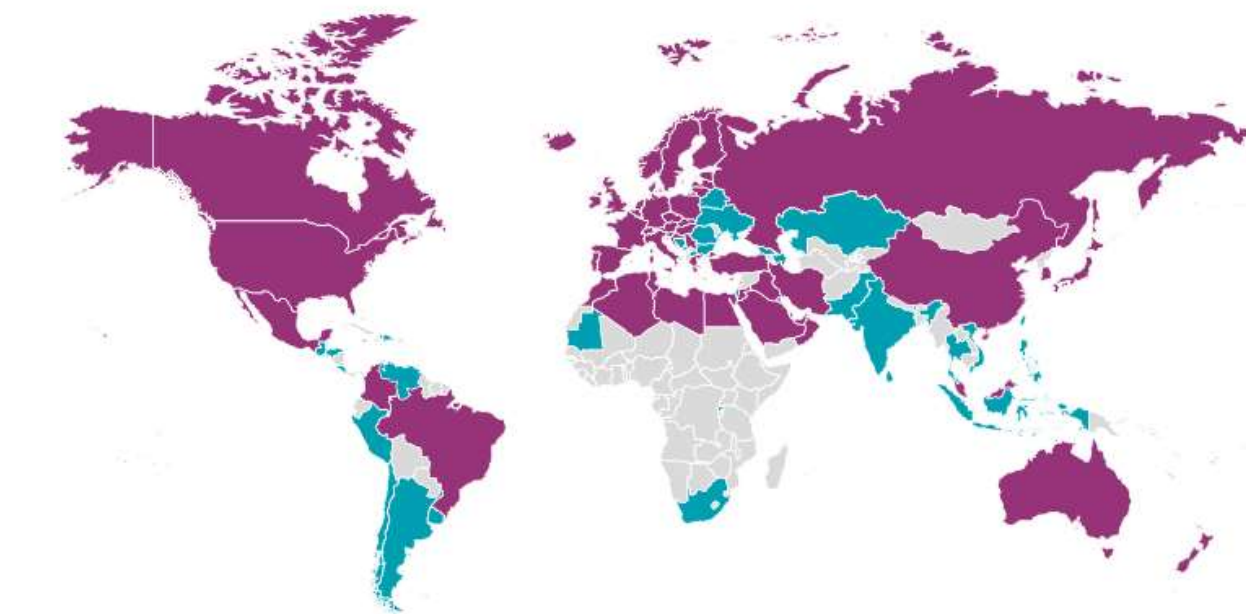




 Subsidiaries and direct selling organisations

 Countries where Recordati products are sold (under license or export)



RARE DISEASES



-  Subsidiaries and direct presence of orphan drug representatives
-  Commercial agreements and direct delivery



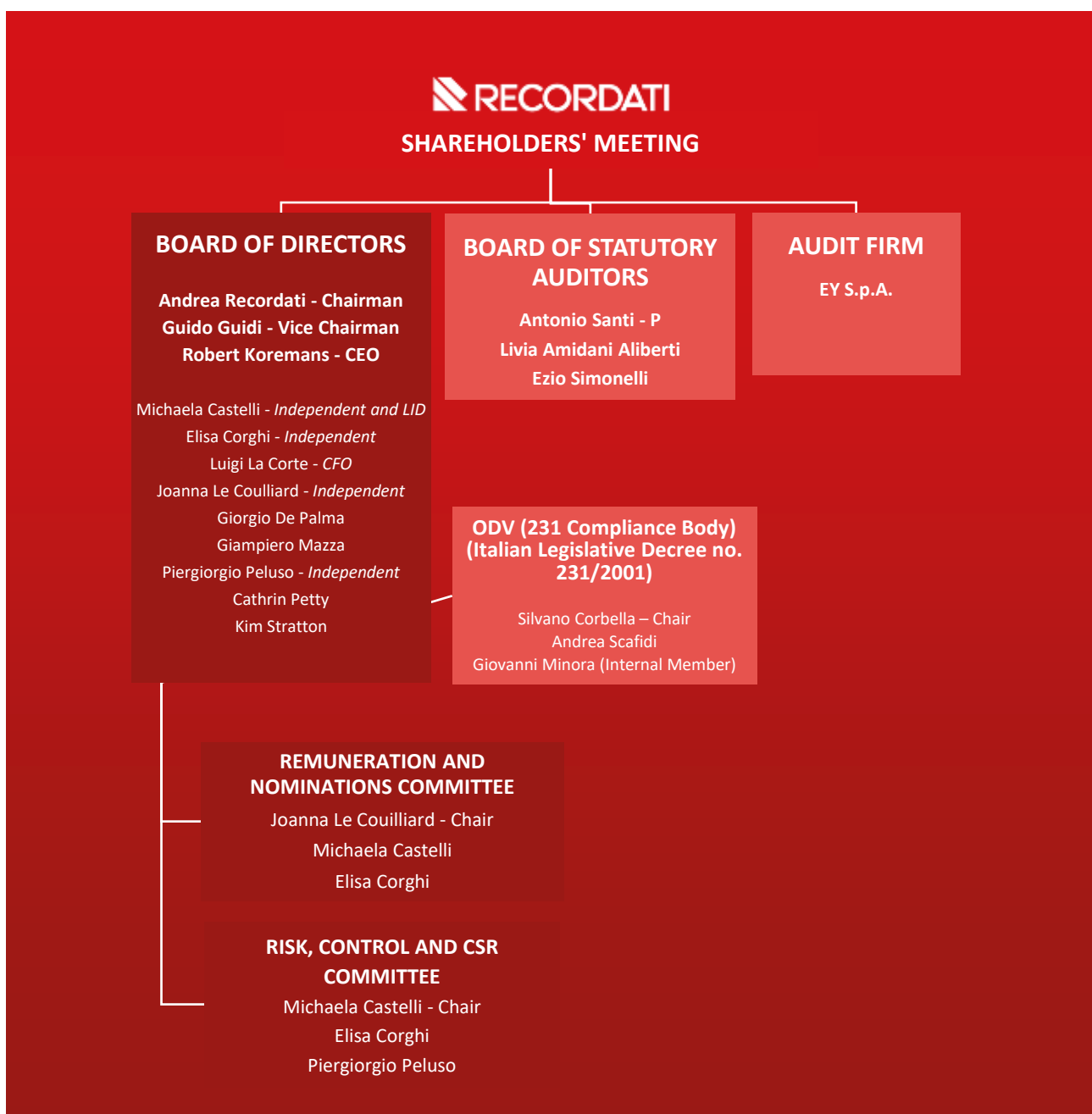
The corporate governance structure of the Company is based on a traditional organisational model and therefore consists of the following corporate bodies: (i) the Shareholders' Meeting, (ii) the Board of Directors, (iii) the Board of Statutory Auditors. Accounting control is delegated, in compliance with the relative legislation in force, to a firm of auditors registered in the special roll maintained by the Consob. A '231' (administrative liability) Compliance Body (ODV) has also been appointed which oversees the proper functioning of the '231 Model' and is responsible for updating it.

The Board of Directors has formed two committees from among its members with consultative and proposal-making functions: the Remuneration and Nominations Committee and the Risk, Control and CSR Committee, both consisting exclusively of independent directors.

Below is a graph representing the corporate governance structure of the Company as at 19th March 2024:

■ Supervisory bodies

■ Management bodies





The **primary objective** of Recordati's corporate governance system is to create value for its Shareholders by means of a responsible and sustainable approach, without ever losing sight of the social relevance of its business and all the interests involved.

In fact, Recordati is convinced of the fundamental importance of generating value through an approach that is ethical, lasting, sustainable and shared with its stakeholders. Over the years, it has launched various initiatives focused on **sustainability**, aligned with its strategic, organisational and operational characteristics. When defining its management strategies and policies, in addition to improving people's health and quality of life, one of Recordati's priorities is to identify the interests of all stakeholders, monitoring and managing the economic, social and environmental impacts of its work.

The Group's Sustainability Plan, defined in accordance with the materiality analysis performed, focuses on five priority areas: patient care, people care, environmental protection, responsible sourcing, ethics and integrity. It is a fundamental tool for sharing the future path with stakeholders and embodies the Group's ambitions and what it wants to commit to in order to contribute to sustainable and responsible development. With a view to continued improvement, the Plan provides for periodic monitoring and updating. For this purpose, also in 2023 Recordati worked on updating the targets included in the Plan.

In particular, the sustainability goals were identified by the Environmental, Social & Governance department in close collaboration with the heads of other company departments. The goals were shared with the Chief Executive Officer, the Executive Leadership Team, the Risk, Control and CSR Committee and approved by the Board of Directors.

It should be noted that the targets of the Short-Term Incentive (STI) plan of the Chief Executive Officer include the main social and environmental goals of the Sustainability Plan. Moreover, responsibility for achievement of the goals included in the Sustainability Plan is assigned to the representatives of the various functions involved, who have the resources, tools and know-how required for their implementation. Under the Group's STI plan social and environmental targets, linked to the implementation of the Plan itself, were assigned to certain key management personnel.

For further information, please refer to:

- (i) the Consolidated non-financial statement pursuant to Italian Legislative Decree no. 254/2016, which the Company publishes annually and which is available on the Section of the Company's website on sustainability <https://recordati.com/sustainability-our-commitment>;
- (ii) the Sustainability Plan, the main aspects of which are also detailed in the Sustainability section of the Recordati's website;
- (iii) the Remuneration Report, also published on the Company's website in the Corporate Governance, Remuneration section.

Recordati's commitments and focus in driving the Group's ESG strategy were recognised by the main ESG indices and ratings in 2023. Its inclusion in the FTSE4GOOD Index series was reconfirmed along with EcoVadis' 'Platinum' rating. MSCI ESG Research confirmed Recordati's A rating and the Group was rated C+ with 'Prime' status by ISS ESG, awarded to companies with the best sustainability performance in their sector. In addition, Recordati received 'Robust' in Moody's Analytics ESG Assessment and is included in the MIB ESG index, promoted by Euronext and Borsa Italiana.

More generally, Recordati promotes dialogue with its shareholders and institutional investors as an essential aspect for positively influencing the Company's conduct and increasing the level of transparency, also with a view to fostering sustainable success and value creation in the medium to long term. In accordance with the purposes and methods set forth in the 'Policy for Managing Dialogue with Investors' approved by the Board of Directors, the Company has established an ongoing and continuous relationship with proxy advisors and major institutional investors in order to encourage their involvement in the process of defining and verifying the actual methods of implementing its policy on the remuneration of Directors and Key Management Personnel.

This activity is carried out through the development of an engagement plan performed on a half-yearly or at least annual basis, which involves the participation of the corporate functions of Human Resources, Investor



Relations and Corporate Affairs Secretary Office, supported by the Chair of the Remuneration and Nominations Committee in order to highlight the committee's commitment on matters within their competence.

In this respect, in 2022, the Board of Directors adopted a specific 'Policy for Managing Dialogue with all Investors' in accordance with the recommendations of the CG Code.

More information on this is provided later in this Report (in particular, in the Shareholders' Relations Section).

Recordati's values are identified in the **Code of Ethics**, last updated by the Board of Directors on 30th July 2020 (available on Recordati's website¹).

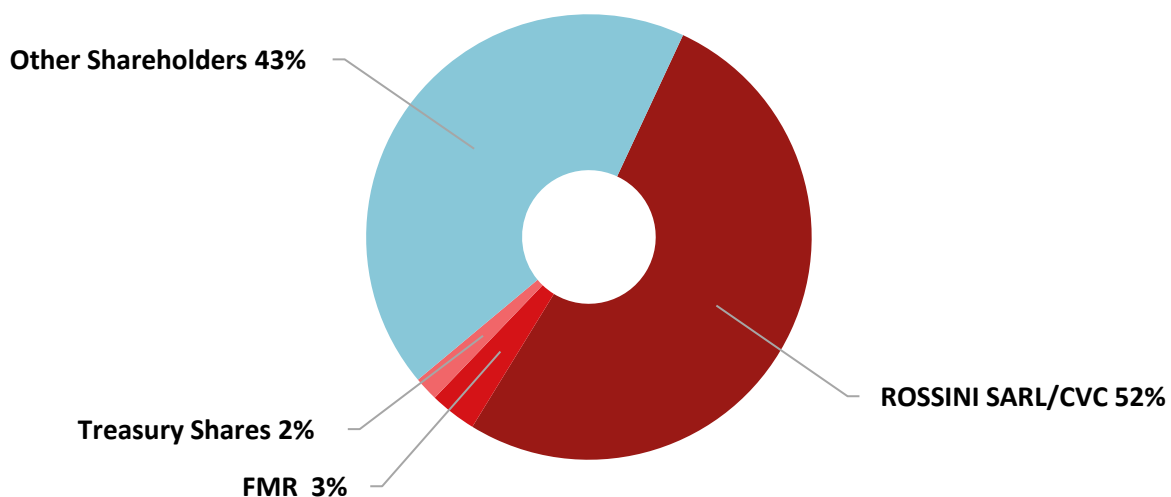
On 29th October 2020, Recordati's Board of Directors resolved to adhere to the CG Code, the recommendations of which were applicable as from 1st January 2021, with the additions and necessary amendments resulting from the characteristics of the Group as mentioned in this Report. In particular, **the Company falls within the CG Code's definitions of 'large company' and 'concentrated ownership company'**. The application of the relevant recommendations and application methods approved by the Board of Directors and, in particular, the possible use of the relevant flexibility options for the application of the CG Code will be specified from time to time, where necessary for 'large companies' 'with concentrated ownership'.

The information contained in this document, unless otherwise indicated, refers to the financial year ended on 31st December 2023 and, in relation to specific issues, updated at the date of its approval by the Board of Directors (19th March 2024).

In some cases, the Report, which is published on the 'Governance/Corporate Governance Report' section on the Company's website <https://recordati.com> makes reference to documents and information which may be consulted on the Company's website.

2. OWNERSHIP STRUCTURE (pursuant to article 123-bis, paragraph 1, of the TUF)

Below is a graph representing the ownership structure as at 31st December 2023.



¹ [Recordati Group Code of Ethics](#)



a) Structure of the share capital and rights attaching to shares (pursuant to article 123-bis, paragraph 1, letter a) of the TUF)

The subscribed and paid-up share capital amounts to € 26,140,644.5 and is represented by 209,125,156 ordinary shares each with a par value of € 0.125 as reported in the table at the end of this section. The shares are listed on the Euronext Milan (formerly *Mercato Telematico Azionario* - electronic stock exchange) operated by Borsa Italiana and issued under a dematerialisation regime.

The rights attaching to the shares are set out in the By-Laws. More specifically, each share entitles the holder to a proportional part of the profits allocated for distribution; article 28 of the By-Laws provides that the net profits on the balance sheet are to be distributed as follows: (a) 5% (five percent) to the legal reserve fund up to the amount established by the law; (b) the remainder, unless the Shareholders' Meeting, as proposed by the Board, resolves to allocate funds for extraordinary reserves or for other purposes, or to postpone part or all of the distribution to all shares to successive years, to be distributed to all shares. The Board of Directors may resolve to distribute interim dividends, within the limits and according to the procedures established by law. Dividends not collected within five years following the day on which they became payable shall revert to the Company and are recognised in the extraordinary reserve.

As reported in the table below, there are no other categories of shares, nor other financial instruments that assign the right to subscribe to new share issues, with the exception of the conditions indicated below in the context of stock option plans.

As concerns outstanding long-term incentive plans and any share capital increases there may be at the service of those plans, reference is made to the information documents prepared in accordance with article 84-bis of the Consob Issuers' Regulations relating to each outstanding stock option plan, available on the Company website at the address: <https://recordati.com/governance-remuneration>, as well as to the Remuneration Report prepared pursuant to article 84-quater of the Consob Issuers' Regulations and which may also be consulted on the Company's website at the same address).

Structure of the share capital

	No. Shares	No. of voting rights	Listed/unlisted
Ordinary shares	209,125,156	209,125,156	Listed on the Listed on the Euronext Milan regulated market managed by Borsa Italiana
Preference shares	0	0	
Shares with multiple voting rights	0	0	
Other classes of shares with voting rights	0	0	
Savings shares	0	0	
Convertible savings shares	0	0	
Other classes of shares without voting rights	0	0	

No other financial instruments exist which give the right to subscribe newly issued shares.

b) Restrictions on transfer of securities (pursuant to article 123-bis, paragraph 1, letter b) of the TUF)

The By-Laws of the Company establish that the shares of the Company are freely transferable.



c) Significant investments in the share capital (pursuant to article 123-bis, paragraph 1, letter c) of the TUF)

On the basis of notifications received, in accordance with article 120 of Italian Legislative Decree no. 58/1998 and other information received, as at 19th March 2024, the following parties held shares, either directly or indirectly, amounting to more than 3% of the share capital ('significant shareholdings').

Significant shareholdings

Reporting entity	Direct Shareholder	Percentage (%) of ordinary share capital	Percentage (%) of voting share capital*
CVC CAPITAL PARTNERS	ROSSINI SARL	51.82%	51.82%
FMR LLC	Fidelity Management & Research Company LLC, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Management Trust Company	3.402%	3.402%

* As is known treasury stock consists of shares on which voting rights are only temporarily suspended in accordance with the law.

As at 19th March 2024, Recordati S.p.A. also held no. 2,769,064 treasury shares equal to 1.324% of the capital on which voting rights are suspended in accordance with the law.

Significant shareholdings may be consulted on the Consob website (www.consob.it).

d) Securities with special rights (pursuant to article 123-bis, paragraph 1, letter d) of the TUF)

No securities with special rights of control have been issued.

e) Shareholding by employees: exercise of voting rights (pursuant to article 123-bis, paragraph 1, letter e) of the TUF)

No shareholding system exists for employees which involves the exercise of voting rights which is different from that provided for shareholders in general.

f) Restrictions on voting rights (pursuant to article 123-bis, paragraph 1, letter f) of the TUF)

Each ordinary share gives the right to vote without any restrictions.

g) Shareholders' Agreements (pursuant to article 123-bis, paragraph 1, letter g) of the TUF)

On 29th June 2018, the members of the Recordati family, then shareholders of Fimei S.p.A. – at that time the majority shareholder of the Company (as from 22nd April 2021 merged by incorporation into Recordati S.p.A.) – announced that they had reached an agreement for the transfer to a consortium of investment funds controlled by CVC Capital Partners VII of the entire capital of Fimei S.p.A. which, on that date, held 51.79% of the Company's capital (the '**Contract**').

On 4th July 2018, this Contract was published pursuant to article 122 of the TUF, as it contains *inter alia* certain agreements (the '**Agreements**') functional to the execution of the transaction governed by the Contract itself,



which can be considered as agreements of a shareholder nature and have therefore been prudently subject to the related publication formalities.

On 6th December 2018, in the performance of the aforementioned Contract, the shareholders of Fimeì S.p.A. transferred their entire shareholding in Fimeì S.p.A. to Rossini Investimenti S.p.A. (a company designated for this purpose under the aforementioned agreement).

Following the completion of this transfer, all the Agreements of the Contract ceased to apply.

On 29th June 2018, Rossini Holdings S.à r.l., (**'Rossini Holdings'**), executed two investment agreements with Andrea Recordati and an investment agreement with Fritz Squindo (collectively, the **'Investment Agreements'**). The aforementioned agreements govern the investment conditions of Andrea Recordati and Fritz Squindo respectively in Rossini Luxembourg S.à r.l., a subsidiary of Rossini Holdings, subject to the acquisition by Rossini Luxembourg of the entire share capital of FIMEI S.p.A., a company that holds ordinary shares representing 51.791% of the subscribed share capital of Recordati. The Investment Agreements contain, *inter alia*, certain agreements (the **'Agreements'**), functional to the execution of the transaction governed by the Investment Agreements themselves, which are likely to take on a significant shareholder nature for the purpose of fulfilling the related publication formalities.

On 4th July 2018, these Agreements were disclosed pursuant to article 122 of the TUF.

On 6th December 2018, two agreements were executed amending the aforementioned Investment Agreements, both of which were notified pursuant to article 122 of the TUF on 11th December 2018.

On 6th December 2018, Rossini Holdings S.à r.l. established under Luxembourg law, with registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 224480 (**'CVC Luxco'**), Rossini Luxembourg S.à r.l. established under Luxembourg law, with registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 224498 (**'Lux Equityco'**) and Rossini Co-Invest GP Limited (**'General Partner'**), in its capacity as general partner of Rossini Co-Invest L.P. (the **'Partnership'**) both having their registered office at 1 Waverley Place, Union Street, St Helier, Jersey, and Channel Islands JE1 1SG, executed with PSP Investments Holding Europe Limited with its registered office in London, 10 Bressenden Place SW1E 5DH, United Kingdom, (**'PSP'**) some significant shareholders' agreements pursuant to article 122 of the TUF (the **'PSP Shareholders' Agreement'**).

This PSP Shareholders' Agreement was published pursuant to article 122 of the TUF on 11th December 2018.

On 6th December 2018, Rossini Holdings S.à r.l. established under Luxembourg law, with registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 224480 (**'CVC Luxco'**), Rossini Luxembourg S.à r.l. established under Luxembourg law, with registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 224498 (**'Lux Equityco'**) and Rossini Co-Invest GP Limited (**'General Partner'**) in its capacity as general partner of Rossini Co-Invest L.P. (the **'Partnership'**) both having their registered office at 1 Waverley Place, Union Street, St Helier, Jersey, Channel Islands JE1 1SG, executed with Finance Street SSMA C.V., Alpinvest LIVE Co C.V., ACIF VII C.V., ACIF (Euro) VII C.V., AG Co-Investment C.V., AJ Co C.V., Alpinvest GA Co 2018 C.V. and APSS Co-Investment C.V. (collectively, **'Alpinvest'**) some significant shareholders' agreements pursuant to article 122 of the TUF (the **'Alpinvest Shareholders' Agreement'**).

This Alpinvest Shareholders' Agreement was published pursuant to article 122 of the TUF on 11th December 2018.

On 19th February 2019, with reference to the investment agreements executed between Andrea Recordati, on one hand, and Rossini Luxembourg S.à r.l. and Rossini Holdings, on the other hand, on 29th June 2018 (as amended on 6th December 2018) (hereinafter referred to as the **'AR Agreements'**), which include some significant shareholders' agreements pursuant to article 122 of the TUF, paragraphs 1 and 5 and were already disclosed to public on 1st July and 11th December 2018, the following amendment was disclosed: on 14th February 2019, (i) Mr Andrea Recordati subscribed for no. 6,350,000 ordinary shares and no. 1,150,000 preference shares (the ordinary and preference shares, the **'Shares'**) of Rossini Luxembourg; (ii) Mr Andrea Recordati transferred these Shares to his controlled company Indio s.s., with registered office in Milan, via



Paolo Andreani 4, fiscal code 97832790154 (**'Indio'**); (iii) through the signing of certain adhesion agreements with Andrea Recordati, Rossini Luxembourg and Rossini Holdings S.à.r.l. (the **'Indio Adhesion Agreements'**), Indio has adhered to the AR Agreements, taking upon itself the rights and obligations arising from the AR Investment Agreements held by Andrea Recordati, who in any case remained a party to those agreements; and (iv) the Shares are held by Cordusio Società Fiduciaria per Azioni, a company subject to the management and coordination of Unicredit S.p.A., with registered office in Milan, via Borromei, 5, registered under no. 863916 with the Companies' Register of Milan (**'Cordusio'**), in its capacity as fiduciary company (*società fiduciaria*) appointed by Indio, which has given Cordusio irrevocable instructions, as they are also conferred in the interest of Rossini Luxembourg and Rossini Holdings, to comply with the provisions of the AR Agreements and the By-laws of Rossini Luxembourg.

Through the Indio Adhesion Agreements, Indio has undertaken the rights and obligations which Andrea Recordati was entitled to on the basis of the AR Agreements, Mr Andrea Recordati remaining although part to such agreements.

Furthermore, pursuant to the Indio Adhesion Agreements, Indio has undertaken towards Rossini Holdings and Rossini Luxembourg to transfer the ordinary and privileged shares of Rossini Luxembourg held by the latter to Mr Andrea Recordati or to a related party to him, in case Indio ceases to be qualified as related party to Mr Andrea Recordati.

No amendments occurred in relation to the same agreements executed on 29th June 2018 between Fritz Squindo, on one hand, and Rossini Luxembourg S.à.r.l. and Rossini Holdings S.à.r.l., on the other hand, as subsequently amended on 6th December 2018 likewise the AR Agreements the **'FS Agreements'**), which were disclosed to the market on 4th July and 11th December 2018. On 14th February 2019, the Rossini Luxembourg shares subject to the FS Agreement were subscribed by Cordusio on behalf of Mr Fritz Squindo, who granted Cordusio irrevocable instructions, as they were also granted in the interest of Rossini Luxembourg and Rossini Holdings, to comply with the provisions of the FS Agreement and the By-laws of Rossini Luxembourg.

For the sake of completeness, it should be noted that the extract of the aforementioned shareholders' agreements published pursuant to the law and the essential information on the relevant agreements mentioned above, as also possibly amended, in line with the applicable legislation, are available on the Company's website under section Investors/Shareholders Information/Shareholders Agreements at the following address: <https://recordati.com/shareholder-information>.

h) Change of control clauses (pursuant to article 123-bis, paragraph 1, letter h) of the TUF) and By-Laws provisions concerning public tender offers to purchase (pursuant to articles 104, paragraph 1-ter and 104-bis, paragraph 1)

The Company and some of its subsidiaries are, in relation to their business operations, parties to some licensing agreements that include a clause, which is a normal provision in international agreements, authorising the Licensor to dissolve the contracts in the event of change of direct or indirect control of the Licensee.

In addition, bonds issued by the Company (in 2014, 2017 and in 2022) – for residual totals of US\$51.4 million and €200 million - both privately placed with international institutional investors and most of the major loan agreements executed by the Company, also as guarantor for the benefit of its subsidiaries – for a total of €1,470 million – set out, as is normal in financial operations of this type, a clause, which authorises the creditors to obtain immediate repayment if the control of the Company changes.

The By-Laws of the company do not allow exceptions to the provisions concerning takeovers on the passivity rule pursuant to article 104, paragraph 1-ter, of the TUF nor do they allow the application of neutralisation rules pursuant to article 104-bis, paragraph 1, of the TUF.



i) Authorisation for increase of share capital and acquisition of treasury shares (pursuant to article 123-bis, paragraph 1, letter m) of the TUF)

Following the expiry of the authorisations to increase the share capital, pursuant to article 2443 of the Italian Civil Code, and to issue bonds that can be converted into ordinary shares pursuant to article 2420-ter of the Italian Civil Code, approved by the Shareholders' Meeting of 11th April 2017 (which the Board had not implemented, even partially), to date the Board has not proposed either a renewal or new authorisations.

The By-Laws do not authorise the Board to issue participating financial instruments.

In ordinary session, by means of a resolution of 21st April 2023 a Shareholders' Meeting renewed the authorisation to purchase treasury shares, pursuant to articles 2357 *et seq.* of the Italian Civil Code, until approval of the financial statements as at 31st December 2023, scheduled for 22nd April 2024. In particular, the maximum number of shares that may be acquired, after accounting for the number of treasury shares already held in the Company's portfolio, is 4,000,000, which corresponds to a total potential payment of not more than € 200,000,000, at a minimum price not less than the nominal value of Recordati shares (€ 0.125) and a maximum price not greater than the average of official Borsa prices during the five sessions prior to the acquisition, plus 5%. Purchases must be made on regulated markets, in compliance with the applicable laws and regulations, according to the procedures set forth by EU Regulation no. 596/2014 and the relevant implementing provisions, and according to standard practices recommended by Consob in accordance with article 13 of EU Regulation no. 596/2014, where applicable.

On the basis of this shareholders' resolution, on 2nd October 2023 (as disclosed to the market on 29th September 2023), a share buy-back program was launched to service stock option plans / performance shares plans for the management of the Recordati Group that was already adopted by the Company or share-based incentive plans that should be approved in the future. This share buy-back program is still underway as at the date of approval of the Report. On the basis of this program, as at 19th March 2024, no. 560,512 shares were purchased for a consideration of € 26,647,226.15 (thus leaving no. 114,488 shares until the maximum number of purchasable shares).

It should be noted that, at the end of the Financial Year, the Company held 3,119,044 treasury shares in its portfolio, corresponding to 1.491% of the share capital.

In consideration of the expiry of the current authorisation which will occur when the Shareholders' Meeting is held to approve the financial statements for the year ended on 31st December 2023, the Board resolved to submit a proposal to the Shareholders' Meeting convened to approve the 2023 financial statements to renew the authorisation to purchase and assign treasury stock in order to maintain the necessary operational flexibility over an appropriate time horizon. The Directors' Report on the relevant item on the agenda, which will be also made available on the Company's website within the time period set forth by law, may be consulted for further information.

j) Management and co-ordination (pursuant to article 2497 *et seq.* of the Italian Civil Code)

The Company is subject to the management and coordination on the part of Rossini Luxembourg S.à.r.l, pursuant to article 2497 *et seq.* of the Italian Civil Code.

In 2019 the Board of Directors approved the adoption of specific regulations on the management and coordination activities carried out by Rossini Luxembourg S.à.r.l. over Recordati S.p.A. (last updated in December 2023) and on the information flows of Recordati S.p.A. towards, in particular, Rossini Luxembourg S.à.r.l. at the end of an in-depth investigation which involved, from the onset of the drafting phase, the independent directors and the Board of Statutory Auditors.



The exercise of this activity by Rossini Luxembourg S.à.r.l. can be carried out, *inter alia*, through the formulation of general guidelines, the purpose of which is to coordinate, to the extent deemed necessary, insofar as possible and in any case in accordance with the respective objectives, the management strategies of Rossini Luxembourg and the Recordati Group; the establishment of directives and the formulation of instructions for the transmission of management and accounting information which Rossini Luxembourg may need in order to comply with applicable laws and regulations; the formulation by Rossini Luxembourg of non-binding opinions in particular on some significant transactions and decisions.

