



## **DIRECTORS' REPORT**

**in accordance with Article 125 ter of Legislative Decree no. 58 of 24 February 1998 and Article 84 ter of the Consob Issuer Regulation no. 11971 of 14/5/1999 and subsequent amendments and additions**

**to point 5 on the Agenda of the Shareholders' Meeting of IREN S.p.A.**

**in ordinary session on 24 April 2025 at 10:00 am in a single call**

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Dear Shareholders:

The Board of Directors of IREN S.p.A., in accordance with the provisions of Article 125 ter of Legislative Decree no. 58 of 24 February 1998, as well as article 84 ter of the Consob Issuers' Regulation no. 11971 of 14/5/1999 and subsequent amendments and integrations, set out the content and proposals regarding point 5 on the agenda of the Ordinary Shareholders' Meeting to be held on 24 April 2025 at 10:00 am in a single call within this report.

## **REPORT ON POINT 5**

**Appointment of the Board of Directors and related offices for the three-year period 2025-2026-2027 (expiry date: date of approval of the financial statements for the financial year 2027): related and consequent resolutions.**

### **Appointment of the Board of Directors**

Pursuant to art. 18.1 of the current Bylaws of Iren S.p.A., published on the company's website, to which reference should be made for completeness, the company is managed by a Board of Directors composed of 15 members, who may or may not be shareholders.

Those who are ineligible or disqualified under art. 2382 of the Italian Civil Code and/or other applicable rules (including regulations) or who do not meet the requirements of integrity and professionalism, or any other requirement provided for by the law and regulations, cannot be appointed as members of the Board of Directors.

Two of them must meet the independence requirements prescribed by the legislation in force at the time.

The composition of the Board of Directors must comply with the criteria set forth in the applicable *pro tempore* legal and regulatory provisions on gender balance.

The members of the Board of Directors shall serve for three years. Their terms shall expire at the meeting convened to approve the financial statements relating to the last year of their term. They can be re-elected and expire in accordance with the law.

Pursuant to art. 19 of the Bylaws, the members of the Board of Directors shall be elected on the basis of lists in which candidates are marked by a progressive number and are in any case not more than the number of members to be elected.

Each list (except for those consisting of one or two candidates) shall contain a number of candidates of the less represented gender at least two-fifths, rounded down if the list contains less than 5 candidates.

The members of the Board of Directors, pursuant to art. 19.2 of the current Bylaws, shall be appointed in accordance with the following provisions:

- (i) 13 members of the Board of Directors are taken from the list that obtained the highest number of votes, including at least 6 members of the less represented gender, according to the order in which they were listed, provided that the list was submitted and voted by shareholders holding at least 40% of the voting rights in the Shareholders' Meetings with Increased Voting;
- (ii) for the appointment of the remaining 2 (two) members, the votes obtained by each of the lists other than the one referred to in paragraph (i), which were neither submitted nor voted by shareholders connected with the shareholders who submitted or voted for the same list referred to in paragraph (i), are subsequently divided by one and by two. The quotients thus obtained shall be progressively assigned to the candidates on each list, in the order laid down therein. The candidates are then placed in a single decreasing ranking, according to the quotients assigned to each candidate. The 2 candidates with the highest quotients will be elected.

In the event of a tie between candidates from different lists, the last member to be elected will be the one from the list that obtained the highest number of votes or, in the event of a further tie, the most senior candidate.

Where the list obtaining the highest number of votes is submitted and voted for by shareholders who hold a percentage of at least 22% of the voting rights in Shareholders' Meetings with Increased Voting Rights, but less than 40%, the provisions of art. 19.3 of the current Bylaws shall apply.

If none of the lists was submitted by shareholders holding at least 22% of the voting rights in the Shareholders' Meetings with Increased Voting, the members of the Board of Directors shall be appointed according to the provisions of art. 19.4 of the current Bylaws.

Moreover, pursuant to art. 19.5 of the current Bylaws, if only one list of candidates is submitted, the members of the Board of Directors shall be elected from said list.

