

**CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT**

In accordance with Article 123-*bis* of the CFA  
(traditional administration and control model)

<https://corporate.elica.com/it>

**FY 2024**

Approved by the Board of Directors on March 25, 2025

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## 1. ISSUER PROFILE

Elica S.p.A. (also "Elica" or the "Company") is a joint-stock company structured with a traditional governance model. It has been listed on the Euronext STAR Milan Market since November 2006. Its governance model is in line with the principles of the Corporate Governance Code, *version* approved in January 2020 (the "Code").

Elica S.p.A. is defined as an SME pursuant to Article 1, paragraph 1, letter *w-quater*.1 of Legislative Decree No. 58/98 ("**Consolidated Finance Act**" or "**CFA**") and Article 2-*ter* of Consob Resolution No. 11971/1999 and subsequent amendments and supplements ("**Issuers' Regulation**"); at December 31, 2024, the capitalisation of the Company was Euro 106,065,690 (63,322,800 shares for a value per share of Euro 1.675).<sup>1</sup> Elica also falls within the definition of a "company with concentrated ownership" as referred to in the Code.

The Company's Board of Directors plays a pivotal role in defining the Company's strategies and processes in order to achieve the key objective of sustainable success, seeking to create long-term value for the benefit of stakeholders. The ways in which the Board interprets this role are set out in this report, and specifically in section 4.1.<sup>2</sup> On the subject of sustainable success, Elica publishes its Consolidated Sustainability Statement in accordance with Legislative Decree No. 125 of September 6, 2024, on a mandatory basis. It has also launched an ESG project that includes business strategies designed to create long-term value for the benefit of shareholders, while taking into account the interests of other relevant stakeholders. For more details on this topic, please see the 2024 Consolidated Sustainability Statement, which is included in the 2024 Financial Report published on the Company's website <https://corporate.elica.com/en/governance/shareholders-meeting>.

This report illustrates, in accordance with Article 123-*bis* of the CFA, the Corporate Governance system adopted by Elica S.p.A. in the year 2024 and updated at March 25, 2025, in line with the recommendations of the Code.

In addition, the present report will be published on the website of the Company <https://corporate.elica.com/en/governance/shareholders-meeting>.

## 2. INFORMATION ON THE OWNERSHIP STRUCTURE (AS PER ARTICLE 123-BIS, PARAGRAPH 1, CFA) AT MARCH 25, 2025

### a) Shareholders (as per Article 123-*bis*, paragraph 1, letter a), CFA)

Share Capital subscribed and paid-in **Euro 12,664,560**.

Classes of shares that make up the share capital: **63,322,800** ordinary shares, with a nominal value of Euro 0.20 each (see "TABLE 1 – INFORMATION ON THE OWNERSHIP STRUCTURE AT 31/12/2024").

Elica has not issued other share classes at the date of this Report, or convertible financial instruments which confer newly-issued share subscription rights.

### b) Restriction on the transfer of shares (as per Article 123-*bis*, paragraph 1, letter b), CFA)

The By-Laws do not contain any restrictions on any type of share transfer.

### c) Significant holdings (as per Article 123-*bis*, paragraph 1, letter c), CFA)

The significant shareholdings are indicated in "TABLE 1 – INFORMATION ON THE OWNERSHIP STRUCTURE AT 31/12/2024" based on the information available to the Company at March 25, 2025.

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<sup>1</sup> See also the list of SMEs published by Consob on its website <http://www.consob.it/web/area-pubblica/emittenti-quotati-pmi>.

<sup>2</sup> For information on the Company's organisational structure and in particular top management, see the Remuneration Report.

**d) Shares which confer special rights (as per Article 123-bis, paragraph 1, letter d), CFA)**

The Company has not issued shares which confer special controlling rights.

No special powers exist and the By-Laws do not provide for shares with the right to more than one vote. On September 19, 2024, the Elica Shareholders' Meeting approved an amendment to the By-Laws for the purpose of introducing "ordinary" multi-vote shares and "strengthened" multi-vote shares. More specifically, the Company has introduced:

- a) for the ordinary multi-vote shares, an increase coefficient of two (2) votes, provided that the shares have been registered for a continuous period of not less than 24 months from the date of registration in the special list kept by the Company;
- b) for the strengthened multi-vote shares, the attribution of one (1) additional vote upon the expiration of the twelve-month period following the conclusion of the previous 24-month period, up to a total maximum of three (3) votes for each share (including the strengthened multi-voting rights resulting from the acquisition of the ordinary multi-voting right).

For more information on this topic, see the Board of Directors' Explanatory Report to the Extraordinary Shareholders' Meeting under Agenda Item 1, along with the minutes of the aforementioned Meeting. These documents are available on the Company's website at <https://corporate.elica.com/en/governance/shareholders-meeting>.

**e) Employee shareholding: voting mechanism (as per Article 123-bis, paragraph 1, letter e), CFA)**

Not applicable.

**f) Voting restrictions (as per Article 123-bis, paragraph 1, letter f), CFA)**

The By-Laws do not contain any restrictions on voting rights.

**g) Shareholder agreements (as per Article 123-bis, paragraph 1, letter g), CFA)**

In accordance with Article 122 of the CFA and Article 129 of the Issuers' Regulation, on July 22, 2022, FAN S.r.l., with registered office in Rome, via Parigi No. 11 ("FAN") and TAMBURI INVESTMENT PARTNERS S.p.A., with registered office in Milan, via Pontaccio No. 10 ("TIP"), signed an agreement concerning 42,674,146 ordinary Elica S.p.A. shares, with voting rights, representing 67.391% of the share capital, broken down as follows:

- a) FAN: 33,440,445 shares with voting rights, representing 52.809% of the entire share capital of Elica;
- b) TIP: 9,233,701 shares with voting rights, representing 14.582%<sup>3</sup> of the entire share capital of Elica;

The provisions of the Agreement shall apply to the shares referred to in points (a) and (b).

In line with the previous agreement, which is expiring, the FAN and TIP Agreement seeks to govern certain aspects concerning: (i) Elica's corporate governance, (ii) the transfer of interests in Elica's capital, and (iii) mutual consultation before casting votes at Elica's Shareholders' Meeting, to identify Elica's best interest (without seeking to give rise to any constraints on voting), effective July 22, 2022.

The key information regarding the Shareholder Agreements was published as per Article 130 of the Issuers' Regulation on Elica S.p.A.'s website, <https://corporate.elica.com/en/governance/corporate-documents> and on the website of the authorised storage mechanism "1INFO" at [www.1info.it](http://www.1info.it).

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<sup>3</sup> see "TABLE 1 - INFORMATION ON THE OWNERSHIP STRUCTURE at 31/12/2024".

As of today's date, TIP has a minority interest in the Company, which, as of the date of this report, amounts to 21.53% of the share capital.

This did not impact control over Elica which, as per Article 93 of the CFA, is held by Mr. Francesco Casoli, Chairperson of the Board of Directors of the Company.

**h) Change of control clause (as per Article 123-bis, paragraph 1, letter h), CFA) and shareholder provisions concerning public purchase offers (as per Article 104, paragraph 1-ter and 104-bis, paragraph 1)**

Agreements are in place of a commercial and financial nature and/or concerning investments of the Company in its subsidiaries, of a confidential nature, which provide, among other matters, for the right to withdrawal or to purchase/sell shares of the subsidiaries to the other contracting party, in the case of change of control of the Company. The resolution of an individual agreement would not significantly impact the Company.

The Company By-Laws do not provide for exceptions to the passivity rule pursuant to Article 104, paragraphs 1 and 1 bis of the CFA, nor the application of the neutralisation rules pursuant to Article 104-bis, paragraphs 2 and 3 of the CFA.

**i) Power to increase the share capital and authorisation to purchase treasury shares (as per Article 123-bis, paragraph 1, letter m), CFA)**

At the date of the Present Report, the Board had not been granted powers to increase the share capital under Article 2443 of the Civil Code.

The Company, in accordance with Article 8.4 of the By-Laws, may issue non-convertible and convertible bond loans or with warrants, in accordance with Articles 2410 subsequent of the Civil Code.

The Board of Directors may also issue non-convertible bonds within the limits set out in Article 2412 of the Civil Code and convertible within the limits set by Article 2420-ter of the Civil Code.

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With reference to the purchase of treasury shares, the Shareholders' Meeting of April 24, 2024 of Elica again approved, in accordance with Article 2357 and 2357-ter of the Civil Code, the procedures and delegated powers to the Board of Directors of the Company to purchase (for a period of 18 months) and utilise (without time limits) ordinary shares of the Company, establishing the manner of completion and delegating to the Board of Directors the power to take any necessary actions in order to give effect to resolutions in accordance with applicable laws.

Acting pursuant to its powers, the Board of Directors authorised a treasury share buy-back programme divided into several tranches.

Subsequently, as a result of the amendment to the By-Laws to introduce multi-voting and the subsequent liquidation procedure for the shares subject to withdrawal, the Company purchased 2,079,017 shares. The results of the rights offering of the shares subject to withdrawal were announced on December 4, 2024; the press release is available on the Company's website in the *Investor* section.

At March 25, 2025, the Company held 3,888,715 treasury shares.

The Shareholders' Meeting called for the approval of the 2024 Annual Accounts will, among other things, be requested to renew the approval for the purchase and utilisation of treasury shares. Acceptance of the proposal would result in therefore, among other issues, the withdrawal of the previous authorisation granted on April 24, 2024.<sup>4</sup>

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<sup>4</sup> For further information, reference should be made to the Report of the Board of Directors' of Elica S.p.A. relating to the proposal to authorise and utilise Treasury Shares of March 25, 2025, available on the Company website.

#### **j) Direction and co-ordination activities (as per Article 2497 of the Civil Code)**

The Company is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Civil Code. This conclusion derives from the fact that the controlling shareholder does not carry out management activities within the company and, although exercising voting rights at the Shareholders' Meeting, does not have any involvement in the financial, production or strategic programmed of the Company, which is governed by a Board of Directors responsible for operating control.

The Company's Board of Directors has also appointed a CEO for ordinary operational management.

The Company however continues to carry out its operations through a totally autonomous and independent decision-making process; it has independent decision-making capacity with customers and suppliers and independently manages its treasury in accordance with the business purpose.

The disclosure required by Article 123-bis, paragraph 1, letter i) of the CFA are contained in Section 1 of the Remuneration Report, while the disclosure required by Article 123-bis, paragraph 1, letter l) first part of the CFA are illustrated in the subsequent section "4.2 Appointment and Replacement" of the present Report.

The information required by Article 123-bis, paragraph 1, point (l) in part 2 of the CFA is detailed in section 13 below - "MEETINGS".

### **3. COMPLIANCE (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTER A), CFA)**

The Company complies with the Corporate Governance Code approved in January 2020.

How each principle of the Code is applied in practice is set out in the relevant sections of this Report or through references to other documents which are also published.

The Corporate Governance Code is available on the website of Borsa Italiana S.p.A.: [www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf](http://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf)

The Company, and its subsidiaries, are not subject to laws in force outside Italy which affect the Corporate Governance structure of Elica.

## **4. BOARD OF DIRECTORS**

### **4.1 ROLE OF THE BOARD OF DIRECTORS**

Elica's Board of Directors plays a key role in pursuing the Company's sustainable success and that of the Group it heads. In 2024, the Board of Directors assessed and systematically monitored the progress of the ESG project launched in 2022, with the support of the internal Board committee performing the function of the Sustainability Committee. The issue was systematically discussed in the meetings of the Committee, which reported to and involved the Board in the discussion of the most relevant issues and proposals. These included the definition of the consolidated sustainability reporting process, with the active involvement of stakeholders, the "double materiality" analysis and the definition of sustainability goals. For more information, see the Consolidated Sustainability Statement, available at <https://corporate.elica.com/en/governance/shareholders-meeting>.

In addition, the Board promotes dialogue with shareholders and other relevant stakeholders, in the most appropriate forms, through the "Elica S.p.A. Shareholder Communication Policy", approved in 2021 and updated in October 2024 in accordance with Recommendation No. 3 of the Code. This policy is also available on the Company's website. For more details on this topic, see Section 12, "Relations with shareholders and other relevant stakeholders".

In the meetings that precede the Shareholders' Meeting for approval of the financial statements, which take place periodically and at least annually, the Board of Directors assesses the functionality of the

corporate governance system for the purposes of operations and the pursuit of sustainable success. The assessment, last performed in February 2025, did not lead to proposed changes.<sup>5</sup>

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In accordance with Article 19 of the By-Laws, the Board of Directors are attributed the widest powers for the management of the Company and the faculty to carry out all acts and operations considered necessary for the reaching of the corporate objectives, except in the case of those attributed by law to the Shareholders' Meeting or deriving from specific authorisations required by the By-Laws.

The Board of Directors also have the following duties:

- a) merger and spin-off motions in the cases established by Articles 2505 and 2505-*bis*, of the Civil Code;
- b) the opening, transfer and closing of secondary offices;
- c) the indication of which Directors hold powers of representation for the Company;
- d) the issue of non-convertible bonds within the limits set out in Article 2412 of the Civil Code and convertible within the limits set by Article 2420-*ter* of the Civil Code;
- e) the decrease of the share capital in the event of the withdrawal of shareholders;
- f) the updating of the Company's By-Laws and the shareholder meeting regulation in accordance with law;
- g) the transfer of the registered office to another municipality within Italy;
- h) the reduction of the share capital where losses are greater than one-third of the share capital and the Company has issued shares without nominal value.

Elica's Board of Directors is also responsible for:

- the review and approval of the Company's and the Group's business plan, including an analysis of issues relevant to the creation of long-term value (Recommendation No. 1(a)). In this regard, when approving the quarterly data for the period and in a specific meeting attended by the Company's management, the Board discussed, monitored, shared and updated the strategy and investment and development projects, presented in late 2024, which are scheduled for implementation by the end of 2026. The projects target the Group's sustainable development, protecting shareholders without sacrificing the necessary investments for the long-term generation of value. In view of the international geopolitical and economic-financial situation, the management and the Board of Directors appointed in 2024 did not consider it appropriate to proceed with the formalisation of the plan submitted. However, the Board of Directors has assessed the appropriateness of the estimated investments for the implementation of the projects shared and for the sustainable development of the business;
- periodic monitoring of the implementation of the business plan and assessment of general operating performance, periodically comparing the results achieved with those planned (Recommendation No. 1(b)), on a quarterly basis. In this regard, at each meeting the Board receives updates on operating and business performance in relation to the planned results;
- defining the nature and level of risk compatible with the strategic objectives of the Company, including in its assessments every element considered significant with regard to the sustainability success of the Company (Recommendation No. 1(c)). The Board of Directors is systematically involved in setting Group strategic objectives and assesses their sustainability and compatibility with the defined level of risk. On a half-yearly basis, with the support of the internal Board committee functioning as the Control and Risks Committee, the Board assesses the adequacy of the control system in relation to the level of risk that is compatible with strategic objectives; the Board also receives updates on a quarterly basis from the Internal Audit department and from the Director in charge of the Internal Control System; for a more in-depth discussion of the impacts of the relevant risks and opportunities addressed, see

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<sup>5</sup> See also Section 13 - "Shareholders' Meetings"



the Consolidated Sustainability Statement contained in the Financial Report available on the Company's website at <https://corporate.elica.com/en/governance/shareholders-meeting>;

- establishing the Company's corporate governance system and the structure of the Group it heads (Recommendation No. 1(d), first part). The Board periodically monitors the adequacy of the corporate governance system and expresses an opinion on the subject at least annually; it is also routinely called upon to deliberate on the Group's corporate structure;
- evaluation of the adequacy of the organisational, administration and general accounting system of the Issuer and of its subsidiaries having strategic importance, with particular reference to the Internal Control and Risk Management System (Recommendation No. 1(d), second part). In March and July 2024, the Board concluded that the general operating performance, which has the goal of safeguarding the Company's continuity and competitiveness, was good. It considered that the general organisational, administrative and accounting structure of the Company and its subsidiaries was adequate in terms of the Group's current structure and ongoing strategic projects. Finally, it considered that the Internal Control and Risk Management System was adequate and effective within the parameters identified<sup>6</sup>
- taking decisions on transactions by the Company and its subsidiaries that have a significant strategic, business or financial impact or an impact in terms of the Company's capital, establishing the general criteria for identifying significant transactions (Recommendation No. 1(e)).

