

# Report on Operations

## REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Pursuant to art. 123-bis TUF  
(Traditional management and control model)

Issuer: DIASORIN S.p.A.

Website: [www.diasoringroup.com](http://www.diasoringroup.com)

Financial year to which the Report refers: 2023

Date of approval of the Report: March 15, 2024

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## GLOSSARY

**“Chief Executive Officer” or “CEO”:** the Director to whom the Board has assigned the functions of Chief Executive Officer of the Issuer. At the date of this Report, the role of Chief Executive Officer is held by Mr. Carlo Rosa.

**“Shareholders' Meeting”:** the Issuer’s Shareholders' Meeting.

**“Borsa Italiana”:** Borsa Italiana S.p.A.

**“Corporate Governance Code” or “CG Code”:** the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available at [www.borsaitaliana.it](http://www.borsaitaliana.it), effective as of January 1, 2021.

**“Civil Code” or “c.c.”:** the Italian Civil Code.

**“Board” or “Board of Directors”:** the Issuer’s Board of Directors. Information on its composition at the date of this Report is provided in Table 2.

**“Board of Statutory Auditors”:** the Issuer’s Board of Statutory Auditors. At the date of this Report, it is composed of Ms. Monica Mannino (Chairman), Ms. Ottavia Alfano and Mr. Matteo Michele Sutera (Statutory Auditors)

**“CRS Committee”:** the Issuer’s Control, Risk and Sustainability Committee.

**“RN Committee”:** The Issuer’s Remuneration and Nominating Committee.

**“Documents Officer”:** the Corporate Accounting Documents Officer. At the date of this Report, the office of Corporate Accounting Documents Officer is held by Mr. Piergiorgio Pedron.

**“Executives with Strategic Responsibilities” or “ESR”:** persons identified by the Board who, pursuant to the Related Parties Regulation, have authority and responsibility for planning, directing and controlling the activities of the Issuer, either directly or indirectly. The Board identified as ESR the Senior Corporate Vice President & Chief Financial Officer and Corporate Accounting Documents Officer in the person of Mr. Piergiorgio Pedron, the Senior Corporate Vice President Human Resources in the person of Mr. Stefano Ronchi, and the Chief Executive Officer of the subsidiary Diasorin Italia S.p.A in the person of Mr. Ugo Gay.

**“Issuer”, “Company” or “Diasorin”:** DiaSorin S.p.A., the securities Issuer to which the Report refers.

**“Year”:** the year to which the Report refers.

**“Euronext Milan”** the market segment managed by Borsa Italiana S.p.A. on which the Issuer’s shares are traded.

**“Supervisory Body” or “SB”:** the Issuer’s Supervisory Body appointed pursuant to Legislative Decree 231/2001 (“*Organismo di Vigilanza*”).

**“Chairman”:** the Chairman of the Board of Directors. At the date of this Report, the office of Chairman is held by Mr. Michele Denegri.

**“Issuers' Regulation” or “IR”:** the Regulation issued by Consob with Resolution No. 11971 of 1999 (as amended) on issuers.

**"Consob Market Regulation"**: the Regulation issued by Consob with Resolution No. 20249 of 2017 (as amended) on markets.

**"Related Parties Regulation"**: the Regulation issued by Consob with Resolution No. 17221 of March 12, 2010 (as amended) on related-party transactions.

**"Report"**: the Report on corporate governance and ownership structure drawn up by DiaSorin, pursuant to Article 123-*bis* of the TUF, for the reporting year.

**"ICRMS"**: the Issuer's Internal Control and Risk Management System.

**"Website"**: the Issuer's website, accessible at the URL address: <https://int.diasorin.com/it>

**"Concentrated Ownership Company"**: company in which one or more shareholders participating in a shareholders' voting agreement hold, either directly or indirectly (through subsidiaries, trustees or third parties), the majority of the votes that can be exercised in the ordinary shareholders' meetings.

**"Large Company"**: the company with a capitalization of more than €1 billion on the last trading day of each of the previous three calendar years.

**"By-Laws"**: the current Issuer's By-Laws, last amended on October 4, 2021.

**"Consolidated Law on Finance/TUF"**: the Legislative Decree No.58 of February 24, 1998 (as amended).

**"Deputy Chairman"**: the Deputy Chairman of the Board of Directors. At the date of this Report, the office of Deputy Chairman is held by Mr. Giancarlo Boschetti.

# 1. PROFILE OF THE ISSUER

Diasorin S.p.A. was granted permission to trade on the former Italian Telematic Stock Market, organized and managed by Borsa Italiana S.p.A, Star segment, on July 19, 2007.

Subsequently, after the company entered the FTSE MIB Index (where it was listed until December 23, 2013 and then listed again on December 4, 2018, until today), the Issuer submitted a request of voluntary exclusion from the STAR segment.

The Issuer does not qualify as a SME, pursuant to art 1, paragraph 1, letter *w-quater*.1), of the TUF and to art. 2-*ter* of the Consob Issuers' Regulation.

Diasorin's system of Corporate Governance, as described in this Report, is consistent with the main recommendations of the Corporate Governance Code (subject to the specifications provided in this Report) to which Diasorin adheres.

Based on the provisions of the Corporate Governance Code, the Issuer qualifies as (i) a Large Company since on the last trading day of 202, 2022, and 2023 its capitalization was more than €1 billion and (ii) a concentrated ownership company since Finde s.s., directly and indirectly through IP Investimenti e Partecipazioni S.r.l. and Finde S.p.A., holds the majority of the votes that can be exercised in the ordinary shareholders' meeting.

This Report describes the corporate governance structure, as set forth in the By-Laws in force, along with regulations and policies adopted by the Group.

Diasorin is organized in accordance with the traditional management and control model referred to in articles 2380-*bis* and following of the Civil Code. Accordingly, it includes a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

Pursuant to a resolution approved by the Shareholders' Meeting on April 28, 2016, the independent auditing function has been awarded to "PricewaterhouseCoopers S.p.A.". The assignment will end upon approval of the financial statements at December 31, 2024.

Pursuant of articles 3 and 4 of Legislative Decree 254/2016, the Issuer is required to prepare the Consolidated Non-Financial Statement, published as an annex to the Annual Financial Report, (published on the Issuer's website in the Section "Investors/Financial Corner/Financial Statements and Reports", to which reference is made for additional information), which presents the main policies applied by the company, the management models and the main activities carried out by the Group in 2023 with regard to the issues expressly referred to by legislative Decree 254/16 (environmental, social and employee-related matters, respect for human rights, fight against corruption), as well as the main risks identified with those issues. The Issuer also falls within the scope of Directive 2022/2464 on sustainability reporting (Corporate Sustainability Reporting Directive – CSRD).

The Board of Directors, as part of the process of adjustment to the recommendations contained in the Corporate Governance Code, promotes the integration of sustainability issues within its corporate governance system and the compensation policy, in the terms described in the following Report and summarized in Section 16 "*Considerations on the letter of 17 December, 2023, from the Chair of the Corporate Governance Committee*".

## 1.1 Main contents of the Report 2023

The Report approved by the Board of Directors on March 15, 2024 provides a general description of the corporate governance system adopted by the Group, the ownership structure and quantitative and qualitative information about the activities of the Board of Directors, its Committees and its System of Internal Control and Risk Management. The Report describes how the Company has concretely applied the principles of the CG Code and its cases of disapplication, and the reasons thereof on a "comply or explain" basis.

## 2. INFORMATION ON OWNERSHIP STRUCTURE

(pursuant to art. 123-bis, paragraph 1, TUF) at December 31, 2023

### a) Share capital structure (pursuant to art. 123-bis, paragraph 1, letter a), TUF)

At December 31, 2023, a breakdown of the Company's share capital of € 55,948,257.00 (subscribed and fully paid-in) is as follows:

SHARE CAPITAL STRUCTURE				
	No. of shares	No. of voting rights **	Listed	Rights and obligations
Ordinary share (par value € 1 each) without increased voting rights  ISIN IT0003492391	23,526,619*	23,526,619	Euronext Milan	Shareholders' rights and obligations are those provided in art. 2346 et seq. of the Civil Code; specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-bis of the By-Laws.
Ordinary share (par value € 1 each) with increased voting rights  ISIN IT0005188385	32,421,638	64,843,276	Euronext Milan	Shareholders' rights and obligations are those provided in art. 2346 et seq. of the Civil Code; the shares that accrued increased voting rights pursuant to Article 9-bis of the By-Laws are entitled to two share votes.

\* N. 2,583,579 treasury shares currently held in the Company's portfolio; the number of treasury shares was 2,588,278 at 12.31.2023.

\*\* The amount of voting rights was equal to 88,369,895 at 12.31.2023.

It should be noted that the Extraordinary Shareholders' Meeting held on October 4, 2021 resolved to increase the share capital in cash, against payment and in separate issues, for a maximum par value of € 2,370,411, in addition to € 497,629,589 by way of share premium for the convertibility of the bond issue called "€ 500 million Zero Coupon Equity Linked Bonds due 2028" to be paid up in one or more tranches by means of the issue of the Company's common shares, according to the criteria established by the relevant regulation, it being understood that the deadline for the subscription of the shares is set at May 5, 2029 and where the share capital increase had not been fully subscribed it will be in any case increased by the amount deriving from the subscriptions made by that date and effective as from the same dates, with express authorization for the directors to issue the new shares as and when they are subscribed. The authorized share capital amounts to € 58,318,668.

In 2023, a number of shareholders, each holding a number of voting rights lower than 3% of the total amount of voting rights, accrued increased voting rights in accordance with article 9-bis of the By-Laws. At December 31, 2023, no. 32,421,638 shares accrued increased voting rights (see paragraph 2, lett. d).

Total amount of voting rights, the updated list of Shareholders registered in the Special List to benefit of increased voting rights and holding equity investment higher than 3% of the company's share capital, along with Shareholders entitled to increased voting rights (two votes for each share held) and holding a number of voting rights exceeding 3% of the total amount of voting rights pursuant to art. 85-bis, section 4-bis and 143-*quater*, paragraph 5, of the Consob Issuers' Regulation, are published on the Company's website in the Section

“Group/Governance/Ownership structure/Increased voting rights”, where further information on increased voting rights is provided.

## Stock Option Plans

The terms of the Stock Option Plans currently in force and, namely “DiaSorin S.p.A. 2016 Stock Option Plan” (“**2016 Plan**”), “DiaSorin S.p.A. 2017 Stock Option Plan” (“**2017 Plan**”), “DiaSorin S.p.A. 2018 Stock Option Plan” (“**2018 Plan**”), “DiaSorin S.p.A. 2019 Stock Option Plan” (“**2019 Plan**”), “DiaSorin S.p.A. 2020 Stock Option Plan” (“**2020 Plan**”) and “DiaSorin S.p.A. 2021 Stock Option Plan” (“**2021 Plan**”) the “Equity Awards Plan” approved by the Shareholders' Meeting on April 29, 2022 (“**Equity Plan**”) and “DiaSorin S.p.A. 2023 Stock Option Plan” (“**2023 Plan**”) are available in the Information Documents on the Issuer’s website (in the Section “Group/Governance/Remuneration/Information Documents /Incentive Plans”). Updates are reported in the Report on the remuneration policy and fees paid available on the Issuer’s website in the Section “Governance/Governance Documents/Shareholders’ Meeting /2024”

### b) Restrictions on transfer of securities (pursuant to art. 123-bis, paragraph 1, letter b), TUF)

No restrictions on transfer of securities have been issued.

### c) Significant equity interests (pursuant to art. 123-bis, paragraph 1, letter c), TUF)

At the date of this Report, Shareholders holding, either directly or indirectly, equity investments exceeding 3% of the share capital (and/or a number of voting rights exceeding 3% of the total amount of voting rights), through pyramid structures and cross-shareholdings, in accordance with communications made pursuant to Art. 120 of the TUF and with information available to the Company, are as follows:

SIGNIFICANT EQUITY INTERESTS					
Reporting party	Direct shareholder	Number of shares	% of share capital*	Number of voting rights **	% of voting rights
<b>Finde SS</b>	IP Investimenti e Partecipazioni S.r.l.	24,593,454	44.957	49,186,908	56.946
	Finde S.p.A.	570,000		1,140,000	
<b>Rosa Carlo</b>	Sarago S.r.l.	2,402,532	8.363	4,805,064	10.533
	Sarago 1 S.r.l.	2,226,682		4,453,364	
	Rosa Carlo	50,000		50,000	
<b>Even Chen Menachem</b>	MC S.r.l.	2,300,000	4.200	4,600,000	5.262
	Even Chen Menachem	50,000		50,000	
<b>T. Rowe Price Associates, Inc.</b>	T. Rowe Price Associates, Inc.	1.696.073	3.032	1.696.073	1.919

\* The share capital consists of 55,948,257 shares (par value of €1.00).

\*\* At 12.31.2023, the total amount of voting rights was 88,369,895.

#### **d) Securities conveying special rights (pursuant to art. 123-bis, paragraph 1, letter d), TUF)**

On April 28, 2016, the Shareholders' Meeting approved amendments to the Company By-Laws, pursuant to art. 127-*quinquies* of the TUF, providing that two votes are attributed to each share that has been held by the same shareholder for a continuous period of at least twenty-four months from the date of registration in a special list (the "**Special List**"). The Shareholder may apply for the registration in the Special List at any time by the fifth trading day from the end of each calendar month and, in any case, by the trading day following the date as set forth in Article 83-*sexies*, paragraph 2 of the TUF (record date).

At December 31, 2023, shares that accrued increased voting rights amounted to 32,421,638.

The list of Shareholders who, at the date of this Report, have obtained the registration to the Special List to benefit of increased voting rights as they hold equity investments exceeding 3% of the share capital, the list of Shareholders who have an amount of voting rights exceeding 3% of the total amount of increased voting rights, and the total amount of voting rights are available on the Issuer's website, Section "Group/Governance/Ownership structure/Increased voting rights" where additional information on increased voting rights is provided.

#### **e) Employee stock ownership: mechanisms for the exercise of voting rights (pursuant to art. 123-bis, paragraph 1, letter e), TUF)**

No employee stock ownership plans have been issued, as defined in Article 123-*bis*, paragraph 1, letter e), of the TUF.

#### **f) Restrictions on voting rights (pursuant to art. 123-bis, paragraph 1, letter f), TUF)**

No restrictions of voting rights have been issued.

#### **g) Shareholders' agreements (pursuant to art. 123-bis, paragraph 1, letter g), TUF)**

As far as the Issuer is aware, as at December 31, 2023, there were no relevant agreements among Shareholders, pursuant to Article 122 of the TUF.

#### **h) Change of control clauses (pursuant to art. 123-bis, paragraph 1, letter h), TUF) and statutory provisions on takeover bids (pursuant to art. 104, paragraph 1-ter, and 104-bis, paragraph 1, TUF)**

Except for what is set forth on these clauses in the Report on the remuneration policy and fees paid, published pursuant to Article 123-*ter* of the TUF on the Issuer's website in Section "Group/Governance/Shareholders' Meeting/2024" to which reference is made, the Issuer entered into certain significant agreements for the acquisition of Luminex, whose validity is conditional upon or connected to the Company change of control.

In particular:

- the "terms and conditions" of the equity-linked bond issue called "€500 million Zero Coupon Equity Linked Bonds due 2028", provide that during the period from the date on which the change of control ("Change of Control") occurs until the end of the sixtieth day following the change of control, or in the period commencing from the date the Company gives notification to the bondholders of a change of control until the end of the sixtieth day following the change of control (Relevant Event Period), each investor shall be

granted either (i) the right to request the reimbursement of all or part of the Bonds at par value (principal amount), by exercising a put option, or (ii) the right, subsequent to any exercise of the conversion or settlement right, to convert the Bonds at a (new) conversion price temporarily modified on the basis of a specific formula, at the terms and according to the conditions of the Bond issue.

A Change of Control means a change of control of the Issuer if one or more individuals (with the exception of Finde s.s. and its subsidiaries), acting in concert with others or individually, acquire control of the Company or more than 50 % of the voting rights or control on the exercise of more than 50% of the Issuer's voting rights;

- the Senior Facilities Agreement, which was signed on April 11, 2021 by DiaSorin Inc. (as borrower), the Issuer (as guarantor), the Agent Bank (i.e., Mediobanca – Banca di Credito Finanziario S.p.A.) and a pool of Lending Banks, provides that, inter alia, where any person who, acting individually or in concert with others (with the exception of Finde s.s. and its subsidiaries) acquires Control (as described below) of the Issuer: (i) the Issuer shall promptly notify the Agent Bank of the change as soon as the Issuer is informed of such event; (ii) the lending banks will no longer be obliged to finance DiaSorin Inc.; and (iii) if one of the lending banks so requires and gives notice to the Agent Bank within 20 days after the Company has notified the change of control, the Agent Bank shall cancel the commitment of that bank to finance DiaSorin Inc. and shall declare the sums due to that bank immediately due and payable together with interests.

“Control” means the right to exercise or control more than 50% of voting rights or the power to appoint the majority of the Board of the Issuer.

On 29 April 2022, the Shareholders' Meeting approved pursuant to art. 114-*bis* of the TUF a new incentive plan based on the assignment of rights, which grant the right to receive Issuer's financial instruments, called the “Equity Awards Plan”, intended for employees other than the members of the Board of Directors and Control bodies and who do not qualify, in any case, as Executives with Strategic Responsibilities. The regulations of the Plan provide for an acceleration to accrue rights, provided that the beneficiaries of the Plan are still employed by the Issuer (or other Group companies) if, (a) a change of control takes place pursuant to Article 93 of the TUF, even if this does not result in the obligation to launch a takeover bid; (b) a public purchase offer or a public exchange offer concerning the Company's shares is launched; or (c) resolutions are passed on transactions which may result, even indirectly, in the permanent withdrawal of shares being listed on regulated markets; or (d) resolutions and/or commitments are made that make the delisting certain. Additional information is provided in the relevant information document published on the Issuer's website (Section “Group/Governance/Remuneration/Information Documents Incentive Plans”).

The Issuer's By-Laws do not include exemptions to the provisions of the passivity rule envisaged by art. 104, paragraphs 1 and 1-*bis* of the TUF nor do they provide for application of the neutralization rules referred to in Art. 104-*bis*, paragraphs 2 and 3, of the TUF.

#### **4) Proxies for share capital increase and authorization to purchase treasury shares (pursuant to art. 123-*bis*, paragraph 1, letter m), TUF)**

On April 28, 2023, the Shareholders' Meeting approved a motion to authorize the purchase and disposal of ordinary shares of DiaSorin S.p.A. to service the 2023 Plan and other incentive plans adopted by the Company.

The Shareholders' Meeting resolved, among other things:

- to authorize, pursuant to and for the purposes of Article 2357 of the Civil Code, the purchase, on one or more occasions for a period of eighteen months from the date of the resolution of the Ordinary Shareholders' Meeting, of ordinary shares of the Company up to a maximum amount of 610,000 ordinary shares, at a consideration not lower than a minimum of 15% and not higher than a maximum of 15% compared to the official price of the DiaSorin S.p.A. share of the stock exchange session preceding each individual purchase transaction, in compliance with the conditions relating to trading, established in Article 3 of Delegated Regulation (EU) 2016/1052; at any time the maximum number of treasury shares held for the purposes of



adopting this resolution shall not exceed the maximum limit established by applicable legislation in force, also taking into account the shares of the Company that may be owned by its subsidiaries;

- to authorize the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer, also separately, to identify the amount of shares to be purchased in relation to each purchase program, within the scope of the purposes indicated above, prior to the start of the program, and to proceed with the purchase of shares in the manner established in the applicable provisions of Consob Regulation 11971/1999 (as amended) implementing Article 132 of the TUF, in compliance with the conditions relating to the listing referred to in Article 3 of Delegated Regulation (EU) 2016/1052 and in the stages deemed appropriate in the interest of the Company, assigning the widest-ranging powers for the execution of the purchase transactions referred to in this resolution and any other formalities relating thereto, including the possible appointment of intermediaries authorized pursuant to law and with the right to appoint special attorneys-in-fact;

The Shareholders' Meeting provided, in accordance with the law, that the purchases referred to in this authorization are contained within the limits of distributable profits and available reserves resulting from the last financial statements (including interim financial statements) approved at the time of carrying out the transaction and that, on the occasion of the purchase and sale of treasury shares, the necessary accounting entries are recorded, in compliance with applicable provisions of law and accounting standards.

The Board of Directors launched the treasury share buy-back plan on May 9, 2023; as part of the plan that has not yet been completed at the date of this Report, a total of 462,400 ordinary shares, equal to 0.8265% of the share capital have been purchased, for a total value of € 43,949,525.84.

Given the purpose of these authorizations, the transactions involving treasury shares are consistent with Article 5 of (EU) Regulation no. 596/2014 (the Market Abuse Regulation, hereinafter "**MAR**").

At December 31, 2023, Diasorin held 2,588,278 treasury shares, corresponding to 4.6262% of its share capital. At the date of this Report, Diasorin holds 2,583,579 treasury shares, corresponding to 4.62 % of its share capital.

All disclosure required by the applicable regulation is available in the Explanatory Report of the Board of Directors published pursuant to law also on the Issuer's website (Section "Group/Governance/Shareholders' Meeting/2024").

### **I) Management and coordination activities (pursuant to art. 2497 et seq. Italian civil code)**

Even though Article 2497-sexies of the Italian Civil Code states that "*unless proof to the contrary is provided, it is presumed that management and coordination authority over a company is exercised by the company or entity required to consolidate that company's financial statements or otherwise controls it, pursuant to Article 2359 of the Italian Civil Code*" neither Finde s.s. nor IP Investimenti e Partecipazioni S.r.l., exercise management and coordination authority over the Company. The Issuer in its corporate and entrepreneurial endeavors operates independently of Finde s.s., its controlling company, and IP Investimenti e Partecipazioni S.r.l.

Relationships with Finde s.s. and IP Investimenti e Partecipazioni S.r.l. are limited to the normal exercise by these companies of the administrative and ownership rights inherent to their status as shareholders (such as voting at Shareholders' Meetings and collecting dividends).

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it should be noted that the information required by Article 123-bis, paragraph 1, letter i) of the TUF on "*Agreements between the Company and its Directors, Management Board or Supervisory Board members, which envisage indemnities in the event of resignation or dismissal without just cause or if their employment relationship terminates following a take-over bid*" are illustrated in the Report on the Remuneration policy and fees paid drawn up in accordance with Article 123-ter of the TUF on the Company's website ([www.diasoringroup.com](http://www.diasoringroup.com), Section "Governance/Shareholders' Meeting/2024").

Information required under Article 123-bis, paragraph 1, Letter I) of the TUF on “*Provisions applicable to the appointment and substitution of Directors, Management Board or Supervisory Board members, as well as to the amendment to By-Laws, if different from the legislative and regulatory provisions applicable as a supplementary measure*” are illustrated in the section of the Report dedicated to the Board of Directors (paragraph 4.2).

### **3. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE 2020 (pursuant to art. 123-bis, paragraph 2, letter a), TUF)**

The Corporate Governance System adopted by Diasorin is based on the principles and recommendations expressed by the Corporate Governance Committee, which is composed of Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana and the Association of Professional Investors (Assogestioni), and contained in the CG Code approved in January 2020. The CG Code is available to the public on the Borsa Italiana website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

During the Board of Directors meeting held on November 11, 2021, Diasorin examined the recommendations contained in the new edition of the Corporate Governance Code that had not been previously transposed and, on December 16, 2021, the Board of Directors passed the necessary resolutions in order to comply with it. At the date of this Report, the governance structure of Diasorin complies with the provisions of the Corporate Governance Code applicable to the Company, except in cases of disapplication provided in Table 7 and explained hereunder.