If no list has been submitted within the deadline, art. 19.6 of the current Bylaws establishes that the candidates proposed in the meeting and voted by the latter shall be elected. Similarly, the Shareholders' Meeting will elect the Directors necessary to complete the composition of the Board, if the total number of candidates indicated in the lists voted by the Shareholders' Meeting is insufficient to achieve this result, or if at least 6 candidates of the less represented gender are not available. In the cases envisaged herein, the candidates submitted to the Shareholders' Meeting

shall be included in one or more lists, whose composition by gender shall comply with the principles of proportionality set out in art. 19.1 of the current Bylaws; if more than one list is submitted, the election of the Directors shall take place by means of list voting, quotients, ranking and any replacement mechanism described in art. 19.4 of the current Bylaws.

Lists may be presented by shareholders representing at least 1% of the shares with voting rights at the ordinary Meeting. The lists must be **deposited** at the Company's registered office, under penalty of forfeiture, **by 12:00 pm on 31 March 2025** (considering that the natural expiry date falls on a public holiday) and they will **be published** on the Company's website by **3 April 2025**. The lists can also be filed by attaching them to an e-mail to be sent to [affarisocietari@gruppipoiren.it](mailto:affarisocietari@gruppipoiren.it), or [irensipa@pec.gruppipoiren.it](mailto:irensipa@pec.gruppipoiren.it), together with details identifying the person making the filing.

No shareholder may present or vote for more than one list, not even through a third party or trust company. Shareholders from the same group, and shareholders who are party to a shareholders' agreement regarding the company's shares may not submit more than one list, not even through a third party or trust company. A candidate may only be present on one list, under penalty of ineligibility.

The adhesions and votes expressed in violation of the above prohibition are not attributed to any list.

The lists shall include at least two candidates who comply with the independence requirements set out by the legislation in force at that time and shall be accompanied:

- a) by information regarding the identity of the shareholders who presented the lists, with an indication of the total percentage of shareholding held, attested by a certification which may also be produced subsequently, provided that it is within the deadline set by the Company for the publication of the lists (i.e. by 3 April 2025) at the email address [iren@pecserviziottitoli.it](mailto:iren@pecserviziottitoli.it) and [affarisocietari@gruppipoiren.it](mailto:affarisocietari@gruppipoiren.it).
- b) a declaration by the shareholders other than those who hold, even jointly, a controlling interest or a relative majority, as members adhering to a shareholders' agreement, certifying the absence of relationships of affiliation as defined in current laws and regulations;
- c) by exhaustive information on the personal and professional characteristics of the candidates, as well as by a declaration in which the individual candidates accept the candidacy and certify the non-existence of causes of incompatibility and ineligibility and the possession of the requisites established by law and the Bylaws for the members of the Board of Directors, as well as any possession of the independence requisites prescribed by the legislation in force at the time.

Any list that does not comply with the above provisions, or whose gender composition does not comply with the requirements of Article 19.1 of the Bylaws will be disregarded.

**In the Meeting resolution concerning the appointment of the members of the Board of Directors, art. 6.1-bis (ii) of the current Bylaws, which provides for an increase in voting rights for the purposes of art. 19 of the Bylaws will apply.**

In compliance with the provisions of Recommendation no. 23 of the Corporate Governance Code (January 2020 edition), effective from 1 January 2021 (hereinafter "**Code**"), to which IREN S.p.A. has declared its adherence, taking into account that its term of office expires with the approval of the financial statements for the year ended 31 December 2024, the Company's Board of Directors:

- subject to the investigation and opinion of the Company's Remuneration and Appointments Committee;
- having regard to the results of the self-assessment activities carried out during the three years

of the Board's term of office, during which the issue of the qualitative and quantitative composition of the Board was addressed;  
expressed to the Shareholders, with a view to the renewal of the administrative body scheduled for the Shareholders' Meeting on 24 April 2025:

- its thoughts on the size of the new Board of Directors (hereinafter "**Guidelines**");
- guidelines on managerial and professional figures whose presence on the new Board of Directors is considered appropriate, also taking into account diversity criteria, including gender, as per Recommendation No. 8 of the Code, as well as in light of the size and complexity of the Company, its business objectives, and its strategic vision.