In this regard, we note that on May 9 and July 30, 2024, the Board resolved to confirm the authorisation to negotiate the new agreements related to the Indian investee company. On September 20, the partial sale of the stake held in Elica PB Whirlpool Kitchen Appliances Private Limited ("Elica PB India"), announced on September 19, 2024, was therefore finalised. Specifically, Elica sold 4.78% of the Indian investee ELICA PB India together with the other Indian minority shareholders, who sold a further 4.78% stake. Following the sale, Whirlpool of India Ltd. holds 96.81% of Elica PB India, while Elica S.p.A. and the group of other Indian minority shareholders retain a holding in the Indian company with a stake of approx. 1.59% each.

Also in July, the Board authorised the completion of a corporate transaction to establish a direct presence in the Netherlands, the second largest market in Europe for the extractor hob category. The transaction was completed in December through Elica S.p.A.'s acquisition of its Dutch distributor aXiair B.V. (now Elica Nederland B.V.);

- the adoption, on the proposal of the Chairperson, together with the Chief Executive Officer, of a procedure for the internal management and external communication of documents and information relating to the Company, with particular regard to inside information (Recommendation No. 1(f)).<sup>7</sup>

For further powers assigned to the Board concerning: composition, functioning, appointment and self-assessment, remuneration policy and the Internal Control and Risk Management System, please see the following sections: 4.3, 4.4, 7.1, 8 and 9.

## **4.2 APPOINTMENT AND REPLACEMENT (AS PER ARTICLE 123-BIS, PARAGRAPH 1, LETTER L), FIRST PART, CFA)**

The appointment and replacement of Directors is governed by Article 16 of the By-Laws, which provides for slate voting. This mechanism was latterly adopted on the renewal of the Board of Directors by the Shareholders' Meeting of April 24, 2024.

The provisions for the appointment of the corporate boards are summarised below.

According to the provisions of the current By-Laws, the appointment of the Board of Directors and the Board of Statutory Auditors is carried out through the voting of slates, in accordance respectively with Articles 16 and 24 of the By-Laws.

<sup>6</sup> See also Section 9, "INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL, RISKS AND SUSTAINABILITY COMMITTEE," below;

<sup>7</sup> For details, see Section 5 - "MANAGEMENT OF CORPORATE INFORMATION" and Section 12 "RELATIONS WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS".

Only shareholders who individually or collectively hold at least 2.5%<sup>8</sup> of the share capital have the right to present slates or a differing minimum percentage provided for or allowed by regulations.

For the inclusion of the Directors to be elected, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates. All those entitled to vote shall vote for only one slate.

Directors must have the requisites of eligibility, professionalism and independence provided by law and the other applicable directives.

Despite not being a large-scale company as defined in the Code, the Company expressed its guidance on the maximum number of appointments on the governing or control bodies of other listed or large companies considered compatible with the effective performance of the role as company Director, setting the maximum number of administration and control positions in other listed companies (including overseas) at five, excluding subsidiaries and parent companies and subsidiaries thereof.

Statutory Auditors must also have the requisites of eligibility, professionalism and independence provided by law and the other applicable directives. Specifically, in relation to the professionalism requirement covered by Article 1 of Justice Ministerial Decree of March 30, 2000, No. 162, the following fields are deemed to be closely related to the Company's activities: that relating to commercial or tax law, the economy and corporate finance, the manufacturing and design sector, as well as the activities listed in Article 2 of the By-Laws, to which reference should be made. Except in the situation of ineligibility established by law, no person who covers offices of Statutory Auditor in five or more other companies listed on regulated markets may fulfil the role of Statutory Auditor and if nominated must vacate the office, with exclusion of the subsidiary companies as well as the parent companies and the companies controlled by such, or anyone who covers offices of direction and control in a number higher than that provided by law and the regulations in force.

The presentation of slates for the appointment of the Board of Directors will occur in the manner established by, and in compliance with, Article 16 of the By-Laws, to which reference should be made.

The presentation of slates for the appointment of the Board of Statutory Auditors will occur in the manner established by, and in compliance with, Article 24 of the By-Laws, to which reference should be made.

In relation to the appointment of the Board of Statutory Auditors, in the case in which twenty-five days prior to the Shareholders' Meeting only one slate is presented, or only slates related to it are presented, in accordance with Article 144-*sexies*, paragraph 5 of the Issuers' Regulation, slates may be presented up until the third subsequent day to this date or any other date stipulated by the applicable regulation. In this case, the percentage threshold established for the presentation of the slate is reduced by half (1.25% of the share capital).

The slates presented that do not comply in full with the By-Laws shall be considered as not presented.

The By-Laws do not allow for an outgoing Board of Directors to submit a slate and, as a concentrated ownership company, it is not subject to recommendation No. 23 of the Code.

With reference to the method of election of the Board of Directors through the "voting of slates", the By-Laws provide that:

- a) from the slate which obtained the highest number of votes (hereafter the "Majority Slate") all of the members of the Board of Directors are elected except one, as established by the Shareholders' Meeting, according to the progressive order of the slate;
- b) from the slate which obtained the second highest number of votes (hereafter the "Minority Slate"), which is not connected in any way, even indirectly, with the shareholders who have presented or voted on the Majority Slate, the first candidate listed is elected to the Board of Directors.

If, with the candidates elected through the manners stated above, an adequate number of Independent Directors is not elected, however not lower than the amount provided by law, or if the gender balance provisions have not been complied with (including the rounding upwards of the number of members of the Board of Directors in the case of the application of the gender balance quotas not resulting in a full number), the non-independent candidate of the over-represented gender elected last on the progressive

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<sup>8</sup> The percentage indicated coincides with the percentage holding established by Consob in accordance with Article 144-*quater* of the Issuers' Regulation.

numbering of the Majority Slate will be replaced by the first independent candidate of the other gender, according to the respective progressive numbering, not elected on the same Majority Slate.

In the case in which the Majority Slate no longer presents non-elected candidates with the necessary requirements or in the case in which the Majority Slate does not contain a sufficient number of candidates to form the Board in accordance with that established by the Shareholders' Meeting, the meeting proceeds with their replacement/supplementation by Shareholder majority.

The candidate listed in first position on the Majority Slate is elected as Chairperson of Board of Directors. Should two or more slates receive the same number of votes, a second vote of the Shareholders' Meeting is taken, with only those tied taking part.

In the case in which only one slate is presented or voted upon, or where only one slate has received at least half of the required votes for presentation, all Directors will be elected from the slate, in compliance with the provisions concerning the composition of the Board of Directors.

Where no slate is presented, the Shareholders' Meeting votes by Shareholder majority, without following with the above stated procedure, however in such a manner that the applicable regulations concerning the composition of the Board of Directors are complied with.

In relation to the appointment of the Board of Statutory Auditors, considering also compliance with the applicable regulations concerning gender equality (including rounding down where necessary in relation to the under-represented gender), the following is applied:

- 1) from the slate which obtained the highest number of votes in the Shareholders' Meeting (hereafter the "Majority Slate"), based on the progressive order on the slate, two standing members and one alternate member are elected;
- 2) from the slate which obtained the second highest number of votes (hereafter the "Minority Slate") and which, in accordance with current regulations, was presented and voted upon by shareholders who are not connected in any way, even indirectly, with the shareholders who have presented or voted on the Majority Slate, based on the progressive order listed on the slate, one Statutory Auditor and one Alternate Auditor is elected.

The Chairperson of the Board of Statutory Auditors shall be the first candidate on the Minority Slate.

In the case of a tie in the number of votes between two or more slates, the eldest candidates shall be deemed elected.

If voting does not result in compliance with the applicable legal and regulatory provisions in relation to gender balance (including rounding downwards where necessary in relation to the under-represented gender), the elected Statutory Auditor candidate appearing last on the Majority Slate of the over-represented gender is excluded and will be replaced by the next candidate from the same slate belonging to the other gender.

In the case in which the Majority Slate no longer presents non-elected candidates with the necessary requirements, or in the case in which the Majority Slate does not contain a sufficient number of candidates to form the Board of Statutory Auditors, the Shareholders' Meeting proceeds with their replacement/supplementation by Shareholder majority.

In the case of the replacement of a Statutory Auditor, the Alternate Auditor from the same slate joins the Board, on condition that the applicable legal and regulatory provisions are complied with.

The previous provisions in relation to the election of Shareholder auditors are not applied to Shareholders' Meeting for which only one slate is presented or voted upon or in the shareholders' meetings which provides in accordance with law for the appointment of Shareholder auditors and/or Alternate Auditors necessary to complete the Board of Statutory Auditors following replacement or resignation. In this case, the Shareholders' Meeting votes by majority.

The By-Laws are available on the website <https://corporate.elica.com/en/governance/corporate-documents>, that of Borsa Italiana S.p.A. and at the registered office.

#### **4.3 COMPOSITION (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTERS D) AND D) BIS), CFA)**

In accordance with the provisions of Principle V of the Code, the Company's Board of Directors consists of Executive and Non-Executive Directors with the skills and professionalism appropriate to their duties. As per Article 16 of the By-Laws, the Company is administered by a Board of Directors made up of between 5 and 11 members, including non-shareholders.

On April 24, 2024, the Shareholders' Meeting of the Company conferred administration to a Board of Directors comprising seven members, establishing the conclusion of mandate as the approval of the 2026 Annual Accounts.

Until April 24, 2024, the members of the Board of Directors were: Francesco Casoli, as Chairperson, Giulio Cocci, Chief Executive Officer of the Company, and the Independent Directors Elio Cosimo Catania, Angelo Catapano, Liliana Fratini Passi, Monica Nicolini and Susanna Zucchelli.

The Shareholders' Meeting of April 24, 2024 was presented with a single slate by the majority shareholder FAN S.r.l. for the appointment of the Board, proposing as Directors:

Francesco Casoli, Angelo Catapano, Giulio Cocci, Susanna Zucchelli, Elio Cosimo Catania, Cristina Casoli, and Alice Acciarri.

The result of the voting of Shareholders present at the Shareholders' Meeting was as follows:

- votes in favour of Slate 1 – 51,010,878, equal to 99.897521% of votes;
- votes against Slate 1 - 12,329, equal to 0.024145% of votes.
- votes abstaining from Slate 1 - 40,000, equal to 0.078334% of votes.

The candidates listed above were therefore elected and Francesco Casoli once again took the role of Chairperson. The Board of Directors delegated powers to Francesco Casoli and Giulio Cocci, confirming the latter as Chief Executive Officer.

The composition of the Board of Directors has remained unchanged up until the date of this Report:

- Francesco Casoli (Executive Chairperson)
- Giulio Cocci (Managing Director and Chief Executive Officer),
- Angelo Catapano (Independent Director),
- Susanna Zucchelli (Independent Director)
- Elio Cosimo Catania (Independent Director),
- Cristina Casoli (Non-Executive Director),
- Alice Acciarri (Independent Director and Lead Independent Director).

In the current composition of the Board, the number and skills of the Non-Executive Directors are such as to ensure that they have a significant weight when Board resolutions are taken and to ensure that management is effectively monitored.

After appointment, four out of seven (57%) of the Directors were Independent Directors. The assessment of independence was carried out using the procedures set out in Recommendation No. 6 of the Code. Three out of seven (42%) members are of the under-represented gender, in compliance with the gender diversity regulations applicable to the Company.

When submitting their applications, all members stated that there were no grounds that would give rise to their ineligibility, revocation of the office or incompatibility, and that they met the requirements imposed by law for holding the office, including the independence requirements, pursuant to both the Code and the CFA. Director Mr. Catania exceeded the time limits under paragraph (e) of Recommendation 7 of the Code, having served as an Independent Director of Elica since 2015.

No Director who qualified as an Independent Director disclosed that he or she had any material business, financial or professional relationships within the meaning of Recommendation No. 7(c) or (d) of the Code. The Directors who qualified as independent confirmed that they do not have any direct or indirect shareholdings in the Company, nor had they had any in the previous year.

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Brief curricula vitae of the Directors in office at March 25, 2025 are presented below. This CVs describe, among other things, experience related to the Company's industries, products, and geographic areas.

**Francesco Casoli:** Chairperson of the Board of Directors of the Company since April 12, 2006; previously he was the Chief Executive Officer. He is the son of Ermanno Casoli, founder of Elica S.p.A., in which he has worked since 1978; in 1990, at just 29 years of age, he was appointed Chief Executive Officer of the Company. He is the Chairperson and Chief Executive Officer of FAN S.r.l., the Sole Director of Fintrack S.p.A. and Vice-Chairperson and Director of the Ermanno Casoli Foundation. He is also Sole Director of Ermanno S.r.l. and Director of Fastnet S.p.A. (until November 21, 2021), Sole Director of SAFE S.r.l. and Chairperson of the Board of Directors of La Ceramica. He is a member of the Board of Directors of Fileni Alimentare S.p.A. From June 2005 to March 2006, he was the Chairperson of Assindustria in the Province of Ancona. At the elections of April 9 and 10, 2006, he was elected to the Senate of the Italian Republic and re-elected in the elections of 2008, leaving the house in March 2013. In June 2017, he was knighted "Cavaliere del Lavoro" by the President of the Italian Republic. Between August 2013 and March 2015, he was a Director of the Finish company Efore PLC, listed on the Nasdaq Omx Helsinki OY (small cap segment). From May 2019 until 2023 he

was Chairperson of AIDAF (Italian Association of Family Businesses).

**Giulio Cocci:** Member of the Company Board of Directors appointed by co-option 16/03/2021. Senior Executive with over 20 years' international experience in complex multinational companies in the roles of Group CFO, Corporate Controller and I.R. An Economics and Business graduate from the "Giorgio Fuà" Faculty of Economics at Marche Polytechnic University, he has a thorough knowledge of operational and commercial processes, restructuring and turnaround, acquired through roles of increasing responsibility in the UK, Italy, Spain, Turkey and Russia. Hands-on, results-oriented, able to develop and build highly-motivated teams. He was Group Chief Financial Officer at Elica S.p.A. from 2019 to 2021; Group Controlling & IR Director, Elica S.p.A. (2018 - 2019); CFO Russian Federation & CIS, Whirlpool Corp. (2014 - 2017); Regional Finance Director East EU, Indesit Company (2013 - 2014); CFO Turkey, Indesit Company (2011 - 2013); CFO & Back Office Manager Spain, Indesit Company (2009 - 2011); Regional Controller Italy, Turkey & China, Indesit Company (2007 - 2009); Regional Controller UK Area, Indesit Company (2003 - 2007).

**Cristina Casoli:** Born in Senigallia, she spent her formative years in Fabriano, the city where, in 1970, her father Ermanno founded Elica S.p.A., a company that has become a world leader in the production of range hoods for domestic use. She attended the Business Management School at Luigi Bocconi University, Milan.

In 2007, she provided great support to the establishment of the Ermanno Casoli Foundation (FEC), dedicated to her father who passed away prematurely, working actively as its main Director.

In 2016, she became its Chairperson, continuing tirelessly to support the FEC's main goal: cross-pollination between contemporary art and the business world. She was driven in this endeavour by her passion and understanding of the value of culture as an engine of socio-economic development and her love for her family business.