It should be noted that none of the subsidiaries established in other countries is subject to non-Italian provisions of law that influence the Issuer’s Corporate Governance structure.

The application of the CG Code is provided in Table 7.

## 4. BOARD OF DIRECTORS

### 4.1. ROLE OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, paragraph 2, letter d) TUF).

#### **Powers and authorities of the Board of Directors**

Pursuant to Article 15 of the By-Laws, the Board of Directors enjoys the broadest powers to manage the Issuer. In accordance with the abovementioned statutory provision and pursuant to Article 2365 of the Italian Civil Code, the Board of Directors also has jurisdiction (which may not be delegated to anyone but may be ceded to the Shareholders' Meeting) over the adoption of resolutions concerning the following:

- mergers and demergers, when permissible pursuant to law;
- the opening and closing of secondary offices;
- reductions of share capital in the event of Shareholders withdrawal;
- amendments to the By-Laws required pursuant to law;
- moving the Issuer's registered office to another location in Italy.

The Board of Directors performs a pivotal role within the corporate organization. Its task and responsibilities include setting strategic and organizational guidelines and ensuring that adequate controls to monitor the performance of the Issuer and of the other companies of the Diasorin Group are in place.

As specified in the Regulation of the Board of Directors (the "**Board Regulation**") adopted in accordance with the CG Code, the Board of Directors (i) leads the Issuer by pursuing its sustainable success (ii) defines the strategies of the Company and the Group it heads in accordance with this principle and monitors its implementation; (iii) defines the corporate governance system that is most functional for carrying out the company's business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the Board of Directors assesses and promotes the appropriate adjustments and submit them to the Shareholders' Meeting, when appropriate; (iv) promotes dialogue with shareholders and other stakeholders that are relevant for the company, in the most appropriate way; (v) performs, with the support of the internal committees, the powers and functions referred to in the CG Code and the applicable law on remuneration and internal control and risk management.

In particular, the Board of Directors:

- a) reviews and approves the business plan of the Company and the Group it heads, also on the basis of the analysis of matters that are relevant for the long-term value generation. Such analysis is carried out with the support of the CRS Committee;
- b) periodically monitors the implementation of the business plan and assesses the general course of the business, by comparing the results achieved with those planned; in 2023, this assessment was carried out during the Board Meeting on March 27, 2023 and again on March 15, 2024;
- c) defines the nature and level of risk compatible with the Company's strategic objectives, including all the elements that can be relevant for the company's sustainable success in its evaluations;
- d) defines the corporate governance system of the Company and the structure of the Group it heads, and assesses the adequacy of the company's organizational, administrative and accounting structure and of its strategically relevant subsidiaries, with particular reference to the Internal Control and Risk Management System;
- e) adopts corporate internal procedures, including market abuse issues (EU) Regulation no. 596/2014, the so-called Market Abuse Regulation);
- f) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position. In this regard, it should be noted that the Board has not established general criteria to identify transactions that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position

since the Board of Directors considers it more suitable to assess significant transactions on a case-by-case basis;

- g) on December 16, 2021, the Board adopted a shareholder engagement policy (further information is provided in Section 12 “Investor Relations”).

The Board of Directors is also responsible for the ICRMS (for which reference is made to Section 9 below) and assesses the adequacy, efficiency and effective implementation of the system and defines the system’s guidelines with the support of the members involved in the Company’s ICRMS, namely the CRS Committee, the Chief Executive Officer pursuant to the Corporate Governance Code, (the “**Chief Executive Officer**” or also the “**CEO**”), the Internal Audit Officer, the Corporate Accounting Documents Officer, the Board of Statutory Auditors and the Supervisory Body of the Company.

Pursuant to Article 13 of the By-Laws, on the occasion of Board meetings but not less frequently than once a quarter, the governance bodies to whom powers have been delegated inform the Board of Directors and the Board of Statutory Auditors about the performance of the Issuer and of its subsidiaries, its business outlook and transactions that have a material impact on its income statement, balance sheet and financial position, focusing on transactions in which Directors may have an interest, directly or through third parties, or which may be influenced by a party with management and coordination authority.

Pursuant to Article 15 of the By-Laws the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Corporate Accounting Documents Officer and the determination of his compensation. The Company’s Corporate Accounting Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.

Pursuant to Article 17 of the By-Laws, the Board of Directors can appoint one or more General Managers and determine their powers, which may include the power to appoint representatives or grant powers of attorney for specific transactions or classes of transactions. General Managers attend the Board of Directors meetings and are entitled to make non-binding recommendations with regard to the items on the agenda.

Pursuant to Article 15 of the By-Laws and Article 3, Principle XI of the Corporate Governance Code, the Board may establish committees and determine their composition and tasks. With regard to the Committees established internally by the Issuer’s Board of Directors, refer to the following Sections 7.2 (Remuneration and Nominating Committee), 9.2 (Control, Risk and Sustainability Committee) and 10.2 (Committee for Related-Party Transactions).

Pursuant to Article 12 of the By-Laws and Art. 3, Recommendation 18 of the Corporate Governance Code and the current Board Regulation, the Board of Directors may appoint a standing Secretary (the “**Secretary of the Board**”), even outside its members. In implementation of the aforementioned provisions, on April 29, 2022, the Board appointed Mr. Ulisse Spada, Corporate V.P. General Counsel, as its standing secretary. Further information is provided in Section 4.5 below.

All members of the Board of Directors are required to make informed and independent decisions, pursuing the goal of creating sustainable success for the Issuer and undertake to devote to the diligent performance of their duties within the Issuer the time necessary, irrespective of the posts held outside the Diasorin Group, being fully aware of the responsibilities entailed by the office they hold.

During the meeting held on November 5, 2010, the Board approved the procedure to regulate related-party transactions; the updated procedure is available on the Issuer’s website (Section “Group/Governance/Governance Documents/Procedures”) and detailed in Section 10.1 below.

The Issuer is required to publish information documents for “significant transactions” as per art. 70, paragraph 6 and art. 71, paragraph 1 of the Consob Issuers’ Regulation as the Issuer did not exercise the right to waive the obligation to publish the abovementioned information documents.

The Shareholders' Meeting did not authorize general and precautionary derogations from the ban of competition set forth in article 2390 of the Italian Civil Code. No critical situation occurred on the matter.

#### **4.2 APPOINTMENT AND REPLACEMENT OF DIRECTORS (pursuant to art 123-bis, paragraph 1, letter I), TUF)**

The Issuer is managed by a Board of Directors comprised of at least 7(seven) and not more than 16 (sixteen) members. At the time of election, the Ordinary Shareholders' Meeting determines the size of the Board of Directors, within the abovementioned limits, and its term of office, which may not exceed three years. Directors may be re-elected.

The provisions of the By-Laws that govern the composition and election of the Issuer's Board of Directors have been designed to ensure compliance with provisions concerning rights of minority shareholders' rights, independence of Directors and gender balance.

In addition, the ability to serve as Director is subject to the candidate meeting the requirements set forth in the statutory and regulatory provisions currently in force.

Regarding Regulation on gender balance, the reference regulatory framework has been recently amended under Budget Law no. 160/2019, in force since January 1, 2020, which has amended the procedure set forth in Article 147-*ter*, paragraph 1-*ter* of the TUF<sup>1</sup>. The Law imposed a mandatory gender quota for six board mandates and provides a mechanism whereby the quota of the less represented gender must be no less than two-fifths of the members, instead of one-third.

Pursuant to Article 144-*undecies*, paragraph 3, of the Issuers' Regulation, if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down.

In this regard, it should be noted that the Shareholders' Meeting held on April 22, 2021 has amended, among other things, Article 11 of the By-Laws relating to the composition (in terms of gender balance) of the slates which present a number of candidates equal to or greater than three, in order to eliminate the previous one-third quota and provide for a reference to the contents of the notice convening the Shareholders' Meeting to comply with the current law in force on gender balance.

The abovementioned new rules have been applied during the Shareholders' Meeting held on April 29, 2022, which was convened to approve the renewal of the Board of Directors coming to the end of their terms of office with the approval of the financial statements at December 31, 2021.

This paragraph describes the procedures for the election of the Board of Directors in compliance with the current provisions of the By-Laws. Article 11 of the By-Laws requires that the Board of Directors be elected, in compliance with applicable gender balance laws and regulation, by a voting system based on slates of candidates filed by shareholders who, individually or in concert with others, represent the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob under the Issuers' Regulation. As duly established by Art. 144-*septies*, paragraph 1, of the Consob Issuers' Regulation, under the Management Decision no. 92 of 31 January 2024 of the Head of the Corporate Governance Division, shareholders owning a shareholding equal to 1% of the share capital are entitled to present the slates of nominees to allocate the Directors to be elected.

Each shareholder, shareholders who are parties to a shareholders' agreement that qualifies as such pursuant to Article 122 of the TUF, as well as the Company's controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a

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<sup>1</sup>Paragraph 1-*ter*, of art. 147-*ter*, of TUF, in force at the date of this Report provides, among other things, that “*the less represented gender shall obtain at least two fifths of the appointed Directors. This criterion shall apply for six consecutive mandates*”.

third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included in only one slate, on penalty of losing the right to be elected. Votes cast in violation of this provision will not be allocated to any slate.

Notwithstanding additional statutory disclosure and filing requirements, including those set forth in regulation currently in force, slates filed by Shareholders, duly signed by the filers, must be deposited at the Company's registered office, where they must be available to anyone upon request, at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting. The slates must be accompanied by the following documents: (i) information identifying the shareholders who are filing the slates and showing the total percentage of interest held; (ii) affidavits by which the individual candidates accept their nomination and attest, under their responsibility, that there are no issues that would make them incompatible or unelectable and that they meet the requirements of their respective offices; (iii) a curriculum vitae setting forth the personal and professional qualifications of each candidate and indicating whether a candidate qualifies as independent Director. In addition, a special attestation issued by an intermediary qualified, pursuant to law, certifying the ownership, when the slate of candidates is being filed with the Company, of the number of shares needed to qualify for filing the slate must be filed with the Company within the deadline required by the rules applicable to the publication of slates of candidates by the Company.

Slates filed with a number equal to or with more than 3 candidates shall be composed of candidates belonging to both genders, as indicated in the notice convening the Shareholders' Meeting in accordance with the provisions currently in force on gender balance.

Slates filed in a manner that does not comply with the foregoing provisions shall be treated as if they were never filed.

The election of the Board Directors shall be carried out as follows:

- (a) all except one of the Directors that need to be elected shall be taken from the slate that received the highest number of votes, in the consecutive order in which they are listed on the slate;
- (b) the remaining Director is taken from a minority slate that is not connected in any way, directly or indirectly, with the parties who filed or voted for the slate referred to in paragraph (a) above and received the second highest number of votes cast by the shareholders, selecting for election the first candidate listed in the slate's numerical sequence. However, should the minority slate referred to in paragraph (b) above fail to receive a percentage of the votes equal at least to half the required percentage for filing a slate, as stated above, all of the Directors that need to be elected will be taken from the slate that received the highest number of votes referred to in paragraph (a) above.

Directors who meet the independence requirements that apply to Statutory Auditors pursuant to Article 148, paragraph 3, of the TUF to achieve the minimum statutory percentage of the total number of elected Directors, the non-independent candidate elected last in the sequence listed in the slate that received the highest number of votes, as referred to in paragraph (a) above, shall be replaced with the first non-elected independent candidate who is listed next sequentially in the same slate or, alternatively, by the first non-elected candidate listed sequentially on other slates, based on the number of votes received by each slate. This replacement procedure shall be applied repeatedly until the Board of Directors includes a number of Directors who meet the requirements of Article 148, paragraph 3, of the TUF equal to at least the statutory minimum. As a further alternative, the replacement candidates may be elected by means of a resolution approved with a relative majority, provided candidates have been placed in nomination in accordance with statutory requirements.

If, upon conclusion of voting, the composition of the Board of Directors does not satisfy the gender balance enjoined by applicable laws and regulation, the nominee of the most highly represented gender who was the last to be elected in the sequential order of the slate that received the highest number of votes shall be replaced by the first candidate of the least represented gender who was not elected on the same slate, in the sequential order of that slate. The elected nominees shall be replaced according to the same procedure until the composition of the Board of Directors complies with applicable laws and Regulation in force on gender balance. If this procedure does not guarantee the final result indicated hereinabove, the Shareholders' Meeting shall

make the necessary changes by resolution with the statutory majority of votes, upon submission of candidates belonging to the gender less represented.

If only one slate is filed or if no slate is filed, the Shareholder's Meeting shall approve its resolution with the majorities required by law without being required to comply with the procedure described above, in compliance with the laws currently in force on gender balance.

Pursuant to Article 11 of the By-Laws, if one or more Directors cease to be in office during the course of the year, provided the majority of Board members are still Directors elected by the Shareholders' Meeting, they shall be replaced in the manner described below, in accordance with the provisions of Article 2386 of the Italian Civil Code: (i) the Board of Directors appoints as replacements candidates taken from the same slate to which the Directors no longer in office belonged and the Shareholders' Meeting votes with the majorities required pursuant to law and in accordance with the principle described above; (ii) should there be no unelected candidates or eligible candidates left in the abovementioned slate or if the provisions of paragraph (i) above cannot be complied with for any reason, the Board of Directors and the Shareholders' Meeting elect replacements with the majorities required pursuant to law, without using a slate voting system.

In all cases, the Board of Directors and the Shareholders' Meeting shall carry out the election in a manner that will result in (i) the election of a total number of independent Directors equal to at least the minimum number required by the relevant statute provisionally in force and (ii) in compliance with the laws currently in force on gender balance.

If the majority of the Directors elected by the Shareholders' Meeting ceases to be in office, the entire Board of Directors shall be deemed to have resigned and a Shareholders' Meeting must be convened promptly by the Directors still in office to elect a new Board.

Additional information about the procedures for the election of the Board of Directors is provided in article 11 of the By-Laws and in Paragraph 7 below.

#### **4.3. COMPOSITION (pursuant to art. 123-bis, paragraph 2, letter d) and d-bis), TUF)**

The Board of Directors appointed by the Shareholders' Meeting on April 29, 2022 is composed of executives and non-executives Directors, all having appropriate responsibilities and skills for the duties assigned.

The presence of a high number of non-executive directors (13), including (7) independent directors, out of 15 members is sufficient to ensure that their opinion has a significant impact on the Board resolutions and that such resolutions are properly managed.

The Board of Directors was appointed on the basis of single slate filed by IP Investimenti e Partecipazioni S.r.l. (jointly with Finde S.p.A), which certified its ownership of an equity interest equal to about 43.957% of the Company's ordinary shares. Submission of the slate took into account the recommendations provided by the outgoing Board concerning (i) limits to the number of offices held as director or statutory auditor in other companies and (ii) the guidelines about managerial and professional figures and skills whose presence is deemed to be appropriate- taking into account also diversity criteria such as gender, age, skills, also international- described in the Explanatory Report of Directors on the appointment of the Board of Directors, made available on the Company's website.

These guidelines have been formulated by the outgoing Board, taking into account the recommendations of the RN Committee expressed on the meeting held on March 7, 2022, following the annual self-assessment process of the Board of Directors, with the aim of ensuring a mix of expertise, experience and skills among the members of the Board to be appointed for the 2022-2024 term of office.

Pursuant to the Company By-Laws, directors to be elected were taken from the single slate submitted, in this case from the slate filed by the reference shareholder IP Investimenti e Partecipazioni S.r.l. (with favorable votes amounting to 98,342% of the voting capital).

The Board of Directors appointed from the Shareholders' Meeting on April 29, 2022, is comprised of the following 15 members:

Full name	Place and date of birth	Office held	Date of appointment
<b>Michele Denegri</b>	Turin, January 7, 1969	Chairman and Non- Executive Director	April 29, 2022
<b>Giancarlo Boschetti</b>	Turin, November 14, 1939	Deputy Chairman and Non- Executive Director	April 29, 2022
<b>Carlo Rosa</b>	Turin, January 15, 1966	Chief Executive Officer and Executive Director	April 29, 2022
<b>Chen Menachem Even</b>	Ashkelon (Israel), March 18, 1963	Executive Director	April 29, 2022
<b>André Michel Ballester</b>	Orleansville (Algeria), May 22, 1958	Non-executive Director	April 29, 2022
<b>Stefano Altara</b>	Turin, June 4, 1967	Non-executive Director	April 29, 2022
<b>Fiorella Altruda</b>	Turin, August 12, 1952	Independent Director	April 29, 2022
<b>Luca Melindo</b>	Turin, November 11, 1970	Non-executive Director	April 29, 2022
<b>Franco Moscetti</b>	Tarquinia (VT), October 9, 1951	Non-executive Director	April 29, 2022
<b>Francesca Pasinelli</b>	Gardone Val Trompia (BS), March 23, 1960	Independent Director	April 29, 2022
<b>Giovanna Pacchiana Parravicini</b>	Turin, November 10, 1969	Independent Director	April 29, 2022
<b>Diego Pistone</b>	Nizza Monferrato (AT), November 28, 1950	Non-executive Director	April 29, 2022
<b>Roberta Somati</b>	Rivoli (TO), January 9, 1969	Independent Director	April 29, 2022
<b>Monica Tardivo</b>	Turin, April 19, 1970	Independent Director	April 29, 2022
<b>Tullia Todros</b>	Turin, June 18, 1948	Independent Director	April 29, 2022

The table that follows summarizes personal and professional characteristics of each Director in office as at the year-end date and as at the date of this Report. Additional information is provided in the Directors' professional curricula at the Issuer's registered office and available on the Issuer's website (Section Group/Governance/ Shareholders' Meeting/2022) as part of the application forms and relevant documents.

Full name	Office held	Background	Professional characteristics
<b>Michele Denegri</b>	Deputy Chairman and Non- Executive Director	Economic-management education	General Management
<b>Giancarlo Boschetti</b>	Non-executive Director	Economic-management education	General Management
<b>Carlo Rosa</b>	Chief Executive Officer and Executive Director	Economic-management education Scientific education	General Management (formerly Research and Development director)
<b>Chen Menachem Even</b>	Executive Director	Economic-management education Scientific education	Strategic Director in international sales
<b>André Michel Ballester</b>	Non-executive Director	Economic-management education Scientific education	General Management (previous executive roles in biomedical industry)
<b>Stefano Altara</b>	Non-executive Director	Law education	Law education
<b>Fiorella Altruda</b>	Independent Director	Scientific education	Research and Development Advisor
<b>Luca Melindo</b>	Non-executive Director	Economic-management education	Financial Advisor
<b>Franco Moscetti</b>	Independent Director	Economic-management education	Management Advisor
<b>Francesca Pasinelli</b>	Independent Director	Scientific-management education	Management Advisor
<b>Giovanna Pacchiana Parravicini</b>	Independent Director	Law education	Legal and labor law advisor
<b>Diego Pistone</b>	Non-executive Director	Economic-management education	General Management
<b>Roberta Somati</b>	Independent Director	Scientific education	Management Advisor
<b>Monica Tardivo</b>	Independent Director	Law education	Legal Advisor
<b>Tullia Todros</b>	Independent Director	Scientific education	Research and Development Advisor



For further information on the structure of the Board of Directors and its Committees see [Tables 2](#) and [3](#) annexed to this Report.

## Diversity policies

In the meeting held on November 11, 2021, the Board of Directors resolved to implement Art. 2, principle VII, Recommendation 8 of the Corporate Governance Code providing that the diversity criteria for the composition of the Board of Directors to be identified (i) in general terms within the Board Regulation and (ii) when the Board of Directors is called to approve the guidelines on the composition of the new Board.

In the meeting held on March 16, 2022, the Board of Directors, upon proposal of the RN Committee and taking into account the review outcomes, defined the guidance as to managerial and professional profiles whose presence is considered necessary within the Board, considering also the limits on the number of offices held in other companies (for which further details are provided in the paragraph below) and diversity criteria such as gender, managerial, professional and international skills and age group within the composition of the Board itself.

In this respect, the Board provided the following guidelines about the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2021 during the Shareholders' Meeting held on April 29, 2022. Such guidelines are disclosed in the explanatory report prepared pursuant to art. 125-*ter* of the TUF:

- taking into account the Company size and business, it is considered appropriate that the number of Directors does not exceed the current number of 15 (fifteen) Directors;
- at least one third of the Directors must meet the independence requirements, pursuant to art. 148, paragraph 3 of the TUF and to the Code;
- in compliance with regulations on gender balance, at least two fifths of Directors must belong to the less represented gender (rounded up to the next higher unit);
- as regards diversity policy (art. 123-*bis*, paragraph 2, letter d-*bis* )TUF) and in order to facilitate the understanding of the organization of the Company and its activities, as well as the development of an efficient governance of the Company, without prejudice to the legal requirement regarding gender balance, it is appropriate that: (a) the Board is characterized by the age diversity of its members; and (b) the educational and professional career of Directors guarantees a balanced combination of profiles and experiences, suitable to ensure the correct performance of its functions;
- it is deemed necessary that each candidate complies with limits on the number of offices held, as director and statutory auditor (further details are provided in the paragraph below), in other companies in order to ensure sufficient time for the correct performance of his/her duty;
- with regard to the balance between executive and non-executive members, the presence of a chief executive officer with broad management powers and who has acquired specific experience and expertise in the Company is positively evaluated.

During the meeting held on April 29, 2022 for the last renewal of corporate bodies, the Company complied with regulation on gender balance in the composition of corporate bodies, as envisaged by Budget Law no. 160/2019, in force since January 1, 2020, which has amended the procedure set forth in Article 147-*ter*, paragraph 1-*ter* of the TUF.

The Board of Directors in office (as at the year-end date and as at the date of this Report) is composed of 9 men and 6 women.

With the exception of Mr. Chen Even – Executive Director and Chief Commercial Officer- and Mr. André Michel Ballester- Independent Director- all the Board's members are Italian.

The Board of Directors is composed of members belonging to different age groups: 53% of Directors belong to the 51-60 age group, 13% of Directors belong to the 61-70 age group, 27% of Directors belong to the 71-80 age group, and 7% of Directors belong to the 81-90 age group.

Professional experience and background of the Board members can be grouped into three macro areas: economics and management, science and law. In detail, 33.33% of members have a background in economics

and management, 26.66% of members have a background in science, 20% of members have both a background in economics and science and 20% of members have a background in law. Most of them gained significant experience abroad, especially in the United States.

Skills and professional experience of the Board members are provided in the professional curricula available at the Issuer's registered office and on the Issuer's website (Section Group/Governance/Shareholders' Meeting /2022), as part of the application forms and relevant documents.

Diversity criteria have been made available to the public in the Explanatory report, prepared pursuant to art. 125-*ter* TUF and in compliance with art. 84-*ter* of the Issuers' Regulation, prior to the appointment of the current Board of Directors, as resolved by the Shareholders' Meeting held on April 29, 2022.

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

With regard to the offices held by Diasorin Directors on board of directors or control bodies in other companies, during the meeting held on December 16, 2021, the Board of Directors adopted its own Regulation ( *i.e.* the Board Regulation) which identifies limits on the number of offices held as Director and Statutory Auditor in other companies listed in regulated markets (including abroad), in finance, banking and insurance companies or companies of significant size ("**Maximum number of Offices**").