The document containing the above-mentioned Guidelines - made available to the public in the dedicated section of the Company's website ([www.gruppoiren.it](http://www.gruppoiren.it)) - is annexed to this Report.

It is also recalled that, pursuant to Recommendation no. 23 of the Code, Shareholders are required to submit a slate with a number of candidates that is higher than half the number of members to be elected, to provide adequate information on the compliance of the slate with the board Guidelines mentioned above, and with the board diversity criteria set forth in the Code and to identify its candidate for the chair of the board. All the information mentioned in this paragraph is disclosed in the documentation attached to the slate during its filing process. In this regard, it should be noted that, pursuant to the current shareholders' agreement filed pursuant to art. 122 of the Consolidated Law on Finance with the Register of Companies of Reggio Emilia, in the list submitted and voted by shareholders who hold at least 40% of the voting rights in the Shareholders' Meetings' Resolutions with Increased Voting, the candidate marked with no. 11 is appointed to the position of Chair of the Board of Directors without the need for a further specific vote.

Reggio Emilia, 13 March 2025

On behalf of the Board of Directors

Chairperson

Mr. Luca Dal Fabbro



Annex: as per text

# Guidelines of the Board of Directors of Iren S.p.A. to the Shareholders on the qualitative and quantitative composition of the Board of Directors for the three-year period 2025-2027

Document approved at the meeting held on 4 February 2025,  
after review by the Remuneration and Appointments Committee

## Background, purpose and process followed

In compliance with the recommendations of Recommendation no. 23 of the Corporate Governance Code (January 2020 edition), effective as of 1 January 2021 (hereinafter the **Code**), regarding which IREN S.p.A. (henceforth also **IREN** or the **Company**) has declared its adherence, taking into account that its term of office expires with the approval of the financial statements at 31 December 2024, the Board of Directors of the Company

- after the Remuneration and Appointments Committee of the Company carried out its assessment, in compliance with the provisions of art. 9.1, letter (b) of the respective Regulation;
- given the outcomes of the self-assessment activities carried out over the three-year council mandate, with the support of the advisor Korn Ferry, during which the topic of the qualitative-quantitative composition of the board was addressed;

expresses to the Shareholders, with a view to the renewal of the administrative body scheduled for the Shareholders' Meeting on 24 April 2025:

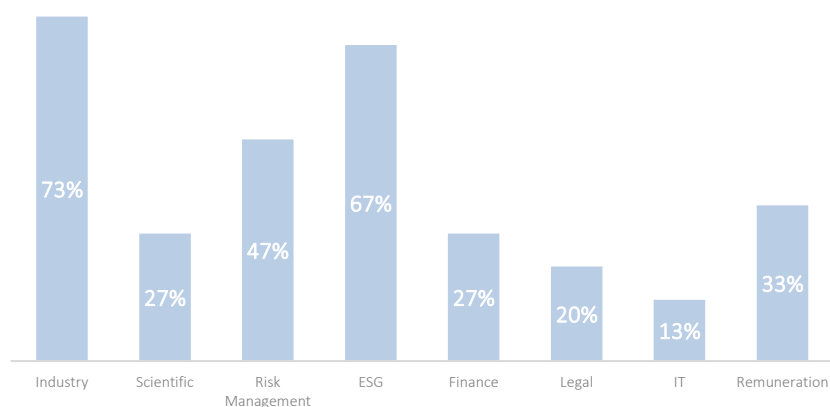
- its thoughts on the size of the new Board of Directors;
- guidelines on managerial and professional figures whose presence on the new Board of Directors is considered appropriate, also taking into account diversity criteria, including gender, as per Recommendation No. 8 of the Code, as well as in light of the size and complexity of the Company, its business objectives, and its strategic vision.