**Alice Acciarri:** After graduating in Economics for Arts, Culture and Communication from Università Commerciale Luigi Bocconi, she has gained 20 years of experience in digital and fashion e-commerce. She has held the position of Chief B2C Officer at Digit'Ed, a leading training company in Italy, since May 2024. In this capacity, she leads the 24Ore Business School, the first digital business school in Italy, which trains about 15,000 students each year. She was General Manager of eBay Italy. She led the global marketplace in one of the top five global markets, introducing numerous business and marketing innovations through the strategy "The Marketplace of Passions". During her tenure, she fostered the digitalisation of Italian small and medium-sized businesses through numerous projects, facilitating access to eBay's platform and paths to growth in the marketplace. Under her leadership, eBay became Title Sponsor of the Italian Women's Serie A, Jersey Sponsor of FC Internazionale Milano and Società Sportiva Calcio Napoli, and finally Main Sponsor of the VR46 MotoGP Racing Team. She was Vice-President EMEA of Women@eBay, the community that seeks to promote gender equality within eBay and throughout the community around the marketplace. In this role, she spearheaded numerous inclusion, learning and mentoring activities at eBay and with institutional partners such as Bocconi University, Unioncamere and SheTech. In 2021, she participated in the Women20 Summit in Rome as a speaker on the panel "Women in Action in the Digital Transformation."

Previously, she managed the global online and omnichannel business for Bottega Veneta and in 2016 launched Vestiaire Collective, an innovative French marketplace, in Italy, introducing the sharing economy for clothing and fashion accessories to the Italian market. Also in the area of e-commerce and digital, she gained experience at Yoox Net-a-Porter Group and RCS Pubblicità. A Pesaro native, in 2023 she received the City of Pesaro Award "for her brilliant international role, which reflects exceptional professionalism and modernity".

In 2022 she was included in the Forbes "100 Successful Italian Women" list and by Fortune among the "50 Most Powerful Women 2022".

**Angelo Catapano:** Member of the Board of Directors of the Company since April 29, 2021. Entrepreneur and manager, with more than 30 years' experience in financial and strategic consulting. His main focus is seeking to align the corporate aspects of business growth and development with creating value - including financial value - for partners and stakeholders. He graduated cum laude in Economics from the University Federico II of Naples, and obtained an MBA from the School of Business Administration (SDA) at Bocconi University. Since February 2021, Senior Partner and Co-Founder of Itaca Equity, an investment company - launched with Sergio Iasi and Massimo Lucchini and Tamburi Investment Partners (TIP), and involving 42 Italian Family Offices. The company's purpose is to provide financial support to companies in difficulty that need capital and/or strategic/industrial repositioning. From 1994 to 2020, founder, executive manager and senior advisor in strategic consulting companies (Long Term Partners) and financial consulting companies with a focus on M&A and Private Equity (mainly Medinvest S.p.A.). His assignments also included financial companies and Private Equity funds (Medinvest International ScA and Progressio II Fund). Previously, he held positions in Industrial Groups (Ferruzzi/Montedison Group, then Enimont Group and, at the beginning of his professional career, SIR Group).

**Elio Cosimo Catania:** Member of the Board of Directors of the Company since April 29, 2015. A graduate in Engineering from the University La Sapienza of Rome, he obtained a master's in management science from the 'Sloan Fellow School' of the Massachusetts Institute of Technology (MIT) in Boston. He spent part of his career at IBM, rising to senior positions such as President and CEO of IBM Latin America, Southern Europe and Italy and member of the global Management Council. He has been Chairperson and CEO of Ferrovie dello Stato, Chairperson and CEO of Azienda Trasporti Milanese (ATM) and Deputy Vice-Chairperson of Alitalia. Former member of the Board of Directors of Luiss, Bnl, Intesa San Paolo, Telecom Italia. He has served as Chairperson of Confindustria Digitale, Vice-Chairperson

of Cnel, Advisor to the Minister for Economic Development for the drafting of the NRRP and to the Minister for Agricultural Policies. He is President of Innovatech, a listed company in the energy field, President of Mexedia, and President of Quid (IT).

He is a member of the Board of Assonime, of the Council for Relations between Italy and the United States (Crisu), and of the Board of Directors of Fondazione Asphi Onlus. He received the Cavaliere del Lavoro knighthood in 2001.

**Susanna Zucchelli:** Member of the Board of Directors of the Company since April 29, 2021. After graduating from the University of Bologna with a degree in Modern Languages, she specialised in marketing, sales and business leadership and management, and earned a master's in business administration. An executive with twenty years' experience in senior roles in the fields of multiutilities, infrastructure and transport, she is an Independent Director in the boards of listed and unlisted companies, with a particular focus on the management of risk and sustainability committees. At Hera since 2006, until 2023 she has held senior positions in several Group companies. She is currently Water Director, with responsibility for managing networks and facilities for the integrated water service throughout Hera S.p.A.'s area; Chief Executive Officer of Heratech; Director of other Business Units. From 2011 to 2024, she was also company Diversity Manager, with the goal of developing and consolidating policies on workplace equality, and equal opportunities.

Prior to these roles, she gained significant experience with other companies: from 2002 to 2006 she was Chief Executive Officer of Geasar S.p.A., the company that manages Costa Smeralda Airport, inaugurating the new air terminal and driving tourism and commercial and cultural development in the area; from 1996 to 2002, she was Sales and Marketing Director of Save S.p.A., Marco Polo Venice Airport. In addition to being a member of the Board of Elica, she is currently an Independent Director on the Board of Directors of Valsoia S.p.A. and of Fondazione Arturo Toscanini, Parma. From 2006, she held similar posts on the Boards of Directors of Interporto Bologna S.p.A., BolognaFiere S.p.A. and SEA S.p.A - Milan airports. She won the Marisa Bellisario award in 2004 as top manager and in 2016 for "Women-friendly Company" for Hera Group. She currently coordinates Fondazione per l'Emilia Romagna and is a member of Valore D's CeO circle. In 2005, together with Cinzia Sasso, she published the book, 'Un'ora sola io vorrei, manuale per riprendersi il tempo che c'è', published by Sperling e Kupfer.

### **Diversity criteria and policies for the Board and organisation**

Pursuant to Principle VII. of the Code, Elica applies diversity criteria, including gender criteria, for the composition of the Board of Directors, in compliance with the prime objective of ensuring sufficient skill levels and professionalism among its members. The Company has adopted a "Diversity policy for the administration and control bodies" setting out the diversity criteria generally adopted by Elica with regards to the composition of the corporate boards, including: age, gender, training and professional development.

More specifically, in selecting the candidates for Director (and, to the extent applicable, Statutory Auditor), Elica takes into account, among other things, the following criteria:

1. Independence
2. Age
3. Gender
4. Professional and educational history
5. Knowledge of the business area in which the Company operates
6. Knowledge of the geographical area in which the Company operates
7. Geographical background
8. Professional / international experience
9. Expertise in sustainability issues
10. Expertise and experience in remuneration policies
11. Expertise and experience in accounting and finance
12. Expertise and experience in risk management.

The policy also requires that generally accepted standards and principles of non-discrimination be considered in the selection of candidates, including those relating to ethnic origin, race, disability, and sexual or political orientation.

The criteria set out in the policy take account of the provisions of the Code and are utilised by the Board of Directors for the replacement of its members and the renewal of the Corporate Boards. Also on the 2024 renewal of the corporate boards, the Board of Directors indicated in the Board of Directors'



Explanatory Report to the Shareholders' Meeting on the subject the diversity criteria to be taken into account when submitting slates, in order to ensure that Shareholders involved had information regarding the diversity criteria and objectives pursued.

For information on member diversity, see Section 4.3 above.

In implementing this policy, approved by the Board on November 13, 2017 and most recently updated on February 13, 2025 on the proposal of the internal Board committee acting as Appointments Committee, the Company seeks to ensure, on the appointment and replacement of Directors, the emergence of as diverse a range of candidates as possible in view of company requirements, establishing the conditions for "Group think", supporting therefore debate and potentially improving the quality of Board decision-making. In determining the criteria, the Company takes into account as many elements of diversity as possible with the aim of ensuring that the corporate board includes a sufficient diversity of viewpoints and skills. These are required for a good grasp of the business, risks, the long-term opportunities inherent in the company's activities and the impact of its activities on the interests of the various stakeholders.

The internal Board committee, acting as the Appointments Committee, in drawing up its opinions for the Board of Directors with regards to the size and composition of the Board and in expressing recommendations with regards to the professional roles whose presence on the Board are considered beneficial (in compliance with and in implementation of the "Executive Director succession plan", where applicable), takes into consideration the "Diversity policy for the management and control bodies" and at least adopts the criteria indicated therein. The Board, having assessed the proposals of the Appointments Committee, taking account of the "Executive Director succession plan", where applicable, the "Diversity policy for the management and control bodies" and the results of the Board Evaluation, proposes candidate profiles considered most suitable for the Board.

In order to promote gender balance, Elica's By-Laws require that the under-represented gender make up two-fifths of the candidates for the Board; the Company's current Board of Directors consists of three members from the under-represented gender out of the seven.

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Equal treatment and opportunities are valued and pursued across the whole company organisation. With the aim of promoting equal treatment, the Group adopts policies that to provide safeguards in the areas of selection, training, remuneration rewarding and management career prospects. Finally, the Board of Directors approved the Human Rights Policy, which reflects the principles contained in the Group Ethics Code, and noted the human rights due diligence procedure. Elica Group companies have also set up reporting channels and penalties in the event that these policies are infringed. No reports of rights violations have been received or detected.

#### **Maximum number of offices held in other companies**

Although Elica does not fall within the definition of a large company as defined by the Code, Elica's Board of Directors, in the Explanatory Report of the Board of Directors to the Elica Shareholders' Meeting called for April 24, 2024 for the appointment of the new Board, expressed its view on the maximum number of Director or Statutory Auditor appointments that may be considered compatible with the proper fulfilment of the role of Company Director, fixing at five the maximum number of offices of administration and control in other listed companies (including abroad), excluding subsidiaries and parent companies and subsidiaries thereof. This maximum number was confirmed at the Board meeting held on February 13, 2025.

The current members of Elica's Board of Directors meet this requirement.

#### **4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTER D) OF THE CFA)**

The Company is managed, under a traditional governance system, by a Board of Directors, which sets out the rules and procedures for its operation, partly in order to ensure effective management of Board information in compliance with Principle IX of the Code.

For the rules on the operation of the Board of Directors, please refer to Articles 16 et seq. of the By-Laws, available at <https://corporate.elica.com/en/governance/corporate-documents>. In addition, in compliance with Recommendation No. 11. of the Code, Elica has adopted a Board of Directors' Regulation, most recently reviewed and confirmed on February 13, 2025, containing the operating rules of the Board itself. This Regulation sets out the roles and functions of the Directors and the Secretary, the methods for setting the meetings calendar and agenda, the procedures and deadlines for pre-meeting information, the conduct of meetings and minute-taking. The provisions of the Board Regulation, including those relating to pre-Board reporting, also apply to the Internal Board Committee, to the extent applicable and to the extent not regulated by its specific rules.

The Board's documents are made available to the Directors and Statutory Auditors, in compliance with the Code and the Regulation, using procedures that guarantee the required confidentiality. It should be noted that, under the Regulation, the confidentiality of information is not a justification for delay in making Board and/or internal Committee documents available; the Board considers that the deadline of five days before the date of the meeting for sending documents is reasonable, and it is generally complied with. In 2024, the deadlines for submitting documents to the Board and to the Committee were usually met and there were no cases in which disclosure was hindered or delayed for reasons of confidentiality; the Directors found the quantity and quality of the information provided to be adequate, as confirmed by the self-assessment.

In any case, during the Board meetings, the Chairperson ensures that it is possible to obtain further information regarding all the issues to permit full and proper evaluation of the facts presented for the Board's consideration.

In order to ensure that there is an accurate and agreed record of what was said at the meeting and the key content, the Secretary sends the minutes to the Directors and Statutory Auditors as soon as possible after the meeting. The version of the minutes that is produced in print is normally presented at the next Board meeting; in the meantime, any resolutions passed remain in force.

The Board of Directors periodically evaluates the adequacy of the Regulation and pre-meeting information provided, and has given it a positive evaluation, most recently at its meeting of February 13, 2025.

In accepting their appointment, the Directors have concluded that they can devote the necessary time to diligently carrying out the office they hold, taking into account the commitments of their own working or professional activities and the number of positions they hold in other companies. In addition to the formal Board meetings, the Directors ensure that they have sufficient time to study in depth issues of strategic importance for the Company and to contribute, each within their area of competence, to setting the objectives in line with the Code's principles.

TABLE 2 - STRUCTURE OF THE BOARD OF DIRECTORS and TABLE 3 - STRUCTURE OF THE COMMITTEES, indicate, respectively, attendances by Directors at the meetings of the Board of Directors and the Committees in the period from January 1, 2024 to December 31, 2024.

In this regard, we note that from January 1, 2024 to April 24, 2024, the Appointments Committee formed a single committee with the Remuneration Committee (the "Appointments and Remuneration Committee") comprising Independent Directors Elio Cosimo Catania, as Chairperson, Angelo Catapano, Liliana Fratini Passi, Monica Nicolini, and Susanna Zucchelli;

- from April 24, 2024 to the reporting date, the function of the Appointments Committee is carried out within the single internal Board committee (the "Committee"), comprising Directors Susanna Zucchelli, as



Chairperson, Alice Acciarri, Angelo Catapano and Elio Cosimo Catania (Independent Directors), and Non-Executive Director Cristina Casoli.

In 2024:

- the Board of Directors met seven times (the average meeting was approx. two hours), respectively on February 13, March 14, May 9, July 30, September 19, October 30 and December 11;
- the Control, Risks and Sustainability Committee met twice (the average meeting was approx. two hours), and specifically on February 8 and March 7;
- the Appointments and Remuneration Committee met twice (average meeting duration of approx. an hour and a half), respectively on February 8 and March 7;
- the Internal Board committee established on April 24, 2024 met three times, on July 25, October 24 and December 5.

Minutes are kept of the Board and Committee meetings and the Chairpersons of each Committee reported upon such at the next appropriate meeting.

On the approval of year-end financial statements and on the Shareholders' Meeting, at the date of this Report, six Board of Directors meetings are scheduled for the year 2025. For further details, the corporate events calendar of the Company may be consulted on the website <https://investors.elica.com/it/calendar/>.

Also with reference to 2025, the internal Board committee, in its separate functions of Appointments, Remuneration, Control and Risk, and Sustainability Committee met twice, on February 6 and March 20. At least four meetings are scheduled for the Committee in the year 2025, with pre-set calendar dates taking account of the sequence of Committee meetings with respect to those of the Board of Directors.

#### **4.5 ROLE OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS**

The Chairperson of the Board of Directors liaises, with the Secretary's support, between the Executive and Non-Executive Directors and ensures the effective functioning of the Board's activities in accordance with Principle X of the Code. More specifically, the Chairperson:

- calls the Board meetings and ensures, in particular, the ensures that suitable pre-meeting information is provided, as well as additional information provided during the meetings, enabling the Directors to act on an informed basis, in accordance with Recommendation No. 12(a) of the Code;
- in accordance with Recommendation No. 12(b) of the Code, checks that the internal Board Committee's activities are coordinated with those of the Board through an ongoing dialogue with the Committee Chairperson;
- with the support of the Committee acting as the Appointments Committee, the Chairperson manages the adequacy and transparency of the Board's self-assessment process in compliance with Recommendation No. 12(e). See Section 7, "SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENTS COMMITTEE," for details.
- ensures that during the meetings, the Board receives information on the development and significant contents of the dialogue with stakeholders, in compliance with Recommendation No. 3 of the Code, by means of systematic disclosure in this regard by the party who oversees the Investor Relations department.

Moreover, the Chairperson has systematically focused on initiatives to provide the management and control bodies, after their appointment and during their term of office, with adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and changes to them. This has been partially in terms of pursuing sustainable success, as well as the principles of proper risk management and the applicable regulatory and self-regulatory framework (Recommendation No. 12(d) of the Code). Directors and Statutory Auditors keep a channel of communication with the Company constantly open to allow them both to share important decision-making issues in advance and to discuss matters of interest in depth outside Board meetings. Directors also have the opportunity at Board sessions

and at specifically scheduled information sessions to learn more about the Company and its managers. Throughout 2024, the Chairperson also arranged ad hoc informal meetings and social gatherings, such as the Fuori Salone event during the Salone del Mobile and the meeting held in December.

