



Corporate governance and Ownership Report pursuant to article 123- bis of the Consolidated Law on Finance

2022 Financial Year

Traditional administration and
control model

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Glossary

Biesse or the Issuer or the Company: Biesse S.p.A., with its registered office at 16 Via della Meccanica, Pesaro

Code/Code of Corporate Governance: the Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee

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

CG Committee/Corporate Governance Committee: the Italian Committee for the Corporate Governance of Listed Companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria

Board: the Issuer's Board of Directors

Financial year: the financial year to which the Report refers

Group or Biesse Group: collectively, the Issuer and its subsidiaries as per Art. 93 of the Consolidated Law on Finance

Long Term Incentive Plan 2021-2023 or LTI: the 'Long Term Incentive Plan 2021-2023' of Biesse S.p.A. submitted for review by the Remuneration Committee on 6 May 2021 and approval by the Board of Directors of the Company on 12 May 2021 and available on the Company's website

Remuneration Report: the Remuneration Report drafted pursuant to Art. 123-ter of the Consolidated Law on Finance and available at the Company's registered office and on the website www.biessegroupp.com Investor Relations Section

https://www.biessegroupp.com/it/andamento_annuale_di_biesse/corporate_governance

Consob Regulation on Issuers: the Regulation adopted by Consob with Resolution No. 11971 of 1999 (as subsequently amended) on issuers

Consob Market Regulations: the Regulations adopted by Consob with Resolution No. 20249 of 2017 on markets

Consob Related Party Regulations: the Regulations adopted by Consob with Resolution No. 17221 of 12 March 2010 (and subsequent amendments thereto) on related party transactions

Report: this report on corporate governance and corporate structures that companies are required to prepare and publish pursuant to Article 123-bis of the Consolidated Law on Finance

TUF or Consolidated Law: Italian Legislative Decree No. 58 of 24 February 1998, and subsequent amendments and additions thereto

1. Issuer Profile

a) Operations

Biesse S.p.A. is an issuer with shares listed on the Euronext STAR Milan segment - managed by Borsa Italiana S.p.A.

It is the parent company of the Biesse Group, which operates in the market of machinery and systems for processing wood, glass/stone and advanced materials.

The Group offers modular solutions that range from the design of turnkey systems for large furniture manufacturers to individual automatic machines and workstations for small- and medium-sized companies, to the design and sale of individual hi-tech components.

A multinational company with factories in Italy and India, today the Biesse Group markets its products through a network of subsidiaries and 33 branches in what are considered strategic markets. The branch offices ensure specialised after-sales service to customers while also conducting market research to develop new products.

The Biesse Group's mission is to provide technological solutions for the processing of everyday materials in wood, glass, stone, metal, plastics and composites for the furniture, housing & construction, automotive and aerospace sectors; as a global partner, provide reliable, cutting-edge solutions and a specialist after-sales service that is quick, efficient and effective.

All the activities carried out by the Group are carried out with an awareness of its moral and social responsibility towards all its stakeholders (employees, shareholders, customers, suppliers, communities, commercial and financial partners, institutions, trade associations, union representatives, etc.), in the belief that the achievement of the Group's objectives (the first of which is to give added value to shareholders, customers and the community in which it operates) must be accompanied, not only by respect for specific company values, but also by compliance with current regulations and the general duties of honesty, integrity, fair competition, fairness and good faith.

Ethics and business integrity are at the heart of the Group's daily operations and its medium- and long-term sustainability strategy. The adoption of the Code of Conduct and the Anti-Corruption Code, among many other policies, codes and regulations, reflects the Group's commitment to absolute fairness and maximum transparency in the conduct of business activities and stakeholder relations.

The Issuer also actively pursues the sustainability of its business activities, under the Code of Corporate Governance, to which the Board of Directors of Biesse resolved to adhere in January 2021.

As of 2019, the Group has had a Sustainability Policy, approved by the Board of Directors on 26 February, aiming to set out the core principles on which its

approach to sustainability is based.

For the Group, Sustainability is not only a factor of competitiveness and differentiation concerning other players in the sector. Nevertheless, it is an essential principle for contributing healthily and constructively to the creation of value for shareholders and investors, to the generation of decent work opportunities for all employees, as well as to the promotion of the well-being of the local areas and ecosystems of which it is an integral part.

The Policy has been drafted based on the 2030 Agenda for Sustainable Development, bearing the Sustainable Development Goals (SDGs), the Paris Agreement (COP21 - Conference of the Parties to the UNFCCC), the ten Principles issued by the UN Global Compact and considering the EU (Directive 2014/95/EU) and national regulations (Italian Legislative Decree No. 254/2016) concerning the reporting of non-financial information, as well as the principles, values and rules in the Group's Code of Conduct and other corporate regulations and policies aimed at ensuring business ethics and integrity.

The pursuit of Sustainability is entrusted first and foremost to the Board of Directors, which approves the non-financial statement and providing regular and transparent communication to Stakeholders, in line with the requirements of national legislation on non-financial reporting (Italian Legislative Decree 254/2016).

With this in mind, the Board of Directors guides the Issuer, to gradually integrate sustainability objectives into the business plan, the remuneration policies and the internal control and risk management system and, as better specified in Sections 4.1, 8 and 9 of the Report respectively.

In support, the Biesse Control and Risk Committee's task is to oversee Sustainability issues relating to the management of the Company's impact on the environment and people, connected to the Company's operations and its interaction with all Stakeholders; It also advises and supports the Board of Directors on these matters.

Finally, Biesse Group employees and collaborators are required to apply the principles, rules and values contained in the Group Code of Conduct and other company regulations and policies aimed at guaranteeing business ethics and integrity.

The Group's approach to sustainability is based on an analysis of the 17 Sustainable Development Goals (SDGs), the key principles of the 2030 Agenda for Sustainable Development, and EU and national legislation on non-financial reporting, under which the Group has identified the following macro-areas of reference on which to base its approach to sustainability, as part of an ethical and sustainable business management strategy: Financial Sustainability, Social Sustainability and Environmental Sustainability. In particular, the sustainability path undertaken by the Group is aimed at progressively achieving a strategic understanding of sustainability in these macro-areas, to identify useful actions to expand and extend the positive

externalities of its operations, implementing innovative solutions to control and mitigate the negative ones.

Financial Sustainability: For the Group, financial sustainability is synonymous with creating and distributing added value for its shareholders and all other stakeholders in its value chain, including business partners, end customers and local communities. To ensure that these ambitious objectives are achieved, the Group aims to continuously improve the reliability, safety and innovation of the products and services it offers through the careful selection of its suppliers, constant investment in research and development and the adoption of commercial choices aimed at expansion into cutting-edge sectors and strategic markets, both in Italy and abroad;

Social Sustainability: The Group believes that people are the cornerstone of its success and that all business activities should be inspired by their protection and the development of their well-being, in full respect of cultural diversity. In particular, it is essential to strive for sound health and safety conditions for its employees in the workplace: This must be a priority in managing each activity, from the conception and design of the machines to their installation and the provision of after-sales services. It must involve employees, suppliers, vendors and end customers. Aware of its strong link with the community, the Group is committed to social and cultural initiatives aimed at contributing to the development of the local areas in which it operates;

Environmental Sustainability: the Group firmly believes that considering the environment in all business activities is essential to creating a harmonious coexistence between people, technology and nature and that a commitment to sustainable development is an important variable in the Company's management strategy. The Group's environmental management system is based on the principles of energy saving, reduction of the impact of production systems on the environment and compliance with relevant legislation.

To report the results, the Issuer prepares and publishes, voluntarily, a non-financial statement pursuant to Italian Legislative Decree No. 254/2016, which can be found on the website www.biessegroup.com- Sustainability section, under the 'Global Reporting Initiative Sustainability Reporting Standards' defined by GRI - Global Reporting Initiative, according to the 'In accordance - Core' option and in line with the corporate procedure for drafting the NFS.

b) Corporate Governance System

Biesse shareholders exercise their rights through shareholders' meetings. Decisions taken at shareholders' meetings in compliance with law and the Articles of Association are binding on all shareholders, including those that dissent or abstain from voting. Ordinary and extraordinary shareholders' meetings and shareholder decisions are valid where the quorum, voting majorities, and other statutory requirements set out in existing laws are satisfied.

The Company has adopted a traditional governance and control model consisting of a Board of Directors, a Board of Statutory Auditors, and an independent auditor.

The Board of Directors is vested with all powers of ordinary and extraordinary administration. As such, it plays a central role in the Company's corporate governance. The Board has set up a Committee for the remuneration of Directors, an Audit and Risk Committee, and a Related Parties Committee.

The Board of Statutory Auditors monitors compliance with the law and the articles of association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual functioning.

As required by law, an independent auditor appointed by the shareholders and registered with Consob is responsible for auditing accounts.

Further on in this Report, a detailed description is provided of the role, responsibilities, composition and operation of each of the aforementioned governance bodies.

c) SMEs, large companies and companies with concentrated ownership

The Issuer falls within the parameters identified by Article 1, paragraph 1, letter w-quater.1) of the Consolidated Law on Finance - which provides that 'SMEs' are 'without prejudice to other provisions of law, small and medium-sized enterprises, issuers of listed shares, with a market capitalisation of less than EUR 500 million. Issuers of listed shares that have exceeded that limit for three consecutive years are not considered SMEs' - and by Article 2-ter of the Consob Issuers' Regulations, as amended by Article 44-bis of Decree-Law No. 76 of 16 July 2020 and subsequent Consob Resolution No. 21625 of 11 December 2020, containing the implementing provisions of the definition of SMEs applicable to listed companies. On 21 December 2018, the Company submitted to Consob the information relating to its qualification as an SME, specifying the value of its capitalisation and turnover, as prescribed by resolution No. 20621 of 10 October 2018. As of the date of this report, the Issuer thus falls within the above definition of 'SME', as the Issuer's market capitalisation as of 31 December 2020, 31 December 2021, and 31 December 2022 was Euro 364,637,000.00, Euro 719,178,000.00 and Euro 415,423,310.00, respectively.

As the Company's capitalisation did not exceed Euro 1 billion on the last trading day of each of the previous three calendar years, the Issuer does not qualify as a 'large company' within the meaning of the Code of Corporate Governance.

Instead, the Issuer falls within the definition of a 'concentrated ownership company' under the Code of Corporate Governance, i.e. a company in which one or more shareholders hold, directly or indirectly (through subsidiaries, trustees or intermediaries), the majority of the votes exercisable at an ordinary shareholders' meeting. For more information, please refer to

Section 2 of this Report. The Issuer has availed itself of certain specific simplification options recognised by the Code of Corporate Governance in compliance with the principle of proportionality introduced by the same, with particular reference to the frequency of the self-assessment of the Board and the formulation of guidelines on the quantitative and qualitative composition considered optimal for the administrative body in view of its renewal, as specified in Section 7.1 below of this Report.

2. Information on the ownership structure (pursuant to Art. 123-bis paragraph 1 of the Consolidated Law on Finance) at 14/03/2023

a) Share capital structure (pursuant to Art. 123-bis(1)(a) of the Consolidated Law on Finance)

The share capital, totalling €27,402,593 is fully paid up and divided into the same number of registered, ordinary shares with a par value of €1 each.

SHARE CAPITAL STRUCTURE					
No. of shares	% of share capital	Voting rights	% of total voting rights	Listing	Rights and obligations
27.402.593	50,98%	Total ordinary shares of which 13,970,500 with increased voting rights	67,53%	Euronext Star Milan	As per law and the Articles of Association

In 2018, the Issuer proposed the introduction of shares with increased voting rights to achieve, on the one hand, the stabilisation of control and, on the other, a shareholding that is more active in the management of investments and less attentive to speculative logics and short-termism.

The proposal, submitted to the Shareholders' Meeting held on 24 April 2018, was accepted with a vote in favour and led to the modification of Art. 6 of the Articles of Association, with the introduction of the ad hoc regulation of shares with increased voting rights, an extract of which is available on the Issuer's website www.biessegroup.com, in the section Investor Relations/Increased voting right. Consequently, the Issuer has also fulfilled the obligation of maintaining a register of shares with increased voting rights, in which the shareholders who request it will be registered. A resolution of the Board ratified the setting up of the register on 14 May 2018 and its management was assigned to a third-party company by way of outsourcing.

As of the date of this report, only the shareholder Bi.Fin. Srl had applied to be entered on the list to be eligible for the increased vote rights for its entire

shareholding (amounting to 13,970,500 shares). The corresponding entry in the list took place on 18 May 2018. After 24 months of registration, i.e. 18 May 2020, the shareholder BI.FIN S.r.l. gained the increase in voting rights due to the shares registered in the list, subject to notification by the depositary intermediary.

At the date of the Report, the Issuer has issued only ordinary shares and no shares carrying voting or other rights other than ordinary shares have been issued. Without prejudice to the above, please note that pursuant to Art. 6 of the Articles of Association, the so-called increased voting rights referred to in Art. 127-quinquies of the Consolidated Law on Finance are provided for. For more information, see paragraph c).

The Company has not approved capital increases to service share-based incentive plans. Biesse's new 'Long Term Incentive Plan 2021-2023' received a fairness opinion from the Remuneration Committee on 6 May 2021, after being reviewed by the Related Parties Committee. This plan provides for the payment of cash awards to the beneficiaries subject to achieving the Company's economic and financial objectives, therefore, not providing for the allocation of shares, pursuant to Art. 114-bis of the Consolidated Law on Finance, a resolution of the Shareholders' Meeting in this regard was not necessary, since a resolution of the Issuer's administrative body was deemed sufficient (12 May 2021).

b) Restrictions on transferring securities (pursuant to Article 123-bis paragraph 1(b) TUF)

There are no restrictions of any kind on transferring securities

c) Significant shareholdings in the capital (pursuant to Article 123bis paragraph 1, letter c) of the Consolidated Law on Finance)

At the date of this Report, shareholders holding more than 5% of the subscribed share capital in the form of voting stock, as confirmed by the share register and disclosures received in compliance with Art. 120 of the Consolidated Law on Finance and other available information, are listed in the table below:

Declarant	Direct shareholder	% of ordinary share capital	% of voting share capital
Selci Giancarlo	BI.FIN S.r.l.	50,98%	67,53%

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

The Issuer has not issued securities conferring special rights.

e) Employee share ownership: Mechanism for exercising voting rights (pursuant to Article 123-bis (1)(e) TUF)

The Issuer has adopted no system of employee participation in its share capital or share-based incentive plans.

f) Restrictions on Voting Rights (pursuant to Article 123-bis (1)(f) TUF)

There are no restrictions on the voting rights of ordinary shares. The Issuer has issued ordinary shares only. During 2018, shares were introduced having increased voting rights (cf. paragraph d) above).

g) Shareholder agreements (pursuant to Article 123-bis(1)(g) TUF)

To the best of the Company's knowledge, there are no agreements between shareholders pursuant to Article 122 of the Consolidated Law on Finance.

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

On 9 September 2021, the Issuer entered into a medium/long-term unsecured loan up to a maximum amount of Euro 50 million with BNL BNP, which provides for a change of control as one of the withdrawal events, meaning, the ability of the bank to withdraw from the loan agreement pursuant to Article 1845 of the Italian Civil Code upon the occurrence of an event and/or series of events as a result of which (i) the Selci Family – defined as Giancarlo Selci and Roberto Selci and all direct descendants and/or companies directly or indirectly controlled by them – ceases to hold, directly or indirectly, 51% (fifty-one per cent) of the voting rights in the Borrower's ordinary and/or extraordinary shareholders' meeting; or (ii) in any event, the Selci Family ceases to control the Borrower.

Concerning Takeover Bids, the Articles of Association of the Company do not provide for waivers of the provisions of Art. 104, paragraphs 1 and 1-bis of the Consolidated Law on Finance or application of the neutralisation rules provided for by Art. 104-bis, paragraphs 2 and 3 of the Consolidated Law on Finance.

i) Proxies to increase the share capital and authorisations to purchase treasury shares (pursuant to Art. 123-bis, paragraph 1, letter m) Consolidated Law on Finance)

The Board of Directors has not received any proxy to increase the share capital pursuant to Article 2443 of the Italian Civil Code or to issue equity financial instruments.

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

The Issuer is controlled by Bi.Fin S.r.l., which in turn is not controlled by any legal entity, as defined by Art. 93 of the Consolidated Law on Finance. The Issuer is managed and coordinated by its controlling shareholder Bi.Fin S.r.l.

As required by Art. 2497-bis of the Civil Code, all the Italian subsidiaries controlled directly by the Issuer have disclosed that they are managed and coordinated by the Issuer.

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Finally, it should be noted that:

- the information required by Art. 123-bis, paragraph 1, letter i) of the Consolidated Law on Financial Intermediation concerning 'agreements between the company and the directors [...] providing for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid' is contained in the section of the Report dedicated to Remuneration (Section 8.1);
- the information required by Art. 123-bis, paragraph 1, letter l), part 1 of the Consolidated Law on Financial Intermediation, concerning 'the rules applicable to the appointment and replacement of directors [...] if different from the laws and regulations applicable in addition' is illustrated in the section of the Report dedicated to the Board of Directors (Section 14.2);
- the information required by Art. 123-bis, paragraph 1, letter l), part 1, of the Consolidated Law on Finance, concerning 'the rules applicable [...] to the amendment of the articles of association if different from the laws and regulations applicable in the alternative' is illustrated in the section of the Report dedicated to the Shareholders' Meeting (Section 13).

3. Compliance (pursuant to Art. 123-bis, paragraph 2, letter a), first part, of the Consolidated Law on Finance)

Under Article 123-bis, paragraph 2, letter a), first part, of the Consolidated Law on Finance), the Issuer adhered to the Corporate Governance Code ('Code of Corporate Governance' or 'Code') in force as of 1 January 2021, and applied its contents, as detailed below, during the same Financial Year. The public can access the Code on the website of the Corporate Governance Committee at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>. This Report indicates whether the Company has decided not to implement specific recommendations contained in the Code, highlighting the reasons for the failure to comply with it and providing information on the process that led to the decision to deviate from it and any alternative course of conduct adopted.

In compliance with Art. 123-ter of the Consolidated Law on Finance and Art. 5 of the Corporate Governance Code, also taking into consideration what is stated in the Recommendations of the European Commission No. 2004/913/EC, 2005/162/EC and 2009/385/EC, the Company has adopted a general Remuneration Policy (which will be referred to in point 8 below). Intending to protect its values and compliance in general, the Company has also adopted an Antitrust Code (which will be referred to in point 5 below). The Issuer's corporate governance system complies with the principles identified by the Code. Together, these principles form the cornerstone of the Company's corporate governance policy, namely:

- the clear definition of roles and responsibilities and thresholds for determining the materiality of corporate transactions;
- boosting the confidence of and protection afforded to stakeholders;

- maximising value for shareholders and other stakeholders;
- improving transparency in financial reporting to the market;
- improving transparency and the propriety of transactions performed by related parties and relevant persons and of intra-group transactions;
- improving internal control systems.