The Company performs management and coordination activities, pursuant to articles 2497 *et seq.* of the Italian Civil Code, vis-à-vis the Italian companies belonging to the Recordati Group and its direct and indirect subsidiaries, outlining their medium/long-term strategies in terms of economic and financial results, industrial and investment objectives and commercial policies. The fully controlled Italian subsidiaries have acknowledged management and co-ordination by the Company and have fulfilled legal disclosure requirements in this respect.

k) Other information

The information required by article 123-bis, first paragraph, letter i) of the TUF (*'agreements between the Company and directors, members of the board of directors or the supervisory board, which provide for the payment of indemnities in the event of resignation, dismissal without just cause or if the contract of employment is interrupted following a public tender offer'*) is given in the Remuneration Report published in accordance with article 123-ter of the TUF.

The information required by article 123 bis, first paragraph, letter l) of the TUF (*'regulations for the appointment and replacement of directors and for amendments to the By-Laws, if different from those applicable by law in the absence of alternative provision'*) is given in the section of the report on the Board of Directors (Section 4.1).

3. COMPLIANCE

(pursuant to article 123-bis, paragraph 2, letter a, first part) of the TUF)

As illustrated in Section 1, in accordance with the procedures contained in this report, the Company adheres to the CG Code, which may be consulted on the website of the Corporate Governance Committee at the address: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020eng.en.pdf>.

In particular, in the event that the Company has decided not to adhere – also partially - to certain principles or operating criteria of the CG Code, reasons were given either in the corresponding section of this Report or in the corresponding section of the Remuneration Report.

The main characteristics of the risk and internal control management systems in relation to financial reporting, including consolidated reporting, requested by article 123-bis, paragraph 2, letter b) of the TUF are illustrated in the section of the Report on internal control and risk management (Section 9).

The procedures for the functioning of shareholders' meetings, its principal powers, the shareholder rights and the procedures for exercising them, required by article 123-bis, paragraph 2, letter c) of the TUF, are illustrated in the section of the Report on Shareholders' Meeting (Section 13).

The information concerning the criteria and policies concerning diversity applied in relation to the composition and functioning of management and supervision bodies and their committees, required by article 123-bis paragraph 2, letter d) of the TUF, are illustrated in the section of the Report on the Board of Directors (Section 4) and, in more detail for the Committees, in the section of the Report on internal Board Committees (Section 6).



Information on the criteria and policies on diversity applied in relation to the composition of the administrative, management and control bodies with regard to aspects such as age, gender composition and training and professional background required by article 123-*bis*, paragraph d-*bis*, of the TUF, is illustrated in the section of the Report dedicated to the Board of Directors (Section 4.3.b.).

4. BOARD OF DIRECTORS

4.1 ROLE OF THE BOARD OF DIRECTORS

On 28th October 2021, the Board of Directors approved a regulation (the '**Regulation**') governing the **role**, activities, organisation and procedures for the functioning of the Company's governing body, in order to ensure compliance with applicable laws and Recordati's By-Laws (the 'By-Laws'), as well as with the principles and recommendations of the CG Code as applicable from time to time and as approved by the Company and, in particular, also with a view to ensuring an effective management of board reporting.

With regard to the role and competences of the Board of Directors, pursuant to article 22 of the By-Laws, the Board of Directors is vested with the broadest powers for the ordinary and extraordinary administration and management of the Company, without any exceptions whatsoever, and is authorised to perform all the acts it deems appropriate for the implementation and achievement of the corporate purposes, with the exception only of those acts that the law strictly reserves to the Shareholders' Meeting. The Board of Directors is also empowered to resolve on matters that cannot be delegated pursuant to article 2381 of the Italian Civil Code.

In addition, the Board of Directors: (i) is empowered to resolve on the matters set out in article 22 of the By-Laws; (ii) pursuant to article 18 of the By-Laws, appoints one or more Chief Executive Officers from among its members; (iii) may delegate its powers, in whole or in part, in addition to the Chairman, also to the Vice-Chairman, to the Executive Committee and/or to one or more Chief Executive Officers and may grant specific mandates to individual Directors or to managers of the Company, all as better specified in article 9 below; (iv) pursuant to article 25 of the By-Laws and the 'Regulation of the Manager responsible for preparing the company's financial reports' approved by the Board of Directors most recently on 18th March 2020 (the 'Financial Reporting Officer Regulation', subject to the mandatory opinion of the Board of Statutory Auditors and the Risk, Control and CSR Committee, appoints and revokes the Manager responsible for preparing the company's financial reports (the 'Financial reporting Officer'); (v) decides on related-parties transactions in the cases provided for by the related-party transaction procedure adopted by the Company.

The Board of Directors is responsible for defining the strategic guidelines of the Company and of the group it heads, monitoring their implementation, resolves on transactions of strategic importance and is responsible for governing their management.

In relation to the **specific powers provided for by the CG Code**, the Board monitors the adequacy of the organisational, administrative and accounting structure of Recordati and its subsidiaries of strategic importance, with particular reference to the internal control and risk management system.

The Board of Directors:

- (i) leads the Company by pursuing its sustainable success;
- (ii) defines the corporate governance system that is most functional for carrying out the Company's business and pursuing its strategies, taking account of the flexibility offered by the legal framework, and, if needed, assesses and promotes the appropriate amendments and submits them to the Shareholders' Meeting when such changes are necessarily subject to the Shareholders' approval, with reference to:
 - (a) choice and characteristics of the corporate form;



- (b) size, composition and appointment of the management body and term of office of its members;
 - (c) definition of administrative rights (including the possible introduction of increased voting rights) and equity rights of shares;
 - (d) percentages set for the exercise of the prerogatives to preserve minorities;
 - (iii) promotes dialogue with Shareholders and other stakeholders which are relevant for the company, in the most appropriate way.
- In particular, the Board of Directors:
- a) examines and approves the business plan of the Company and of the group it heads, also on the basis of the analysis of the issues relevant to the generation of long-term value carried out with the support of the Risk, Control and CSR Committee or of the different committee that may be identified by the Board of Directors;
 - b) periodically supervises the implementation of the business plan and assesses the general operating performance, taking into account, in particular, the information received from the delegated bodies and periodically comparing the achieved results with the planned ones;
 - c) defines the nature and level of risk compatible with the Company's strategic objectives, including in its evaluations all the elements that may be relevant to the medium-long term sustainability of the Company's activities;
 - d) defines the corporate governance system of the Company and the structure of the group it heads, setting out guidelines for the governance of its subsidiaries;
 - e) assesses the adequacy of the organisational, administrative and accounting structure of the Company and of its subsidiaries with strategic importance as drafted by the delegated bodies, with particular reference to the internal control and risks management system;
 - f) resolves on the transactions of the Company and of its subsidiaries that have significant strategic, economic, equity or financial importance for the Company itself and, to this end, it sets out the general criteria for the identification of significant transactions through the adoption of an appropriate procedure;
 - g) adopts internal regulations, including those concerning market abuses (Regulation (EU) no. 596/2014, the so-called Market Abuse Regulation).

In addition, in relation **to the internal control and risks management system**, the Board of Directors, in line with the provision of the CG Code, with the support of the Risk, Control and CSR Committee:

- a) defines the guidelines of the internal control and risk management system in accordance with the Company's strategy and in such a way that the main risks relating to the issuer and its subsidiaries, including the various risks that may be relevant to sustainable success, are correctly identified, as well as adequately measured, managed and monitored, also determining the level of compatibility of such risks with a management of the company in line with the Company's strategies;
- b) identifies one or more Directors responsible for the introduction and maintenance of an effective internal control and risk management system (Director(s) in charge of the internal control and risks management system), if it considers to derogate from the recommendation of the CG Code which identifies the latter as the Chief Executive Officer;
- c) appoints and revokes the Group Audit Director, defining his/her remuneration in line with the Company's policies and ensuring that he/she is provided with appropriate resources to carry out his/her duties. If the Board of Directors decides to entrust the Group Internal Auditing Function, as a whole or by segments of activity, to an external party, it shall ensure that the latter has appropriate competence, independence and organisation requirements, and that appropriate reasons for this choice are provided in the Corporate Governance Report;
- d) approves, at least once a year, the work plan prepared by the Group Audit Director after having also consulted the Board of Statutory Auditors, the Director responsible for the internal control and risks management system and the Chief Executive Officer (if a person other than the Director responsible for the internal control and risks management system);
- e) assesses the appropriateness of measures adopted to ensure the effectiveness and impartiality of judgement of the corporate functions involved in the controls (such as risk management and legal and



non-compliance risk monitoring functions, with reference to the organisational structures of the Company set up in relation to such functions), verifying that they are provided with appropriate competence and resources;

- f) assesses, at least once a year, the adequacy of the internal control and management risks system with respect to the Company's characteristics and its risk profile, as well as its effectiveness;
- g) assigns the supervisory functions pursuant to article 6, par. 1, lett. b) of Italian Legislative Decree no. 231/2001 to the Board of Statutory Auditors or to a body established specifically for this purpose (the so-called '*Organismo di Vigilanza*' – ODV (231 Compliance Body)); in the latter case, (i) appoints the members of the ODV (231 Compliance Body) pursuant to Italian Legislative Decree no. 231/2001, ensuring to appoint within the body at least one non-executive Director and/or a member of the Board of Statutory Auditors and/or the head of a legal or supervisory function of the Company, in order to ensure coordination among the various parties involved in the Internal Control and Risks Management System and (ii) grants the ODV (231 Compliance Body) an annual budget;
- h) describes, in the corporate governance report, the main characteristics of the internal control and risks management system and the methods of coordination among the persons concerned. The report provides information about the national and international reference models and best practices adopted and the Board's overall assessment of the adequacy of the system itself. Moreover, it provides an adequate explanation of the composition of the ODV (231 Compliance Body).
- i) assesses, after consultation with the Board of Statutory Auditors, the results presented by the External Auditors in any letter of suggestions and in the additional report on the key issues raised during the statutory audit addressed to the Board of Statutory Auditors, if any;
- j) adopts, modifies and/or integrates the Management, Control and Organisational Model drafted pursuant to Italian Legislative Decree no. 231/2001 and approves its adjustments in line with the regulatory provisions in force from time to time;
- k) appoints and revokes the Person(s) in charge of internal control pursuant to article 150 of Italian Legislative Decree no. 58/1998;
- l) implements the recommendations of the CG Code in relation to the internal control and risks management system.

In addition, the Board of Directors, with the support of the Remuneration and Nominations Committee, is vested with the powers and functions set out in the CG Code and applicable law **in relation to remuneration**. Again with the support of the Remuneration and Nominations Committee, the Board of Directors:

- a) ascertains that appropriate procedures are in place for the succession of top management in accordance with the CG Code;
- b) identifies the candidates for the office of Director in the event of co-option, if there are no remaining candidates available in the slate to which the outgoing Director belonged, in accordance with the criteria relating to the composition of the Board.

The Board of Directors is also responsible for the adoption of the regulations, procedures and internal policies deemed necessary or appropriate for the organisation of the company, or for compliance with the law or the compliance with the CG Code, including, by way of example, the following:

- a) a regulation which defines the functioning rules of the Board of Directors and of its Committees (please see article 11.4 of the Regulation);
- b) a procedure which regulates the related-party transactions carried out by the Company, directly or through its subsidiaries;
- c) a procedure for the internal management and the external communication of inside information in accordance with the law (please see point l), lett. g) above).

The Board of Directors has decided to take advantage, with effect from 20th December 2012, of the option not to comply with obligations to publish the reports required when significant transactions are performed consisting of mergers, demergers, share capital increases through contributions in kind, acquisitions and disposals, in accordance with article 70, paragraph 8, of the Consob Issuers' Regulations.

It should be noted that, in implementation of the above, **during 2023**, the Board in particular:



- generally assessed the operating performance and monitored the comparison, amongst other things, of actual results with budgeted results taken from the approved 2023 budget, carried out as per generally established practice when quarterly interim accounting reports are approved;
- approved the 2023-2025 Plan, the 2023 Group Budget and set the 2023-2025 targets, which were then disclosed to the market;
- following the proposal of the Remuneration and Nominations Committee, approved the new long-term incentive plan based on financial instruments called '2023-2025 Performance Shares Plan' to be submitted to the Shareholders' Meeting; following the Shareholders' Meetings' approval of the aforementioned plan, it approved the granting of rights to grant shares for 2023;
- assessed the independence requirements of the directors qualifying as independent also in the light of the criteria set out in the GC Code, requesting them to disclose to the Company any information pursuant to the 'Policy on quantitative and qualitative criteria for assessing independence requirements' approved by the Board of Directors on 28th October 2021;
- set the performance targets linked to the variable component of the remuneration of the Chief Executive Officer for 2023 and acknowledged the targets assigned to other key manager personnel;
- approved the final accounts of the MBO targets of the Chief Executive Officer and acknowledged the final accounts of the targets assigned to the other key manager personnel for 2022;
- at the beginning of 2023 confirmed as subsidiaries of strategic importance the companies already identified as such in 2022;
- assessed positively the adequacy of the general organisational, administrative and accounting structure of the Company and its subsidiaries of strategic importance, with particular reference to the internal control and risk management system, prepared by the Chief Executive Officer who is identified as the Director responsible for the internal control and risk management system;
- appointed the ODV (231 Compliance Body) provided for in the Model adopted pursuant to Italian Legislative Decree no. 231/2001;
- after consulting with the Board of Statutory Auditors, the Chief Executive Officer in his capacity as the Director responsible for the internal control and risk management system, approved the work plan prepared by the Chief of the Group Internal Audit Function for 2023;
- approved the updating of the Guidelines on the internal control and risk management system for 2023;
- has progressively examined the changes to the organisational structure that occurred during 2023;
- examined the guidelines of the succession procedure for key manager personnel, following preliminary activities conducted by the Remuneration and Nominations Committee;
- examined and approved the materiality matrix and updated the sustainability plan and targets for the 2023 financial year, also following a specific benchmarking analysis on material and objective issues, with the preliminary support of the Risk, Control and CSR Committee;
- received reporting on the implementation of the Engagement Plan and thus on the outcomes of meetings with some of the major investors and proxy advisors as well as on feedback from investors and analysts;
- examined and approved the transactions of the Company and of its subsidiaries, when such transactions were of significant strategic, economic, equity or financial importance for the Company or its subsidiaries (in particular: acquisition of rights to medical products and loan agreements);
- examined the updates of the Company's 'Risk Map', also prior to the completion of important business development transactions;
- carried out specific in-depth analyses, also from a strategic point of view, on some business areas including those related to industrial operations and R&D activities;
- examined the impairment analyses concerning the 2022 financial statements, the financial assessment assumptions and the forecasting assumptions used for these purposes and examined the preliminary results of a specific analysis carried out with the support of an independent expert engaged by the Company in relation to the possible update of the impairment test methodology as from the financial statements as at 31st December 2023;



- approved the Directors' Report on the election of the Board of Statutory Auditors, formulating a recommendation to the Shareholders' Meeting regarding the adjustment of the relevant remuneration;
- following the appointment of the new Board of Statutory Auditors by the Shareholders' Meeting, assessed the fulfilment of the independence requirements by the aforementioned Statutory Auditors, following the assessment also carried out by the Board itself, disclosing the results to the market;
- set the cumulative target (2022-2024) of the stock option grant resolved upon by the Board of Directors on 24th February 2022, following the approval of the 2023-2025 Three-Year Plan;
- launched a share buy-back program to service stock option plans and/or share-based incentive plans for the management of Recordati Group companies already adopted by the Company and those plans to be adopted in the future;
- at the end of 2023, examined the 2024 Group budget and reviewed the annual update of the 'Risk Map' and carried out the consequent assessment of the compatibility of the level and nature of the risks as identified in the Group Risk Map submitted to the Board, with the Group's strategic objectives set out in the 2024 Budget, also with a view to the medium/long-term sustainability of the Company;
- revised and updated the powers granted to the Chief Executive Officer, increasing certain expenditure commitment thresholds in light of the Group's operational growth;
- launched the Board Review process in view of the renewal of the term of office of the current Board of Directors expiring with the Shareholders' Meeting called to approve the financial statements as at 31st December 2024;
- updated the perimeter of key manager personnel;
- at the beginning of 2024 and up to the date of approval of the Report, examined and approved the final version of the 2024 Group Budget and the 2024 targets; an update of the Impairment Test Procedure and methodology to be adopted as from the 2023 financial statements; the Sustainability Plan and sustainability targets for the 2024 financial year; the update of the peer groups for the purposes of benchmarking activities in terms of remuneration; the audit plan and compliance plan for the 2024 financial year; the adequacy of the general organisational, administrative and accounting structure of the Company and its strategically relevant subsidiaries.

In addition to what is indicated in this Section, reference should also be made to the other relevant Sections of the Report for details of the further duties assigned to the Board concerning: its composition, functioning, appointment and self-assessment as well as the internal control and risk management system.

Please refer to the Remuneration Report for details of the additional duties assigned to the Board concerning remuneration policy.

4.2 APPOINTMENT AND REPLACEMENT (pursuant to article 123-bis, paragraph 1, letter l) of the TUF

The appointment and replacement of Directors is regulated by articles 15, 16 and 18 of the By-Laws, the text of which, for the sake of completeness, is reproduced in full below:

Article 15) The Board of Directors shall be appointed from slates of candidates presented by shareholders, in compliance with the existing legislation in force on gender balance, according to the procedures as indicated below, in which the candidates are identified by progressive numbers.

The slates, signed by the shareholders who present them, must be deposited at the registered office of the Company at least twenty-five days prior to the date of the first convention of the Shareholders' Meeting, available to anyone who requests to see them, and they will also be subject to other forms of publicity in accordance with laws and regulations in force at the time.

Every shareholder, shareholders who participate in a significant shareholders' agreement pursuant to article 122 of the TUF, the parent company, subsidiaries and companies subject to joint control pursuant to article 93 of the TUF, may not present or contribute to the presentation of more than one slate, not even by means of another person or trustee, nor may they vote for different slates, and each candidate may be listed in only



one slate or will be disqualified. The subscriptions and votes expressed in violation of this prohibition will not be attributed to any slate.

Only shareholders individually or jointly possessing a total number of shares with voting rights representing at least 2.5% of capital stock with voting rights at ordinary meetings, or representing a lesser percentage as established by binding legislative or regulatory provisions which shall be specified in the notice of meeting, shall have the right to submit slates.

The following items must be filed for each slate within the respective deadlines set out above and as provided by applicable regulations: (i) statements by each candidate to the effect that each accepts candidacy and declares, assuming full responsibility, that there are no reasons preventing the candidate from being elected or rendering him unsuitable for the office, and that the candidate meets any specific requirements for the relevant office; (ii) a curriculum vitae detailing each candidate's personal and professional characteristics and indicating that the candidate may be considered independent.

The specific certification demonstrating title to the necessary number of shares for the presentation of the slate, issued by a legally authorised intermediary must also be deposited within the time limits set by the relative regulations at the time when the slates are deposited at the Company.

Slates containing a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that a percentage equal to that required by the legislation in force at the time concerning gender balance for the composition of the Board of Directors belongs to the less represented gender.

Slates that are presented but are not in accordance with the provisions as above will be considered as not presented.

The Board of Directors will be elected as follows:

- a) all of the Directors to be appointed, except one, will be selected from the slate that obtained the greatest number of votes, following the progressive order in which they are listed on the slate;
- b) the remaining director shall be the candidate placed at the number one position on the minority slate, which shall not be connected in any way, even indirectly, with those who submitted or voted for the slate indicated in letter a) above, which obtains the second highest number of votes. For this purpose, slates that did not obtain a percentage of votes equal to at least half of that required for presentation of the slates as at the fourth paragraph of this article will not be considered.

For the purposes of the appointment of directors as indicated at point b) above, in the event of a tie between slates, the slate presented by shareholders possessing the larger shareholding, or subordinately the larger number of shareholders, shall prevail.

If the candidates elected by the method as above do not include an adequate number of independent Directors with the characteristics as established for statutory auditors at article 148, third paragraph, of the TUF, equal to the minimum number established by the law in relation to the total number of Directors, the last non-independent candidate, according to the progressive numbering, of the slate that obtained the greatest number of votes as at letter a) of the paragraph above, will be substituted by the first independent candidate, according to the progressive numbering, of the non-elected candidates on the same slate, or if not possible, by the first independent candidate, according to the progressive numbering, of the non-elected candidates of the other slates, according to the number of votes obtained by each. This procedure of substitution will be followed until the board of directors is composed of a number of members who have the qualifications as at article 148, third paragraph of the TUF, equal at least to the minimum legal number. If this procedure does not produce the latter result, the substitution will be effected by resolution of the Shareholders' Meeting by relative majority, after presentation of candidates who possess the qualifications as cited above.

Furthermore, if with the candidates elected according to the above procedures the composition of the Board of Directors in compliance with the legislation in force at the time concerning gender balance is not ensured, the candidate of the gender most represented elected as last in order on the slate which obtained with the largest number of votes shall be replaced by the first candidate of the less represented gender not elected in order on the same slate. That replacement procedure shall be followed until the composition of the Board of Directors in compliance with the legislation in force at the time concerning gender balance is ensured. Finally, if this procedure does not produce the result just indicated, then the replacement shall be made by a resolution



of the Shareholders' Meeting by relative majority, after presentation of candidates belonging to the less represented gender.

If only one slate is presented, all of the Directors will be selected from the same slate. If no slate is presented the Shareholders' Meeting will decide by legal majority, without following the procedure as above. All of the foregoing is subject to compliance with the legislation in force at the time concerning gender balance.

Any different or additional compulsory provisions of the law or regulations will form an exception to these provisions.

Article 16) - The fees to be paid to the Board of Directors shall be established by the Shareholders' Meeting for the entire period of their term, or for each financial year, and may take the form of profit-sharing.

Article 18) - Unless already provided for by the Shareholders' Meeting, the Board shall appoint a Chair and may appoint a Vice-Chair from among its members. The Board shall also appoint one or more Managing Directors from among its members. The Chair shall have all the powers vested in him by law; in the case of his absence or inability to attend for any reason, the said powers shall be exercised by the Vice-Chair, or in his absence, by the most senior Director.

Finally, the Board shall appoint a Secretary, who need not be a member of the Board.

It is also underlined that, on the basis of the By-Laws in force, the right to submit slates is only held by shareholders who, individually or together with other shareholders submitting slates, hold voting shares representing at least 2.5% of the voting capital in an Ordinary Shareholders' Meeting, or representing a lower percentage established by mandatory laws or regulations. In this respect, in accordance with articles 144-*quater* and 144-*septies* of the Consob Issuers' Regulations, as well as Consob resolution no. 92 of 31st January 2024, the percentage of the share capital required to present slates of candidates to the Board of Directors of the Company is currently 1%. The current By-Laws do not provide for the possibility of the outgoing Board of Directors to submit a slate.

On the basis of article 147-*ter*, first paragraph, of the TUF, the By-Laws also state that for the purposes of the distribution of votes among directors to be elected, no account is taken of slates that have not obtained a percentage of votes equal to at least half of that required for the presentation of slates.

In order to ensure the election of at least one minority director, the By-Laws state that all the directors to be elected except for one shall be drawn from the slate which obtained the greatest number of votes in the order in which they are slated on that slate. The remaining director is the candidate placed in the number one position on the minority slate, which shall not be connected in any way, even indirectly, with the shareholders who submitted or voted for the majority slate and which obtained the majority of votes from the shareholders. In the case of a tied vote between slates, the minority director shall be drawn from the slate presented by the shareholders in possession of the greater number of shares or, secondarily, with the greatest number of shareholders.

As concerns the mechanism adopted to ensure that a minimum number of independent directors are elected in compliance with article, 147-*ter*, fourth paragraph, of the TUF, the By-Laws state that if the number of independent directors is not reached, the non-independent candidate elected in last place on the majority slate shall be replaced by the first independent candidate in progressive order not elected on that slate, or, if there is none, by the first independent candidate in progressive order not elected on the other slates, according to the number of votes obtained by each.

Finally, if this procedure does not lead to the aforementioned result, the directors shall be replaced by a resolution passed by relative majority of the Shareholders' Meeting upon presentation of candidates satisfying the above requirements of independence.

If only one slate is presented, the By-Laws also state that all of the Directors to be elected shall be selected from that slate. If no slate is presented the Shareholders' Meeting shall decide by legal majority, without following the procedures just described.

The By-Laws do not lay down any additional **requirements for the independence of Directors** with respect to those contained in article 148, paragraph 3, of Italian Legislative Decree no. 58/1998, because the Company



adheres to the CG Code and the Board of Directors verifies possession of the requirements of independence in accordance with the CG Code and consequently when a Shareholders' Meeting appoints Directors, the Board of Directors invites candidates to the position of Director contained on slates to declare also these requirements, as adopted by the Company.

In compliance with the CG Code, during 2021, the Board adopted a **'Policy on qualitative and quantitative criteria for assessing independence requirements'** which fully applied from the assessment of the independence of the Directors of the Company who were appointed by the Shareholders' Meeting of Recordati on 29th April 2022. Such policy is available on the Company's website in the Corporate Governance section with reference to the Board of Directors. For further details on such policy, please refer to the section of the Report on Independent Directors.

In particular, the table at the end of this Section may be consulted for details of those Directors currently in office who meet the requirements for independence in accordance with the TUF and those that are independent in accordance with the CG Code.

With regard to the **regulations on gender balance in corporate bodies** Italian Law no. 160 of 27th December 2019 (Budget Law 2020) has amended articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the TUF, providing for a different quota reserved for the least represented gender equal to 'at least two-fifths' (compared to the previous 'at least one-third') of the members and established that this allocation criterion applies for 'six consecutive terms of office'.

According to the Italian Budget Law 2020, the criterion of allocation of 'at least two-fifths' applies 'as from first renewal of the management and supervisory bodies of the companies listed on regulated markets following the date of entry into force of this Law' (1st January 2020).

Consob, by means of Communication no. 1/20, has therefore provided clarifications on the interpretation of this application, to corporate bodies composed of three members, of the new rules on gender quotas, introduced by the aforementioned provisions of the TUF and which has already been applied for the renewal of the Board of Statutory Auditors scheduled for the 2020 financial year: since in the case of boards composed of three members, the two-fifths reserve is inapplicable due to arithmetical impossibility, Consob has clarified that for corporate bodies composed of three members only the rule of rounding down rather than upwards applies, as currently provided for in article 144-undecies, 1, paragraph 3, of the Consob Issuers' Regulations. It should be noted that the Company By-Laws, as from 2012, provide that the Board of Directors shall be appointed in compliance with the existing legislation in force on gender balance (and in any case on the basis of slates of candidates submitted by shareholders).

Furthermore, the By-Laws set out the procedures to follow to ensure that the composition of the Board of Directors complies with the existing legislation in force concerning gender balance: the candidate of the gender most represented elected as last in order on the slate which obtained with the largest number of votes shall be replaced by the first candidate of the least represented gender not elected in order on the same slate. That replacement procedure shall be followed until the composition of the Board of Directors in compliance with the legislation in force at the time concerning gender balance is ensured. Finally, if this procedure does not produce the result just indicated, then the replacement shall be made by a resolution of the Shareholders' Meeting by relative majority, after presentation of candidates belonging to the least represented gender.

Again, with respect to gender balance in the bodies of listed companies, the Company acknowledged the recommendations concerning diversity, including as regards gender, in the composition of the corporate bodies first introduced in the 2018 CG Code in July 2018 and subsequently confirmed by the current CG Code, which indicates that at least one-third of the members of the board of directors shall be composed of the least represented gender.

For the sake of completeness, it should be noted that, in compliance with the CG Code, during 2021, the Board defined, upon the proposal of the Remuneration and Nominations Committee, specific **'Guidelines regarding the maximum number of offices that the Directors of Recordati S.p.A. may hold'**. These guidelines are available on the Company's website in the Corporate Governance section with reference to the Board of



Directors. For further details of these guidelines, please refer to the section of the Report on this specific issue.

The Issuer reports that it is not governed by any further laws and regulations concerning the composition of the Board of Directors.

4.3 COMPOSITION (pursuant to article 123-bis, paragraph 2, letter d) of the TUF)

The By-Laws currently in force state that the Company is managed by a Board of Directors consisting of a number of members varying between six and sixteen.

The Shareholders' Meeting of 29th April 2022 appointed a Board of Directors of twelve members who shall remain in office until the date of the Shareholders' Meeting called for the approval of the Financial Statements as at 31st December 2024. No events occurred during the Financial Year that affected the composition of the Board of Directors with respect to that decided by the aforementioned Shareholders' Meeting.

The curriculum vitae of the directors are available on the Company's website <https://recordati.com> in the section on the Board of Directors.

In addition, the personal and professional characteristics of each Director – which range from economic, financial and management matters, including, for some of them, significant international experience in the business sectors in which the Company and the Group operate, to legal and corporate governance matters - are set out in attachment 1 to this Report, which also indicates the positions held by the Directors in other listed companies and large companies pursuant to the Guidelines regarding the maximum number of management and control offices that the Directors of Recordati S.p.A. may hold in other listed companies or large companies. In some cases, for the sake of the utmost transparency, the Directors have decided to indicate additional positions held in companies other than listed companies or large companies.