The Top Management, Corporate Financial Reporting Officer and the company managers participate systematically and on invitation in the meetings of the Committee or the Board to report directly on topics within their remit, and to provide appropriate insights on specific Agenda items, in accordance with Recommendation No. 12(c) of the Code.

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Following that resolved by the Board meeting of April 24, 2024, the following powers were attributed to the Chairperson of the Board of Directors:

representation of the Company against third parties and in legal matters, general supervision of the strategic policies of the Company as well as all powers which the By-Laws attribute to the Board of Directors with the exception of those non legally delegable and the following powers which remain the exclusive remit of the Board of Directors:

- approval of the annual budget;
- purchase and/or sale of investments, businesses and business units, rental of businesses and/or business units, for a unitary amount above Euro 3,500,000.00;
- provision of secured and non-secured guarantees, including atypical, for third party obligations of a unitary amount above Euro 3,500,000.00;
- obtainment of loans of a unitary amount above Euro 5,000,000.00;
- conclusion of leasing or rental contracts for a unitary amount above Euro 3,500,000.00;
- purchase and/or sale of assets for a unitary amount above Euro 3,500,000.00;
- purchase and/or sale of brands, trademarks and industrial property rights in general, as well as the conclusion of related licences;
- appointment of the General Manager of the Company;
- every deliberation regarding the exercise of the voting right of subsidiary and/or associated companies for matters related to the present list of powers.

A further exception to the powers attributed to the Chairperson Francesco Casoli relates to the powers concerning that of “employer” as per Legislative Decree No. 81/2008, of person in charge of the protection of the environment pursuant to Legislative Decree No. 152/2006, of “data controller” of the processing for Elica S.p.A. of personal data pursuant to Legislative Decree No. 196/03, of person in charge of the substitute storage pursuant to the DPCM of 3/12/2013, and subsequent amendments and supplements; powers which have been attributed to the Chief Executive Officer of the company.

The unitary limits stated above also include several operations of the same nature classifiable by manner, terms or scope as a single transaction.

In relation to all of the powers conferred, the Executive Chairperson will have the faculty to appoint powers of attorney for single acts or categories of acts.

The Board of Directors resolved to confirm the above delegations of authority to the Chairperson in order to safeguard the feasibility of the Executive Director Succession Plan and in the interests of “checks and balances” in relation to the powers conferred to the Chief Executive Officer. In confirming these powers, the Board also took into consideration the role which the Chairperson has and has had in the growth of the Company and based on his experience and professionalism in the sector.

#### **Secretary to the Board of Directors**

On the proposal of the Chairperson, the Board of Directors appointed Francesca Pisani, the Company’s General Counsel, as Secretary of the Board. The appointment was formalised at the meeting of February 12, 2021 following an evaluation of the requirements concerning professionalism, independence and experience. Pursuant to the By-Laws, the Chairperson of the Board of Directors is responsible for appointing the Secretary; however, the Board’s rules provide that, as a general rule, the Chairperson shall submit the appointment of the Secretary to the Board for consideration.

The Board’s Regulation lays down the requirements and duties of the Secretary in accordance with the Code.

In 2024, the Board of Directors was supported by the Secretary in the organisation of its work. Specifically, the Secretary provided assistance to the Chairperson on activities associated with the proper functioning of the Board of Directors, including the activities referred to in Recommendation No. 12 of the Code and impartially provided the Directors with legal assistance and advice on Corporate Governance matters. The Secretary also took the minutes of the meetings in accordance with the provisions of the By-Laws and the Board's Regulation.

In carrying out his/her activities, the Secretary is assisted by in-house staff in the company secretariat and, if necessary, by external consultants.

#### **4.6 EXECUTIVE DIRECTORS**

##### **Executive Officers**

Giulio Cocci was appointed Chief Executive Officer of the Company on March 16, 2021 then confirmed as a Director by the Shareholders' Meeting of April 29, 2021 and most recently the Meeting of April 24, 2024. By resolution of April 24, 2024, the Board of Directors confirmed Giulio Cocci in his role as Chief Executive Officer, with the following powers:

representation of the Company against third parties and in legal matters, as well as all powers which the By-Laws attribute to the Board of Directors with the exception of those of extraordinary administration, those non legally delegable and the following powers which remain within the exclusive remit of the Board of Directors, where they are not delegated:

- approval of the annual budget;
- purchase and/or sale of investments, businesses and business units, rental of businesses and/or business units;
- provision of secured and non-secured guarantees, including atypical, for third party obligations of a unitary amount above Euro 3,500,000.00;
- obtainment of loans of a unitary amount above Euro 5,000,000.00;
- conclusion of leasing or rental contracts for a unitary amount above Euro 3,500,000.00;
- purchase and/or sale of real estate;
- purchase and/or sale of brands, trademarks and industrial property rights in general, as well as the conclusion of related licences;
- appointment, dismissal and/or changes to the conditions of contract of the General Manager of the Company and of the head of investor relations , and the other appointments for which the Board of Directors is responsible (e.g. appointment, dismissal and contract conditions of Internal Audit, the Corporate Financial Reporting Officer and the Board Secretary);
- every deliberation regarding the exercise of the voting right of subsidiary and/or associated companies for matters related to the present list of powers.

The unitary limits stated above also include several operations of the same nature classifiable by manner, terms or scope as a single transaction.

In relation to all of the powers conferred, the Chief Executive Officer has the faculty to appoint powers of attorney for single acts or categories of acts.

The Chief Executive Officer is the primary party responsible for the management of the issuer.

The Chief Executive Officer was assigned the role of appointed officer for the protection of the environment, in accordance with Legislative Decree No. 152/2006 and associated decrees, with the power to delegate, as well as all the powers, none being excluded, concerning the programming, organisation, management and control of the company in relation to occupational health and safety and, in particular, the powers of organisation and selection and of prevention and protection measures in order to ensure the full discharge of legal and corporate obligations in implementing safety measures and associated control, guaranteeing full and prompt compliance and thorough observance by the company and all employees of rules concerning workplace safety and hygiene, suitably informing and instructing personnel in charge and all specialists, and assiduously controlling the facilities, offices and external building sites with full and total decision-making autonomy and independence, as well as with full and unlimited powers of expenditure in relation to all that is necessary to equip the company, facilities, offices and external building sites

with all the suitable resources for the protection of the safety and health of workers and third parties required by laws on the security and protection of workers' health, enacted and to be enacted in future and, in particular, by Legislative Decree No. 81/2008 and subsequent amendments and supplements, and associated laws.

The Chief Executive Officer assumed the role and functions of "employer", pursuant to and in accordance with Article 2, paragraph 1, letter b) of Legislative Decree No. 81/2008 concerning the prevention of accidents and the protection of workers' health at the workplace, with reference to all the company's workers and work premises, wherever they are located, and in any case where the company has legal responsibility or legal title of the sites and organisation, with powers to delegate all the obligations to be complied with and the requirements to be implemented, in compliance with the provisions of Legislative Decree No. 81/2008 and the organisation, management and control model of Elica S.p.A. as per Legislative Decree No. 231/2001, with the exception of those that cannot be expressly delegated pursuant to Article 17, letters a) and b) of Legislative Decree No. 81/2008. Such powers of delegation, where exercised, should comply with the parameters indicated in Article 16 of the mentioned Decree.

In addition, the Chief Executive Officer was attributed all the powers, within the provisions of law, of the "data controller" for the processing by Elica S.p.A. of personal details in accordance with Regulation (EU) 679/2016 and by Legislative Decree No. 196/03 as modified by Legislative Decree No. 101/2018 and subsequent amendments and supplements, including the representation of the Company with third parties and the Data Protection Authority.

The Chief Executive Officer was also appointed electronic storage manager pursuant to DPCM of December 3, 2013 as amended, granting him/her full decision-making powers and without expenditure limits, with the power to delegate some of his duties to persons with appropriate professional and technical characteristics.

Giulio Cocci holds the positions of Consob and markets Information Officer and Investor Relations Director.

#### **Chairperson of the Board of Directors**

Please refer to Section 4.5 above, "ROLE OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS".<sup>910</sup>

#### **Disclosure to the Board by Directors/Executive Directors**

In order to guarantee transparency and proper disclosure within the Company relating to the activities carried out by the Directors with operational powers, and in conformity with the By-Laws and Board Regulations, the Executive Directors report in a timely manner, and at least quarterly, to the Board of Directors and the Board of Statutory Auditors in relation to the activities carried out in execution of the powers delegated, on the general performance and on the outlook, as well as on significant operations for size or characteristics carried out by the Company and its subsidiaries. The company boards also report upon any atypical and unusual transactions with related parties and/or which may cause potential conflicts of interest, on their own behalf or of third parties, as well as concerning the strategic plan, industrial and financial projects of the Company and of the Group.<sup>11</sup>

In 2024, the Executive Directors reported systematically to the Board in relation to the powers delegated to them.

#### **Other Executive Directors**

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<sup>9</sup> Considering the change in the Committee structure as of April 24, 2024, it does not seem pertinent to indicate the average duration of the Appointments and Remuneration Committee for 2024 in the period prior to that date. Instead, this is added to the average duration of the Committee acting as the Remuneration Committee after April 24.

<sup>10</sup> The Chairperson of the Board of Directors, Francesco Casoli acts as the Sole Director of Fintrack S.p.A. and is the Executive Director of FAN S.r.l.

<sup>11</sup> For further information on the procedures concerning transactions with related parties and/or those which may give rise to potential conflicts of interest, reference should be made to the subsequent section 10. "HOLDINGS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES", in addition to the "Related Party Transactions Policy", available on the Company website <https://corporate.elica.com/en/governance/internal-control-system>.

No other Directors apart from those indicated in the present Section 4.6 are considered as Executive Directors within the Company.

Specifically, there are no other Directors on the Board who have been granted management powers by the Board or who hold the office of Chairperson, Chief Executive Officer or management positions within the Company, a subsidiary or the parent company.

#### **4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR**

When submitting their applications, all members of the Board of Directors stated that there were no grounds that would give rise to their ineligibility, revocation of the office or incompatibility, and that they met the requirements imposed by law for holding the office, including, where applicable, the independence requirements pursuant to the Code and the Consolidated Finance Act ("CFA"). Director Mr. Catania exceeded the time limits under paragraph (e) of Recommendation 7 of the Code, having served as an Independent Director of Elica since 2015.

Directors who qualify as Independent Directors have undertaken to maintain their independence during their term of office and, if appropriate, to resign.

On the appointment of the current Board of Directors on April 24, 2024, the Board - based on the statements made by each Director and the information available - verified the requirements relating to each of them and, specifically, the independence requirements in relation to Directors Angelo Catapano, Elio Cosimo Catania, Alice Acciarri and Susanna Zucchelli. The assessment found them to be independent pursuant to the CFA and the Code. The independence of Director Catania was assessed taking into account the experience that allows him to express himself critically by questioning the proposals of the Executive Directors in a disinterested manner, his stimulation of Board discussion, the skills acquired and his personal and ethical qualities of the same. It also considered the fact that Mr. Catania resides and operates in contexts different and distant from the Company, the fact that he holds other directorships in listed and unlisted companies, and the fact that the information available has not revealed elements to suggest the loss of independence requirements despite the passage of time.

Francesco Casoli, Chairperson of the Board of Directors, Giulio Cocci, Chief Executive Officer, and the Director Cristina Casoli do not qualify as independent.

At the beginning of its term of office, the Board also established quantitative and qualitative criteria for defining the significance of commercial, financial and professional relationships and additional remuneration for the purposes of the independence assessment, in accordance with Recommendation No. 7 of the Code.

More specifically, the Board assessed the significant relations and additional remuneration of Directors and Statutory Auditors where (i) this exceed the total amount of fixed annual remuneration for the office and for any participation in committees and (ii) the total annual remuneration exceeds Euro 70,000.

In terms of professional relationships, if the person in question is a partner in a professional firm or consulting firm, the significance of the relationship will also be assessed in relation to the effect that the relationship might have on their position and role within the firm or consulting firm, also considering the significance of the professional relationship for Elica and the Group, regardless of whether the above quantitative criteria are met.

For the purposes of applying the circumstances set out in Recommendation No. 7 of the Code, the Board has defined the following as "close family members" of the person whose independence is being assessed: parents, children, spouses who are not legally separated and persons living with them and any other person who may fall within the definition of a "related party" pursuant to the Related Party Transactions Policy.

No Director who qualified as an Independent Director disclosed that he or she had any significant commercial, financial or professional relationships within the meaning of Recommendation No. 7(c) and (d) of the Code. None of the Directors appointed has declared that they have, or have had in the last three financial years, relations that compromise or appear to compromise their independence, pursuant to the Recommendation.

The criteria adopted are also applied for the purposes of assessing the independence of Statutory Auditors.

According to their statements and the information available to the Company, the close relatives of the Directors who have declared themselves to be independent and of the Statutory Auditors do not have any relationship with Group companies.

In assessing independence (as it does once a year), the Board considered all available information. Each Non-Executive Director provided all the elements necessary or useful for the Board's assessments. The Board of Statutory Auditors confirmed the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members; this assessment was communicated to the market.

The number and skills of the Independent Directors are adequate for the needs of the Company and for the functioning of the Board, as well as for the establishment of the corresponding Committees, as provided for by Recommendation No. 5. of the Code.

The contribution of the Independent Directors permits the Board to evaluate with sufficient independence in cases of potential conflicts of interest of the Company with the controlling shareholders. The assessment of the independence of members of corporate boards was most recently carried out at the meeting of March 25, 2025: following the assessment, Independent Directors Angelo Catapano, Elio Cosimo Catania, Alice Acciarri and Susanna Zucchelli were found to be independent, pursuant to the CFA and the Code. With reference to Director Catania and the exceeding of the time limits provided for in Recommendation No. 7 letter e) of the Code, the assessments made at the time of appointment were confirmed.

With regard to the verification of the independence of the members of the Board of Statutory Auditors, the latter successfully verified the independence of its members and notified the Board accordingly on April 24, 2024, and most recently on March 25, 2025.

The outcome of the independence assessment was publicised to the market via a press release.

In 2024, the Independent Directors, in accordance with Recommendation 5 of the Code, met on July 25 and October 24. At its October meeting, the Independent Directors met to assess issues deemed of interest with respect to the functioning of the corporate body and corporate management.

Considering that the Board of Directors on April 24, 2024 assigned the functions of the Related Party Transactions Committee to the Independent Directors as a whole, without prejudice to the right to set up an ad hoc committee for specific transactions, during the aforementioned meetings the Independent Directors, acting as the Related Party Committee, took note of the mapping of Related Parties and the report on related party transactions. The meeting was coordinated by Lead Independent Director Alice Acciarri, who reported to the Board on the topics discussed at the first available meeting thereafter; for further details, see the "Lead Independent Director" section below.

#### **Lead Independent Director**

On April 24, 2024, following the appointment of the new Board of Directors, the Company assigned the role provided for in Recommendation No. 13. of the Code (Lead Independent Director), to Alice Acciarri. The Lead Independent Director has the right on their own initiative or upon the request of the other Directors, to summon meetings of the Independent Directors in order to discuss issues that are considered relevant regarding the functioning of the Board of Directors or management in general.

From the appointment date and for the year 2024, the Lead Independent Director operated as a reference point for the other Independent Directors, collaborating, among others, with the Chairperson of the Board of Directors, in order to guarantee complete and timely information for the Independent Directors.

The Board considered it necessary to appoint a Lead Independent Director in consideration, among other issues, of the extent of the duties conferred to the Chairperson of the Board of Directors (although he does not act as CEO.) and the offices held in the Company's holding company. The Chairperson of the Board of Directors Francesco Casoli is the majority shareholder of the holding company which indirectly controls the Company and holds the position of Director at Elica's parent companies; therefore, he indirectly controls the Company in accordance with Article 93 of the CFA.

#### **5. MANAGEMENT OF CORPORATE INFORMATION**



Pursuant to Recommendation No. 1, letter f) of the Code, the Company has adopted a Regulation concerning the internal management and outside communication of documents and information regarding the Company, particularly in terms of inside information, as defined by the provisions of Article 7, Regulation 596/2014/EC and Article 114, paragraph 1 of the CFA.