For the purposes of Maximum number of Offices covered by the aforementioned Board Regulation, relevant companies are defined as (a) companies with shares listed on regulated markets in Italy or abroad; (b) Italian or foreign companies other than companies referred to in lett. (a) above, and operating in insurance, banking, securities brokerage, asset management or financial sectors; (c) Italian or foreign companies other than companies referred to in lett. (a) and (b) above, which individually or jointly at group level, if they prepare the consolidated financial statements have net revenues exceeding € 200 million.

Executive Directors are not allowed to serve as executive directors in other relevant companies other than the Issuer and the maximum number of offices as non-executive director in other relevant companies other than the Issuer cannot exceed 4 offices. For non-executive directors the maximum number of offices as directors or statutory auditors in other relevant companies other than the Issuer cannot exceed 6 offices.

In the computation of offices held, the following is not taken into account:

- offices held in companies that are directly or indirectly controlled by the Issuer, as well as in parent companies;
- offices held in holding companies where directors of the Issuer hold the majority of the voting rights that can be exercised in Shareholders' Meetings;
- offices held in companies or entities whose sole purpose is the management of private interests of the Issuer's director or of the spouse not legally separated, person bound in civil partnership or de facto cohabitation, relative or similar within the fourth degree and who do not require any type of daily management by the director himself;
- offices as alternate auditors and offices as directors and statutory auditors held in tertiary sector bodies are not taken into account (*e.g.*, foundations, including bank foundations, associations, voluntary organizations) including consortium companies, companies set up as consortia and cooperative firms that are not listed and offices held as professional in professional organizations.

All members of the Board of Directors are also required to inform the Board of any new appointments to Boards of Directors or Boards of Statutory Auditors in other companies, in order to allow the Company to comply with the disclosure requirements pursuant to applicable law provisions and regulation.

In duly performing their tasks, Directors accept the office taking into account the Maximum number of Offices, the commitment related to each role also in the light of the nature and the size of the companies in which such positions are held, as well as of whether they belong to the Issuer's Group or have as their corporate purpose the mere management of the director's private interest, without any daily management being required by the director himself.

Directors appointed by the Shareholders' Meeting on April 29, 2022 issued an affidavit on their compliance with Maximum number of Offices.

The current composition of the Board complies with the abovementioned Maximum number of Offices that have been verified on the meeting held on March 15, 2024.

The list of offices held by Directors in other companies is provided in Table 5 annexed to this Report.

### ***Induction programme.***

In line with the provisions of the Corporate Governance Code providing that each Director carries out his role in an efficient and informed manner, the Chairman and the Chief Executive Officer ensure that Directors and Statutory Auditors are continuously updated on company operations and market conditions, as well as on the major statutory and regulatory changes concerning the Issuer and its Group.

An induction session was held on July 8, 2022. The session lasted nine hours and was dedicated to newly directors. The session was divided into eleven modules dedicated to the most relevant business issues, corporate governance and the Issuer's Internal Control and Risk Management System, in order to provide directors with proper disclosure and promote fruitful Board meetings.

In 2023, matters defined by art. 3, Recommendation 12, lett. d) of the Corporate Governance Code (i.e., in-depth understanding of the Issuer's business, business dynamics and their evolutions also in relation to the company's sustainable success, principles of sound risks management, and laws and self-regulatory framework) were regularly discussed at the CRS Committee's meetings and submitted to the Board of Directors' meetings.

The Company management has also been in constant contact with corporate bodies for the appropriate flows of information and/or updates on issues of interest.

The Issuer undertakes, in any case, to plan structured training programs when it is deemed necessary or when requested by Directors and Statutory Auditors.

## **4.4. FUNCTIONING OF THE BOARD OF DIRECTORS (pursuant to art.123-bis, paragraph 2, letter d) TUF)**

Pursuant to Article 13 of the By-Laws, the Board of Directors meets at the Company's registered office, or elsewhere, whenever the Chairman deems it necessary or when a meeting is requested by the Chief Executive Officer (if one has been appointed) or by at least three Directors, without prejudice to the right of other parties to call a Board meeting pursuant to law. If the Chairman is absent or incapacitated, Board meetings are called by the person who replaces him pursuant to Article 12 of the By-Laws (i.e., the Deputy Chairman or the oldest Director, in that order).

Meetings of the Board of Directors are validly convened when a majority of the Directors in office is in attendance and resolutions are adopted with a majority of the votes cast by the Directors attending the meeting. In the event of a tie, the Chairman has the tie-breaking vote (Article 14 of the By-Laws).

In order to avoid or manage potential conflict of interest, Executives with Strategic Responsibilities that are also members of the Board of Directors (namely Mr. Carlo Rosa and Mr. Chen Menachem Even) abstain from voting on the resolutions concerning their compensation.

In compliance with the CG Code, in the meeting held on December 16, 2021, the Board approved the Board Regulation which governs, among other things, the procedure to convene the meeting, timely flow of information and procedures for board meetings. More specifically, the Board is convened by the Chairman who plays a connecting role between executive and non-executive Directors, taking care of the effective functioning of the Board's work. The Chairman convenes the Board, defines the items on the agenda in agreement with the Chief Executive Officer and forwards the items on the agenda to Directors and Statutory

Auditors, at least three days before the date set for the meeting, with the exception of urgent cases, in which twenty-four hours' notice is required. The Board Regulation provides that any documentation relating to the items on the agenda will be made available to those concerned at least three working days before the meeting, with the exception of urgent cases or confidentiality needs.

Where it is not possible to provide the information in the aforementioned terms, the timing and scope of the flows of information will not be compromised and adequate and timely insights will be provided during the meeting.

The Chairman ensures that items on the agenda are properly discussed, promoting debate that is useful for the contribution that may arise for the purposes of the decisions to be taken. To this end, the Chairman may request that directors and managers of corporate functions of the Issuer or of the Group and, where necessary, consultants may attend the meeting in order to provide appropriate supplemental information on items on the agenda.

In 2023, directors of the Issuer, managers of corporate functions and consultants attended Board meetings in order to support board proceedings and provide appropriate supplemental information on items on the agenda. The Documents Officer attends meetings relating to the financial statements.

So that the greatest number of Directors can participate in the corporate activities, pursuant to art. 14 of the By-Laws, it is possible to take part in the meetings by attending at distance, using audiovisual connection systems that ensure promptness and opportunities for attending the meeting, without prejudice to the fact that attendee can be correctly identified by the Chairman.

Pursuant to the Board Regulation, resolutions are to be recorded in minutes signed by both the Chairman and the Secretary of the meeting; as a rule, drafts of the minutes are previously made available to the participants with an invitation to submit comments during the next useful meeting, where they will be brought for approval. Part of the minutes relating to the resolutions adopted that require immediate execution may be certified and extracted by the Chairman and Secretary of the Board of Directors, even before completion of the verification process of the entire minutes, which shall also include any actions.

Pursuant to Article 3, Recommendation 18 of the CG Code, the Board Regulation defines professional requirements and duties of the Secretary of the Board (see Section 4.5 below).

In 2023, the Board had 6 meetings: on March 27, 2023, May 9, 2023, June 7, 2023, July 27, 2023, November 3, 2023 and December 15, 2023. The meetings lasted 2 hours 15 minutes on average. Information on the meeting attendance by each director is provided in Table 2 annexed to this Report.

In addition to the meeting held on March 15, 2024, no. 3 Board meetings are scheduled for 2024, as provided in the Calendar of Corporate Events published on December 18, 2024 and available on the Issuer's website (Section "Investors / Calendar").

All the required pre-meeting information on the resolutions in agenda have been properly sent in a timely manner, with a notice period of at least three days before the relevant Shareholders' Meeting; in any case, where the pre-meeting information had not been provided to the Board of Directors, the Chairman ensured that in-depth analyses were carried out at the Board meetings in a correct and timely manner. It should be noted that in 2023 it was not necessary to make use of this option as the pre-meeting information was provided in a timely manner.

The Board of Directors' meetings were attended by the Chief Financial Officer, the Documents Officer, the General Counsel who attends the meeting as Secretary, and the Company's directors qualified to provide in-depth analysis on subjects or special projects in the agenda.

## 4.5. ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

### **Chairman of the Board of Directors.**

On April 29, 2022, the Shareholders' Meeting called to appoint the new Board of Directors, appointed Mr. Michele Denegri as Chairman, whom are granted the functions provided by art. 12 of the By-Laws. The Chairman has been granted the functions indicated in the Principle X and in the Recommendation no. 12 of the CG Code.

The Chairman plays a connecting role between executive and non-executive Directors and is responsible for the effective functioning of the Board's work. The Chairman convenes and chairs the meetings of the Board of Directors, sets the agenda of the Board's meetings after consultation with the Chief Executive Officer, plans and coordinates its activities and ensures that sufficient information about the items on the Agenda is provided to all Directors and Statutory Auditors.

The Chairman, as well as being the legal representative under By-Laws before third parties and in court, has been granted any other powers by the Board of Directors.

In compliance with the provisions of the Corporate Governance Code, the Chairman of the Board of Directors, with the support of the Secretary, ensures that:

- a) the pre-meeting documents are completed and provided in a timely manner and the pre-meeting documents and complementary information provided during the meetings are suitable to allow directors to act in an informed manner in performing their role;
- b) the activity of the board committees with investigating, consulting and advisory functions is coordinated with the activity of the Board of Directors;
- c) in agreement with the Chief Executive Officer, managers of the company and managers of Group companies, who are competent on the issues concerned, participate in the board meetings to provide appropriate insights on items on the agenda, even upon request of individual Directors;
- d) all members of the Board of Directors and Board of Statutory Auditors can take part, after their appointment and during their office, in initiatives aimed at providing them with adequate knowledge of the industry in which the Company operates, of company dynamics and their evolution, also in relation to the Company's sustainable success, as well as of principles of sound risks management and relevant laws and self-regulatory framework, with the support of the lead independent director (see section 4.3 above);
- e) the review process of the Board of Directors is adequate and transparent, with the support of the RN Committee.

The Chairman works with the Chief Executive Officer in relation to the Shareholder engagement. The policy on the shareholder engagement was approved on December 16, 2021, and published on the Issuer's website (Section "Group/Governance / Governance Documents/ Corporate Procedures).

### **Deputy Chairman of the Board of Directors.**

The Board of Directors, by a resolution dated April 29, 2022, appointed Mr. Giancarlo Boschetti as Deputy Chairman of the Board of Directors, with the same functions as the Chairman to be exercised in his absence or impediment and deputy powers such as those granted to the Chief Executive Officer to be exercised exclusively in case of his inability, absence or impediment, even temporary, of any kind.

### **Secretary of the Board.**

Pursuant to Article 12 of the By-Laws and of the Board Regulation, the Board of Directors may appoint a standing Secretary, also external to its Committee. Appointment and annulment of the Secretary is proposed by the Chairman. The Secretary must be a party with adequate professional requirements and experience in the legal and corporate field, with particular reference to corporate governance and corporate secretarial activities of listed companies.

In the event of his impediment or absence, his duties are entrusted to another person designated from time to time by the Chairman and approved by the Board of Directors of the individual meetings.

The Secretary of the Board supports the activity of the Chairman and assists him in the organization of meetings, in the transmission of pre-meeting information and, in general, in flows of information and in minutes of the meetings. The Secretary of the Board provides impartial advice and assistance to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.

On December 21, 2020 the Board, after having verified that professional and experience requirements are met, appointed Mr. Ulisse Spada, Manager of the Corporate Legal Affairs Department, as its standing Secretary. Mr. Spada was confirmed as Secretary for the new term of office during the meeting held on April 29, 2022. In 2023, the Secretary carried out all the functions described above.

## 4.6 EXECUTIVE DIRECTORS

### Chief Executive Officer.

By resolution dated April 29, 2022, the Board of Directors of Diasorin appointed Mr. Carlo Rosa to the office of Chief Executive Officer granting him the power to handle all ordinary and extraordinary business transactions over which the Board of Directors has jurisdiction, with the exception of those that are expressly reserved to the Board of Directors pursuant to law, the By-Laws and the abovementioned resolution, confirming the same offices and functions granted during the previous term of office of the Board. Mr. Carlo Rosa, appointed as General Manager by the Board on April 28, 2006, continued to hold his office with special functions in operating management concerning industrial, commercial and financial areas.

The following powers, by resolution dated April 29, 2022, are reserved to the Board of Directors and may not be delegated:

- approval and change of industrial plan and the annual budget;
- purchase of equity investments, subscription of capital increase in third-party companies for a consideration exceeding € 20,000,000;
- transfer and sale of the Company's equity investments to third parties for a consideration exceeding € 20,000,000;
- purchase, sale and lease of company and business branch for a consideration exceeding € 20,000,000;
- sale/purchase, transfer, in-kind contributions and, in general, any other disposal of intangible assets for a consideration exceeding € 5,000,000;
- investments in instruments for a total amount exceeding € 10,000,000.00 for each transaction;
- assumption of loans, credit lines and bank advances, discount of promissory notes and overdraft facilities for an amount exceeding € 25,000,00.00 for each transaction, excluding credit lines for sureties and except for factoring contracts, which are covered by the delegated powers without amount limitations;
- grant of mortgages, pledges and liens on Company assets for an amount exceeding € 5,000,000.00 for each transaction;
- grant of sureties with third parties for an amount exceeding € 25,000,000.00;
- recruitment and dismissal of directors with level equal or above Corporate Vice President.

At all meetings or at least every three months, the Chief Executive Officer reports to the Board on activities in the exercise of delegate powers.

Mr. Carlo Rosa, Chief Executive Officer and General Manager, is the main administrator in charge of the company management (Chief Executive Officer). Mr. Carlo Rosa does not serve as Director at other Issuers.

The Chief Executive Officer with the support of the Chief Financial Officer leads and manages relations with shareholders, institutional investors, asset managers, analysts and proxy advisors, pursuant to the Shareholder Engagement policy adopted by the Board on December 16, 2021 in compliance with art. 1, Recommendation 1, letter a) of the Corporate Governance Code.

Information on the role of the Chief Executive Officer in connection with Shareholders Engagement is provided in the Shareholder Engagement policy published on the Issuer's website (Section "Governance" / "Governance Documents" / "Corporate Procedure").

#### **Executive Committee (pursuant to art. 123-bis, paragraph 2, Letter d), TUF).**

Pursuant to Article 15 of the By-Laws, the Board of Directors may select some of its members to staff an Executive Committee, to which it may delegate some of its powers, except for those that the law reserves expressly to the Board of Directors, determining the Committee's composition, powers and functioning. As at the date of this Report, the Issuer's Board of Directors has not appointed an Executive Committee.

#### **Reporting to the Board of Directors.**

In 2023, at all meetings of the Board of Directors and at least every three months, the Chief Executive Officer reported to the Board of Directors on activities performed in the exercise of delegate powers.

#### **Other Executive Directors**

The only executive director different from the Chief Executive Officer is the Chief Commercial Officer. Mr. Chen Menachem Even serves as Senior Corporate Vice President Commercial Operations (apart from being a Strategic Director).

### **4.7. INDEPENDENT DIRECTORS**

As to the minimum number of Independent Directors, the Board of Directors is composed of 7 independent directors out of 15 members - in compliance with Art. 2, Recommendation 5 of the Corporate Governance Code, according to which in large Concentrated Ownership Companies at least one third of the members of the Board of Directors shall be independent.

The slate-voting system required by Article 11 of the By-Laws is designed to ensure the election of a minimum number of Directors that meet the independence requirements set for Statutory Auditors by Article 147-ter, paragraph 4 and Article 148, paragraph 3 of the TUF.

The Board of Directors verified that the Directors in office met the independence requirements during the meeting held on April 29, 2022, on the date of their appointment. Outcomes of such assessment were disclosed to the market on the same date by a press release available on the Issuer's website, Section "Media/Press Releases/2022", pursuant to Art. 144-novies, section 1-*bis*, of the Consob Issuers Regulation.

Most recently, the Board of Directors assessed the independence requirements during the Board meeting held on March 15, 2024, for the approval of the financial statements.

The Company applied all the criteria provided by the Corporate Governance Code to verify and assess the independence requirements, except as indicated below.

The Board of Directors, in relation to Director Somati, assessed as appropriate the non-application of art. 2, Recommendation 7, lett. e) of the Corporate Governance Code –which provides that director who has served on the Board for more than nine years, even if not consecutive, over the last twelve years cannot be considered as independent- as the party indicated above maintained the independence of judgment in performing her role and it is appropriate, in the Company's interest, to continue to make use of the high professionalism and experience of the aforementioned Director by focusing on her key role within the Company and confirming her independence requirements.

The Issuer's Board of Directors in office (at the year-end date and at the date of this Report) appointed on April 29, 2022 includes seven (7) Independent Directors out of 15 members: Fiorella Altruda, Andrè Michel Ballester, Giovanna Pacchiana Parravicini, Roberta Somati, Francesca Pasinelli, Monica Tardivo and Tullia Todros. The number and authority of the Independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process of the Issuer's Board of Directors. Independent Directors contribute specific professional expertise to Board meetings and help the Board adopt resolutions that are in the Company's interest.

During the year, Independent Directors met on March 3, 2023 and in 2024, they met on March 12; during the aforementioned meetings Independent Directors assessed that the independent requirements were still met as confirmed when accepting the role of Director and as last confirmed in the regular checks carried out in January 2024. Independent Directors assessed also various matters regarded as being proper to the functioning of the Board of Directors and the Company's management. The aforementioned meetings took place upon request from the Lead Independent Director, in a separate and dedicated session and in the absence of the other directors, pursuant to Article 2, Recommendation 5 of the Corporate Governance Code.

The Board of Statutory Auditors verified the correct use of the criteria and procedures adopted by the Board to assess the independence of its members.

The Board of Directors in the meeting held on November 11, 2021, decided not to define ex-ante (and therefore not to apply the relevant provision of art. 2, Recommendation 7 of the Corporate Governance Code) the quantitative and qualitative criteria for assessing the significance (i) of commercial, financial or professional relationships and (ii) additional compensation, that are relevant for assessing the independence of its members. The Company decided not to define ex-ante fixed and predetermined quantitative and qualitative criteria in order to give prevalence to substance over form and assess the individual situation on a case-by-case basis, taking into account the relevant circumstances of the particular case. The adjustment would not have had a concrete application impact, since there are no significant commercial, financial and professional relationships between the Issuer, Company's subsidiaries and/or parent companies and independent directors. Furthermore, independent directors do not receive an additional remuneration other than the fixed remuneration for the office held and for serving in the committees.

### **Lead Independent Director**

The Board of Directors meeting on April 29, 2022 appointed Mr. André Michel Ballester as Lead Independent Director.

The Lead Independent Director represents a reference and coordination point for the requests and contributions of Non-executive Directors and Independent Directors and, pursuant to Art. 3, Recommendation 14, let. b) of the Corporate Governance Code, coordinates the meetings of Independent Directors only.

The appointment of the Lead Independent Director was one of the requirements for companies listed in the STAR segment of Borsa Italiana. This office was kept also after the Company submitted a request of voluntary exclusion from the STAR segment (thereby annulling the requirement mentioned above).

The Lead Independent Director convened the annual meeting (held on March 12, 2024) of Independent Directors to verify that the independence requirements were still met.



## 5. MANAGEMENT OF CORPORATE INFORMATION

With regard to the management of inside information, the Issuer's Board of Directors adopted the initiatives and/or procedures summarized below, in order to monitor access to and circulation of inside information prior to their disclosure to the public and ensure compliance with confidentiality obligations envisaged in the provisions of laws and regulations.

On July 3, 2016, the "Regulatory technical standards" by MAR and "Implementing technical standards" by ESMA (European Securities and Markets Authority) approved by the European Commission in order to reflect the new rules and regulations on Market Abuse within the European Union came into force. Thus, on August 4, 2016, the Company adopted new procedures that were subsequently updated in 2019. The Company updated the "Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information" and the " Procedure to manage the Register of persons having access to Relevant Information and Inside Information" in 2020.

### **Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information.**

In 2016, the Board of Directors adopted a new "Procedure for the internal management and public disclosure of inside information" (now "Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information", as provided below), pursuant to art. 17 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016.

The Procedure was amended by the Board:

- on December 21, 2020 in order to set up, pursuant to the recommendations of CONSOB Guidelines, a register of persons having access to relevant information, the so-called "Relevant Information List" with the aim of tracking the stages before the disclosure of inside information, by identifying and monitoring those types of information that the Issuer deems to be relevant such as data, events, projects or circumstances that may -at a future day- become inside information;
- on July 27, 2023, in order to constantly update and improve the company's internal procedures and update the mapping of persons who are required to report any information that the IIMF may regard as relevant or inside information and formalizing the analysis of information (even if at the end of the analysis such information does not fall within relevant or inside information) through a form that shall be filled in and filed.

The Procedure, as amended, contains instructions relating to both the internal management and the external disclosure of inside information (as defined by art. 7 of MAR) regarding the Issuer and the Group companies; the internal procedure is aimed at ensuring compliance with the current laws and regulations on the subject and guaranteeing maximum secrecy and confidentiality in handling Relevant Information and Inside Information; the Procedure, in particular, is aimed at ensuring greater transparency towards the market and appropriate preventive measures against market abuse.

Public disclosure of Inside Information shall occur through a press release prepared by the Investor Relations Function; prior to its external disclosure, the text of the press release shall be submitted for final approval to the Chief Executive Officer or, in case of his absence or impediment, to the Chairman of the Board of Directors and, if deemed appropriate or necessary, to the Board of Directors, subject to the prior declaration by the Corporate Accounting Documents Officer when the text contains accounting information, pursuant to and for the effects of article 154-*bis* of the TUF.

The Procedure currently in force is available on the Issuer's website (Section Group/Governance/ Governance Documents/Procedures).

### **Procedure to manage the Register of persons having access to Relevant Information and Inside Information.**

In 2016, pursuant to art. 18 of MAR and the related implementing rules and regulations of the European Commission in force as of July 3, 2016, issuers and persons acting in their name or on their behalf are required to establish, manage and update a register listing the persons who have access to inside information. The Board has, thus, adopted a new “Procedure to manage the Register of persons having access to Inside Information”.

Following the adoption of the “Relevant Information List”, the Procedure was amended by the Board of Directors on December 21, 2020 in order to set up a register of persons having access to Relevant Information.

The Procedure currently in force is available on the Issuer’s website (Section Group / Governance / Governance Documents / Procedures).

### **Procedure to comply with Internal Dealing requirements**

In 2016, the Board adopted a new “Procedure to comply with Internal Dealing requirements”, pursuant to art. 19 of MAR and the related implementing rules and regulations of the European Commission, in force as of July 3, 2016.

The Board updated the Procedure:

- on March 14, 2019 in order to reflect, among other things, the amendments made by Consob to the Issuers’ Regulation by resolution no. 19925 of 22 March 2017 and take into account amendments to TUF introduced by Legislative Decree no. 107/2018;
- on July 27, 2023 in order to comply with best practices and enable relevant parties to examine the Procedure in a more effective and easier manner.

Pursuant to the Procedure, the Head currently in force of the Corporate Legal Affairs (Corporate Counsel and Corporate Affairs Department) of the Company performs the functions of Designated Officer. Currently Mr. Ulisse Spada serves as Designated Officer.