The composition of the Board of Directors at the date of this Report and the titles of each Director at that date are summarised below:

Andrea Recordati	Chairman	Non-Executive	-	* Shareholders' meeting 29.04.1998
Guido Guidi	Vice-Chairman	Non-Executive	-	* BoD 29.04.2020
Robert Koremans	CEO	Executive	-	* BoD 01.12.2021
Michaela Castelli	Director and LID	Non-Executive	Independent	* Shareholders' meeting 17.04.2014
Elisa Corghi	Director	Non-Executive	Independent	* Shareholders' meeting 29.04.2022
Giorgio De Palma	Director	Executive	-	* Shareholders' meeting 29.04.2020
Luigi La Corte	Director and CFO	Executive	-	* Shareholders' meeting 29.04.2020
Joanna Le Couilliard	Director	Non-Executive	Independent	* Shareholders' meeting 05.02.2019
Giampiero Mazza	Director	Executive	-	* BoD 06.12.2018
Piergiorgio Peluso	Director	Non-Executive	Independent	* Shareholders' meeting 29.04.2020
Cathrin Petty	Director	Executive	-	* BoD 06.12.2018
Kim Stratton	Director	Non-Executive	-	* BoD 16.12.2021

* Date of first appointment to the Board of Directors.

It should be noted that Ms Elisa Corghi was already a member of the Board of Directors during the period April 2017 – February 2019.



Table of composition and structure of the board of directors

BOARD OF DIRECTORS IN OFFICE AS AT 31 DECEMBER 2023 AND CURRENTLY IN OFFICE

Office	Members (name and surname)	Year of birth	In office since	In office until	Slate (submitted)	Slate (M/m)	Executive Non- Executive	Indep.Indep. Under under Code TUF	No. of other positions	Attendance
					*	**			***	****
Chairman	RECORDATI Andrea	1971	29.04.2022	Approval of 2024 financial statements	A	M	X		0	12/12
Vice Chairman	GUIDI Guido	1953	29.04.2022	Approval of 2024 financial statements	A	M	X		2	11/12
Chief Executive Officer ●	KOREMANS Robert	1962	29.04.2022	Approval of 2024 financial statements	A	M	X		0	11/12
Director ○	CASTELLI Michaela	1970	29.04.2022	Approval of 2024 financial statements	A	M	X	X X	4	12/12
Director	CORGHI Elisa	1972	29.04.2022	Approval of 2024 financial statements	A	M	X	X X	2	12/12
Director	DE PALMA Giorgio	1974	29.04.2022	Approval of 2024 financial statements	A	M	X‡		0	11/12
Director	LA CORTE Luigi	1969	29.04.2022	Approval of 2024 financial statements	A	M	X		0	12/12
Director	LE COUILLIARD Joanna	1963	29.04.2022	Approval of 2024 financial statements	A	M	X	X X	3	11/12
Director	MAZZA Giampiero	1969	29.04.2022	Approval of 2024 financial statements	A	M	X‡		0	10/12
Director	PELUSO Piergiorgio	1968	29.04.2022	Approval of 2024 financial statements	A	M	X	X X	0	10/12
Director	PETTY Cathrin	1973	29.04.2022	Approval of 2024 financial statements	A	M	X‡		2	11/12
Director	STRATTON Kim	1962	29.04.2022	Approval of 2024 financial statements	A	M	X		2	12/12

● This symbol indicates the director responsible for the internal control and risk management system.

○ This symbol indicates the Lead Independent Director (LID).

‡ This symbol indicates the executive director identified as such in accordance with the GC Code as he/she holds management positions in group companies of the majority shareholders that regard also the Company, but has no operational powers in the latter.

* This column indicates A/C depending on whether the list from which each director was drawn was submitted by shareholders (azionisti) (A) or by the Board of Directors (Consiglio di Amministrazione) (C)

**M/m is indicated in this column depending on whether the member was elected from the slate voted by the majority (M) or by a minority (m).

*** This column shows the number of positions as director or auditor held by the person concerned in other listed or large companies as at 31st December 2023, pursuant to the "Guidelines regarding the maximum number of offices that the directors of Recordati S.p.A. may hold". For a complete list of the offices held at the date of this Report, please refer to the list in Attachment 1 to this document.

**** This column shows the attendance of Directors at meetings of the Board of Directors and Committees respectively (no. of attendances / no. of meetings held during the actual period of office of the person concerned during the financial year in question).

Please note that the information relating to the date of the first appointment of Directors to the Board of Directors of the Company is indicated on page 24.

No. of board of Directors' meetings performed during 2023: 12

Quorum required for submission of lists by minorities for the last appointment: 1%



(a) Diversity criteria and policies of the Board and in the corporate organisation

With specific regard to the principles and recommendations of the CG Code, as highlighted in the paragraph dedicated to the composition of the Board of Directors, the configuration of Recordati's Board of Directors as at 31st December 2023 and at the date of this Report, complies with the diversity criteria recommended by the GC Code: in particular, the current composition, with 5 female directors out of 12, equal to more than 2/5 of the total number of members.

With regard to the provisions introduced on this matter by Italian Law no. 160 of 27th December 2019 (the '2020 Budget Law'), these were taken into account both with reference to the appointment of the Board of Directors that took place at the Shareholders' Meeting of 29th April 2022 and with reference to the appointment of the Board of Statutory Auditors at the Shareholders' Meeting of 21st April 2023, and therefore the composition of both corporate bodies complies not only with the diversity criteria recommended by the CG Code, but also with the provisions of the law.

It should be noted that the self-assessment process conducted during 2021 – as a preliminary step to the renewal of the Board in 2022 – confirmed that, in terms of diversity (not only gender), the composition of the Board was balanced, with some areas for potential strengthening that are indicated in the Directors' Report to the Shareholders' Meeting, at the time of the guidelines to the shareholders aimed at appointing the Board of Directors at the Shareholders' Meeting of 29th April 2022. Further indications are also provided in the paragraph in this Section on the self-assessment process of the Board and of its committees.

With regard to the diversity policies applied in relation to the composition of the management and control bodies (also referred to in Italian Legislative Decree no. 254/2016 on non-financial information, implementing Directive 2014/95/EU), the matter is therefore adequately monitored since the composition of the Board of Directors and of the Board of Statutory Auditors is adequately diversified in terms of age, gender, educational and professional background, and nationality, as can be seen from the curricula. In light of this, as previously stated, the Board of Directors has so far deemed it unnecessary to formalise the approval of such policies, deeming that it can effectively monitor and identify its optimal qualitative and quantitative composition over time by carrying out the self-assessment process and preferring – in order to implement the relevant self-regulatory recommendations – to provide guidelines in its report to the shareholders' meeting called to resolve on the appointment of directors, as was performed for the purpose of the Shareholders' Meeting of 29th April 2022. This also because it is a 'large company' with a 'concentrated ownership' pursuant to the CG Code. In order to further emphasise this aspect, in December 2023, the Board of Directors approved an amendment to the regulation of the Remuneration and Nominations Committee, specifying, with reference to the board review process, that in formulating opinions to the Board of Directors on the optimal composition (in terms of quality and quantity) of the Committee and its committees and on the managerial and professional roles whose presence on the Board is deemed appropriate, the Committee must specifically take diversity criteria into account.

Moreover, with reference to measures to promote equal gender treatment and gender opportunities within the entire corporate organisation, Recordati and in general the Recordati Group is committed, as referred to in its applicable Code of Ethics, to offer equal job opportunities without discrimination on the basis of ethnicity, gender, age, sexual orientation, physical or psychological disability, nationality, religious belief, political and trade union membership and to ensure fair and merit-based treatment to its employees. For further information on the policies applied to this issue, please refer to the respective section ('Diversity and equal opportunities') of the Non-Financial Statement. As confirmation of the importance that the Company attaches to these issues, it should be noted that in 2023:

- a Diversity & Inclusion and Onboarding Manager has joined the company organisation, with the task of increasingly promoting best practices on the subject of D&I and Onboarding in the Group and in order to ensure a working environment that is as attentive, supportive and, in general, inclusive as possible: in this context and given the growing size and complexity of the group, the Company intends to consider adopting a specific Diversity Policy;



- the Board of Directors approved an amendment to the Regulation of the Risk, Control and CSR Committee, specifying that the Committee supervises the adoption of measures aimed at equal treatment and gender opportunities within the entire corporate organisation and the group, as well as the monitoring of their specific implementation.

(b) Maximum number of offices held in other companies

In compliance with Recommendation no. 15 of the CG Code and upon the proposal of the Remuneration and Nominations Committee, supported by a specific analysis, including a benchmarking one, on 6th May 2021, the Board of Directors approved guidelines on the maximum number of positions on the boards of directors or control bodies in other listed companies or significantly-sized companies that can be considered compatible with the effective performance of the office of director of the company, taking into account the commitment deriving from the role held. These guidelines are available on the Company's website in the Corporate Governance Section with reference to the Board of Directors.

The approved guidelines on the general criteria concerning the maximum number of management and control offices in other companies that can be considered compatible with the effective performance of the role of Director of the Company are summarised below:

- Executive Directors who are granted individual management powers (excluding, therefore, directors defined as executive directors in compliance with the CG Code because they hold management positions in companies in which the chain of control also involves the Company) are not permitted to hold the position of executive director in other companies listed on regulated markets (including foreign markets) or large companies, as defined below, other than Recordati S.p.A. and its direct or indirect subsidiaries;
- Executive Directors who are granted individual management powers (excluding, therefore, Directors defined as executive Directors in compliance with the CG Code because they hold management positions in companies whose chain of control also involves the Company) are permitted to hold the position of non-executive Director in no more than 1 company listed on regulated markets (including foreign markets) or a large company, other than companies directly or indirectly controlled by Recordati S.p.A.;
- Non-Executive Directors (whether or not independent) are permitted to hold positions as director and/or statutory auditor in no more than 5 companies listed on regulated markets (including foreign markets) and/or large companies, including Recordati S.p.A.; among the directorships in such companies, only one position as an executive director is permitted;
- for the purposes of the aforementioned limits on the number of offices held:
 - a 'large company' is any Italian or foreign company with a shareholders' equity - possibly consolidated - of more than € 1 billion;
 - if a Director holds offices in more than one company belonging to the same Group, only one office held within that group shall be taken into account for the purposes of calculating the number of offices;
 - any office held as Chair of the Board of Directors is considered to have double weight;
- however, the Board of Directors is entitled to grant exceptions with reasons, for exceptional and/or transitory cases, departing from the criteria set out;
- in any case, the Board of Directors shall ensure, also by monitoring the attendance record of Directors at Board and Committee meetings, that Directors have sufficient time and can commit themselves sufficiently to perform their duties.

It should be noted that in light of this policy, at the date of the appointment of the current Board of Directors – and at the date of this Report – no director holds more than the maximum number of offices illustrated above.



4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (pursuant to article 123-bis, paragraph 2, letter d), of the TUF)

The Board of Directors, in its meeting of 28th October 2021, approved the regulation for the functioning and organisation of the Board of Directors which governs, *inter alia*, the organisation and procedures for the functioning of the Company's managing body, in order to ensure compliance with the applicable provisions of the law and Recordati's By-Laws, as well as with the principles and recommendations of the CG Code and, in particular, also in order to ensure effective management of the Board's disclosures.

In particular, the Board's meetings are convened by the Chairman – or in the event of his/her absence or impediment for any reason, the Vice Chairman, or failing that, the most senior Director in terms of age – who sends the notice of call to the Directors and Statutory Auditors at least five clear days before the date set for the meeting. In urgent or necessary cases, the notice of call is sent at least one day beforehand.

The Chairman sets the agenda of the meetings – upon consulting with the Chief Executive Officer – and schedules and coordinates the work and activities in order to ensure that adequate information on the items on the agenda is provided to all Directors.

Any documentation relating to the items on the agenda is uploaded onto a specific IT portal that guarantees restricted access to Directors and Statutory Auditors and to the resources of the Board Secretary, as well as to any permanent guests, as a rule three days prior to the convened Board meeting, except for:

- (i) certain matters deemed to be of particular importance, in respect of which documentation shall be uploaded five days beforehand;
- (ii) certain cases, in which the documentation is transmitted with a shorter notice period according to the subject matter of the resolution to be adopted; and
- (iii) in cases of special and proven urgency or for special confidentiality requirements. In the latter case, however, the comprehensiveness, usability and timeliness of the reporting shall be ensured; in particular, the Chairman shall ensure that adequate reporting is provided during Board meetings.

During the Financial Year, the time frames set out in the Regulation for sending the notice of call and the documents relating to the items on the agenda were generally complied with, with a few exceptions.

The Chair shall ensure that the time necessary to allow a constructive dialogue is devoted to the discussion of each item on the agenda. To this end, the Chairman, after having consulted the Chief Executive Officer – where necessary or appropriate, – may request that executives and managers of specific corporate functions of the Company or its group, as well as consultants, to attend the Board meeting in order to properly discuss the items on the agenda.

As a general rule, managers from the Company and its subsidiaries attended Board meetings to provide information on the items on the agenda.

Pursuant to the Regulation concerning the Financial Reporting Officer, and if he/she is not already a member of the Board of Directors, the Financial Reporting Officer is invited to attend all Board meetings concerning the approval of any additional periodic financial information with regard to the annual and half-yearly financial reports, the half-yearly report, the annual financial statements and the consolidated financial statements, or other data relevant to the certifications that he/she is called upon to issue, as well as whenever deemed appropriate by the Chairman of the Board of Directors/Chief Executive Officer in view of the presence on the agenda of issues that may have an impact on the accounting information of the Company or of the Group it heads.

The By-Laws allow Board meetings to be held by video or teleconference, and these methods are specifically regulated in the Regulation.



Without prejudice to the regulations on related-party transactions and without prejudice to the application of the specific **'Policy on conflicts of interest and disclosure in relation to M&A/licensing-in transactions'** approved by the Board of Directors, Directors who have an interest, whether even potential or indirect, in relation to the subject matter of the resolution, shall promptly and fully inform the Board of Directors.

During 2023, the Board of Directors met 12 times with an average duration of approximately 2 hours and with an average attendance of 93.75% of the Directors.

The resolutions are recorded in minutes signed by the Chairman of the meeting and the Secretary of the meeting. Following the meeting, minutes are drafted in Italian - and a courtesy translation in English, if at least one member of the Board is a non-Italian speaker – which is a deed that gives a concise description and documentation of what was discussed during the meeting. In particular, the minutes provide a brief description of the topics discussed, acknowledging any relevant documentation made available to the Directors and Statutory Auditors, a summary of any relevant speeches and voting declarations, as well as further information on the course of the discussion regarding the items on the agenda.

The text of the minutes prepared by the Secretary and the Chairman (or the person who chaired the meeting) shall normally be submitted to the Board for formal approval at its first meeting. Following approval, the minutes signed by the Chairman (or the person who chaired the meeting) and by the Secretary shall be kept in the Company's records by the Secretary, together with supporting documentation made available to the Board; the latter shall be kept at least until the end of the term of office of the Board members; a copy of the signed minutes shall be made available to the Directors and Statutory Auditors.

A portion of the minutes relating to the resolutions adopted that are to be implemented immediately may be certified and extracted by the Chairman and the Secretary of the Board of Directors, even prior to the completion of the verification process of the entire minutes, which shall also include any interventions, all of which shall be shared with the Directors and the Statutory Auditors.

In accordance with the obligations imposed on listed issuers by the Market Regulations of Borsa Italiana S.p.A., upon the Chairman's proposal, in agreement with the Chief Executive Officer, the Board shall annually approve the dates of the meetings relating to the corporate events provided for in the aforementioned Regulations, to be disclosed to the market without delay and in any case no later than 30th January of each year.

4.5 ROLE OF THE CHAIRMAN

In accordance with article 23 of the By-Laws, representation of the Company shall be vested in the Chairman of the Board of Directors or, in the event of his/her absence or inability to attend for any reason, in the Vice-Chairman, with sole signing authority for implementation of all resolutions of the Board unless resolved otherwise. Moreover, the Chairman or, in the event of his/her absence or impediment for any reason, the Vice-Chairman, shall represent the Company before the court, with the authority to take legal action and bring judicial and administrative proceedings at all levels of jurisdiction, including with respect to revocation and cassation proceedings, and appointing lawyers and attorneys for lawsuits.

In accordance with article 24 of the By-Laws, the Board of Directors may delegate all or part of its powers and functions not only to the Chairman, but also to the Vice-Chairman and one or more Executive Directors and it may grant special mandates to individual Directors or managers of the Company, including the power of attorney, determining their functions and powers under the law.

During the 2023 Financial Year, the role of Chairman was held by Mr Andrea Recordati.



According to the Regulation of the Board of Directors approved in 2021, the Chairman of the Board of Directors serves as a link between the Executive Directors and the Non-Executive Directors and ensures the effective functioning of the Board's work.

The Chairman, or the person acting in his/her place, convenes the Board of Directors' meetings, sets their agenda – after having consulted the Chief Executive Officer – schedules and coordinates its work and activities and ensures that adequate information on the items on the agenda is provided to all the Directors, as also established in the Regulation of the Board. In addition to signatory powers and the legal representation of the Company, the Chairman is also vested with the powers that may be granted to him/her by the Board of Directors.

In this last regard, Mr Andrea Recordati (who until December 2021 was the Chief Executive Officer), as Chairman, has continued to be involved in formulating the Group's strategy, in support of the new Chief Executive Officer and the senior management team. The Board of Directors has granted him with the following powers remained unchanged following the renewal of the management body at the Shareholders' Meeting of 29th April 2022 and are still in force:

- a) participating, in support of the Chief Executive Officer, in the formulation of the strategic development guidelines of the Company and of the Group, including in the field of R&D, and in the conduct of transactions of strategic importance submitted to the approval of the Board of Directors, concerning the acquisition (and, where appropriate, disposal) of equity investments, assets, business units, mergers, joint ventures, licensing and distribution agreements;
- b) handling institutional relations in Italy and abroad, in coordination with the Chief Executive Officer;
- c) supervising the activities of the internal audit function and liaising with the Board of Directors (without prejudice to the function's hierarchical relationship with the Board of Directors) and ordinary management of the employment relationship of the chief of the internal audit function;
- d) supervising and promoting the implementation of corporate governance rules, in accordance with the Corporate Governance Code. In particular, in addition to the powers granted by law and the By-Laws, mainly: i) formulating, in agreement with the Chief Executive Officer, a proposed policy for the management of dialogue with all shareholders; with the assistance of the Secretary of the Board, dealing with ii) the adequacy and timeliness of pre-meeting information; iii) that the activities of the Committees are coordinated with the activities of the Board of Directors; iv) in agreement with the Chief Executive Officer, that the Group managers in charge of the relevant corporate departments attend Board meetings, also at the request of individual directors, in order to provide the appropriate details on the items on the agenda; v) in coordination with the Chief Executive Officer, induction initiatives for members of the Board of Directors and of the Board of Statutory Auditors, after their appointment and during their term of office; vi) the adequacy and transparency of the self-assessment process of the Board and of its Committees, with the support of the Remuneration and Nominations Committee.

Furthermore, the Regulation of the Board of Directors provides that in accordance with the provisions of the CG Code, the Chairman of the Board of Directors, with the assistance of the Secretary, shall ensure:

- a) that the pre-meeting information and additional information provided in the meeting are appropriate to ensure Directors to act in a properly informed manner in carrying out their office;
- b) that the activities of the Board committees with preliminary, proposal and advisory functions are coordinated with the activity of the management body;
- c) in agreement with the Chief Executive Officer (if other than the Chairman), that the Company's managers and those of the companies of the group it heads, responsible for the corporate offices according to the subjects, attend the Board's meetings, also upon request of individual Directors, to provide appropriate details of the items on the agenda;
- d) that all members of the management and control bodies shall take part in activities, after the appointment and during the term of the office, aimed at providing them with an appropriate knowledge of business sectors in which the Company operates, of the corporate dynamics in the view of sustainable success of the Company itself, as well as of the principle of correct risks management and of the relevant law and



- self-regulation framework, with the support of the lead independent director, if appointed;
- e) the adequateness and the transparency of the board self-assessment, with the support of the Remuneration and the Nominations Committee.

According to the Policy for Managing Dialogue with Investors approved by the Board of Directors and currently in force, on the proposal of the Chairman of the Board of Directors formulated in agreement with the Chief Executive Officer: the Chairman ensures that the Board is informed by the first appropriate meeting, if deemed appropriate, and in any event, at least on a half-yearly basis, on the development and significant contents of the dialogue that took place during the reporting period; the Chairman, in coordination with the other functions, may participate in the dialogue with Investors on the basis of the subject matter of the dialogue or upon the specific request of such parties.

It should be noted that, in implementation of the above, during **2023**:

- the following managers, *inter alia*, attended the Board meetings, in order to provide the appropriate in-depth analysis of the items on the agenda, it should be noted that the CFO is also a Board member and therefore attends all the board meetings: the Manager of Corporate Development, Licensing and Innovation, the Chief Legal Officer (succeeding the General Counsel as from 11th April 2023), the Corporate Law Counsel (who from 22nd April 2023 is also the Secretary of the Board of Directors), the Audit & Compliance Manager (who was also the Data Protection Officer until 31st March 2023 and an internal member of the ODV (231 Compliance Body)), the Heads of the two Business Units (rare diseases and general and specialist medicine – SP&C), the Industrial Operations Director, the ESG Manager and the Head of Group R&D;
- as already mentioned, during the financial year, the time frames set out in the Regulation for sending the notice of call and the documentation relating to the items on the agenda were normally complied with, with a few exceptions;
- further to the specific induction sessions organised in the previous years for the benefit of the Directors and also extended to the Statutory Auditors concerned, in 2023, the Chairman and the Chief Executive Officer organised specific two induction sessions – one held in February 2023 and the other in July 2023 – aimed at providing directors and statutory auditors, also with the assistance of external consultants, an adequate understanding, respectively, of the corporate governance issues of listed companies and particularly of Recordati and of an outline of the innovation area, which constitutes one of the pillars on which the current strategic plan is based. At the beginning of 2024, an induction session was also held on the framework of the Recordati Group's organisational compliance structures, with a view to providing adequate knowledge of the intra-group information flows and controls set up for this purpose within a scenario of the group's constant growth, both in terms of size and geography. Lastly, again for the purposes of providing the directors and statutory auditors with an adequate knowledge of the corporate dynamics and their evolution, including the organisational structures, in general, during the meetings of the Board of Directors, the Chief Executive Officer illustrated the relevant aspects for the purpose of presenting the performance of the Company and the Group, providing, *inter alia*, constant information on the most relevant updates of the regulatory framework of the sector and their impact on the Company. Also with reference to the principles of proper risk management, during Board meetings the Chief Executive Officer, in agreement with the Chairman, ensures that appropriate in-depth analyses are performed, when considered appropriate and in particular with reference to significant acquisition/licensing-in transactions, in addition to the annual analysis of Recordati's Risk Map, following preliminary analysis by the Risk, Control and CSR Committee. Furthermore, during a Board of Directors meeting, in agreement with the Chairman, a specific in-depth session was organised on the performance of each business unit as well as the progress on their most significant projects also from a strategic viewpoint, which was attended also by each of the heads of the business units and the heads of Industrial Operations and R&D areas;
- at the end of 2023, the Chairman shared with the Remuneration and Nominations Committee the proposal to the Board to launch the self-assessment process of the Board and its Committees, to be performed during 2024, in implementation of the provision of the Regulation of the Board which states



that ‘the way in which the self-assessment process is carried out and the way in which its results are communicated are determined upon the proposal of the Remuneration and nominations Committee in agreement with the Chairman of the Board of Directors’.

- the Company has established an ongoing and continuous relationship with proxy advisors and major institutional investors in order to encourage their involvement in the process of defining and verifying the actual methods of implementation of the Remuneration Policy for Directors and Key Manager Personnel. This activity is carried out through the development of an engagement plan carried out on a half-yearly or at least annual basis that generally provides for the participation of the Human Resources, Investor Relations and Secretary of the board of directors corporate functions supported by the Chair of the Remuneration and Nominations Committee in order to highlight the commitment of the committee itself on matters within its competence. With regard to remuneration, the results, indications and feedback which emerge during the engagement activity, once they have been reported, are examined and assessed by the Remuneration and Nominations Committee, within its competence. Finally, the Committee reports to the Board of Directors on the relevant developments and significant contents emerging from such engagement activities, through the Chair or another member designated by the latter. In addition, the CEO and the CFO provides the Board with information on major interactions with investors and analysts insofar as it is deemed relevant, in compliance with the Policy for Managing Dialogue with Investors approved by the Board of Directors on 22nd December 2022.

4.5.1 Secretary of the board of directors

With reference to the Secretary of the Board of Directors, the Regulation of the Board of Directors approved during 2021 provides as follows:

- the Board appoints a Secretary, who may not be a member of the Board. The Secretary’s appointment and revocation is made upon the proposal of the Chairman. Normally the designation will favour the appointment of the Company’s VP and Director of Corporate Legal Affairs.
- the Secretary shall be a person with proven experience in the corporate sector, with particular reference to the corporate governance of listed companies, as well as the company secretariat activities. The Secretary also meets the requirements of independence of judgement and is not involved in a situations of conflict of interest.
- the Secretary supports the activity of the Chairman and assists him/her, in particular, performing the functions indicated in the paragraph above and in relation to the reporting prior to Board meetings.
- in case of his/her incapacity or absence, the powers, tasks or duties granted to him/her pursuant to the Regulation shall be performed or complied in his/her behalf by her/his deputy or another person designated from time to time by the Chairman of each meeting.
- the Secretary, in carrying out his/her duties, has an organisational structure and staff suitable for the performance of his/her office. Furthermore, the Secretary has access to the information and corporate functions needed in order to perform his/her tasks, he/she is provided with financial resources and, where deemed appropriate, can be supported by external consultants.

In this regard, with reference to the 2023 financial year, the role of Secretary of the Board of Directors was performed – until 31st March – by Ms Daria Ghidoni, lawyer, Group General Counsel and, subsequently, the Board of Directors, upon the Chairman’s proposal, appointed Ms Silvia Signoretti, lawyer, former Corporate Law Counsel of the Company and deputy Secretary for several years, as the new Secretary of the Board of Directors, deeming that the requirements set forth in the Regulation had been met.

With regard to the implementation of the Chairman’s functions and duties in the course of 2023, with the support of the Secretary, please refer to the previous paragraph.

4.6. EXECUTIVE DIRECTORS

Chief Executive Officer



In the 2023 financial year, the role of Chief Executive Officer was held by Mr Robert Koremans.

Mr Robert Koremans, as Chief Executive Officer, was delegated (as last updated in December 2023), to the extent permitted by law, all the widest powers for the administration and ordinary and extraordinary management of the Company and the performance of the management and coordination activities carried out by the Company in comparison with Group companies, determining the adequacy of the organisational, administrative and accounting structure of the Company for the execution of strategic, industrial and financial plans approved by the Board of Directors, with the sole exclusion of the transactions listed below (exhaustive and mandatory in nature), which, because they are to be carried out directly by the Company and/or indirectly through subsidiaries, are reserved for the competence of the Board of Directors (unless they are intra-group transactions, *i.e.* carried out with or between other Group companies):

- a) the assumption of financial debt for an amount higher than € 25 million for each transaction and the grant of secured or personal guarantees for amounts higher than € 25 million for each transaction;
- b) the sale and purchase of real estate properties for amounts higher than € 25 million, in which the Company's or its subsidiaries' business activity is carried on at the time of sale;
- c) the acquisition or disposal of ownership, or the acquisition or licensing-in, of intellectual property rights, in particular, but not limited to, intellectual property rights regarding specialty medicines, dietary supplements and medical devices for amounts not greater than € 10 million each;
- d) the acquisition, sale or any other provision in relation to holdings in other companies and similarly the acquisition and disposal of companies or company branches, for an amount higher than € 10 million each;
- e) the entering to agreements, including settlement agreements, concerning matters not included in those above for an amount higher than € 25 million for each agreement.

Chairman of the Board of Directors

Please refer to Section 4.5 of this Report.

Executive Committee

No Executive Committee has been formed as an internal committee of the Board of Directors.

Reporting to the Board

The Chief Executive Office reported to the Board in individual Board meetings on the activities performed in exercising the powers conferred on him by the Board itself: in each meeting, and independently of the time elapsed since the previous meeting, the Chief Executive Officer provides a report on activities carried out and the main transactions performed by the Company and its subsidiaries, even if these are transactions which do not require prior approval by the Board of Directors.

Other Executive Directors

Following the renewal of the Board of Directors on 29th April 2022, the Board of Directors confirmed Mr Robert Koremans, Chief Executive Officer and identified also Mr Luigi La Corte, Director and Group Chief Financial Officer, as executive directors in view of the functions performed. Mr Giampiero Mazza, Ms Cathrin Petty and Mr Giorgio De Palma, since they hold management positions in the indirect parent company or in other CVC companies, which also concern the Company, also remain qualified as executive directors; however, they have not been granted individual operating powers.

4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTORS

Independent Directors

Four directors (Michaela Castelli, Elisa Corghi, Joanna Le Couilliard and Piergiorgio Peluso) are qualified as independent on the basis of the declarations provided by the individuals concerned and the information in any case available to the Company, as confirmed during the annual Board of Directors' assessment required by the CG Code which took place on 21st February 2023.



On 22nd February 2024, the Board of Directors positively renewed such assessment, with the only clarification that the Board has deemed that the director Michaela Castelli still meets the independence requirement also pursuant to the CG Code, despite the fact that she has been in office for a term of more than nine years (having been appointed director for the first time on 17th April 2014). This assessment – which is in line with the previous one, carried out in 2023 and appropriately described in the Report relating to the 2022 financial year – confirms that Ms. Castelli has retained her independence and freedom of judgement in assessing the work of the management due to (i) her specific skills and professionalism and her constant monitoring and stimulation of the Board (also in performing the role of Lead Independent Director that she has held since 2020 and her role as Chair of the Risk, Control and CSR Committee), thus favouring, in her assessment of independence, a profile of substance (over form), as also prescribed by the CG Code and recognised and ascertained by Recordati's Board of Directors itself, and (ii) for the fact that the aforementioned professional mandates were, moreover, structured under two different ownership structures, thereby further reducing any risk of proximity to the shareholder who, from time to time, proposed her appointment. All this as also stated in the declaration made by Ms Castelli.