The key documents relating to the governance of the Issuer are:

- The Articles of Association;
- The Shareholders' Meeting Regulations;
- Internal regulations for the management of inside information and the establishment of the register of persons who have access to it, revised and approved by the Board of Directors on 9 September 2020;
- Procedure for managing transactions carried out by persons exercising administrative, control or management functions and by shareholders on Biesse S.p.A. financial instruments traded on the electronic share market organised and managed by Borsa Italiana S.p.A. (Internal Dealing Regulations), approved by the Board of Directors on 3 August 2016 considering the legislative changes introduced by EU Regulation 596/2014 of 16 April 2014 and its implementing regulations ('MAR') as last updated on 27 February 2023;
- Organisation, Management and Control Model pursuant to Legislative Decree No. 231 of 8 June 2001;
- ICFR Model (Internal Control over Financial Reporting) Law No. 262 of 28 December 2005;
- Procedure to regulate Related party transactions according to the Consob Resolution No. 17221 of 12 March 2010 and subsequent amendments and additions;
- General remuneration policy;
- Antitrust Code;
- code of conduct;
- Anti-Corruption Code of Conduct;
- Sustainability Policy;
- Group Treasury Policy, approved on 9 September 2020;
- Rules of the Board of Directors, approved on 15 March 2021;
- Policy for Managing Dialogue with Shareholders and Other Stakeholders, approved on 29 October 2021.

To promote the market's broader knowledge of the governance model adopted by the Issuer, the documents indicated above (except the ICFR model and the Treasury Policy) are available online (in Italian and English) on the website www.biessegroup.com, Investor Relations/Corporate Governance section.

The Issuer and its strategic subsidiaries are not subject to non-Italian laws that may influence the Issuer's corporate governance structure.

This Report has also been prepared considering the indications in the format prepared by Borsa Italiana for the Corporate Governance Report (9th Edition January 2022).

4. Board of Directors

4.1 Role of the Board of Directors

To pursue its strategies, the Company has adopted a traditional governance and control model that includes a Board of Directors, a Board of Statutory Auditors and an external auditor.

Therefore, the Board of Directors is the central body of the Company's Corporate Governance system and defines, applying and updating the rules of corporate governance in compliance with the regulations in force, as well as determining the strategic management guidelines and top management of the Company and Group (understood as Biesse and the companies under its control, under the definition provided by Art. 93 of the Consolidated Law on Finance).

The actions and decisions of the directors are shaped by the primary aim of creating value for shareholders, in consideration of the directives and policies of the Group and the benefits connected with belonging to the Group.

The Board of Directors is vested with all powers of ordinary and extraordinary administration. It has the power to make all the decisions deemed necessary or conducive to pursuing the Company's business purpose, with the exclusion of decisions reserved to shareholders by law.

With a resolution of 28 April 2021, the Board of Directors in office was assigned a strategic and organisational role, in addition to responsibility for verifying the existence of the checks needed for monitoring the conduct of the Company and the Group as a whole.

The following are reserved for the Board in office:

- examination and approval of the Issuer's and the Group's business plan;
- periodically monitoring the implementation of the business plan, as well as assessing the general management performance, periodically comparing the results achieved with those planned;
- defining the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments all factors that may be relevant to the sustainable success of the Issuer;
- defining the Issuer's corporate governance system and the Group's structure;
- assessing the adequacy of the organisational, administrative and accounting structure of the Issuer and its strategically important subsidiaries, with particular reference to the internal control and risk management system (see Section 9 below for detailed information);
- resolving on transactions by the Issuer and its subsidiaries that have significant strategic, economic, capital or financial importance for the Issuer, establishing the general criteria for identifying significant transactions;
- adopting, on the proposal of the Chairman, in agreement with the Managing Directors, a procedure for the internal management and external

communication of documents and information concerning the Issuer, with particular reference to inside information (see Section 5 below).

In particular, in compliance with the provisions of the approved operating regulations and in line with the provisions of the Code of Corporate Governance, during the Financial Year, the Board of Directors:

- a) periodically monitored the implementation of the business plan approved on 30 July 2021 and assessed at least quarterly – specifically at the meetings of 14 March, 12 May, 29 July and 28 October 2022 – the general performance of operations, periodically comparing the results achieved with those planned;
- b) defined the Company's corporate governance system and the Group's structure and on 12 May 2022, assessed the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal control and risk management system;
- c) decided on transactions of the Company and its subsidiaries that have significant strategic, economic, capital or financial importance for the Company. In this regard, please note that on 14 March, the Board of Directors granted severally, to the Chairman of the Board of Directors and the Managing Directors, all the broadest powers to intervene on behalf of the Issuer at the shareholders' meeting of the Group company Forvet S.p.A. to resolve on the approval of the merger project of Forvet R&D S.r.l. into the parent company Forvet S.p.A; on the same occasion, the Board approved the update of the 2021-2023 Long-Term Incentive Plan to make it consistent with the new strategic plan;
- d) assessed the independence of each non-executive director immediately after appointment and during the term of office upon the occurrence of circumstances relevant to independence and in any event at least on an annual basis and predefined, at least at the beginning of his term of office, the quantitative and qualitative criteria for assessing the significance of the independence criteria identified by the Code of Corporate Governance, as subsequently detailed in paragraph 4.7.

On 30 July 2021, the Board adopted the 2021-2023 strategic plan, which, besides defining the nature and level of risk compatible with the Company's strategic objectives, included a specific programme to develop sustainability (currently reported through the relevant budget) for its explicit inclusion in the next three-year plan and in the remuneration linked to it.

Concerning the prior approval by the Board of Directors of related-party transactions and/or transactions affecting the interests of one or more directors or third-party interests they may represent, see section 10 below.

The Shareholders' Meeting has not authorised in advance waivers to the prohibition of competition pursuant to Art. 2390 of the Italian Civil Code.

During the Year, the Board:

- did not deem it appropriate to draw up reasoned proposals to be submitted to the Shareholders' Meeting for the definition of a corporate governance system more suited to the Company's needs (see Section 13 of the Report below);

4.2 Appointment and substitution (pursuant to Art. 123-bis, paragraph 1, letter a), first part, of the Consolidated Law on Finance)

Directors are appointed through a transparent procedure that provides timely and suitable background information on candidates. As required by Art. 16 of the Articles of Association, nominations for the office of Director include exhaustive information on the personal and professional characteristics of the candidates, along with an indication of whether they satisfy independence criteria.

Directors are appointed through the 'voting list' mechanism: the Company introduced the obligation to file the lists at the company headquarters no later than the 25th day before the date set for the Shareholders' Meeting and to make these available to the market, with the methods set forth by law and by Consob in its Regulation, at least 21 days before the Shareholders' Meeting.

The Articles of Association lay down that Shareholders have the right to present these lists only if, on their own or together with other Shareholders, they represent at least 2.5% (two point five per cent) of the share capital or if they hold a different minimum number of shares as established by Consob in its Regulations (it should be noted in this regard that, pursuant to Consob Executive Resolution No. 73 of 30 January 2023, the minimum percentage established by Consob for the 2023 financial year is 2.5%).

No Shareholder may submit or participate in submitting more than one list by proxy or fiduciary Company. Every vote holder may vote on only one list.

Members of the Board of Directors are elected through the following procedure:

- a) all the directors to be elected, minus one, are selected from the candidate list which obtains the highest number of shareholder votes, based on the sequential order in which they appear in the list;
- b) the first name on the candidate list which receives the second-highest number of shareholder votes, is selected as the remaining director to be elected.

The first candidate on the candidate list receiving the most shareholder votes is appointed Chairman of the Board of Directors.

Where only one candidate list is filed or voted for, all the candidates on the list are appointed to the Board.

Without a list, the Board of Directors is appointed by a Shareholders' Meeting with the majorities laid down by Italian law.

The election of the Board of Directors takes place in compliance with the regulations applicable to the election of the minimum number of independent directors required by Art. 147-ter, paragraph 4, of the Consolidated Law on Finance. The Articles of Association do not provide additional independence requirements for directors to those required by the Consolidated Law on Finance.

The Articles of Association provide that to ensure gender balance within the Board, the less represented gender must have a number of members equal to that established by the applicable laws and regulations. Therefore, the lists must contain several candidates belonging to the less represented gender equal to that required by the aforementioned legislation.

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

4.3 Composition (pursuant to Art. 123-bis, paragraph 2, letters d) and d-bis), Consolidated Law on Finance)

Under Art. 16 of the Articles of Association, the number of members of the Board of Directors may vary between a minimum of two and a maximum of fifteen directors, who may be either shareholders or non-shareholders, as determined by the Shareholders' Meeting.

The Board of Directors in office as at 31 December 2022 comprises seven members, whose term of office expires upon approval of the financial statements as at 31 December 2023. Three of the seven Board members belong to the least represented gender.

The seven members were appointed by resolution of the Shareholders' Meeting of 28 April 2021 based on (i) the list submitted by the majority shareholder Bl.FIN. S.r.l., which was voted by shareholders representing 28,085,494 shares equal to 81.150649% of the voting rights represented at the meeting, and (ii) the minority list jointly submitted by Shareholders in no way related to the majority Shareholder: "Amundi Asset Management SGR S.p.A. fund manager of Amundi Risparmio Italia; Anima Capital SGR S.p.A., fund manager of: Anima Crescita Italia, Anima Iniziativa Italia; Arca Fondi SGR S.p.A. fund manager of Arca Economia Reale Equity Italia; Bancoposta Fondi S.p.A. SGR fund manager of Bancoposta Rinascimento; Eurizon Capital SGR S.p.A., fund manager of: Eurizon Pir Italia 30, Eurizon Progetto Italia 20, Eurizon Progetto Italia 70, Eurizon Azioni Pmi Italia, Eurizon Progetto Italia 40, Eurizon Pir Italia Azioni; Fideuram Asset Management Ireland fund manager of Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management SGR S.p.A. fund manager of: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 50, Piano Bilanciato Italia 30; Interfund Sicav - Interfund Equity Italy; Mediolanum Gestione Fondi SGR S.p.A. fund manager of: Mediolanum Flessibile Futuro Italia, Mediolanum Flessibile Sviluppo Italia, which was voted by shareholders representing 6,268,587 shares, equal to 18.112550% of the voting rights represented at the Shareholders' Meeting.

The Board of Directors in office at the date of this Report comprises executive and non-executive directors, all of whom have the professionalism and skills appropriate to the tasks entrusted to them. The number and expertise of the non-executive directors are such to ensure that they have significant weight in the adoption of board resolutions and to guarantee effective monitoring of management. The majority of non-executive directors are independent.

The Board of Directors had three executive directors as at 31 December 2022:

Giancarlo Selci, Chairman of the Board of Directors;

Roberto Selci, CEO;

Massimo Potenza, Co-Chief Executive Officer;

There are four independent non-executive directors as per the Consolidated Law on Finance and the Code of Corporate Governance:

Alessandra Baronciani, Director;

Ferruccio Borsani, Independent Director (drawn from the minority list);

Federica Ricceri, Independent Director;

Rossella Schiavini, Independent Director

Term served by Directors since their initial appointment		
Directors	Date of initial appointment	Total number of
Giancarlo Selci	1994	28
Roberto Selci	2000	22
Massimo Potenza	2020	2
Ferruccio Borsani	2021	1
Alessandra Baronciani	2021	1
Federica Ricceri	2021	1
Rossella Schiavini	2021	1

The Shareholders' Meeting determined the directors' remuneration during the Board meeting on 28 April 2021. For further information, please refer to the Remuneration Report.

Brief information is reported below on the personal and professional backgrounds of the individual members of the Board of Directors.

Giancarlo Selci, born in Pesaro on 02/01/1936, is the Company's founder. Awarded the honours of Ufficiale e Cavaliere del Lavoro, he has always been actively involved in all Biesse operations. Under his guidance, the Group has grown steadily in size to reach international proportions, becoming a leading

multinational in the sector.

As at 31/12/2022, Cavaliere del Lavoro Selci does not hold any Issuer shares.

Roberto Selci, born in Pesaro on 18/04/1960, joined the Biesse Group in 1988. Initially holding various Sales/Marketing roles in the Company's Asian and US branches, he eventually promoted the internationalisation of the Biesse Group in subsequent years. Roberto Selci is the son of Giancarlo Selci, the Company's founder.

As at 31/12/2022, Mr Selci does not hold any Issuer shares.

Massimo Potenza, born in Bari on 23 April 1960, graduated in Business Administration from the University of Bari and subsequently received a Master's in the Tertiary Sector (Rome).

After taking on increasing responsibilities in finance and control, he became General Manager of the Bakery Products Division and subsequently CEO and member of the Board of the Barilla Group until 2011.

In the following years, he held the roles of Board Member and Senior Strategic Advisor in leading consulting companies for the Fashion & Luxury, Food, Pharma and Mechanical sectors.

He joined Biesse in October 2020 and is Co-Chief Executive Officer and General Manager.

As of 31/12/2022, Mr Potenza owns 2,050 shares of the Issuer, which he already held before taking office as Co-CEO.

Ferruccio Borsani, born in Locate Varesino on 30 April 1958, has a degree in Mechanical Engineering from Milan Polytechnic and a specialisation in Executive Management from the Luigi Bocconi University. He has extensive experience in top management positions in multinational telecoms services companies and served as General Manager of Vodafone Italia from 1996 to 2014. Subsequently, he worked as a senior manager consultant at innovative start-ups.

He is an Independent Director of De' Longhi S.p.A.

As at 31/12/2022, Mr Borsani does not hold any Issuer shares.

Alessandra Baronciani, born in Pesaro on 26 January 1962, has a degree in Economics and Commerce from the University of Ancona.

She began her career in the family company (Scatolificio M.B.N. Srl), and later joined Isopak Adriatica S.p.A. as a member of the Board of Directors and Financial Administrative Manager. She holds the position of President of Confindustria Pesaro Urbino.

As at 31/12/2022, Ms Baronciani does not own any Issuer shares.

Federica Ricceri, born in Padua, on 18 October 1972, has a degree in Business Economics from Luigi Bocconi University. She subsequently obtained a PhD in Business Economics from Ca' Foscari University.

She is currently Associate Professor at IULM University in Milan and Visiting Professor at Maquarie University and Sydney University. She has published articles and researches on economic and financial communication, corporate sustainability (ESG, CSR), intangible resources, planning, control and performance measurement systems.

As at 31/12/2022, Ms Ricceri does not hold any Issuer shares.

Rossella Schiavini, born in Gallarate on 8 May 1966, graduated in Political Science from the LUISS University in Rome and received a Master of Science from the London School of Economics and Political Science in 1991. She has many years of professional experience in the Italian and international banking-financial sector in the Wholesale and Corporate & Investment banking area. She is currently a member of the Board of Directors and the Control and Risk Committee at Marr S.p.A., as well as a member of the Board of Directors, Appointments and Remuneration Committee and Chairman of the Control and Risk Committee at IGD S.p.A.

During the Year, Ms Schiavini also took on the position of Independent Director in Credit Suisse Italiana S.p.A.

As at 31/12/2022, Ms Schiavini does not own any Issuer shares.

For all the members of the Board of Directors, the Company has examined the requisites of honourableness and professionalism required by current legislation, which was confirmed at the meeting of 29 July 2022. More specifically, the members of the Board of Directors meet the integrity requirements under Art. 147-ter, paragraph 4 of the Consolidated Law on Finance and the Regulation adopted by Decree No. 162 of the Ministry of Justice of 30 March 2000.

On the same occasion, the existence of the independence requirement of the relevant Directors was also verified, submitting to the Board a presentation concerning the verifications referred to in Art. 147-ter, paragraph 4 of the Consolidated Law on Finance, and Art. 2 of the Code of Corporate Governance concerning the documentation submitted by Ms Schiavini, Mr Borsani and Prof. Ricceri.

Unless otherwise stated in the personal information relating to the Directors, none of the members of the Board of Directors has any personal ties as referred to in Book I, Title V of the Civil Code with other members of the Board of Directors, nor between them and the members of the Board of Statutory Auditors of the Issuer or executives and other persons in a strategic role.

Diversity criteria and policies in Board composition and corporate organisation

The Board of Directors did not consider it appropriate to adopt diversity policies regarding matters such as age and educational and professional background, considering this assessment primarily the responsibility of the Shareholders in designating directorships and, subsequently, of each director in accepting the appointment. In terms of gender diversity, the Issuer applies articles 147-ter, paragraph 1-ter and 148, paragraph 1-bis of the Consolidated Law on Financial Intermediation (based on the regulations before the amendment by Law No. 160 of 27 December 2019) pursuant to which the lesser represented gender must obtain at least two-fifths of the elected directors and standing members of the Board of Statutory Auditors.

In particular, three of the seven members of the Board of Directors in office as of 31 December 2022 belong to the least represented gender.

In addition, the Company's Code of Conduct clarifies Biesse's commitment to guaranteeing a working environment free from direct or indirect discrimination based on trade union affiliation, political views, religious views, race, language, gender or other reasons and to offering equal opportunities under equal conditions. At all stages of the employment relationship, the Group is constantly focused on respecting diversity and equal opportunities and preventing discrimination.

Maximum number of offices held in other companies

Concerning the maximum number of offices held on the boards of directors and boards of statutory auditors in other listed companies or companies of significant size that may be considered compatible with the effective performance of the role of director, the Issuer, in the Regulation on the functioning of the Board of Directors adopted at the meeting of 15 March 2021 (available on the website [www. biessegroupp.com](http://www.biessegroupp.com) in the Investor Relations section), has recalled the limits provided for by law and regulations, specifying also that the acceptance of the office entails a prior assessment referred firstly to the Shareholders at the time of the appointment and then to the Board of Directors at the time of the appointment.

However, if the Board deems it to be appropriate based on the information received from the directors (and in light of the body's self-assessment process), it may carry out a check on it using primarily the following evaluation criteria: (i) the role of Director in the Company (executive, non-executive, independent, member of one or more committees); (ii) the nature and size of the organisation in which the positions are held and the role of the Director in these organisations (concerning, among other things, the organisation's corporate purpose, the governance structure, the number of meetings the director must attend as a result of his role, the responsibilities assigned to the directors, and any other mandates; (iii) whether these organisations are related to the Issuer's group.

4.4 Operation of the Board of Directors (pursuant to Art. 2-bis, paragraph 2, letter d), Consolidated Law on Finance)

The Issuer adopts a Regulation on the functioning of the Board of Directors,

approved at the meeting held on 15 March 2021 and subsequently updated on 29 October 2021, which governs its organisation and functioning in compliance with the applicable laws, regulations and Articles of Association, also considering the principles and recommendations of the Code of Corporate Governance.