The Procedure currently in force is available on the Issuer’s website (Section “Governance/ Governance Documents/Corporate Procedures”).

## 6. BOARD OF DIRECTORS' INTERNAL COMMITTEES (pursuant to art 123-bis, paragraph 2, letter d), TUF)

By a resolution dated April 29, 2022, the Board of Directors appointed internally the following Committees:

<b>Control, Risk and Sustainability Committee</b>	Andrè Michel Ballester (Chairman) Franco Moscetti Roberta Somati
<b>Remuneration and Nominating Committee</b>	Roberta Somati (Chairman) Giancarlo Boschetti Giovanna Pacchiana Parravicini
<b>Committee for Related-Party Transactions</b>	Roberta Somati (Chairman) André Michel Ballester Giovanna Pacchiana Parravicini

The composition of the Committees was determined taking into account the skills and experience of their members.

Functions, tasks, resources and activities are provided in the following Sections of this Report.

# 7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - REMUNERATION AND NOMINATING COMMITTEE

## 7.1. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

### **Self-assessment of the Board of Directors and its Committees.**

Although Diasorin pursuant to art. 4, Recommendation no. 22 of the CG Code can conduct the board's self-assessment on a three-year basis - the Board decided to continue to carry it out on an annual basis in order to periodically assess the effectiveness of its activity and the contribution of its Committees.

In 2022, in view of the renewal of corporate bodies during the Shareholders' Meeting called to approve the financial statements at December 31, 2021 - the Board carried out a self-assessment process on the size, composition and functioning of the Board and its committees. On March 16, 2022 the Board approved, upon proposal of the RN Committee and taking into account the self-assessment outcomes, the guidelines of the outgoing Board about managerial and professional figures whose presence is deemed to be appropriate within the future Company's Board, also in relation to the Maximum number of Offices and the diversity policy in the composition of the Board of Directors and, thus, diversity criteria such as gender, managerial and professional, also international, skills, and age.

Since the Issuer qualifies as a Concentrated Ownership Company, and therefore is not subject to the Recommendation 23 of the GC Code, the guidelines of the outgoing Board have been included in the explanatory report prepared pursuant to art. 125-ter of the TUF concerning the appointment of the Board of Directors by the Shareholders' Meeting called to approve the financial statements at December 31, 2021. Shareholders filing a slate took into account the guidelines expressed by the outgoing Board and complied with the related recommendations.

At the beginning of 2024, the Board renewed its self-assessment process on the size, composition and functioning of the Board and its Committees.

The RN Committee assisted the Board and the Chairman of the Board of Directors in ensuring that the process is adequate and transparent and, more generally, supported the Board in the self-assessment process, supervising the preparation of the questionnaire (also through prior examination and sharing the questionnaire in the meeting of the RN Committee held on February 1, 2024) and examining the findings received in order to support the Board in setting forth guidelines on the qualitative and quantitative composition deemed to be optimal.

In the self-assessment process, the Board took into account, among other things, the recommendations contained in the annual letter of the Chairman of the Corporate Governance Committee.

The process involved all the directors and was performed through a questionnaire filled out anonymously, broken down into different areas of investigation and with the possibility of providing comments and proposals, including the following items:

- (i) size, composition and functioning of the Board, also in relation to diversity profiles;
- (ii) size, composition and functioning of the Board's Committees;
- (iii) communication between the Board of Directors and Top Management - Induction Programme;
- (iv) Corporate Governance and Risks Management;
- (v) Number and role of Independent Directors.

The outcomes of the self-assessment carried out at the beginning of 2024 (relating to 2024) were examined by the Remuneration and Nominating Committee on March 8, 2024 and discussed during the meeting held on March 15, 2024. In particular, this self-assessment confirmed a general satisfaction with the functioning and activities of the Board of Directors and its Committees, as already highlighted in the self-assessment process carried out in previous years.

The self-assessment overall shows a high level of satisfaction and confirms that the functioning of the Board and of the Board's committees are proportionate to the Company's size and needs.

Despite the self-assessment was positively evaluated, it highlighted some areas where an improvement is achievable. The attention was focused on the role of the Board of Directors in promoting dialogue with shareholders and other stakeholders; the role of independent directors in taking and monitoring resolutions; the number of meetings held to be proportionate to the amount and type of items on the agenda; the method for succession of Executive Directors.

### **Succession plans of Executive Directors**

Pursuant to Article 4, Recommendation 24 of the Corporate Governance Code, the Board of Directors, during the meeting held on December 20, 2018, approved a proposal concerning the Chief Executive Officer's succession plan, following the appropriate assessments made by the RN Committee in its area of competence. According to this proposal, if the Board of Directors does not identify a candidate within the Diasorin Group, powers will be conferred to the Chairman for this purpose. The Chairman, with the necessary operating powers to address and coordinate the company management and with support, if necessary, of a Top executives committee, shall implement and manage the process to select candidates outside the Diasorin Group.

The Board of Directors at the meeting held on December 16, 2021, approved a similar proposal concerning the remaining Executive Directors' succession plan, following the appropriate assessments made by the RN Committee in its area of competence. This procedure provided for granting (i) a proxy to the Chief Executive Officer for the interim management of the matters for which the Chief Executive Officer is responsible;(ii) a proxy to the Chief Executive Officer to be exercised along with the Chairman for the identification of a successor by making use of an internal pipeline or, alternatively, by starting a selection process outside the Group. In the event the above powers are exercised, it will be necessary to promptly inform the RN Committee and maintain adequate information flows on the selection process.

## **7.2 REMUNERATION AND NOMINATING COMMITTEE**

The Issuer's Board of Directors currently in office, consistent with the provisions of the Corporate Governance Code, established an internal Remuneration and Nominating Committee consisting of non-executive Directors, the majority of its members being independent Directors, including the Chairman who performs the functions set forth in art. 4 of the Corporate Governance Code on issues related to nominations and in art. 5 of the Corporate Governance Code on issues related to compensation, in compliance with principles and criteria required by the provisions of the Code.

Functions of the RN Committee were formalized on December 16, 2021 in the new "*Regulation of the Remuneration and Nominating Committee*" ("**Regulation of the RN Committee**") that was subsequently approved by the Board of Directors. The Regulation grants consulting and advisory functions to the Committee, as provided for by the CG Code with regard to nomination and remuneration.

### **Functions of the Remuneration Committee**

- assisting the Board in the formulation of the remuneration policy;
- submitting proposals or expressing opinions on compensation of executive directors and of all other directors who perform special tasks and setting performance objectives associated with the variable component of such compensation;
- monitoring the concrete application of the remuneration policy and verifying, more specifically, the actual achievement of performance objectives;

- periodically assessing the appropriateness and overall coherence of the general compensation policy of directors and top management;

Pursuant to art. 5, Recommendation 26 of the Corporate Governance Code, Directors shall not participate in the RN Committee meetings where proposals are submitted to the Board concerning their remuneration.

### **Functions of the Nominating Committee**

Assisting the Board in the following:

- self-assessing the Board of Directors and its committees;
- defining the optimal composition of the Board of Directors and its committees;
- identifying candidates for the office of directors to be coopted;
- assisting the outgoing Board of Directors in the submission of slates of candidates, so as to ensure a transparent composition and presentation;
- preparing, updating and implementing any succession plan for the Chief Executive Officer and other executive directors.

### **Composition and functioning of the Remuneration and Nominating Committee (pursuant to art. 123-bis, paragraph 2, letter d), TUF).**

On April 29, 2022, the Board appointed as members of the RN Committee the following directors: Roberta Somati (Independent Director) who serves also as Chairman, Giovanna Pacchiana Parravicini (Independent Director) and Giancarlo Boschetti (Non-Executive Director). Pursuant to Article 5, Recommendation 26 of the Corporate Governance Code, all members of the RN Committee have proper knowledge and expertise in finance or compensation policies, as assessed by the Board of Directors at the time of their appointment.

In 2023, the RN Committee met on January 25, 2023, March 14, 2023, April 21, 2023, June 7, 2023, and October 27, 2023. During the meeting the Committee, among other things:

- examined the questionnaire for the self-assessment of the Board and provided recommendations on defining and accounting for variable remuneration;
- approved the draft of the Report on remuneration and fees paid in 2022;
- examined the proposal to update the remuneration benchmark of certain Executives with Strategic Responsibilities, formulating, where deemed appropriate, proposals for the adjustment of the remuneration packages.
- examined an internal procedure for the determination of the ESG objectives of the short-term variable component (MBO) of the remuneration of Directors with Strategic Responsibilities.

Further details are provided in Section I and Section II of the Report on the Remuneration policy and fees paid, published pursuant to article 123-ter TUF on the Issuer's website (Section "Group/Governance/Shareholders' Meetings /2024").

In 2023, the RN Committee meetings were attended by members of the Board of Statutory Auditors and, upon invitation of the Chairman, by some corporate directors qualified to attend the meeting.

In addition to the meetings held on February 1 and March 8, no further meetings at the date of this Report are scheduled for 2024.

The frequency, average length, attendance at the meetings of the RN Committee are listed in Table 3 annexed to this Report, to which reference is made.

As described above, the Board met on December 16, 2021 and approved the RN Committee Regulation which provides, among other things, that:

- the Chairman convenes the RN Committee at least three days before the date set for the meeting, except in cases of urgency for which twelve hours' notice is required;
- documents are made available at least two days before the meeting, except in cases of urgency;
- the Board of Statutory Auditors is entitled to attend the RN Committee meetings;

- the RN Committee appoints a Secretary, also external to the Committee, who is entrusted with the task of recording the meetings;
- the Chairman of the RN Committee may invite to individual meetings the Chairman of the Board of Directors, the Chief Executive Officer, other directors and representatives of corporate functions qualified to attend the meeting, as well as other parties whose contribution is deemed to be useful.

In performing its functions, the RN Committee has free access to the company's areas and information considered important for fulfilling its duties and can make use of external consultants, subject to authorization by the Board of Directors.

Although the RN Committee can make use of external consultants within the limits of a budget approved by the Board of Directors on a reasoned proposal of the Committee, in 2023 the Committee was not provided with financial resources ex-ante as it uses the Issuer's resources and company structures to discharge its duties.

## **8. REMUNERATION OF DIRECTORS**

Information about (i) the Company policy for the remuneration of Directors and Executives with Strategic Responsibilities and (ii) fees paid in 2023 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to art. 123-ter of the TUF on the Issuer's website (Section "Group/Governance /Shareholders' meeting /2024")

## 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL, RISK AND SUSTAINABILITY COMMITTEE

With regard to the ICRMS, The Board of Directors is responsible for defining the guidelines of the ICRMS, which is a set of processes designed to monitor the efficiency of the Company's operations, the reliability of all information (including financial information), the degree of compliance with laws and regulations and the level of protection of the Company's assets.

On December 19, 2012, the Board of Directors adopted the guidelines of the ICRMS (the "**Guidelines**"), last amended on August 3, 2022 to comply with the CG Code, identifying the main risks connected to the Company's activity. The Board of Directors is responsible for, among other things, (i) properly identifying, adequately measuring, monitoring, managing and assessing the risks in which the Company may incur, in accordance with the goal of protecting the corporate assets and consistent with the principles of sound management, including all the main risks that can have a major adverse impact on the Issuer's long-term sustainability and (ii) verifying on a regular basis (at least once a year) that the ICRMS is adequate, effective and functions correctly.

Pursuant to art. 2086 of the Italian civil code and art. 3 of Legislative Decree 14/2019 (the so-called Business crisis and Insolvency Code), the Board is also responsible for the implementation of adequate organizational structures also in view of the timely detection of the company crisis, and related measures in order to take action in a timely manner to overcome the crisis.

The document is composed of a first section dedicated to the members involved in the System and defines the Guidelines adopted by the Issuer's Board of Directors.

The ICRMS of the Issuer involves, each for its own part, the following corporate bodies:

- The Board of Directors has the function of directing and evaluating the adequacy of the ICRMS identifying, *inter alia*, within the Committee a (i) Control, Risk and Sustainability Committee that assists the Board of Directors comprised of non-executive Directors, the majority of whom is Independent, with a proper preliminary investigation and (ii) one or more Directors in charge of establishing and preserving an efficient ICRMS (i.e. the Chief Executive Officer, pursuant to the Corporate Governance Code);
- The Officer of the Internal Audit function, who is appointed by the Board of Directors upon proposal of the Chief Executive Officer, with the assent of the CRS Committee, has the function to verify the adequacy and efficiency of the ICRMS;
- The Board of Statutory Auditors has the function to verify the efficiency of the ICRMS;
- The Corporate Accounting Document Officer, pursuant to the art. 154-*bis* TUF;
- The Supervisory Body established pursuant Legislative Decree 231/2001.

With regard to the Guidelines, the Organizational and Management Model adopted by the Diasorin Group pursuant to Legislative Decree No. 231/2001 is taken into account.

The ICRMS applied to the financial reporting process adopted by the Diasorin Group was developed using as a reference model the COSO Report<sup>2</sup>, according to which the ICRMS, in the most general terms, can be defined as "*a process, effected by the Board of Directors, management and other personnel for the purpose of providing reasonable assurance regarding the achievement of objectives in the following categories: (i) design and effectiveness of operations; (ii) reliability of financial reporting; (iii) compliance with applicable laws and Regulation*".

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<sup>2</sup>COSO Model developed by the Committee of Sponsoring Organizations of the Treadway Commission - "Interbak Control - Integrated framework" published in 1992 and updated in 1994 by the Committee of Sponsoring Organizations of the Treadway Commission.



Insofar as the financial reporting process is concerned, the corresponding objectives are the truthfulness, accuracy, reliability and timeliness of the financial reporting.

The Group, in defining its ICRMS for the financial reporting process, complied with the guidelines provided in this area in the following reference laws and regulations:

- Legislative Decree No. 58 of February 24, 1998 (TUF), as amended, specifically with regard to the provisions concerning the “*Certification of the Statutory and Consolidated Annual Financial Statements and Semiannual Report by the Corporate Accounting Documents Officer and the Delegated Governance Bodies pursuant to Article 154-bis of the TUF*”;
- Law No. 262 of December 28, 2005 (as amended, including the amendments introduced by the Legislative Decree of October 30, 2007 adopting the Transparency Directive) specifically with regard to the preparation of corporate accounting documents;
- The Consob Issuers’ Regulation, as amended and integrated;
- The Italian Civil Code, which extends to the Corporate Accounting Documents Officers the liability for company management actions (Article 2434 of the civil code) corruption between private individuals (Article 2635 of the civil code) and the crime of obstructing public and oversight authorities in the performance of their functions (Article 2638 of the civil code).
- Legislative Decree No. 231, of June 8, 2001, which citing, inter alia, the abovementioned provisions and the civil liability of legal entities for market abuse crimes, as well as corporate crimes, classifies the Corporate Accounting Documents Officer as a Top Management Person.

In addition, the reference components of the Group include among other things:

- the Group’s Code of Ethics;
- the Organizational and Management Model Pursuant to Legislative Decree No. 231/2001, its Special Parts and related protocols;
- the Procedure to comply with Internal Dealing requirements;
- the Procedure for Related-Party Transactions;
- the Procedure for the Internal Management of Relevant Information and Inside Information and Public Disclosure of Inside Information;
- the Procedure to manage the Register of persons having access to Relevant Information and Inside Information;
- the System of delegated and proxy powers;
- the Organization chart and job description chart;
- the risk assessment Process applied to quantitative and qualitative risk analysis;
- the Accounting and Administrative Control System, which is comprised of a set of procedures and operational documents, including:
  - the Group Accounting Manual: document designed to promote the development and use within the Group of consistent accounting criteria for the recognition, classification and measurement of the results from operations;
  - Administrative and accounting procedures: documents that define responsibilities and control rules specifically with regard to administrative and accounting processes;
  - Financial statements and reporting instructions and closing schedules: documents used to communicate to the various Company departments the operational and detailed procedures for managing the activities required to prepare the financial statements by predetermined and shared deadlines;

- Technical User Manual for the Group Reporting System: document provided to all employees who are directly involved in the process of preparing and/or reviewing accounting reports, which explains how the Reporting System operates.

Diasorin's Accounting and Administrative Control Model defines the method that must be applied when implementing the Internal Control System, which includes the following phases:

a) *Mapping and assessment of the risks entailed by financial reporting.*

The mapping and assessment of the risks entailed by the production of accounting reports is carried out by means of a structured risk assessment process. The implementation of this process includes identifying all of the objectives that the ICRMS must achieve in financial reporting to deliver a truthful and fair presentation. These objectives refer to the financial statement "assertions" (existence and occurrence of events, completeness, rights and obligations, valuation/recognition, presentation and disclosure) and other control objectives (e.g., compliance with authorization limits, segregation of duties and responsibilities, documentation and traceability of transactions, etc.).

The risk assessment process is thus focused on those areas of the financial statements identified as potentially having an impact on financial reporting in terms of failure to achieve control objectives.

The process of determining which entities should be classified as "significant entities" in terms of their impact on financial reporting serves the purpose of identifying, with regard to the Group's consolidated financial statements, the subsidiaries, financial statement accounts and administrative and accounting processes that are deemed to be "material," based on valuations carried out using both quantitative and qualitative parameters.

b) *Definition of controls for the mapped risks.*

The definition of the controls required to mitigate the mapped risks within administrative and accounting processes is carried out taking into account the control objectives associated with financial reporting for processes deemed to be material.

If the implementation of the phase of determining the scope of the assessment process uncovers sensitive areas that are not governed, in whole or in part, by the corpus of administrative and accounting procedures, the existing procedures are amended and, working in concert with the Corporate Accounting Documents Officer, new procedures are adopted for the affected areas.

c) *Assessment of controls for the mapped risks and handling of any known issues.*

The assessment of the effectiveness and level of implementation of the administrative and accounting procedures and of the controls they contain is carried out through specific testing activities that are consistent with best industry practices.

Testing is carried out continuously throughout the year at the request of and in coordination with the Documents Officer, who uses his own organization and the Internal Auditing Department.

As part of the implementation process, the delegated governance bodies and the administrative managers of subsidiaries are required to provide the Documents Officer with an affidavit concerning tests performed to assess the effectiveness and level of implementation of the administrative and accounting procedures.

The Internal Auditing Officer prepares an "Audit Report" in which he provides an overview of the assessment of the controls established for the mapped risks. The assessment of controls results in the definition of supplemental controls, corrective actions or improvement plans to address any identified issues.

The Audit Reports produced during the year are communicated to the CRS Committee and relevant outcomes are communicated to the Board of Statutory Auditors and the Board of Directors of the Company.

The Internal Control System applied to the financial reporting process is overseen by the Documents Officer who, appointed by the Board of Directors, in concert with the Chief Executive Officer, is responsible for

developing, implementing and approving the Accounting and Administrative Control Model and assessing its effectiveness, and is required to issue certifications of the annual financial statements (separate and consolidated) and the semiannual financial report (separate and consolidated). The Documents Officer is also responsible for establishing adequate administrative and accounting procedures for the production of statutory and consolidated financial statements and, with the support of the Internal Auditing Department, providing subsidiaries with guidelines for the implementation of appropriate activities to assess their Accounting Control Systems.

In the performance of his functions, the Documents Officer:

- interacts with the Internal Auditing Director and the CEO, who performs independent audits of the effectiveness of the Internal Control System and supports the Documents Officer in monitoring the System;
- is supported by the managers of the departments concerned who, with respect to the area under their jurisdiction, attest to the completeness and reliability of the information flows provided to the Documents Officer for financial reporting purposes;
- coordinates the activities of the Accounting Managers of subsidiaries that are responsible, together with the delegated governance bodies, for implementing within their companies adequate accounting control systems to monitor administrative and accounting processes and assessing their effectiveness over time, reporting the results to the Parent Company as part of the internal certification process;
- establishes a mutual exchange of information with the CRS Committee and the Board of Directors.

The Board of Statutory Auditors and the Supervisory Body are informed about the adequacy and reliability of the internal control system applied to financial reporting.

A detailed description of the main characteristics of the ICRMS applied to financial reporting, including consolidated financial statements, as required by article 123-*bis*, paragraph 2, letter b), of the TUF, is provided in the Report on the Company's Operations annexed to the statutory and consolidated financial statements.

## 9.1 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, pursuant to the Corporate Governance Code, is responsible for overseeing the effective implementation of the ICRMS by the Board of Directors, with the support of the CRS Committee.

The CEO working within and in accordance with the guidelines established by the Board of Directors, is responsible for:

- identifying corporate risks on the basis of the activities carried out by the Issuer and its subsidiaries and periodically submitting such risks to the attention of the Boards of Directors;
- implementing the Guidelines defined by the Board, taking care of the design, implementation and management of the Control System and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of the operating conditions and the legislative and regulatory framework;
- promptly reporting to the CRS Committee on problems and critical issues which arise in conducting his activities or which he became aware of, so that the Committee may take suitable measures;
- in performing these tasks, the Chief Executive Officer may ask the Internal Auditing Office to carry out checks on specific operational areas and on compliance with internal rules and procedures when performing corporate operation and notifying, at the same time, the Chairman of the Board, the Chairman of the CRS Committee and the Chairman of the Board of Statutory Auditors. In 2023, there was no need to exercise such power.

On April 29, 2022, the Board of Directors of the Issuer confirmed Mr. Carlo Rosa, Chief Executive Officer and General Manager of the Company, as "Chief Executive Officer" for the purposes of the ICRMS. Mr. Carlo Rosa had been previously appointed as "Designated Officer" pursuant to the previous Corporate Governance Code of listed companies approved in July 2018 by the Corporate Governance Committee at the time in force.

In 2023, the CEO:

- was responsible for the identification of the main business risks (strategic, operational, financial and compliance), taking into account the characteristics of the activities carried out by the Issuer and its subsidiaries, and periodically submitted them to the Board for examination;
- implemented the Guidelines defined by the Board of Directors, taking care of the planning, realization and management of the ICRMS and constantly verifying the system's overall adequacy, effectiveness and efficiency and the need for any adjustments;
- updated the system in response to changes in the operating conditions and in the relevant regulatory framework;
- attended the meetings of the CRS Committee;
- did not deem it necessary to request interventions from the Internal Audit Officer or to report to the CRS Committee on specific issues since no problems or critical issues required such disclosure.

## **9.2. CONTROL, RISK AND SUSTAINABILITY COMMITTEE**

Following the renewal of corporate bodies on April 29, 2022, and in compliance with art. 3, Recommendation 16 of the CG Code, the Board of Directors resolved - on the same date- to assign the "Control, Risk and Sustainability Committee" the task of supervising sustainability issues connected to the corporate activities and to interactions with its stakeholders.

Functions of the CRS Committee had been updated on December 16, 2021 with the adoption of the new "*Regulation of the Control, Risk and Sustainability Committee*" ("**Regulation of the CRS Committee**").