This document is being circulated to the market in advance of the legal deadlines, to allow shareholders to make their own considerations in view of the appointment of the new Board of Directors of IREN for the three-year period 2025-2027.

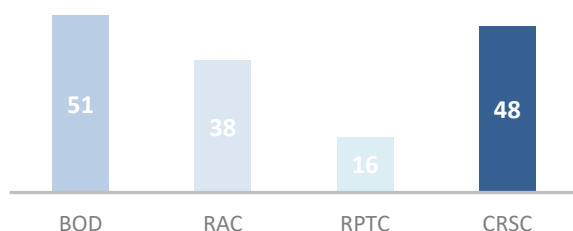
It is recalled that, pursuant to Recommendation no. 23 of the Code, Shareholders are required to submit a slate with a number of candidates that is higher than half the number of members to be elected, to provide adequate information on the compliance of the slate with the board Guidelines mentioned above, and with the board diversity criteria set forth in the Code and to identify its candidate for the chair of the board, whose appointment is conducted according to the company's Bylaws. All the information mentioned in this paragraph is disclosed in the documentation attached to the slate during its filing process.

## Overview of the skills of the current board and the number of meetings of the Board of Directors and its Committees held over the three-year term

Responsibilities of Directors serving in the 2022-2024 term



Meetings of the Board of Directors and Committees in the three-year period 2022 (from the start of the term) - 2024



With regard to the number of meetings, it should be underlined that Assonime, as part of the report Notes and Studies 6/2024 carried out on Italian listed companies, pointed out that, in 2023, the average number of meetings will be higher than the average number of meetings:

- of the Board of Directors was equal to 12 meetings (compared to 17 meetings of the Board of Directors of IREN on average for each year of mandate);
- of the Remuneration Committee held an average of 5.8 meetings (compared to an average of 12 meetings of the IREN Remuneration and Nomination Committee each year of the mandate);
- of the Nomination Committee amounted to 6.5 meetings in mid-cap companies;
- of the Control and Risk Committee was equal to 8.5 meetings (compared to an average of 16 meetings for the Control, Risks, and Sustainability Committee of IREN for each year of the term).

### Quantitative aspects: the size of the Board of Directors and its internal Committees

In accordance with best practices in the field of corporate governance, the number of members of the administrative body must be established to an adequate extent in relation to the size and complexity of the Company's organisational structure, in order to effectively oversee the Company's entire operations, both in terms of management and control.

The Board of Directors, in light of the size and organizational complexity of IREN and the operating dynamics that have emerged over the last three years, positively assesses the current size of the Board of Directors of 15 (fifteen) Directors, which is considered appropriate to ensure an adequate balance of skills and experience required by the complexity of the Company's and the IREN Group's business as well as to allow an effective ability to work collectively as well as an adequate composition of the Board Committees established.

In fact, the correct size of the administrative body is also determined in relation to the number and composition of the Board committees, which have advisory, propositional and investigative functions in which a decisive role is entrusted to non-executive and independent Directors.

The presence of the Committees is a consolidated organisational method within the Company's governance, which has led, in the past three years, to the achievement of a good level of efficiency and effectiveness in carrying out the Board's work.

In general, the Board of Directors considers the structure and quantitative composition of the internal Board Committees to be overall adequate and, therefore, to be maintained following the renewal.

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All the above premises considered, during the past three-year period of the mandate, the Board of Directors

of IREN has deemed the existing ratio between executive and non-executive and independent Directors (11 - eleven - Directors, representing the majority of the currently serving Directors) to be appropriate, as it is suitable for ensuring effective functioning of the Board itself and facilitating dialogue in board proceedings, thereby creating an adequate spirit of challenge.