More specifically, in implementation of the provisions of the CG Code, the Board of Directors – on 22nd February 2024 – confirmed, on the basis of the declarations provided by the individuals concerned and the information in any case available to the Company, in relation to the four directors mentioned above, the existence of the independence requirements pursuant to Article 148, paragraph 3, of the TUF and the independence requirements provided for by the CG Code.

The Board of Statutory Auditors successfully verified the correct application of the criteria and procedures adopted by the Board to assess the independence of its members on the aforementioned occasion.

The independent Directors, on the occasion and before the beginning of the meetings of the Board of Directors, have from time to time verified the absence of specific problems that would be relevant in the context of their role as independent Directors.

The Independent Directors met twice in 2023, respectively in January and July 2023, meeting on these occasions also with the Chief Executive Officer. The matters discussed mainly concerned the framework of the control structures also in light of the internal organisational reorganisation and, in general, an in-depth examination of organisational structures and related evolutionary scenarios.

a) Information regarding the independence assessment process

The procedure followed by the Board for the purposes of verifying independence provides for the existence of the requirement to be declared by the director at the time of submitting the candidacies and at the time of accepting the appointment. The Board verifies this requirement at the first meeting following the appointment and discloses the results to the market.

Without prejudice to the independent director's commitment to promptly notify the Board of the occurrence of any situation that could lead to the loss of the requirement, the Board annually renews the request to the directors concerned to confirm that they meet the requirements, as provided for by law and the CG Code. The Board of Directors and the Board of Statutory Auditors then proceed respectively to verify the content and correct application of the requirements and the procedure to verify them.

In implementation of the provisions of the CG Code, on 28th October 2021 the Board of Directors defined quantitative and qualitative criteria for assessing the significance of relationships, including economic ones, capable of compromising the independence of its members ('Policy on qualitative and quantitative criteria for the purposes of assessing independence requirements': available on the Company's website, in the Corporate Governance/Board of Directors section).



In defining the Significance Criteria, the Board of Directors has, *inter alia*, taken into account the recommendations set out in the CG Code and the clarifications provided in the collection 'Q&A for the application of the Corporate Governance Code – 2020 edition' available on the website of the Corporate Governance Committee (the 'Q&A').

Such criteria was fully applied starting with the assessment of the independence of the Directors of the Company that were appointed by Recordati's Shareholders' Meeting convened to approve the financial statements for the year ending on 31st December 2021.

Policy on qualitative and quantitative criteria for assessing independence requirements

1. QUANTITATIVE CRITERIA

1.1. Significance of commercial, financial or professional relationships

With specific reference to the quantitative criteria, relations of a commercial, financial or professional nature which the Director - whose independence is being assessed - carries on or carried on during the financial year in which the declaration of independence is made or in the three financial years preceding the date on which such declaration is made² (the '**Reference Period**') with the following persons, are relevant (jointly, the '**Relevant Persons**')

- (i) the Company, its subsidiaries, the person who controls the Company³ and the companies subject to a joint control;
- (ii) the relevant executive Directors⁴ or the top management⁵.

The aforementioned relations with the Relevant Persons are generally considered to be significant – and therefore such as to compromise the Director's independence – if they entailed, whether individually or cumulatively considered, an annual economic consideration higher than € 50,000.00 (fifty thousand)⁶.

It should be noted that, for the purpose of the above, the relations between the Relevant Persons and Director's close family members, who are identified as (i) parents, (ii) children, (iii) the non-legally separated spouse and (iv) the cohabitants (individually referred to as the '**Close Family Member**') are also relevant.

² By way of example, it should be considered the case in which the Director makes his/her declaration of independence on 15th March 2022 and takes office as a Director of Recordati in April 2022; in such case:

- (i) for the purposes of assessing the independence of the Director in question, in addition to any existing relationship, any relationship the Director may have had with Relevant Persons during the 2021, 2020 and 2019 financial years and during the period between 1st January 2022 and 15 March 2022 shall be taken into account;
- (ii) it is understood that the Director shall be required to promptly inform the Board of Directors of the Company of any relationship he/she may have with Relevant Persons after the date on which he/she has made his/her declaration of independence (in the example in question, 15th March 2022), providing all the necessary elements for a full assessment by the Board.

³ As specified in the Code, control exercised '*together with others through a shareholders' agreement*' is also relevant (please see Recommendation 7, first period, lett. c) of the CG Code).

⁴ 'Executive directors' means (see definition in the Code):

- (i) the chair of the Company or a subsidiary of strategic importance, when delegated to manage or develop corporate strategies;
- (ii) directors who are recipients of managerial powers and/or hold managerial positions in the company or in a subsidiary of strategic importance, or in the parent company when the position also concerns the Company;
- (iii) the directors who are members of the executive committee of the Company (if any).

⁵ 'Top management' means 'senior managers who are not members of the management body and have the power and responsibility for planning, directing and controlling the activities of the company and the group it heads' (see definition in the Code). With reference to Recordati S.p.A. top management means those who are identified as key management personnel pursuant to the applicable regulations on Related Parties and Remuneration Policy.

⁶ Such amount is lower than the current annual remuneration paid by the Company for the role as non-executive Director.



It should also be noted that, if the relations with the Relevant Persons are entertained indirectly by the Director – *i.e.*, through subsidiaries or company of which he/she is an executive Director, or as a partner of a professional firm or consultancy firm – the relations existing or carried on during the Reference Period which entailed, whether individually or cumulatively considered, an annual economic consideration higher than € 100,000.00 (one hundred thousand) are generally deemed to be significant. It is understood that – notwithstanding the above – in the event that the relations with the Relevant Persons are entertained by the Director indirectly through a legal entity which has been established or used *ad hoc* for the purpose of establishing such relations, the above quantitative limits applicable in the event of relations entertained directly by the Director shall apply (*i.e.* the limit of € 50,000.00 per year).

1.2. Significance of additional remuneration

With specific reference to the remuneration received by the Director, included the one received in the Reference Period⁷, the sum of any additional remuneration paid to the latter by:

- (i) the Company;
- (ii) one of its subsidiaries, and/or
- (iii) the parent company, even indirectly,

for professional appointments or consultancy – with respect to the fixed remuneration for the position held⁸ and the remuneration for the membership in committees⁹ (or bodies) recommended by the Code or provided for by the applicable law.

The remuneration received by the Director in the form of participation in incentive plans linked to company performance is also relevant for this purpose.

Additional remuneration should normally be considered significant – and thus capable of compromising the independence of the Director concerned – if, whether individually or cumulatively considered, it is, during the Reference Period, higher than € 50,000.00 (fifty thousand) per year¹⁰.

It should be noted that being a Close Family Member of a person in one of the situations referred to in this paragraph 1.2 also constitutes a circumstance likely to compromise the Director's independence.

2. QUALITATIVE CRITERIA

2.1. Professional relations

If the Director is also a partner of a professional firm or of a consulting company, the professional relations of the firm and/or of the consulting company with the Relevant Persons shall also be qualified

⁷ By way of example, it should be considered the case in which the Director makes his/her declaration of independence on 15th March 2022 and takes office as a Director of Recordati in April 2022; in such case:

- (i) for the purposes of assessing the independence of the Director in question, in addition to any remuneration paid to the Director himself/herself, any remuneration the Director may have received during the 2021, 2020 and 2019 financial years and during the period between 1st January 2022 and 15 March 2022 shall be taken into account;
- (ii) it is understood that the Director shall be required to promptly inform the Board of Directors of the Company of any remuneration that he/she may receive after the date on which he/she has made his/her declaration of independence (in the example in question, 15th March 2022), providing all the necessary elements for a full assessment by the Board.

⁸ 'Fixed remuneration for the position held' means (please see Q&A Recommendation 7, lett. d)): (i) the remuneration determined by the Shareholders' Meeting for all Directors or determined by the Board of Directors for all non-executive Directors within the total amount decided by the Shareholders' Meeting for the whole Board of Directors; (ii) any remuneration granted by reason of the particular position held by the individual non-executive Director within the Board of Directors, determined according to the best practices provided for by Recommendation 25 of the CG Code.

On the contrary, the remuneration received by the Director of the Company for his/her positions in the parent company or in the subsidiary is considered as 'additional remuneration' and is therefore assessed in terms of its 'significance'.

⁹ 'Remuneration for the membership in the committees' means (please see Q&A Recommendation 7, lett. d)) the remuneration that the individual Director receives by reason of his/her participation in the internal committees recommended by the CG Code or in committees/bodies provided for by the regulations in force, with the exclusion of the remuneration deriving from membership of the executive committee, if any.

¹⁰ Such amount is lower than the current annual remuneration paid for the position of non-executive Director.



as significant, regardless of the quantitative parameters set out in paragraph 1.1 above. In this regard, the relations that are relevant:

- a) may have an effect on his/her position and role within the professional firm or the consultancy firm; or
- b) in any case relate to important transactions of the Company and of the group it heads¹¹.

The significance of the aforementioned relations is assessed taking into account the overall professional activity normally exercised by the Director, the tasks normally entrusted to him/her, as well as the relevance that such relations may have for the Director in terms of reputation within his/her organisation.

2.2. Other relations

For the purpose of the assessment of the significance of the relations between the Director and the Relevant Persons, the Board of Directors may take into account, in relation to the specific situations of each Director – such as position, individual characteristics and overall professional activity – any further elements deemed useful and/or appropriate, by adopting additional and/or partially different criteria from those set out above that give preference to substance over form.

In particular, the Board of Directors, by giving appropriate reasons for the decision, may:

- (i) take into account also the relations that, even if without financial content and character or not economically significant, are particularly relevant to the prestige of the Director involved or such as to affect in actual terms his/her independence and autonomous judgment;
- (ii) assess, on the basis of the actual circumstances, the existence and/or maintenance of the independence requirements of a Director even when one of these Significance Criteria is met.

Lead Independent Director

During the 2023 financial year the role of Lead Independent Director was held by Ms Michaela Castelli, lawyer, with the duties set out in the CG Code.

The CG Code, to which the Company resolved to adhere, confirmed that the lead independent director (a) represents a point of reference and coordination of the requests and contributions of the non-executive directors and, in particular, of the independent directors, specifying that (b) he/she coordinates the meetings of the independent directors only.

The Regulation of the Board of Directors of Recordati, approved since 2021, states more specifically that, ‘if appointed, the lead independent director: (i) represents a point of reference and coordination of the requests and contributions of the non-executive Directors and, in particular, of the independent Directors; (ii) coordinates the meetings of the independent Directors only; (iii) has the power to convene meetings to discuss issues deemed to be of interest with respect to the functioning of the Board of Directors or company management; (iv) collaborates with the Chair in order to ensure that the Directors receive complete and timely information flows, including through the organisation of specific induction activities’.

During the 2023 financial year, Ms Castelli, as lead independent director, has, in particular, coordinated the requests of the independent directors aimed at contributing to the continuous improvement of the activity and functioning of the Board itself and, more in general, of the governance of the Company, acting as their spokesperson with the Chair, the Chief Executive Officer and at the Board’s and Committees’ meetings. In addition, by coordinating certain common needs of the independent directors who are members of the Board’s internal committees, she promoted meetings of the independent directors also with the Chief Executive Officer on issues of common interest relating especially to organisational structures and evolutionary scenarios, invited the independent director who is not a member of such committee to attend meetings of the Risk, Control and CSR Committee on issues of specific interest such as risk analysis of potential extraordinary business development transactions.

¹¹ Recommendation 7, second period of the CG Code.



5. MANAGEMENT OF CORPORATE INFORMATION

The Company has adopted a procedure that regulates the internal management and external communication of information relating to the Company, with particular reference to Relevant and Inside Information, in order to prevent its improper circulation and disclosure both inside and outside the Company, in compliance with current EU and national regulations regarding market abuse: *'Procedure for the internal management of Relevant Information and Inside Information and disclosure to the public of Inside Information'* (in brief, the **'Procedure for Relevant Information and Inside Information'**).

The Procedure for Relevant Information and Inside Information is a fundamental component of the Internal Control and Risk Management System of the Company and the Group, as well as an integral part of the overall system of prevention of offenses pursuant to Italian Legislative Decree no. 231/2001.

The current version of the Procedure for Relevant Information and Inside Information was last revised during 2023 (to reflect certain organisational changes that have taken place in the meantime), as an update of the company procedures in the field of market abuse, which had been previously and significantly amended in 2016 following the entry into force of Regulation (EU) no. 596/2014 containing the regulation of market abuse, for the purpose of adapting them to the rules and regulations subsequently issued both at the national and at the EU level and, in particular, to the Guidelines issued by Consob on that subject in October 2017.

The rules of conduct established by the Procedure for Relevant Information and Inside Information are aimed at implementing the necessary organisational controls for the proper management of information flows, guaranteeing the maximum confidentiality information that is Inside Information or otherwise likely to become so (Relevant Information), balancing the interest in the confidentiality of information in the course of its progressive formation and the obligation of the related disclosure in a non-selective form, protecting investors and the integrity of the market, since they are aimed at preventing the performance of transactions detrimental to their interests through the exploitation of information asymmetries, or the alteration of market variables, through the dissemination of untrue or misleading information; to reduce the risk of crimes or administrative offences relating to market abuse; protecting the Company against any liability that may arise for the unlawful acts committed by parties that can be referable to the same; defining the processes for identifying and managing the Relevant Information; defining the processes for identifying and managing the Inside Information; defining the processes of communication to the public and to Consob of Inside Information.

The members of the administrative, management and control bodies of the Company and the employees and collaborators of the Company and of its Subsidiaries who have access for any reason to Relevant Information or Inside Information are required to comply with this procedure.

The Procedure for Relevant Information and Inside Information identifies the Chief Executive Officer as the person responsible for the public disclosure process of inside information concerning the Company also in relation to the decision to begin the procedure of any delay in the market disclosure. The Chief Executive Officer has therefore been identified as holding the Inside Information Management Function (so-called *'IIMF'*) pursuant to the 2017 Consob guidelines or as a function responsible for the management of inside information. For the carrying out of his/her activities, the Chief Executive Officer, as holder of the IIMF, avails himself of the technical consultancy support of an *'info room'* (always in line with the 2017 Consob guidelines) which includes, on a permanent basis, in light of the evolution of the Company's organisational charts (lastly, at the end of April 2023), the Group CFO, the Chief Legal Officer, the Corporate Law Counsel and Secretary of the Board of Directors and the Director of Investor Relations, as well as, on a case-by-case basis, other members of management concerned from time to time by the specific information, in the light of the evolution of the corporate organisation charts.



The ‘**Procedure for keeping and managing the list of persons who have access to relevant information and the list of persons having access to inside information**’ is also currently in force, which is aimed at regulating the methods of maintaining and regularly updating the List of persons who have access to inside information (hereinafter referred to as ‘**Insider List**’), the maintenance of which is mandatory for the Company pursuant to the applicable regulations, and the List of persons having access to relevant information (hereinafter ‘**Relevant Information List**’ or, in brief, ‘**RIL**’), in implementation of the Procedure for Relevant Information and Inside Information, in compliance with the applicable EU and national legislation and regulations on the prevention and repression of market abuses, also taking into account the guidelines issued by ESMA and by Consob. In particular, for the purposes of applying the Procedure for Relevant Information and Inside Information, the Company takes into account the interpretative and applicative indications contained in the Consob Guidelines.

In particular, the Company has, on a voluntary basis, proceeded to establish a list of persons who have access, in the performance of their duties, to Relevant Information, in compliance with the provisions of the Consob Guidelines. This list is aimed at ensuring the traceability of persons who have access to Relevant Information with a view to a more effective monitoring of corporate information also for the purpose of fulfilling the market disclosure obligations of Inside Information and the prevention and repression of market abuses.

The Insider List, on the other hand, contains registered persons who have access, in the performance of their duties, to Inside Information and, in compliance with EU legislation, the Procedure provides that the Insider List also has a section of registrants in which to register subjects who are permanently aware of all the inside information and a section where registration is required for each event.

It should be noted that Recordati also has in place an ‘**Internal Dealing Procedure**’ which provides for, starting from 2016, the so-called **black-out periods**, namely, specific periods of the year – thirty calendar days prior to the announcement of an interim or year-end financial report that the Company is required to make public according to the rules of the registered office of trading in which the shares are admitted to trade or national law - in which there is an obligation to abstain from performing transactions on financial instruments issued by the Company and listed on regulated markets.

This Procedure is available on the Company’s website in the Investors/Internal Dealing Section.

During 2023 the following blackout periods were identified: prior to the publication of the preliminary data for the 2022 financial year and prior to the 2023 half-yearly report.

It should be noted that currently there are no persons other than Directors (and Statutory Auditors) who are identified as Relevant Persons.

Lastly, it should be noted that the Company also has a **Blackout Period Policy** effective from 27th June 2023, which extends, on a voluntary basis, to the members of the Executive Leadership Team reporting directly to the Chief Executive Officer, as well as to certain other managers also reporting to the Chief Executive Officer or Group CFO, the prohibition to trade in Recordati securities during the mandatory blackout periods under the law.

6. INTERNAL COMMITTEES OF THE BOARD

The Board of Directors has formed a Remuneration and Nominations Committee and a Risk, Control and CSR Committee among its members, both with consultative and proposal-making functions composed exclusively of independent directors.

The Company has not set up an independent committee for related-party transactions. According to the RPT Procedure adopted by the Company (as defined below), this committee is identified as the Risk, Control and CSR Committee, except for related-party transactions concerning remuneration, for which the Remuneration and Nominations Committee is identified.



Please refer to Section 10 of this Report for further information.

Table of structure of board committees as at 31st December 2023 and currently in office

Board of Directors		Risk, Control and CSR Committee		Remuneration and Nominations Committee	
Office	Members	*	**	*	**
Non-executive director - independent pursuant to the TUF and the CG Code	CASTELLI Michaela	10/10	P	13/13	M
Non-executive director - independent pursuant to the TUF and the CG Code	CORGHI Elisa	10/10	M	12/13	M
Non-executive director - independent pursuant to the TUF and the CG Code	LE COUILLIARD Joanna			13/13	P
Non-executive director - independent pursuant to the TUF and the CG Code	PELUSO Piergiorgio	10/10	M		
NO. MEETINGS HELD DURING THE FINANCIAL YEAR:		10		13	

* This column shows the attendance of Directors at meetings of the Committees respectively (no. of attendances / no. of meetings held during the actual period of office of the person concerned in the reference financial year).

** This column indicates the status of the director within the Committee: 'P' (*Presidente*) chair and 'M' (*membro*) member.

It should be noted that in 2023 the Risk, Control and CSR Committee met, as reported above, 10 times, 3 of which was also as acting as the related-party transactions committee. The Remuneration and Nominations Committee met 13 times, as reported above, 1 of which was also as specifically acting as the related-party transactions committee, it being understood that, in general, when the Remuneration and Nominations Committee examines issues related to the remuneration of the CEO and, to the extent necessary, of the CFO (also Director), it also acts as a safeguard pursuant to the Procedure on related party transactions.

7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS – NOMINATIONS COMMITTEE

7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

During 2021, the Board of Directors performed an in-depth board review process with the support of an external consultant, that concerned the functioning of the Board itself and of its committees as well as their size and composition and also involved a benchmarking analysis with Recordati's peers and, in general, with the best practices in the field performed by the consultant. The process also included a specific focus on



supporting the Board in relation to its renewal, also for the purpose of possibly formulating some guidelines for the benefit of the Shareholders, even though the Company is a large company with concentrated ownership.

For further details, please refer to the Company's CG Reports of previous years.

In general, in relation to the self-assessment process of the Board of Directors and of its committees, the Board, in adhering to the CG Code, confirmed the assignment to the Remuneration and Nominations Committee the competence to support it in this regard.

Finally, as regards the timing of the next/future self-assessment process(es), already following the renewal of the Board of Directors in April 2022, on the shared recommendation of the Chairman of the Board and the Remuneration and Nominations Committee, the Board agreed to proceed with this process as a preliminary step for the next renewal of the Board of Directors scheduled for the Shareholders' Meeting that will resolve on the financial statements as at 31st December 2024, in view of the fact that Recordati is a large company with concentrated ownership.

In this respect, it is confirmed that the self-assessment process was already launched at the end of 2023, thus initiating the preliminary steps – including the selection of the external consultant through a beauty contest – to actually carrying out the process during 2024.

Succession Planning for the Executive Directors and Key Manager Personnel

With respect to succession plans for Executive Directors who are granted individual management powers, following the renewal of the Board of Directors on 29th April 2022 and in view of the appointment of Mr Robert Koremans – confirmed as the Chief Executive Officer – who is also the Director Responsible for the Internal Control and Risk Management System, on 10th May 2022, after receiving the favourable opinion of the Remuneration and Nominations Committee, the Board of Directors therefore approved the new Succession Plan - understood as the 'Contingency Plan' aimed at management continuity in the short/medium term – for the Chief Executive Officer (also Director Responsible for the Internal Control and Risk Management System), confirming the choice made in the previous update, *i.e.*, providing that in the event that Mr Koremans ceases to hold office - temporarily or permanently - he will be temporary replaced by Mr Andrea Recordati (who has been the Company's CEO until December 2021).

During 2023, the Remuneration and Nominations Committee continued its analysis of the adequacy of the **procedures for the succession of key management personnel**.

These analyses, carried out primarily in relation to key manager personnel, have continued and are currently underway, also with reference to a broader extent of the organisation's management, and they are gradually being fine-tuned also in order to take due account of the evolution of the Company and the entire Group.

In general, the process is aimed at verifying the existence of adequate organisational controls by the Company in order to ensure effective managerial continuity.

The Committee therefore favourably acknowledged that the Company is continuing to consolidate its procedures for the succession of top management and key value driving roles and informed the Board, which in its turn acknowledged this.

7.2 REMUNERATION AND NOMINATIONS COMMITTEE

Composition

During 2023, the Remuneration and Nominations Committee was composed of three members as follows: Joanna Le Couilliard (acting as Chair), Elisa Corgi and Michaela Castelli, all directors meeting the independence requirements. The Board of Directors acknowledged that all members have adequate knowledge and experience in financial matters or remuneration policies.



Duties

As regards specific information on the Remuneration and Nominations Committee's duties and activities in the **field of remuneration**, please refer to the relevant parts of the Remuneration Report published pursuant to article 123-ter of the TUF.

With regard to the tasks as a **nominations committee**, according to its organisational regulations, the Remuneration and Nominations Committee is assigned the consultative and proposal-making duties described below:

- assisting the Board of Directors in the self-assessment process of the Board itself and its committees;
- also taking into account the results of the aforesaid self-assessment, as well as appropriate diversity criteria including gender, formulating opinions to the Board of Directors on the optimal composition (qualitatively and quantitatively) of the Board itself and its committees and on the managerial and professional profile whose presence on the Board is deemed appropriate, also in light of the Company's sectoral characteristics, for the purposes of the possible formulation by the outgoing Board of Directors to the shareholders of guidelines in relation to the appointment of the new Board of Directors;
- assisting the Board of Directors in assessing candidates for the office of director in cases of co-optation;
- making recommendations to the Board of Directors on any critical issues related to the application of the non-competition clause provided for Directors by article 2390 of the Italian Civil Code in the event that the Shareholders' Meeting has authorised general and preventive exceptions to this prohibition;
- supporting the Board of Directors by carrying out the necessary investigation activities for the preparation of a possible succession plan for the Chief Executive Officer and the other executive directors granted with management powers, which at least identifies the procedures to be followed to ensure the regular management of the Company in the event of early termination of the office of the Chief Executive Officer and/or of the Director in charge of the Internal Control and Risk Management System – if different from the Chief Executive Officer – with respect to the ordinary expiration of the office;
- assisting the Board of Directors through the necessary investigation activity in order to ascertain the existence of adequate procedures for the succession of top management, *i.e.*, key manager personnel ('Top Management'), as well as the roles that the Company identifies from time to time as 'key value driving roles';
- formulating opinions to the Board of Directors in relation to the guidelines on the maximum number of offices held in the management or control bodies in other listed companies or large companies that may be considered compatible with an effective performance of the office of director of the Company, taking into account the commitment deriving from the role held also with reference to the participation of directors in the committees established within the Board.

Activities carried out in 2023

With reference to the above-mentioned duties, during 2023, the Nominations Committee mainly:

- continued the analysis on the procedures for the succession of key management personnel and, in particular, analysed the activities carried out by the Company during 2023, aimed at strengthening its procedures for the succession of top management by conducting an in-depth analysis on the identification of key value driving roles for the organisation and their possible internal successors, as well as the identification and development of talent;
- assisted the Board of Directors with reference to performing the self-assessment process of the Board of Directors and of its committees;
- assisted the Board of Directors by carrying out the preliminary investigation aimed at updating of the perimeter of key manager personnel.

The percentage of attendance of Committee members at meetings is shown in the table at the end of Section 6 of this Report.



Minutes were duly taken of the meetings of the Remuneration and Nominations Committee, in line with the provisions of the Committee Regulation, which includes specific regulations in this regard, as well as with regard to the procedures for the management of information to committee members in line with what is also provided for in the Regulation of the Board of Directors.

In particular:

- the Committee meets, subject to written notice being given by its Chair (or in his/her absence or impediment, by the Committee member who has served longest on the Board of Directors, or in the event of the same length of service, with the greatest seniority in terms of age) indicating the place, date, time and agenda of the meeting to be held, in general, at least three days prior to the date set for the meeting; in cases of urgency, the time limit may be shorter, provided that a minimum of 24 hours' notice is given, at the registered office or elsewhere in Italy, as indicated in the notice of call; the notice of call is sent to the members of the Committee by the Secretary, on the instructions, of the Chair of such Committee; the notice is also sent by the Secretary to the statutory auditors of the Board of Statutory Auditors and to any other persons invited by the Chair of the Committee to attend the meeting;
- the Chair, with the assistance of the Secretary, shall ensure that the pre-committee reporting and additional information provided during meetings are suitable so as to enable Committee members to act in an informed manner in carrying out their role; in particular, with regard to the identification of time frames for sending documentation, the Committee indicates the following time frames:
 - three calendar days in most cases;
 - one calendar day for the minutes of the meeting.

The members of the Committee and the Statutory Auditors are informed in advance if the Chair considers it appropriate that, for particular reasons of confidentiality and/or urgency in relation to the content of the item on the agenda and the related resolution, the supporting documentation be provided directly at the meeting. These timeframes have mainly been complied with, with a few exceptions;

- the Secretary of the Board of Directors acts as Secretary of the Committee and is responsible for taking the minutes of the meetings.

The Committee had access to the information and company departments necessary to carry out its duties; with respect to the nomination committee's duties, it did not consider it necessary to use external consultants.

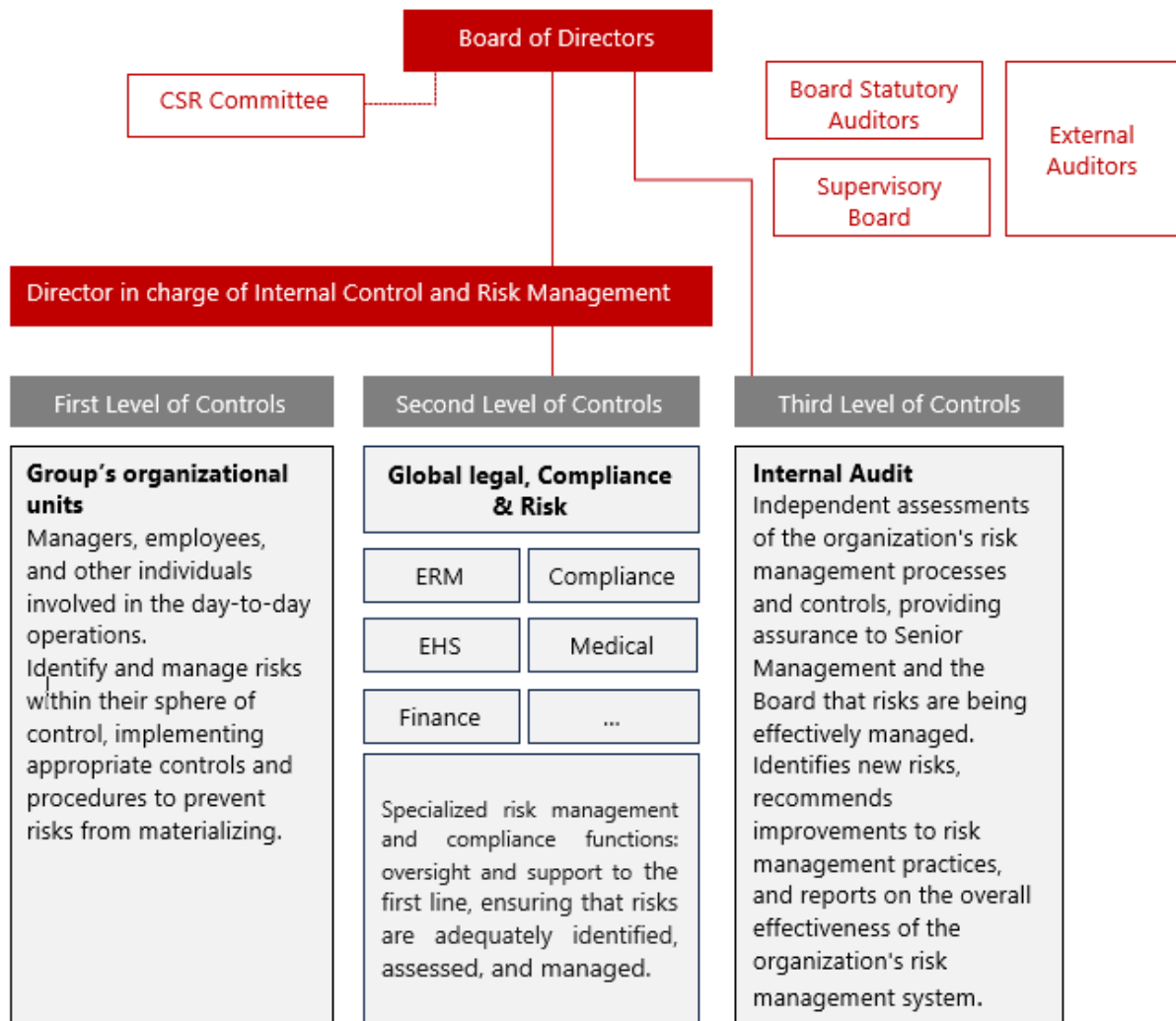
After each meeting of the Committee, the Chair shall inform the Board of Directors, at the next available meeting, of the issues discussed and the observations, recommendations and opinions expressed therein, in the manner deemed most appropriate.