Under this regulation, the Board of Directors normally meets quarterly, convened by the Chairman or their deputy, based on a calendar defined by the end of each financial year or, in any event, by January of each year and whenever the need arises.

The Board of Directors must also be convened when requested in writing by at least two-thirds of the members to resolve or to be informed on a specific management matter they consider of particular importance or urgency, to be indicated in the request.

Meetings are called by notice to be sent by any suitable means at least five days before the date set for the meeting, except in cases of urgency for which the time limit is reduced to one day.

A majority of the Directors in office must be present for the meetings of the Board of Directors to be valid.

Meetings of the Board of Directors may be attended remotely using suitable telecommunications systems, provided that all participants can be identified and that such identification is recorded in the relevant minutes and that they can follow the discussion and intervene in real time in the discussion of the items on the agenda, exchanging documentation where appropriate; the meeting shall be deemed to have been held at the place where the person chairing it, and the secretary are located, who shall ensure, as in all other cases, that the relevant minutes are drawn up and signed, acknowledging the physical presence or remote participation of the participants.

If the Chairman deems it appropriate, including at the request of one or more Directors, he/she may agree with the Chief Executive Officer that the Company's executives and those of Group's companies, responsible for the relevant corporate functions according to the subject, as well as external consultants, may participate in the Board meetings to provide the appropriate in-depth analyses of agenda items. These persons are present at Board meetings only for the discussion of items falling within their remit. They are, in any event, bound by the confidentiality obligations laid down for Board meetings.

Following the meeting, a draft of the minutes is sent through a document sharing system that ensures the confidentiality of the information to all Directors and Statutory Auditors for comments. The final text of the minutes is then drafted by the Secretary of the Board of Directors and submitted to the Chairman for approval, and then transcribed in the appropriate company book.

Supporting documentation for Board meetings is brought to the attention of each Director and Statutory Auditor using a document-sharing encrypted

digital system capable of ensuring the confidentiality of the information on the same date as the meeting is called, where possible, and no later than three days before the date set for the meeting, except in cases of urgency when the documentation will be made available as soon as possible. If the documentation to be made available is voluminous or complex, it may be accompanied by a document summarising the most significant and relevant points for the decisions on the agenda, it being understood that this document cannot be considered in any way a substitute for the complete documentation sent to the Directors.

The supporting documentation shall be prepared by the competent corporate function, based on information/resolution sheets gathering the main assessment factors necessary for each member of the Board to acquire the due knowledge for the purposes of the relevant resolution, and then sent by the Company Secretariat. Company personnel preparing documentation for Board meetings are bound by the same rules of confidentiality as Board members.

The information provided may be supplemented to ensure that Directors can make informed decisions and, where the documentation is voluminous or particularly complex, may be accompanied by a summary document.

The Issuer also adopts regulations for the functioning of the board committees, which are described in the relevant Sections of the Report.

All the above documentation is available on the www.biessegroup.com website in the Investor Relations section.

In addition to the provisions of the Articles of Association, the Board, by resolution of 28 April 2021, reserved its powers in respect of the following matters:

- a. Start-up of new businesses.
- b. Opening or closing factories, branches, remote facilities, sales offices and the like.
- c. Acquiring or disposing of shareholdings, branches or companies and the like.
- d. Stipulation of agreements with third parties of strategic importance (alliances, associations, joint ventures, long-term cooperation, etc.).
- e. Purchase or sale of real estate (land and buildings) and associated rights; establishment of guarantees on immovable property such as, for example, the granting of mortgages, privileges and guarantees.
- f. Issuing of sureties in the interest of third parties and for reasons other than those of commercial management and granting of privileges on movable assets, issuing guarantees and granting loans; this limit will not be effective for transactions involving the acceptance and endorsement of credit instruments.
- g. Stipulation of contracts that create a situation of conflict of interest

between the Company and its directors, internal auditors or managers. A conflict of interest is presumed, in particular, if the other party to the contract is a relative either direct or by marriage of directors, auditors or managers of the Company, or is a Company or entity with direct or indirect links to such relatives.

h. Stipulating, substantially modifying or terminating contracts which may be subject to notification to the competent national or international antitrust authorities due to their possibly stifling competition by their nature or content.

On taking office, the adequacy of the time available to the members of the Board of Directors was verified based on the results of the Time Commitments of each director, based on which the Board is called upon to assess whether each of its members, in the light of all the professional activities normally carried out besides the office of Director of Biesse S.p.A., has the time to devote to the management of the Company itself, subsequently confirmed for the 2022 financial year at the meeting held on 29 July.

During the financial year closed on 31 December 2022, the Board of Directors held seven meetings, each lasting two and a half hours on average. Please note that, until July 2022, the various board meetings were called, in compliance with the Articles of Association, by videoconference to comply with the rules to contain the Covid-19 pandemic. For the financial year ending 31 December 2023, six board meetings are scheduled, one of which was already held on 27 February.

The attendance percentage of each director in office on 31 December 2022 at the meetings of the Board of Directors is shown below (as detailed in Table 2 below): Giancarlo Selci 85%, Roberto Selci 100%, Massimo Potenza 100%, Alessandra Baronciani 100%, Ferruccio Borsani 100%, Federica Ricceri 100%, Rossella Schiavini 85%.

Achille Marchionni participates at Board meetings as the permanent secretary of the Board of Directors for the entire duration of the mandate of the administrative body currently in office.

Besides the secretary, the following directors normally attend board meetings as guests: Group CFO Mr Pierre La Tour and Group Legal and Corporate Affairs Manager Ms Elena Grassetti.

4.5 Role of the chairman of the board of directors

During the Year, the Chairman, pursuant to Art. 2381 of the Italian Civil Code and Art. 16 of the Issuer's Articles of Association, Art. and Recommendation 12 of the Code of Corporate Governance, through the Company Secretariat and the implementation of a digitised and encrypted platform dedicated to the sharing of corporate documents:

- checked that the pre-meeting briefing and additional information

provided at meetings was adequate to enable directors to act in an informed manner in carrying out their role;

- ensured the coordination of the activities of the board committees with the activities of the governing body;
- in agreement with the chief executive officer, ensured that the appropriate in-depth analyses of the items on the agenda were provided, also ensuring that the Issuer's executives and those of the group companies it heads, competent in their respective fields, attended the Board meetings;

In particular, the permanent presence at Board meetings of the Group CFO, Mr La Tour, called upon to support the meetings to approve the financial reports for the period and extraordinary operations, and of the Group Legal and Corporate Affairs Manager, Ms Grassetti,

The meetings were also attended by Internal Audit Mr Ciccopiedi, called upon to report on audit activities periodically, and Group Chief Human Resources Mr Enrico Tinti, on the occasion of the resolutions approving the 2021-2023 LTI update, the illustration of the MBO targets for strategic executives and the Remuneration Report, discussed in Section 8 below.

- Aware that, in compliance with the Code of Corporate Governance, it is appropriate to adequately inform directors and statutory auditors about the business sector in which the Issuer itself operates, the company dynamics and their evolution (also with a view to the Issuer's sustainable success), the regulatory or self-regulatory framework of reference, the Issuer, during the financial year, also through the relevant corporate functions, which were invited to attend Board meetings in this regard, informed and updated the Directors, among other things, on: - the organisational structure and changes with a significant impact on the Company's organisational chart; - the new commercial and product initiatives presented to the organisation and thus to the market; - changes in the relevant legislative and regulatory framework.

In addition, it organised induction sessions in July and October, each lasting about one hour, held by company management to provide directors and auditors with in-depth insights into specific corporate issues. Specifically, on 25 July, the Issuer organised a training session by the Group Chief Information & Technology Officer on cyber security to inform directors and statutory auditors about the measures taken in the Company to ensure cyber security; on 13 October, the Group Chief Marketing & Communication Officer thoroughly informed the Board and the Board of Statutory Auditors of the rebranding project launched by the Company during the year, aimed at implementing a new corporate brand identity consistent with business strategies.

All members of the Board of Directors and the Board of Auditors actively participated in the induction sessions.

Regarding the self-assessment process of the operation of the Board and its committees, the Chairman and the Board, due to the Issuer's affiliation to

companies with concentrated ownership under the Code of Corporate Governance, the Company has exercised the right to carry out a self-assessment process of its own and its internal committees, concerning their size, composition and actual operation, every three years.

The Issuer will conduct the self-assessment during the financial year 2023, anticipating the renewal of corporate bodies the following year.

If significant content emerges from the dialogue with the shareholders, the Chairman of the Board shall inform the Board at the first available meeting.

Secretary of the Board of Directors

The Board of Directors, on the proposal of the Chairman, has appointed a Secretary, who has adequate requirements of professionalism, experience and independence of judgement, as stated in the Regulation for the functioning of the Board of Directors.

The Secretary supports the activities of the Chairman in the functioning of the Board and provides assistance and advice to the Board of Directors on any matter relevant to the proper functioning of the corporate governance system. They distribute the documents, draw up the minutes of each meeting, sign them together with the Chairman and, once confirmed, release them. They keep and maintain the minutes, annexes and company books.

On the occasion of the renewal of the Board of Directors which took place during the 2021 financial year, the Board, on the proposal of the Chairman, confirmed the appointment of Mr Achille Marchionni, who also held this position in previous years, due to his deep and longstanding knowledge of the Issuer's corporate affairs.

During the Year, the Secretary supported the Chairman of the Board of Directors in the performance of his duties pursuant to Art. 12 of the Code of Corporate Governance, providing impartial assistance and advice to the Board on all aspects relevant to the proper functioning of the corporate governance system.

4.6 Executive Directors

Chief Executive Officers

In a resolution of 28 April 2021, the Board of Directors defined the allocation of management powers and identified which of the executive directors would hold the position of chief executive officer.

The Chief Executive Officer, Roberto Selci, was granted legal representation of the Company, as well as the following powers and responsibilities:

- a. on safety as referred to in Italian Legislative Decree No. 626 of 19 September 1994, as well as in Italian Legislative Decree No. 81 of 9 April 2008 as amended concerning the health and safety of workers in the workplace, all without any spending limit and with the power to delegate;
- b. with regard to the role of 'Employer' pursuant to and for the purposes of

Art. 2 of Italian Legislative Decree 19 September 1994 No 626 and of Art. 2 of Italian Legislative Decree 9 April 2008 No 81 as amended, with the duties laid down therein with the power to delegate, to the extent permitted by law, the performance of any useful and/or necessary activity aimed at ensuring compliance with the law, all with no spending limit and with the power to delegate;

c. in environmental matters pursuant to Italian Legislative Decree No. 152 of 3 April 2006, and the subsequent and inherent reference regulations, with the tasks provided for therein, with the right to delegate, to the extent permitted by the regulations, the performance of any useful and/or necessary activity aimed at ensuring compliance with the law, all without any spending limit and with the power to delegate;

d. with regard to machine safety standards, broader powers in relation to the assembly and production of machines for which the Company assumes responsibility as 'manufacturer', or in any event marketed by the Company, including outside the EU, under the name and/or trademark of Biesse S.p.A. and/or Group companies, or under the name and/or trademark of third-party manufacturers, so that the same, with the greatest decision-making and management autonomy, carries out all necessary activities and issues the most appropriate directives to ensure that the assembly and production of the machines takes place in full compliance with the instructions and under the directives, the designs and technical specifications decided by the Company and, in any event, in such a way as to ensure compliance with the safety standards and requirements applicable to the same machines, also based on the market of the EU member state of destination, all with no spending limit and with the power to delegate;

e. concerning the protection of personal data, the representation and care of any necessary fulfilment under the relevant legislation and in particular EU Regulation 2016/679 ('GDPR') and Italian Legislative Decree No. 196 of 30 June 2003, as amended by Italian Legislative Decree No. 101 of 10 August 2018 ('Privacy Code') and any related or consequential responsibilities, all without any spending limit and with the power to delegate;

f. as an executive director of the Company in charge of the internal control and risk management system;

g. as FGIP, i.e. the Department in charge of the Management of Inside Information, according to the Company's 'Internal Regulation for the Management of Inside Information'.

The Chief Executive Officer is also granted the following powers, with a spending limit of €1,500,000 per individual transaction, unless otherwise indicated, and it being understood that in no case shall this spending limit apply to the matters referred to in points (a) to (e) above:

1) at the request of the Chairman and/or in the event of their absence or impediment, convening the Board of Directors and setting the Agenda, as well as convening the Shareholders' Meeting if there are urgent reasons that

prevent or make it burdensome to convene the Board of Directors in advance;

- 2) executing the decisions of the Shareholders' Meeting and the Board of Directors within their competence;
- 3) the strategic definition of the Group's policies, general coordination of the same with the relative power to implement the policies established in every sphere (including, for example but not limited to, concerning the functional areas Supply Chain, Offering Management, Services Management, Customer & Markets Management [conception, development and design of machines and plants, procurement, management of warehouses and manufacturing processes, installation and sale of machines, management of commercial relations and with distributors] and concerning all the areas of support to the Company's business) and assumption of the consequent responsibilities;
- 4) proposing to the Board all the initiatives deemed useful in the interest of the Company and the Group, and formulate proposals in the matters reserved to the competence of the Board itself;
- 5) preparing the annual budget and the multi-year business plan for submission to the Board of Directors;
- 6) the supervision, control and coordination of extraordinary transactions, with particular reference to acquisitions or divestments of shareholdings and/or companies, branches of companies and/or specific assets, mergers and demergers of negotiations relating to agreements with third parties of strategic importance (by way of example but not limited to, alliances, associations, joint ventures, long-term cooperation), without prejudice to the powers of the Board of Directors, with the power to sign confidentiality agreements, letters of intent and memoranda of understanding or similar agreements, provided they are non-binding;
- 7) managing and coordinating relations with subsidiary companies, participating in the relevant Shareholders' Meetings and voting in the name and on behalf of the Company, both in ordinary and extraordinary sessions, within the limits of the spending powers indicated above and unless the CEO has an interest in the resolution; power to sign documents, in compliance with the rules of foreign subsidiaries, concerning reductions and/or increases in share capital
- 8) defining and implementing the functional and organisational structures of the Company and its subsidiaries, within the framework of the general organisational guidelines established by the Board, with the coordination and management of all foreign subsidiaries for these purposes, responsibility for the organisation of activities and said functional areas, services and offices, as well as employees;
- 9) defining, directing and supervising the activities aimed at ensuring the economic sustainability of the Company's business within the framework of the general guidelines established by the Board, with all inherent powers of

representation and signature;

10) defining, directing and supervising the activities of conception, development and design of machines and plants, with inherent activities of purchase of materials, management of warehouses of materials and semi-finished products, the manufacturing processes of machines, setting up and management of warehouses of finished products, activities of support to customers for assistance, installation and sale of machines, management of commercial relations with customers and dealers aimed at sales of company products and services, all without limits of amount in compliance with current company procedures;

11) setting criteria for recruitment and management of staff within the annual budget; hiring, appointing, dismissing staff including the rank of manager; the adoption and implementation of disciplinary measures, dismissal (including collective) and other provisions with regard to blue and white-collar workers, sales staff and auxiliary personnel;

12) entering into agreements for leases (including long leases), rent and gratuitous loan of immovable property and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts;

13) entering into contracts of sale of movable property and movable property entered in public registers, transactions and movable lease transactions and/or the conclusion of lease contracts, including long lease contracts, and gratuitous loan contracts on such movable property and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts;

14) entering into, renewing, modifying and terminating contracts for the sale of the Company's products and those of its subsidiaries – also with reservation of title – and for distribution with or without representation, with or without exclusive rights, fixing prices, terms and conditions, granting commercial exclusivity, rebates, discounts and signing the relative deeds, overseeing the export of the products by signing the relative contracts and the necessary documentation and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts; these powers may be exercised without limits on the amount;

15) entering into contracts for the supply, tendering and subcontracting, hire, exchange, shipment, lease, transformation of products, materials, equipment or machinery and in general any other contract concerning raw materials, stocks, semi-finished products, finished products, spare parts and movable property in general or services of any nature (including multimedia services) and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts; for supplies under multiannual framework contracts, the expenditure limit is to be understood as annual;

16) entering into contracts for consultancy and/or professional services and with all consequent powers to cancel, terminate, resolve and withdraw from

such contracts;

17) entering into contracts with business brokers, agency contracts, mediation contracts, with or without representation, with or without exclusive rights, agreeing terms and conditions and having the power to cancel, terminate, resolve and withdraw from such contracts;

18) entering into insurance contracts on behalf of the Company, agencies and representations, and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts;

19) requesting mortgages and financing with the conclusion of the relative contracts, credit mandates, and patronage with all consequent powers to cancel, terminate, resolve and withdraw from the same; the granting of mortgages and liens on real estate and/or movable property and the issuance of guarantees to third parties with the exception of bank guarantees issued to third parties within the scope of, and within the limit of, the credit lines granted and approved by the Board of Directors of Biesse; entering into forfaiting, factoring, assignment of credit and discounting agreement contracts;

20) management of relations with credit institutions, with all inherent powers of representation and signing of the documents and deeds connected thereto, by way of example but not limited thereto, operating and withdrawing from the Company's current accounts in favour of the Company or third parties by issuing bank receipts, cheques, bank transfers or through instructions by correspondence, both from liquid assets and from the credit lines granted; acceptance and endorsement for payment on and for discount of promissory notes, bills of exchange, and cheques of any nature, and payment orders in general issued to the Company by third parties (including but not limited to, bills of exchange, lines of credit, notes, postal wires payable at banks, postal and telegraphic offices, and with any individual or legal person), including the subscription and negotiation of promissory notes issued pursuant to Law 1329/1965 (so-called Sabatini Law); arranging wire transfers and transfers to current accounts in the Company's name; issuing declarations to the banks, which grant loans to the Company's personnel, certifying the Company's commitment to withhold the amounts of repayment instalments and/or residual debt from the aforementioned personnel; opening and closing bank accounts, securities accounts and safety deposit boxes; wire transfers, payment of taxes, duties and salaries may be exercised without limits on the amount;

21) overseeing the identification of the main corporate risks, including credit and exchange rate risks, and the implementation of the risk control guidelines defined by the administrative body, as well as carrying out checks and liaising with the relevant corporate bodies and functions;

22) definition and management of customer care structures, outsourcing customer care services to external parties, handling complaints also by granting discounts or rebates;

23) direction and management of marketing and promotional-advertising activities, defining any form of advertising or communication, with all powers to sign agreements or contracts with advertising agencies, film companies, publishing houses; maintaining and representing the Company in relations with the press and trade associations;

24) managing participation in events, fairs and exhibitions, both in Italy and abroad, signing the relevant agreements;