The IREN Board of Directors hopes that, also for the next three-year period, an adequate representation of the independent directors<sup>1</sup> will be maintained on the administrative body. This is for the reasons already mentioned, as well as to facilitate the setting up of Board Committees according to the criteria defined by the Code.

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### Qualitative aspects: the composition of the Board of Directors

The Board of Directors of IREN – hoping that the renewal of the Board itself is carried out with a logic of continuity, to ensure stability and coherence of action in the management of the Company, especially in light of the extraordinary changes that have occurred during the term of office – outlines below the personal and professional characteristics deemed appropriate for the different roles within the Board of Directors, in line with those currently observed.

It is stated that all candidates must also possess the honourability requirements prescribed by the current regulations.

Without prejudice to the provisions set out in paragraph 2 of article 18 of the Bylaws, the objective of the Board of Directors with regard to its composition is to combine different professional and managerial profiles, acknowledging the value attributed to the complementarity of experience and skills, together with gender and age diversity, for the proper functioning of the Board.

In general, the Board of Directors expresses the hope that, for the next three years, the complementarity of experience and skills will continue to be guaranteed, to be combined with adequate diversity in terms of age and seniority of office.

With specific reference to gender diversity, the Board of Directors considered that it is adequately represented within the current administrative body and – in light of this – they hope that such representation will be maintained in the future.

The Board, in order to adequately fulfil its role, believes that future members should:

- a) be represented by individuals with a managerial and/or professional background (as detailed hereafter), to establish a combination of diverse and complementary skills and experiences, whilst also considering the advantages that might come from having a diversity of genders, age ranges, and tenures on the Board;
- b) have suitable seniority, interpreted as proven experience in complex organisational contexts in business and/or professional and/or institutional environments;

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<sup>1</sup> In line with the provisions of the Corporate Governance Code, the Board of Directors has established the criteria of significance for the purpose of assessing the independence of the Directors. With reference to the criteria set out in Recommendation no. 7 of the Code (i) letter (c), the Board of Directors in office has decided to "limit" "significant" commercial, financial or professional relations to those which exceed, when considered as a whole, an amount equal to Euro 95,000.00, without prejudice to any more precise verification with regard to (a) the impact of the relations on the economic and financial situation of the party concerned; (b) the relevance for the prestige of the person concerned and (c) and any connection with important operations of IREN S.p.A.; (ii) letter (c), second bullet, the Board of Directors will also consider, for this purpose, any relations with senior executives and managers of the main Public Shareholder Municipalities that, jointly, by virtue of the Agreements, control the Company; (iii) lett. (d), the Board of Directors considered that significant additional remuneration with respect to the "fixed" emolument of non-executive director of the issuer is total remuneration exceeding Euro 65,000.



- c) have gained experience in the sphere of boards of directors of companies, preferably listed, of significant size and/or complexity;
- d) possess skills that allow for their effective participation both in the Board of Directors' activities and in the various committees established within it. For this purpose, skills acquired in the economic-financial fields and/or risk management and/or law and/or corporate governance and/or sustainability and/or digital innovation and/or in the technology and research sector are considered relevant; Furthermore, given the industry in which IREN operates, skills in water resources management, waste management, energy production and distribution, circular economy, and environmental infrastructures are especially relevant. Such skills will enable one to tackle the sector's specific challenges and to contribute effectively to the sustainable development of the company.

In addition:

- the managerial profiles should:
  - ✓ have gained experience in positions of responsibility within industrial groups of a size and/or complexity comparable to those of IREN;
  - ✓ have business judgment abilities and a high orientation towards strategies and results;
- the professional profiles should:
  - ✓ have gained experience in operational areas of significant professional firms, consulting companies, or other organisations, public or private;
  - ✓ have carried out their professional activity with particular relevance to the activity of businesses.

Concerning the presence on the Board of Directors of any academic or institutional profiles, the same should have, besides the characteristics previously mentioned in points b), c), d), e), competences that are strictly and directly relevant to the business of the Company and the Iren Group or to the issues pertaining to it.