### **Functions concerning internal control and risk management**

In assisting the Board of Directors as part of its duties in the ICRMS, the CRS Committee:

- assesses, together with the Documents Officer, the Independent Auditors and the Board of Statutory Auditors, the proper application of accounting standards and their uniformity for the purpose of drawing up the consolidated financial statements;
- assesses that regular financial and non-financial reporting is suited to properly represent the Company's business model and strategies and the impact of Company's activity and the performance achieved;
- examines the content of the periodic non-financial disclosure relevant to the ICRMS;
- expresses its opinions on specific aspects relating to the identification of the main business risks and supports the assessments and decisions of the Board concerning the risk management arising from prejudicial events which the latter has become aware of;
- assesses regular reports and those of particular relevance prepared by the Internal Audit function;
- monitors the independence, adequacy, efficacy and efficiency of the Internal Audit function;
- may entrust the Internal Audit function with carrying out audits on specific operating areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;
- reports to the Board of Directors, at least every six months, on the approval of the annual and semi-annual financial statements, the activities carried out and the adequacy of the ICRMS;
- performs any additional tasks that the Board of Directors may choose to assign to the CRS Committee, with particular reference to interactions with the Independent Auditors, the activities of the Supervisory Body pursuant to Legislative Decree No. 231/2001, and to the functions involved in related-party transactions;

### **Functions concerning sustainability**

- supports the Board in the analysis of relevant issues for the generation of long-term value on the occasion of the examination and approval of the business plan of the Company and of the Group it heads;

- has the function to provide consultation and make proposals to the Board of Directors on sustainability issues; it has the task of supervising sustainability issues connected to corporate activities and interactions with its stakeholders.

Among other things, it has the task of:

- monitoring sustainability issues, examining and assessing sustainability matters relating to corporate activities and interactions with its stakeholders;
- supervising sustainability initiatives of the Issuer and of companies belonging to the Diasorin Group;
- examining and assessing the system of data collection and consolidation to prepare the Consolidated Non-Financial Statement, pursuant to Legislative Decree 254/2016 (“NFS”);
- reviewing the NFS, expressing its opinion to the Board of Directors called to approve this document, and
- expressing, upon request of the Board of Directors, opinions on any sustainability issues.

The aforementioned task of supporting the Board in the analysis of relevant issues for the generation of long-term value upon examination and approval of the business plan was granted to the CRS Committee by the Board during the meeting held on December 16, 2022, in implementation of art. 1, Recommendation n. 1, lett. a) of the Corporate Governance Code.

Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors promptly exchange information that is relevant to the performance of their respective tasks.

The CRS Committee may also request specific interventions from the Internal Audit function. In this regard, the Committee did not exercise this power in 2023.

During the year, the CRS Committee steadily carried out its audits on the correct and timely application of the guidelines and the effective management of the ICRMS and the internal control and risk management system of the subsidiaries.

In 2023, during the meeting held on March 27, 2023, the CRS Committee - as required pursuant to Article 6, Recc. 35, lett. h) of the Corporate Governance Code - reported to the Board of Directors on the activities it carried out, on the outcomes of its audits and on the effectiveness of the Internal Control and Risk Management System, highlighting how the system proved to be consistent with the size and organizational and operational structure of the Issuer. The last meeting held to report to the Board of Directors on the activities and adequacy of the ICRMS was on March 15, 2024.

In 2023, the CRS Committee:

- supported the Board in performing the tasks concerning internal control and risk management;
- assessed the correct use of the accounting principles and their homogeneity for the purposes of preparing the financial statements;
- assessed that regular financial and non-financial reporting was suited to properly represent the Issuer’s business model and strategies;
- examined the content of regular non-financial information that is relevant to the ICRMS;
- examined the regular reports prepared by the internal audit function;
- monitored the autonomy, adequacy, efficiency and effectiveness of the Internal Audit function;
- during the examination of the 2024-2027 Business Plan (the "Business Plan") approved by the Board of Directors on December 15, 2023, the CRS Committee had the task of carrying out the analyses that fall within its remit, also in the light of the objectives of the 2023-2025 ESG Plan approved by the Board of Directors on December 1, 2022 after consulting the CRS Committee. The Committee provided its contribution formulating comments on the Business Plan and expressed a favorable opinion for its approval by the Board on December 11, 2023.

### **Composition and functioning of the Control, Risk and Sustainability Committee (pursuant to art. 123-bis, paragraph 2, letter d), TUF)**

The CRS Committee is composed of non-executive Directors, the majority of its members being independent Directors, including the Chairman; the Board of April 29, 2022 resolved the CRS Committee to be composed of Directors André Michel Ballester (Independent Director) as Chairman, Roberta Somati (Independent Director) and Franco Moschetti (Non- executive Director), who have significant expertise in accounting, finance and risks management.

The frequency, average length and attendance at the meetings of the CRS Committee are listed in Table 3 annexed to this Report.

In 2023, the CRS Committee met on March 3, 2023, July 24, 2023, and December 11, 2023.

The Board of Statutory Auditors is invited to attend the meetings of the CRS Committee. The Chief Executive Officer may participate in the meetings, pursuant to the Corporate Governance Code, and upon request of the CRS Committee, the Internal Audit Officer, the Document Officer, the Chairman of the Supervisory Body and company's directors whose presence may be deemed useful for the proceedings.

In 2023, meetings of the CRS Committee were attended by members of the Board of Statutory Auditors and, upon request of the Chairman, certain company's directors such as the Chief Executive Officer, the Document Officer, the Internal Audit Officer and other company's directors qualified to attend the meeting.

The Board, during the meeting held on December 16, 2021, approved the Regulation of the CRS Committee providing, among others, that:

- the Chairman convenes the CRS Committee at least three days before the date set for the meeting, except in cases of urgency for which twelve hours' notice is required;
- documents are made available at least two days before the meeting, except in cases of urgency;
- the CRS Committee appoints a Secretary, also external to the Committee, who is entrusted with the task of recording the meetings;
- the Chairman of the Board of Statutory Auditors or another member of the Board of Statutory Auditors designated by the Chairman always participate in the CRS proceedings. In any case the other members of the Statutory Auditors, who are regularly invited, may participate in the meetings;
- upon invitation of the Chairman and also upon request of the CRS Committee, the Chairman of the Board of Directors, other Directors, including the Chief Executive Officer, company officers qualified to attend the meeting (in such case the Company Chief Executive Officer shall be informed), the Documents Officer and other parties who are not members of the CRS Committee and whose contribution is deemed to be useful may attend the meeting.

In performing its functions, the CRS Committee has free access to the company's areas and information considered to be important for fulfilling its duties and can make use of external consultants, subject to the authorization of the Board of Directors.

During the Shareholders' Meeting held on April 29, 2022, the Board of Directors resolved to provide financial resources of € 50,000,00 thousand to the CRS Committee to perform its activities.

### **9.3 INTERNAL AUDIT OFFICER**

The Board of Directors appointed the Internal Audit Officer as the person in charge of verifying that the ICRMS is functional and suited to and coherent with the guidelines defined by the Board.

During the Board meeting held on December 19, 2019, the Board of Directors on the input of the Designated Officer (now Chief Executive Officer) and following the favorable opinion of the CRS Committee and of the Statutory Auditors, appointed Mr. Francesco Mongelli to the office of Internal Audit Officer, with effect as of

January 1, 2020. The Internal Audit Officer was entrusted with tasks and responsibilities contained in the Code and detailed in the Guidelines.

Pursuant to the CG Code, the Board of Directors, with the support of the CRS Committee has the task of providing the Internal Audit Officer with adequate resources to perform his tasks and of defining his compensation, in line with the company's policy.

The Internal Audit Officer, who is not responsible for any operational area, is hierarchically dependent from the Board:

- verifies, both on an ongoing basis and in relation to specific needs, and in compliance with international standards, the operation and suitability of the ICRMS, through an audit plan, which is approved by the Board of Directors annually and shared with the CRS Committee and is based on a structured process of analysis and prioritization of the main risks;
- has direct access to all information useful to carry out his duty;
- draws up regular reports containing adequate information on his activity, the procedures governing risk management, as well as on compliance with the plans defined for the mitigation of such risk. Regular reports also contain an assessment of the adequacy of the ICRMS;
- prepares timely reports on events of particular importance;
- conveys the abovementioned reports to the Chairmen of the Board of Statutory Auditors, the CRS Committee, and of the Board of Directors and to the Chief Executive Officer;
- verifying, as part of the audit plan, the reliability of the IT systems, including the accounts systems.

As from January 1, 2013, the Internal Audit Officer's work-plan is approved on annual basis by the Board of Directors, after receiving a favorable opinion from the Board of Statutory Auditors and the Chief Executive Officer; the 2022 Audit Plan was approved during the meeting held on March 16, 2022 and the 2023 Audit Plan was subject to approval on March 20, 2023. At least once every six months, the Internal Audit Officer reports the outcomes of the audits to the Board of Directors, the Chief Executive Officer, the CRS Committee and the Board of Statutory Auditors.

In compliance with his duties, in 2023 the Internal Audit Officer carried out his activity by preparing and submitting an annual plan, including the audit results, to the Board of Statutory Auditors and CRS Committee.

In 2023, the Internal Audit Officer carried out all the activities of his annual work-plan, reporting to the CRS Committee during the meetings held on March 23 and July 27, 2023 and to the Board of Directors during the meeting held on March 27, 2023. The Internal Audit Officer reported to the CRS Committee and to the Board of Directors again on March 15, 2024.

## **9.4 CODE OF ETHICS AND ORGANIZATIONAL MODEL pursuant to Legislative Decree no. 231/2001**

### **The Group's Code of Ethics.**

On December 18, 2006, the Issuer approved and implemented its "Group's Code of Ethics ("the **Code of Ethics**"), with the aim of providing all employees with common consistent rules of conduct and defining their rights and obligations, as they apply to the performance of any activity that may affect the Issuer's interests. The Code of Ethics sets forth the general principles that define the values that underpin the Issuer's operations and it has been currently adopted by all Diasorin Group's companies.

On December 19, 2016, the Board of Directors approved a new edition of the Code of Ethics, in compliance with the new MedTech Code of Ethics.

The update was carried out following the release of a new Code of Ethics drafted by MedTech Europe, an association representing the European IVD industry through EDMA-European Diagnostic Manufacturers Association; DiaSorin S.p.A., as a member of EDMA, was required to adopt by the end of 2016 the new MedTech Code of Ethics' provisions having an impact on the sections of the Diasorin Group's Code of Ethics

referred to the relationship with healthcare professionals and healthcare organizations. Briefly, the Code was amended to introduce a new section called “*Relationship with Healthcare Professionals and Healthcare Organizations*” providing a series of principles and provisions regulating relationships with the abovementioned counterparties, to safeguard medical-scientific sector and create transparent and free of any commercial interest interactions.

The Code of Ethics currently in force is available on the Issuer’s website (Section Group /Governance / Governance Documents / Code of Ethics and Model 231).

### **The Organization and Management Model pursuant to Legislative Decree No. 231/2001**

The Board of Directors, in order to ensure the fairness and transparency of all its business transactions and corporate activities, to meet the expectations of its shareholders and to protect the Company’s position and image, together with the work of its employees, adopted and implemented the organizational model (the “**Model**”) required by Legislative Decree No. 231/2001, which can exempt the Company from liability for crimes committed by its employees in apical positions.

The Model was developed taking into account the provisions of the Decree 231/2001 and the guidelines provided by Confindustria.

The Issuer revised its Model to make it consistent with the new requirements of Legislative Decree No. 123/2007 and the rules on Market Abuse introduced by the TUF. The revised model includes two new Special Sections that concern violations of rules concerning health and safety at the workplace as provided by Legislative Decree No. 81/2008 (Uniform Occupational Safety Code), and crimes involving market abuse (and manipulation) and abuse of insider information.

Subsequently, the Board of Director agreed to amend the Model, adding “Special Section E” that deals with certain issues as referred to in Legislative Decree No. 121/2011 concerning environmental crimes, and successively the Board of Directors agreed to update Special Section “A” (Offences against the Public Administration) and Special Section “B”, and added Special Section “F” (Employment of workers from non-EU countries) and, lastly, on November 11, 2015 to update Special Section “E” following the introduction of new alleged environmental crimes included in the provisions of Legislative Decree No. 231/2001.

In 2017, the Supervisory Body carried out a regulatory adjustment on the Special Sections “B” and “C” of the 231 Model following the entry into force of Legislative Decree 38/2017 aimed at reinforcing the fight against corruption in the private sector and of MAR, providing new provisions on Market Abuse, respectively, in addition to mapping the risks concerning the Special Sections “A” and “B”, following the reorganization of some functional areas included in the abovementioned mapping that led to a change in the allocation of tasks and responsibilities. The Oversight Board promoted a series of training sessions concerning responsibility issues, pursuant to Legislative Decree 231/2001 to support sales force in Italy and Global Procurement and Supply Chain Functions.

In 2019, the Board of Directors resolved to amend the Model with (i) the implementation of an IT system for whistleblowing complaints received on violations and breaches of the Model, ensuring anonymity of the whistleblower (in accordance with the provisions of Legislative Decree no. 179/2017) – the so-called Whistleblowing (fully operational from June 30, 2019) and (ii) the introduction of a new Special Section (“Special Section G”) – and related operating protocols – concerning crimes of receiving stolen goods, use of illegally-obtained money, goods or other benefits, money laundering and self-laundering (as referred to in article 25-*octies* of Legislative Decree 231/2001).

On July 30, 2020, on the input of the Supervisory Body and after receiving approval from the CRS Committee, the Board of Directors resolved to introduce a new Special Section (called “Special Section H”) – and the related operational protocols – concerning tax offences, as per article 25-*quinqüesdecies* of Legislative Decree 231/2001 (introduced after the entry into force of the Legislative Decree no. 124 of 26 October 2019, as converted into law, with amendments by Law no. 157 of 19 December 2019).



At the meeting held on May 14, 2021, the Board approved the amendment to the General Section of the Model in order to promote an in-depth analysis of the Supervisory Body's functions and roles and strengthen information flows for the benefit of the Supervisory Body.

Finally, on August 3, 2022, the Board approved the amendment to the Special Sections and, in particular, to risk mappings, also in relation to the introduction of additional predicate offences as a result of the transposition into Italian law of Directive (EU) 2017/1371 (so-called PIF Directive). More generally, in the light of the new organizational structures due to the expansion of the business scope, the Company needed to update and adjust its Organization Model pursuant to Legislative Decree 231/2001, taking into account the indications required by case law, regulations and best practices in order to align the Model with the company structure and processes. Therefore, the new Organizational Model was divided into decision protocols to prevent risks of committing the crimes that may be identified across corporate processes, thus replacing the previous structure that was broken down by types of offences.

The update of the Model took into account changes occurred in the Company's organizational structure due to redefinition of the corporate structure announced to the market on December 16, 2021 and became effective on July 1, 2022.

On July 15, 2023, the Issuer adopted a Whistleblowing Procedure in accordance with Legislative Decree 24/2023 and activated a new whistleblowing channel equipped with all the necessary technical features.

In October 2023, the company began to update the risk assessment document of the Model in light of the new predicate offences introduced by Legislative decree 105/2023 regarding disturbed freedom of enchantments, disturbed freedom to choose a contractor and fraudulent transfer of values.

At the end of the reporting period, the Model (whose extract is available on the Issuer's website (Section "Group/Governance/ Governance Documents/Code of Ethics and Model 231") includes:

- "General Section": includes the description (i) of the regulatory framework, (ii) the governance and organizational structure adopted by Diasorin for preventing the commission of predicate offences, (iii) the purposes of the Model, (iv) the requirements and tasks of the Supervisory Body (see below), (v) the disciplinary measures adopted by the Company in case of non-compliance with the measures set out in the Model and (vi) the training and communication plan to ensure an accurate knowledge and awareness of the provisions of the Model by all the persons who must observe them.
- "Special Section" is composed by the following 21 decision-making Protocols:
  1. Management of marketing events
  2. Management of gifts, pro bono and sponsorship
  3. Reimbursement of expenses and representation allowances
  4. Procurement of goods and services
  5. Consultancy and professional services
  6. Request for and management of funding, incentives and public contributions
  7. Relations and compliance with the Public Administration and Supervisory Bodies
  8. Institutional relations
  9. Monetary and financial flows
  10. Management of investments (equity investments, securities and extraordinary transactions)
  11. Management of accounts, financial statements and shareholder' equity transactions
  12. Management of tax compliance;
  13. Management of cybersecurity
  14. Selection, hiring and management of personnel
  15. Litigation, criminal proceedings and settlement agreements
  16. Relations with shareholders and corporate bodies
  17. Management of conflicts of interest and related-party transactions;
  18. Management of inside information and internal dealing;
  19. Management of external communication;
  20. Health and safety compliance.
  21. Intercompany transactions.

### The Supervisory Body pursuant to Legislative Decree 231/2001

The Supervisory Body, in office until its revocation, includes in its collective form the following members: Mr. Ezio Maria Simonelli (external member) appointed as member on May 13, 2021 and as Chairman on July 30, 2021, Mr. Matteo Michele Sutera (Statutory Auditors) appointed on July 30, 2021 and Mr. Ulisse Spada as a Corporate V.P. General Counsel, in the light of the provisions of Article 6. Recc. 33 lett. e) of the Corporate Governance Code, according to which the Board of Directors may decide to appoint the Head of the Legal Department as member of the Supervisory Board in order to ensure cooperation between the various parties involved in the ICRMS. The Supervisory Body is responsible for ensuring that the Model is functioning correctly, is effective and is being complied with, and for recommending updates to the model and Company procedures, when appropriate. To this end, on March 15, 2024, the Board of Directors resolved to provide the Supervisory Body with financial resources amounting to € 50,000,000 for the year ended December 31, 2024, confirming the same budget provided in the previous year.

Every six months, the Supervisory Body submits to the Board of Directors the results of its activity. The last meeting was held on March 15, 2024.

## **9.5 INDEPENDENT AUDITORS**

Pursuant to a resolution approved by the Shareholders' Meeting on April 28, 2016, the Company appointed PricewaterhouseCoopers S.p.A., on a reasoned proposal by the Board of Statutory Auditors, for the 2016-2024 period.

On March 15, 2024, the Board of Directors approved in agreement with the Board of Statutory Auditors the proposal to bring forward the selection of a new auditing company for the 2025-2033 period, submitting its appointment to the Shareholders' Meeting called to approved the financial statements at December 31, 2023.

## **9.6 CORPORATE ACCOUNTING DOCUMENTS OFFICER**

Pursuant to Article 15 of the By-Laws, the Board of Directors, which is required to act with the mandatory input of the Board of Statutory Auditors, has jurisdiction over the appointment and dismissal of the Documents Officer and over the determination of his compensation. The Documents Officer must meet the integrity requirements of the relevant statutes currently in force for those who perform administrative and management functions, as well as professional requirements that include specific expertise in administrative and accounting issues. Expertise in these areas must be verified by the Board of Directors and must be the result of work performed in a position of sufficiently high responsibility for an adequate length of time.

On April 28, 2016, the Board of Directors of the Issuer appointed Mr. Piergiorgio Pedron (Head of the Accounting, Finance and Control Department of the Issuer) to the office of Documents Officer, for an unlimited time, after verifying compliance with the requirements of integrity and professional expertise and taking into account the favorable opinion of the Board of Statutory Auditors, granting him the powers required pursuant to Article 154-*bis* of the TUF, and specifically:

- accessing all the information deemed necessary to fulfill his tasks, both within the Company and other Group companies, with the authority to view all documents relating to the drafting of the accounting and corporate records of Diasorin and other Group companies, with further authority to request clarifications to all subjects involved in the formation of the accounting records of Diasorin and of the Group;
- attending, without participating, meetings of the Board of Directors;
- authority to dialogue with the CRS Committee;
- approving corporate procedures, when these have an impact on the financial statements, the consolidated financial statements or documents subject to the issue of a statement attesting their truthfulness;
- participating in the development of information systems that have an impact on the economic and financial situation of the Company;

- setting up an adequate (in terms of number and professional level of resources) structure to carry out his tasks, using available internal resources and, where necessary, outsourcing them;
- employing internal audit resources to map processes and in carrying out specific controls, in a client/supplier environment and in the event the resources needed are not present internally, the power to outsource them;
- using the Company's information systems for control purposes.
- approving and signing all documents referred to his function and/or for which his certification is required, according to the relevant regulation.

The Board acknowledges that the annual remuneration of Mr. Pedron for the office of Accounting Document Officer, pursuant to art. 154-*bis* of the TUF, is to be understood as included in the annual remuneration received as director of the Company.

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

The Company has assigned the function of coordinating parties involved in the ICRMS– to the Board of Directors, which carries out such activity through the Chief Executive Officer. Such function was duly and regularly performed in 2023.

In particular, the Company analytically has identified in its Guidelines the activities carried out by parties involved in the ICRMS, determining concrete procedures for coordination in order to make activities of each party more efficient. Specifically, the meetings of the CRS Committee are attended by members of the Board of Statutory Auditors, as well as the directors that are mostly directly involved in the management of corporate risks (particularly the Internal Audit Officer) and by the Chief Executive Officer for the purposes of the ICRMS.

Pursuant to Article 6, Recommendation 37 of the Corporate Governance Code, the CRS Committee and the Board of Statutory Auditors promptly exchange information useful for the performance of their respective duties.

The CRS Committee reports to the Board of Directors (at least semiannually) on the activity carried out, as well as on the adequacy of the ICRMS. As for the Supervisory Body, its coordination with the other parties involved is fully ensured by the presence of a member of the Board of Statutory Auditors and of the General Counsel, as members of the Supervisory Body. Finally, the Board of Statutory Auditors during its quarterly audits meets periodically the Documents Officer, the Independent Auditors and all the company functions involved in processes and procedures that require to be specifically verified by the Board itself, including those relating to the ICRMS.

On March 27, 2023, the Board of Directors, in compliance with the provisions of art. 6, Recommendation 33, of the Corporate Governance Code, after consulting the Internal Audit function, the CRS Committee and the Supervisory Body expressed an opinion on the adequacy of the ICRMS, including the methods of coordination between the various parties involved in the system.

# 10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES - COMMITTEE FOR RELATED-PARTY TRANSACTIONS

## 10.1 INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

As far as related-party transactions are concerned, the Issuer's Board of Directors adopted a Procedure for Related-Party Transactions and established a Committee for such transactions.

The Board of Directors adopted the Procedure for Related-Party Transactions on November 5, 2010, in accordance with Consob Regulation in force at that date. The Procedure, which entered into force on January 1, 2011, was last amended:

- by the Board of Directors on March 14, 2019 following approval from the Committee for Related-Party Transactions on February 27, 2019, in order to, among other things, take into account that from the date on which 2017 consolidated data were approved, the Company is no longer qualified as “small sized company” pursuant to art. 3, paragraph 1, lett. f) of the Consob Related-Party Regulation;
- by the Board of Directors on May 14, 2021, following approval from the Committee for Related-Party Transactions, in order to adjust it to the amendments made to the Consob Regulation on Related-Party Transactions and Consob Market Regulation by Consob Resolution no. 21624 of 10 December 2020 implementing, also at secondary legislation level, the contents of Directive (EU) 2017/828, the so-called “Shareholders’ Right Directive II”

The updated Procedure for Related-Party Transactions is published pursuant to Consob Regulation on Related-Party Transactions on the Issuer's website (Section Group / Governance / Governance documents / Procedures). The list of the Company's Related Parties is updated at any time, if necessary, and revised on an annual basis and shared with the Committee for Related-Party Transactions.

Pursuant to the Procedure, Directors who have a vested interest in a transaction must provide in a timely manner full information regarding the existence of a vested interest and the circumstances of the same to the Board of Directors, evaluating on a case-by-case basis the opportunity of leaving the meeting at the time at which the resolution is taken and to abstain from voting on the matter. In case the vested interest is held by a Chief Executive Officer, the same abstains from carrying out the transaction. In such cases, the resolutions of the Board of Directors will motivate adequately the reasons and interest of the Company to carry out the transaction.