25) management of research and development activities, the development, registration and management of industrial property rights and intellectual property rights, representing the Company in the administrative procedures for the registration of such rights, filing and cultivating the relevant applications, as well as representing the Company before the Board of Appeals at the Central Patent Office and before similar bodies of foreign offices competent in patent matters, as well as in any other procedure, petition or appeal before the said central patent office and other Italian or foreign administrative offices; providing for the claiming of priority rights;

26) representation of the Company before any Administrative authority or Court or arbitration, in any seat and degree of jurisdiction, appointing attorneys and representatives ad litem, vesting them with appropriate powers with the power to revoke them; settling and reconciling any dispute or litigation of the Company, including those with its workers, self-employed or employees in any capacity; the ability to file requests for evidence or oppose such proof, make a free or formal questioning, elect domicile; stipulation of agreements of conventional sequestration and filing for court-ordered sequestration; appointing experts to ascertain and estimate the damages suffered by the Company or caused by it to third parties;

27) representing the Company with public and/or private entities, employee training institutes and Universities, in Italy and abroad, dealing with developing and maintaining a cooperation network with Universities or centres of excellence potentially interesting for the Company, also to initiate, develop and implement product and process innovation processes as well as new concepts, new applied technologies, new multimedia and digital processes and new materials; signing in the name and on behalf of the company all deeds (e.g. ministerial decrees) relating to the granting of public funding of various kinds (e.g. subsidised and non-repayable, but not limited to) in favour of research, development and innovation programmes;

28) representation of the Company before representatives of the Savings and Loan Office, the Bank of Italy, and the Italian Exchange Office for all financial and commercial transactions in foreign currency, as well as before any credit institution or private bank, execute any transaction with customs offices, postal and telegraphic offices to make shipments, deposits, release and withdrawal of merchandise, values, packages and parcels, certified letters and insured correspondence, issuing receipts;

29) representation of the Company before any public or private office and in particular with the financial administration, central and local, public, state,

regional and provincial officials, carrying out all transactions, bar none or no exceptions, as set forth by the respective laws and necessary for correct company management; representation of the Company before the Regional Tax Offices, the Revenue Offices, the Technical Tax offices, Tax Offices, Financial Administration, including local offices for local taxes, preparing, signing and filing statements, petitions, appeals, and claims, reports and certifications for third-party income subject to withholding and any other tax statement, filing claims against tax assessments and assessed taxes before the Tax Commissions at every level and degree, the Court of Cassation, suggest and accept to agree and settle disputes, sign them, request licenses and permits;

30) representation of the Company before the Inspectorate of Labour, provincial and regional labour offices, mandatory workers' insurance institutes, social security institutions, the reconciliation commissions and arbitration tribunals contemplated under applicable collective bargaining regulations, trade unions and their committees, for the resolution of disputes with employees and contract staff, as well as in negotiations on employment contracts, agreements and disputes, with the power to sign deeds and compound and settle any dispute or issue pending with the said bodies, with no financial limit;

31) the representation of the Company with utilities, phone services and similar providers, as well as with the post office, depositing and withdrawing from these accounts, in the framework of prevailing regulations;

32) the representation of the Company before any Administrative authority, central or branch office, including police, local and autonomous bodies for issue of licenses, authorisations and permits;

33) the execution of any transaction at the Department of Motor Vehicle, filing applications for legal transfers, updates and identification of situations, validly endorsing the related documents and files on behalf of the Company;

34) signing confidentiality and privacy agreements with customers, suppliers, consultants within the framework of the ordinary administration of the Company.

Co-Chief Executive Officer Massimo Potenza was granted legal representation of the Company, as well as the following powers, with a spending limit of EUR 1,500,000 per individual transaction, unless otherwise provided for:

1. at the request of the Chairman and/or in the event of their absence or impediment, convening the Board of Directors and setting the Agenda, as well as convening the Shareholders' Meeting if there are urgent reasons that prevent or make it burdensome to convene the Board of Directors in advance;
2. executing the decisions of the Shareholders' Meeting and the Board of Directors within their competence;

3. the strategic definition of the Group's policies, general coordination of the same with the relative power to implement the policies established in every sphere (including, by way of example but not limited to, in relation to the functional areas Supply Chain, Offering Management, Services Management, Customer & Markets Management [conception, development and design of machines and plants, procurement, management of warehouses and manufacturing processes, installation and sale of machines, management of commercial relations and with distributors] and in relation to all the areas of support to the company's business) and assumption of the consequent responsibilities;
4. proposing to the Board all the initiatives deemed useful in the interest of the Company and the Group, and formulate proposals in the matters reserved to the competence of the Board itself;
5. preparing the annual budget and the multi-year business plan for submission to the Board of Directors;
6. the supervision, control and coordination of extraordinary transactions, with particular reference to acquisitions or divestments of shareholdings and/or companies, branches of companies and/or specific assets, mergers and demergers of negotiations relating to agreements with third parties of strategic importance (by way of example but not limited to, alliances, associations, joint ventures, long-term cooperation), without prejudice to the powers of the Board of Directors, with the power to sign confidentiality agreements, letters of intent and memoranda of understanding or similar agreements, provided they are non-binding;
7. managing and coordinating relations with subsidiary companies, participating in the relevant Shareholders' Meetings and voting in the name and on behalf of the Company, both in ordinary and extraordinary sessions, within the limits of the spending powers indicated above and unless the CEO has an interest in the resolution; power to sign documents, in accordance with the rules of foreign subsidiaries, concerning reductions and/or increases in share capital;
8. defining and implementing the functional and organisational structures of the Company and its subsidiaries, within the framework of the general organisational guidelines established by the Board, with the coordination and management of all foreign subsidiaries for these purposes, responsibility for the organisation of activities and said functional areas, services and offices, as well as employees;
9. defining, directing and supervising the activities aimed at ensuring the economic sustainability of the Company's business within the framework of the general guidelines established by the Board, with all inherent powers of representation and signature;
10. defining, directing and supervising the activities of conception, development and design of machines and plants, with inherent activities of purchase of materials, management of warehouses of materials and semi-

finished products, the manufacturing processes of machines, setting up and management of warehouses of finished products, activities of support to customers for assistance, installation and sale of machines, management of commercial relations with customers and dealers aimed at sales of company products and services; all without limits of amount in compliance with current company procedures;

11. setting criteria for the recruitment and management of staff – including the grade of manager in relation to functions accountable to the General Management other than the General Management itself – in compliance with the annual budget; hiring, appointing, dismissing staff including the grade of manager in relation to functions answerable to the General Management other than the General Management itself; the adoption and implementation of disciplinary measures, dismissal (including collective) and other provisions with regard to blue and white-collar workers, sales staff and auxiliary personnel;

12. entering into agreements for leases (including long leases), rent and gratuitous loan of immovable property and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts;

13. entering into contracts of sale of movable property and movable property entered in public registers, transactions and movable lease transactions and/or the conclusion of lease contracts, including long lease contracts, and gratuitous loan contracts on such movable property and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts;

14. entering into, renewing, modifying and terminating contracts for the sale of the Company's products and those of its subsidiaries – also with reservation of title – and for distribution with or without representation, with or without exclusive rights, fixing prices, terms and conditions, granting commercial exclusivity, rebates, discounts and signing the relative deeds, overseeing the export of the products by signing the relative contracts and the necessary documentation and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts; these powers may be exercised without limits on the amount;

15. entering into contracts for the supply, tendering and subcontracting, hire, exchange, shipment, lease, transformation of products, materials, equipment or machinery and in general any other contract concerning raw materials, stocks, semi-finished products, finished products, spare parts and movable property in general or services of any nature (including multimedia services) and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts; for supplies under multiannual framework contracts, the expenditure limit is to be understood as annual;

16. entering into contracts for consultancy and/or professional services and with all consequent powers to cancel, terminate, resolve and withdraw from such contracts;

17. entering into contracts with business brokers, agency contracts, mediation contracts, with or without representation, with or without exclusive rights, agreeing terms and conditions and having the power to cancel, terminate, resolve and withdraw from such contracts;
18. entering into insurance contracts on behalf of the Company, agencies and representations, and with all consequent powers to cancel, terminate, resolve and withdraw from the same contracts;
19. requesting mortgages and financing with the conclusion of the relative contracts, credit mandates, and patronage with all consequent powers to cancel, terminate, resolve and withdraw from the same; the granting of mortgages and liens on real estate and/or movable property and the issuance of guarantees to third parties with the exception of bank guarantees issued to third parties within the scope of, and within the limit of, the credit lines granted and approved by the Board of Directors of Biesse; entering into forfaiting, factoring, assignment of credit and discounting agreement contracts;
20. management of relations with credit institutions, with all inherent powers of representation and signing of the documents and deeds connected thereto, by way of example but not limited thereto, operating and withdrawing from the Company's current accounts in favour of the Company or third parties by issuing bank receipts, cheques, bank transfers or through instructions by correspondence, both from liquid assets and from the credit lines granted; acceptance and endorsement for payment on and for discount of promissory notes, bills of exchange, and cheques of any nature, and payment orders in general issued to the Company by third parties (including but not limited to, bills of exchange, lines of credit, notes, postal wires payable at banks, postal and telegraphic offices, and with any individual or legal person), including the subscription and negotiation of promissory notes issued pursuant to Law 1329/1965 (so-called Sabatini Law); arranging wire transfers and transfers to current accounts in the Company's name; issuing declarations to the banks, which grant loans to the Company's personnel, certifying the Company's commitment to withhold the amounts of repayment instalments and/or residual debt from the aforementioned personnel; opening and closing bank accounts, securities accounts and safety deposit boxes; wire transfers, payment of taxes, duties and salaries may be exercised without limits on the amount;
21. overseeing the identification of the main corporate risks, including credit and exchange rate risks, and the implementation of the risk control guidelines defined by the administrative body, as well as carrying out checks and liaising with the relevant corporate bodies and functions;
22. definition and management of customer care structures, outsourcing customer care services to external parties, handling complaints also by granting discounts or rebates;
23. direction and management of marketing and promotional-advertising activities, defining any form of advertising or communication, with all powers

to sign agreements or contracts with advertising agencies, film companies, publishing houses; maintaining and representing the Company in relations with the press and trade associations;

24. managing participation in events, fairs and exhibitions, both in Italy and abroad, signing the relevant agreements;

25. management of research and development activities, the development, registration and management of industrial property rights and intellectual property rights, representing the Company in the administrative procedures for the registration of such rights, filing and cultivating the relevant applications, as well as representing the Company before the Board of Appeals at the Central Patent Office and before similar bodies of foreign offices competent in patent matters, as well as in any other procedure, petition or appeal before the said central patent office and other Italian or foreign administrative offices; providing for the claiming of priority rights;

26. representation of the Company before any Administrative authority or Court or arbitration, in any seat and degree of jurisdiction, appointing attorneys and representatives ad litem, vesting them with appropriate powers with the power to revoke them; settling and reconciling any dispute or litigation of the Company, including those with its workers, self-employed or employees in any capacity; the ability to file requests for evidence or oppose such proof, make a free or formal questioning, elect domicile; stipulation of agreements of conventional sequestration and filing for court-ordered sequestration; appointing experts to ascertain and estimate the damages suffered by the Company or caused by it to third parties;

27. representing the Company with public and/or private entities, employee training institutes and Universities, in Italy and abroad, dealing with developing and maintaining a cooperation network with Universities or centres of excellence potentially interesting for the Company, also to initiate, develop and implement product and process innovation processes as well as new concepts, new applied technologies, new multimedia and digital processes and new materials; signing in the name and on behalf of the company all deeds (e.g. ministerial decrees) relating to the granting of public funding of various kinds (e.g. subsidised and non-repayable, but not limited to) in favour of research, development and innovation programmes;

28. representation of the Company before representatives of the Savings and Loan Office, the Bank of Italy, and the Italian Exchange Office for all financial and commercial transactions in foreign currency, as well as before any credit institution or private bank, execute any transaction with customs offices, postal and telegraphic offices to make shipments, deposits, release and withdrawal of merchandise, values, packages and parcels, certified letters and insured correspondence, issuing receipts;

29. representation of the Company before any public or private office and in particular with the financial administration, central and local, public, state, regional and provincial officials, carrying out all transactions, bar none or no exceptions, as set forth by the respective laws and necessary for correct

company management; representation of the Company before the Regional Tax Offices, the Revenue Offices, the Technical Tax offices, Tax Offices, Financial Administration, including local offices for local taxes, preparing, signing and filing statements, petitions, appeals, and claims, reports and certifications for third-party income subject to withholding and any other tax statement, filing claims against tax assessments and assessed taxes before the Tax Commissions at every level and degree, the Court of Cassation, suggest and accept to agree and settle disputes, sign them, request licenses and permits;

30. representation of the Company before the Inspectorate of Labour, provincial and regional labour offices, mandatory workers' insurance institutes, social security institutions, the reconciliation commissions and arbitration tribunals contemplated under applicable collective bargaining regulations, trade unions and their committees, for the resolution of disputes with employees and contract staff, as well as in negotiations on employment contracts, agreements and disputes, with the power to sign deeds and compound and settle any dispute or issue pending with the said bodies, with no financial limit;

31. the representation of the Company with utilities, phone services and similar providers, as well as with the post office, depositing and withdrawing from these accounts, in the framework of prevailing regulations;

32. the representation of the Company before any Administrative authority, central or branch office, including police, local and autonomous bodies for issue of licenses, authorisations and permits;

33. the execution of any transaction at the Department of Motor Vehicle, filing applications for legal transfers, updates and identification of situations, validly endorsing the related documents and files on behalf of the Company;

34. signing confidentiality and privacy agreements with customers, suppliers, consultants within the framework of the ordinary administration of the Company.

The Chief Executive Officer Roberto Selci and the Co-Chief Executive Officer Massimo Potenza, by virtue of the powers delegated to them, can be considered the main individuals responsible for company management.

Chairman of the Board of Directors

The Chairman of the Board of Directors, Giancarlo Selci, because of the size of the Company and the activities of the same, as well as the many years of knowledge and experience gained in managing the Group, with a resolution of the Board of Directors adopted on 28 April 2021, has been delegated all powers of ordinary administration:

- supervision and control of extraordinary transactions, acquisitions/disposals of shareholdings, business units and the like, purchase/sale of real estate, as resolved by the Board of Directors;
- the power to propose to the Board all the initiatives deemed useful in the

interests of the Company and the Group;

- the legal representation of the Company before any authority, in any court and at any level of jurisdiction, at any public or private office and at the shareholders' meetings, both ordinary and extraordinary, of the Italian and foreign subsidiaries.

The Chairman Giancarlo Selci also controls BI.FIN. S.r.l. and, as a result, is the Issuer's indirect controlling shareholder.

Disclosure to the Board by directors/delegated bodies

The executive directors mentioned above all duly reported to the Board of Directors on the performance of their duties and responsibilities at meetings of the Board of Directors.

Other executive directors

There are no other executive directors on the Board of Directors other than those indicated in this chapter.

4.7 Independent Directors and Lead Independent Directors

In compliance with Art. 2 of the Code, the Company has three independent directors: Rossella Schiavini, Federica Ricceri and Ferruccio Borsani.

The Board of Directors has assessed, under all the criteria set out in the Consolidated Law on Finance and the Code of Corporate Governance, the existence of the independence requirements for each of the independent non-executive directors at the time of their appointment, based on the documentation provided by them, and has recognised them as independent in the absence of circumstances which, pursuant to Recommendation 7 of the Code of Corporate Governance and the Regulation on the Operation of the Board of Directors of the Issuer adopted on 15 March 2021 and updated on 29 October 2021, compromise or appear to compromise the independence of a Director.

In particular, the independent directors appointed by the Shareholders' Meeting of 28 April 2021 are such, based on the Consolidated Law on Finance (they are not in any of the situations referred to in Art. 148, paragraph 3 of the Consolidated Law on Finance) and Recommendation 7 of the Code of Corporate Governance since:

- a) they are not a significant shareholder of the Company;
- b) they are not and have not been in the previous three financial years, an executive director or an employee:
 - of the Company, a strategically important subsidiary of the Company or a company under common control;
 - of a significant shareholder of the Company;
- c) directly or indirectly (e.g. through subsidiaries or companies of which they are an executive director or as a partner in a professional firm or consulting company) do not have, or have not had in the previous three

financial years, a significant commercial, financial or professional relationship:

- with the Company or its subsidiaries, or its executive directors or top management;
 - with a party who, also together with others through a shareholders' agreement, controls the Company; or if the parent is a company or entity and its executive officers or top management;
- d) do not receive, or have received in the preceding three financial years, from the Company, one of its subsidiaries or the parent company significant remuneration besides the fixed remuneration for the office and to that provided for participation in the committees recommended by the Code or provided for by the regulations in force;
- e) they have not been directors of the Company for more than nine financial years, including non-consecutive ones, in the last twelve financial years;
- f) they do not hold the office of executive director in another company in which an executive director of the Company holds the office of director;
- g) they are not partners or directors of a company or entity belonging to the network of the Company appointed for the statutory audit of the Company;
- h) they are not direct relatives of any person in the abovementioned positions.

The Board of Directors considers a significant commercial, financial or professional relationship to be one whose total value exceeds: (i) 5% of the annual turnover of the Company or entity of which the Director has control or of which they are an executive director, or of the professional firm or consulting Company of which they are a partner; and/or (ii) 5% of the annual costs incurred by the Group that are attributable to the same type of contractual relationships or assignments of a similar nature; In the case of a Director who is also a partner of a professional firm or of a consulting company, the Board of Directors shall assess the significance of the professional relationships that may influence their position and role within the firm or the consulting Company or that otherwise relate to significant transactions of the Company and the Group, even independently of quantitative parameters.

The Board of Directors believes that significant additional remuneration regarding the fixed remuneration for the office and the remuneration for participation in the Board committees should be understood as remuneration for professional or consulting services over Euro 150,000 per annum, without prejudice, however, to the discretion of the Board of Directors in assessing the specific situation, considering the best interests of the Company, the significance of the relationship and the likelihood of it affecting the independence of the Director holding the relationship.

On 29 July 2022, the Board of Directors verified the existence of the requirements for holding the office for all the directors, as well as for the

directors Rossella Schiavini, Federica Ricceri and Ferruccio Borsani the possession of the aforementioned independence requirements, also considering the parameters indicated above. Each non-executive director has provided all the elements necessary or useful for the Board's evaluations. All directors have provided the necessary and/or useful information for the above assessments.

The Board of Statutory Auditors investigated the correct application of the criteria and procedures adopted by the Board for assessing the independence of its members and produced no findings requiring reporting.