Finally, it is considered of particular importance to have a greater presence in the next Council of profiles with a managerial and entrepreneurial background, with a focus on sectors related to both renewable and traditional energies.

Furthermore, it is suggested to consider applications that can demonstrate comprehensive competencies in the field of advanced technologies. This approach will broaden and diversify the skill set, facilitating more fruitful discussions and higher quality decisions.

Finally, the opportunity is confirmed for the appointed Councillors for the next three years to have soft skills or non-technical competences, with particular regard to: (i) the awareness of own role and responsibilities as well as of the IREN Group governance model; (ii) the ability to contribute to the creation of a model of culture, values and appropriate conduct within the administrative body; (iii) the ability to go in-depth and the ability to establish a dialectical relationship with management; (iv) the ability to express opinions and considerations with autonomous judgement and substantive independence; (v) the ability to work as part of a team and to manage conflicts constructively, in order to encourage good debate and an adequate board discussion.

For all members of the Board, including Directors holding specific offices, the following are important and complementary to the aforementioned ones: authoritativeness, personal standing and strong communication skills.

As required by the Code, the skills will still need to be supported by a gradual training activity organised by the Company, which will take into account the different seniorities of office and the possible reconfirmation of serving Directors.

## Particularly significant profiles

The **President** should:

- be an individual equipped with excellent interpersonal skills and having significant and acknowledged authority and leadership in the sectors where the company is active, able to guarantee the clear and transparent functioning of the Board of Directors during the term, as well as handle relations with all major stakeholders, such as institutions and the media, and also serve as a point of reference for all shareholders;
- have held positions of president and/or CEO in companies listed with the same or greater size of IREN;
- possess significant skills in the economic and financial sector, as well as a solid and proven strategic know-how on the main themes characterising the Company's business;
- have suitable preparation in the field of corporate governance, having gained significant previous experience within, and preferably leading, the Boards of Directors of listed companies of complexity and size comparable to those of IREN, having shown a strong awareness of governance and sustainability matters while performing these tasks.

The **Deputy Chairman**:

- should be a person with adequate authority to carry out the assignment;
- should have previous experience in, and preferably on, the Boards of Directors of listed companies of a size and/or complexity comparable to that of IREN;
- in relation to the current structure of delegations, they should possess specific knowledge in areas related to personnel/human resources, corporate governance, internal control systems as well as sustainability and corporate social responsibility.

The **Chief Executive Officer**:

Considering that it is desirable for the Chief Executive Officer to be granted the necessary powers to perform his role while respecting the prerogatives of the Board of Directors, they should, in particular:

- be an individual with authority, recognised for strategic vision and possessing a thorough understanding of the energy market and its development, also taking into account the current and future prominence of sustainability issues;
- have acquired significant and successful experiences in senior positions within publicly listed companies of a complexity comparable to that of IREN;
- possess significant expertise in the economic and financial sectors, as well as substantial industry-specific know-how on the main issues characterising the Company's business;
- possess recognised leadership and managerial qualities focused on guiding, teamwork skills, and building team spirit among colleagues;

### **Committees that will be established within the Board of Directors that will be appointed for the three-year period 2025-2027**

For the purpose of identifying the Directors who will be called upon to serve on the Board Committees by the Board of Directors that will take office after the Meeting of 24 April 2025, it should be noted that, in compliance with the Code:

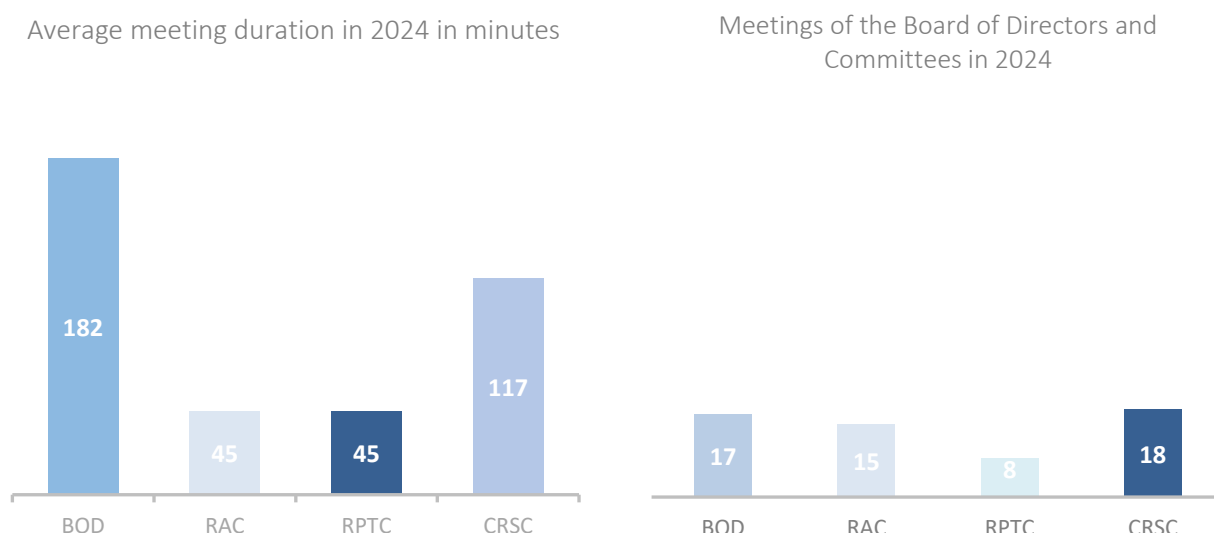
- at least one member of the Remuneration Committee has adequate knowledge and experience in financial matters or remuneration policies (Recommendation no. 26);
- as a whole, the Control and Risk Committee has adequate expertise in the business sector in which the company operates, and is able to assess the related risks;
- at least one member of the Committee referred to in the above point has adequate knowledge and experience in accounting and finance or risk management (Recommendation no. 35).

Reference is made to the Regulations of the aforementioned Committees published on the Company's website<sup>2</sup>.

### Time commitment

The Board of Directors of IREN points out that it would be advisable for shareholders to assess the amount of time that candidates for the office of Company Director can dedicate to the diligent performance of their duties, taking into account both the number and quality of the positions they hold on the boards of directors and boards of statutory auditors of other companies and the commitment required of them by the additional work and professional activities they perform and the positions they hold in associations.

In order to allow Shareholders to assess the availability of time to be requested from candidates for Board members and to be able to assess whether they are able to ensure preparation and participation in meetings, the outgoing Board of Directors indicates the number of meetings and the time commitments of Board members and Committees, measured with reference to the financial year 2024:



In addition to time related to meeting attendance, it is also necessary to consider:

- the time spent preparing for each meeting and, for the Chairs of the Board and each of the Committees, also the time spent performing the role and activities of preparing, organising and coordinating Board and Committee meetings;
- the commitment required to attend dedicated induction and recurring training meetings in addition to any off-site events during the three-year period.

The Board of Directors of IREN, upon the recommendation of the Remuneration and Nomination Committee, confirms the following guidelines concerning the maximum number of roles for Directors.

In particular:

- an Executive Director should not hold:
  - i. the position of executive director in another listed company, either Italian or foreign, or in a company with consolidated shareholders' equity or annual turnover higher than Euro 500 million;
  - ii. the office of non-executive director or auditor (or member of another supervisory body) in more than three of the companies indicated in point (i) above;
- the Chief Executive Officer may not serve as a director of another issuer not belonging to the same group,

<sup>2</sup> <https://www.gruppopen.it/it/governance/documenti-societari.html>.