The regulation adopted by the Company is divided into two parts. The first part sets out the handling of company information and outlines in general, also with regards to the subsidiaries, the means for the identification and handling of inside information, including: the relative disclosure, the delay of communication to the public, penalties in the case of non-compliance with the regulation, in addition to the situations in which the Company may decide to carry out market soundings.

The second part governs the setting up, management and updating of the list of persons, who based on their work or professional activities or the duties conferred to them, have access to the information indicated at Reg. (EC) 596/2014/EU and Article 114, paragraph 1 of the CFA.

The Company has published the provisions of this regulation internally within the Company and its subsidiary companies and has systematically managed and communicated the inside information published from time to time in accordance with the regulation and applicable legislation.

In addition to the aforementioned Regulation, the Company has adopted procedures, approved by the Board of Directors, to regulate the “Insider Information Policy” and the “Management of the Insider Register”.

Giulio Cocci has been given the role of Investor Relations Manager and the task of maintaining the Company's Insider Register. He is also the Company's Chief Executive Officer. In his role as Investor Relations Director, Giulio Cocci is operationally supported by Lerxi Consulting, an outsourcing company that provides management consulting services in the fields of Investor Relations, Corporate, Financial Communication and Equity Capital Markets for listed and unlisted companies. Another consulting company provides support on the maintenance of the Insider Register and compliance activities.

The Investor Relations Director is assigned the duties of (i) fostering the Company relationships with the financial community; (ii) enabling continuous dialogue between the company and the stakeholders and in particular the investors and shareholders; (iii) communicating to investors and the market the performance of the business and (iv) carrying out the operations and the duties relating to the Insider Register of the Company, in conformity with the “Regulation for the Processing of Corporate Information and the Constitution of the Insider Register”. The Investor Relations Director also acts as the Information Officer, responsible for relations with Borsa Italiana and Consob.

The role of deputy Information Officer continues to be held by Francesca Pisani, General Counsel of the Company.

## **6. INTERNAL COMMITTEES OF THE BOARD (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTER D), CFA**

In 2021, the Board of Directors of the Company, pursuant to Principle XI. and Recommendation No. 16 of the Code, approved the setting-up of an “Appointments and Remuneration Committee” and a “Control, Risks and Sustainability Committee”, formed of Independent Directors. This composition of the Committees was maintained until the conclusion of the Board of Directors' term of office for the three-year period 2021-2023 on April 24, 2024. As described in Section 4.4, at its meeting on April 24, 2024, the Company's newly appointed Board of Directors resolved to establish a single committee, called the internal Board Committee, composed entirely of Non-Executive Directors to which distinct functions have been assigned regarding:

- Appointments
- Remuneration
- Risk management and control
- Sustainability.

In this regard, we note that in proposing the Non-Executive Directors as members of the Committee, account was taken of the indications contained in the Corporate Governance Code regarding, among other matters, the minimum number of Independent Directors (of whom one to be appointed as Chairperson), and the characteristics that at least one member must have for the specific functions assigned. Specifically, these are adequate knowledge and experience in financial matters or remuneration

policies for the Remuneration Committee function, and adequate experience in accounting and finance or risk management for the Control and Risks Committee function.

The Board's decision to establish a single Internal Board Committee in accordance with Recommendation No. 16. of the Code follows from the positive experience gained by the Board in 2021-2023, in which the two established Committees, composed of the same members - albeit chaired by different individuals - met in consecutive sessions and responds to the need to maintain maximum information transparency and facilitate the stimulating, advisory and propositional function of Non-Executive Directors. This structure also allows streamlining of the Committees' work, enhancing the aforementioned positive experience highlighted by members of the outgoing Board, including as part of Board and Committee self-assessments.

Considering the Company's size and the lack of tangible advantages in running two separate committees, the Board has, therefore, favoured the choice of maintaining as streamlined an organisation as possible by establishing a single committee.

The work of the Committee is coordinated by the Chairperson.

The Board of Statutory Auditors is required to attend the meetings of the Committee, through the Chairperson and the Standing Members of the Board.

Article 3.1 of the Board of Directors' Regulation states that the Board shall ensure an adequate internal division of its functions and, where necessary, establish one or more Board committees with investigative, proposing and advisory functions. The Committee has adopted its own regulations which, for matters not governed by the Board of Directors' Regulation, set out the functions, operating procedures and taking of the minutes of the Committee. The provision of information to members of the Committee is governed and carried out in accordance with the Board of Directors' Regulation. The adequacy of the Regulations approved in July 2024 are evaluated on an annual basis by the Committee and the Board, which last confirmed them on February 13, 2025.

More information is provided in sections 7.2, 8.2 and 9.2 below, including with regard to the criteria for establishing the committees in accordance with Recommendation No. 17 of the Code.

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

Until April 24, 2024, the Control, Risks and Sustainability Committee was responsible for related party transactions. On April 24, 2024, considering the new composition of the Internal Board Committee, which consists of four Independent Directors and one Non-Executive Director, the Board established the Related Party Transactions Committee as the sum of the Independent Directors, subject to the right to establish an ad hoc committee for specific transactions.

In 2024, first the Control, Risks and Sustainability Committee and then the Independent Directors monitored Related Party Transactions without ever having to express an opinion under the Related Party Transactions Policy because of the nature and size of such transactions.

For more information on this topic, see also Section 4.7.

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In addition to the information provided above, on April 24, 2024, the Board of Directors entrusted the Internal Board Committee with propositional and advisory functions regarding sustainability, in accordance with the provisions of Legislative Decree No. 125 of September 6, 2024. This is in application of the EU legislation on sustainability, i.e. the processes, initiatives and activities designed to oversee the Company's commitment to sustainable development along the value chain. By way of non-exhaustive example, the Committee serving as the Sustainability Committee:

- examines and evaluates: (i) sustainability policies aimed at ensuring the creation of value over time for the majority of shareholders and for all other stakeholders over a medium-long term period in accordance with the principles of sustainable development; (ii) the guidelines, objectives and consequent processes of sustainability and sustainability reporting submitted annually to the Board of Directors;
- examines any sustainability initiatives submitted to the Board of Directors;
- expresses an opinion on other sustainability issues at the Board's request.



The Chief Financial Officer and the Internal Audit Manager attend the Committee on Sustainability by invitation, informing the Chief Executive Officer.

For the activities carried out in 2024 by the Committee acting as the Sustainability Committee, see Section 9.2 below.

## **7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENTS COMMITTEE**

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

The self-assessment process is an important opportunity for reflection on the operations of the Board of Directors and also a chance for the Board to identify, enact and implement, over time, improvements to its own ability to govern and its own performance more generally.

This process therefore represents a useful tool for the Board of Directors for the purpose of:

- improving the efficiency and effectiveness of the operations of the Board itself, and of the internal Board committees, maximising their strengths and identifying the action areas for further focus;
- presenting to the stakeholders and the market a Board of Directors that is competent and motivated in the role of managing the company. Sharing the results and conclusions that the Board of Directors derives from the self-assessment process is intended to demonstrate that the Board is capable of identifying the problems with its performance and reacting effectively. The self-assessment is also a sustainability tool and a liaison tool in the dialogue with stakeholders.

For this purpose, in accordance with Recommendation No. 22 of the Code, in view of the renewal of the Board of Directors, has resolved to appoint GC Governance Consulting, an independent third party, to perform the self-assessment. The self-assessment for the upcoming mandate renewal was performed by analysing the topics arising in the Board meetings, identifying the areas for investigation and preparing questionnaires, holding interviews and analysing and presenting the results. The activity focused, among other matters, on evaluating the size, composition and actual functioning of the Board of Directors and its Committees, also taking into account its role in defining strategies and monitoring the operating performance and the adequacy of the Control and Risk Management System.

The outcome of the self-assessment was positive overall: the positive elements that emerged included: (i) the harmony and trust that defined the relationships between the members of the Board, (ii) the positive impact of holding the Committee meetings on the same day in preparation for the subsequent Board meeting, facilitating its work, (iii) the value of the contributions in defining a new remuneration system and the update of the Risk Management Model and (iv) the central role in stimulating and supervising important ESG issues.

As Elica is a concentrated-ownership company, self-assessment is conducted at least every three years, in view of the renewal of the Board of Directors. At its meeting on October 30, 2024, noting the Committee's proposal not to carry out the Board self-assessment and giving direction for it to be carried out on a three-year basis, as recommended by the Corporate Governance Code, the Board resolved not to outsource the self-assessment activity except possibly for the assessment of the final year of its Board's term, thereby facilitating the definition of the slates of candidates for appointment by the relevant shareholders, reserving the right to assess the issue again during its term in office.

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To ensure that the Director appointment and succession process is transparent and functional and to achieve the optimum composition of the Board itself, in compliance with Principle XIII. of the Code, despite not being a large company within the meaning of the code, it adopted a succession plan for Executive Directors some time ago and has maintained it.

By virtue of the Plan, which establishes the procedures to be followed in the event of early termination of the office of Executive Director, the Internal Board Committee, acting as the Appointments Committee, reports annually to the Board on the activity performed regarding the succession of Executive Directors and expresses an assessment of the level of coverage of the relative risk, and on the appropriacy of

continuing to apply the aforementioned Plan. Lastly, on February 13, 2025, the Board of Directors updated the Plan proposed by the Committee and approved by the Board.

The Plan governs the roles and functions of the Board, the Internal Board Committee in its functions as the Appointments Committee, the Executive Directors and the company organisation for the purposes of the prompt replacement of an Executive Director, both in the preparatory phase and during the replacement process, where necessary. For the purposes of identifying risk limitation measures in the event of Executive Director succession, it should be highlighted that the powers granted to the Executive Chairperson and the Chief Executive Officer allow them to minimise the possibility of a leadership vacuum that prevents the Company from operating normally in the event of an unexpected need to replace one of the Executive Directors.

In view of the renewal of the Board's mandate, taking into account the outcome of the 2024 self-assessment and considering the policy for diversity in the composition of management and control bodies, the Committee included in the April 24, 2024 Directors' Explanatory Report to the Shareholders' Meeting on the subject some indications on the qualitative composition of the Board.

With the support of the Internal Board Committee acting as the Appointments Committee, the Board of Directors also verified the existence of systems to ensure the replacement of top management and the corresponding succession tables.

## **7.2 APPOINTMENTS COMMITTEE**

In accordance with Principle XI and Recommendation No. 16. of the Code, on April 24, 2024, the Company's Board of Directors has established an Internal Board Committee that also performs the functions of the Appointments Committee; previously, until April 24, 2024, the Appointments and Remuneration Committee was also assigned the functions of the Appointments Committee.

The members of the Committee from April 29, 2021, to April 24, 2024, were the following Independent Directors: Elio Cosimo Catania (Chairperson), Angelo Catapano, Liliana Fratini Passi, Monica Nicolini and Susanna Zucchelli.

From April 24, 2024 to the reporting date, the Appointments Committee comprises Directors Susanna Zucchelli, as Chairperson, Alice Acciarri, Angelo Catapano and Elio Cosimo Catania (Independent Directors), and Non-Executive Director Cristina Casoli.

The Internal Board committee, acting as the Appointments Committee, is assigned all the functions provided for under Recommendation No. 19 of the Code.

Some meetings of the Appointments Committee were attended by members of the company's Human Resources department with expertise on the subject being discussed. Attendance was at the invitation of the Committee Chairperson, informing the Chief Executive Officer.

In 2024, the Appointments Committee:

- assisted the Board in its self-assessment upon reappointment and expressed its opinion on whether the Board should carry out the self-assessment;
- made its recommendations on the composition of the Board in the Board's Explanatory Report to the Shareholders' Meeting for the appointment of the Board of Directors;
- evaluated whether to maintain or update the Executive Director succession plan and advised the Board accordingly;
- considered whether to update the Corporate Board Diversity Policy and advised the Board accordingly;
- verified the top management succession tables.

## **8. REMUNERATION OF DIRECTORS - REMUNERATION COMMITTEE**

### **8.1 REMUNERATION OF DIRECTORS**

For information on the present Section, reference should be made to the Remuneration Report, Section 1.

## **8.2 REMUNERATION COMMITTEE**

In accordance with Principle XI and Recommendation No. 16. of the Code, on April 24, 2024, the Company's Board of Directors has established an Internal Board Committee that also performs the functions of the Remuneration Committee; previously, until April 24, 2024, the Appointments and Remuneration Committee was also assigned the functions of the Remuneration Committee.

For the composition of the Committee, see Section 7.2 above.

The Internal Board committee, acting as the Remuneration Committee, is assigned all the functions provided for under Recommendation No. 25 of the Code.

Some meetings of the Appointments Committee were attended by members of the company's Human Resources department with expertise on the subject being discussed, and by the Chief Financial Officer. Attendance was at the invitation of the Committee Chairperson, informing the Chief Executive Officer. The Chief Executive Officer also attended on invitation, in relation to specific Agenda items not concerning proposals related to his own remuneration.

The Committee acting as the Remuneration Committee guarantees the greatest information and transparency on the remuneration of Directors vested with specific offices, as well as the manner for determining the remuneration.

The Committee has solely proposing and consultative functions, while the power of determining the remuneration of the Directors vested with specific offices remains with the Board of Directors, having consulted with the Board of Statutory Auditors.

Specifically, the Committee, in the manner set forth in its own regulation, assists the administrative body in carrying out the tasks described in Recommendation No. 25 of the Code.

For more information on the activities undertaken by the Committee in 2024, the persons participating at the relative meetings and the instruments and resources available at the meetings, reference should be made to the first Section of the Remuneration Report.

For further information regarding the number of meetings held and the participation at the meetings for each of the members reference is made to TABLE 3 "STRUCTURE OF THE COMMITTEES".

## **9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL AND RISKS COMMITTEE**

The Board, which is responsible for the overall Internal Control and Risk Management System, has defined, including with the support of the Committee acting as the Control and Risks Committee, the guidelines of the control system, ensuring that the principal risks of the Company and of the Group are identified, measured, managed and monitored, in line with best practice domestic and international models. Specifically, the Board has established the structure of the control system in accordance with Recommendation No. 32 of the Code, entrusting the Chief Executive Officer with establishing and maintaining the Internal Control and Risk Management System, establishing a Committee to which it has separately assigned the Control and Risk function and the Sustainability function, appointing the Internal Audit Manager, and overseeing the system of rules, procedures and organisational structures on control, risk and sustainability.

In establishing the guidelines for the risk management and internal control system, the Board assesses the compatibility of this system with the strategic objectives identified and the level of risk considered acceptable in terms of medium/long-term sustainability.

The Internal Control and Risk Management System, based on the "COSO Report" model and on the Code principles, comprises a set of rules, procedures and organisational structures with the objective to prevent or limit the consequences of unexpected results or permit the achievement of strategic and operational objectives, comply with law and applicable regulations (compliance) and correct and transparent

disclosure (reporting). This system involves the entire Company and involves different parties, to whom specific roles and responsibilities are attributed. These include the Board of Directors, the Chief Executive Officer, the Committee acting as the Control, Risks and Sustainability Committee, the Internal Audit Manager and other corporate functions and the Board of Statutory Auditors.

The Board of Directors receives information on activities related to the structure and maintenance of the Internal Control System through the Chief Executive Officer and the Internal Audit Manager. These disclosures contain:

1. assessments regarding the nature of the risks to which the Company is exposed, with a particular focus on those with a potentially significant impact on the Company's performance and the sustainability of its short-, medium- and long-term objectives;
2. any significant changes in the Company's risk profile;
3. adequacy of the safeguards in place to mitigate risks;
4. potential economic impacts for risks deemed to be of particular significance.