Independent directors are adequate in number and authority to meet the needs of the Company and to ensure that their opinion has a significant weight in decisions taken by the Issuer's Board of Directors, in the light of the size and organisational structure of the Board in office at 31 December 2022; These directors bring their specific competencies to Board discussions and contribute to decisions being made in the Company's interest. They confirmed their suitability to qualify as independent directors at the time of presenting the lists for the reconstitution of the Board. Also, they committed themselves to maintain their independence throughout their mandate.

The procedure followed by the Board of Directors to verify independence provides that the existence of the requisite is declared by the director at the time of the presentation of the candidatures, as well as at the time of acceptance of the office, and ascertained by the Board in the first meeting following the appointment also based on the available information. The assessment is renewed when circumstances relevant to independence occur and, in any event, annually. In making the above assessments, the Board considers all available information (in particular that provided by the directors being assessed), considering all circumstances that appear to compromise independence as identified by the Consolidated Law on Finance and the Code of Corporate Governance and applies (among others) all the criteria set out in the Code concerning the independence of directors.

During the 2022 financial year, the Independent Directors held an independent meeting on 10/10/2022 coordinated by Lead Independent Director Mr Schiavini, during which they assessed the status and impact of the 'One Company' reorganisation project that is affecting the Group.

In this regard, the Independent Directors, aware of the multi-year impact and its effects on all aspects of the Company, expressed the need to have visibility of the progress of the main projects that make up this process and their evaluation also in terms of KPIs.

In addition, the Independent Directors emphasised the importance of the organisation self-assessing its responsiveness to these processes and sharing the results with the Board of Directors.

Lead Independent Director

In compliance with Recommendation No. 13 of the Code of Corporate Governance, which requires the Board of Directors to appoint an

independent director as Lead Independent Director, if (i) the Chairman of the Board of Directors is the Chief Executive Officer or holds significant management powers or (ii) the office of Chairman is held by the person who controls, even jointly, the Company, the Board of Directors has appointed independent director Ms Rossella Schiavini as Lead Independent Director. The Lead Independent Director acts as a coordinator for non-executive Board members to encourage their greater contribution to the work and operation of the Board.

The Lead Independent Director is specifically responsible for:

- working with the Chairman to guarantee that all directors are provided with timely and complete information;
- calling independent directors' meetings, either at his initiative or at the request of other directors, to discuss matters of interest concerning the workings of the Board of Directors or the management of the Company.

In 2022, the Lead Independent Director:

- called and coordinated the meeting of independent directors held on 10 October.

5. Management of corporate information

Internal regulations for the management of inside information and the establishment of an insider list

External communications of documents and information regarding the Company or/and the Group, with particular attention to so-called "Price sensitive", inside information, are regulated by a procedure, approved by the Board of Directors in the meeting of 27 March 2006, as amended (the last time on 09 September 2020) following the entry into force of European Regulation No 596/2014 (Market Abuse Regulation, hereinafter 'MAR'). This regulation ensures the complete, correct, clear, transparent, timely, continuous and maximum dissemination of information concerning the Company and its subsidiaries and compliance with the primary and secondary legislation in force.

The regulation also provides for establishing a Register of persons with access to inside information in compliance with the MAR. Following the publication of the new Consob Guidelines of October 2017 concerning the management of information of a material and privileged nature, the Company deemed it necessary to update its regulation by introducing, among other things, following the recommendations of the Guidelines, the Register of persons with access to material information (RIL). This procedure is available on the Company's website, www.biessegroupp.com, on the 'Corporate Governance' page in the Investor Relations section.

Internal Dealing Code of Conduct

The internal dealing procedure adopted by the Company pursuant to Article

19 of MAR, Delegated Regulation (EU) 2016/522 and Implementing Regulation (EU) 2016/523 and national legislation, as amended by the Board of Directors on 3 August 2016, as last updated on 27 February 2023, is available on the Company's website www.biessegroup.com, on the 'Corporate Governance' page of the Investor Relations section.

Antitrust Code of Conduct

At the Board of Directors meeting on 11 November 2011, the Company approved the adoption of an 'Antitrust Code', subsequently updated in May 2016, which provides employees with the basic rules of conduct for reducing the risk of engaging in anti-competitive conduct. This code is in addition to the Group Code of Conduct prohibiting anti-competitive behaviour

6. Internal Board Committees (pursuant to Art. 123-bis, paragraph 2, letter d), Consolidated Law on Finance)

Through a resolution dated 28 April 2021, the Board of Directors, as reconstituted on 28 April 2021, formed a committee that performs the functions laid down by the Code for the Control and Risk Committee, a Committee for transactions with related parties and the Remuneration Committee, each composed of two independent directors. The Board of Directors has no other committees.

In determining the composition of the Committees, the Board has prioritised the expertise and experience of their members and has avoided an excessive concentration of tasks, as will be discussed below, in the sections specifically dedicated to each Committee (Sections 8, 9 and 10).

The internal rules of procedures for these committees were approved by the Board of Directors on 3 August 2016 and updated during the Financial Year are available on the Company's website www.biessegroup.com, on the 'Corporate Governance' page in the Investor Relations section.

7. Self-assessment and succession of Directors - appointments Committee

7.1 Self-assessment and succession of Directors

Because of the Issuer being one of the companies with concentrated ownership within the meaning of the Code of Corporate Governance, the Company availed itself of the right to carry out its own and its committees' self-assessment process concerning size, composition and actual functioning concerning: the characteristics of its members in terms of their professionalism, experience, managerial experience and gender, as well as their length of time in office, every three years.

The Issuer will conduct the self-assessment during the financial year 2023, anticipating the renewal of corporate bodies the following year.

The self-assessment, as in previous years, will take place through (i) completion of questionnaires addressed to all members of the Board of Directors and (ii) collegial assessment during a Board meeting, based on the results of the first assessment and will focus on: analysis of the composition and internal dynamics of the Board and Committees; examination of the tasks and duties of the Board and specific reflections on the remuneration issue.

The findings will then be analysed at a board meeting, at which the Board will specifically assess the adequacy of its functioning and possibly identify corrective actions to be implemented.

As regards the advisability of entrusting an external and independent entity with the process of self-assessment of the administrative body, starting from the assumption that the Code of Corporate Governance suggests such recourse to the consultant as an option and not as an obligation, the Issuer rarely proceeds in this way, considering its nature in terms of size and turnover and, finally, because of the limited size of the administrative body.

During the Year, the Board specifically assessed the adequacy of the organisational, administrative and accounting structure of the Issuer and its subsidiaries prepared by the Chief Executive Officer during the Board meeting held on 12 May 2022.

On the same date, the Board assessed the adequacy, efficacy and effective functioning of the internal control system based on the activities carried out and reported by the Control and Risk Committee, approving the integration of the internal control system project, which provides for the updating of the system of controls and documentation pursuant to Law no. 262/2005, activated following the implementation of the Oracle ERP in all the main Group companies. The aim was to identify the control rules and procedures to standardise the safeguards to protect correct financial statement information in a broader Group project, currently underway and coordinated by the Quality entity. The latter project aims to map the main company processes with a view to an integrated management system and the preparation of operating procedures and instructions related to them and usable by all Biesse Group users.

For Board meetings, directors are provided with the documents and information the Board needs to discuss the issues examined. In any event, the Chairman ensures that specific and clarification is given at Board meetings.

Under the principle of proportionality set out in the Corporate Governance Code which, in Recommendation 23, requires this requirement only of companies other than those with concentrated ownership (and therefore different than Biesse), during the year the outgoing Board of Directors did not consider it necessary to formulate any guidelines on the qualitative and quantitative composition considered optimal for the Board to be appointed.

Contingency Plan

The Board of Directors approved the so-called Succession Plan Policy, which provides that, in case of urgency (meaning the sudden incapacity of the Chief Executive Officer and Co-Chief Executive Officer for any reason), the Board of Directors defines powers and proxies to ensure ordinary and extraordinary management during the transitional period.

In particular, it is provided that the Board of Directors:

- (i) urgently summon the Chairman of the Group, the Group Chief Human Resources and the Chief Financial Officer, who are called upon, on the one hand, to play a proactive and managerial role in any extraordinary operations deemed to be unavoidable and, on the other hand, to guarantee the ordinary management and operational decisions that are the typical responsibility of the Chief Executive Officer. They will be granted the same powers as the CEO and co-CEO;
- (ii) identifies among the Group Chairman, the Group Chief Human Resources and the Chief Financial Officer a person (preferably a director) who will play the role of liaison between the above figures and the company structures and will manage external and internal communication;
- (iii) assess whether, for operational management, to temporarily extend the powers for ordinary activities within the limits of the approved budget.

With the aid of the Remuneration Committee, the above three figures will evaluate (internal and external) candidates and submit a shortlist of candidates for the final selection to the Board of Directors. At the end of the process, the Board of Directors will co-opt the most suitable candidate and confer operational powers and proxies on the same.

7.2 Appointments Committee

Pursuant to Recommendation 16 of the Code of Civil Governance, the Company considered assigning the functions of the nomination committee to the Board of Directors.

8. Remuneration of Directors - Remuneration Committee

8.1 Remuneration of Directors

Remuneration Policy

For all information concerning directors' remuneration, please refer to the Remuneration Policy and Compensation Report.

8.2 Remuneration Committee

Composition and functioning of the Remuneration Committee (pursuant to Art. 123-bis, paragraph 2, letter d), Consolidated Law on Finance)

The Board of Directors has set up a Remuneration Committee which, in compliance with the Code, currently consists of two non-executive

independent directors:

Federica Ricceri, Independent Director and Chair of the Remuneration Committee;

Rossella Schiavini, Independent Director.

When appointing the Remuneration Committee members, the Board of Directors considered that the directors Federica Ricceri and Rossella Schiavini had adequate knowledge and experience in accounting and finance and remuneration policies.

The Committee has the task of (i) assisting the Board of Directors in drawing up the Remuneration Policy; (ii) submitting proposals to the Board on the remuneration of executive directors and other directors who hold particular offices, as well as setting performance targets related to the variable component of remuneration; (iii) monitoring the application of the Remuneration Policy by verifying, in particular, the actual achievement of performance objectives (iv) periodically assessing the adequacy and overall consistency of the Remuneration Policy for directors and top management.

Directors must abstain from participating in Committee meetings which include discussion of the Board remuneration proposals.

When carrying out its duties, the Remuneration Committee can access the necessary company information and functions and call upon external consultants under the terms established by the Board of Directors.

As in previous years, no financial resources were allocated to the Committee since, in order to fulfil its duties, it used the Issuer's corporate resources and facilities.

During the Year, the Committee held eight meetings on 10 February, 4 March, 9 March, 13 April, 4 May, 12 July, 13 October and 12 December, coordinated by the Chairman of the Committee, lasting an average of one hour, duly recorded, and on these occasions was called to

assess the report on remuneration for 2021;

express a fairness opinion regarding the amendments made to the Long Term Incentive Plan 2021-2023 (LTIP 2021-2023), to bring it in line with the new three-year planning system set forth therein, which is no longer of the 'rolling' type, but which envisages that the strategic plan remains as such for the entire three-year period;

Evaluate the structure of the MBO 2022 incentive scheme applied to first-line management and Co-CEO;

test the resilience of the MBO and LTI incentive systems adopted by the Company as the group objectives detailed in the three-year plan change;

evaluate the MBO 2023 incentive scheme for Strategic Executives and the weighing of the relevant KPIs.

The Committee also periodically reported to the Board on its work.

The members of the Board of Statutory Auditors and company representatives who are not members of the Board of Statutory Auditors could attend the meetings at the invitation of the Chairman of the Committee itself, in the presence of issues on the agenda that required a presentation from the competent function. The Chief Executive Officer was informed of the participation of these functions.

The Board has four meetings scheduled in 2023.

For information on the activities carried out during the year by the Remuneration Committee, please refer to the relevant parts of the Remuneration Report.

9. Internal Control and Risk Management System - Control And Risk Committee

The Biesse Group's internal control and risk management system comprises a set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, to contribute to the Company's sustainable success.

The Internal Control and Risk Management System reduces but cannot eliminate the possibility of wrong decisions, human errors, fraudulent violation of control systems and unpredictable events. Therefore, a good Internal Control and Risk Management System provides reasonable, but not absolute, assurances that the Company will not be hindered in achieving its business objectives or in the orderly and legitimate conduct of its activities, by circumstances which may reasonably be foreseen.

The Internal Control and Risk Management System of the Company, defined according to national and international leading practice, comprises the following three levels of control:

First level: comprising the heads of the Group's operational Departments/Functions, i.e. the corporate entities that guide and direct the control activities that are an integral part of the operational processes. They are the primary corporate entities responsible for the internal control and risk management process. The first level is required to establish and maintain structures and processes for internal control and risk management, to ensure compliance with relevant legislation, regulations and ethical principles, and to maintain an ongoing dialogue with the governing body, as well as to report on planned, actual or expected results related to the Group's objectives;

Second level: comprising the Risk Management function, part of the Innovation, Corporate Social Responsibility & Quality Management Department, which provides specific complementary expertise, support and monitoring activities in the management of risk categories (e.g: operational risks, financial risks, compliance risks, strategic risks, etc.), through the continuous development and implementation of Risk Management

processes (including Internal Audit) at every level of the Company and through analysis and reporting on the adequacy and effectiveness of these same processes.

Third level: comprising the Internal Audit function, directly responsible to the governing body and independent of management responsibilities. Internal Audit provides objective and independent assurance, support and advice to management and the governing body on the adequacy and effectiveness of the governance structure and risk management (first and second level), reports violations of the independence and objectivity of the governing body and implements the necessary preventive measures.

The Board of Directors is responsible for the internal control and risk management system. It lays down its guidelines so that the main risks of the Issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, also determining compatibility criteria for such risks with sound and proper business management. The guidelines also considered all the risks that could affect the long-term sustainability of the Company's business.

The Board of Directors periodically verifies the adequacy, effectiveness and actual functioning of the control system also through the Control and Risk Committee and, finally, describes its essential elements in the Corporate Governance Report.

During the Year, the results of the periodic evaluation of the adequacy, effectiveness and actual functioning of the internal control system were reported at the meeting of 12 May.

Besides the Board of Directors, the main players of the Issuer's SCIGR are: the Chief Executive Officer, the Control and Risk Committee, the Internal Audit and Risk Management functions form part of the Innovation Corporate Social Responsibility & Quality Management Department, which will be referred to in sections 9.1, 9.2, 9.3 and 9.6 below, respectively.

The risk management and internal control over financial reporting of the Company is based on the 'COSO Report' reference model, which can be defined as a set of rules, procedures and organisational structures that uses an appropriate risk identification, measurement, management and monitoring process, according to a Risk Based Approach to run a healthy, sound, correct and transparent company that meets the predefined objectives.

In particular, the system integrated into the organisational and governance structures:

contributes to the conduct of the business consistent with the corporate objectives defined by the Board of Directors, as it allows the identification, assessment, management and monitoring of the main risks that may jeopardise the achievement of those objectives;

contributes to ensuring the safeguarding of corporate assets, the efficiency

and effectiveness of corporate processes, the reliability of information provided to corporate bodies and the market, compliance with laws and regulations and internal regulatory instruments;

contributes to the adoption of conscious decisions consistent with the Group's risk appetite and to creating a culture of risk and corporate values.

The Issuer has adopted the ERM - Enterprise Risk Management Policy, which was amended on 19 December by the Board of Directors to simplify it and make it more consistent with the current management of risks in the Company.

The ERM Policy comprises two documents:

- the Policy Statement, containing the main principles governing Enterprise Risk Management;
- the ERM procedure in the strict sense, comprising the set of activities, carried out since the approval of the Group's Strategic Plan, aimed at understanding the risk profile actually assumed by Biesse based on its objectives or focused on specific risk categories and based on risk analysis of significant operations, specific initiatives/activities and based on understanding the impact on the Group's overall profile.

To this end, the ERM process provides for the following activities to be conducted annually:

- Annual Corporate Risk Profile Assessment: cycle carried out during the first half of the year to identify and assess the main risks that could affect the achievement of the defined corporate objectives (overall risk profile);
- Interim Top Risk Assessment: activity that may be carried out during the second half of the year, between one cycle of the Annual Corporate Risk Profile Assessment and the next, if management has expressed the need to ensure more in-depth and up-to-date reporting on the identification, assessment and treatment of Top Risks.

The ERM process can be traced back to the following steps:

Context Definition

Risk identification

Evaluation of existing risks and controls

Risk Management

Monitoring and Reporting

To create value for shareholders, Biesse Group – believing it to be essential to work towards this goal by increasing the safeguards set up to protect the integrity of information intended for shareholders – has taken action to improve efficiency and focus on complying with the provisions of Law No. 262/2005. Specifically, to protect shareholders and stakeholders in general, in 2007 the Biesse Group introduced procedures to ensure the veracity, correctness and transparency of the data by (i) a preliminary scoping activity

aimed at identifying the significant types of transactions, transactions not considered routine, and accounting estimates to be included in the scope of the analysis concerning significant related accounts at a consolidated level, based on defined qualitative and quantitative criteria (e.g. materiality, inherent risk, etc.); (ii) a risk evaluation activity aimed at certifying that processes and sub-processes identified in the scoping phase are not invalidated by irregularities, errors or omissions not detected by the internal monitoring system and, generally, by the 'Corporate Governance' system; (iii) implementation of new control procedures to prevent the risk under point (ii) above; (iv) planning and implementation of a round of tests on the entire internal control system designed to verify its relevance and effectiveness and preparation of a Remediation Plan to completely achieve the control objectives defined in the scoping phase.

During the Year, the project to update the control and documentation system pursuant to Law 262/05 continued, launched following the implementation of the Oracle ERP in all the main Group companies and with the main objective of identifying the control rules and procedures to standardise the safeguards for protecting correct financial reporting.

This project has been integrated within a broader Group project, currently underway and coordinated by the Quality body, aimed at mapping the main company processes with a view to an integrated management system and preparing operating procedures and instructions related to them and usable by all Biesse Group users.

9.1 Chief executive officer

In accordance with the Code of Corporate Governance, the Issuer has entrusted the Chief Executive Officer with the task of setting up and maintaining the internal control and risk management system, with supervising its implementation and evolution by identifying the main corporate risks in order to design, implement and manage the internal control system and seeking to adapt the system to the Company's changing operating conditions in compliance with the regulations and legislation in force.

In assessing the main risks, the Head of Internal Audit and the Quality function as ERM coordinator support the Chief Executive Officer. The Internal Audit Manager, Mr Domenico Ciccopiedi, was appointed on 4 August 2014 at the proposal of the Chairman of the Board of Directors, who also proposed his remuneration.