8. DIRECTORS' REMUNERATION – REMUNERATION COMMITTEE

For the information on this Section, please refer to the Remuneration Report published by the Company on its website.

9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – RISK, CONTROL AND CSR (CORPORATE SOCIAL RESPONSIBILITY) COMMITTEE

The Internal Control and Risk Management System, which is based on the Enterprise Risk Management (ERM) approach, consists of a structured process of risk management in line with international best practice and in accordance with the requirements of laws and regulations in force, as long as applicable. The goal of the Internal Control and Risk Management System is to guide activities in line with company objectives while promoting informed decisions and ensuring the efficiency and efficacy of internal processes and the reliability of financial information and compliance with applicable laws and regulations.



The internal control and risk management system involves the whole Recordati Group, involving a variety of staff with specific roles and responsibilities. More in detail, at group level:

- the Audit function, at the Parent Company level, carries out its activities for all the companies in the Recordati group. To this end, the centralisation of Internal Audit activities makes it possible to strengthen the parent company's coordinating role within the internal control system and to make more efficient the operation of the entire system of third level controls, also by sharing specialist skills as well as verification methodologies and reporting standards with corporate bodies and top management;
- the compliance function, at the Parent Company level, in addition to exercising a support and guidance role for Group companies, oversees Group compliance risks by making use of the subsidiaries' compliance officers and regional compliance officers, who functionally report to the Group Compliance & Ethics Officer.

From the point of view of the **organisational structure** of the control functions forming part of Recordati's internal control and risk management system, the 2023 financial year was the year of their evolution and strengthening, in line with best practices and in response to the need to have an internal control system that takes into account the Group's expansion, both in terms of size and operational complexity, and in geographical terms. In this respect, as of 1st April 2023, the Group Audit & Compliance Department was reorganised, renaming it the Group Audit Department and separating the Compliance Function and Risk



Management activities. Following this separation, a new Legal, Compliance and Risk Management Department was created, headed by the Chief Legal Officer, who reports directly to the Chief Executive Officer. Two new departments were therefore created within the aforementioned function: the Compliance & Ethics Department and the Risk Management Department. With specific reference to this last function, in 2023, the activities relating to the risk management area continued in line with the past; the entry in March 2024 of a Global Risk Director, in charge of the risk management function, is preparatory to evolving the activities and methodologies of risk analysis, as also recommended by the Risk Control and Sustainability Committee.

The Group Audit Department continues to report to the Board of Directors of the Company.

With regard to the **Guidelines of the Internal Control and Risk Management System**, most recently approved by the Board at its meeting of 16th March 2023, with the favourable opinion of the Risk, Control and CSR Committee, it should be noted that the Company, also in light of what above reported, has started to update them reflecting thereto the changed organisational structures of the Audit, Legal, Compliance & Risk Management Departments, as described above and incorporate ongoing progress in the Group's overall control model. In this regard, the Board of Directors, upon the proposal of the Risk, Control and CSR Committee that is shared by the management, and having consulted with the Board of Statutory Auditors, resolved to postpone its approval later on during the year.

The Board of Directors positively assessed the adequacy, effectiveness and actual functioning of the internal control and risk management system, as a whole, also on the basis of information provided in meetings by the Director responsible for the internal control and risk management system, of the information contained in the reports presented by the Internal Risk, Control and CSR Committee and by the ODV (231 Compliance Body) pursuant to Italian Legislative Decree no. 231/01. and therefore having also shared the evolution path described above, which implies progressive adjustment and integration activities for 2024, as recommended by the CCRS, in the changed group context.

The main components of Recordati's Control and Risk Management System for the 2023 financial year are set out below.

Risk management process: the basic principles characterising the risk management process within the Company refer to the CG Code to which the Company has stated that it adheres.

The Group has developed its own long-standing identification and evaluation process corporate risks (Risk Assessment) also with a view to safeguarding and promoting results and, in general, in order to ensuring the supervision of risk management processes¹².

The identification and evaluation process of the corporate risks Risk allows it to measure and control the level of exposure of all Group Companies to the various risk factors, as well as to manage overall exposure and implement controls and procedures that are able to intercept risks and enable possible mitigation actions to be put in place.

The methodology adopted for the performance of Risk Assessment is based on a self-assessment process. This approach allows the dissemination of the control culture at all company levels; the establishment of an internal control and risk management system based on the accountability and self-assessment of the key persons involved in the control system (Risk Owner and Control Owner) and, finally, the focus of the control bodies on issues that have a significant impact on the company's business.

¹² For more information, see the section 'Main Risks and Uncertainties' of the 2023 Consolidated Financial Statements of the Recordati Group.



Risk Assessment results are set out by drafting a 'Risk Map of the Company', which contains the list of risks and their description, the risks' rating, the mitigation measures, the corporate persons in charge of managing and monitoring those risks.

The Group periodically reassesses the Risk Map throughout the year, usually during the meeting called to approve the budget for the following financial year and in conjunction with significant company events, such as the revision of organisation charts, and other events that could have an impact on the Company's risks, for example, in conjunction with the approval of extraordinary transactions, such as acquisitions of new assets or company shareholdings that are considered significant.

As already mentioned in this Report, during 2023, Recordati updated its Risk Map prior to the approval of the 2023-2025 Three-Year Plan, which was resolved on 21st February 2023 and subsequently at the Board of Directors' meeting of 15th December 2023, prior to examining the budget for the 2024 financial year.

The **structural components of the internal control and risk management system** consist of the Code of Ethics, which defines the principles and underlying values of the Company's ethical code and the rules of conduct that are based on those principles; the system of powers and delegations with general and specific authorisations and the internal delegation of powers, according to the responsibilities assigned; corporate operating procedures; IT systems to support both management and production activities and also accounting and financial processes. With regard to compliance, since April 2003 the Issuer has had an organisational model in place pursuant to Italian Legislative Decree no. 231/2001 on administrative liability of companies, which is continuously updated in relation to the new criminal offences that are gradually being introduced by the legislator, and also a control model pursuant to Italian Law no. 262/2005 for financial reporting (further information is given below on the 'Risk management and internal control systems in relation to financial reporting').

The control mechanisms described above are monitored by management, by the functions and bodies of management and control (*i.e.*, the Board of Directors; the Risk, Control and CSR Committee; the Board of Statutory Auditors; the executive director responsible for the internal control and risk management system; and the ODV (231 Compliance Body)) and involve all personnel of the Recordati Group. The Group's Audit Department also conducts the independent audits called for under the annual audit plan. The results of these audits are reported to the Chair, the Chief Executive Officer, also in his capacity as the executive director responsible for the internal control and risk management system, the company management and, periodically, the Board of Statutory Auditors, the ODV (231 Compliance Body), the Risk, Control and CSR Committee, and the Board of Directors.

With respect to **reporting on breaches of applicable regulations, of the Code of Ethics and of internal procedures**, the Company has for some time established special whistleblowing channels in place in all Group branches.

9.a) Main characteristics of the risk and internal control management system in relation to the financial reporting process.

The Internal Control and Risk Management System, as just defined, covers financial reporting which forms an integral part of it, the preparation of which is governed by organisational procedures and instructions which ensure compliance with the general principles of control laid down by the Issuer (*e.g.*, a proper separation of functions, a proper system of authorisations and powers, checks and balances, accountability, etc.). It is based on the main established reference models (*e.g.*, CoSO Report) being subject at the same time to verification and periodic update by means of a review of the risks to which the Company is exposed.

A description is given below, in accordance with the regulations in force, of the characteristics of the system adopted, with particular reference to (a) the stages of the risk and internal control management system in relation to the financial reporting process and (b) the roles and functions involved and the procedures for co-ordination between the parties involved.



a) The stages of the risk and internal control management system in relation to the financial reporting process

The Issuer has implemented a model for the administrative and accounting control of the system (hereinafter also the '262 Control Model') for some time now in order to ensure the effectiveness of that system. It has also assigned responsibility for verifying proper application of that model and for monitoring the functioning and adequacy of the Internal Control System in relation to the model to the Financial Reporting Officer.

The 262 Control Model consists of a set of corporate rules and procedures designed to enable objectives of reliability, accuracy, completeness and promptness in financial reporting to be achieved by identification and management of the main risks attached to the preparation and disclosure of financial information.

The 262 Control Model consists of

- administrative and accounting risk assessment;
- administrative and accounting manuals and procedures,

which are closely related to one another and are subject to continuous update and periodic assessment.

More specifically, administrative and accounting risk assessment is a continuous process of identifying and assessing risks attached to accounting and financial information and it is performed by the Financial Reporting Officer with the support of the Group Audit Department. This process is performed annually by means of:

- the identification, by means of quantitative (size) and qualitative (importance) criteria, of items in the financial statements and in financial information which may be highly sensitive and significant or involve risks of error or omission, with reference to the financial statements of the Parent Company or to the consolidated financial statements of the Group;
- the identification of the relative processes and accounting information input for each significant item of the financial statements and of financial information and of the relative controls to manage the risks identified.

If control activities are not found to be adequately documented or regulated in relation to risk areas identified following periodic risk assessment, the function responsible for the process shall provide adequate support documentation, with the support of the Financial Reporting Officer and, if necessary, the Group Audit Department, to enable the existing controls in the area subjected to analysis to be assessed.

When risks were identified as a result of the risk assessment activities, the Company and the Group put procedures, protocols and documents in place to control administrative and accounting activities. The body of the administrative and accounting manuals and procedures is comprised of the following principal documents:

- the Group Accounting and Reporting Manual, designed to ensure the application of uniform criteria in the Group with regard to the recognition, classification and measurement in the accounts of operating and financial events;
- a system of internal certification by the management and administrative chiefs (CEO and Financial Controller) of the subsidiaries of the Recordati Group with regard to the accuracy, reliability and completeness of accounting information and its compliance with Group accounting policies and local regulations. This system, set out in the Group Accounting and Reporting Manual, is designed, amongst other things, to support the signing of certifications and attestations required by law of the Financial Reporting Officer and of the Chief Executive Officer;
- administrative and accounting procedures and protocols for closing accounts at the end of accounting periods (or 'Financial Closing Protocols') and preparing annual financial statements and reporting packages which define control responsibilities, activities and rules to follow for the administration and accounts of the Parent Company and its subsidiaries;
- procedures for preparation of the consolidated financial statements which regulate the operations and controls to be performed for the preparation of the consolidated financial statements, describing,



amongst other things, the activities to be performed in the consolidation IT system adopted by the Group and used in its subsidiaries and which define the responsibilities of the various functions for the proper functioning of that system;

- calendar of end of period activities: a document which is updated and distributed monthly, which gives deadlines for the process of closing accounts and preparing financial statements, reporting packages and the consolidated financial statements;
- operational procedures which define the activities, responsibilities and management operations in terms of authorisation, implementation, control, official approval and recognition in the accounts for those accounting and reporting areas considered significant, in co-ordination with annual accounting and administrative risk assessment. Those responsible for the functions and for the subsidiaries involved in the process of preparing and managing accounting and financial information are responsible for the proper functioning and update of the administrative and accounting internal control system in relation to all the processes and accounting reporting under their control and they must constantly monitor those administrative and accounting procedures in order to ensure that they are properly applied and appropriate to the existing processes;
- a Financial Control Self-Assessment, aimed at identifying any areas of attention and improvement in administrative and accounting processes, is performed periodically;
- tables of administrative and accounting controls, which describe the control activities implemented in each administrative and accounting process in relation to the risk identified and the related control objectives and which summarise the results of control testing activities performed by the Group Audit Department. The controls described by those tables represent the application of control principles described in administrative and accounting control procedures. These tables are therefore used as a tool for the identification of the key controls in place, specific to each significant process, and for the identification of tests to be performed to assess the adequacy of the administrative and accounting internal audit system. These tables are constantly updated by the Group Audit Department.

The Financial Reporting Officer appointed to prepare corporate accounting documents assesses and certifies the adequacy of the 262 Control Model, which is the administrative and accounting internal control system just described and to the proper functioning of the procedures in place at least twice annually, when the interim half year and annual financial statements (consolidated financial statements of the Group and separate financial statements of the Parent Company) are approved. He is supported by the testing activity performed by the Group Audit Department, designed to assess the adequacy of the design and proper implementation and operational effectiveness of the controls in place.

Independent testing is performed continuously throughout the year on the basis of the Annual Audit Plan drawn up by the Group Audit Department. The results of testing activities, assessments of possible areas for improvement and the relative corrective action are officially published in an annual report addressed by the Group Audit Director to the Financial Reporting Officer and the CEO.

The Financial Reporting Officer is also responsible for monitoring the administrative and accounting internal control system on the basis of information received from the chiefs of corporate functions and reports on the activities performed by the Group Audit Department, in order to ensure that the body of procedures is updated and that the controls identified by means of the administrative and accounting procedures are actually implemented.

(b) Roles and functions involved in the system for the management of risks and internal control in relation to the financial reporting process

The roles involved with specific reference to financial reporting processes are: the Board of Directors, the Chief Executive Officer, acting also as Director responsible for the internal control and risk management system, the Group Audit Director, the Chief Legal Officer (Head of the Legal, Compliance and Risk Management Department) the Group Ethics and Compliance Director, the Global Risk Director, the Risk, Control and CSR Committee and the Financial Reporting Officer.



The Financial Reporting Officer in conjunction with the CEO is responsible for putting adequate administrative and accounting procedures in place for the preparation of the separate Parent Company and consolidated financial statements.

The Board of Statutory Auditors is also called upon to perform the functions assigned by the current regulations to the **Committee for internal control and accounting audit** ('CICAA'), established by Italian Legislative Decree no. 39/2010 (so-called "consolidated law on statutory audits"), implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, and therefore oversees the financial information process, on the effectiveness of the internal control, internal audit and risk management systems, the revision of the annual accounts and consolidated accounts, and the independence of the auditing company. Further information is given in Section 11 on the Board of Statutory Auditors.

9.1 DIRECTOR RESPONSIBLE FOR THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Following the appointment of the new Board of Directors on 29th April 2022, the Board of Directors resolved that the Chief Executive Officer, Mr Robert Koremans, be identified as the Executive Director responsible for the internal control and risk management system of the Company and the Group, pursuant to the CG Code, thereby confirming the assignment of the duties identified for this role in the Guidelines of the Internal Control and Risk Management System of the Recordati Group.

Duties

The Director responsible for the Internal Control and Risk Management System, with the assistance of the Group Audit Director :

- a) is responsible, as part of the Risk Assessment process adopted by the Company, for identifying the main corporate risks, taking account of the characteristics of the activities performed by Recordati S.p.A. and its subsidiaries, with particular attention to companies of strategic importance, and periodically submits them to the Board of Directors for examination;
- b) implements the guidelines defined by the Board of Directors, monitoring the structuring, implementation and management of the Internal Control and Risk Management System and constantly checking its adequacy and effectiveness;
- c) takes care of the adaptation of the Internal Control and Risk Management System to the dynamics of the operating conditions and the legislative and regulatory framework;
- d) may entrust the Group Audit Director with the task of carrying out checks on specific operational areas and on compliance with internal rules and procedures in the performance of corporate transactions, simultaneously notifying the Chair of the Board of Directors, the Chief Executive Officer (if not identified as the latter person), the Chair of the Risk, Control and CSR Committee and the Chair of the Board of Statutory Auditors;
- e) promptly reports to the Risk, Control and CSR Committee (or to the Board of Directors) on problems and critical issues that have arisen in the performance of its activities or of which it has become aware, so that the Committee (or the Board of Directors) can take the appropriate measures.

Activities carried out in 2023

The Director Responsible for supervising the functionality of the internal control and risk management system, during 2023, with the help of the Chief of Group Audit & Compliance until 31st March 2023 and subsequently with the assistance of the Chief Legal Officer (head of the Legal, Compliance and Risk Management Department) and other relevant corporate functions:

- has identified, as part of the Risk Assessment process adopted by the Company, the principal business risks, taking account of the characteristics of the activities undertaken by the Company and by its subsidiaries. In detail, he has completed the update of the Recordati Risk Map relating to the 2023 financial year (again with the assistance of the outside company Deloitte S.p.A.), of which he informed the Risk, Control and CSR Committee and the Board on several occasions during 2023;



- has implemented the guidelines defined by the Board and has designed, constructed and managed the internal control and risk management system, while constantly checking its adequacy and effectiveness;
- has brought the system into line with changes in operating conditions and in the legislative and regulatory framework.

9.2 RISK, CONTROL AND CSR (Corporate Social Responsibility) COMMITTEE

Composition

The Risk, Control and CSR Committee is composed of the following three non-executive and independent Directors: Ms Michaela Castelli, lawyer, (Chair), Ms Elisa Corghi and Mr Piergiorgio Peluso. The Board determined that all members have adequate experience in accounting and finance or risk management matters.

The Committee met 10 times during 2023 and 2 times during the current year. The percentage attendance of Committee members at meetings is shown in the table contained at the end of Section 6 of this Report.

The entire Board of Statutory Auditors and the Group Corporate Law Counsel and Secretary of the Board of Directors, also as Secretary of the Committee, have been constantly invited to participate in the Committee's work.

Upon invitation by the Chair of the Committee and depending on the items on the agenda, according to the attendance records in the minutes of the meetings, various non-members have attended as well: the Chairman of the Board of Directors; the Chief Executive Officer and Director Responsible for the Internal Control and Risk Management System, the Group Chief Legal Officer, the Group Audit Director and internal member of the ODV (231 Compliance Body), the members of the ODV (231 Compliance Body), the Group CFO, the VP Group Finance, the ESG Manager, Ms Jo Le Couilliard, Independent Director; the Senior VP Group HR; the Corporate Development, Licensing & Innovation Director; the Head of Rare Diseases B.U.; the Group R&D and Medical Affairs Director; the Executive VP Corporate Development; the Group Compliance & Ethics Officer; the CISO (Corporate Information Security Officer), the Employers and the Heads of the Prevention and Protection Service for production sites in Italy with regard to safety in the workplace, the Group Engineering Manager as well as consultants who provided support to the Company on specific projects examined by the Committee.

Duties assigned to the Risk, Control and CSR Committee

The Risk, Control and CSR Committee has been set up with the task of supporting the Board's assessments and decisions relating to the internal control and risk management system and sustainability issues; in particular, it is in charge of analysing the issues and instructing relevant practices to control business activity, by carrying out investigative, advisory and proposal-making functions towards the Board with respect to assessments and decisions relating to the internal control and risk management system – understood as the set of rules, procedures and organisational structures for the actual and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the Company's sustainable success (meaning the objective that guides the Board's actions and that consists of the creation of long-term value to the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the Company) – as well as in those relating to the approval of periodic financial and non-financial reports for the purposes of the internal control and risk management system.

More specifically, the Committee plays an investigative and advisory role *vis-à-vis* the Board in the performance of certain tasks pertaining to the Board itself, such as:

- to carry out the analysis of issues relevant to the creation of long-term value as a preliminary step for the Board's approval of the business plan of the Company and of the Group;



- to define the nature and level of risk compatible with the Company's strategic objectives, by including in its assessments all elements that may be relevant to the Company's sustainable success;
- to identify the director responsible for establishing and maintaining an effective internal control and risk management system (Director responsible for the internal control and risk management system) in the event that the Board decides to depart from the recommendation of the CG Code, which identifies the latter as the Chief Executive Officer;
- to define the guidelines of the internal control and risk management system in accordance with the Company's strategies;
- to assess, at least once a year, the adequacy of the internal control and risk management system in relation to the characteristics of the company, its risk profile, as well as its effectiveness;
- to appoint and revoke the Group Audit Director, by defining his/her remuneration in line with company policies and ensuring that he/she is provided with adequate resources to perform his/her duties. If the Board decides to entrust the internal audit function, as a whole or by operational segments, to a person external to the Company, the Committee shall first assess that the person adequately meets the requirements of professionalism, independence and organisation and that adequate reasons for such choice are provided in the Corporate Governance Report;
- to approve, at least once a year, the work plan prepared by the Group Audit Director, after having consulted with the Board of Statutory Auditors, the Director responsible for the internal control and risk management system and the Chief Executive Officer;
- to assess the appropriateness of adopting measures to ensure the effectiveness and impartiality of judgement of the corporate functions involved in controls (such as the Compliance & Ethics and the Risk Management functions, with reference to the organisational structures of the Company set up in relation to such functions), verifying that they have adequate professionalism and resources;
- to assign to the Board of Statutory Auditors or to a specially established body – the ODV (231 Compliance Body) – the supervisory functions pursuant to article 6, paragraph (1)(b) of Italian Legislative Decree no. 231/2001; in the second case, (i) to appoint the members of the ODV (231 Compliance Body) pursuant to Italian Legislative Decree no. 231/2001, taking care to assess the advisability of appointing to the Body at least one non-executive director and/or one member of the Board of Statutory Auditors and/or the holder of the company's legal or control functions, in order to ensure coordination between the various persons involved in the internal control and risk management system and (ii) to allocate an annual budget to the ODV (231 Compliance Body). In particular, the Committee formulates proposals to the Board regarding the appointment of members of the ODV (231 Compliance Body) pursuant to Italian Legislative Decree no. 231/01 and the allocation of an annual budget to that body;
- to assess, in consultation with the Board of Statutory Auditors, the findings set out by the auditor in the letter of suggestions, if any, and in the additional report on key issues arising from the statutory audit addressed to the Board of Statutory Auditors;
- to describe, in the Corporate Governance Report, the main features of the internal control and risk management system and the methods of coordination between the persons involved in it, indicating the models and national and international best practices of reference, expressing its overall assessment of the adequacy of the system itself and giving an account of the choices made regarding the composition of the ODV (231 Compliance Body);
- to generally implement the recommendations contained in the CG Code in relation to the internal control and risk management system.

Moreover, the Risk, Control and CSR Committee, in compliance with the CG Code, in assisting the Board:

- assesses, together with the Financial Reporting Officer and after having consulted with the auditor and the Board of Statutory Auditors, the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements, prior to the Board's approval of the consolidated financial statements;
- assesses 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;



- examines the content of periodic non-financial information relevant to the internal control and risk management system;
- expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the Board's assessments and decisions relating to the management of risks deriving from prejudicial facts of which it has become aware;
- examines the periodic reports on the assessment of the internal control and risk management system and those of particular relevance prepared by the Group Audit Department;
- monitors the autonomy, adequacy, effectiveness and efficiency of the Group Audit Department;
- may entrust the Group Audit Department with the task of carrying out checks on specific operational areas, simultaneously reporting to the Chair of the Board of Statutory Auditors and the Director responsible for the internal control and risk management system, unless the subject of the request for control specifically concerns the latter's activity;
- reports to the Board, at least every six months, upon the approval of the annual and half-yearly financial reports, on the activities carried out as well as on the adequacy of the internal control and risk management system.

The Risk, Control and CSR Committee also assists the Board **in relation to sustainability issues**:

- monitors sustainability issues related to the Company's operations and the dynamics of its interaction with all stakeholders in accordance with the principle of sustainable success;
- examines the guidelines of the Sustainability Plan and the means for implementing the sustainability policy, also by supervising the adoption of measures aimed at gender equality and equal opportunities within the entire company and group organisation, as well as monitoring their specific implementation;
- examines the general approach of the consolidated non-financial statement and the structuring of its contents, as well as the completeness and transparency of the reporting provided through this document;
- at the request of the Board, expresses opinions on sustainability issues.

Lastly, the Risk, Control and CSR Committee also plays an investigative and advisory role *vis-à-vis* the Board of Directors in the performance of the following duties pertaining to the Board itself:

- amending and/or supplementing the Organisational Model pursuant to Italian Legislative Decree no. 231/2001 adopted by the Company; in particular, the Committee makes proposals to the Board of Directors regarding amendments to be made to the Organisational Model pursuant to Italian Legislative Decree no. 231/01 adopted by the Company;
- appointing and dismissing the Internal Audit Officer(s) pursuant to article 150 of Italian Legislative Decree no. 58/1998;
- appointing, subject to the mandatory opinion of the Board of Statutory Auditors, the Financial Reporting Officer pursuant to Article 154-*bis* of Italian Legislative Decree no. 58/1998 and article 25 of the By-Laws; in compliance with the 'Regulations of the Financial Reporting Officer' approved by the Board on 18th March 2020, the Committee carries out the preliminary activities regarding the requirements of professionalism and integrity in support of the Board's resolution;
- carries out any further duties assigned to it by the Board of Directors.

In addition to the above, the Committee is also assigned the following duties with reference to the Procedure governing Related-Parties transactions:

- shall express an opinion on the Procedure governing Related-Party Transactions that the Company must adopt in compliance with Consob Regulation no. 17221 of 12th March 2010, as well as on any subsequent amendments to the Procedure itself;
- shall express an opinion, either binding or non-binding, on Related-Party Transactions of major importance and on Related-Party Transactions of minor importance in compliance with the aforementioned Procedure for Related-Party transactions adopted by the Company, unless they consist of Related-Party Transactions which concern remuneration.



Activities performed in 2023

During 2023, the Committee was kept informed by the Company of significant events for which it is competent, and performed, with investigative, advisory and propositional functions within the remits delegated to it by the Board of Directors and/or the CG Code. In particular, among the most relevant activities carried out in 2023, the following are highlighted whereby the Committee:

- in the context of the Business Plan update, verified, with the support of the corporate functions, that the nature and level of risk inherent in the strategic development were compatible with the risk exposure profile deemed appropriate by the Company, and examined the sustainability aspects of the proposed plan;
- examined Recordati's organisational structures following specific information from the CEO and with his support, with particular focus on the control structures, in view of the changes made to the organisation during 2023;
- conducted specific IT security focuses, meeting with the IT & Telecommunications Director and the Cyber Security Manager of the Company;
- examined the results of the assessment on the impairment methodology entrusted to an independent expert appointed by the Company and expressed a favourable opinion on the approval of the procedure containing the changes made to the relevant methodological process;
- still on the subject of sustainability during 2023: it examined the Sustainability Plan for the year 2023 and its specific targets, and monitored its implementation and achievement during the year; it also examined the Non-Financial Statement for 2022. Prospectively, it also started the corresponding analyses for 2024;
- examined the reports of the control functions, taking note of the outcomes and the overall assessment made on the adequacy of the controls, and the activity plans of the functions, verifying their state of implementation over time. It took note of the reports and activity plans of the ODV (231 Compliance Body);
- on the basis of the information received, it provided the Board of Directors with its assessment of the adequacy of the Internal Control and Risk Management System.

The Committee constantly maintained the appropriate functional links with the Director in charge of the Internal Control and Risk Management System, the Board of Statutory Auditors and the ODV (231 Compliance Body) (in relation to which, in 2023, it formulated the proposal to the Board regarding the appointment pursuant to Legislative Decree No. 231/2001 for the duration of 1 year), as well as with the external auditing firm, for the performance of common activities and the periodic exchange of information, in the usual respect of specific competences.

Minutes were duly taken of the meetings of the Committee, in line with the provisions of the Committee Regulation.

In particular:

- the Committee meets, subject to prior written notice being given by its Chair (or in his/her absence or impediment, by the Committee member who has served longest on the Board of Directors, or in the event of the same length of service, with the greatest seniority in terms of age) indicating the place, date, time and agenda of the meeting to be held, in general, at least three days prior to the date set for the meeting; in cases of urgency, the time limit may be shorter, provided that a minimum of 24 hours' notice is given, at the registered office or elsewhere in Italy, as indicated in the notice of call; the notice of call is sent to the members of the Committee by the Secretary, on the instructions of the Chair of such Committee; the notice is also sent by the Secretary to the statutory auditors of the Board of Statutory Auditors and to any other persons invited by the Chair of the Committee to attend the meeting;
- the Chair, with the assistance of the Secretary, shall ensure that the pre-committee reporting and additional information provided during meetings are suitable so as to enable Committee members to act in an informed manner in carrying out their role; in particular, with regard to the identification of time frames for sending documentation, the Committee indicates the following time frames:
 - three calendar days in most cases;
 - one calendar day for the minutes of the meeting.



The members of the Committee and the Statutory Auditors are informed in advance if the Chair considers it appropriate that, for particular reasons of confidentiality and/or urgency in relation to the content of the item on the agenda and the related resolution, the supporting documentation be provided directly at the meeting. These timeframes have mainly been complied with, with a few exceptions;

- the Secretary of the Board of Directors acts as Secretary of the Committee and is responsible for taking the minutes of the meetings.

The Board of Directors approved a specific budget for the Risk, Control and CSR Committee for 2023 in order to provide it with adequate financial resources to carry out its duties.

The Committee had access to the information and company departments necessary to carry out its duties; it did not consider it necessary to use external consultants.

9.3 GROUP AUDIT DIRECTOR

It is the responsibility of the Board of Directors, upon the proposal of the Risk, Control and CSR Committee, to appoint and remove the chief of that function, and also to ensure that he has adequate resources to carry out the relative functions and to set the remuneration consistent with Company policies.

