



EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE ITEMS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING OF INDUSTRIE DE NORA S.P.A.

Item No. 4 on the Agenda

4. Proposal to amend the total compensation awarded to the Board of Directors by the Ordinary Shareholders' Meeting of March 9, 2022, as already amended by the Shareholders' Meeting of June 20, 2022. Related and consequent resolutions.

Dear Shareholders,

with reference to this item on the agenda, we want to submit to the ordinary Shareholders' Meeting a proposal to amend, for the year 2023, and until the expiry date of the current Board of Directors' office, which is set to expire on the date of the Shareholders' Meeting convened to approve the financial statements as of December 31, 2024, of the total remuneration of the Board of Directors, previously resolved, pursuant to Article 2389 of the Civil Code, by the Shareholders' Meetings of March 9, 2022 and June 20, 2022.

On March 9, 2022, the Ordinary Shareholders' Meeting of the Company resolved to set the total annual gross compensation for the Board of Directors at Euro 1,095,000 (one million nine hundred and fifty-five thousand), plus the right to reimbursement of expenses reasonably incurred, and adequately documented, by each Director in connection with his or her office, delegating to the Board of Directors itself the determination of individual remuneration, without taking into account the variable remuneration deriving from the incentive plans that may be approved by the Company and without prejudice to the Board of Directors' power to award any additional remuneration and bonuses to the directors holding special offices pursuant to Article 2389, third paragraph, of the Civil Code, after hearing the opinion of the Board of Statutory Auditors. On June 20, 2022, this total annual gross compensation was subsequently increased to Euro 1,135,000 (one million one hundred thirty-five thousand) by the Company's Ordinary Shareholders' Meeting, following the appointment of director Alessandro Garrone.

On March 9, 2022, the Board of Directors of the Company, taking into account the total annual gross remuneration approved by the Shareholders' Meeting as specified above, also determined the individual compensation of the members of the Board of Directors as follows: (i) a gross annual compensation of Euro 400,000, *pro rata temporis*, awarded to the Chairman of the Board of Directors; (ii) a gross annual compensation of Euro 100,000, *pro rata temporis*, awarded to the Chief Executive Officer; and (iii) a gross annual compensation of Euro 40,000, *pro rata temporis*, awarded to each additional member of the Board of Directors.

In addition, on March 9, 2022, the Board of Directors, with the favorable opinion of the Board of Statutory Auditors, resolved to: (i) to award the additional compensation of Euro 65,000 to the members of the Audit, Risk and ESG Committee, of which Euro 25,000 to the Chairman and Euro 20,000 to each other member of the committee; (ii) to award the additional compensation of Euro 65,000 to the members of the Nomination and Remuneration Committee, of which Euro 25,000 to the Chairman and Euro 20,000 to each other member of the committee; and (iii) award the additional compensation of Euro 105,000 to the members of the Strategy Committee, of which Euro 25,000 to the Chairman and Euro 20,000 to each other member of the committee. No compensation had been provided for the Related Party Transactions Committee.

Following (i) the increase of the number of members of the Strategies Committee from five to six, resolved by the Board of Directors on February 1, 2023; also taking into account (ii) the assessments made on the significant growth in terms of organizational structure and complexity experienced by the Group following its listing on Euronext Milan, which have had a significant impact on the level of involvement of the Related Parties



Committee; and (iii) the *benchmark* comparison and analysis activities carried out for the purposes of defining the Group's remuneration policy, the Nomination and Remuneration Committee, in its meeting held on March 13, 2023, submitted to the Board of Directors, convened for March 15, 2023, a proposal to increase the maximum amount of the total annual gross emolument for the Board of Directors in order to (i) also recognize to Mr Roberto Cingolani, director of the Company, the same compensation provided for the members of the Strategies Committee and (ii) remunerate also the members of the Related Party Transactions Committee.

The Board of Directors' meeting held on March 15, 2023, having acknowledged the above-mentioned proposals of the Nomination and Remuneration Committee, therefore, resolved to propose to the Shareholders' Meeting to change, for the year 2023, and until the expiry date of the current Board of Directors' office, which is set to expire on the date of the Shareholders' Meeting convened to approve the financial statements as of December 31, 2024, the amount of the total gross annual remuneration of the Board of Directors from Euro 1.135,000 (one million one hundred thirty-five thousand) to Euro 1,212,500 (one million two hundred two thousand five hundred) on an annual basis, in addition to reimbursement of expenses incurred by its members in the performance of their duties, specifying that this annual increase will be functional to:

- (i) award to the Director Roberto Cingolani the same compensation provided for the members of the Strategy Committee equal to Euro 20,000; and
- (ii) award compensation of Euro 57,500 to the members of the Related Party Transactions Committee, of which Euro 22,500 to the Chairman and Euro 17,500 to each other member of the committee.

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We therefore submit the following proposed resolutions for your approval.

Proposed resolution on item No. 4 on the Agenda:

"The ordinary Shareholders' Meeting of Industrie De Nora S.p.A.,

- *having acknowledged the proposal made by the Nomination and Remuneration Committee on March 13, 2023;*
- *having examined the illustrative report of the Board of Directors;*

resolves

1. by amending the resolutions of the Ordinary Shareholders' Meetings held on March 9, 2022 and June 20, 2022 respectively, to supplement for the fiscal year 2023 and until the date of the Board of Directors' term of office, which is set to expire on the date of the Shareholders' Meeting convened to approve the financial statements as of December 31, 2024, the amount of the total annual fixed compensation of the Board of Directors from Euro 1,135,000 (one million one hundred thirty-five thousand) to Euro 1,212,500 (one million two hundred and twelve thousand five hundred) on an annual basis, in addition to the reimbursement of expenses incurred by its members in the performance of their duties, specifying that this annual increase is functional to attribute to Mr Roberto Cingolani the same compensation provided for the members of the Strategies Committee and remunerate the Related Party Transactions Committee in the terms indicated above;

2. to grant the Board of Directors a proxy to allocate such compensation among its members, also based on any further comments and opinions to be provided by the Nomination and Remuneration Committee.

Milan, March 22, 2023

For the Board of Directors.

The Chairman of the Board of Directors

Federico De Nora