During the during the year, the Chief Executive Officer:

has identified the key business risks (strategic, operational, financial and compliance), considering the characteristics of the activities carried out by the Issuer and its subsidiaries, and periodically submitted them to the Board;

has implemented the guidelines defined by the Board, overseeing the design, implementation and management of the internal control and risk

management system, constantly monitoring its adequacy and effectiveness and adapting them to the dynamics of the operational conditions and the legislative and regulatory landscape;

entrusted the Internal Audit function with performing checks on specific areas of operation and compliance with the internal rules and procedures in the execution of business operations, providing simultaneous notification to the Chairman of the Board, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;

has promptly reported to the Control and Risk Committee (or the Board of Directors) on issues and problems emerging in the course of his activities or which, nevertheless, came to his knowledge, in order for the Committee (or the Board) to take appropriate action.

9.2 Control and Risk Committee

The Board of Directors has set up an internal Control and Risk Committee, which at the date of the Report, under the Code of Corporate Governance, consists of two non-executive and independent directors appointed by the Board of Directors on 28 April 2021:

Rossella Schiavini, Independent Director, Chair of the Control and Risk Committee;

Federica Ricceri, Independent Director.

The aforementioned Directors have experience in risk management and accounting and financial matters, deemed adequate by the Board at the time of their appointment.

During 2021, the Board approved the updating of its operating regulations by including, in compliance with the Code of Corporate Governance, specific provisions regarding the role of the Control and Risk Committee regarding issues concerning sustainability and preparing the Non-Financial Statement pursuant to Italian Legislative Decree 254/16

During the Year, the Control and Risk Committee held eight meetings coordinated by the Chairman of the Committee, lasting an average of three hours, duly recorded in the minutes, with the participation from time to time of the members of the Board of Statutory Auditors and the Head of Internal Audit, with whom the Committee liaises periodically. The Chairman of the Committee regularly reported to the Board of Directors at the first possible meeting on the activities carried out. He made the minutes of the meetings held available to all directors.

At the invitation of the Chairman, the Control and Risk Committee also met with the Chief Executive Officer, the Co-Chief Executive Officer, the independent auditor Deloitte and the heads of certain company functions.

The Head of Group Legal Affairs also attends Committee meetings as secretary.

Both Directors Rossella Schiavini and Federica Ricceri attended 100% of the

Committee meetings.

The Board has another six meetings scheduled in 2023, two of which were held in February and March.

The Control and Risk Committee is responsible for:

supporting the Board of Directors, by providing a prior opinion, in the performance of the tasks entrusted to it by the Code of Corporate Governance on internal control and risk management;

assessing the suitability of the accounting principles used and their consistency in the drafting of the consolidated financial statements together with the manager in charge of preparing corporate accounting documents, the statutory auditors and the Board of Statutory Auditors;

assessing the suitability of periodic financial and non-financial information to correctly represent the Issuer's business model, strategies, the impact of its activities and the performance achieved;

examining the content of periodic non-financial information relevant to the internal control and risk management system;

expressing, at the request of the executive directors, opinions on specific aspects relating to the identification of corporate risks and supporting with adequate preliminary activity the assessments and decisions of the Board relating to the management of risks deriving from prejudicial facts of which the latter has become aware;

examining periodic and particularly important reports prepared by the Head of Internal Audit;

monitoring the independence, adequacy, effectiveness and efficiency of the Internal Audit department;

asking the Internal Audit department – should the need arise – to perform checks on specific operating areas, simultaneously informing the Chairman of the Board of Statutory Auditors;

reporting to the Board of Directors, at least every six months, on their activities and on the adequacy of the internal control and risk management system.

In carrying out its duties in 2022, the Control and Risk Committee:

continued monitoring the effectiveness of the new organisational and governance structure of the 'Risk Management' function (which will be discussed in more detail in section 9.6 below) adopted by the Company in 2021, which envisages assigning risk control to each individual corporate function with coordination entrusted to the figure specifically identified for this purpose within the 'Quality' function and exclusively dedicated to the ERM process;

took note of the Company's risk map, which also includes so-called risks. ESG related, and its adaptation to the current geopolitical context;

noted the new ERM Policy adopted by the Issuer, which was approved by the Board of Directors on 19 December 2022 and is based on the main benchmarks on the subject, in particular, the COSO ERM framework (2017) and the Principles and Guidance of Risk Management (ISO 31000);

in the ESG field, had the opportunity to see the process of drawing up the materiality matrix underlying the Sustainability Report, based on a stakeholder engagement activity;

monitored the progress of the project to adapt the Internal Control System relating to the Biesse Group subsidiaries approved by the Board of Directors on 19 December 2020 put in place by the Issuer to implement an adequate Internal Control System to ensure the reliability of financial reporting in the individual Group companies, functional to ascertaining the adequacy and effective and continuous application of the aforesaid controls and also noted the integration of this project as part of a broader Group project, designed to map the main company processes, from an integrated management system perspective, and to prepare operating procedures and instructions related to them and usable by all Biesse Group users;

It also assessed the accounting principles that served as a basis for the financial reports and reviewed the activities of the Internal Audit department.

reviewed the new Audit Plan, as well as the associated risk assessments, and noted the audits carried out by the Internal Audit function at the date of this report;

held regular meetings with the Co-CEO to discuss strategic and organisational issues and a regular update on developments in the business plan and broader cross-functional processes;

participated in the joint meetings of all Biesse S.p.A. control bodies, called to increase the efficiency of the internal control system.

Based on the investigations carried out, the CRC considered that the Company's internal control and risk management system currently in force is adequate and prepared in line with the reference regulatory framework and the Company's organisational structure.

In carrying out the activities listed above, the Committee had access to the information and company functions necessary to perform its duties. In order to perform its functions, the Control and Risk Committee was provided with the human resources deemed adequate for the activities carried out.

The Committee Chairman reports on the work carried out by the Committee during the Board's plenary meetings.

9.3 Internal Audit manager

The Board appointed Mr Domenico Ciccopiedi as head of the internal audit function, as the person in charge of verifying that the internal control and risk management system is functioning, adequate and consistent with the guidelines defined by the Board.

In line with the Code of Corporate Governance, the Internal Audit Manager does not hierarchically report to any operating area manager, has free access to all the company information and has appropriate financial resources. He has direct access to all information useful to perform his mandate. He is committed to providing assurances on the internal control system reporting the results directly to the Chairman of the Board of Directors, the Control and Risk Committee, and the Board of Statutory Auditors. His remuneration was defined in line with corporate policies by the Board at the proposal of its Chairman. The financial resources made available to the Internal Audit Manager in 2022, as a contingency pending the finalisation of the correct dimensioning of the department, amounted to Euro 100,000 (one hundred thousand/00 euros), and the same mainly carried out an audit activity in the same period, to verify the correct application of the Group's accounting procedures (Internal Control over Financial Reporting Model) in the preparation of financial reporting. The following companies were the subject of these audits: Biesse S.p.A., Biesse UK, Biesse Deutschland, HSD Deutschland, Biesse Schweiz, Biesse France, HSD Mechatronics Korea, HSD USA, HSD Shanghai, Biesse Manufacturing India, Biesse Turkey, Biesse Brasil.

During 2022, the Board of Directors approved the work plan prepared by the head of the internal audit function, having consulted the Board of Statutory Auditors and the Chief Executive Officer.

Internal Audit's activities' purposes, powers and responsibilities are formally defined by an Internal Audit Charter, consistent with the definition of Internal Auditing defined by the Code of Corporate Governance, the Code of Ethics and the reference Standards.

The Internal Audit Manager:

verifies, both continuously and concerning 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 process of analysis and prioritisation of risks;

had direct access to all relevant information for carrying out the assignment;

prepared periodic reports containing adequate information concerning his activity, how risk management is conducted, as well as the compliance with defined plans for limitation of the same, besides evaluation of the suitability of the internal control and risk management system and has forwarded them to the Chairmen of the Board of Statutory Auditors, of the Control and Risk Committee and of the Board of Directors, as well as to the director responsible for the internal control and risk management system and the Chief Executive Officer;

prepared timely reports on particularly significant events and forwarded them to the chairmen of the Board of Auditors, the Control and Risk Committee and the Board of Directors, as well as to the Chief Executive

Officer;

verified the reliability of information systems, including accounting systems, as part of the audit plan.

In 2022, the main activities carried out by the Internal Audit Manager were as follows: planning, coordinating, carrying out audits at Group companies on the Audit Plan; analysis and testing of the internal control system pursuant to Law No. 262/05; participation in the project to revise and implement the Group's Internal Control System; participating in Supervisory Bodies and audits under D. Legislative Decree 231/01 for the companies Biesse S.p.A., HSD S.p.A. and Forvet S.p.A.; overseeing the certification of related-party transactions involving the Group's senior management.

9.4 Organisational model pursuant to Italian Legislative Decree 231/2001

In 2007, the Board of Directors approved an organisational, management and control model pursuant to Italian Legislative Decree No. 231 of 8 June 2001 (hereinafter the 'Model') and containing provisions on the administrative liability of entities, to prevent, as far as possible, the commission of the offences set out in Italian Legislative Decree 231/2001, including in particular environmental offences, corporate offences, offences in breach of occupational health and safety regulations, and corruption offences.

The Model results from a long and in-depth analysis of the risks associated with Biesse's legal status. It is consistent with the principles enshrined in Italian Legislative Decree 231/01, in line with national best practices and the instructions of Confindustria. It is sufficient to prevent the risk that employees and associates of the Company commit the offences outlined in the aforementioned decree and in subsequent amendments.

It represents an additional guarantee of the sense of responsibility in relationships within the Group and with external parties, offering Shareholders sufficient guarantees of correct and efficient management.

The Model contains a detailed analysis of the risks of committing the offences provided for in Italian Legislative Decree No. 231/01, with specific reference to significant offences concerning Biesse's business, and a list of procedures required to fill any gaps between the areas found to be potentially at risk and the procedures already in place and operational at Biesse.

Presently, the areas identified as at risk and monitored pursuant to the regulations are:

Offences against the public administration;

Corporate crimes;

Market Abuse crimes;

Offences related to safety on the workplace;

Computer offences and illicit data processing;

Crimes of receiving stolen goods, money laundering, and use of cash, goods or other valuables of illegal origin, in addition to self-laundering;

Organised crime offences;

Crimes against industry and trade;

Environmental crimes;

Crimes related to irregular worker employment;

Tax crimes;

Smuggling crimes;

Copyright infringement offences.

On 29 January 2021, the Board of Directors approved the latest version of the Model, integrated in the general and special sections in the light of the legislative changes that have expanded the catalogue of offences under the Decree.

A Supervisory Board has also been set up, consisting of the Chairman Mr Giuseppe Carnesecchi, the Head of the Biesse Internal Auditing Department and the Head of the Biesse Legal Affairs Department (appointed to ensure coordination between the various parties involved in the internal control and risk management system), with the task of:

periodically mapping the areas at risk of offence (i.e. 'sensitive activities') to adapt them to the changes in the activities and/or the company structure. For said purpose, Management and employees in charge of internal control reported any situations that can expose the Company to risk of offence to the Supervisory Board;

periodically verifying the matters set forth by the Model, especially ensuring that the procedures and controls set forth are carried out and recorded as required and ethical principles are honoured;

periodically checking specific transactions or specific events executed, especially as part of the sensitive activities whose results are summarised in a specific report, the contents of which are illustrated in the company publications;

ensure that the corrective actions necessary to make the Model appropriate and effective are undertaken promptly;

gather, process and save all the relevant information received about the Model and update the list of the information that must be transmitted to it. To this end, the Supervisory Body has free access to all relevant company documentation and is constantly informed by the management on aspects of the Company's activities that may expose the Company to the risk resulting from the commission of one of the offences provided for in the Decree, as well as on relations with consultants and partners;

report periodically to the Chairman, the Board of Directors and the Board of

Statutory Auditors concerning implementation of the company policies for implementing the Model;

monitor violations of the Model, including violations of the Code of Conduct.

To complete the Model, note that the Company has set up a structured and unified system of procedures and control activities (which includes bolstering the efficacy of those already existing and by implementing new ones) aimed at covering any possible risks arising from sensitive and instrumental activities for committing the offences outlined in the aforementioned decree.

To actively promote business ethics and integrity, those most involved and top management receive regular training on issues related to Italian Legislative Decree 231/2001.

In particular, to reach as many people as possible with training courses on the subject, training initiatives were carried out in 2022 involving more than 2,400 employees and external collaborators.

During 2022, no reports were received by the Supervisory Board through the reporting channels available to all interested parties for the communication of unlawful conduct relevant under Italian Legislative Decree 231/2001 and the Model itself. These channels are suitable to ensure the confidentiality of the identity of the whistleblower, in accordance with Law No. 179 of 2017 (so-called Whistleblowing).

The Model, as well as the Code of Conduct, are available on the Company's website at www.biessegroup.com, Investor Relations section.

9.5 Independent Auditors

On 20 June 2018, the Biesse Shareholders' Meeting, following the opinion of the Board of Statutory Auditors and the Board of Directors on 14 May 2018, resolved to appoint Deloitte S.p.A. as independent auditors for the period 2019-2027, establishing the relative remuneration.

During the Year, the Board, after consulting the Board of Statutory Auditors, assessed the results presented by the statutory auditor in the audit opinion.

9.6 Financial Reporting Officer and other Corporate roles and functions

On 28 April 2021, in compliance with Law No. 262 of 28 December 2005, besides the provisions of the Articles of Association, the Board of Directors, at the proposal of the Chairman and subject to the favourable opinion of the Board of Statutory Auditors, approved the appointment of Mr Pierre Giorgio Sallier de La Tour, CFO of the Biesse Group, as Financial Reporting Officer.

The Financial Reporting Officer, Mr La Tour, possesses all the requirements of professionalism and integrity required by applicable law to carry out this task, being an expert in administration, finance and control and possessing the necessary integrity requirements.

The Manager has also been granted all the necessary powers, pursuant to Article 154-bis of Italian Legislative Decree No. 58/1998, as introduced by Article 14 co. L, No. 262/2005, and for example but not limited to:

the power to introduce administrative and accounting procedures in the parent company and all the Italian and foreign subsidiaries;

the power to dismiss and hire employees to perform specific activities, setting the compensation within the framework of the group policy;

the power to grant and revoke assignments to Italian and foreign professionals to carry out specific assignments, setting their term and compensation;

the power to make direct purchases of or lease software and assets necessary to carry out the budget and related procedures;

any other necessary power, including related expenses, with a view to the correct execution of the assignment granted.

Risk Manager

As part of the corporate reorganisation process started during the 2021 financial year, the coordination of the risk management process was entrusted to the Innovation, Corporate Social Responsibility & Quality Management function due to the suitable skills and professionalism possessed by the latter, also in light of the coordination of the ISO-certified Company Management Systems, based on the Risk Management methodology.

The Risk Management function is responsible for:

coordinating the ERM process;

Systematically support, as a methodological watchdog, the CEO in implementing the guidelines defined by the Board of Directors, and the company management (so-called 'Risk Owners') in identifying risks, their assessment and treatment plans.

The Risk Management function reports periodically on the findings of the ERM process (main risks and progress of identified treatment plans) to the Audit and Risk Committee and the Chief Executive Officer.

The function also liaises with the other Control and Supervisory Bodies if required.

9.7 Coordination among those involved in the Internal Control and Risk Management System

The Issuer provides coordination procedures among those involved in the Internal Control and Risk Management System to maximise the efficiency of the internal control and risk management system and reduce duplication of effort. To this end, the Board of Directors receives and examines the periodic reports prepared by the Internal Audit Manager, the Control and Risk Committee and the Chief Executive Officer through the function responsible

for ERM coordination to verify the following (i) whether the structure of the Internal Control and Risk Management System in place within the Group is effective in achieving the objectives and (ii) whether any reported weaknesses imply the need for System improvement.

The Board of Statutory Auditors and the Control and Risk Committee are expected to promptly exchange information relevant to the performance of their respective duties. In addition, the Board of Statutory Auditors attends, as a guest, the Control and Risk Committee meetings, with which it promptly exchanges information relevant to performing their respective duties.

To increase the efficiency of the internal control system, during the financial year, the Issuer also implemented, on a half-yearly basis, a practice of joint meetings of all control bodies (Control and Risk Committee, Board of Statutory Auditors, Executive in Charge, Internal Audit, Independent Auditors, Supervisory Board and Director in charge of the internal control and risk management system, ERM Coordination Manager).

The meetings, held on 9 March and 24 October, respectively, did not reveal any specific critical issues.

All bodies noted the usefulness of such opportunities to exchange and share information and opinions on the subject and therefore agreed to renew the practice for 2023 as well.

As of the date of approval of this Report, the first joint meeting of 2023 was held on 6 March.

10. Interests of Directors and Related-Party transactions

Under the Regulation adopted by CONSOB with resolution No. 17221 of 12 March 2010 as amended successively by Resolution No. 17389 of 23 June 2010, No. 19925 of 22 March 2017 and No. 19974 of 27 April 2017 No. 21396 of 10 June 2020, No. 21624 of 10 December 2020 and No. 22144 of 22 December 2021 ('CONSOB Regulation'), on 12 November 2010 the Board of Directors of the Company adopted, with the prior approval of the Internal Control Committee at the time, the procedure governing transactions with related parties, laying down the rules for transactions with related parties to ensure, for itself and its subsidiaries, the transparency and substantive and procedural fairness of transactions with related parties entered into by the Company.

The procedure has been constantly updated over the years, most recently in May 2021, in compliance with the applicable legislation.

The Regulation aims to identify the principles and procedures Biesse uses to ensure the substantial and procedural transparency and correctness of Related-Party transactions (as defined below), executed by the Company, directly or through its subsidiaries.

For the Regulation, related-party transactions ('RPT') may be defined as any

transfer of services, resources, or obligations between related parties, regardless of whether a consideration has been agreed, which may include:

merger or spin off transactions in the narrow sense and not proportional, provided these are executed with Related Parties;

every decision related to the assignment of remuneration and economic benefits, in any form, to members of the Board of Directors and Statutory Auditors and to key managers.

The bodies involved in the examination and approval of the transactions and bodies which have supervisory duties on enforcement of the Regulation, each for their own sphere of responsibility, to identify the RPT in compliance with the Regulation, are required to give preference to and consider the substance of the relationship and not only its legal form. Considering the reports and comments made by other company bodies, the Company's Board of Directors reviews the Regulation's effectiveness at least every three years and decides whether any changes are necessary or appropriate.

The Company, as a smaller listed company, avails itself, pursuant to Art. 10 of the CONSOB Regulations, of the faculty to apply the procedural regime provided for RPTs of lesser importance to RPTs of greater importance.

This Regulation includes the establishment of a Committee for vetting related-party transactions, which consists of two independent directors and uses the prerequisites set forth by applicable law and regulations.

During the financial year, the Committee held five meetings, with minutes taken as required, lasting an average of thirty minutes. All members participated in those meetings. Three meetings are planned for the year 2023.