The Group Audit Department, headed by Mr Giovanni Minora, is not responsible for any operational area whatsoever and from 2012 reports hierarchically to the Board of Directors; the ordinary management of employment relationships has been assigned to the Chair, also following the renewal of the Board of Directors that occurred in 2022. The Chair was confirmed as being in charge of supervising the activities of the internal audit function and liaising with the Board of Directors.

The Group Audit Director is also in charge of internal control pursuant to article 150 of Italian Legislative Decree no. 58/1998.

When he was appointed, the Board, having consulted with the Risk and Control Committee (as named at the time), assessed the appropriateness of the remuneration paid to the Group Audit Director as an employee of the Company with respect to the Company's policies.

Duties

The duties of the Group Audit Director are as follows:

- to oversee, both on a continuous basis and in relation to specific needs and in observance of international standards, the functioning and the adequacy of the internal control and risk management system, by carrying out an audit plan approved by the Board of Directors, based on a structured process to analyse and set priorities in relation to the main risks;
- to prepare periodic reports containing adequate information on his activities, on the procedures employed to manage risks and on compliance with the plans drawn up to mitigate them. These periodic reports contain an assessment of the appropriateness of the internal control and risk management system;
- also, upon request by the Board of Statutory Auditors, to promptly prepare reports on events of particular importance;
- to submit periodic reports to the Board of Statutory Auditors, the Risk Control and CSR Committee, the Board of Directors, the Director responsible for the internal control and risk management system and the CEO, except where the subject matter of such reports specifically concerns the activities of such bodies;
- as part of the audit plan, to oversee the reliability of IT systems, including those responsible for bookkeeping.



For the purposes of the above the Audit Director has direct access to all information useful for performing his/her duties.

Furthermore, the Group Internal Audit Director:

- explains the proposed annual work programme to the Risk, Control and CSR Committee in order to implement any recommendations that the Committee may intend to make;
- assists the Executive Director responsible for overseeing the functionality of the internal control and risk management system with the design, implementation and management of the Internal Control and Risk Management System;
- schedules and carries out, consistent with the annual work plan, direct and specific audit activities at Recordati S.p.A. and at all the subsidiaries, with particular regard to companies of strategic importance, in order to detect any failings there may be in the internal control and risk management system, in the various risk areas.
- checks that the rules and procedures for auditing and risk management processes are observed and that all individuals involved act in accordance with the predetermined objectives;
- carries out checks on his own initiative or at the request of the Board of Directors, the Risk, Control and CSR Committee, the Executive Director responsible for monitoring the functionality of the internal control and risk management system or the Board of Statutory Auditors.

Activities in 2023

In detail, during the course of the Financial Year and in meetings of the Board of Directors already held in 2023, the Group Audit Director:

- explained the annual work programme and the organizational structure of his function to the Risk, Control and CSR Committee;
- had direct access to all the necessary information to carry out his role;
- carried out direct and specific auditing tasks, in a manner consistent with the annual work plan;
- reported to the Executive Director responsible for monitoring the functionality of the internal control system on the results of the auditing activities undertaken during the Financial Year;
- reported on his actions and on the results of the activities undertaken to the Risk, Control and CSR Committee and to the Board of Statutory Auditors of the Company.

The Group Audit Director had an operating budget which was used to carry out the audits and checks performed during the Financial Year.

As of 1st April 2023, the Group Audit & Compliance Department was reorganized, renaming it the Group Audit Department and separating the Compliance Function and risk management activities. For further details, please refer to the above paragraphs.

The Board of Directors was informed by the Director in charge of the Internal Control and Risk Management System of the organisational structure of the Group Audit Department, also as a result of the above-mentioned organisational changes, and it agreed with the assessment of its adequacy in carrying out the responsibilities assigned to it and drawing up the audit plan approved for 2023.

9.4 ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001

All the Italian companies of the Recordati Group (Recordati S.p.A., Innova Pharma S.p.A., Recordati Rare Diseases Italy S.r.l., Italchimici S.p.A., Natural Point S.r.l.) adopted their own Organisation, Management and Control Model as envisaged under Italian Legislative Decree 231/2001 concerning the administrative liability of organisations. More specifically, Recordati, the Group Parent, adopted its Model in 2003, with constant updating both as regards the General part containing the core items of the Model and the special part of operational management protocols.



During 2023, the company Eusa Pharma (Italy) S.r.l., which was acquired in March 2022, was merged by incorporation into Recordati Rare Disease Italy S.r.l. and, as a result, the pre-existing ODV (231 Compliance Body) of Eusa Pharma expired and the relevant activities pursuant to Italian Legislative Decree 231/2001 were incorporated into the 231 Model of Recordati Rare Disease Italy.

In accordance with Confindustria guidelines, the organisational models of the Italian companies of the Recordati Group are dynamic, effective mechanisms as a result of constant monitoring and updating by the ODVs (231 Compliance Bodies). The organisational models call for specific, confidential channels for the reporting of violations or other anomalies by employees and periodic personnel training on the content of Italian Legislative Decree no. 231/2001 and of the Organisational Model. The ODV (231 Compliance Bodies), which have been appointed within the Group's Italian companies, are boards composed of the Internal Audit Director and outside experts. Each ODV (231 Compliance Body) has its own internal regulations and operate in accordance with a specific programme. The ODV (231 Compliance Bodies) also periodically report to the Board of Directors and the Board of Statutory Auditors.

In particular, the ODV (231 Compliance Body) of Recordati S.p.A. lastly appointed by the Board of Directors on 21st April 2023, is composed of the external members, Prof. Silvano Corbella, Chair and Mr Andrea Scafidi, lawyer, and the internal member Mr Giovanni Minora, Group Audit Director. The term of office of the current ODV (231 Compliance Body) will expire with the approval of the 2023 financial statements.

Similarly, on 14th March 2018 Spanish subsidiary Casen Recordati adopted a Management and Control Organisational Model in compliance with Ley Organica 2015/1 of 30th March 2015 which introduced in the Spanish criminal code some relevant changes concerning the criminal liability of legal persons. This law, in relation to the conditions for the exemption from administrative liability for legal persons, borrowed the legislative structure envisaged in Italy by Italian Legislative Decree no. 231/01. The model adopted by the Spanish subsidiary therefore has a similar approach to the 231 Models adopted by the Italian companies of the Group. Also, in the Spanish subsidiary, a collective ODV (231 Compliance Body) has been appointed and is operative, as required by best practices. The ODV (231 Compliance Body) of the Spanish subsidiary met periodically during 2023.

The Organisation, Management and Control Models adopted by the Group's Italian companies, pursuant to Italian Legislative Decree no. 231/2001, are constantly monitored by the ODVs (231 Compliance Bodies) in charge. The Models are subject to constant updating both for the introduction or updating of the regulations of interest and for organisational changes or internal processes. The updates concern the General part of the Model, with adjustments to risk mapping, the disciplinary system and other general elements and the Special part of the Model, made up of control and behavioural protocols.

In the second half of 2023, the parent company Recordati S.p.A. launched a new project to update the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 in relation to the latest offences introduced at legislative level. The updating project, which mainly concerns the General Part of the Model, will be completed in the first half of 2024 and, to the extent applicable, will be extended to the Models of all Italian subsidiaries.

The Models consist of a general part and a specific part, arranged into different sections. The general part includes, inter alia, the Code of Ethics, the Disciplinary System and the By-Laws of the ODV (231 Compliance Body). The specific part includes, inter alia, a 'map' of the areas where the risk of offences is more marked and a significant number of 'protocols' through which measures are put in place to prevent offences being committed in the areas identified in the map.

A presentation of the Model adopted by the Company is available on the Company's website at <https://recordati.com/compliance-programmes>.



The Code of Ethics

The Code of Ethics, approved by Recordati S.p.A. for the first time in 2002 and constantly updated and supplemented, is a clear embodiment of the Company's corporate values.

During 2020, the Group approved a new version of its Code of Ethics. This update was guided by the Recordati Group's desire to further increase the accessibility and usability of that document and was achieved by means of meticulous drafting and critical revision by an internal inter-functional team, supported by external specialists as well as by the ODV (231 Compliance Body) of Recordati S.p.A.

The Code of Ethics defines Recordati's fundamental values which guide and support the Group in its daily operations and in its relations with both its internal and external stakeholders.

The Code of Ethics also describes the responsibilities of all those to whom it is addressed, both internal and external to the Group, and defines 'shared commitments', i.e., those forms of conduct through which Recordati's values are put into practice. This section includes information on:

- **How we manage our business**, i.e., guidelines concerning:
 - Ethical and legally compliant behaviour
 - Product quality and safeguarding health
 - Commitment to environmental protection and sustainable development
 - Conflicts of interest and asset protection
 - Accounting transparency, confidentiality of information, personal data and social media
- **People and workplaces**, i.e., indications concerning:
 - Protection of employees
 - Fairness, equality and protection of human rights
 - Health and safety in the workplace
- **Relations with our stakeholders.**

The Code is adopted by all Group companies and applies to all employees, shareholders, directors, members of corporate bodies, commercial partners and other third parties with whom the Group cooperates, such as consultants, intermediaries, agents and contractors, clearly defining the Company's expectations regarding ethical standards and behaviour.

The Code is based on the main existing regulations and guidelines on corporate governance, human rights and the environment, such as, for example, the United Nations Universal Declaration of Human Rights, the Charter of Fundamental Rights of the European Union, the decent work standards laid down by the ILO (International Labour Organisation) conventions, the OECD (Organisation for Economic Co-operation and Development) Guidelines for multinational companies, national and supranational Anti-Bribery regulations (e.g.: OECD Anti-Bribery Convention, Italian Legislative Decree no. 231/2001, Foreign Corrupt Practices Act, Bribery Act, Loi Sapin 2, Ley Organica, etc.) and ISO 14001 environmental standards.

The Code of Ethics defines the procedures for reporting and the management of infringements (whistleblowing).

The Code of Ethics has been published on the Recordati Group's website, in order to ensure that it is widely distributed and accessible, and can be consulted at the following link:

<https://recordati.com/compliance-programmes>.

Periodically, Recordati organises training programmes for the employees of the Group, new recruits, and external persons who, although not employees of the Recordati Group, perform activities on an ongoing basis in the name and on behalf of the Recordati Group.



The Recordati Group's Anti-Bribery Model

Because of its international reach, the Recordati Group is present in a diverse range of social, cultural, economic and political contexts and is responsible for acting in accordance with applicable laws based on an awareness that any act of corruption would compromise the integrity of the business would jeopardise the organisation and would expose the company to legal and financial risks and risks to the company image.

The Group is firmly committed to conducting business transparently, honestly and ethically in every nation in which it operates, and it rejects all forms of corruption, aware of the potential risks deriving from numerous relations with government that are typical of the industry in which the Group operates.

To that end, since 2009, the Group has been conducting an assessment of the status of internal mechanisms in accordance with the main international and supranational anti-bribery laws and regulations in the countries in which it has branches.

The Group's anti-bribery programme involves the employees of both the Parent Company and of the various branches and is made up of four stages:

1. assessment of local and supranational legislation;
2. assessment of the local systems, procedures and models to protect against corruption;
3. analysis of inherent risks and of existing mechanisms for identifying residual risks;
4. definition and release of the Group's Anti-Bribery Model.

Based on the documentation and information gathered, areas of the organisation potentially exposed to a risk of corruption were identified, and the principles of conduct to avoid corruption have been defined for these areas. Based on this analysis, an Anti-Bribery Manual for the Group has been implemented.

The Manual, in its updated version, contains 16 business areas potentially exposed to the risk of corruption and, for each of them, specific principles of conduct have been formulated to avoid cases of corruption.

The 16 areas most exposed to corruption risk are the following: Research and Development; Production; Relations with doctors and healthcare organisations; regulatory activities; transactions with government; consulting; medicine samples; courses and conferences; marketing material; contributions and donations; financial transactions; Human Resources, relations with politicians and political organisations, purchasing management, relations with public administrations and management of agency costs.

Training for Recordati group employees and new recruits continued during 2023 on anti-bribery matters.

All members of the Board of Directors of Recordati S.p.A. received communication on the policies and procedures adopted through periodic reporting by the Group Audit Director.

Other models of control and adoption of national codes of ethics

The systemic approach of the Organisation, Management and Control Model defined under Italian Legislative Decree no. 231/2001 may also be found in other models in other areas of the company, such as within the scope of health and safety in the workplace, environmental management, and data protection.

Regarding data management and privacy, as from the entry into force of the new General Data Protection Regulation (No. 2016/679, hereinafter 'GDPR'), the Recordati Group has adopted its own personal data management model. The Group companies have adopted the measures envisaged by European regulation with the introduction of a Group privacy management model. On the organisational front, the Company has appointed a Data Protection Officer, a Privacy Manager and a Key Privacy Person in each subsidiary concerned. With regard to the processes and operating rules, Group policies are in place for the management of personal data, from which local procedures adopted by the various European branches derive.

The Recordati Group also adheres to the codes of self-regulation issued by industry associations that oversee activities related to detailing activities. A large portion of the Group's branches has adopted the codes of



ethics defined by their local pharmaceutical associations. These codes of conduct are based on the European Federation of Pharmaceutical Industries and Associations (EFPIA) code, which establishes the ethical standards for European pharmaceutical firms for the management of detailing activities and relations with the medical community.

Within the scope of involvement with the industry associations and adoption of their codes of ethics, the branches are taking specific action aimed at maximising transparency in their management of relations with the medical and scientific community. This includes the disclosure activities (and publication of the 'Transfers of Value' for healthcare organisations and operators) and the certification of detailing procedures. This disclosure is provided by many of the Group's companies, in compliance with legal rules (such as those that apply in France, Portugal and the USA) and with ethical standards (in addition to Italy, Spain, Germany and others).

9.5 AUDIT FIRM

EY S.p.A. is the firm of external auditors appointed to audit the Company for 2023. The appointment was formally made by a Shareholders' Meeting on 29th April 2020 for the financial years 2020-2028, as proposed by the Board of Statutory Auditors.

For further information on the engagement conferred by the Shareholders' Meeting to EY S.p.A., please refer to the Shareholders' Meeting documentation available on Recordati's website in relation to the Shareholders' Meeting of 29th April 2020.

9.6 THE FINANCIAL REPORTING OFFICER

During the 2023 financial year the Financial Reporting Officer was Mr Luigi La Corte, the Group CFO.

At the time of the appointment (18th March 2020), it was confirmed that he satisfied the requirements of integrity and professionalism laid down in the applicable legislation and in the Company's By-Laws, which stipulate, in article 25, that the Financial Reporting Officer must not only satisfy the requirements of integrity laid down by law for those performing administrative and managerial duties but also the requirements of professionalism characterised by specific competence in administrative and accounting matters. This competence, to be verified by the Board of Directors, must be acquired through working experience in a position of adequate responsibility over a suitable period of time.

The Financial Reporting Officer is given duties and powers to perform that assignment also with reference to the provisions of the operational guidelines for the Financial Reporting Officer, lastly approved, on 18th March 2020, by the Board of Directors updating those previously adopted since 2007.

In particular, the Financial Reporting Officer is responsible for:

- a) the definition of the administrative and accounting procedures necessary for the preparation of corporate accounting documents and any other communication of a financial nature as well as their adequacy and effective application;
- b) the correspondence of the corporate accounting documents with the results in the accounting books and records and their suitability to provide a true and fair view of the asset, economic and financial position of Recordati and of the Group;
- c) the completeness of the contents and, in general, compliance with the rules applicable to financial statement documentation.

The Board of Directors or, in any event, the Chief Executive Officer, provides the Financial Reporting Officer with human and material resources that enable him/her to organise a team for preparing, updating and implementing the administrative and accounting procedures for the preparation of the financial statements,



as required by law. The Financial Reporting Officer is granted extensive autonomy in organising his/her team, with the use of internally available resources.

The Financing Reporting Officer has free access to any information, which is relevant or necessary, both with reference to the Company and with reference to the Group companies, he/her can liaise and exchange information with all the management and control bodies of the Company and of the group companies, including the Risk, Control and CSR Committee, the Board of Statutory Auditors and the Audit Firm.

Lastly, the Financial Reporting Officer is also member of the Company's Board of Directors and therefore attends all meetings of the Board of Directors.

9.7 CO-ORDINATION BETWEEN THOSE INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Company has specified the roles and responsibilities of those involved in the internal control and risk management system in detail in this document and also the procedures for co-ordination between the parties involved.

In this respect, the Company encourages meetings between the different roles involved in order to exchange information and to co-ordinate. As already reported, the entire Board of Statutory Auditors in particular is constantly invited to participate in the proceedings of the Risk, Control and CSR Committee and also the Director in charge of the internal control and risk management system, the Group Audit Director, the Chief Legal Officer (to whom the Legal, Corporate Affairs, Compliance and Risk Management report) the Group Corporate Law Counsel and Secretary of the Board of Directors, the ODV (231 Compliance Body) pursuant to Italian Legislative Decree no. 231/01, the Group CFO and the Financial Reporting Officer as well as senior representatives of the external audit firm have participated in meetings on invitation of the Chair of the Committee and depending on the items on the agenda.

The Board of Statutory Auditors of the Company and the ODV (231 Compliance Body) pursuant to Italian Legislative Decree no. 231/01 have organised and held joint meetings during the year for the same purposes of co-ordination on matters of common interest.

Finally, the Board of Statutory Auditors meets periodically with the Financial Reporting Officer, the external auditors and the various corporate functions involved in the processes and procedures that must be subject to specific audit by the Board of Statutory Auditors, including those relating to the internal control and risk management system.

9.8 REGULATIONS FOR CONTROLLED FOREIGN COMPANIES LOCATED IN NON-EU COUNTRIES

In relation to the provisions of articles 15 and 18 of the Markets Regulations concerning the conditions for the listing of the parent companies of companies formed and regulated under the laws of countries that do not belong to the EU and which are of significant importance for the purposes of consolidated financial statements, as at 31st December 2023 the regulatory provisions of article 15 of the Markets Regulations have applied to the Turkish subsidiary Recordati İlaç Sanayi Ve Ticaret Anonim İrketi, to the American subsidiary Recordati Rare Diseases Inc, to the Russian subsidiary Rusfic LLC, the Swiss subsidiary Recordati AG and the UK subsidiary Eusa Pharma (UK) limited.

With reference to those companies, the Company:

- publicly discloses its financial statements used for preparing consolidated financial statements;
- ensures that they regularly deliver information to the external auditor of the Parent Company needed to audit the annual and interim accounts of the Parent Company itself.



Finally, the Company possesses continuous knowledge of the composition of the corporate bodies of the controlled companies with information on the company officers and on the corporate by-laws of the companies.

10. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

As reiterated also in the Regulation of the Board of Directors, Directors who have an interest, even potential or indirect, with reference to the subject matter of a resolution of the Board of Directors shall promptly and fully inform the Board of Directors.

Without prejudice to the general rules on conflicts of interest and more specifically on related-party transactions, the Board - subject to the prior favourable opinion of the Risk, Control and CSR Committee – already in 2021 approved an **ad hoc procedure aimed at regulating possible conflicts of interest of Directors in relation to M&A/Licensing-in transactions** (the 'Policy on Conflicts of Interest and Disclosure in relation to M&A/Licensing-in Transactions'). Such transactions have been deemed worthy of specific regulation, taking into account that M&A activity has historically been an integral part of the Group's business and that the experience in the Pharma sector, which is preferred in order to enrich the Board's expertise, could give rise to conflict of interest issues.

Under this policy, directors receive certain preliminary information, prior to the details of a possible transaction being shared with them, so that they can promptly disclose to the Chief Executive Officer any interest that may constitute a conflict of interest or a potential conflict of interest. This duty remains in place even if such conflicts of interest arise after more detailed information on the M&A/licensing-in transaction has been received. The Chief Executive Officer shall determine, in consultation with the Group Development, Licensing & Innovation Director, whether such a conflict exists and at the same time the Chief Legal Officer and the Secretary of the Board of Directors will be informed. The director who has a conflict of interest will not receive any further information on the transaction and will not participate in the meetings of the Risk, Control and CSR Committee (called to analyse risks), if it is a member, or of the Board, in relation to the part of the meeting's discussion examining the transaction. The Company has also reserved the right to exercise its discretion in reviewing any situation that is not specifically defined as a conflict of interest under this policy, but which falls within its spirit, in accordance with the procedures set out in this policy. The Risk, Control and CSR Committee is responsible for overseeing this Policy. The Chief Executive Officer periodically reports – or promptly when circumstances render it appropriate – to the Risk, Control and CSR Committee and to the Board of Directors on the matters dealt with in the Policy.

With respect to related-party transactions, subject to the prior favourable opinion of the Risk and Control Committee (now the Risk, Control and CSR Committee) identified as the Committee Responsible pursuant to article 4 paragraph 3, of Consob Regulation no. 17221 of 12th March 2010, in a meeting held on 24th November 2010, the Board adopted '*Regulations for related-party transactions*' in accordance with article 2391-*bis* of the Italian Civil Code and with the aforementioned Regulations.

The Procedure for Related-Party Transactions ('**RPT Procedure**') defines the guidelines and the criteria for the identification of related-party transactions and gives details of the roles, responsibilities and operating procedures designed to ensure adequate reporting transparency and the relative proper conduct in form and substance for those transactions. The Company has also issued internal rules in order to ensure that the Regulations are fully implemented.

The RPT Procedure, which has been in force since 1st January 2011, has been periodically reviewed and updated by the Board and, most recently, in June 2021 in order to adapt its contents to the amendments to the Consob Related-Party Regulation approved by the latter in December 2020 in implementation of the (EU) 2017/828 Shareholder Rights Directive 2 (SHRD II).



The main changes made to the previous version concerned (i) the introduction of a mobile reference to the definitions contained in the international accounting standards in force at the time (in particular, IAS 24 on 'Related Party Disclosures') for the definition of 'related parties' and 'transactions with related parties' and, consequently, the definitions of these terms (i.e. 'control', 'joint control', 'key management personnel', 'significant influence', 'joint venture' and 'close family members'); (ii) the introduction of a new definition of 'directors involved in the transaction' (identified as those who have an interest in the transaction, on their own behalf or on behalf of third parties, that conflicts with that of the Company) and their abstention from voting on the transaction, without prejudice to the provisions of article 2391 of the Italian Civil Code; (iii) the introduction of an obligation to verify in advance the independence of the experts involved by the competent committee; (iv) the introduction of new cases of exemption from the application of the Procedure; and (v) the introduction of the obligation to inform the competent committee on the application of the cases of exemption by sending a specific report, as well as on the performance of transactions with related parties subject to exemption, on an annual basis and at least with reference to transactions of major importance.

Furthermore, it should be noted that, on the basis of these Regulations, as most recently amended:

- the Risk, Control and CSR Committee was identified as the committee responsible for issuing a reasoned opinion on both transactions of major importance and transactions of minor importance, except for related-party transactions concerning remuneration, for which the committee responsible would be the Remuneration and Nominations Committee ('Competent Committee' or 'RPT Committee');
- the reference is to the definition of related parties in force at the time of the start of negotiations on the transaction (as specified by Consob);
- at the date of this Report, Key Manager Personnel are those persons who have power over and responsibility, either directly or indirectly, for the planning, management and control of the activities of the Company, including the Directors (executive and non-executive) of the Company itself identified as two managers of the Company by the Board of Directors, and proposed by the Chief Executive of the Company, in addition to the two executive directors who sit on the Board of Directors (i.e. the CEO and the Group CFO);
- transactions of Major Importance are defined as those related-party transactions for which at least one of the relevance indicators contained in the aforementioned Attachment No. 3 of the Consob Related-Party Regulations and which are applicable according to the characteristics of each related-party transaction (i.e. value of the transaction in relation to shareholders' equity or, if greater, to capitalisation; total assets of the entity involved in the transaction compared to the total assets of the Company; total liabilities of the entity acquired compared to the total assets of the Company) exceeds 5%;
- Transactions of Minor Importance are defined as those related-party transactions which are not transactions of Major Importance and not transactions of negligible amounts i.e., transactions for an individual amount of less than € 150,000 if the related party is an individual, or not exceeding € 300,000 if the related party is a person other than an individual.

The procedure does not apply to:

- Transactions of Negligible Amounts unless the overall value of more than one Transaction of Negligible Amounts, to be performed as part of a single plan, exceeds the amounts indicated above, depending on the nature of the related party;
- Intercompany Transactions provided that no Significant Interests of other related parties of the Company exist in the subsidiaries of Recordati or in associate companies of Recordati which counterparties to the transaction are. It is considered that the existence of 'Significant Interests' of other related parties could be determined by:
 - the existence of a significant amount receivable by the Chief Executive Officer of the Parent from a subsidiary;
 - one or more directors or other key manager personnel shared between companies who benefit from share-based incentive schemes (or in any case variable remuneration) dependent on the results of subsidiaries or associate companies with which the transaction is performed;



- an interest held in a subsidiary or associate company (even indirectly) by the party that controls the parent.
- shareholders' resolutions pursuant to article 2389, first paragraph, of the Italian Civil Code, concerning the remuneration due to members of the Board of Directors and resolutions concerning the remuneration of Directors appointed to special positions which forms part of the total amount determined in advance by shareholders in accordance with article 2389, third paragraph, of the Italian Civil Code;
- shareholders' resolutions pursuant to article 2402 of the Italian Civil Code, concerning the remuneration due to members of the Board of Statutory Auditors;
- remuneration schemes based on financial instruments approved by shareholders in accordance with article 114-*bis* of the TUF and the relative transactions to implement them;
- decisions (other than those referred to under the preceding point concerning the remuneration of Directors, Directors appointed to special positions and other key manager personnel, when (i) the Company has adopted a remuneration policy approved by the shareholders' meeting (the formulation of which involved a committee formed exclusively of non-executive directors, the majority of which are independent) and (ii) remuneration actually assigned is compliant with that policy and quantified on the basis of criteria that do not involve discretionary assessments. It is understood that, where resolutions on remuneration are subject to the procedure because they do not fall within the exemptions set out in this point, as well as in the three previous points, the first case described above may still apply for transactions for small amounts;
- transactions which fall within the ordinary performance of Operating Activities and the related financial activities concluded under conditions equivalent to market conditions or standards (*i.e.* conditions similar to those normally practiced with non-related parties for transactions of an analogous nature, magnitude and risk or based on regulated tariffs or on compulsory prices or those practiced for parties with which the Company is obliged by law to negotiate at a determined consideration). The 'ordinary performance' is identified by considering the contents, recurrence, function or purpose and timing of the transaction and also the nature of the counterparty, even if it is a related-party. Operating Activities are defined as the main revenue generating activities and all other normal activities of the Company that are not classifiable as investment or financial activities pursuant to International Financial Reporting standard seven adopted by EC Regulation No. 1126 of 2008, as subsequently amended from time to time. Should the exemption contained in this point apply, the Company is nevertheless required, without prejudice to article 114, paragraph 1, of the TUF, to comply with the provisions of article 13, paragraph 3, letter c), points i) and ii) of the Consob Related-Party Regulation. More specifically, if the transactions mentioned in this item g) are of greater importance pursuant to the subsequent sub-section 03.03, the Company shall notify Consob and the Competent Committee, within seven days from the approval of the transaction, of the counterparty, the subject and the consideration for the transaction and the reasons why the transaction is considered ordinary and concluded under conditions equivalent to market or standard conditions, providing objective evidence of the same. The Competent Committee verifies without delay, and in any case within seven business days from the communication, the correct application of the aforementioned exemption;
- transactions approved by the Company and addressed to all shareholders on equal terms, including: full or partial demerger transactions in the strict sense with proportional share allocation criteria (ii) share capital increases with option rights reserved to shareholders and to any holders of financial instruments (therefore issuances which are performed without excluding their option rights) including to service convertible bonds, and capital increases on a gratuitous basis provided for by article 2442 of the Italian Civil Code; (iii) share capital reductions through reimbursement to shareholders provided for by article 2445 of the Italian Civil Code and (iv) purchases of treasury shares pursuant to article 132 of the TUF;
- transactions to be performed on the basis of instructions for the purpose of stability issued by the supervisory authority, without prejudice to disclosure obligations under Consob Regulations.

The full text of the RPT Procedure is available on the company's website <https://recordati.com/other-corporate-documents>.



As already mentioned in this Report, the RPT Committee is identified as the Risk, Control and CSR Committee, except for related party transactions concerning remuneration, for which this committee is identified as the Remuneration and Nominations Committee. It should be noted that both Committees are composed of Independent Directors only. Please refer to the table on the structure of Board committees in Section 6 of this Report for further information on their composition and note that there were no changes during the current financial year.

The meetings of the Risk, Control and CSR Committee and the Remuneration and Nominations Committee, acting as RPT Committee, are coordinated by the Chair of the relevant committee and minutes are regularly taken. In view of the fact that the RPT Committee does not constitute an autonomous committee, but that its functions and work are included into those of the two above-mentioned Board Committees, it is not possible to provide independent data on the average duration of meetings as an RPT Committee during the Financial Year.

Reporting on the activities of the two committees, including those acting as RPT Committees, is provided to the first Board of Directors by the chair of the competent committee.

With regard to transactions with related parties carried out in the 2023 financial year, the Remuneration and Nominations Committee was also called on to express its opinion as the RPT Committee, in some cases for transactions of minor importance. For more information, please refer to the Remuneration Report published by the Company.

11. BOARD OF STATUTORY AUDITORS

11.1 APPOINTMENT

The appointment of Statutory Auditors is governed by article 26 of the By-Laws, which is given below:

'Article 26) The Shareholders' Meeting shall appoint the Board of Statutory Auditors, comprising three statutory auditors and two alternate auditors, who may be re-elected, and shall determine their remuneration. Their powers, duties and term of office shall be as established by law. Auditors shall satisfy the requirements laid down in current laws and regulations. As regards requirements of professionalism, the matters and sectors of activity strictly connected with that of the company are the research, production and sale of chemical and pharmaceutical products. The minority shareholders shall elect one Statutory Auditor and one Alternate Auditor.