With reference to the assessment of the Internal Control and Risk Management System, in 2024, the Board of Directors used the assessment system implemented by Internal Audit, which utilises a weighting algorithm of all the issues that emerged during the audit performed. By providing for an assessment of several dimensions of analysis and relying on the number and relevance of the gaps emerging during the Internal Audit activity, instead of relying on qualitative analysis, the tool allows a personalised and more objective opinion to be obtained. Based on this methodology, and taking account of the Supervisory Board's reports, the reports and the conclusions of the Internal Audit Manager in the annual report on the internal control system, considering the information received from the appointed boards and of the opinion of the Director in charge of the Internal Control System and the Committee acting as the Control, Risks and Sustainability Committee, the Board of Directors issued an opinion of substantial adequacy, efficiency and effective functioning of the Internal Control and Risk Management System, though it did identify and report some areas for improvement.

In addition, the Board of Directors, having consulted the Board of Statutory Auditors and Director in charge of the Internal Control and Risk Management System, approved the Audit Plan, prepared by the Internal Audit function.

## **9.1 CHIEF EXECUTIVE OFFICER**

The Company has appointed the Chief Executive Officer to act as the Director responsible for establishing and maintaining an effective Internal Control and Risk Management System, in accordance with Recommendation No. 32(b) of the Code.

Specifically, during 2024 and in accordance with Recommendation No. 34 of the Code, the Director responsible for the System, in the performance of their duties:

- identified the main business risks, taking into account the characteristics of the activities undertaken by the Issuer and by its subsidiaries, and periodically presents them for examination to the Board of Directors on the approval of the quarterly reports;
- executed the guidelines defined by the Board implementing the design, execution and management of the Internal Control and Risk Management System, verifying the adequacy and implemented any adjustments necessary based on the operating conditions and the legislative and regulatory environment;
- requested that the Internal Audit function undertake verifications on specific operational areas and on the compliance of internal procedures and rules in the execution of business operations, simultaneously communicating such to the Chairperson of the Board of Directors, the Chairperson of the Control and Risks Committee and the Chairperson of the Board of Statutory Auditors;

- reported promptly to the Control and Risks, and therefore to the Chairperson of the Committee, with regards to problems and critical issues emerging during the execution of their activities or of which they have become aware, so as to ensure that the Committee may take appropriate action.

## 9.2 CONTROL AND RISKS COMMITTEE

In accordance with Principle XI and Recommendations No. 32(c) and No. 35. of the Code, on April 24, 2024, established an Internal Board Committee that also performs the functions of the Control and Risks Committee; previously, until April 24, 2024, the functions of Control, Risks and Sustainability were assigned to the Committee bearing that name.

The members of the Committee, from April 29, 2021 until April 24, 2024, were the Independent Directors Susanna Zucchelli (Chairperson), Elio Cosimo Catania, Angelo Catapano, Liliana Fratini Passi and Monica Nicolini.

By Board of Directors' resolution on April 24, 2024, the Company chose to establish a single committee, to which the Sustainability function was assigned separately from the other functions.

The Internal Board Committee acting as the Control and Risks Committee is composed of members with adequate financial, accounting and risk management experience. At least one member has adequate knowledge and experience in accounting and finance and/or risk management, in accordance with Recommendation No. 35 of the Code.

The Board of Statutory Auditors is required to attend the meetings of the Committee, through the Chairperson and the Standing Members of the Board. In relation to the specific matters on the Agenda, and also on invitation, the following also attend the meetings of the Committee acting as the Control and Risks Committee, informing the Chief Executive Officer: the Corporate Financial Reporting Officer, the Internal Audit Manager and other company managers such as the CISO and the Chief Financial Officer.

The Internal Board Committee, acting as the Control and Risks Committee, within the scope of its powers and in observance of the recommendations of the Code, supports, with appropriate preparatory activities, the assessments and decisions of the Board of Directors on the Internal Control and Risk Management System, in addition to those concerning the approval of the periodic financial reports. In accordance with Recommendation No. 35. of the Code, the Committee performs investigative, proposing and advisory functions. Specifically, the Committee, in assisting the Board of Directors:

- a) evaluates, having consulted with the Executive Officer for Financial Reporting, the independent audit firm and the Board of Statutory Auditors, the correct application of the accounting policies and, in the case of groups, their uniformity in the preparation of the consolidated financial statements;
- b) 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 its performance;
- c) It examines the periodic non-financial information relevant to the Internal Control and Risk Management System, to the extent not evaluated by the Committee acting in the sustainability function;
- d) expresses opinions on specific aspects concerning the identification of the main corporate risks and supporting the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the Board has become aware;
- e) examines the periodic reports and those of particular relevance prepared by the Internal Audit Function;
- f) monitors the independence, adequacy, efficacy and efficiency of the Internal Audit department;
- g) entrusts the Internal Audit Function with verifications on specific operational areas, simultaneously communicating such to the Chairperson of the Board of Statutory Auditors;
- h) reports, at least upon the approval of the annual and half-yearly accounts, to the Board of Directors on the work carried out and on the adequacy of the Internal Control and Risk Management System.

In 2024, the Committee acting as the Control, Risks Committee:

- received the systematic update of the activity performed by the Internal Audit function, requesting details, making proposals and recommendations;
- assessed the 2023 and 2024 Audit Plans progress and approved the proposed 2024 Audit Plan;
- monitored progress with the Environmental, social and corporate governance (ESG) project adopted, taking into account the regular updates provided to the management and was an active party in the development of proposals for the Board; since April 2024, this activity has been carried out mainly by the Committee acting as the Sustainability Committee;
- evaluated the proposed 2023 Non-Financial Report and 2024 Sustainability Statement, along with the procedures for drafting them, taking into account the applicable changes in laws and regulations; since April 2024, this activity has been carried out mainly by the Committee acting as the Sustainability Committee;
- assessed the Supervisory Board reports and the updates to Legislative Decree No. 231/2001;
- expressed a favourable opinion on the proposal not to perform a new impairment test on the six-monthly results proposed;
- evaluated credit, financial, and FX risks;
- systematically reported to the governing body on its activities and the adequacy of the Internal Control and Risk Management System;
- assisted the Board in evaluating the internal control system and assessing whether measures should be taken to ensure the effectiveness and impartial judgment of the corporate functions responsible for internal control.

The Committee had access to the information and departments for the undertaking of their duties as well as the assistance of external consultants, within the terms established by the Board. Therefore, as the Committee availed of the resources, the means and the structure of the Company, the provision of specific financial resources is not provided for.

### 9.3 INTERNAL AUDIT MANAGER

The Board appointed Daniele Bruni as the Internal Audit Manager, appointed to verify if the Internal Control and Risk Management System is functional, adequate, and consistent with the guidelines set out by the Board of Directors. The Internal Audit Manager, who is not responsible for any operational activity, reports to the Board of Directors and adequately fulfils the requirements of professionalism and independence. The Internal Audit Manager makes use both of specialised and independent external consultancy firms and internal staff to carry out his/her activities and has direct access to all the information useful for carrying out his/her duties.

The remuneration of the Internal Audit Manager has been set by the Board of Directors in line with company policies.

In 2024, the Internal Audit function conducted its activities in line with the work plan prepared by the Head of the Department and approved by the Board, having consulted the Board of Statutory Auditors and the Chief Executive Officer. Specifically:

- prepared, on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the Internal Control and Risk Management System, through an audit plan, approved by the Board of Directors, based on a structured analysis process and prioritisation of principal risks (Recommendation No. 36, letter a));
- prepared periodic reports containing appropriate information on its activities, the methods with which risk management is conducted and compliance with the plans established for reducing risk, as well as an assessment of the suitability of the Internal Control and Risk Management System (Recommendation No. 36(b)) and sent them to the Chairpersons of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the Board of Directors, and to the Chief Executive Officer (Recommendation No. 36(d));

- prepared the required reports and audits on a timely basis, informing the Board of Statutory Auditors, the Control and Risks Committee, the Chairperson of the Board of Directors and the Chief Executive Officer (Recommendation No. 36(d));
- verified, within the activity of the audit plan, the reliability of the IT systems, including accounting systems (Recommendation No. 36, letter e)).

More specifically, the appointments concerned the various areas of coverage, in terms of (i) financial audits, focused on processes of a financial nature, including those relating to risk management and the associated safeguards of an administrative and accounting nature adopted by Group companies for financial disclosure purposes; (ii) compliance audits, to ensure the effective implementation of the control system for compliance with internal or external rules or regulations; and (iii) operational audits, for an assessment of the efficiency and efficacy of instruments to offset core operating process risks.

The assessments cited by the Internal Audit Manager in his reports did not identify situations detrimental, on the whole, to the suitability and functionality of the Internal Control and Risk Management System. The exceptions identified have been brought to the attention of the management personnel involved (and to the attention of all those individuals listed above) to take the necessary corrective measures, the completion of which is monitored over time.

#### **9.4 ORGANISATION MODEL AS PER LEGISLATIVE DECREE NO. 231/2001**

The Company, with regards to the entry into force of Legislative Decree No. 231 of June 8, 2001 and subsequent amendments and supplements, which introduced a specific system of responsibility upon the company for certain types of offences, adopted appropriate measures to avoid, as per the regulation, the arising of such responsibility upon the company, with the setting up of specific protocols and oversight systems to prevent certain offences.

Therefore, with the Board of Directors' motion of March 27, 2008, the Company adopted the Organisation, Management and Control Model as per Legislative Decree No. 231/01, which was thereafter frequently updated, following regulatory and organisational amendments. As of February 2021, the Special Sections in the Model have been substantially reorganised, and are now structured by "business process". They consist of a General Section and eleven Special Sections.

The General Part essentially concerns the governance system of the company, adoption of the Organisation Model, the setting up of the Supervisory Board (hereafter "O.d.V.") and the communication of information to this latter, in addition to the reporting of the O.d.V., from the corporate boards; the training of personnel and the system governing non-compliance with the models provisions.

The special sections relating to the specific business macro-processes include the various types of offence laid down by the decree and applicable, in theory, to the Company: (i) Research and Development, (ii) Procurement (iii) Logistics, (iv) Sales, (v) Health and Safety in the workplace, (vi) Environment, (vii) Human Resources, (viii) Information Systems, (ix) Administration, Finance and Control, (x) Legal Offences, (xi) External Relations.

The special parts of the Model list the areas of risk for the relative offences, stating the specific decision-making protocols and the relative conduct rules for those operating in the above areas and defining the monitoring procedures.

The attachments and supplements of the ELICA Organisational Model are:

- Group Ethics Code and disciplinary system;
- List of offences as per 231/01;
- Information flows with the Supervisory Board;
- Connectivity matrix
- Duties of the Supervisory Board;

The model is checked periodically and updated in light of regulatory changes considered applicable to the Company.

For further details, reference should be made to <https://elica.com/corporation/it/corporate-governance/area-231>.



Elica's Board of Directors on October 30, 2024 resolved to extend the mandate of the Supervisory Board (SB) until December 31, 2027, confirming Paolo Massinissa Magini as Chairperson and Marco Cruciani and Daniele Bruni as members.

The Supervisory Board communicates to the Board of Directors, on a half-yearly basis, a written report on the implementation and effective functioning of the Organisation, Management and Control Model.

The Board of Directors also granted the Supervisory Board sufficient financial resources to carry out all required duties. This allocation however may be recalculated according to any necessary increases on the proposal of the Supervisory Board.

The Board of Directors, following an assessment, decided not to assign the duties of the Supervisory Board to the Board of Statutory Auditors, considering it appropriate to maintain two distinct bodies. Coordination among the various parties involved in the Internal Control and Risk Management System is ensured by the presence of the Chairperson of the Supervisory Board, who also serves as a member of the Board of Statutory Auditors; the Internal Audit Manager, who also serves as a member of the Board of Statutory Auditors; and the participation of members of the Board of Statutory Auditors and the Internal Audit Manager in the Control and Risk Committee and the Sustainability Committee.

## **9.5 AUDITOR**

At the Shareholders' Meeting called to approve the 2022 financial statements, held on April 29, 2023, the appointment for the performance of the legal audit activity for the nine-year period 2024-2032 was awarded to the company EY S.P.A.

EY S.p.A. was, in addition, appointed as the auditor responsible for certifying the compliance of the Sustainability Statement.

## **9.6 FINANCIAL REPORTING OFFICER AND OTHER CORPORATE ROLES AND FUNCTIONS**

In accordance with the provisions of Article 154-*bis* of the Consolidated Finance Act as amended by Law No. 262 of 28 December 2005 (the "Savings Law") and in accordance with Article 26 of the By-Laws, on March 16, 2021 the Board of Directors appointed Emilio Silvi as Corporate Financial Reporting Officer; on the same date, Stefania Santarelli was made Chief Financial Officer. Previously, the role of Chief Financial Officer and Corporate Financial Reporting Officer was held by Giulio Cocci, who is currently Chief Executive Officer.

These roles were confirmed by the newly-appointed Board of Directors at its meeting of April 24, 2024. The appointment of the Financial Reporting Officer was made by the Board of Directors, as per Article 26 of the By-Laws and the applicable regulation, following a positive assessment of professionalism (featuring specific knowledge in terms of administration, finance and control) and also on the basis of his good standing. The relating mandate will expire with the approval of the financial statements at December 31, 2026.

The Company in addition provides the Financial Reporting Officer with appropriate resources and means for execution of the relative duties.

In particular, in order to fully carry out his duties, the Financial Reporting Officer, among others, may avail of the powers and resources established in the Guidelines drawn up by Confindustria in relation to the role (edition of December 13, 2007).

The Financial Reporting Officer, in the exercise of his institutional role, in application of the above-stated Article 154-*bis* of the CFA:

- has specific duties of control in relation to the legal notices and communications of the Company established by law or announced to the market, containing information and data on the income statement, balance sheet and financial situation of the Company, accompanied by a written declaration of the Chief Executive Officer and the Corporate Financial Reporting Officer, who attest to their truthfulness;
- prepare administrative and accounting procedures for the completion of the parent company and consolidated financial statements, as well as for every other communication of a financial nature;



- declares, together with the executive boards, through a report, attached to the parent company and consolidated financial statements, the adequacy and the effective application of the administrative and accounting procedures adopted in the year on which the accounts are based, as well as the correspondence of the financial statements with the underlying accounting documents and records.

The Internal Accounting Control System seeks to provide reasonable certainty that the accounting disclosure provides users with a true and fair representation of the operational facts, corresponding to the documented results, books and underlying accounting entries as well as the adequacy and effective application of the administrative and accounting procedures during the period to which the accounting documents refer. To this end, the Financial Reporting Officer may avail himself/herself of the collaboration and verification activities carried out by the Internal Audit department in this area.

On February 13, 2024, in line with governance best practices, the Board of Directors approved an internal regulation that expressly and organically develops the requirements, appointment process, powers and funds of the Financial Reporting Officer and the relations of the latter with the other parties involved in the control system.

On February 13, 2025, the Board of Directors, with the approval of the Board of Statutory Auditors, resolved to appoint the Chief Financial Officer, Stefania Santarelli, as the Sustainability Reporting Officer. More information on this topic will be provided in the 2025 Corporate Governance and Ownership Structure Report.

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The various company functions collaborate, pursuant to Recommendation No. 32, letter e) of the Code, each with regards to their respective scope, for the identification and management of risks; in particular, the Administration, Finance and Control Department, the Legal and Corporate Affairs Department and the Risk & Compliance Department support the bodies tasked with the identification and management of compliance activities.

In accordance with Recommendation No. 33(d) of the Code, on October 30, 2024 the Board of Directors resolved not to adopt further measures to ensure the effectiveness and impartiality of judgement of the corporate functions involved in controls, as it considered they possessed sufficient professionalism and resources.

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For details of the principal characteristics of the Internal Control and Risk Management System in relation to the Financial Disclosure process, reference should be made to ATTACHMENT 1 of the present report.

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## **9.7 COORDINATION OF THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The Board of Directors has assigned specific functions, within the scope of their respective competences, to each person involved in the control system and has established reporting obligations to coordinate activities and regulate information flows to maximise the system's efficiency, reduce duplication of activities and guarantee that the duties of the Board of Statutory Auditors are performed effectively.

The Internal Audit Manager and the member of the Supervisory Board performs an important coordination function, interfacing with all those involved in the control system.