In carrying out its duties in 2021, the Related Parties Committee:

analysed the final balance of the 2021 MBOs relating to strategic executives, to examine the existence of any elements of discretionary power for Biesse in determining the plan regarding the executive directors and strategic executives recipients, expressing a favourable opinion on the absence of discretionary forecasts by the Company and suggesting that in the future the Company should move towards applying objectively measurable metrics that would make it possible to explicitly state the qualitative objectives assigned to them year by year;

assessed the Issuer's commercial relations with various suppliers in relations between related parties, always expressing a favourable opinion on the matter;

approved the Committee's period report to the Board.

The Board of Directors has found operating solutions that can facilitate the identification and adequate management of the situations in which a director holds an interest on his own behalf or on behalf of third parties.

The Biesse Related Party Transactions Regulation is available on the

Company's website at www.biessegroup.com, in the section 'Investor Relations'.

11. Board of Statutory Auditors

11.1 Appointment and substitution

The Board of Statutory Auditors supervises compliance with the law and the Articles of Association and provides control of operations, while it is not responsible for accounting controls which are the responsibility of independent auditors designated by the Shareholders' Meeting among those registered in the Consob roll.

The Articles of Association provide that the Board of Statutory Auditors comprises three standing Auditors and two alternate Auditors and that the appointment is made based on lists presented by the Shareholders representing at least 2% (two per cent) of the share capital with voting rights in the ordinary Shareholders' Meeting or the different minimum quota established by Consob (for 2023, as established with Consob Executive Resolution No.76 of 30 January 2023, it established that the minimum percentage for the presentation of lists for the appointment of the statutory auditors of Biesse SpA is equal to 2.5% - please note that any lower percentage provided for in the Articles of Association and therefore the 2% threshold established in the Company's Articles of Association applies). No Shareholder, nor the Shareholders in the same group, may file or vote for, either severally or jointly or through nominees or trustees, more than one candidate list. If this rule is broken, the vote of the Shareholder in question will not be valid for any of the candidate lists filed. Each candidate may only be on one list. Failure to comply will mean ineligibility.

A Statutory Auditor is elected as follows: two Standing Statutory Auditors and one Alternate Statutory Auditor are selected, in the consecutive order in which they are listed, from the candidate list that obtained the highest number of votes in the Shareholders' Meeting; the names of one standing and another alternate auditor are selected from the candidate list with the second highest number of shareholder votes, according to the sequential order in which they appear in the list. The standing auditor will assume the role of Chairman. If there is a tie among two or more candidate lists, the Statutory Auditors appointed will be those most senior in age.

Should the foregoing mechanism fail to produce a composition of the Board of Statutory Auditors that complies with the gender balance required by law, instead of appointing the last candidate in numerical order on the list that received the highest number of votes, the next available candidate, in numerical order, from the same list belonging to the less represented gender will be appointed as a Standing Statutory Auditor or Alternate Statutory Auditor. If a Statutory Auditor loses or relinquishes the qualifications or credentials required by law and the Articles, they will be removed from office.

The lists must be filed no later than the twenty-fifth day before the

Shareholders' Meeting date and posted, as required by law and by the Consob Regulations, at least twenty-one days before the meeting. Candidatures must be accompanied by a professional curriculum vitae and the statements whereby each candidate accepts the candidature and attests, under personal responsibility, the absence of ineligibility and incompatibility, as well as the existence of the requirements prescribed by law and by the Articles of Association for these roles (independence and professionalism).

To ensure gender balance within the Board of Statutory Auditors, the less represented gender must have a number of members equal to that established by the applicable laws and regulations. Therefore, both sections of the lists must contain several candidates belonging to the less represented gender equal to that required by the aforementioned legislation.

To appoint Standing or Alternate Statutory Auditors to complete the composition of the Board of Statutory Auditors following substitution or departure from office, the Standing or Alternate Statutory Auditor belonging to the same list as the outgoing Statutory Auditor will replace them, without prejudice to compliance with the proportion of genders required by law. If this is not possible, the Meeting must decide based on the required majority for ordinary Meetings without prejudice to the stipulations in paragraph 1 of the present Article and compliance with the proportion of genders required by law.

The Company is not subject to further rules on the composition of the Board of Statutory Auditors other than those provided for in the Consolidated Law on Finance.

11.2 Composition and operation (pursuant to Art. 123-bis, paragraph 2, letters d) and d-bis), Consolidated Law on Finance)

With the approval of the financial statements as at 31 December 2020, the term of office of the current Board of Statutory Auditors expired; Therefore, on 28 April 2021, the Shareholders' Meeting was called to renew the Company's control body.

At least one-third of the regular members of the Board of Statutory Auditors shall be members of the least represented gender.

The current Board of Auditors will remain in office until the approval of the financial statements for the year ending 31 December 2023. The members of the Board of Statutory Auditors were appointed based on (i) the list submitted by the majority shareholder BI.FIN. S.r.l., which was voted by 28,085,494 shareholders, representing 81.150649% of the voting rights represented at the shareholders' meeting, and (ii) the minority list presented jointly by Amundi Asset Management SGR S.p.A. Manager of the fund Amundi Risparmio Italia; Anima Capital SGR S.p.A., fund manager of: Anima Crescita Italia, Anima Iniziativa Italia; Arca Fondi SGR S.p.A. fund manager of Arca Economia Reale Equity Italia; Bancoposta Fondi S.p.A. SGR fund manager of

Bancoposta Rinascimento; Eurizon Capital SGR S.p.A., fund manager of: Eurizon Pir Italia 30, Eurizon Progetto Italia 20, Eurizon Progetto Italia 70, Eurizon Azioni Pmi Italia, Eurizon Progetto Italia 40, Eurizon Pir Italia Azioni; Fideuram Asset Management Ireland fund manager of Fonditalia Equity Italy; Fideuram Intesa Sanpaolo Private Banking Asset Management SGR S.p.A. fund manager of: Fideuram Italia, Piano Azioni Italia, Piano Bilanciato Italia 50, Piano Bilanciato Italia 30; Interfund Sicav - Interfund Equity Italy; Mediolanum Gestione Fondi SGR S.p.A. fund manager of: Mediolanum Flessibile Futuro Italia, Mediolanum Flessibile Sviluppo Italia, voted by 6,264,565 shareholders, equal to 18.100928% of the voting rights represented at the meeting.

During 2022, the Board of Statutory Auditors met 13 times, in compliance with the precautionary measures to contain the Covid-19 Pandemic.

As at the date of preparation of this Report, 12 are planned for 2023.

For more information on the Board's composition and each member's equity investment, see the summary tables. At the date of this Report, the Board of Statutory Auditors was composed as follows:

Paolo De Mitri (Chairman), born in Milan on 14/10/1963, obtained the qualification of accountant and commercial expert in 1982. He has been on the Register of Practitioners of the Professional Association of Chartered Accountants and Accounting Experts of the Province of Mantua since 1987 at number 215, Section A; in the Register of Arbiters, Arbitrators and Contract Experts of the Arbitration Board of Mantua since 1994; in the register of consultants to the judge in the categories: auditors, companies, Company and asset valuations and taxation since 1993; in the register of auditors at No 18347.

During the financial year, he held the following positions: Chairman of the Board of Statutory Auditors at Riello Investimenti S.p.A., Standing Auditor at Garmot International Srl, Gruppo Riello Investimenti S.p.A.; Standing Auditor at Omniafibre Sr, Gruppo Riello Investimenti S.p.A., Chairman of the Board of Statutory Auditors at Foodness S.p.A., Gruppo Riello Investimenti S.p.A., Standing Auditor at Protim Srl, Gruppo Riello Investimenti S.p.A, Standing Auditor at Protec Surface Technologies Srl, Gruppo Riello Investimenti S.p.A., Chairman of the Board of Statutory Auditors at Hyle Capital Partners Società di Gestione del Risparmio, Standing Auditor at Contri Spumanti S.p.A., Gruppo Hyle Capital Partners SGR S.p.A., Standing Auditor at Verona Fiere; Chairman of the Board of Statutory Auditors at Stonebathwear S.p.A.

As at 31 December 2022, she does not own any Issuer shares.

Giovanni Ciurlo (Standing Auditor), born in Genoa on 14/08/1960, he graduated in Economics from the University of Genoa in 1983 and subsequently qualified as a Chartered Accountant. He has been a member of the Order of Chartered Accountants since 1985. He is also entered in the Register of Auditors.

A partner of the firm ECOVIS STLex since 1991, he works in corporate and tax

law, where he has gained significant experience assisting Italian and foreign companies and investors in M&A, LBOs and other extraordinary transactions.

During the Year, he held the following positions: Chairman of the Board of Statutory Auditors at Comarco S.p.A.; Standing Auditor at Fine PCB S.p.A., Flexopack Srl, Italmatch Chemicals S.p.A. and Noberasco Holding S.p.A. and Supervisory Board Member at Gastaldi Holding S.p.A.

As at 31 December 2022, she does not own any Issuer shares.

Enrica Perusia (Standing Auditor), born in Turin on 27/10/1967, graduated in law and subsequently qualified to practice law. She is a member of the Bar Council of Turin.

Highly specialised in Italian and international anti-money laundering legislation, anti-corruption legislation, Italian Legislative Decree 231/2001 and Administrative Responsibility of entities and Corporate Governance, she currently works with Studio Ranalli e Associati, where she is involved, on a consultancy basis, in corporate compliance and the drafting of Organisational Models pursuant to Italian Legislative Decree No. 231/2001 in companies, including those listed on regulated markets, operating in various sectors.

During the Year, he held the following roles and positions: standing auditor in Acque Blu Fiorentine and in Aquantia srl (subsidiaries of Acea S.p.A.), Chairman of the Supervisory Board of Iren Mercato S.p.A. and of Rieti Gas S.p.A., as well as a member of the Supervisory Board in Mondadori Retail S.p.A. and Mondadori Electa S.p.A.

As at 31 December 2022, she does not own any Issuer shares.

Maurizio Gennari (Alternate Auditor), born in Pesaro, 12/10/1948, graduated in Economics and Business at the University of Urbino, subsequently obtaining the title of Chartered Accountant, a profession he has been practising since 1974. Since 1981, he has been enrolled in the Register of Official Accounting Auditors and in the list of court-appointed technical consultants of the Court of Pesaro, for which he has also acted as Bankruptcy Trustee and Judicial Commissioner in various bankruptcy proceedings.

As part of his profession, he is an auditor in several corporations, non-profit organisations and major private foundations.

During the Year, he served as Chairman of the Board of Statutory Auditors of 'ESSE Industrie di Scavolini Elvino e Valter & C. S.a.p.a.', which prepares the consolidated financial statements of SCAVOLINI SPA, a company in which he held the position of Standing Auditor.

As at 31 December 2022, she does not own any Issuer shares.

Silvia Muzi (Alternate Auditor), born in Rome on 18/07/1969, graduated in Economics and Commerce at La Sapienza University of Rome. She has been practising as a Chartered Accountant and Accounting Expert, Auditor and U.N.C.I. accredited Auditor since 1999. She holds the position of Chairman of

the Board of Statutory Auditors at Rai Way S.p.A., she is also a Statutory Auditor at Esprinet S.p.A. and Banco BPM S.p.A.

As at 31 December 2022, she does not own any Issuer shares.

The meeting attendance record of the new auditors in 2022 was as follows: Paolo De Mitri: 100%; Giovanni Ciurlo: 100%; Enrica Perusia: 100%.

Diversity criteria and policies

The Board of Statutory Auditors:

predefined, at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the Code to assess the independence of auditors (borrowing from Recommendation 7, as referred to in Recommendation 9) of the Code of Corporate Governance;

- carried out, after its appointment and specifying the assessment criteria concretely applied, the self-assessment of its independence and the existence of the requirements of honourableness, professionalism and limits to the accumulation of offices, as well as the self-assessment of its work. The self-assessment did not reveal any critical issues (Art. 144-novies, paragraph 1-bis, Consob Issuers' Regulation and Recommendation 6 as referred to in Recommendation 9, as well as Recommendation 10) of the Code of Corporate Governance;

assessed – when circumstances relevant to independence arose and in any event at least once during the Financial Year – the continuing existence of the independence requirements for the members of the Board of Statutory Auditors (Recommendation 6 as recalled by Recommendation 9) and - in making the above assessments, considered all the information made available by each member of the Board of Statutory Auditors (Recommendation 9) assessed all the circumstances that appear to compromise independence identified by the Consolidated Law on Finance and the Code (Recommendation 7, as recalled by Recommendation 9) and applied all the criteria set out in the Code regarding the independence of directors (Recommendation 7, as recalled by Recommendation 9).

Regarding the composition of the Board in office at 31 December 2022, the Issuer did not consider it appropriate to adopt a diversity policy for aspects such as age, gender, education and professional background, since: (i) for the election of the Board of Statutory Auditors, articles 147-ter and 148 of the Consolidated Law on Financial Intermediation, as amended by Law No. 160 of 27 December 2019 (Budget Law 2020) on gender equality, which extended the relevant obligations for six consecutive terms of office and increased the proportion of directors and statutory auditors of the less represented gender that must be elected to corporate bodies from 1/3 to 2/5, were applied (ii) for the election of the Board of Statutory Auditors, the professionalism requirements provided for by the applicable legislation, including regulations, are already required.

In carrying out its activities, the Board of Statutory Auditors monitored the independence of its members and conducted a self-assessment, which it reported on at the Board of Directors meeting of 29 July 2022, from which it emerged that this requirement was also fulfilled for the financial year. Independence was assessed based on the criteria set out in Art. 2 of the Code of Corporate Governance, applying all the criteria set out for directors in the Code of Corporate Governance as approved by the Board of Directors.

In performing its duties, the Board has supervised the independence of the external auditors, verifying compliance with legal requirements and the nature and entity of the services other than account auditing provided to the Issuer and its subsidiaries by the independent auditors.

In carrying out its duties, the Board of Statutory Auditors liaised with the Internal Audit department and with the Control and Risk Committee. It participated in all Committee meetings, to which the Internal Audit Manager reported on the work carried out.

In the declaration of candidacy and acceptance of the office of statutory auditor of the Company, moreover, all the statutory auditors attested (i) the non-existence of causes of ineligibility, forfeiture and incompatibility, (ii) to possess all the requirements of honourableness, independence and professionalism, required by law and by the Articles of Association for the office of Statutory Auditor in a listed company; (iii) that they do not hold directorships and auditing positions equal to or exceeding the limits established by current legislation; and (iv) to undertake to promptly notify the Company and, on its behalf, the Board of Directors and the other members of the Board of Statutory Auditors of any changes in the declaration and any grounds for disqualification.

Remuneration

As regards the remuneration paid during the year to the control bodies for any reason and in any form, please refer to Section II of the Remuneration Report.

Management of interests

The Company requires that a Statutory Auditor who, on their behalf or that of third parties, has an interest in a particular transaction of the Issuer shall promptly and fully inform the other Statutory Auditors and the Chairman of the Board about the nature, terms, origin and extent of their interest.

12. Shareholder relations

Financial communication plays an essential role at Biesse in the value creation process for the Group: the Issuer has adopted a strategy to promote continuous and correct information flows between the financial community, the market and the Issuer. Biesse has always actively worked to establish continuous dialogue with institutional investors, shareholders and the market, in compliance with the procedures adopted for public disclosure of

internal documents and information. For this reason, the specific corporate function of 'Investor Relations' was established, for which Alberto Amurri was appointed to work with the Board of Directors to ensure the systematic publication of complete and timely disclosure through press releases, meetings with the financial community and periodic updates of the Company's website (www.biessegroup.com).

During 2022, Biesse participated in events organised by Borsa Italiana (Euronext STAR Conference Milan and Paris) and J.P. Morgan-London (Pan European Conference), independently creating many opportunities to meet and meet with the Italian and international financial community.

Per recommendation 3 of the Code of Corporate Governance, the CFO reported on the Star event to the Board during the financial year, particularly at the meeting on 12 May. with specific reference to the STAR event in Paris, held on 11 October. This was reported in the annual financial report and the activities of the second half of 2022.

To foster financial communication, the Board of Directors of Biesse works to provide easy and timely access to the information regarding the Issuer which is relevant for its shareholders to exercise their rights knowledgeably. To achieve this, the Company felt it would be appropriate to set up a dedicated space on its website with economic and financial information (financial statements, quarterly and interim reports) and data and documents of interest to shareholders, including the Code of Conduct, the Organisation and Management Model and the Sustainability Report (www.biessegroup.com - section 'Investor Relations'). The documentation will remain available on the site for at least five years.

On 29 October 2021, the Board, on the proposal of the Chairman formulated in agreement with the Chief Executive Officer and in compliance with Principle IV and Recommendation No. 3 of the Corporate Governance Code, adopted a Policy for the management of dialogue with shareholders and other stakeholders to optimally manage dialogue with shareholders and, more generally, with all other stakeholders.

The policy identifies one or more executive directors responsible for organising and managing dialogue with shareholders and other stakeholders, with the help of the Company's Investor Relator department, as well as the possibility that this task may be delegated to other key managers.

The role of appointed directors was assigned to the Chief Executive Officer Roberto Selci and the Co-Chief Executive Officer Massimo Potenza, in addition to explicitly assigning the same purpose to the CFO Pierre La Tour and the Investor Relator Alberto Amurri with a Board resolution of 29 October 2021.

In application of the Policy, the Investor Relator and the CFO are to maintain relations with investors; In particular, after each Board of Directors meeting to approve the accounting data for the period, they hold discussion sessions with investors in which the directors may also take part.

13. Shareholders' Meetings

Shareholders' Meetings are legally constituted when all shareholders are represented and its resolutions, taken in compliance with the law and the Articles of Association, are binding for all shareholders, even if absent or in disagreement. Shareholders' Meetings may be called in Italy at the company headquarters or elsewhere. The Board of Directors calls the Shareholders' Meeting by issuing a notice to be published according to the deadlines and procedures provided for by applicable legislation.

Ordinary and extraordinary shareholders' meetings and shareholder decisions are valid where the quorum, voting majorities, and other statutory requirements set out in existing laws are satisfied. The Shareholders' Meeting may be held with a single call.

Pursuant to Art. 2365 of the Italian Civil Code, the Board of Directors also has the power to pass resolutions on proposals concerning: mergers and demergers of companies in the cases and according to the procedures established by law; and updates of the Articles of Association in line with regulatory provisions.

For the appointment of the Board of Directors and the Board of Statutory Auditors, the provisions of articles 16 and 19-bis of the Articles of Association apply, which also specify the percentages established for the filing of lists for the election of the aforesaid bodies.