Consistently with its regulation, the Board of Directors assesses the most appropriate decision should the directors' presence be needed to maintain the necessary quorum.

## 10.2 COMMITTEE FOR RELATED-PARTY TRANSACTIONS

The Board of April 29, 2022 appointed the following independent directors as members of the Committee for Related-Party Transactions: Roberta Somati (who serves as Chairman), André Michel Ballester and Giovanna Pacchiana Parravicini.

The frequency, average length, attendance at the Committee for Related-Party Transactions meetings are listed in Table 3 annexed to this Report.

The functioning of the Committee for Related-Party Transactions is governed, in addition to the applicable external law, by the Regulation approved by the Committee itself on December 16, 2021.

In 2023, the Committee for Related-Party Transactions met on April 17, 2023 and again on June 7, 2023 to express its opinion on certain Related-Party Transactions qualified as “*minor transactions*”. The aforementioned meetings – whose proceedings were coordinated by the Chairman of the Committee – were recorded and the Chairman informed the Board of Directors during the first scheduled meeting.

# 11. The Board of Statutory Auditors

## 11.1 APPOINTMENT AND REPLACEMENT OF STATUTORY AUDITORS

Pursuant to Article 18 of the By-Laws, the Board of Statutory Auditors is comprised of 3 (three) Statutory Auditors and 2 (two) Alternates, who are elected for a three-year term of office and may be re-elected.

Statutory Auditors must meet the requirements of the relevant laws currently in force, also with regard to the limits on the number of offices they may hold. Specifically, in the areas of professional requirements, for the purposes of the provisions (when applicable) of Article 1, Section 3, of Ministerial Decree No. 162 of March 30, 2000, which makes reference to paragraph 2, Letters b) and c), of the abovementioned Article 1, it shall be understood that the expression “*subject matters closely related to the businesses in which the Issuer is engaged*” shall be understood to mean those related to the healthcare and medical industries.

The provisions of the Issuer’s By-Laws (Article 18) governing the composition and the election of the Board of Statutory Auditors effectively ensure compliance with rules and Regulation concerning with provisions concerning rights of minority shareholders’ rights, independence of Directors and gender balance.

As regards amendments introduced by Budget Law no. 160/2019 on gender balance as referred to in Article 148, Paragraph 1-*bis* of TUF<sup>3</sup>, it should be noted that pursuant to art. 144-*undecies*.1, paragraph 3, of the Issuers’ Regulation if the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors and Board of Statutory Auditors belonging to the less represented gender, this number is rounded up to the next higher unit, with the exception of the corporate bodies made up of three members whose number is rounded down.

In this regard, the Shareholders’ Meeting of April, 22, 2021 amended, among other things, article 18 of the By-Laws relating to the composition (in terms of gender balance) of slates filed with a number equal to or with more than 3 candidates in order to eliminate the reference to the previous quota of one third and require that the slates shall be composed of candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.

The abovementioned rules have been applied upon the Shareholders’ Meeting of April 29, 2022 which resolved to renew the Board of Statutory Auditors whose term of office ended with the approval of the annual report at December 31, 2021.

This paragraph provides details on the election of corporate bodies, in accordance with the statutory provisions currently in force.

The Board of Statutory Auditors is elected on the basis of slates of candidates filed by shareholders. Each shareholder, shareholders belonging to a shareholders’ agreement that meet the requirements of Article 122 of the TUF, the Company’s controlling party, its subsidiaries and joint ventures that qualify as such pursuant to Article 93 of the TUF may not file or participate in the filing, directly or through a third party or a nominee, of more than one slate and may not vote for multiple slates. Each candidate can be included on only one slate, on penalty of losing the right to be elected. Votes cast in violation of this requirement will not be attributed to any slate of candidates.

According to the By-Laws only shareholders who represent at least the percentage of the share capital required by the By-Laws for the submission of slates concerning the appointment of the members of the Board of Directors (and thus Shareholders who, individually or jointly, collectively own shares representing at least the percentage of share capital subscribed at the date the slate is filed, which is laid down and published by Consob, pursuant to Issuers’ Regulation). In compliance with Art. 144-*septies*, paragraph 1, of the Consob Issuers’ Regulation, for 2024 Consob established under the Management Decision of the Head of the

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<sup>3</sup>Paragraph 1-*bis*, of art. 148, of the TUF in force at the date of this Report provides, among other things, that “[the] Company’s By-laws state, moreover, that the division of members pursuant to paragraph 1 shall be made in such a way that the less-represented gender shall obtain at least two fifths of the regular members of the Board of Statutory Auditors. This criterion shall apply for six consecutive mandates”.

Corporate Governance Division no. 92 of 31 January 2024 that the percentage of the share capital required to submit slates of candidates to allocate the Board of Directors and the Board of Statutory Auditors of Diasorin to be elected is equal to 1%.

Slates filed with a number equal to or with more than 3 candidates shall be composed by candidates belonging to both genders so that the first two candidates for the post of Statutory Auditor and the first two candidates for the post of Alternates belong to different genders.

Slates filed by shareholders must be deposited at the Company's registered office at least 25 (twenty-five) days prior to the date of the first calling of the Shareholders' Meeting, on penalty of becoming invalid, together with the documents required by the By-Laws, and specifically:

- (i) Information identifying the shareholders who are filing the slates and showing the total percentage interest held;
- (ii) An affidavit by the shareholders different from those who hold, jointly or individually, a controlling or relative majority interest attesting that they are not linked with the latter as a result of transactions such as those defined in the relevant laws and Regulation currently in force;
- (iii) Detailed information about the candidates' backgrounds, affidavits by the candidates attesting that they meet statutory requirements and accept the nomination and listings of any management and control posts held by the candidates at other companies.

Within the deadline set out in the applicable regulation for the publication of slates by the Company, the appropriate certification must be filed, issued by an intermediary qualified pursuant to law, which proves ownership, at the time the list is filed at the Company, of the number of shares needed to present said slates.

If the conditions set forth above are not complied with, the affected slate shall be treated as if it had never been filed.

The election system set forth in the By-Laws provides that, after the votes cast, directors will be elected as follows:

- (a) to the post of Statutory Auditor and Chairman of the Board of Statutory Auditors the Statutory Auditor candidate listed first (1) in the slate that received the second highest number of votes and is not in any way linked, directly or indirectly, with the parties who filed the slate that received the highest number of votes;
- (b) to the post of Statutory Auditor the candidates listed, respectively, first (1) and second (2) in the slate that received the highest number of votes; to the post of Alternate candidates who are listed first (1) in the slates that received the highest and second highest number of votes.

If two or more slates receive the same number of votes, a new balloting is held. If the outcome of the second balloting is still a tie, the slate filed by the shareholders controlling the largest equity interest or, failing that, the slate filed by the largest number of shareholders shall prevail.

If with the manner above described the composition of the Board of Statutory Auditors with reference to the Statutory Auditors, does not comply with the laws currently in force on gender balance, the necessary replacements, in consecutive order, with candidates running for the election as Statutory Auditors from the slate that received the highest number of votes shall be carried out.

If only one slate of candidates is filed, the Statutory Auditors and Alternates are elected from that slate, in compliance with the laws currently in force on gender balance.

If no slates are filed, the Shareholders' Meeting shall adopt the relevant resolutions with the majorities required pursuant to law, in compliance with the laws currently in force on gender balance.

If a Statutory Auditor needs to be replaced, he/she is replaced by an Alternate taken from the same slate as the Statutory Auditor who is being replaced. The Alternate thus elected will serve until the next Shareholders' Meeting.

If the Chairman of the Board of Statutory Auditors needs to be replaced, the Chairmanship will pass to the Statutory Auditor elected from the same minority slate. When the Shareholders' Meeting needs to elect replacement Statutory Auditors and/or Alternates, it shall proceed as follows: if the Statutory Auditors that need to be replaced had been elected from the majority slate, they shall be elected by a plurality of the votes, without any slate requirements; if, on the other hand, the Statutory Auditors that need to be replaced had been elected from the minority slate, the Statutory Auditors are elected by a plurality of the votes taking them from the slate to which the Statutory Auditors who are being replaced belonged. If, for any reason, the use of the abovementioned procedures would not result in the replacement of Statutory Auditors designated by minority shareholders, the Shareholders' Meeting shall act by a plurality of the votes. However, in the ballot counting process, the votes cast by shareholders who, based on disclosures provided pursuant to current laws, control, directly or indirectly or jointly with other members of a shareholders' agreement, as defined in Article 122 of the TUF, a majority of the votes that may be cast at a Shareholders' Meeting and shareholders who control, are controlled by or are subject to joint control by the former shall not be counted.

The replacements procedure of the sections above shall comply with the laws currently in force on gender balance.

Additional information about the method used to elect the Board of Statutory Auditors is provided in Article 18 of the By-Laws.

## **11.2 COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (pursuant to art. 123-bis, paragraph 2, letter d) and d-bis), TUF)**

The Board of Statutory Auditors performs the task and activities required pursuant to law. Moreover, Statutory Auditors, acting collectively or individually, may ask the Directors to provide information, clarify previous disclosures and, more in general, provide data about the Company's operating performance or specific transactions. They may also carry out at any time inspections and controls and request information pursuant to law.

Two members of the Board of Statutory Auditors acting jointly, have the right to convene a Shareholders' Meeting.

The Board of Statutory Auditors is required to meet at least once every 90 days. See [Table 4](#) for further details on the meetings held.

In 2023, the Board of Statutory Auditors held 13 meetings. The average length of meetings was 2 hours 30 minutes.

The Board of Statutory Auditors of the Issuer was appointed by the ordinary Shareholders' Meeting of April 29, 2022, and its term of office will end upon the approval of the financial statements at December 31, 2024.

The Board of Statutory Auditors was appointed on the basis of two slates. The first slate was filed by IP Investimenti e Partecipazioni S.r.l., which certified its ownership of an equity interest equal to about 43.957% of the Company's common shares. The second slate was filed as minority list by a number of asset management companies representing their funds which certified their ownership of an overall equity interest equal to 0.691% of common shares.

Pursuant to the By-Laws, the Statutory Auditor candidate listed first in the slate that received the second highest number of votes (namely the slate presented by minority shareholders, receiving 16.998% of the voting capital) was elected to the post of Chairman of the Board of Statutory Auditors and Statutory Auditor. The candidates referred to in 1) and 2) listed in the slate that received the highest number of votes (and specifically from the slate filed by IP Investimenti e Partecipazioni S.r.l., receiving 81.691% of the Voting capital) were elected to the post of Statutory Auditors. Alternate candidates referred to in 1) listed in the slates presented by minority shareholders and by the reference shareholder were elected to the post of Alternates.

The composition of the Board of Statutory Auditors at the date of this Report is as follows:

Full name	Place and date of birth	Office	Address for the office held
<b>Monica Mannino</b>	Palermo, October 18, 1969	Chairman	Saluggia (VC) Via Crescentino snc
<b>Ottavia Alfano</b>	Milan, May 2, 1971	Statutory Auditor	Saluggia (VC) Via Crescentino snc
<b>Matteo Michele Sutura</b>	Milano, September 29, 1981	Statutory Auditor	Saluggia (VC) Via Crescentino snc
<b>Romina Guglielmetti</b>	Piacenza, March 18, 1973	Alternate	Saluggia (VC) Via Crescentino snc
<b>Cristian Tundo</b>	San Pietro Vernotico, October 25, 1972	Alternate	Saluggia (VC) Via Crescentino snc

Pursuant to Articles 144-*octies* and 144-*decies* of Consob Issuers' Regulation, the professional *curricula* of the Statutory Auditors and the Alternates are available at the Issuer's registered office and on the Issuer's website (Section "Group/Governance/Shareholders' Meeting /2022") as part of the application forms and relevant documents.

#### Functioning of the Board of Statutory Auditors

The Board of Statutory Auditors oversaw the independence of the Independent Auditors, verifying that the relevant legal requirements were met, as well as the nature and extent of the various auditing services carried out for the Company and its subsidiaries by the Independent Auditors and its network. The assessment for the year will be expressed in the report presented to the Shareholders' meeting that will approve the financial statements for the year ending December 31, 2023.

In performing its duties, the Board of Statutory Auditors worked with the Internal Audit function and with the CRS Committee, through constant exchange of information.

The Legislative Decree no. 39/2010, as last amended by the Legislative Decree no. 135/2016, attributed to the Board of Statutory Auditors the function of Internal Control and Audit Committee and it is in charge of:

- informing the Board of Directors of the results of the legal audit, transmitting the additional Report addressed to this Board in accordance with Article 11 of the Regulation 537/2014, accompanied by any comments;
- monitoring the financial reporting process and presenting recommendations or proposals to ensure its integrity;
- monitoring the effectiveness of the internal quality control and risk management systems of the company and, if applicable, of the internal audit, as regards the financial information of the audited entity, without violating its independence;
- monitoring the statutory audit of the financial statements and the consolidated financial statements, also taking into account any results and conclusions of the quality controls carried out by Consob pursuant to Art. 26, paragraph 6, of the Regulation 537/2014, where available;
- verifying and monitoring the independence of independent auditors or of the independent auditing firm according to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree 39/2010 and Art. 6 of the Regulation 537/2014, in particular as regards the provision of adequate services other than auditing the Company, in accordance with art. 5 of said Regulation;
- carrying out any procedure aimed at selecting independent auditors or independent auditing firms and providing advice on independent auditors or on independent auditing firms to be appointed pursuant to Art. 16 of the Regulation 537/2014.



For more details on the activities carried out in 2023 by the Board of Statutory Auditors refer to the report on the audit activities of the Board of Statutory Auditors.

### **Diversity policy and criteria**

On the occasion of the renewal of the Board of Statutory Auditors by the Shareholders' Meeting convened to approve the financial statements at December 31, 2021, the Board of Statutory Auditors approved - on March 8, 2022- the document annexed to the explanatory report prepared pursuant to art. 125-ter of the TUF and called " *Guidelines for Shareholders on the renewal of the Board of Statutory Auditors*" providing some guidelines for shareholders on the diversity policy applied to the composition of the Board of Statutory Auditors of the Company. This report is available on the Issuer's website (Section "Group/Governance/Shareholders' Meeting/2022").

As of the appointment of corporate bodies on April 22, 2013, up to their last renewal on April 29, 2022, the Issuer complied with regulations on gender balance concerning the composition of such corporate bodies.

The Board of Statutory Auditors currently in office at the date of this Report is composed of 1 man and 2 women, while as regards the Alternates, the Board is composed of 1 man and 1 woman (in office since 2013).

The Board of Statutory Auditors is composed of members belonging to the following age groups: two members belong to the 51-60 age group, while one member belongs to the 41-50 age group. Finally, both Alternates belong to the 41-50 age group.

All Statutory Auditors and one Alternate work as Chartered Accountants and Statutory Auditors; one Alternate works as a lawyer.

The Board of Directors in the meeting held on November 11, 2021 resolved to implement art. 2, principle VII, Recommendation 8 of the Corporate Governance Code providing for diversity criteria in the composition of the Board of Statutory Auditors to be included in the Explanatory report pursuant to art. 125-ter of TUF concerning the appointment of the new control body on the basis of the outcomes of the self-assessment process of the Board of Statutory Auditors.

### **Independence.**

The Board of Statutory Auditors, taking also into account the requirements for Directors that are set forth in Article 2, Recommendation 7 of the Corporate Governance Code, assesses the independence of its members after their appointment and at least once a year while they are in office. See Section 4.7 above for the Company's decision not to define ex-ante fixed and predetermined quantitative and qualitative criteria to assess the independence of the members of the Board of Directors and Control Bodies.

The Board of Statutory Auditors assesses periodically the independence of the Independent Auditors and provides each year its opinion on this issue in a report to the Shareholders' Meeting.

The Board of Statutory Auditors:

- verified the independence of its members on April 29, 2022, during the Shareholders' Meeting held to appoint the Board of Statutory Auditors. The outcome was disclosed to the public by press release on the same date;
- as regards the Statutory Auditor Ottavia Alfano, the Board of Statutory Auditors did not deem it necessary to apply the independent requirement provided for by the Recommendation n. 7, lett. e) of the CG Code which provides that director who has served on the board for more than nine years, even if not consecutive, of the last twelve years cannot be assessed as independent, as such director has a high level of professionalism and experience and there are no relations that may jeopardize, or appear to jeopardize, her independence of judgement and unbiased assessment of the activity of the management. The Board of Statutory Auditors has thus opted for a high level of expertise and professionalism for the composition of the control body;

- in 2023, following the self-assessment process the outcomes of which are described in the “Self-assessment Report” forwarded to the Board of Directors, the Board of Statutory Auditors assessed that the independence requirements of its members continued to be met;
- in making the above evaluations, applied all the criteria envisaged by the CG Code with reference to the independence of Directors, except as indicated above with reference to Statutory Auditor Ottavia Alfano.

#### **Remuneration.**

Information about (i) the Company policy on the remuneration of members of the Board of Statutory Auditors, and (ii) fees paid in 2023 is provided in Section I and Section II of the Report on the Remuneration policy and fees paid published pursuant to Art. 123-*ter* of the TUF on the Issuer’s website in Section “Governance/Shareholders’ meeting /2023”.

#### **Management of interests**

An Auditor who has a personal interest or an interest on behalf of a third party in a given Issuer’s operation shall promptly and fully inform the other auditors and the Chairman of the Board of Directors of the nature, terms, origin and extent of this interest.

## 12. INVESTOR RELATIONS

### Access to information

Diasorin considers it essential to ensure a constant and transparent dialogue with its shareholders, institutional investors and other operators of the financial community in order to provide a more in-depth understanding of the activities carried out by the Company and the Group, in compliance with the rules and procedures governing the management and disclosure of inside information. In this context, the Board of Directors endeavors to provide correct, comprehensive and timely disclosure to the market and to all the stakeholders in general.

Investor Relations reporting is firstly ensured by making available corporate information and documentation in a timely and on-going manner, on the Issuer's website (Section "Newsroom"); in particular, the website provides access to documents, regulated information and most relevant information, including that relating to the equity story, strategy and the most important strategic agreements concluded by the Group in recent years.

In order to ensure that Stakeholders are constantly updated, the Company publishes specific press releases (Section "Newsroom", " Press Releases"), in a timely and on-going manner.

For the transmission and storage of regulated information, the Issuer uses the eMarket SDIR dissemination system and the eMarket STORAGE mechanism, respectively, both managed by Teleborsa S.r.l., with registered office in Rome, Piazza di Priscilla, 4 - following the CONSOB authorization and resolutions no. 22517 and 22518 of November 23, 2022.

### Dialogue with shareholders.

The delegated bodies actively operate for the Company continuous dialogue with shareholders.

To this end, the Issuer established an internal Investor Relations Office to take care of relations with Shareholders and carry out specific tasks in the publication and disclosure of price sensitive information. At the date of this Report, this office is currently headed by Mr. Riccardo Fava.

Shareholders can contact directly DiaSorin Investor Relations at [ir@diasorin.it](mailto:ir@diasorin.it).

In line with international best practices, the Issuer promotes the dialogue with the financial community through specific institutional (including virtual) meetings and other communication and meeting opportunities. In particular, dialogue also takes place also through (i) the organization of roadshows in all the main financial centers, during which the Company is available to discuss issues concerning the Group's operational performance and strategic choices; (ii) meetings with the financial community (so-called Investor Days); (iii) organization of one-to-one meetings with Stakeholders; (iv) conferences; (v) forums; (vi) scientific and commercial events; (vi) social channels.

It should be noted that the Board of December 16, 2021 adopted, upon proposal of the Chairman in agreement with the CEO, pursuant to art. 1, Principle IV., Recommendation 3 of the Corporate Governance Code, an engagement policy which has been drawn up taking into account, among other things, the engagement policies adopted by institutional investors and assets managers and has been published on the Issuer's website (Section "Group", "Governance" "Governance Documents" "Procedures").

Following the adoption of the policy mentioned above, there have been neither significant developments nor Shareholders' requests for dialogue addressed directly to the Board or on matters that, in general, fall within the remit of the Board of Directors.

The Issuer also participated in meetings with some investors institutional which covered, in addition to business issues, the results of the shareholders' vote, issues the Corporate Governance Code (e.g. the level of adherence to the Directors, the application of the criteria of assessment of the independence of the of Directors, improvements in the level of disclosure), remuneration of top management, ESG issues.

## 13. SHAREHOLDERS' MEETINGS

(pursuant to art. 123-bis, paragraph 2, letter c), TUF)

When convened in ordinary session, the Shareholders' Meeting has jurisdiction over the following areas:

- (a) approval of the financial statements;
- (b) appointment and dismissal of Directors, Statutory Auditors and the Chairman of the Board of Statutory Auditors and, where required, the Accounting Document Officer;
- (c) determination of the remuneration of Directors and Statutory Auditors;
- (d) resolutions concerning the responsibility of Directors and Statutory Auditors;
- (e) resolution on the other matters attributed by law to the competence of the Shareholders' Meeting, as well as on any authorizations required by the By-Laws for the performance of acts of Directors, without prejudice in any case to the latter's responsibility for the acts performed.
- (f) the approval of the rules governing the meeting's proceedings;
- (g) resolutions on any other issue over which it has jurisdiction pursuant to law.

The Extraordinary Shareholders' Meeting approves resolutions on amendments to the By-Laws, on the appointment, replacement and powers of liquidators, and on any other issue over which it has specific jurisdiction pursuant to law. The Board of Directors has jurisdiction over the issues listed in article 15 of the By-Laws, it being understood that it can cede jurisdiction over these issues to the Shareholders' Meeting convened in extraordinary session.

The relevant provisions of the law shall be applied to determine whether an Ordinary or Extraordinary Shareholders' Meeting has been validly convened and its resolutions validly adopted.

Pursuant to art. 9 of the By-Laws, only the holders of voting rights may attend the Shareholders' Meeting, in accordance with the regulations in effect at any given time.

Parties eligible to vote may submit questions about the items on the Agenda prior to the Shareholders' Meeting. Questions that are received prior to the Shareholders' Meeting shall be answered at least on the day of the Meeting. The Company may provide a single answer to question with the same content. The notice calling the meeting specifies the terms within which questions raised prior to the Shareholders' Meeting must reach the company. The terms must be no earlier than five trading days prior to the date of the first or only calling of the Shareholders' Meeting, or at the record date pursuant to article 83-sexies, paragraph 2, TUF (close of the accounting day on the seventh trading day prior to the date set for the Meeting) where the notice requires the Company to reply to submitted questions prior to the Meeting. In this case, replies are provided at least two days prior to the Shareholders' Meeting also by publication in a specific section of the company website. Ownership of the voting right can be proved even after the submission of questions provided that it occurs within the third day following the abovementioned record date.

The Issuer does not recognize, at present, the need for a specific regulation for the regulation of shareholders' meetings, considering the management of the Shareholders' Meeting by the Chairman to be exhaustive on the basis of the participation rules summarized at the opening of each meeting. The Chairman to ensure an orderly progress of the proceedings, mentions some of the rules of conduct in reference to speech requests, contents of the speech and voting criteria.