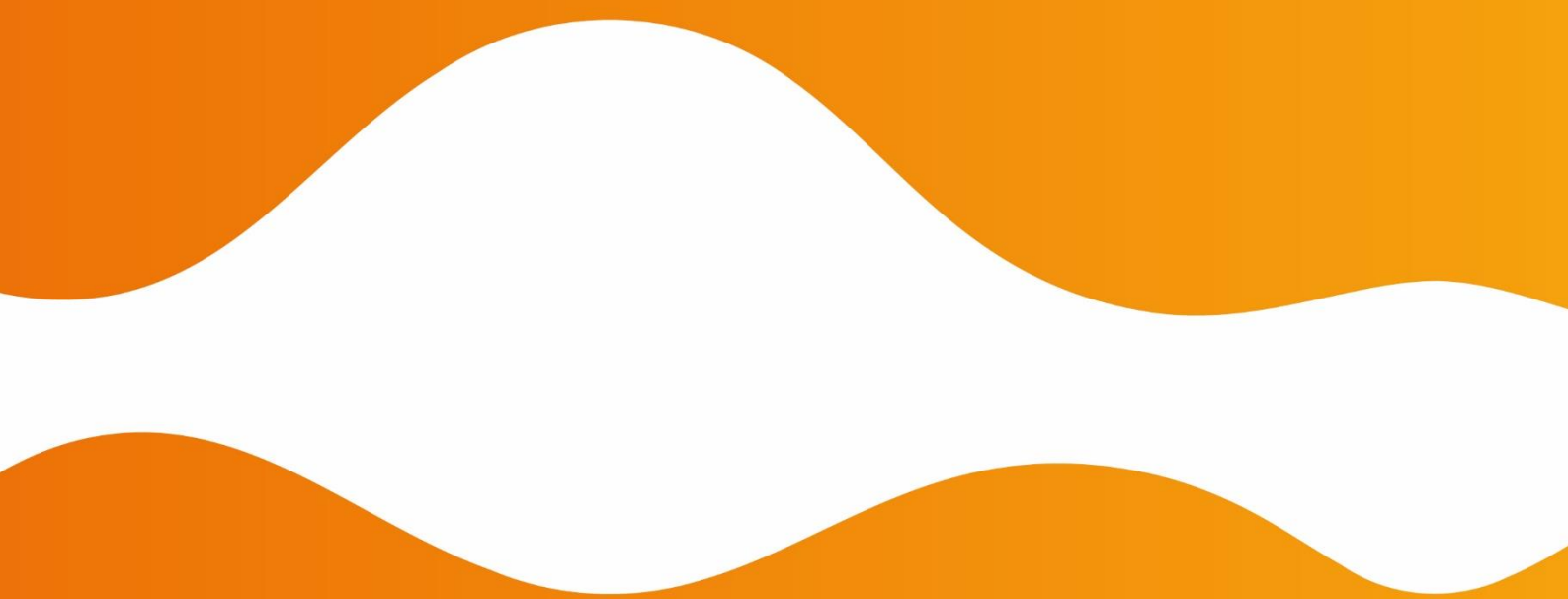
of which another director of the Company is Chief Executive Officer;

- a Non-Executive Director (also Independent), in addition to the office held in the Company, should not hold:
  - iii. the position of executive director in more than one listed company, Italian or foreign, or with a consolidated shareholders' equity or annual turnover higher than Euro 500 million and the position of non-executive director or auditor (or member of another supervisory body) in more than three of the companies indicated; or
  - iv. the office of non-executive director or auditor (or member of another supervisory body) in more than four of the companies indicated in point (iii) above.

For the purposes of calculating the maximum number of offices held, positions held within IREN Group subsidiaries or internal committees are not relevant.

When assessing each subjective position - which shall be carried out in the interest of the Company - the Board may take into account the concrete circumstances and professional commitments (not limited to the office held) of each single Director, both to allow for a possible derogation to the limits of offices and to provide for a possible lowering of the maximum number of offices that can be held. The Board of Directors, if appropriate, will invite the Director to make the resulting decisions.

The attendance of individual Directors expected at Board and Board Committee meetings during the year shall not be less than 80%, unless justified.



  
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