The members of the Board of Statutory Auditors attend the meetings of the Internal Board Committee acting as the Control and Risks Committee and as the Sustainability Committee, to which the Internal Audit Manager is always invited; this practice makes it possible to streamline the flow of information to the parties involved in the control system. In any event, the Control Body is given the opportunity to examine subjects of interest in depth during periodic inspections at the Company's premises.

## 10. HOLDINGS OF DIRECTORS AND RELATED PARTY TRANSACTIONS

Following Resolution No. 21624 of December 10, 2020, with which Consob amended the Regulation adopted with Resolution No. 17221 of March 12, 2010 containing provisions on related party transactions ("RPT Regulation") and the Regulation adopted with Resolution No. 20249 of December 28, 2017 on markets ("Market Regulation"), the Board meeting of February 12, 2021 took note of the need to update the policy before the entry into force of the Regulation, expected for July 1, 2021. Subsequently, on May 5, 2021, the Board of Directors approved the "Related Party Transactions Policy" ("RPT Policy"), available on the website <https://corporate.elica.com/en/governance/internal-control-system>, to which reference should be made.

In relation to transactions in which a Director has, on his own behalf or on behalf of third parties, an interest, the interested Director is called, except for specific circumstances, to abstain from the vote or to leave the meeting at the moment of discussion and resolution. When the transaction is not subject to the prior approval of the Board of Directors but within the powers delegated to the interested Director, also through the exercise of a specific proxy, this latter abstains from the carrying out of the transaction and provides in a timely and exhaustive manner information in relation to such to the Board.

In order to identify transactions in which a Director may have an interest, also on behalf of third parties, the Company utilises, among others, an electronic database containing information on related parties of Directors of the Company.

The functions of the Related Party Transactions Committee are assigned to the Independent Directors as a whole, without prejudice to the right to set up an ad hoc committee for specific transactions; Meetings of the Independent Directors are coordinated by the Lead Independent Director. Until April 24, 2024, this function was performed by the Control, Risks and Sustainability Committee. The Lead Independent Director reports to the Board at the first available meeting on the Independent Directors' activities in the area of related parties. See Section 4.7 for more details on related party activities.

## 11. BOARD OF STATUTORY AUDITORS

### 11.1 APPOINTMENT AND REPLACEMENT

With regard to the appointment of the Statutory Auditors, please see Section 4.2, "APPOINTMENT AND REPLACEMENT (as per Article 123-bis, paragraph 1, point (l), first part of the CFA)".

This mechanism was latterly adopted on the renewal of the Board of Statutory Auditors by the Shareholders' Meeting of April 24, 2024.

### 11.2 COMPOSITION AND FUNCTIONING (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTERS D) AND D-BIS) CFA)

The Company's By-Laws provide that the Board of Statutory Auditors consist of three Statutory Auditors and two Alternate Auditors.

The Board of Statutory Auditors currently in office was appointed, in accordance with the requisites of autonomy and independence, by the Shareholders' Meeting of April 29, 2024, and will remain in office until the Shareholders' Meeting called to approve the financial statements at December 31, 2026.

In particular, on appointment, a slate was presented by the majority shareholder FAN S.r.l., which proposed the following list of candidates:

#### STATUTORY AUDITORS

1. FREZZOTTI GIOVANNI
2. ROMAGNOLI SIMONA
3. MASSINISSA MAGINI PAOLO

#### ALTERNATE AUDITORS

1. TIRANTI LEANDRO
2. NICOLINI MONICA

For further details on the slate, reference is made to the documentation relating to the above-stated Shareholders' Meeting available on the Company's website.

The result of the voting of Shareholders present at the Shareholders' Meeting was as follows:

- VOTES IN FAVOUR: 51,063,207, EQUAL TO 100% OF VOTES.

At TABLE 4 – STRUCTURE OF THE BOARD OF STATUTORY AUDITORS attached to the present report, the composition is shown of the Board of Statutory Auditors at December 31, 2024. At the preparation date of this report, this composition was unchanged.

At the Shareholders' Meeting for the appointment of the new Board of Statutory Auditors, the meeting established the remuneration of the Shareholder auditors, taking account of the commitment required, the importance of the role, in addition to the size and sector of the company.

At the time of their appointment, the Statutory Auditors confirmed that they did not have any direct or indirect shareholdings in the Company, nor had they had any in the previous year.

Reported below is a brief *curricula vitae* of the members of the Board of Statutory Auditors:

**Giovanni Frezzotti:** Chairperson of the Board of Statutory Auditors of Elica S.p.A. since April 27, 2018. He has been a member of the Accountants Association of Ancona since 12/03/1965 at No. 16/A as well as being on the Technical Consultants of the Civil and Criminal Court of Ancona roll. He is a member of the Auditors' Register at No. 25202 with Ministerial Decree 12/04/1995 published in the official gazette No.31-bis of 21/04/1995 – IV Special Series.

He holds the position of Director of Compagnia Sviluppo Industriali ed Immobiliari S.p.A., Fincrea S.r.l., Fondazione Renco Ente del Terzo Settore, the Renco Group S.p.A. and Renco S.p.A.

He is Chairperson of the Board of Statutory Auditors of Ceta S.p.A., Co.ge.fin. S.p.A., Fileni Alimentare S.p.A., Fimag S.p.A., Frapi S.p.A., Garinvest S.p.A., Garofoli S.p.A., Golden Lady Company S.p.A., Montenegro S.r.l., Poliscom S.r.l. and SLL Group S.p.A.

He is a Statutory Auditor on the Board of Statutory Auditors of Bonomelli S.r.l., Enovetro S.p.A. and Lole S.p.A.

He is the Sole Statutory Auditor of Fineldo S.r.l., Gi.gar. S.r.l., Autolinee F.lli Bucci Urbino Pesaro S.r.l. and Società Trasporti F.lli Bucci S.r.l. He is the legal auditor of Renogroup S.r.l. and GMR Holding S.r.l.

**Simona Romagnoli:** Statutory Auditor of Elica S.p.A S.p.A. since April 29, 2021. She has been a member of the Accountants Association of Ancona since 13/10/2000 at No. 486/A and is on the Technical Consultants of the Civil and Criminal Court of Ancona roll. Enrolled in the Auditors' Register with Ministerial Decree of 27/07/2001, published in the Official Gazette No. 67 - IV special series of 24/08/2001.

Appointed by the Court of Ancona as Legal Commissioner and Insolvency Practitioner, she specialises in the management of administration procedures and business crisis management.

She is the custodian of important assets from criminal seizures ordered by various courts.

She is a registered Expert with the Marche Chamber of Commerce and was appointed for the negotiated crisis settlement.

She was the liquidator of a major industrial company based in the province of Ascoli Piceno, dealing with the issues of industrial management and sales of companies as going concerns.

She is a member of various Boards of Statutory Auditors and was a member of the Board of Directors of a local Cooperative Credit Bank.

**Paolo Massinissa Magini:** Statutory Auditor of Elica S.p.A S.p.A. since April 29, 2024. He has been a member of the Accountants Association of Ancona since 26/03/1988 at No. 176/A as well as being on the Technical Consultants of the Civil and Criminal Court of Ancona roll. He is a member of the Auditors' Register at No. 36556 with Ministerial Decree 12/04/1995 published in the official gazette No.31 bis of 21/04/1995 – IV Special Series.

He is Chairperson of the Board of Statutory Auditors of Nuova Sima Srl, Togni S.r.l., Lavoropiù S.p.A., Finvit93 S.r.l., TOOA S.p.A., Fondazione Vittorio Merloni and Fondazione Carifac.

He is Statutory Auditor of the Board of Statutory Auditors of Metisoft S.p.A., the Airforce and Incall S.p.A.

He is the sole auditor of Sotek S.r.l., Tecnica Due Bi S.r.l., Sima Holding S.r.l., S.F. S.r.l. and Polintesa S.r.l.

He is Chairperson of the Supervisory Board of Elica S.p.A., AFM S.p.A., Contram S.p.A., Lavoropiù S.p.A., Farmacentro Soc. Coop., Silga S.p.A, Fondazione Lega del Filodoro Onlus, MB Mangimi S.p.A., Fileni Alimentare S.p.A., Carnj Soc. Coop., Uni.Co. Soc. Coop., EMC Fime S.r.l. and the single-member Supervisory Board of SEL&FORM S.r.l.

He holds the position of reporting manager (as per Legislative Decree No. 24/2023) at Lavoropiù S.p.A., Fileni Alimentare S.p.A., Carnj Soc. Coop, MB Mangimi S.p.A., Fileni Agricultural Society S.r.l., Uni.Co. Soc. Coop. Farmacentro Soc. Coop. Silga S.p.A., A.F.M. S.p.A., and SEL&FORM S.r.l.

**Leandro Tiranti:** Alternate Auditor of Elica S.p.A. since April 29, 2015, he was born in Sassoferrato (AN) on 04/05/1966. He has been enrolled at the Accountants Association of Ancona at No. 321, Section A since 1994; enrolled at the Technical Consultants register of the Court of Ancona; enrolled in the Auditors' Register at No. 72,312 as per Decree of the Director General of civil affairs and professions of May 26, 1999, published in the Official Gazette 4a, special series No. 45 of June 8, 1999. He holds the position of Chairperson of the Board of Statutory Auditors at TR V.I.C. S.p.A. - OV S.p.A. - Tre Pini S.p.a. - F.I.D.E.A. S.p.A.; the position of Statutory Auditor at Fintrack S.p.A. - Air Force S.p.A. - Industriaumbra S.p.a. - TOOA s.p.a.

**Monica Nicolini:** Member of the Board of Directors of the Company from April 29, 2021 until April 24, 2024, previously Statutory Auditor. Born in Pesaro (PU), on 16/04/1963, she is a court of cassation lawyer with experience in the field of M&A, Private Equity and Capital Markets for national and international groups, and in the field of credit with consulting assignments for leading banking groups. Lecturer on courses and seminars and speaker at conferences on corporate issues.

Board member of the Ermanno Casoli Foundation, the Pesaro Nuovo Cinema Foundation and the Rossini Opera Festival Foundation. Member of the Board of Directors of the "G. Rossini" Conservatory of Pesaro by appointment of MIUR. Chairperson of the ABIO Supervisory Board (hospital children's association) and member of the management board. Member of the Bellisario Foundation and WCD Women Foundation Corporate Directors.

In terms of its activities, the Board of Statutory Auditors met 21 times in 2024, on January 9, January 16 (twice), February 6, February 13, February 29, March 14, March 15, March 18, March 20, March 27, April 12, April 24 (twice), June 10, June 10, July 30, October 14, November 5, November 26 (twice).

The average duration of meetings was two hours.

In 2025, the Board of Statutory Auditors has met four times: on January 13, January 21, February 21 and March 20.

The activities of the Board of Statutory Auditors concerns, among others, the verification of the criteria and procedures adopted by the Board to evaluate the independence of its members. In the course of the aforementioned verification, the Board of Statutory Auditors did not record anomalies, as per the minutes drawn up on April 24, 2024 and March 20, 2025.

The Board of Statutory Auditors established the independence of its members at the meetings of April 24, 2024 and March 20, 2025. In assessing this independence assessment, the Board of Statutory Auditors considered all information made available by each member and found that no circumstances exist that appear to compromise independence under the CFA and the Code.

On April 24, 2024 and March 20, 2025, the Board of Directors noted the annual self-assessment by the Board of Statutory Auditors of the independence of its members, also as per the Code. The self-assessment was conducted taking into account all information made available by each member and the circumstances known.

The quantitative and qualitative criteria set for defining the significance of Statutory Auditors' relationships and the definition of "close relatives" laid down by the Board at the beginning of its mandate also applies to the Board of Statutory Auditors.

The self-assessment made by the Board also established the appropriateness of Board of Statutory Auditors to carry out its duties and its adequate composition in terms of professional profiles, expertise, standing and gender parity.

The members of the Board of Statutory Auditors have adequate experience and knowledge of the sector in which the Company operates; however, in order to improve such knowledge, and of the corporate activities and performance, in addition to the regulatory framework, the Board of Statutory Auditors attends the meetings of the Board and of the Committees, in addition to, during its mandate, specially organized meetings.

The members of the Board of Statutory Auditors can assign the time necessary to properly execute their office and have adequate resources for such. The number of positions held was lower than the maximum permitted by the applicable regulation.

The Company announced the outcome of this self-assessment to the market.

The Board of Statutory Auditors finally established through the assessment made that the previously planned activities had been successfully executed until the date of this report.

The Board has constantly monitored the independence of the Independent Audit Firm in carrying out its duties, verifying compliance with law and monitoring the other activities carried out apart from accounting control.

The Board of Statutory Auditors, in carrying out its duties, coordinated its activities with the Internal Audit department, the Supervisory Board and the Control, Risks and Sustainability Committee through the exchange of information relating to their respective activities and through participation in the Control,

Risks and Sustainability Committee meetings during the year. Therefore, the Board of Statutory Auditors attends also the meetings of the Appointments and Remuneration Committee.

### **Diversity criteria and policies**

In 2017, Elica adopted a "Policy on the Diversity of Management and Control Bodies", in which the diversity criteria generally adopted to define the composition of the corporate boards are set out in detail. The criteria set out in the policy take into account the provisions of the Code and also apply when the control body is renewed. The policy was most recently updated in February 2025.

In order to ensure that shareholders interested in submitting slates, on the renewal of corporate boards, are provided with the information concerning the criteria and diversity objectives pursued, in the Board of Directors report to the Shareholders' Meeting for the renewal of the Board of Statutory Auditors of March 14, 2024, to which reference should be made, the Board of Directors stated its wish to see diversity on the Board of Statutory Auditors in terms of age, gender and training and professional background.

During the Supervisory Board's renewal in 2024, the slate composition submitted by the majority shareholder FAN S.r.l., took account of the diversity criteria issued by the Board in so far as it included candidates of different gender on a one to three ratio for Statutory Auditors and a one to two ratio for Alternate Auditors; it also included different profiles by professional experience and age.

For more information, please refer to Section 4.3, "Diversity Criteria and Policies in Board Composition and Corporate Organisation", above.

### **Independence**

See previous section 11.2 COMPOSITION AND FUNCTIONING (as per Article 123-*bis*, paragraph 2, letters d) and d-*bis*) of the CFA.

### **Remuneration**

The remuneration for the members of the Board of Statutory Auditors was determined by the Shareholders' Meeting at the time of their appointment. During the presentation of the slates, the Board invited the shareholders to make proposals concerning the remuneration to be paid to each member of the Board, since it did not deem it appropriate to make proposals without knowing the identity of the candidates, making it impossible to determine adequate remuneration.

On the mandate renewal in 2024, and in accordance with the Board's request, the shareholder FAN proposed the remuneration during the presentation of the slates. This was subsequently approved by the Shareholders' Meeting. In producing the proposal, the shareholder stated that it had taken into account the professionalism, expertise and commitment required of the candidates; the responsibilities involved in acquiring the role; and the compensation practices at comparable companies. For details on the remuneration of the Board of Statutory Auditors, please refer to the Remuneration Report, published at the same time as this report on the Company's corporate website.

### **Management of interests**

The Board of Statutory Auditors notes that the Company, having complied with the Code, provides that where a Statutory Auditor, on his/her own behalf or that of third parties, has an interest in a determined transaction of the Company, he/she must inform the other Statutory Auditors and the Chairperson of the Board, in a timely and comprehensive manner, regarding the nature, terms, origin and extent of his/her interest. In accordance with the Consob Regulation concerning transactions with "related parties" the members of the Board of Statutory Auditors drew up a document for the identification of related parties

in accordance with Article 4, paragraph 8 of Consob Regulation, adopted with resolution No. 17221 of March 12, 2010 and No. 17389 of June 23, 2010.

### 11.3 ROLE

For information on the role and main activities carried out by the Board of Statutory Auditors during the Year, see the report prepared by the Board of Statutory Auditors pursuant to Article 153 of the CFA.