Pursuant to Article 106, Paragraph 4 of Legislative Decree no. 18 of 17 March 2020, converted into law no.27 of 24 April 2020 providing " *Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency*" during the only

Shareholders' Meetings of Diasorin convened in 2023 ( on April 28, 2023), those who were entitled to vote could participate in the Shareholders' Meeting only through the Designated Representative chosen by the Company, pursuant to Article 135-*undecies* of TUF ( by conferring proxy); under the same provision, Directors and Statutory Auditors attended the Meeting through remote connection systems that allowed their identification.

In 2023, no significant changes occurred in the market capitalization of the Issuer's shares or in its ownership structure, except for the effects of the increased voting rights as described in Paragraph **2** of this Report.

## **14. FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to art. 123-bis, paragraph 2, letter a), TUF)**

There are no further corporate governance practices, other than those described above that the Issuer effectively applies, above and beyond its legislative and regulatory obligations.

## **15. CHANGES OCCURRED SINCE THE END OF THE REPORTING YEAR**

No changes occurred in the Corporate Governance of the Issuer between the end of the reporting period and the date on which the Annual Report has been published.

## **16. CONSIDERATIONS ON THE LETTER OF DECEMBER 17, 2023 FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE**

The letter of December 17, 2023 from the Chair of the Corporate Governance Committee to the Chairmen of the Board of Directors of listed companies was forwarded to the Directors and to the Chairman of the Board of Statutory Auditors from the Lead Independent Director on December 27, 2023. The letter draws attention to the recommendations made therein also during the self-assessment process with the purpose of identifying the possible evolution of governance or of remedying any shortcomings in the application or the explanations provided.

The Board believes that the governance of the Issuer is almost fully aligned with the recommendations of the Corporate Governance Code.

With regard to the areas of improvements indicated in the letter, it should be noted that the Issuer implemented the recommendation contained in the similar letter sent in January 2023 to highlight, in summary form, the essential information on compliance with the specific recommendations of the CG Code or their disapplication, by including Table 7 that indicates the application, non-application or non-applicability of each provision of the Corporate Governance Code.

The Board of Directors at the meeting held on March 15, 2024, examined the letter which had been previously shared also with members of the Board's Committees, expressing the following considerations:

1. Business Plan: the current regulations of the Board of Directors and the CRS Committee approved on December 16, 2021 provide that the latter is supported by the Board of Directors in reviewing and approving the business plan, also on the basis of matters that are relevant for the long-term value generation. During the examination of the Business Plan approved by the Board of Directors on December 2023, the CRS Committee had the task of carrying out the analyses that fall within its remit, also in the light of the objectives of the 2023-2025 ESG Plan approved by the Board of Directors on

December 1, 2022 after consulting the CRS Committee. The Committee provided its contribution by formulating comments on the Business Plan and expressed a favorable opinion for its approval by the Board on December 11, 2023.

2. Pre-board information: the Regulation of the Board of Directors provides that any documentation relating to the items on the agenda is made available to Directors and to Statutory Auditors at least three working days before the date set for the meeting, with the exception of proved urgent cases or specific confidentiality needs.

If for urgent or confidentiality reasons the documentation is not provided within the notice period set, adequate and timely insights will be provided during the meeting. In 2023, the documentation was made available within the notice period set and its transmission has never required to be deferred for urgency or confidentiality reasons.

It should be noted that, as a rule, in line with the practices adopted also by other issuers, presentations of financial results are not part of the pre-board information and are projected directly during the meeting. The contents of these presentations, which may refer to documents made available to the Board prior to the meeting, are shown and in-depth examined by the Chief Executive Officer and by the designated management. After the meeting, these presentations are made available to participants and filed in the meeting's records.

3. Guidelines on Board's optimal composition: on the occasion of the appointment of the current Board of Directors by the Shareholders' Meeting of April 29, 2022, the Issuer published the guidelines on Board's optimal composition along with the notice of call of Shareholders' Meeting published on March 16, 2022, so that the Board of Directors could approve the document on the same date. Taking into account the ownership structure of the Issuer, the Board of Directors believes that the simultaneous publication of the guidelines and the notice of call (occurred 19 days before the publication of slates) provides shareholders with adequate time to take into account the guidelines when preparing the slates. Slates submitted by shareholders specify that such slates were drawn up taking into account the guidelines provided by the Board of Directors. The Remuneration and Nominating Committee meeting on April 7, 2022 verified that the slates were submitted in compliance with law, regulation and the statutory requirements currently in force, also on the basis of the Consob Communication no. Dem/9017893 of 26 February 2009, as well as in accordance with the guidelines on Board's qualitative and quantitative composition proposed by the Committee and implemented by the Board of Directors during the meeting held on March 16, 2022.

4. Increased voting rights: on April 28, 2016, before the entry into force of the CG Code, the Shareholders' Meeting amended the By-Laws in accordance with the provisions referred to in art. 127-quinquies TUF, introducing the so-called increased voting rights. The Explanatory Report pursuant to art. 125-ter of the TUF (published on the Issuer's website in Section "Group/Governance/Shareholders' Meeting/2016") dedicated to this item on the agenda, in paragraphs "2. *Effects of the introduction of increased voting rights on the ownership structure of the Company*" and "3. *Assessment methods of the Company's interests in the adoption of increased voting rights*" (to which reference is made) had already widely explained the proposal and its contents are substantially in line also with the provisions of the CG Code and with the considerations provided in the Letter of 17 December 2023 from the Chair of the Corporate Governance Committee.

**TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE AT THE DATE OF THIS REPORT**

SHARE CAPITAL STRUCTURE					
	Number of shares	% on the share capital	Number of voting rights**	Listed	Rights and obligations
Ordinary share (par value € 1 each)	55,948,257*	100%	88,369,895	Euronext Milan	Rights and obligations are those provided in arts. 2346 et seq. of the Civil Code. Specifically, each share gives right to one vote, without prejudice to the shares that accrued increased voting rights, pursuant to art. 9-bis of the By-Laws

\* The figure refers to the total amount of shares subscribed. No. 2,430,372 treasury shares held in the company's portfolio; number of treasury shares at 12.31.2023 was equal to 2,588,278.

\*\* The amount of voting rights was equal to 88,369,895 at 12.31.2023

OTHER FINANCIAL INSTRUMENTS (conferring the right to subscribe newly issued shares)				
	Listed	No. of instruments outstanding	Type of shares at the service of the conversion/exercise	No. of shares at the service of the conversion/exercise
Convertible bonds – “€ 500 Million Senior Unsecured Equity – Linked Bonds Due 2028”	Wien MTF – Wiener Börse	5,000	Ordinary shares (par value € 1 each)	2,370,411*

\*Deriving from the capital increase to service the conversion of the Convertible Bond, as resolved by the extraordinary Shareholders' Meeting of October 4, 2021

SIGNIFICANT EQUITY INTERESTS					
Reporting party	Direct shareholders	Number of shares	% on the share capital	Number of voting rights**	% of voting rights
Finde SS	IP Investimenti e Partecipazioni S.r.l.	24,593,454	44.976	49,186,908	56.946
	Finde S.p.A.	570,000		1,140,000	
Rosa Carlo	Sarago S.r.l.	2,402,532	8.363	4,805,064	10.533
	Sarago 1 S.r.l.	2,226,682		4,453,364	
	Rosa Carlo	50,000		50,000	
Even Chen Menachem	MC S.r.l.	2,300,000	4.200	4,600,000	5.262
	Even Chen Menachem	50,000		50,000	
T. Rowe Price Associates, Inc.	T. Rowe Price Associates, Inc.	1,696,073	3.032	1,696,073	1.919



**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE DATE OF THE REPORT**  
**Structure of the Board of Directors**

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (filed by) (**)	List (***)	Exec.	Non exec.	Indep. code	Indep. TUF	Number of other offices held (****)	Equity interest (*****)
Chairman	Michele Denegri	1969	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Deputy Chairman and Director	Giancarlo Boschetti <sup>(1)</sup>	1939	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Chief Executive Officer •	Carlo Rosa <sup>(1)</sup>	1966	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M	X				-	5/6
Director ◦	Andrè Michel Ballester	1958	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	4	5/6
Director	Stefano Altara	1967	4.23.2014	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Director	Fiorella Altruda	1952	12.19.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
Director	Chen Menachem Even	1963	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M	X				-	5/6
Director	Luca Melindo	1970	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			-	6/6
Director	Franco Moschetti	1951	3.26.2007	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			5	6/6
Director	Francesca Pasinelli	1960	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	4	6/6
Director	Giovanna Pacchiana Parravicini	1969	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	5/6
Director	Diego Pistone	1950	4.29.2022	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X			1	6/6
Director	Roberta Somati	1969	4.22.2013	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	5/6

Director	Monica Tardivo	1970	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	1	6/6
Director	Tullia Todros	1948	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	Shareholders	M		X	X	X	-	6/6
<b>Number of meetings held at December 31, 2023</b>					6								
Average length of meetings					2 hours 15 minutes								
<b>Quorum required to file minority slates (pursuant to art. 147-ter TUF)</b>					1%								
<p><b>NOTES</b></p> <ul style="list-style-type: none"> <li>• This symbol indicates the Director in charge of the internal control and risk management.</li> <li>○ This symbol indicates the Lead Independent Director (LID).</li> </ul> <p>(*) Date of first appointment of each Director means the date when the Director has been appointed for the very first time in the Board of Directors of the Issuer.</p> <p>(**) This column indicates whether the list from which each Director comes has been presented by Shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board of Directors").</p> <p>(***) This column indicates the list from which each Director comes ("M": majority list; "m": minority list);</p> <p>(****) This column indicates the number of posts held as Director or Statutory Auditors in other listed or large companies. In the Corporate Governance Report posts are listed in detail.</p> <p>(*****) This column indicates the number of the Board of Directors meetings attended by each director (show the number of meetings the director attended compared with the overall number of meeting the director could have attended i.e., 6/8 and 8/8 etc.).</p> <p>(1) In the period between June 5, 2023 and July 3, 2023 the Deputy Chairman Mr. Sig. Giancarlo Boschetti exercised the deputy powers of Chief Executive Officer, as a substitute, due to the temporary impediment of the Chief Executive Officer Mr. Carlo Rosa</p>													

**TABLE 3: STRUCTURE OF THE BOARD COMMITTEES AT THE DATE OF THE REPORT**

Board of Directors		Control, Risk and Sustainability Committee		Remuneration and Nominating Committee		Committee for Related-Party Transactions	
Post/position	Members	(*)	(**)	(*)	(**)	(*)	(**)
Non-executive Deputy Chairman and non-independent from the TUF and from the Code	Boschetti Giancarlo			5/5	M		
Non-executive Director and independent from the TUF and from the Code	Ballester André Michel	3/3	P			3/3	M
Non-executive Director independent from the TUF and from the Code	Moscetti Franco	3/3	M				
Non-executive Director and independent from the TUF and from the Code	Pacchiana Parravicini Giovanna			5/5	M	3/3	M
Non-executive Director and independent from the TUF and from the Code	Somati Roberta	3/3	M	5/5	P	3/3	P
<b>No. of meetings held in the year</b>		3		5		0	
<b>Average length of the meetings</b>		1 hour 40 minutes		50 minutes		20 minutes	
<b>NOTES</b>							
(*) This column shows participation of directors in Board meetings held in the year.							
(**) This column shows the office the Director holds inside the Committee: "C": Chairman; "M": member.							

**TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE DATE OF THE REPORT**

**Structure of the Board of Statutory Auditors**

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (**)	Indep. Code	Attendance at the Board of Statutory Auditors' meeting (***)	Number of other offices (****)
Chairman	Monica Mannino	1969	4.28.2016	4.29.2022	Approval of Fin. Stat. at 12.31.2024	m	X	13/13	10
Statutory Auditors	Ottavia Alfano	1971	4.22.2013	4.29.2022	Approval of Fin. Stat. at 12.31.2024	M	X	13/13	30
Statutory Auditors	Matteo Michele Sutura	1981	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	M	X	13/13	21
Statutory Alternate	Romina Guglielmetti	1973	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	M	X	-	5
Statutory Alternate	Cristian Tundo	1972	4.24.2019	4.29.2022	Approval of Fin. Stat. at 12.31.2024	m	X	-	11
<b>Statutory Auditors who resigned in the year:</b> none									
<b>Number of meetings held in 2023:</b> 13									
<b>Average length of meetings:</b> 2 hours 30 minutes									
Indicate minimum quorum required for the presentation of lists for the appointment: 1%									
<b>NOTES</b>									
(*) The date of first appointment indicates the date when the Statutory Auditor has been appointed for the very first time in the Issuer's Board of Statutory Auditors.									
(**) This column indicates the list from which each statutory auditor comes ("M": majority list; "m": minority list).									
(***) This column indicates the number of the Board of Statutory Auditors' meeting attended by each member (show the number of meetings the statutory auditors attended compared with the overall number of meeting the statutory auditor could have attended; i.e., 6/8 and 8/8 etc.)									
(****) This column indicates the number of posts held in other companies deemed relevant pursuant to Art. 148-bis TUF and the implementation of the Consob Issuer's Regulation. A complete list of posts held is published on the Consob's website pursuant to Art. 144-quinquiesdecies of Consob Issuers' Regulation.									

**TABLE 5: LIST OF OFFICES HELD BY THE BOARD OF DIRECTORS IN OFFICE AT THE DATE OF THIS REPORT**

(offices held in other listed companies, or banking, financial, insurance companies or companies of a significant size pursuant to the criteria for the maximum number of offices held by the Board of Directors of December 16, 2021)

OFFICE	MEMBERS	OTHER OFFICES
Chairman	Michele Denegri	-
Deputy Chairman and Director	Giancarlo Boschetti	-
Chief Executive Officer	Carlo Rosa	-
Director	André Michel Ballester	Carso LSEHL (Director) North American Science Associates, LLC (Director) Natus Medical, Inc. (Director) Suan Farma S.A.U. (Chairman of the Board of Directors)
Director	Stefano Altara	-
Director	Fiorella Altruda	-
Director	Chen Menachem Even	-
Director	Luca Melindo	-
Director	Franco Moscetti	ASTM S.p.A. (Deputy Chairman) Clessidra Capital SGR S.p.A. (Director) OVS S.p.A. (Chairman) Pellegrini S.p.A. (Director) Zignago Vetro S.p.A. (Director)
Director	Francesca Pasinelli	Anima Alternative SGR S.p.A. (Director) CIR Compagnie Industriali Riunite S.p.A. (Director) Dompé Farmaceutici S.p.A. (Director) Bormioli Pharma S.p.A. (Director)
Director	Giovanna Pacchiana Parravicini	-
Director	Diego Pistone	Juventus FC S.p.A. (Director)
Director	Roberta Somati	-
Director	Monica Tardivo	Banca del Piemonte S.p.A. (Director)
Director	Tullia Todros	-

## TABLE 6 LIST OF OFFICES HELD BY THE BOARD OF STATUTORY AUDITORS

(posts held in other companies, including listed companies, banking, financial, insurance companies or companies of a significant size)

OFFICE	MEMBERS	OTHER OFFICES
Chairman	Monica Mannino	Corvallis S.r.l. (Chairman of the Board of Statutory Auditors) ERASTEEL Alloys Italia S.r.l. (Chairman of the Board of Statutory Auditors) ERG S.p.A. (Chairman of the Board of Statutory Auditors) Fiera Milano S.p.a. (Chairman of the Board of Statutory Auditors) Luxmaster S.p.A. (Statutory Auditor) TINEXTA S.p.A. (Statutory Auditor) Tinexta Cyber S.p.A. (Chairman of the Board of Statutory Auditors) Istituto Stomatologico Italiano Cooperativa Sociale – Onlus (Statutory Auditor) Made Eventi S.r.l. (Statutory Auditor) North Sails Apparel S.p.A. Società Benefit (Statutory Auditor)
Statutory Auditor	Ottavia Alfano	Amalfi Invest S.p.A. (Chairman of the Board of Statutory Auditors) Arec Neprix S.p.A. (Alternate) Banca Ifigest S.p.A. (Alternate) B4IFund SIS S.p.A.S a capitale fisso (Alternate) Borsa Italiana S.p.A. (Statutory Auditor) Bonafous S.p.A. in liquidation (Alternate) Cashfin S.p.A. (Chairman of the Board of Statutory Auditors) Cleanbnb S.p.A. (Statutory Auditor) Cypress Holdings S.r.l. (Statutory Auditor) Evoca S.p.A. (Chairman of the Board of Statutory Auditors) FSI Holding S.p.A. (Chairman of the Board of Statutory Auditors) FSI SGR S.p.A. (Chairman of the Board of Statutory Auditors) Gatelab S.r.l. (Statutory Auditor) Genextra S.p.A. (Statutory Auditor) Illimity SGR S.p.A. (Statutory Auditor) Italian Renewable Resources S.p.A. (Chairman of the Board of Statutory Auditors) La Doria S.p.A. (Chairman of the Board of Statutory Auditors) LYNX S.p.A. (Statutory Auditor) Nice S.p.A. (Chairman of the Board of Statutory Auditors) Nuova Energia Holding S.r.l. (Chairman of the Board of Statutory Auditors) Pay Holding S.p.A. (Statutory Auditor) Plenitude Energy Services S.p.A. (Chairman of the Board of Statutory Auditors) PIC Servizi per l'Informatica S.r.l. (Statutory Auditor) Reale Compagnia Italiana S.p.A. (Chairman of the Board of Statutory Auditors) Residenziale Immobiliare 2004 S.p.A. (Alternate) Saga Coffee S.p.A. (Chairman of the Board of Statutory Auditors) Sarago 1 S.r.l. (Statutory Auditor) Sarago S.r.l. (Sole Auditor) VEI S.r.l. (Sole Auditor)

		Vodafone Gestioni S.p.A (Chairman of the Board of Statutory Auditors)
Statutory Auditor	Matteo Michele Sutera	Assietta S.p.A. (Chairman of the Board of Statutory Auditors) Beingpharma S.p.A. (Director) Bioearth International S.r.l. (Director) Bribri S.p.A. (Statutory Auditor) Corporate Value S.p.A. (Statutory Auditor) Deltatre S.p.A. (Statutory Auditor) DiaSorin Italia S.p.A. (Statutory Auditor) Exilles S.p.A. (Chairman of the Board of Statutory Auditors) E.P. Preziosi Participations S.p.A. (Statutory Auditor) G.P. Holding S.p.A. (Statutory Auditor) Gerola Energia S.r.l. (Sole External Auditor) I.M.S. Industria Materiali Stampati S.p.A. (Statutory Auditor) Naturalia Tantum S.p.A. (Director) New Deal S.p.A. (Statutory Auditor) OdeXa S.p.A. (Chairman of the Board of Statutory Auditors) Panakes Partners SGR S.p.A. (Statutory Auditor) Preziosi Investments S.p.A. (Statutory Auditor) Technical Plast S.r.l. (Alternate) Togethair S.r.l. (Director) Valbrenta S.p.A. (Chairman of the Board of Directors) Zeca S.r.l. (Director)
Alternate	Romina Guglielmetti	Tod's S.p.A. (Director) Compass Banca S.p.A. (Director) MB Facta S.p.A. (Director) DEA Capital Funds SGR S.p.A. (Director) The Technoshop SGR S.p.A. (Director)
Alternate	Cristian Tundo	Ce.P.I.M. S.p.a. (Statutory Auditor) CHR Hansen Italia S.p.A. (Statutory Auditor) DUC S.p.A. (Statutory Auditor) Creatives Gorup S.p.A. (Statutory Auditor) Creatives S.p.A. (Statutory Auditor) HT S.p.a. (Chairman of the Board of Statutory Auditors) Immobiliare Oasi nel Parco S.r.l. (Statutory Auditor) Oterra S.p.A. (Chairman of the Board of Statutory Auditors) Oterra Italia S.p.A. (Chairman of the Board of Statutory Auditors) Rimini Parking Gest S.r.l. (Sole Auditor) SITI B&T Group S.p.A. (Statutory Auditor)

**TABLE 7 – EXECUTIVE SUMMARY OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

<b>CORPORATE GOVERNANCE CODE 2020</b>	<b>Applied</b>	<b>Not applied</b>	<b>Inapplicable</b>	<b>Refer to paragraph</b>
Art. 1- Role of the board of directors				
<i>Principles</i>	✓			4.1
<b>I.</b> The board of directors leads the company by pursuing its sustainable success.				
<b>II.</b> The board of directors defines the strategies of the company and the group it heads in accordance with principle I and monitors its implementation.	✓			4.1
<b>III.</b> The board of directors defines the corporate governance system that is most functional for carrying out the company's business and pursuing its strategies, taking into account the flexibility offered by the legal framework. If necessary, the board of directors evaluates and promotes the appropriate changes and submits them to the shareholders' meeting.	✓			4.1
<b>IV.</b> The board of directors promotes dialogue with shareholders and other stakeholders which are relevant for the company, in the most appropriate way.	✓			12.