Unless otherwise provided for in laws or regulations, the Board of Statutory Auditors shall be appointed according to the procedures set out in the following paragraphs on the basis of slates submitted by Shareholders in which candidates are listed by means of a progressive number and in compliance with the existing legislation in force concerning gender balance.

The slate must specify whether each candidate is nominated for the position of Statutory Auditor or for the position of Alternate Auditor.

Only Shareholders individually or jointly possessing a total number of shares with voting rights representing at least 2.5% of capital stock or representing a lesser percentage as established or provided by binding legal or regulatory provisions which shall be specified in the notice of meeting, shall have the right to present slates. Each shareholder, including shareholders who have signed a shareholders' agreement identified in article 122 of Italian Legislative Decree no. 58/1998, controlling entities, subsidiaries, and jointly controlled entities, is prohibited from individually or jointly submitting more than one slate or voting for different slates, even through a third party or trust company. Each candidate may only run on one slate on penalty of disqualification. Endorsements of slates and votes cast in violation of this prohibition shall not be attributed to any slate.

The slates submitted shall be deposited at the Company's head offices at least twenty-five days before the date scheduled for the first convocation of the Shareholders' Meeting without prejudice to further disclosure



required by regulatory or other provisions in force at the time. Without prejudice to any further procedural duty required by the legislation and also by the regulations currently in force, the following must be deposited together with each slate, within the time limit already mentioned:

- a) information on the identity of the shareholders who have submitted the slates, indicating the total percentage of capital stock held;
- b) a declaration by shareholders other than those who hold, singly or jointly, a controlling interest or relative majority, attesting to the absence of any forms of association with such shareholders, as provided for by the regulations in force;
- c) a thorough report of the personal characteristics of candidates and a declaration from the said candidates attesting that they possess the requirements established by law, together with their acceptance of the candidature.

Slates containing a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that a percentage of candidates to the position of Statutory Auditor and candidates to the position of Alternate Auditor are equal to that required by the legislation in force at the time concerning gender balance for the composition of the Board of Statutory Auditors belongs to the less represented gender in a given slate.

Slates not satisfying the requirements specified above shall be considered as not having been submitted.

Statutory Auditors shall be elected as follows:

1. from the slate which obtained the highest number of votes at the Shareholders' Meeting, two Statutory Auditors and one Alternate Auditor shall be elected, based on the progressive order with which they are listed in the sections of the slate;
2. from the second slate which obtained the highest number of votes at the Shareholders' Meeting and which, in accordance with regulations in force, has no connection, not even indirectly, with those who submitted and voted for the slate which obtained the highest number of votes, one Statutory Auditor, who shall chair the Board of Statutory Auditors, and one Alternate Auditor shall be elected, based on the progressive order with which they are listed in the slate.

In the event of a tie between slates for the appointment of the Auditors indicated in point 2 of the foregoing paragraph, the slate submitted by shareholders owning the largest shareholding or, alternatively, the slate submitted by the largest number of shareholders shall prevail.

If by following the above procedures, the composition of the full members of the Board of Statutory Auditors in compliance with the legislation in force at the time concerning gender balance is not ensured, the necessary replacements shall be made from the candidates to the position of full Statutory Auditor on the slate that obtained the majority of votes on the basis of the order of the names on the slate.

Should a single slate or no slate be submitted, all candidates for that position named on the aforesaid slate or those voted by a Shareholders' Meeting (as long as they receive a relative majority of the votes cast in the Shareholders' Meeting) shall be elected as Statutory and Alternate Auditors and provided the existing legislation in force on gender balance is complied with.

Should they no longer satisfy the requirements laid down by law and in the by-laws, the auditor shall leave office.

Should it become necessary to replace a Statutory Auditor, the Alternate Auditor belonging to the same slate as the outgoing auditor shall take the latter's place or, failing this, should the minority auditor leave office, he shall be replaced by the next candidate on the slate from which the outgoing auditor was elected, or, alternatively, by the first candidate on the minority slate that obtained the second highest number of votes.

It is understood that the Board of Statutory Auditors shall continue to be chaired by the minority auditor and the composition of the Board of Statutory Auditors must comply with the existing legislation in force on gender balance.

The procedure outlined below shall be followed when the Shareholders' Meeting is required to appoint Statutory and/or Alternate Auditors to complete the board: if it is necessary to replace auditors elected on the basis of the majority slate, the replacements shall be appointed by relative majority vote without slate voting; if, however, it is necessary to replace auditors elected on the basis of the minority slate, the Shareholders' Meeting shall replace them by a relative majority vote by choosing them from the candidates



on the slate from which the outgoing auditor was elected or on the slate that obtained the second highest number of votes.

Should the application of the above procedures not result in the replacement of the auditors designated by minority shareholders for whatever reason, the shareholders' meeting shall hold a relative majority vote, following the presentation of candidatures by shareholders that, individually or together with others, possess shareholdings with voting rights that represent at least the percentage indicated above in relation to the procedure for the presentation of slates. However, votes registered by shareholders who hold the relative majority of voting rights that may be exercised in the meeting as identified in disclosures made in accordance with applicable regulations, whether directly, indirectly, or jointly with other shareholders who have signed a shareholders' agreement as indicated in article 122 of Italian Legislative Decree no. 58/1998, shall not be considered in establishing the outcome of said vote.

The replacement procedures set forth in the above paragraphs must in any event ensure compliance with the legislation in force at the time concerning gender balance.

Members of the Board of Statutory Auditors may participate in meetings remotely by means of audio-visual connection, video conferencing or telephone link-up systems.

In the above case:

- the following must always be established:
 - a) the identity of all members attending, at each point of connection, shall be confirmed;
 - b) each member attending shall be permitted to express a personal opinion verbally, to view, receive or send any documentation and to participate simultaneously in the discussion of the points at issue and pass resolutions;
- meetings of the Board of Statutory Auditors shall be considered to be held at the place where both the Chair and Secretary are located.

The statutory audit of the Company's accounts shall be performed by the Audit Firm on the basis of applicable regulations'.

It is underlined, in particular, that the right to submit slates is only held by shareholders who, individually or together with other shareholders submitting slates, hold voting shares representing at least 2.5% of the voting capital in the ordinary Shareholders' Meeting, or representing any lower percentage established by mandatory laws or regulations. It should be noted that In accordance with articles 144-*quater* and 144-*septies* of Consob Issuers' Regulations, according to the Consob resolution no. 92 of 31st January 2024, the minimum percentage of the share capital required to present slates of candidates to the Board of Statutory Auditors of the Company is currently 1%.

The minority slates shall elect one Statutory Auditor and one Alternate Auditor. As regards the appointment mechanism adopted for choosing the candidates on the various slates submitted, we note that, again according to the above transcribed article 26 of the By-Laws, two Statutory auditors and one Alternate auditor are elected from the slate which obtained the highest number of votes in the Shareholders' Meeting, based on the progressive order by which they are listed in the sections of the slate; from the second slate which obtained the highest number of votes after the first slate and which has no connection, not even indirectly, with the shareholders who submitted or voted for the slate which obtained the highest number of votes, one Statutory Auditor, who will chair the Board of Statutory Auditors, and one Alternate Auditor are elected, based on the progressive order by which they are listed in the slate.

With regard to the **rules on gender balance in corporate bodies**, Italian Law no. 160 of 27th December 2019 (Budget Law 2020) amended articles 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of the TUF, providing for a different quota reserved for the least represented gender equal to 'at least two-fifths' (compared to previous one 'at least one-third') of the members and established that this allocation criterion applies for 'six consecutive terms of office'.

According to the Budget Law 2020, the criterion of allocation of 'at least two-fifths' applies 'as from first renewal of the management and supervisory bodies of the companies listed on regulated markets following the date of entry into force of this Law', which occurred on 1st January 2020.



Consob, by means of Communication no. 1/20, has therefore provided clarifications on the interpretation of the application, to corporate bodies composed of three members, of the rules on gender quotas, introduced by the aforementioned provisions of the TUF and which have already been applied since the renewal of the Board of Statutory Auditors at the 2020 shareholders' meetings: since in the case of boards composed of three members, the two-fifths reserve is inapplicable due to arithmetical impossibility, Consob has clarified that for corporate bodies composed of three members only the rule of rounding down rather than upwards applies, as currently provided for in article 144-*undecies*.1, paragraph 3, of the Consob Issuers' Regulations. It should be noted that the Company By-Laws, as from 2012, provide that the Board of Directors shall be appointed in compliance with the existing legislation in force on gender balance (and in any case on the basis of slates of candidates presented by shareholders).

Again with respect to gender balance in the bodies of listed companies, the Company also acknowledged the recommendations concerning diversity, including as regards gender, in the composition of the corporate bodies introduced first in the Corporate Governance Code for Listed Companies approved in July 2018 by the Corporate Governance Committee and then confirmed by the CG Code, which indicates that at least one third of the board of directors and control body is made up of members of the least represented gender.

Finally, we report that article 19, paragraph 3 of Italian Legislative Decree no. 39/2010, as amended by Italian Legislative Decree no. 135/2016, requires that members of the committee for internal control and the accounting audit – which for 'public interest entities' is the Board of Statutory Auditors – are competent as a whole and also in the sector in which the company operates. The business activities closely related to the Company's activities consist of research, production and trade in chemical and pharmaceutical products.

11.2 COMPOSITION AND FUNCTIONING (pursuant to article 123-*bis*, paragraph 2, letter d) and d-*bis*) of the TUF)

The composition of the Board of Statutory Auditors in office on the closing date of the Financial Year is shown below. The Board was appointed by the Ordinary Shareholders' Meeting of 21st April 2023 and its term of office will expire at the Shareholders' Meeting called to approve the financial statements for the year ended on 31st December 2025.

At the Ordinary Shareholders' Meeting of 21st April 2023, two slates for the position of statutory auditor were presented: one by the shareholder Rossini S.à.r.l., holder of 108,368,721 ordinary shares equal to 51.82% of the Recordati S.p.A. share capital, and another, following the shareholding required in order to present a minority slate being cut in half, presented by other shareholders – SGR and institutional investors, - which collectively hold 1,080,879 shares equal to 0.51686% of share capital.

In detail:

The first slate, presented by Rossini S.à.r.l., named the following individuals to be members of the Board of Statutory Auditors:

Statutory Auditors

Ms Livia Amidani Aliberti

Mr Ezio Simonelli

Mr Emiliano Nitti

Alternate Auditors

Ms Silvia Mina

Mr Luca Giuseppe Piovano

The second slate presented by the other shareholders – management companies and institutional investors – named the following individuals to be members of the Board of Statutory Auditors:

Statutory Auditors



Mr Antonio Santi

Alternate Auditors

Mr Andrea Balelli

The following individuals were elected:

Mr Antonio Santi	Statutory Auditor and Chair
Ms Livia Amidani Aliberti	Statutory Auditor
Mr Ezio Simonelli	Statutory Auditor
Ms Silvia Mina	Alternate Auditor
Mr Andrea Balelli	Alternate Auditor

The voting capital represented 85.153% of the Issuer's share capital with voting rights. In favour of list no. 1, 118,517,527 shares (56.673% of the share capital with voting rights). In favour of list no. 2, 59,064,313 shares (28.244% of the share capital with voting rights).

Curricula vitae providing information on the personal and professional characteristics of each candidate were attached to the slates presented by Rossini S.à.r.l. and by management companies and institutional investors, accompanied by a list of the management and supervisory positions occupied in other companies and which are significant in accordance with the law and also by declarations made by each candidate that they accept their candidature and that there are no grounds for ineligibility or incompatibility and that they satisfy the requirements prescribed by law and in the By-Laws for the office of Statutory Auditor. The above documentation may be consulted on the website <https://recordati.com> (in the section Investor Relations, Shareholder Information, Shareholders' Meeting of 21st April 2023).

Moreover, it should be underlined that the personal and professional features of each auditor range from economic and financial, to legal and corporate governance subjects and are detailed in Appendix 1 of this Report.

Table of the composition and structure of the Board of Statutory Auditors

BOARD OF STATUTORY AUDITORS CURRENTLY IN OFFICE AS ST 31ST DECEMBER 2023

Office	Members (surname and name)	Year of birth	Date of first appointment	In office since	In office until	Slate (M/m) Code	Indep. under the TUF	Indep. under the TUF	Attendance at the Statutory Auditors’ meetings	Number of other offices
						*			**	***
Chair	SANTI Antonio	1977	11.4.2017	21.4.2023	Approval of the m 2022 financial statements	X		X	15/15	15
Statutory Auditor	AMIDANI ALIBERTI Livia	1961	17.4.2014	21.4.2023	Approval of the M 2022 financial statements	X		X	15/15	3
Statutory Auditor	SIMONELLI Ezio	1958	29.4.2020	21.4.2023	Approval of the M 2022 financial statements	X		X	15/15	25
Alternate Auditor	MINA Silvia	1988	21.4.2023	21.4.2023	Approval of the M 2022 financial statements	X		X	N/A	6
Alternate Auditor	BALELLI Andrea	1975	11.4.2017	21.4.2023	Approval of the m 2022 financial statements	X		X	N/A	16

OUTGOING AUDITORS DURING THE FINANCIAL YEAR (2023)



Office	Members (surname and name)	Year of birth	Date of first appointment	In office since	In office until	Slate (M/m) under the Codet	Indep. under the TUF	Indep. under the TUF	Attendance at the Statutory Auditors' meetings	Number of other offices
						*			**	
Alternate Auditor	PALEOLOGO ORIUNDI Patrizia	1957	17.4.2014	29.4.2020	Approval of the 2022 financial statements	M	X	X	N/A	

* M/m is indicated in this column depending on whether the member was elected from the slate voted by the majority (M) or by a minority (m).

** This column shows the attendance of Statutory Auditors at meetings of the Board of Statutory Auditors (no. of attendances / no. of meetings held during the actual period of office of the person concerned during the financial year in question).

*** This column shows the number of positions as director or auditor held by the person concerned pursuant to article 148-bis of the TUF and the relevant implementing provisions contained in the Consob Issuers' Regulations.

The full list of the offices is published by Consob on its website pursuant to article 144-quinquiesdecies of the Consob Issuers' Regulations. In addition, please refer to Attachment 1 of this document for the curricula of the Statutory Auditors.

INDICATE THE QUORUM REQUIRED FOR THE SUBMISSION OF SLATES BY MINORITY SHAREHOLDERS IN ACCORDANCE WITH THE LAST APPOINTMENT: 0.5% (following the reduction of the 1% threshold in accordance with article 144-sexies, paragraph 5, of the Issuers' Regulations)

NO. OF MEETINGS HELD DURING 2023: 15

During the Financial Year the Board of Statutory Auditors met 15 times, with meetings lasting approximately 1.5 hours on average.

As regards the current financial year, 11 meetings are scheduled and the Board of Statutory Auditors has already met 5 times in 2024. The percentage attendance of Auditors in these meetings during the 2023 Financial Year is shown in the table above.

Criteria and diversity policies

Information on the diversity criteria and policies applied in relation to the composition of the control bodies with regard to aspects such as age, gender composition and educational and professional background required by article 123-bis, paragraph 2, letter d-bis, of the TUF, is illustrated in the section of the Report dedicated to the Board of Directors (Section 4.3).

The composition of the Board of Statutory Auditors complies with the criteria indicated in the applicable provisions on gender balance and therefore at least one third of the statutory and alternate auditors is made up of auditors of the least represented gender.

Independence

In application of article 144-novies of the Issuers' Regulations and the CG Code, the satisfaction of the independence requirements pursuant to Article 148 of the TUF and the provisions of the CG Code by members of the Board of Statutory Auditors is assessed by the latter, which submits the results to the board of directors which discloses them, after the appointment, by means of a press release, and subsequently on an annual basis, in the corporate governance report.

The Board of Statutory Auditors conducted an internal verification process concerning its independence on 21st February 2023. The result of such verification confirmed that all members of the Statutory Auditors in office possessed the aforementioned requirements for independence.

The fulfilment of these requirements was also assessed and confirmed by the Board of Statutory Auditors in office, immediately after the appointment by the Shareholders' Meeting held on 21st April 2023, also with reference to Ms Livia Amidani Aliberti, who, as a result of her confirmation as statutory auditor of the



Company, has exceeded the period of nine financial years in office, taking into account what she expressly declared in this regard in the annex to the declaration made at the time of submission of the slates for the appointment by the Shareholders' Meeting. The declaration is available, together with the other declarations, on the website www.recordati.it (in the section Investors, Shareholder Information, Shareholders' Meeting of 21st April 2023).

During 2024, the aforementioned assessment was renewed, with a positive outcome, on 22nd February 2024.

Remuneration

The remuneration of statutory auditors is determined by the Shareholders' Meeting at the time of their appointment.

The remuneration of the Board of Statutory Auditors in charge was set by the Shareholders' Meeting of 21st April 2023 – upon recommendation of the Board of Directors included in the Directors' Report on the renewal of the Board of Statutory Auditors - providing for an annual fee of € 70,000 for the Chair of the Board of Statutory Auditors and of € 50,000 for each Statutory Auditor, gross of withholding tax.

Details of the fees earned in 2023 are nevertheless given in detail in the Remuneration Report.

Management of interests

During 2023, only one event occurred that was relevant pursuant to Recommendation 37 of the CG Code. In particular, a Statutory Auditor, after informing the Board of Statutory Auditors and the Chairman of the Board of Directors, did not participate in the discussion (being all the other members of the Board of Statutory Auditors present) of a specific item on the agenda of a meeting of the Board of Directors concerning a loan transaction with a company in which said Statutory Auditor was a non-executive director.

Further information on the activities of the Board of Statutory Auditors

The Board of Statutory Auditors monitored the independence of the auditing firm EY S.p.A., verifying both compliance with the relevant regulatory provisions and the nature and extent of non-audit services provided to certain subsidiaries by the same auditing firm and entities belonging to its network. As concerns services other than auditing provided by the audit firm to the Company and its subsidiaries, reference should be made to the specific exhibit concerning 'disclosure of audit and non-audit fees' contained in the consolidated financial statements for the year ended on 31st December 2023 and in the draft separate financial statements of Recordati S.p.A. for the year ended on 31st December 2023.

The Board of Statutory Auditors, in the performance of its activities, liaised with the Group Audit Director and with the Risk, Control and CSR Committee through the constant presence in Committee meetings, in which the Group Audit Director usually participates. It also worked with the ODV (231 Compliance Body) appointed in accordance with Italian Legislative Decree no. 231/2001. The Board reported to the Director in charge of the internal control and risk management system as well as with the Financial Reporting Officer. Finally, it participated in the works of the Remuneration and Nominations Committee and of the Risk, Control and CSR Committee.

It should also be noted that the Board of Statutory Auditors, by participating in the meetings of the Board of Directors, receives periodic updates on operations and on developments within the regulatory and legislative framework, and was involved, during 2023 in the induction activities already reported on in section 4.5.

As part of its oversight of procedures for the concrete implementation of corporate governance rules, the Board of Statutory Auditors:

- participated in the in-depth analyses, also together with the Independent Directors on governance and risk control issues;
- verified that the criteria and procedures of evaluation adopted by the Board to evaluate the independence of its members were implemented correctly.



The Board of Statutory Auditors is also called upon to carry out the duties assigned by the legislation in force to the **Committee for internal control and accounting audit (CICAA)**, set up by Italian Legislative Decree no. 39/2010 (the 'Consolidated Statutory Audit Act'), which implements Directive no. 2006/43/EC concerning the statutory audit of annual accounts which entered into force on 7th April 2010, as subsequently amended.

More specifically, the CICAA is required to monitor the efficacy of systems for the internal control of a company's quality and risk management and, if applicable, internal audit, as far as the financial reporting of the entity subject to audit is concerned, without violating its independence.

Furthermore, from the specific viewpoint of the statutory audit, on the basis of the current article 19 of Italian Legislative Decree no. 39/2010, the duties of the CICAA are as follows:

- to monitor the statutory audit of the annual separate company and consolidated financial reports;
- to report to the management body and the results of the statutory audit and to submit to it the additional report required by article 11 of Regulation no. 537/2014, accompanied by any remarks that there may be;
- to verify and monitor the independence of the statutory auditors or the firm of statutory auditors, especially with regard to the adequacy of non-auditing services provided;
- these activities also include responsibility for the procedure for the selection of the auditing firm as well as the indication of the firm to be appointed in the recommendation (in accordance with the provisions of article 16 of Regulation no. 537/2014).

The Board of Statutory Auditors meets systematically with the Directors of the main corporate functions, who provide the information requested by the Board.

12. RELATIONS WITH SHAREHOLDERS

The Company has created a specific section on its website called 'Investors', which is easily identifiable and accessible, and which contains important information about the Company for its shareholders so that they can exercise their rights in an informed manner. The Company has also created a special section of its website dedicated to 'Governance' containing full documentation, including this Report and an archive of past reports as well as a specific section on 'Sustainability'.

With regard to the publishing and storage of regulatory information pursuant to article 113-ter of the TUF we report that the company:

- for the transmission of regulatory information, the Company makes use of the dissemination system '1Info SDIR' at www.1info.it, which is managed by Computershare S.p.A. based in Milan (Via L. Mascheroni 19) and has been authorised by Consob with Resolution no. 18994 of 30th July 2014;
- uses the centralised storage system for regulatory information named '1Info' to store regulatory information. This can be consulted at the website www.1info.it and it is operated by Computershare S.p.A. with registered offices in Milan and is authorised by the Consob with Resolution no. 18852 of 9th April 2014.

As part of the Company's organisational structure, Ms Eugenia Litz, the VP Investor Relations was identified as the person in charge of the management of the relations with the shareholders, in which she succeeded Ms Federica De Medici as of the current financial year.

In addition, the tasks of the Group Corporate Affairs Office also include the task of looking after relations with shareholders in general.

The Investor Relations department of the Company is also responsible for relations with financial analysts who cover the Company and with institutional investors. This function organises periodic conference calls regarding periodic financial information, and the documentation presented for these calls is also made



available to the public on the Company's website and by way of the centralised storage system for regulatory information named '1Info' (see www.1info.it). On some important occasions, such as at the beginning of 2023 for the submission of the new 2023-2025 Three-Year Plan, the Company also organises face-to-face meetings with the financial community, to which it is however possible to connect remotely.

Recordati promotes dialogue with its shareholders and institutional investors as an essential element for positively influencing the conduct of the Company and increasing the level of transparency. In this context, the Company has established an ongoing and continuous relationship with proxy advisors and major institutional investors in order to encourage their involvement in the process of defining and verifying the actual methods of implementing its policy on the remuneration of directors and key manager personnel.

This activity is carried out through the development of an engagement plan performed on a half-yearly or at least annual basis, which involves the participation of the corporate functions of Human Resources, Investor Relations and Secretary of the Board of Directors, supported by the Chair of the Remuneration and Nominations Committee in order to highlight the committee's commitment on matters within their competence.

The results, indications and feedback emerged during the engagement activities on remuneration, once reported, are examined and assessed by the Remuneration and Nominations Committee. Finally, the Committee reports to the Board of Directors on the relevant developments and significant contents emerging from such engagement activities, through the Chair or another member designated by the latter. In addition, the CFO provides the Board with reporting on major interactions with investors and analysts as far as it is deemed relevant.

Finally, in compliance with the CG Code, during 2022 the Board, upon the proposal of the Chairman, formulated in agreement with the Chief Executive Officer, adopted a policy for managing dialogue with all of the investors, also taking into account the engagement policies adopted by institutional investors and asset managers. With reference to this proposed policy, although not provided for by the CG Code, Recordati deemed it appropriate to also carry out a preliminary (informative) passage to the Remuneration and Nominations Committee, taking into account what has been indicated above in terms of engagement in remuneration matters.

In summary, the adopted Policy substantially formalises the process already followed in the past and currently by the Company in engaging with investors and potential investors, both in terms of the key players (CEO and CFO), as well as in terms of the dialogue issues. In addition, as required by the CG Code, the Chairman is expected to ensure that the Board is informed, at the first available meeting, on the development and significant contents of the dialogue held with all shareholders. In this regard, in 2023, the Chairman ensured that this disclosure was made to the Board on a timely and regular basis.

13. SHAREHOLDERS' MEETINGS

In accordance with article 9 of the By-Laws in force, Shareholders' Meetings are convened in the manner and within the legal time limits on the Company's website and, where necessary due to mandatory provisions or decided by the directors, in the Official Gazette and in at least one of the following national newspapers: 'Il Corriere della Sera', 'La Repubblica', 'La Stampa', 'Il Giornale', 'Milano Finanza', as well as according to other procedures provided for by the legislation and regulations currently in force.

The law in force establishes that Shareholders' Meetings are convened by a notice published on the Company's website by the thirtieth day prior to the date of the Shareholders' Meeting and also using other procedures and within the time limit set by the Consob with regulations issued in accordance with article 113-ter, paragraph 3 of the TUF, inclusive of the publication of extracts in daily newspapers.



The By-Laws, article 9, states that 'notice to convene may also contain the date of meetings convened subsequent to the first. The Board of Directors may decide, if it considers it appropriate, to convene Ordinary and Extraordinary Shareholders' Meetings to be held following one single Notice of Meeting. In the case of a single call the legal majorities for that purpose apply.' Furthermore, that same article 9 of the By-Laws also states that: 'Ordinary Shareholders' Meetings are called to approve the financial statements within one hundred and twenty days of the end of the company's financial year. Where permitted by the law, a Shareholders' Meeting may be convened within one hundred eighty days from the end of the financial year. Directors shall indicate the reasons for the delay in the report required by article 2428 of the Italian Civil Code. Other than on the initiative of the Board of Directors, a Shareholders' Meeting may be called pursuant to the law by the Board of Statutory Auditors or by only two of its members, or upon the request of shareholders representing at least 5% of the share capital.'

In accordance with article 12 of the By-Laws in force, resolutions of ordinary and extraordinary meetings, on the first and successive calls, as well as for single calls, are valid if made in the presence of the required number of persons and the majorities required by law. Therefore, an ordinary Shareholders' Meeting is validly constituted in first call with the attendance of shareholders accounting for at least half of the share capital with voting rights at the meeting itself and resolutions are passed by an absolute majority of those participating, including abstentions.

An ordinary shareholders' meeting is validly constituted in second call no matter what proportion of the share capital is represented and resolutions are passed by an absolute majority of those participating, including abstentions.

An extraordinary shareholders' meeting is validly constituted in first call with the attendance of shareholders accounting for at least half of the share capital and resolutions are passed with the vote in favour of shareholders representing at least two-thirds of the share capital represented in the Shareholders' Meeting.

An extraordinary shareholders' meeting is validly constituted in second call with the attendance of shareholders accounting for at least a third of the share capital and resolutions are passed with the vote in favour of shareholders accounting for at least two-thirds of the share capital represented in the Shareholders' Meeting.

In the case of a single call: an Ordinary Shareholders' Meeting passes resolutions with an absolute majority, whatever the percentage of the capital stock represented and an Extraordinary Shareholders' Meeting is validly constituted when at least one-fifth of the capital stock is represented and it passes resolutions with the vote in favour of at least two-thirds of the share capital represented in the Shareholders' Meeting.

In relation to the right to participate in Shareholders' Meetings and voting rights, on the basis of article 83-sexies of the TUF, legitimate authorisation to participate in Shareholders' Meetings and to exercise voting rights is certified by a communication to the issuer, performed by the intermediary, in compliance with its accounting entries, certifying the party entitled to vote on the basis of information relating to the end of the accounting day of the seventh trading day prior to the date set for the Shareholders' Meeting in first call or a single call. Nevertheless, the legitimate right to participate and vote remains, should the communications be received by the Company later than the aforementioned time limit, provided they are received before the commencement of the proceedings of each single session of the shareholders' meetings.

In accordance with article 10 of the By-Laws, those holding the right to vote may be represented by a written proxy, where no incompatibilities and limitations exist pursuant to the legislation and regulations in force. The Company may be notified of the proxy for participation in the Shareholders' Meeting by sending the document to the email address indicated in the Notice of Meeting.



Furthermore, article 135-*undecies* of the TUF, inserted by Italian Legislative Decree no. 27/2010 introduced the role of the ‘Appointed representative of a listed company’ ‘unless the By-Laws stipulate otherwise, listed companies designate a representative for each Shareholders’ Meeting to which shareholders may grant, by the end of the second day of market trading prior to the date set for the Shareholders’ Meeting, even in a call after the first one, an authorisation with voting instructions on all or some of the motions on the agenda. The proxy is valid solely for proposals in relation to which voting instructions have been given.’ At present Recordati’s Company By-Laws contain no provisions in this respect, and this new provision is therefore considered applicable to future Shareholders’ Meetings of the Company, until different provisions are introduced to the Company By-Laws.

The Board believes that there are no conditions that require the adoption of particular initiatives regarding attendance of Meetings and the exercise of voting rights by shareholders such as, for example, postal voting.

In accordance with article 127-*ter* of the TUF, shareholders may submit questions on the items on the agenda even before the Shareholders’ Meeting. Answers are given to questions received prior to the Shareholders’ Meeting, subject to verification of the relevance and the legitimacy of the asker, at the latest during the meeting itself and the Company has the right to give a single answer to questions having the same content.

In this respect article 127-*ter* of the TUF, expressly allows the Company to set a time limit within which questions formulated prior to a Shareholders’ Meeting must be received if they are to be considered. The time limit is at the discretion of the Company, but cannot be earlier than five trading days prior to the date of the Shareholders’ Meeting (in first or single call) or the date indicated in article 83-*sexies*, paragraph 2, of the TUF if the notice of call provides for the Company to provide, before the Shareholders’ Meeting, an answer to the queries received. In such latter case, answers shall be provided at least two days before the Shareholders Meeting, also by publication in a special section of the company’s website, and the ownership of voting rights may be certified even after the queries have been sent, provided that this is done by the third day following the date indicated in article 83-*sexies*, paragraph 2, of the TUF. Cases where a reply is not obligatory are then specified: when the information required is already available in the format ‘answer and reply’ in the relevant section of the website and also when the reply has already been published on the website.