## RELATIONS WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

Elica has a dedicated section of its website on investor relations and governance. All of the documents relating to the Corporate Governance and the other information relating to the Company, which have significance for shareholders, may be consulted on the website <https://corporate.elica.com/en/governance/corporate-documents/>.

When it was first listed, the Company identified an Investor Relations Manager.<sup>12</sup>

### Dialogue with Shareholders

Elica has adopted a special policy for dialogue with shareholders governing stakeholder involvement and communication procedures. This policy was approved by the Board of Directors, upon the recommendation of the Chairperson and in consultation with the Chief Executive Officer, on October 27, 2021. The primary objective of the Policy is to ensure effective communication between the Company and its shareholders and allow for improved investment stability and the sustainable success of the Company. The implementation of the principles set out therein enables the exchange of ideas and the generation of value over the long term, through more targeted shareholders participation in investment choices and in the exercise of their rights.

The Policy was last updated, in relation to the section on how to conduct the dialogue, on October 30, 2024.

The policy can be found on the Company's website at <https://corporate.elica.com/en/governance/corporate-documents/>.

## 13. SHAREHOLDERS' MEETINGS

The By-Laws of the Company do not provide for a method of functioning other than those as prescribed by law and regulations.

Normally, all of the Directors attend the Shareholders' Meetings. Five out of seven Directors attended the Shareholders' Meeting on April 24, 2024.

All of the matters on the Agenda of the Shareholders' Meeting were reported upon in the Directors' Report to the Shareholders' Meeting or in the documents filed, available to the Shareholders and published on the company website.

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All those who have sent the company the communication provided by the intermediary appointed by the end of the third market day preceding the date fixed for the Shareholders' Meeting in first call or in single call, have the right to attend the shareholders' meeting, or within a different time period established by existing regulations, as long as the communications are sent to the Company within the above-stated time periods, provided by the beginning of the business of the shareholders' meeting.

Where permitted by the applicable regulations and in compliance therewith, in accordance with the By-Laws the Company may establish: (i) whether participation and the right to vote at the Shareholders' Meeting takes place through the Designated Agent, even exclusively, or (ii) to hold the Shareholder Meetings using telecommunications tool only.

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<sup>12</sup> For further details see Section 5, "Management of Corporate Information".

The Company has a Shareholders' Meeting Regulation, available at <https://corporate.elica.com/en/governance/corporate-documents>, designed to ensure the orderly and functional conduct of meetings.

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The Board reported on the activities carried out and programmed in the Shareholders' Meetings and endeavoured to ensure shareholders have adequate information regarding the necessary elements so that they could take, in a knowledgeable manner, the decisions within the authority of a Shareholders' Meeting.

On the renewal in 2024, and at the Board's invitation, when presenting the slates for the appointment of corporate boards, the shareholder FAN communicated the proposals that it would have submitted for approval by the Shareholders' Meeting. The Board did not express any opinions in this regard, and specifically did not express a view on the number of Board members or proposals for the remuneration of the corporate boards to be appointed.

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The Board assessed the corporate governance system adopted and found that it met the Company's needs. Therefore, it did not draw up any proposal to be submitted to the Shareholders' Meeting on choosing a different corporate model, nor did it establish any additional or different percentages for the exercise of voting rights compared to those in previous years.

#### **14. FURTHER CORPORATE GOVERNANCE PRACTICES (AS PER ARTICLE 123-BIS, PARAGRAPH 2, LETTER A), CFA)**

With reference to the other corporate governance practices applied, the Company, as parent company of European and non-European companies, adopts management and organisational models that are suitable for supervising business and governance. These models are systematically updated in the event of changes to the corporate structure or organisation, taking into account: (i) the need to streamline decision-making processes to ensure management is able to effectively deal with the numerous changes caused by the market and unforeseen situations (e.g. pandemic, increase in raw material prices, wars etc.), (ii) the need to ensure compliance and sustainability in the long term.

Reference should be made in addition to previous sections of this report. In particular, sections 9.4 "ORGANISATION MODEL AS PER LEGISLATIVE DECREE No. 231/2001" and 9.7 "COORDINATION OF THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM".

#### **15. CHANGES SUBSEQUENT TO THE YEAR-END.**

The text of this report was supplemented, in the individual paragraphs, with the information concerning the changes between December 31, 2024 and March 25, 2025, the date of its approval.

#### **16. CONSIDERATIONS ON THE LETTER OF DECEMBER 17, 2024 OF THE CHAIRPERSON OF THE CORPORATE GOVERNANCE COMMITTEE**

Meeting on February 13, 2025, the Company's Board of Directors assessed the letter of the Chairperson of the Corporate Governance Committee dated December 17, 2024. The outcome of the assessments contained in the aforementioned letter, insofar as applicable to Elica - which under the Code's definitions is a non-large, concentrated-ownership company - are reported in the body of this report as regard recommendations on the completeness and timeliness of pre-Board disclosures (Section 4.4) and the reasons for the decision to assign an executive role to the Board of Directors' Chairperson (Section 4.5);



for reporting on the transparency and effectiveness of remuneration policy, reference should be made to the Remuneration Report.

Elica S.p.A.

The Chairperson of the Board of Directors



**TABLE 1 - INFORMATION ON THE OWNERSHIP STRUCTURE AT 31/12/2024**  
**Share capital structure**

	NO. SHARES	OF RIGHTS	OF RIGHTS	VOTING	LISTED/NON- LISTED	RIGHTS OBLIGATIONS	&
Ordinary shares	63,322,800	100%			Listed Euronext STAR Milan	Voting rights at the Ordinary and Extraordinary Shareholders' Meeting, right to a dividend and repayment of capital in the case of liquidation	

**SIGNIFICANT SHAREHOLDINGS**

Shareholder	Direct shareholder	% of ordinary share capital	% of voting share capital	NOTES
CASOLI FRANCESCO	FAN S.r.l.	52.809%	52.809%	*
CASOLI FRANCESCO	CASOLI FRANCESCO	0.252%	0.252%	*
TIP-Tamburi Investment Partners S.p.A.	TIP - TAMBURI INVESTMENT PARTNERS S.P.A.	21.530%	21.530%	*

\*Data updated on the basis of declarations presented to Consob and Internal Dealing declarations.

**TABLE 2 - STRUCTURE OF THE BOARD OF DIRECTORS AT YEAR-END**

Name	Year of birth	Office	In office from (date of last appointment) (i)	In office until	No. other offices (ii)	Exe c.	Ind. Cod. / Ind. CFA	Participation (iii)
Francesco Casoli	05/06/1961	Chairperson	24/04/2024	Approval 2026 Accs.	-	Yes	no	5/5
Giulio Cocci	13/04/1970	Chief Executive Officer	24/04/2024	Approval 2026 Accs.	-	Yes	no	5/5
Elio Cosimo Catania	05/06/1946	Director	24/04/2024	Approval 2026 Accs.	2	no	yes/yes	5/5
Angelo Catapano	9/12/1958	Director	24/04/2024	Approval 2026 Accs.	2	no	yes/yes	5/5
Cristina Casoli	13/08/1964	Director	24/04/2024	Approval 2026 Accs.	-	no	no/no	5/5
Alice Acciarri (iv)	01/06/1981	Director	24/04/2024	Approval 2026 Accs.	-	no	yes/yes	5/5
Susanna Zucchelli	19/12/1956	Director	29/04/2024	Approval 2026 Accs.	1	no	yes/yes	5/5
<b>Directors leaving office during the year</b>								
Liliana Fratini Passi	19/06/1970	Director	29/04/2021	Approval 2023 Accs.	1	no	yes/yes	2/2
Monica Nicolini (iv)	16/04/1963	Director	29/04/2021	Approval 2023 Accs.	-	no	yes/yes	2/2

(i) For the date of first appointment please see the Directors' CVs, section 4.3 COMPOSITION (as per Article 123-bis, paragraph 2, letters d) and d) bis), CFA)

(ii) No. of offices held in other listed companies, including abroad, in financial, banking and insurance companies or of significant size. Those positions held in financial companies not registered on the list, as per Article 106 of Legislative Decree No. 385/93 – Banking Act, are excluded. For further information, reference should be made to the list at the section “Maximum number of offices held in other companies” and curricula of the Directors.

(iii) this column indicates the attendance of the Director at the Board meetings, considering the number of meetings held during their period in office;

(iv) Lead Independent Director.

**TABLE 3 - STRUCTURE OF THE INTERNAL COMMITTEES AT YEAR-END**

Name	Office/Category	In office from (date of last appointment)	In office until	Committee acting as Remuneration Committee (v)	Committee acting as Control, Risks and Sustainability Committee- Attendance (v)
Angelo Catapano	Non-Executive Dir. - Indep. Code/CFA	24/04/2024	Approval 2026 Accs.	4/5	5/5
Cristina Casoli	Non-Executive Dir.	24/04/2024	Approval 2026 Accs.	3/3	3/3
Alice Acciarri (iv)	Non-Executive Dir. - Indep. Code/CFA	24/04/2024	Approval 2026 Accs.	3/3	3/3
Susanna Zucchelli	Chairperson - Indep. Code/CFA	24/04/2024	Approval 2026 Accs.	5/5	5/5
Elio Catania	Cosimo Non-Executive Dir. - Indep. Code/CFA	24/04/2024	Approval 2026 Accs.	5/5	5/5
<b>Directors leaving office during the year</b>					
Liliana Fratini Passi	Non-Executive Dir. - Indep. Code/CFA	29/04/2021	Approval 2023 Accs.	2/2	2/2
Monica Nicolini (iv)	Non-Executive Dir. - Indep. Code/CFA	29/04/2021	Approval 2023 Accs.	2/2	2/2

(V) This column shows the attendance of members at meetings of the Committees they could have attended, taking into account that the Appointments Committee and the Control, Risks and Sustainability Committee have been incorporated into a single Internal Board Committee since April 24, 2024, which performs functions separately: Appointments, Remuneration, Control and Risks, and Sustainability.

**TABLE 4 – STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

*Board of Statutory Auditors*

<i>Office</i>	<i>Member</i>	<i>Year of birth</i>	<i>Date of appointment (i)</i>	<i>In office from</i>	<i>In office until</i>	<i>Slate</i>	<i>Ind. Code</i>	<i>Attendance at Board meetings (iii)</i>
<b>Chairperson</b>	FREZZOTTI GIOVANNI	1944	27/04/2018	29/04/2024	Approval 2026 Accs.	M	YES	21/21
<b>Statutory Auditor</b>	MASSINISSA MAGINI PAOLO	1960	29/04/2024	29/04/2024	Approval 2026 Accs.	M	YES	9/9
<b>Statutory Auditor</b>	ROMAGNOLI SIMONA	1971	29/04/2021	29/04/2024	Approval 2026 Accs.	M	YES	21/21
<b>Alternate Auditor</b>	TIRANTI LEANDRO	1966	29/04/2015	29/04/2024	Approval 2026 Accs.	M	YES	0/0
<b>Alternate Auditor</b>	NICOLINI MONICA	1963	29/04/2024	29/04/2024	Approval 2026 Accs.	M	YES	0/0

**Statutory Auditors leaving office during the year**

Statutory Auditor (ii)	BELLI MASSIMILIANO (ii)	1972	29/04/2021	Approval 2023 Accs.	M	YES	12/12
(I)	For date of appointment see C.V. par 11.2 COMPOSITION AND FUNCTIONING (as per Article 123-bis, paragraph 2(d) and d-bis, CFA).						
(II)	Statutory Auditor until April 24, 2024						
(III)	Attendance as Statutory Auditor at meetings s/he could have attended						

*Number of meetings held in the year: 21*

## ATTACHMENT 1

### ***Description of the principal characteristics of the Internal Control and Risk Management System in relation to financial disclosure***

#### **Introduction**

Within the general process for the recording and analysis of Group risk areas, undertaken to structure an internal control system which allows for the best possible governance of company risks, a particular focus is placed on the internal control system on the financial disclosure process, which is not considered a separate component, but rather an integral part of Elica's overall internal control system. The above accounting-administrative control model comprises a set of procedures and internal instruments adopted to enable the reaching of the assurance, accuracy, reliability and timeliness of financial disclosure objectives.

Employing a single and integrated approach the Company therefore considered it correct to base the guidelines for the design, implementation and maintenance of the Internal Control System on the best international practices, which currently stem from the study conducted by the Committee of Sponsoring Organizations of the Threadway Commission (CoSO Report). In addition to this, the development and implementation of the control procedures were conducted taking account the Corporate Governance Code of Borsa Italiana S.p.A., of the Confindustria "Guidelines", of the "Group Ethics Code" and further regulations and rules in force, as well as national and international standards and guidelines concerning Internal Control Systems in general, and specifically concerning Financial Disclosure Control Systems.

With specific regard to the administrative-accounting processes, the Internal Control System, as described above, supports the basis of the declaration which the Corporate Financial Reporting Officer must issue in accordance with Article 154-*bis* of Legislative Decree No. 58/98 as amended.

The structuring and organisation of administrative-accounting processes, in continuous development, is focused on achieving maximum synergy between achieving the compliance objectives and the optimisation objectives, through actions focused on formalising the processes and their efficiency, the identification and the evaluation of risks and the design of mitigating controls according to a structured methodology, with an overall view to achieving maturation of the entire System, extendible to the Group in the medium term.

#### **Phases of risk management and internal control in place in relation to Financial Disclosure**

The Financial Disclosure Control System of Elica is based on the phases described below:

*i) Identification of financial disclosure risks*

This activity involves continuous monitoring of the risks to which each Group company is exposed, by carrying out both quantitative assessments of the main account items and qualitative assessments.

*ii) Assessment of risks and identification of controls*

The administrative-accounting processes identified by the assessments described above are documented in order to allow for their analysis and maintenance, as well as to provide a full description of the associated risks and existing controls.

The approach adopted takes into consideration the possible risk of failing to correctly represent operating events in the financial disclosure, designing and monitoring controls to guarantee the coverage of these risks, in addition to coordinating with the control mechanisms implemented for other components of the overall internal control system. In particular, the administrative-accounting processes include risks related to the non-achievement of the control objectives to ensure true and correct financial disclosure and to minimise the probability and impact of any occurrence. These objectives concern the financial statement affirmations (typically: existence and occurrence, completeness, rights and obligations, valuation and recording, presentation and disclosure) and other elements concerning the internal control environment of the organisation (such as, for example, compliance with authorisation limits, segregation of duties, controls on the physical security and the existence of assets, documentation and traceability of operations). The risk analysis related to financial disclosure, developed according to the guidelines and the scope defined by the Financial Reporting Officer, provides for periodic updating in order to identify the principal amendments made to the administrative-accounting processes with the natural development of the business and the organisation.

*iii) Evaluation of the control of identified risks*

On the basis of the results of the recording and assessment of financial disclosure process risks at an inherent level (i.e. independently of the existence of controls upon occurrence), the Company defines the structure and the means for execution of administrative-accounting controls considered adequate to guarantee the containment and mitigation of residual risks to an acceptable level.

The system of controls defined to guarantee their containment is subject to periodic monitoring and to periodic verification of the effectiveness of the administrative-accounting controls, i.e. the performance of specific tests in order to ascertain the correct execution by the corporate functions involved, as well as the implementation of the defined corrective measures.

#### **Roles and Functions involved**

The Risk and Control Management System, in relation to the Financial Disclosure of Elica is overseen by the Financial Reporting Officer who draws up adequate administrative and accounting procedures for the preparation of the parent company and consolidated financial statements, in addition to all communications of a financial nature.

The Financial Reporting Officer declares upon the adequacy and the effective application of these procedures with regard to the half-year and annual financial statements, both for the parent company and for the group.

In carrying out the duties assigned by the Board of Directors, the Financial Reporting Officer:

- is supported by the corporate boards of the subsidiary legal entities which, on the occasion of the half-year and annual financial statements, declare the completeness and accuracy of the financial information provided by them;
- establishes a relationship of complete sharing and transparency with the Committee acting as the Control, Risks and Sustainability Committee and the Board of Statutory Auditors sharing, at least half-yearly the evaluations on the activities carried out and the actions to be undertaken, also by Internal Audit.