The Articles of Association do not provide postal or electronic voting or the possibility of participating in the Shareholders' Meeting by video or audio conference. However, given the contingency because of the phenomenon of the Covid-19 virus pandemic, Article 3, paragraph 1 of Law Decree No. 288 of 30 December 2021 (the so-called Milleproroghe' decree) extended the application of the emergency provisions also for Shareholders' Meetings convened by 31 July 2022, extending the ordinary terms for the annual Shareholders' Meetings and allowing for exceptions to such statutory and legal provisions, to ensure that the meetings are held in compliance with public health, leaving it up to the individual Issuers to decide whether to resort to the participation tool deemed most appropriate.

In light of the above, during the year, the Issuer has deemed to resort to the institution of the 'designated exclusive representative', pursuant to Art. 106 paragraph 4 of the Decree, appointing Computershare S.p.A. to represent the Shareholders pursuant to Art. 135-undecies of Italian Legislative Decree 58/98 and the aforementioned Decree.

Participation in the Shareholders' Meeting by the shareholders was allowed exclusively through the designated exclusive representative, within the terms and in the manner set out in the notice of meeting.

The other provisions of Art. 135-undecies Consolidated Law on Finance for the designated sole representative remain the same, in particular those relating to the granting of proxies with voting instructions (including the possibility of different voting), the obligation to declare any interests that the

designated representative has on their behalf or that of third parties concerning the proposed resolutions, the duty of confidentiality of the designated representative (and their employees and auxiliaries) and the methods for calculating the quorums concerning the delegated powers.

Since 2001, the Company has had a set of shareholders' meeting rules that govern the orderly and practical running of the ordinary and extraordinary meetings, ensuring each shareholder can participate in discussing items on the agenda. All those who participate as representatives of shareholdings may speak on any of the issues set forth for discussion. Shareholders who wish to speak must ask the Chairman for the floor, submitting a written request including indication of the topic of the question. This is done after the Chairman has read aloud the items on the agenda and until he has declared the discussion of the issue closed.

The regulations for the meetings can be viewed in the specific section of the website www.biessegroup.com.

During the financial year 2022, the Shareholders' Meeting met in first call on 27 April in order to pass resolutions: Approval of the Financial Statements and annexed reports of the subsidiary Bre.ma Brenna Macchine Srl, to 31 December 2021; (ii) on the approval of the Biesse S.p.A. financial statements as at 31 December 2021; Reports of the Board of Statutory Auditors and Independent Auditors on the financial statements to 31 December 2021; On the presentation of the Consolidated Financial Statements as at 31 December 2021 and the presentation of the non-financial statement pursuant to Italian Legislative Decree 254/2016 ('DNF') - Sustainability Report as at 31 December 2021; (iii) on the allocation of Biesse S.p.A.'s profit for the year 2021; (iv) on the proposal to distribute an ordinary extra dividend from the extraordinary profits reserve posted on the Company's financial statements. (v) on the Report on Remuneration Policy and Compensation Paid (Approval of the First Section of the Report pursuant to Article 123-ter paragraph 3-bis of Italian Legislative Decree 58/1998); (vi) on the Report on Remuneration Policy and Compensation Paid (Advisory vote on the Second Section of the Report pursuant to Article 123-ter, paragraphs 4 and 6 of Italian Legislative Decree 58/1998); (vii) on the authority to purchase and dispose of own shares.

During the Year, there were no proposals submitted by the Issuer's controlling shareholder to the Shareholders' Meeting on matters on which the directors had not formulated a specific proposal.

On that occasion, the Board reported to the Meeting on the work carried out and on its planned activities and endeavoured to ensure that shareholders had adequate information so that they could make the fully informed decisions required of the Shareholders' Meeting, including through the publication of the reports required by applicable laws and regulations.

During 2022, there were no significant changes in capitalisation or corporate structure such as to suggest to the Board to propose amendments to the Articles of Association regarding the percentages required for exercise of

shares and prerogatives in defence of minorities.

Increased voting

Pursuant to Art. 127-quinquies of the Consolidated Law on Finance, if the following conditions are met, each share is attributed 2 votes in all ordinary and extraordinary shareholders' meetings: (i) the share has belonged to the same person because of a right in rem legitimising the exercise of voting rights (full ownership, bare ownership with voting rights and usufruct with voting rights) for a continuous period of at least 24 (twenty-four) months, and (ii) the recurrence of the condition under (i) is attested by registration in the special list established by the Company pursuant to Art. 6 of the Articles of Association for a continuous period of at least 24 (twenty-four) months and by a communication issued by the intermediary with whom the shares are deposited and referring to the date of expiry of the continuous period.

Pursuant to current legislation, the Company establishes and maintains at its registered office a special list to which shareholders wishing to benefit from the increased voting rights for all or part of their shares must register. Any person wishing to obtain registration in the special list of all or part of the shares of which he is the holder shall apply in writing to the Company, enclosing the communication attesting to their ownership of the shares, issued by the intermediary with whom such shares are deposited.

For entities other than natural persons, the request shall indicate whether the holder of the shares is subject to direct or indirect control by a third party and, if so, shall contain the information necessary to identify the controlling entity.

The acquisition of the increased voting rights will be effective on the fifth trading day of the calendar month following the day on which the conditions required by the Articles of Association for the increased voting rights are fulfilled. Art. 127-quinquies, paragraph 7, of Italian Legislative Decree 58/98 applies.

The increase in voting rights extends proportionally to the shares: (i) newly issued in the event of a free capital increase; (ii) in exchange for pre-existing shares in the event of a merger or demerger, provided that the draft terms of merger or demerger so provide; (iii) subscribed to as part of a capital increase through new contributions. In such cases, the newly issued shares acquire the additional voting rights from the moment of their registration in the special list, without the need for a further continuous holding period of 24 (twenty-four) months; on the other hand, if the voting rights of the existing shares have not yet vested but are in the process of vesting, the voting rights of the newly issued shares will vest as soon as the conditions required by the Articles of Association for the increase of the voting rights of the existing shares are fulfilled.

The increased voting right shall cease to apply in the event of transfer of the share for consideration or free of charge, it being understood that transfer also includes the establishment of a pledge, usufruct or other encumbrance

on the share when this results in the loss of the voting right by the shareholder. An increased vote is retained on the Issuer's shares other than those transferred or those on which a pledge or usufruct or other encumbrance on the Issuer's share has been established. The benefit is also preserved in the event that the legitimising right in rem is transferred (i) by succession mortis causa, or (ii) as a result of a transfer by virtue of a gift in favour of legitimising heirs, a family pact, or the creation and/or endowment of a trust, an estate fund or a foundation of which the transferor himself or his legitimising heirs are beneficiaries. Successors in title are entitled to apply for registration with the same seniority as the natural person in title.

The increased voting right is also lost in the event of the direct or indirect transfer of controlling interests – as defined in accordance with the rules applicable to issuers with listed securities – held in companies or entities that in turn hold shares in the Company with increased voting rights in excess of the threshold requiring notification to the Company and Consob of significant holdings pursuant to current legislation, it being understood that the benefit of the increased voting rights is maintained in the case of transfers (a) mortis causa, or (b) by virtue of a donation in favour of legitimate heirs, by virtue of a family pact, or for the constitution and/or endowment of a trust, an estate fund or a foundation of which the transferor themselves or their legitimate heirs are beneficiaries, concerning the aforesaid controlling shareholdings.

The person entitled to the increased voting right is entitled to waive the increased voting right for all or part of their shares by written notice to be sent to the Company. The waiver is irrevocable, but the increased voting right may be acquired again with respect to the shares for which it was waived, by means of a new entry in the special list and the full expiry of the continuous membership period of at least 24 (twenty-four) months. The Company shall proceed with removal from the special list in the following cases: (i) waiver by the entitled person; (ii) communication from the person entitled or the intermediary, proving that the conditions for the increase in voting rights have ceased to exist or that he has lost the ownership of the legitimising right in rem and/or the related voting right; (iii) ex officio, if the Company becomes aware of the occurrence of facts that result in the loss of the prerequisites for the increase of the voting right or the loss of the ownership of the legitimising right in rem and/or the related voting right.

The special list shall be updated by the Company no later than the fifth trading day after the end of each calendar month and, in any event, no later than the date of entitlement to attend the Shareholders' Meeting and exercise voting rights, known as the record date.

14. Further Corporate Governance practices (ex art. 123-bis, paragraph 2, letter a), second part, consolidated law on finance)

There are no other corporate governance practices other than the above.

15. Changes after the close of the financial period

Please note that the role of Investor Relator was held by Alberto Amurri until 31 December 2022 and that, as of 1 January 2023, this role was assigned to Pierre La Tour, maintaining the role of Group CFO

Please also note that on 27 February 2023, the Issuer's Board of Directors approved the plan for the merger by incorporation of the Group company Montresor & Co Srl.

The merger will take legal effect on 1 August 2023, while the accounting and tax effects will be backdated to 1 January 2023

16. Comments on the letter from the Chairman of the Corporate Governance Committee

The Board of Directors has taken note of the recommendations made in the letter dated 25 January 2023 from the Chairman of the Corporate Governance Committee, which was brought to the attention of the Chairman of the Board and, for information, to the Managing Directors and the Chairman of the Board of Statutory Auditors to whom it was forwarded, without delay.

At its meeting of 27 February 2023, the Board assessed the progress of alignment with these recommendations.

The assessment found that:

- regarding the advisability of adhering to the new Corporate Governance Code, the Board of Directors, agreeing that it represents an appropriate standard of conduct for all companies listed on the Italian market, resolved in favour at its meeting of 15 March 2021;
- on the advisability of using Borsa Italiana's format, the Issuer prepares its annual corporate governance report based on this model, highlighting in summary form the essential information indicating compliance with the specific recommendations of the Code or their disapplication, according to the principle of comply or explain;
- on the advisability of adopting a Shareholder Dialogue Policy, the Board resolved to adopt the Shareholder Dialogue Policy on 29 October 2021, for which reference should be made to paragraph 12 above for further details, as well as to the website:
https://www.biessegroup.com/media/files/2151_Politica%20Engagement%20ITA%202023_nuovo%20template%20clean_REVTC.pdf;
- as to whether it is appropriate to provide information on the most relevant issues subject to dialogue with shareholders, the Issuer reports on this in its Annual Corporate Governance Report;

- regarding the recommendation to include information in the annual corporate governance report on the criteria and methods by which the board of directors has promoted dialogue with other relevant stakeholders, the Issuer already provides this in its Corporate Governance Report;
- regarding the recommendation to provide, if the Chairman of the Board of Directors is granted management powers, adequate reasons for this choice in the Corporate Governance Report, the Issuer's Board of Directors has not granted significant management powers to the Chairman, but powers of representation in addition to the legal obligations pursuant to Article 2381 of the Italian Civil Code;
- regarding the advisability of envisaging procedures for the management of pre-filing disclosures that do not envisage generic exemptions to the promptness of disclosures for reasons of confidentiality of data and information, the Issuer uses a dedicated online portal for sharing documents to ensure their confidentiality and does not envisage exemptions to notice periods in its Regulation on the functioning of the Board of Directors approved on 15 March 2021 and subsequent updates;
- Regarding the invitation to define, in the regulations adopted for the functioning of the Board of Directors and its committees, the procedures by which such bodies may access the competent corporate functions according to the subject matter dealt with, the Issuer has provided for this opportunity by including it both in its own Regulations of the Board of Directors and in the Regulations of the Board Committees (available on the website www.biessegroup.com, alla Investor Relations section);
- regarding the advisability for the board of directors, at least in companies not subject to concentrated ownership, to express, in view of its renewal, a guideline on the optimal composition of the board, to be published sufficiently in advance to allow parties submitting lists of candidates to consider it when compiling the list, the Issuer is a company with concentrated ownership and not the direct recipient of the recommendation. At the meeting of the Board of Directors on 14 March 2022, the Issuer availed itself of certain specific simplification options recognised by the Code of Corporate Governance in compliance with the principle of proportionality introduced by it. In particular, it was decided to carry out a self-assessment on the functioning of the Board of Directors every three years, and not to formulate guidelines on the quantitative and qualitative composition deemed optimal for the board in view of its renewal;
- regarding the appropriateness of defining ex-ante the quantitative parameters and qualitative criteria for assessing the independence of the members of the board of directors, these are explicitly provided for in the Regulation on the functioning of the Issuer's Board of Directors, which also discloses them in its annual corporate governance report;
- regarding the invitation to include, in the Remuneration Policy for the CEO and the other executive directors, an executive summary, in tabular format, showing the composition of the remuneration package, the Issuer, in the

Abstract, reports such information and presents the percentage weighting of the fixed/variable components both with reference to the achievement of the target objective and with reference to the achievement of the CAP objective in the form of a circular diagram. With a view to increasing transparency, the Issuer will consider a different presentation of information when drafting the next remuneration policy;

- Regarding the appropriateness of providing for the inclusion of a variable component with a multi-year horizon in the remuneration policies, the Issuer adopted a long-term incentive plan (LTIP 2021-2023) in 2021, defining its objectives in line with the company's strategic plan and the pursuit of sustainable success;

- Regarding the recommendation, addressed to companies that provide incentive mechanisms for the CEO and other executive directors linked to sustainability objectives, to provide a clear indication of the specific performance targets to achieve, the Issuer, at present, does not provide for specific ESG objectives in its incentive plans. The Issuer has already committed to testing sustainability targets for each function in the current year 2023. The Issuer will therefore assess the actual identification of this type of sustainable success target in the context of the next strategic plan.

Table 1

Information on the ownership structure as at 14 March 2023

SIGNIFICANT EQUITY INVESTMENTS IN THE SHARE CAPITAL			
Declarant	Direct shareholder	% of ordinary share capital	% of voting share capital
Giancarlo Selci	BI.FIN SRL	67,534	67,534

Table 2

Structure of the board of directors at the end of the financial year

Office	Members	Year of birth	Allocation first appointment*	In office from	In office until	List (presenters) **	List (M/m) ***	Exec.	Non-exec.	Indep. Code	Indep. Consolidated Law on Finance	No. other offices ****	Shares (****)
Chair.	Selci Giancarlo	1936	1994	28.4.21	Approval of the financial statements as at 31/12/2023	Shareholders	M	x				/	85%
CEO	Selci Roberto	1960	2000	28.4.21	Approval of the financial statements as at 31/12/2023	Shareholders	M	x				/	100%
Co-Chief Executive Officer	Potenza Massimo	1960	2020	28.4.21	Approval of the financial statements as at 31/12/2023	Shareholders	M	x				/	100%
Director	Baroncini Alessandra	1962	2021	28.4.21	Approval of the financial statements as at 31/12/2023	Shareholders	M		x			1	100%
Director	Borsani Ferruccio	1958	2021	28.4.21	Approval of the financial statements as at 31/12/2023	Shareholders	m		x	x	x	1	100%
Director	Ricceri Federica	1976	2021	28.4.21	Approval of the financial statements as at 31/12/2023	Shareholders	M		x	x	x	/	85%
Director (LID)	Schiavini Rossella	1961	2021	28.4.21	Approval of the financial statements as at 31/12/2023	Shareholders	M		x	x	x	3	85%
DIRECTORS LEAVING OFFICE DURING THE YEAR													
n/a													
Note the quorum required for filing the lists at the last appointment: 2.5%													
No. of meetings held during the financial year in question: BoD: 7													
NOTES													

(*) By date of first appointment of each director is meant the date on which the director was appointed for the first time (ever) to the Board of Directors of the issuer

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

(***) This column indicates M/m depending on whether the member was voted from the majority list (M) or a minority list (m).

(****) This column indicates the number of offices of director or auditor held by the individual in other companies listed on regulated markets, Italian or foreign, in financial, banking, insurance or other companies of significant size.

(*****) This column indicates the directors' attendance at meetings of the Board of Directors and the committees (number of attendances / number of meetings held during the period of office).

Table 3

Structure of the board committees at the end of the financial year

Board of Directors	Executive board				RPT committee		Control and Risk Committee		Remuneration Committee		Appointments Committee		Other Committee		Other Committee	
Position/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	
Non-executive director – independent as per Consolidated Law on Finance and/or Code	Ferruccio Borsani	/	/	5/5	M	/	/	/	/	/	/	/	/	/	/	
Non-executive director – independent as per Consolidated Law on Finance and/or Code	Federica Ricceri	/	/	/	/	8/8	M	8/8	P	/	/	/	/	/	/	
Non-executive director – independent as per Consolidated Law on Finance and/or Code	Rossella Schiavini	/	/	5/5	P	8/8	P	8/8	M	/	/	/	/	/	/	
ANY MEMBERS WHO ARE NOT DIRECTORS																
Manager of the Issuer/Other	-	/										/	/	/	/	
No. of meetings held during the year:		/	5		8		8									
NOTES																
(*) This column shows the attendance of directors at committee meetings (indicate the number of meetings attended compared to the total number of meetings attended; participated 6/8; 8/8 etc.).																
(**) This column indicates the qualification of the director within the committee: “C”: chairman; “M”: member.																

Table 4

Structure of the board of auditors at the end of the year

Board of Statutory Auditors									
Office	Members	Year of birth	Allocation first appointment*	In office from	In office until	List (M/m) **	Independence pursuant to the Code	(%) ***	Number of other offices ****
Chairman	De Mitri Paolo	1963	2018	28.04.21	Approval of the financial statements as at 31/12/23	m	x	100	10
Standing Auditor	Ciurlo Giovanni	1960	2021	28.04.21	Approval of the financial statements as at 31/12/23	M	x	100	6
Standing Auditor	Perusia Enrica	1965	2021	28.04.21	Approval of the financial statements as at 31/12/23	M	x	100	6
Alternate Auditor	Gennari Maurizio	1948	2021	28.04.21	Approval of the financial statements as at 31/12/23	M	x	/	2
Alternate Auditor	Muzi Silvia	1968	2020	28.04.21	Approval of the financial statements as at 31/12/23	m	x	/	3
AUDITORS LEAVING OFFICE DURING THE YEAR									
n/a									
Note the quorum required for filing the lists at the last appointment: 2.5%									
No. of meetings held during the financial year in question: 13									
<p>NOTES</p> <p>(*) By date of first appointment of each director is meant the date on which the director was appointed for the first time (ever) to the Board of Statutory Auditors of the issuer</p> <p>(**) This column indicates M/m depending on whether the member was voted from the majority list (M) or a minority list (m).</p> <p>(***) This column indicates the auditors' attendance at meetings of the Board of Statutory Auditors (number of attendances / number of meetings held during the period of office).</p> <p>(****) This column indicates the number of director or auditor offices held by the individual, which are relevant for the purposes of Art. 148-bis of the Consolidated Law on Finance. The complete list of the offices is attached, in accordance with Art. 144(15) of the Consob Issuers' Regulation to the report on the supervisory activities, drawn up by the auditors in accordance with Art. 153(1) of the Consolidated Law on Finance.</p>									