The Company adopts a Shareholders’ Regulation, the text of which is available on the Company’s website at <https://recordati.com/>, in the Investors – Shareholder Information section; this is to ensure that Shareholders’ Meetings can be held in an orderly and functional manner and to ensure that each Shareholder can speak on the items on the agenda.

During the 2023 financial year, the **Shareholders met once**, in ordinary call, on 21st April 2023.

Firstly, it should be noted that, at the meeting mentioned above, as indicated in the respective notice of call, the Company decided to avail itself of the option provided for by article 106 of Italian Law Decree no. 18 of 17th March 2020 - converted with amendments into Italian Law no. 27 of 24th April 2020 as subsequently amended and supplemented - providing that the intervention at the Shareholders’ Meeting of those entitled to vote was allowed exclusively through the Delegated Representative of the Company pursuant to article 135-*undecies* of the TUF to whom a proxy had to be conferred; the Delegated Representative could also be conferred proxies or sub-proxies pursuant to article 135-*novies* of the TUF, as an exception to article 135-*undecies*, paragraph 4, of the TUF.

At the Shareholders’ Meeting held on **21st April 2023**, in a single call, in ordinary session, **with the attendance of 85.153% of the share capital**, it was resolved (i) to approve the financial statements for the year ended on 31st December 2022 and the allocation of the 2022 profit for the financial year, (ii) the appointment of the Board of Statutory Auditors, (iii) the binding vote on the first section of the Report on remuneration policy and remuneration paid, and (iv) the approval of the ‘2023-2025 Performance Shares Plan’ upon revocation



of the '2021-2023 Stock Options Plan' for the granting of stock options provided for 2023, and (v) the authorisation to purchase and dispose of treasury shares. The Shareholders' Meeting also cast its non-binding vote on the second section of the Report on remuneration policy and remuneration paid for 2022.

In addition to the Chairman, Mr Andrea Recordati, the following Directors were also attending the meeting: Mr Guido Guidi (Vice-Chair – via audio/video conference), Mr Robert Koremans (Chief Executive Officer), Ms Elisa Corghi Mr Giorgio De Palma (via audio/video conference), Mr Luigi La Corte (via audio/video conference), Ms Joanna Le Couilliard (via audio/video conference), Mr Giampiero Mazza (via audio/video conference), Ms Kim Stratton (via audio/video conference). Also present via audio-video conference for the outgoing Board of Statutory Auditors were Mr Antonio Santi, Chair, Ms Livia Amidani Aliberti and Mr Ezio Simonelli, Statutory Auditors.

In consideration of the fact that, due to the way in which the shareholders' meeting was conducted, it was not possible to hold a debate at the meeting, the Company provided for the answers to any questions raised, pursuant to article 127-ter of the TUF, by certain shareholders to be published one day in advance, compared to the deadline of two days prior to the date of the shareholders' meeting indicated in the regulations, in order to allow a more informed choice in the voting instructions to the Appointed Representative.

The documentation relating to the items on the agenda, together with the voting results, has been filed in accordance with the law and applicable regulations and can be consulted on the website <https://recordati.com> (section – Investors Shareholders Information - meetings/2023).

The Remuneration and Nominations Committee and the Risk, Control and CSR Committee decided that they did not need to report to the Shareholders' Meeting on how they exercised their functions, taking into account that this information is contained, with respect to the former, in the Report on Remuneration Policy and Remuneration Paid and, for both, where applicable, also in this Report, which were made available to shareholders prior to the Shareholders' Meeting.

Lastly, it should be noted that during 2023, no changes or events occurred that would have led the Board to deem it necessary to draw up reasoned proposals to be submitted to the Shareholders' Meeting concerning (i) the choice and characteristics of the corporate model (ii) the structure of the administrative and equity rights of the shares; and (iii) the percentages established for the exercise of the prerogatives established to protect minorities. With regard to the size, composition and appointment of the Board and the term of office of its members, the Board expressed its opinion in its report to the Shareholders' Meeting convened for 29th April 2022, taking into account that the Board's term of office was due to expire at the said Shareholders' Meeting and the new appointment was therefore on the agenda.

The corporate governance system is functional to the needs of the Company.

14. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to article 123-bis, paragraph 2, letter a) of the TUF)

The Issuer does not apply any additional corporate governance practices, other than those described in the preceding sections of this Report.

15. CHANGES OCCURRING SINCE THE END OF THE FINANCIAL YEAR OF REFERENCE

There were no further changes in the Company's corporate governance structure.



16. OBSERVATIONS ON THE LETTER OF THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE OF 14TH DECEMBER 2023

The recommendations to promote good corporate governance formulated, as per practice, in the letter of the chair of the Corporate Governance Committee dated 14th December 2023 were brought to the attention, first, of the Chair of the Board of Directors, the Chief Executive Officer, the Director in charge of the Internal Control and Risk Management System, the Board of Statutory Auditors and as well as the members of the Risk, Control and CSR Committee on 19th February 2024.

The aforementioned letter was therefore made available to all of the directors prior to the Board of Directors' meeting of 22nd February 2024, together with the considerations carried out by the Company after the preliminary investigations within the Risk, Control and CSR Committee. The Board acknowledged the recommendations contained therein and the considerations made, from which a picture emerged of the Company's substantial compliance with the recommendations of the Chairman of the Corporate Governance Committee.

Milan, 19th March 2024

For the Board of Directors
Chief Executive Officer
Mr Robert Koremans



ATTACHMENT 1 PROFESSIONAL OVERVIEW OF THE DIRECTORS AND STATUTORY AUDITORS

At the date of approval of this Report (19th March 2024)

Members of the Board of Directors

Andrea Recordati

Andrea Recordati gained a Bachelor of Arts in medieval and modern history from the University of London Royal Holloway and Bedford New College. Between September 1995 and March 1998, he participated in the SmithKline Beecham Management Access Program, in the United Kingdom, starting off as Assistant Product Manager in Consumer Healthcare and then, for one year, occupying the role of medical representative in Essex before becoming Project Manager responsible for the development and implementation of an innovative SmithKline Beecham marketing initiative. He joined Recordati in 1998 as Project Leader for a project aimed at improving Sales Force productivity and better use of marketing investments. In April 1998, he joined the Board of Directors of the Company. In 1999, he was given responsibility for Pharmaceutical Business Development.

In March 2002, the Lercanidipine Business Unit was set up and he was appointed head of that unit. Since November 2002, he has been responsible for setting up the subsidiary Recordati Ireland and its industrial plant and, subsequently, for setting up the UK subsidiary. In September 2006, he was appointed Sole Director of the German subsidiary Recordati Pharma GmbH. In August 2007, the Northern and Central Europe Subsidiaries Division was set up and he was appointed head of that division. That division was enlarged in 2010 to include all western European companies. In February 2011 he was appointed General Manager of the International Pharmaceuticals Division. In July 2013 he was appointed Chief Operating Officer, being responsible for all the commercial and production activities of the Group and sitting on several boards of directors within the Group. From 16th August 2016 to 5th February 2019, he was appointed as Vice Chairman and from 16th August 2016 to 1st December 2021 he was appointed as CEO of Recordati S.p.A.

Currently he holds the office of Chairman of the Board of Directors.

Robert Koremans

Robert Koremans qualified as a medical doctor from RSM Erasmus University in the Netherlands and has over 30 years' experience in managerial and executive roles, gained mainly in the pharmaceutical industry at various international companies, including Serono, Grünenthal, Sanofi-Aventis and Teva.

He has worked globally and lived in the Czech Republic, Germany, Switzerland and the Netherlands. In 2018, he was appointed as Chief Executive Officer in Nutreco, a global leader in animal nutrition. Previously, he had been President and CEO of Global Specialty Medicines and a member of the Executive Committee at Teva Pharmaceutical Industries Ltd. From 1st December 2021, he is Chief Executive Officer of Recordati S.p.A..

Michaela Castelli

Born in Rome on 7 September 1970; after the degree in Law and a specialization course in financial law, her working experience started in London in Capital Market area and then she worked with major legal firms in Italy, dealing with corporate and financial markets law. She worked for Borsa Italiana S.p.A. for 9 years, where she dealt with primary market and assisting, listed issuers on matters concerning extraordinary operations, price sensitive information, compliance and corporate governance. Registered in Milan Bar Association, she gained a significant experience as a member of the Boards of Directors and Supervisory Bodies of major listed and unlisted companies. Author of sector publications and lecturer on various continuous education courses on corporate and financial markets law; she participated in numerous conferences as a speaker.

Current relevant positions:

- Chairman of Nexi S.p.A. (listed on the Borsa Italiana Stock Exchange);
- Member of the Board of Directors of Recordati S.p.A. (listed on the Borsa Italiana Stock Exchange);
- Member of the Board of Director of Fiera Milano S.p.A. (listed on the Borsa Italiana Stock Exchange);
- Member of the Board of Director of Fiber JVCO S.p.A. (significantly-sized company).



Elisa Corghi

Born in Mantova on 11 August 1972, Elisa Corghi graduated in Business Administration cum laude at the Luigi Bocconi University in Milan in 1996.

From 1996 to 2000, she has been brand manager with increasingly relevant roles in the marketing departments of Barilla Alimentare and Kraft Foods.

From 2000 to 2013, she has been senior sell-side financial analyst and partner in Intermonte SIM, responsible for the coverage of listed companies in the consumer and luxury sector.

She has been non-executive and independent board member in private and listed companies involved in significant M&A processes. She's actually member of BoD, inter alia, of Recordati S.p.A., a company listed on the Borsa Italiana Stock Exchange (member of Risk, Control and CSR Committee, member of the Remuneration and Nominations Committee), Nexi S.p.A., a company listed on the Borsa Italiana Stock Exchange (Chairman of the Remuneration and Appointment Committee, member of Related Parties Committee, Chairman, up until May 2022, of Internal Control, Risk and Sustainability Committee and Related Parties Committee) and Tinexta S.p.A., a company listed on the Borsa Italiana Stock Exchange (Chairman of the Remuneration Committee and member, up until May 2021, of the Internal Control Committee).

Giorgio De Palma

Graduated summa cum laude in Nuclear Engineering from Politecnico di Milano. He holds an engineering degree from the École Centrale de Paris.

His career began at Morgan Stanley, where he worked for more than four years in the M&A team.

He joined the Italian team at CVC Capital Partners in 2005, where he became Partner afterwards.

Giorgio De Palma currently holds the following positions: (i) Director of the Board of Directors of CVC Advisers (Italia) S.r.l., Recordati S.p.A. (listed on the Milan Stock Exchange), RGI S.p.A., MaticMind S.p.A., ii) Chairman of the Board of Directors of Mozart HoldCo S.p.A. and (ii) Sole Director of Donizetti Holdings S.r.l..

Guido Guidi

Born on 27 March 1953, he graduated in medicine, cum laude, in 1979 at the University of Milan, with a specialization, at the same university, first in immunology and allergology, achieved in 1984, and then in rheumatology, achieved in 1989.

Medical doctor since 1980, he was Medical Advisor first in Smith Kline & French Italia from 1981 to 1982 and then, from 1983 to 1985 in Roussel UCLAF Italia, then Medical Director from 1986 to 1989 in Sharper Italia (Roussel UCLAF Group).

In Sandoz Italy since 1990, until 1991 as head of the immunology and transplantation area and from 1992 to 2000 as head of the Specialty Products unit.

Since 2000 he has been in charge of the Southern Europe oncology unit at Novartis and from 2002 to 2012 he was head of the Head of Oncology, Europe at the Milan office where he led the marketing of several oncology products and played a key role in several partnership operations as a Novartis Deal Committee member. From December 2012 to February 2017, at the Swiss headquarters in Basel, he was appointed Head of Pharma, Europe, where he leads the marketing of several key products, coordinates operations and supervises a staff of over 7,000 employees working in more than 50 countries, including Russia and Israel.

Meanwhile he attended business courses in Lausanne in 2000 and from 2003 to 2015 in Boston (USA) at Harvard University.

Throughout his career, he has also been Chairman of the Board of Directors of Novartis Italy, Novartis Spain, Novartis Nordics and Novartis UK, he was a member of the Novartis Pharma Executive Committee (PEC), and Chairman of the Novartis European Executive Committee (EEC), as well as a member of the Novartis Portfolio Management Board, R&D Oncology and Pharma and the EFPIA Executive Committee. He was awarded the Novartis CEO Excellence Award in 2006 and the Novartis CEO Talent Development Award in 2008.

Currently senior advisor at Boston Consulting Group and he holds the positions of:

- founder and chairman of the board of directors of AuroraTT S.r.l.;
- member of the board of directors of Aurora Science S.r.l.;
- member of the board of directors of Philogen S.p.A. (listed on the Borsa Italiana Stock Exchange);
- member of the board of directors of Genenta Science S.r.l. (Nasdaq listed company);



- member of the board of directors and SAB member of Zambon S.p.A.;
- SAB member and consultant of Italfarmaco S.p.A.;
- vice President of the board of directors of Recordati S.p.A. (listed on the Borsa Italiana Stock Exchange);
- Executive Chairman of Cellestia Biotech AG.

Luigi La Corte

Luigi La Corte has a degree cum laude in Economia and Business (with major in Economics) from LUISS University in Rome and a professional qualification as Fellow of the Chartered Institute of Management Accountants; he has a wide experience in international finance roles, a large part of which spent in the pharmaceutical industry.

In 1993 he started his professional career at Procter & Gamble, where he covered different financial positions with growing responsibilities: Financial Analyst for Benelux, Regional Capital Markets Manager and finally Group Manager Financial Planning and Analyst for the Nordics. In 1998 he moved to PepsiCo as International Corporate Finance Manager, to support European and Middle East business. After some years as Consultant at Bain & Company Italy, in 2004 he moved to Alliance Unichem's pharmaceutical wholesaler and distribution business in Italy as Finance & Administration Director.

In 2005 he joined AstraZeneca as Chief Financial Officer of the Italian subsidiary, becoming then Regional Finance Director for the Asia-Pacific region and finally being appointed VP Finance for Global Commercial Organization, subsequently taking on financial responsibilities for the Global Product & Portfolio Strategy Unit.

In 2014 he joined GlaxoSmithKline as SVP Finance for the global Pharma R&D organization, taking later on also the responsibility of Head of Global Business Development. Finally, in 2017, he joined pladis Group, a leading snack and confectionary company, as Chief Financial Officer.

In November 2019 he joined Recordati as Group Chief Financial Officer, with responsibility for Finance, Investor Relations and Information Systems. In April 2022 he was appointed Director of Recordati S.p.A..

Joanna Le Couilliard

Joanna Le Couilliard has 25 years' healthcare management experience gained in Europe, the United States and Asia.

Much of her career has been in pharmaceuticals at GlaxoSmithKline where, amongst other roles, she headed the U.S. vaccines business and Asia Pacific Pharmaceuticals business and led a program to modernise the commercial model.

She was previously Chief Operating Officer at the BMI group of private hospitals in the U.K. She was Non-Executive Director at Frimley Park NHS Foundation Trust in the UK and at the Duke NUS Medical School in Singapore and Cello Health PLC and Alliance Pharma plc (the latter until early 2024), listed on the London Stock Exchange.

She is a graduate of Cambridge University and a Chartered Accountant.

She is currently a Non-Executive Director at Indivior PLC and Niox Group PLC, both listed on the London Stock Exchange.

Giampiero Mazza

Giampiero Mazza graduated summa cum laude from Rice University (Houston, Texas, USA) with a degree in Economics in 1991 and he completed a Master in Business Administration at the Harvard Business School (Boston, Massachusetts, USA) in 1996.

He started his career as business strategy Advisor in Bain & Company (Dallas, Texas, USA). He joined James D. Wolfensohn Inc (New York, NY, USA), a firm specialized in M&A transactions. From 2005 to 2010 he was Partner in BC Partners (London, UK), a private equity firm.

In 2010 he joined CVC Capital Partners, a private equity fund, where he is currently Managing Partner and member of the Investment Committee of CVC of the Milan office CVC Advisers (Italia) S.r.l., responsible for the Italian business.

Giampiero Mazza also holds the following positions: (i) member of the board of directors of CVC Advisers (Italia) S.r.l., Recordati S.p.A. (listed on the Borsa Italiana Stock Exchange), Multiversity S.p.A., Pegaso



Management S.r.l., Università Telematica Pegaso S.p.A., Università Telematica Pegaso S.r.l., Bip S.p.A., Bach HoldCo S.p.A., Bach MidCo S.p.A., and (ii) Sole Director of Akoa Place S.r.l..

Piergiorgio Peluso

Diploma in humanities, degree in 'Economics and Social Sciences (D.E.S.)' from Università Commerciale L. Bocconi, with a specialization in Finance, obtained in 1992, and an experience in Arthur Andersen, he joined Mediobanca S.p.A. in the Participations and Special Affairs Service, dealing with mergers, acquisitions and financial restructuring.

In 1998 he worked at Credit Suisse First Boston in London on mergers, acquisitions and capital market transactions in the financial institutions (banking and insurance) and utilities area.

In 2002 he joined Medio Credito Centrale S.p.A. (Capitalia Group), as Central Director of the Advisory Area, and subsequently assumed direct responsibility for the Corporate Division of the Capitalia Group with the title of Central Director and member of the Executive Committee of the banking group. During the years of his management, he was actively involved in the Capitalia Group's recovery plan. In 2007, following the merger between Capitalia S.p.A. and UniCredit Group S.p.A., he was confirmed as Head of Investment Banking in Italy and, subsequently, Managing Director of the corporate bank of the UniCredit Group (UniCredit Corporate Banking S.p.A.) and Head for Italy of the Corporate & Investment Banking Division of the banking group.

From 2011 to September 2012, he was General Manager of Fondiaria-SAI S.p.A., working on the relaunch plan of the insurance group and the subsequent integration with the Unipol group. From September 2012 to June 2019, he was Telecom Italia's CFO, with responsibilities of various kinds in the areas of: planning and control, transformation office, purchasing, real estate and logistics, finance and investments, accounting and financial, tax, mergers and acquisitions and risk management; participation in road shows and meetings with investors; regular attendance in Telecom Italia's Board of Directors and the Internal Control Committee.

During his career, he has also held the position of Director in several companies, including Banco di Sicilia S.p.A., Edison S.p.A., Gemina S.p.A., Aeroporti di Roma S.p.A., Milano Assicurazioni S.p.A., Fondazione Telecom Italia, Telecom Italia Media S.p.A. and Telecom Argentina S.A. (Argentina).

Since January 2020 he holds the position of member of the Board of Directors of KnowCE Srl, a start-up that deals with the monitoring of infrastructures and diagnostics for risk assessment. He is a member of the Board of Directors of Herambiente S.p.A. and of Recordati S.p.A. (listed on the Borsa Italiana Stock Exchange). Since 1st March 2023 he is *Chief Financial Officer* of Autostrade per l'Italia S.p.A..

Cathrin Petty

Cathrin Petty holds a Master of Arts in Natural Sciences from New Hall, Cambridge University and a post-graduate Diploma in Management Studies from the Judge Institute, Cambridge.

She started her career at Schroders and Schroder Ventures. She has been partner at APAX Partners, and prior to moving to CVC Capital Partners, she was Head of Healthcare EMEA with JP Morgan Chase & Co.

Currently, she serves as Managing Partner and Global Head of Healthcare at CVC Capital Partners, where she joined in July 2016.

Cathrin is currently member of the board of directors in the following companies: Rayner, Sebia (significantly-sized company), FutureLife a.s. and Recordati S.p.A. (listed on the Borsa Italiana Stock Exchange).

Kim Stratton

Kim Stratton has 30+ years experience in Biopharmaceuticals as CEO, C-Suite and Non-Executive Director and has held a variety of senior commercial leadership roles at both Global and country level, combined with experience in Global External & Public Affairs, HSE and Compliance & Diversity across developed and emerging markets.

Kim Stratton is recognized for her strong track record leading turnaround & business transformations and integrations in the rare diseases, specialty and primary care businesses.

Kim is currently (i) Chief Executive Officer of Centogene N.V. (Nasdaq listed company), (ii) Non-Executive Director and member of Nomination and Remuneration Committee and Integration Committee for Novesis



A/S (listed company), a leading Biotech in industrial enzymes, proteins and microorganisms and iii) member of the Board of Directors of Recordati S.p.A. (listed on the Borsa Italiana Stock Exchange).

Members of the Board of Statutory Auditors

Effective Auditors

Antonio Santi

Graduated in Business Administration - University of Rome 'La Sapienza', with a PhD in Business Administration at University of Rome 'Roma 3'.

Registered with the Register of Italian Corporate and Tax Affairs Experts (Albo dei Dottori Commercialisti) and with the Register of Certified Auditors (Registro dei Revisori Contabili).

He carries out advisory activities with regards to the appraisal of companies and branches - of both the public and private sector -, economic and financial feasibility studies and restructuring plans. During his professional experience he has developed consistent expertise in accounting control and supervision activities carried out by company control subjects.

He is member of the Board of Directors and the Board of Statutory Auditors of companies and listed companies on the Milan Stock Exchange operating in different sectors.

Livia Amidani Aliberti

Livia Amidani Aliberti graduated in Economics and Commerce at LUISS (Rome, Italy) and holds a Post Graduate Diploma from FT-Pearson (UK). She has completed the INSEAD International Corporate Directors programme. She holds status of authorised Person by BCE, (FCA- Financial Conduct Authority – until 2021)- she is a Dottore Commercialista (Chartered Accountant) and a member of the Reflection Group of NedCommunity on Internal Controls and Risk Management. With almost twenty years of consulting and research in corporate governance, she is also engaged in gender diversity research, area where she authored several publications on gender diversity and directors. Livia Amidani Aliberti occupies the following positions as corporate director:

- Unicredit Bank Austria A.G., part of the Unicredit Group: independent director, chair of the strategy and nomination committee and the remuneration committee;
- Cassa Depositi e Prestiti: independent director, RPT member;
- Messaggerie Italiane S.p.A., independent director, RPT member;
- Edizione S.p.A., Member of Statutory Auditors.

Ezio Simonelli

Ezio Simonelli graduated in Economics at University of Perugia (Italy) on 1980 (Grade: 110/110 cum laude). On 1982 he has been registered Italian qualified Chartered Accountant and Tax Adviser (District of Milan) and on 1995 Italian qualified Chartered Statutory Auditor. On 1997: Journalist and Publicist.

On 2013 he has been Appointed Honorary Consul of Canada in Milan by the Government of Canada, admitted by a decision issued on 06.03.2013 by the Ministry of Foreign Affairs until May 2023.

Ezio Simonelli is currently a Managing Partner of Studio Legale Tributario Simonelli Associati, with offices in Milan and more than 20 professionals.

Previous Work Experience: Member of the Board of Directors of Banca Nazionale dell'agricoltura and Interbanca; Member of the Supervisory Board of Banca Popolare di Milano SCARL; Chairman of Statutory Auditors of UBS Italia, ING Group Italia, Dexia Crediop, Alba Leasing, Mediolanum, Cremonini, Meridiana, Arexpo and Lega Nazionale Professionisti Serie A e Serie B; Member of the Statutory Auditors of Cerved, Banca Akros, Abaxbank, Montetitolì, E-Mid. As Author or Co-author of the following books:

- 'L'impresa e il nuovo testo unico delle imposte dirette' (IPSOA Editore 1988);
- 'L'attuazione della IV direttiva CEE' (Giuffrè Editore 1992);



- 'Oneri deducibili' (Giuffré Editore 1993);
- 'Il revisore contabile' (Editore Il Sole 24 Ore 1996);
- 'Tassazione dell'utile e politiche fiscali sui dividendi' (Maggioli Editore 1997);
- 'Finanza straordinaria d'impresa' (Editore Il Sole 24 Ore 1999);
- 'Economia e gestione della banca' (Editore Mc Grow-Hill 2010).

Holding positions as Chairman or member of Supervisory Boards pursuant to Legislative Decree 231/01 in the following companies:

- Aprilia Racing S.r.l. (Member of the Supervisory Board);
- Diasorin S.p.A. (Chairman of the Supervisory Board);
- Fondazione Milano Cortina 2026 (Member of the Supervisory Board).

List of Administration and Control offices held by Mr Simonelli in other companies:

Chairman of Statutory Auditors:

- Chairman of Statutory Auditors of Aprilia Racing S.r.l.;
- Chairman of Statutory Auditors of ATEX S.p.A.;
- Chairman of Statutory Auditors of Branchini Associati S.p.A.;
- Chairman of Statutory Auditors of Intraco S.p.A.;
- Chairman of Statutory Auditors of Mediaset S.p.A.;
- Chairman of Statutory Auditors of MFE Advertising S.p.A.;
- Chairman of Statutory Auditors of Sisal Gaming S.r.l.;
- Chairman of Statutory Auditors of Sisal S.p.A.;
- Chairman of Statutory Auditors of Sisal Italia S.p.A.;
- Chairman of Statutory Auditors of Vortice S.p.A.;
- Chairman of Statutory Auditors of Tao Due S.r.l. (merged as of January 1, 2024 into RTI S.p.A.).

Member of the Board of Statutory Auditors:

- Member of Statutory Auditors of Arnoldo Mondadori Editore S.p.A. (listed on the Borsa Italiana Stock Exchange);
- Member of Statutory Auditors of Different S.p.A.;
- Member of Statutory Auditors of F2I SGR S.p.A.;
- Member of Statutory Auditors of Mondadori Scienza S.p.A.;
- Member of Statutory Auditors of Recordati S.p.A. (listed on the Borsa Italiana Stock Exchange);
- Member of Statutory Auditors of Klepierre Management Italia S.r.l.;
- Member of Statutory Auditors of ISCI S.r.l..

Member of the Board of Directors:

- Member of Board of Directors of Amco SpA;
- Member of Board of Directors of Fondazione BPM;
- Member of Board of Directors of Plusadvance S.r.l.

Sole Director:

- Sole Director of Argento Vivo Srl;
- Sole Director of Gosen S.r.l.;
- Sole Director of Gosen Immobiliare S.r.l.;
- Sole Director of Immobiliare San Sebastiano S.p.A.;
- Sole Director of UBK S.r.l.;
- Sole Director of Wings of Hermes S.r.l.



Liquidator of National Professional Football League.

Member of Auditors' committee of Fondazione Altagamma and Federlegno Arredo.

Alternate Auditors

Silvia Mina

graduated in Business Administration at the University of Turin with specialization in Chartered Accountant. Registered as Chartered Accountants and Statutory Auditors in Milan.

Her practice focuses on Corporate and Tax Law, specialising in domestic (opinion reports, financial statements and tax returns) and international tax matters.

She mainly deals with ordinary and extraordinary tax and corporate consultancy for national companies and international groups. She has gained significant experience in direct and indirect taxation, also with reference to extraordinary operations, and with particular reference to international tax matters.

She advises Italian and foreign multi-national and medium-size companies, also dealing with the startup phase and the management of local subsidiaries and/or branches of foreign groups, and having developed a wide experience on clients in the Consumer Products Industry, Medical, Energy market and innovative Start Up.

She is member of several Italian companies' Statutory Board of Auditors and Supervisory Board of financial intermediaries and of various companies, listed below:

- Member of the Statutory Board and Supervisory Board of Arepo Fiduciaria S.r.l.;
- Member of the Statutory Board and Supervisory Board of Mazars Italia S.p.A.;
- Member of the Statutory Board of Cloud Care Bidco S.r.l.;
- Member of the Statutory Board of Next Value SGR S.p.A.;
- Auditor of Coolshop S.r.l.;
- Auditor of Arch Chemicals S.r.l.

Andrea Balelli

Graduated cum laude in Economics at La Sapienza University of Rome in 2000. Business Advisor, Certified Public Accountant and Auditor.

He started his professional experience at PricewaterHouseCoopers. He subsequently worked at the Government Printing Office and Mint and Capitalia Service Jv in Rome.

He then moved to Milan working for Archon Group (Goldman Sachs Group) as Vice President of the Corporate Accounting Team. He is now top management advisor for both public and private companies on strategic, organizational and financial aspects such as M&A advisory (including mergers, acquisitions, spinoffs, liquidations, fairness opinions); corporate valuations; strategic plans; business and debt restructuring; performance measurement and control systems; organizational models pursuant to legislative decree 231 of 2001.

He is member of the Board of Directors and the Board of Statutory Auditors for companies operating in various sectors.

He holds management and supervisory positions in the following companies:

- Sole Director of Fedaia Spv S.r.l.;
- Sole Director of Gardenia Spv S.r.l.;
- Sole Director of Italian Credit Recycle S.r.l.;
- Sole Director of Restart Spv S.r.l.;
- Sole Director of Rienza Spv S.r.l.;
- Sole Director of Re Vesta S.r.l.;
- Sole Director of Loira Reoco S.r.l.;
- Director of Malfante 2009 S.r.l.;
- Chairman of the Board of Statutory Auditors of Salvatore Ferragamo S.p.A. (Company listed on the Borsa Italiana Stock Exchange);



- Chairman of the Board of Statutory Auditors of Banca Ifis S.p.A. (Company listed on the Borsa Italiana Stock Exchange);
- Chairman of Supervisory Body ex D. Lgs 231/2001 of Salvatore Ferragamo S.p.A. (Company listed on the Borsa Italiana Stock Exchange);
- Chairman of the Board of Statutory Auditors of Wellcomm Engineering S.p.A.;
- Chairman of the Board of Statutory Auditors of Sirti Digital S.p.A.;
- Statutory Auditor of Pillarstone Italy S.p.A.;
- Statutory Auditor of Pillarstone Management HoldCo S.r.l.;
- Statutory Auditor of PS Reti S.p.A.;
- Statutory Auditor of Sirti S.p.A.