<p><i>Recommendations</i></p> <p>1. The board of directors:</p> <ul style="list-style-type: none"> <li>a) reviews and approves the business plan of the Company and the Group it heads, also on the basis of matters that are relevant for the long-term value generation. That analysis is carried out with the possible support of a committee whose composition and functions are defined by the board of directors;</li> <li>b) periodically monitors the implementation of the business plan and assesses the general course of the business, comparing the results achieved with those planned;</li> <li>c) defines the nature and level of risk compatible with the company's strategic objectives, including all the elements that can be relevant for the company's sustainable success;</li> <li>d) defines the corporate governance system of the company and the structure of the group it heads, and assesses the adequacy of the company's organizational, administrative and accounting structure and of its strategically important subsidiaries, with particular reference to the internal control and risk management system;</li> </ul>	✓			4.1
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<p>e) approves transactions of the company and its subsidiaries that have a significant impact on the company's strategies, profitability, assets and liabilities or financial position; to this end, it establishes the general criteria for identifying significant transactions;</p>		<p>X</p>		<p>4.1</p>
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<p>f) on proposal of the chairman in agreement with the chief executive officer, adopts a procedure for the internal and external management of documents and information concerning the company, with particular reference to inside information, in order to ensure the correct management of corporate information.</p>				<p>4.1,</p>
<p>2. If deemed necessary for the effectiveness of the company's corporate governance system, the board of directors develops specific proposals to be submitted to the shareholders' meeting on the following issues:</p> <p>a) choice and characteristics of the corporate model (traditional, "one-tier", "two-tier");</p> <p>b) size, composition and appointment of the board of directors and term of office of its members;</p> <p>c) structure of the shares' administrative and property rights;</p> <p>d) percentages established for the exercise of the prerogatives set up to safeguard minority shareholders.</p> <p>In particular, if the board of directors intends to propose to the shareholders' meeting the introduction of increased voting rights, it provides adequate reasons in the explanatory report that will be submitted to the shareholders. The report indicates the expected effects on the company's ownership and control structure and its future strategies. In the same report, the board discloses the decision-making process followed for the definition of such a proposal and any dissenting opinions voiced within the board.</p>	<p>✓</p>			<p>2 d)</p>
<p>3. Upon proposal of the Chairman in agreement with the chief executive officer, the board of directors adopts and describes in the corporate governance report a policy for managing dialogue with the generality of shareholders, taking also into account the engagement policies adopted by institutional investors and asset managers.</p>	<p>✓</p>			<p>12</p>

The Chairman ensures that the board of directors is in any case informed, within the first suitable meeting, of the development and the significant contents of the dialogue that has taken place with all the shareholders.				
Art. 2 - Composition of the corporate bodies				
<i>Principles</i>				
<b>V.</b> The board of directors is comprised of executive and non-executive directors. All directors ensure professional skills and competence that are appropriate to their tasks.	✓			4.3
<b>VI.</b> The number and skills of non-executive directors ensure significant influence in the decision-making process of the board and guarantee an effective monitoring of management. A significant number of non-executive directors is independent.	✓			4.3
<b>VII.</b> The Company applies diversity criteria, including gender ones, to the composition of the board of directors, ensuring the primary objective of adequate competence and professionalism of its members.	✓			4.3
<b>VIII.</b> The control body's composition is appropriate for ensuring the independence and professionalism of its function.	✓			4.3
<i>Recommendations</i>				
4. The board of directors defines the delegation of managerial powers and identifies who among the executive directors holds the position of chief executive officer. If the Chairman is entrusted with the position of chief executive officer or with significant managerial powers, the board of directors explains the reasons for this choice.	✓			4.6
5. The number and skills of independent directors are appropriate to the needs of the company and to the well-functioning of the board of directors, as well as to the establishment of board committees. The board of directors includes at least two independent directors, other than the Chairman. In large companies with concentrated ownership, independent directors account for at least one third of the board. In other large companies, independent directors account for at least half of the board. In large companies, independent directors meet, in the absence of the other directors, on a periodic basis and at least once a year to evaluate the issues deemed of interest to the functioning of the board of directors and to the corporate management.	✓			4.7
6. The board of directors assesses the independence of each non-executive director immediately after his or her appointment. The assessment is renewed during the mandate upon the occurrence of circumstances that concern his or her independence and at least once a year. Each non-executive director provides all the elements necessary or useful for the assessment of the board of directors. On the basis of all the information available, the board considers any circumstance that affects or could affect the independence of the director.	✓			4.7
7. The circumstances that jeopardize, or appear to jeopardize, the independence of a director are at least the following: a) if he or she is a significant shareholder of the company; b) if he or she is, or was in the previous three financial years, an executive director or an employee: - of the company, of its subsidiary having strategic relevance or of a company subject to joint control;	✓			

<ul style="list-style-type: none"> <li>- of a significant shareholder of the company;</li> <li>c) if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm): <ul style="list-style-type: none"> <li>- with the company or its subsidiaries, or with their executive directors or top management;</li> <li>- with a subject who, also together with others through a shareholders' agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management;</li> </ul> </li> <li>d) if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law;</li> <li>e) if he or she has served on the board for more than nine years, even if not consecutive, of the last twelve years;</li> <li>f) if he or she holds the position of executive director in another company whereby an executive director of the company holds the office of director;</li> <li>g) if he or she is a shareholder or director of a company or other legal entity belonging to the network of the external auditor of the company;</li> <li>h) if he or she is a close relative of a person who is in any of the circumstances set forth in previous letters.</li> </ul>				4.7
<p>The board of directors defines ex ante, at least at the beginning of its mandate, the quantitative and qualitative criteria for assessing the significance of the situations set forth above in letters c) and d). If the director is also a partner in a professional or a consulting firm, the board of directors assesses the significance of the professional relationships that may have an effect on his or her position and role within the professional or the consulting firm and in any event, those pertaining to important transactions of the company and the group it heads, even regardless of the quantitative parameters.</p> <p>The chair of the board of directors, who has been nominated for such role according to recommendation 23, can be assessed as independent if none of the circumstances set forth above occurs. If the independent chairman is member of the board committees recommended by the Code, such committees are made up in majority of independent directors. The independent chairman of the board of directors cannot chair the remuneration committee and the control and risk committee.</p>		X		4.7
<p>8. The company defines the diversity criteria for the composition of the board of directors and the control body and identifies the most suitable tool for their implementation, taking into account its ownership structures. At least a third of the board of directors and the control body, where the latter is autonomous, is to be comprised of members of the less represented gender. Companies adopt measures to promote equal treatment</p>	✓			4.3, 7.1, 11.2,

and opportunities among genders within the entire organization, monitoring their specific implementation.				
9. All members of the control body meet the independence requirements set out in recommendation 7 for directors. The independence assessment is carried out, with the timing and manner provided for by recommendation 6, by the board of directors or by the control body; such an assessment is based on the information provided by each member of the control body.	✓			11.2
10. The outcome of the assessments of independence of directors and members of the control body referred to in recommendations 6 and 9 is disclosed to the market immediately after the appointment through a specific press release and, later, in the corporate governance report. In both cases, the outcome of the assessment provides information about: the criteria used for the assessment of the significance of the relationships and, in case of any deviation from the circumstances set forth in recommendation 7, a clear and detailed reason for this choice motivated by the individual situation and characteristics of the director concerned.	✓			4.7
Art. 3 - Functioning of the board of directors and the role of the Chairman  <i>Principles</i>	✓			4.1
<b>IX.</b> The board of directors defines the rules and procedures for its functioning, ensuring an efficient flow of information to directors.	✓			4.5
<b>X.</b> The chairman of the board of directors plays a liaison role between executive and non- executive directors and ensures the effective functioning of the board.	✓			4.5
<b>XI.</b> The board of directors ensures an adequate division of its functions and establishes board committees with preliminary, propositional and consultative functions.	✓			7.2, 9.2, 10.
<b>XII.</b> Each director ensures adequate time commitment for the fulfilment of their board responsibilities.	✓			4.3
<i>Recommendations</i>				
11. The board of directors develops internal rules that define the functioning of the board and its committees, including the means for recording the minutes of the meetings and the procedures for providing information to directors. These procedures identify the prior notice for the submission of the documentation, ensuring that confidentiality issues are properly managed without affecting the timeliness and completeness of the flow of information.  The corporate governance report provides adequate information on the main contents of the board of director's internal rules and on compliance with the procedures aimed at ensuring the timeliness and adequacy of the information provided to the directors.	✓			4.1
12. The chairman of the board of directors, with the help of the board secretary, ensures that: a) the pre-meeting information and the complementary information provided during the meeting are suitable to allow directors to act in an informed manner; b) the activity of the board committees with preliminary, propositional and consultative functions is coordinated with the activity of the board of directors; c) in agreement with the chief executive officer, the managers of the company and those of the companies of the group it heads, who are competent on the issues	✓			4.5

<p>concerned, participate in the relevant board meetings to provide appropriate insights on the items on the agenda, also upon request of one or more directors;</p> <p>d) all the members of the board of directors and control body can take part, after the appointment and during the mandate, in initiatives aimed at providing them with adequate knowledge of the industry in which the company operates, the company dynamics and their evolution, also in relation to the company's sustainable success. Such initiatives also cover the risk management issues as well as any relevant part of the regulatory and self-regulatory framework;</p> <p>e) to provide for the adequacy and transparency of the board review, with the support of the nominating committee.</p>				
<p>13. The board of directors appoints an independent director as lead independent director:</p> <p>a) if the chairman of the board of directors is the chief executive officer or holds significant managerial powers;</p> <p>b) if the office of chairman is held by the person who controls, also jointly, the company;</p> <p>c) in large companies, even in the absence of the conditions indicated in letter a) and b), if requested by the majority of independent directors.</p>	✓			4.7
<p>14. The lead independent director:</p> <p>a) collects and coordinates the requests and contributions of non-executive directors and, in particular, of independent ones;</p> <p>b) coordinates the meetings of the independent directors.</p>	✓			4.7
<p>15. In large companies, the board of directors expresses its guidelines on the maximum number of offices that can be considered compatible with an effective performance and the time commitment required by the role of the directors. The relevant offices are those held in corporate bodies of other listed companies and of companies having a significant size.</p>	✓			4.7
<p>16. The board of directors sets up internal committees with preliminary, propositional and consultative functions regarding appointments, remuneration and control and risks. The functions that the Code assigns to the board committees can be either distributed in a different manner or even combined in a single committee. In any case, the company ensures an adequate disclosure on the tasks and activities carried out by each of the assigned functions as well as an adequate composition of each committee, as recommended by the Code.</p> <p>The functions of one or more committees can even be assigned to the board of directors, under the coordination of the chairman, provided that:</p> <p>a) independent directors represent at least half of the board;</p> <p>b) the board dedicates adequate sessions to the performance of such functions.</p> <p>In the event that the functions of the remuneration committee are assigned to the board of directors, the last paragraph of recommendation 26 applies.</p> <p>Companies other than large ones may assign the functions of the control and risk committee to the board of directors even in absence of the condition set forth above in letter a).</p> <p>Companies with concentrated ownership, even large ones, can assign the functions of the nominating committee to the</p>	✓			7.1

board of directors even in absence of the condition set forth above in letter a).				
17. The board of directors defines the tasks of the committees and their composition, favoring the competence and experience of their members and avoiding, in large companies, an excessive concentration of offices. Each committee is coordinated by a chairman who informs the board of directors about the committee's activities at the first useful board meeting. The chairman of the committee may invite the chairman of the board of directors, the chief executive officer, the other directors and, by informing the chief executive officer, the managers of the corporate functions that are competent on the matters of the committee meeting, to individual committee's meetings. The members of the control body can attend the meetings of each committee. Board committees can have access to the information and the corporate functions that are necessary for the performance of their duties. Board committees have adequate financial resources and can avail themselves of external consultants according to the conditions set forth by the board of directors.	✓			7.2, 9.2
18. The board of directors, upon proposal of the chairman, provides for the appointment and dismissal of the board secretary and defines his or her professional requirements and attributes in the board's internal rules. The board secretary supports the activities of the chairman and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system.	✓			7.2, 9.2, 10.2
Art. 4 - Appointment of directors and board evaluation <i>Principles</i> <b>XIII.</b> The board of directors ensures, within its competence, that the process of appointment and succession of directors is transparent and functional to achieve the optimal composition of the board according to the principles set forth in Article 2.	✓			4.1
<b>XIV.</b> The board of directors periodically evaluates, through formalized procedures, its effectiveness and the contribution made by individual directors. The implementation of the board evaluation procedures is supervised by the board itself.	✓			7.1
<i>Recommendations</i> 19. The board of directors entrusts the nominating committee to support it on: a) the evaluation of the board and its committees; b) the definition of the optimal composition of the board and its committees; c) the identification of candidates in case of the director's co-optation; d) the possible submission of a slate by the outgoing board, ensuring the transparency of the process that led to the slate's structure and proposition; e) the development, updating and implementation of succession plan for the chief executive officer and the other executive directors.	✓			7.2
20. The majority of directors of the nominating committee are independent.	✓			7.2
21. The board evaluation assesses the size, composition and functioning of the board and its committees. It includes also	✓			7.1



the board's active involvement in the definition of the company's strategy and in the monitoring of the management of the company's business as well as the appropriateness of the internal control and risk management system.				
22. The board evaluation is conducted at least every three years, before the renewal of the board of directors. In large companies other than those with concentrated ownership, the board evaluation is conducted on an annual basis and can be diversified according to the term of the board's mandate. In such companies, the board considers whether to appoint an external facilitator for its evaluation at least once every three years.	✓			7.1
23. In companies other than those with concentrated ownership, the board of directors: <ul style="list-style-type: none"> <li>- sets forth guidelines on board quantitative and qualitative composition deemed optimal before its renewal, considering the outcome of the board evaluation;</li> <li>- requires anyone submitting a slate with a number of candidates that is higher than half the number of members to be elected to provide adequate information on the compliance of the slate with the board guidelines mentioned above, and with the board diversity criteria set forth in principle VII and recommendation 8. In such cases, the slate also identifies its candidate for the chairmanship of the board, whose appointment is conducted according to the company's bylaws. All the information mentioned in this paragraph are disclosed in the documentation attached to the slate during its filing process.</li> </ul> <p>The guidelines of the outgoing board of directors are published on the company's website before the publication of the notice of the shareholders' meeting convened for the board's renewal. They identify the managerial and professional profiles and the skills deemed necessary, having due consideration of the company's sectoral characteristics, the board diversity criteria set forth in principle VII and recommendation 8 as well as the board guidelines on the maximum number of offices set forth in recommendation 15.</p>	✓			7.1
24. In large companies, the board of directors: <ul style="list-style-type: none"> <li>- elaborates, with the support of the nominating committee, a plan for the succession of the chief executive officer and executive directors by identifying, at least, the procedures to be followed in the event of an early termination of office;</li> <li>- ascertains the existence of appropriate procedures for the succession of the top management.</li> </ul>		X		7.1
Art. 5 – Remuneration <i>Principles</i>				
<b>XV.</b> The remuneration policy for directors, members of the control body and the top management contributes to the pursuit of the company's sustainable success and takes into account the need to have, retain and motivate people with the competence and professionalism deemed adequate for their role.	✓			8
<b>XVI.</b> The remuneration policy is developed by the board of directors through a transparent procedure.	✓			8
<b>XVII.</b> The board of directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, considering the results	✓			8

achieved and any other circumstances relevant for its implementation.				
<p><i>Recommendations</i></p> <p>25. The board of directors entrusts the remuneration committee with the task of:</p> <ul style="list-style-type: none"> <li>a) supporting it in the development of the remuneration policy;</li> <li>b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold specific responsibilities, as well as on the setting of performance objectives related to the variable component of this remuneration;</li> <li>c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives;</li> <li>d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management.</li> </ul> <p>In order to have people with adequate competence and professionalism, the remuneration of executive and non-executive directors and of the members of the control body is defined with due consideration of the remuneration practices that are common with regards to the company's reference sectors and size. It also considers comparable international practices, with the possible support of an independent consultant.</p>	✓			7.2
<p>26. The remuneration committee is made up of non-executive directors, the majority of whom are independent, and is chaired by an independent director. At least one member of the committee has adequate knowledge and experience in financial matters or remuneration policies; such skills are assessed by the board of directors before his or her appointment.</p> <p>No director takes part in the meetings of the remuneration committee in which proposals relating to his or her remuneration are made.</p>	✓			7.2
<p>27. The remuneration policy for executive directors and the top management defines:</p> <ul style="list-style-type: none"> <li>a) a balance between the fixed and the variable component which is consistent with the company's strategic objectives and risk management policy. Consistency is assessed taking into consideration the business's characteristics and the industry of the company. The variable component has in any case a significant weight on the overall remuneration;</li> <li>b) caps to the variable components;</li> <li>c) performance objectives, to which is linked the payment of the variable components, that are predetermined, measurable and predominantly linked to the long-term horizon. They are consistent with the company's strategic objectives and with the aim of promoting its sustainable success and includes non-financial parameters, where relevant;</li> <li>d) an adequate deferral of a significant part of the variable component that has been already accrued. Such a deferral period is consistent with the company's business activity and its risk profile;</li> <li>e) provisions that enable the company to recover and/or withhold, in whole or in part, the variable components</li> </ul>	✓			8

<p>already paid-out or due, where they were based on data which subsequently proved to be manifestly misstated. The company can identify other circumstances in which such provisions are applied;</p> <p>f) clear and predetermined rules for possible termination payments, establishing a cap to the total amount that might be paid out. The cap is linked to a certain amount or a certain number of years of remuneration. No indemnity is paid out if the termination of the office is motivated by director's objectively inadequate results.</p>				
28. The share-based remuneration plans for executive directors and the top management are aligned with the interests of the shareholders over a long-term horizon, providing that a predominant part of the plan has an overall vesting and holding period of at least five years.		X		8
29. The remuneration of non-executive directors is adequate to the competence, professionalism and commitment required by their role within the board of directors and its committees; this remuneration is not related to financial performance objectives, except for a non-significant part.	✓			8
30. The remuneration of the members of the control body is adequate to the competence, professionalism and commitment required by their role and the company's size, industry and current situation.	✓			8
31. On the occasion of the termination of office and/or dissolution of the relationship with an executive director or general manager, a press release is published as soon as the internal processes that led to the assignment or the recognition of any indemnities and/or other benefits has been concluded. The press release provides for detailed information on: <ul style="list-style-type: none"> <li>a) the assignment or the recognition of indemnities and/or other benefits, the circumstances that justify their accrual (e.g. due to the expiration of the term of office, its termination or a settlement agreement) and the decision-making process followed for this purpose within the company;</li> <li>b) the total amount of the indemnity and/or other benefits, the related components (including non-monetary benefits, the vesting of rights connected with incentive plans, the compensation for non-competitive commitments or any other remuneration allocated to any reason and in any form) and the timing of their disbursement (distinguishing the part paid immediately from the part subject to deferral mechanisms);</li> <li>c) the application of any claw-back or malus clauses;</li> <li>d) the compliance of the elements indicated in letters a), b) and c) consistently with the remuneration policy, with a clear indication of the reasons and the decision-making process followed in the event of non-compliance, even if only partial, with the policy itself;</li> <li>e) the procedures that have been or will be followed for the replacement of the executive director or the general manager whose office has been terminated.</li> </ul>	✓			8
Art. 6 – Internal control and risk management system				
<i>Principles</i>				
<b>XVIII.</b> The internal control and risk management system consists of a set of rules, procedures and organizational structures for an effective and efficient identification, measurement, management and monitoring of the main risks, aimed at contributing to the sustainable success of the company.	✓			8
<b>XIX.</b> The board of directors defines the guidelines of the internal control and risk management system in	✓			9

accordance with the company's strategies and annually assesses its adequacy and effectiveness.				
<b>XX.</b> The board of directors defines the principles concerning the coordination and the flow of information among the parties involved in the internal control and risk management system. Such principles aim at maximizing the effectiveness of the system itself, reducing the duplication of activities and ensuring the successful performance of the duties of the control body.	✓			9, 4.1
<i>Recommendations</i>				
32. The organization of the internal control and risk management system involves: a) the board of directors, which plays a role in guiding and assessing the adequacy of the system; b) <i>the chief executive officer, in charge of establishing and maintaining the internal control and risk management system;</i> c) the control and risk committee set up within the board of directors, with the task of supporting the board of directors' assessments and decisions relating to the internal control and risk management system and the approval of periodical financial and non-financial reports. In companies that adopt the "one-tier" or "two-tier" corporate model, the functions of the control and risk committee can be assigned to the control body; d) the head of the internal audit function who is in charge of verifying that the internal control and risk management system is functional, adequate and consistent with the guidelines defined by the board of directors; e) the other corporate functions involved in the internal control and risk management system (such as the risk management functions and the functions dealing with legal and non-compliance risk) which are articulated in relation to the company's size, sector, complexity and risk profile; f) the control body, which monitors the effectiveness of the internal control and risk management system.	✓		9, 4.1	
33. The board of directors, with the support of the control and risk committee: a) defines the guidelines of the internal control and risk management system consistently with the company's strategies and assesses, at least once a year, the adequacy of this system with respect to the company's characteristics and its risk profile, as well as its effectiveness; b) appoints and dismisses the head of the internal audit function, defining his or her remuneration which is consistent with the company policies. The board ensures that he or she has adequate resources to carry out his or her duties. If the internal audit function is entrusted, as a whole or by operating segments, to an external entity, the board ensures that it meets the adequate requirements of professionalism, independence and organization, providing adequate reasons for this choice in the corporate governance report; c) approves, at least on an annual basis, the work plan prepared by the head of the internal audit function, after hearing the control body and the chief executive officer; d) evaluates the opportunity to take measures to ensure the effectiveness and impartial assistance of the other corporate functions mentioned in recommendation 32,	✓			9, 4.1

<p>lett. e). To this end, the board verifies that such functions have adequate professionalism and resources;</p> <p>e) assigns the supervisory functions pursuant to Art. 6,1,(b) of Legislative Decree No. 231/2001 to the control body or to a body established specifically for this purpose. 231/2001. If the body does not correspond to the control body, the board of directors considers whether to appoint within the body at least one non-executive director and/or a member of the control body and/or the head of a legal or supervisory function of the company, in order to ensure coordination among the various parties involved in the internal control and risk management system;</p> <p>f) evaluates, after consultation with the control body, the results presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body;</p> <p>g) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods of coordination among the subjects involved. The report provides information about the national and international reference models and best practices adopted and the board's overall assessment of the adequacy of the system itself. Moreover, it provides an adequate explanation of the composition of the control body referred to in letter e) above.</p>				
<p>34. The chief executive officer:</p> <p>a) identifies the main business risks, considering the characteristics of the activities carried out by the company and its subsidiaries, and periodically submit them to the examination of the board of directors;</p> <p>b) implements the guidelines defined by the board of directors, providing for the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory landscape;</p> <p>c) can entrust the internal audit with the tasks of carrying out specific controls on defined operational areas and on compliance with internal rules and procedures in the implementation of company transactions. Such requests are contextually conveyed to the chairman of the board of directors, to the chairman of the control and risk committee and to the chairman of the control body;</p> <p>d) reports promptly to the control and risk committee on problems and critical issues that emerged in the performance of his or her activity or of which he or she nevertheless has information so that the committee can take appropriate actions.</p>	✓			9.1
<p>35. The control and risk committee is comprised of non-executive directors, the majority of whom are independent, and is chaired by an independent director. The committee has expertise that is consistent with the company's industry and assessment of its risks; at least one member of the committee has adequate knowledge and experience in accounting, finance or risk management. The control and risk committee, in assisting the board of directors:</p> <p>a) assesses the external auditor and the control body, the correct application of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statement, after</p>	✓			9.2.

<p>hearing the manager responsible for the corporate financial documents;</p> <p>b) assesses whether the periodic financial and non-financial information is suitable to correctly represent the company's business model, its strategies, the impact of its business and the performance achieved, in coordination with the committee mentioned in recommendation 1, lett. a), if established;</p> <p>c) examines the content of the periodic non-financial information relevant to the internal control and risk management system;</p> <p>d) expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the board of directors' assessments and decisions relating to the management of risks deriving from prejudicial facts of which the latter has become aware;</p> <p>e) examines the periodic and particularly relevant reports prepared by the internal audit function;</p> <p>f) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function;</p> <p>g) can entrust the internal audit with the task of carrying out specific controls on defined operational areas. Such a request is contextually conveyed to the chairman of the control body;</p> <p>h) reports to the board of directors, at least upon the approval of the annual and half-yearly financial report, on the activities carried out and on the adequacy of the internal control and risk management system.</p>				
<p>36. The head of the internal audit function is not responsible for any operational area. He or she depends hierarchically on the board of directors and has direct access to all information that is useful for carrying out his or her duty. The head of the internal audit function:</p> <p>a) verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and the suitability of the internal control and risk management system according to the audit plan. The audit plan is approved by the board of directors and is based on a structured process of analysis and prioritization of the main risks;</p> <p>b) prepares periodic reports containing adequate information on its activity, on the ways in which risk management is conducted, as well as on compliance with the plans defined for the containment of risks. The periodic reports contain an assessment of the suitability of the internal control and risk management system;</p> <p>c) prepares promptly, at the request of the control body, reports on events of particular relevance;</p> <p>d) submits the reports referred to in letters b) and c) to the chairmen of the control body, of the control and risk committee and of the board of directors, as well as to the chief executive officer, except in cases where the matter of these reports specifically concerns the activity of these subjects;</p> <p>e) verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems.</p>	✓			9.3
<p>37. The member of the control body who, on his or her own behalf or on behalf of third parties, has an interest in a specific transaction of the company, provides prompt and exhaustive information to the other members of the same body and to the chairman of the board of directors about the nature, terms, origin and extent of his or her interest. The control body and the control and risk committee promptly exchange relevant information for the performance of their respective duties. The chairman of the control body, or another member of the control body designated by its chairman, takes part in the meetings of the control and risk committee.</p>	✓			10.1