



**CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT
OF EL.EN. S.P.A.**

pursuant to art. 123-bis of It. Leg. D. of 24 February 1998, no. 58

(traditional management and control model)

approved by the Board of Directors at its meeting of 13 March 2025

Fiscal year 2024

Website: www.elengroup.com

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GLOSSARY

Shareholders' Meeting: the shareholders' meeting of El.En. s.p.a..

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

c.c.: the It. Civil Code

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

Board: the Board of Directors of El.En. s.p.a..

Issuer/Company: El.En. s.p.a..

Fiscal year: the financial year ending 31 December 2024, to which the Report refers.

ESRS: the sustainability reporting principles set forth in the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023.

Group: the group of companies controlled by the Issuer.

Consob Regulation on Issuers: the Regulation issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) on issuers.

Consob Market Regulations: the Regulation issued by Consob with resolution no. 20249 of 2017 on markets.

Consob Related Parties Regulation: the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) on related party transactions.

Report: the 2025 Corporate Governance and Ownership Structure Report prepared and published pursuant to Art. 123-*bis* TUF.

Remuneration Report: the report on remuneration and remuneration paid prepared and published pursuant to Art. 123-*ter* TUF and 84-*quater* Consob Regulation on Issuers.

TUF: the Italian Legislative Decree of 24 February 1998, no. 58.

Where not otherwise stated, the Code definitions (pages 3 and 4) concerning: **administrators, executive administrators, independent administrators, significant shareholder, chief executive officer (CEO), board of directors, supervisory**

body, business plan, concentrated ownership company, large company, sustainable success, top management, must also be understood as referenced.

In addition, unless otherwise specified, in the sections that refer to the content of the relevant ESRs, the definitions of the ESRs themselves must also be understood as referring by reference, in particular those relating to: **lobbying, value chain, affected communities, active and passive bribery, corporate culture, consumers, sustainability statement, employee, discrimination, suppliers, own workforce, impacts, sustainability-related impacts, workers in the value chain, non-employee workers, independent members of the board of directors, metrics, business model, harassment, target, opportunities, sustainability-related opportunities, boards of directors management and control, policy, indigent peoples, stakeholders, sustainability issues, materiality, risks, sustainability-related risks, end-users.**

1.0 ISSUER PROFILE

Since the admission in 2000 of its ordinary shares to the MTA stock market (formerly MTAX and, previously, Nuovo Mercato) organised and managed by Borsa Italiana s.p.a., it has always been the intention of El.En, to maintain and perfect, compatibly with its own organisation and structure, a corporate governance system aligned with what is suggested and recommended by the Code and identified as *best practice*, as a valid and indispensable opportunity to increase its reliability and reputation with the market as well as to ensure a guide capable of ensuring the success of the Issuer and the Group in continuous evolution and lasting over time.

The Issuer has been a member of the Techstar segment since its establishment in 2004 and has been listed in the Star segment since 2005.

From 9 December 2016 to the end of 2018, it was included in the FTSE Italia Mid Cap Index, FTSE Italia Star segment. Subsequently, it was included in the FTSE Italia Small Cap Index, FTSE Italia Star segment, before being included again in the FTSE Italia Mid Cap Index, FTSE Italia Star segment, at the end of 2019.

El.En.'s *corporate* governance consists of a board of directors, a supervisory body and the shareholders' meeting.

Upon adjusting to the provisions of It. Leg. D. 17 January 2003 no. 6 as amended and corrected, the shareholders of El.En. chose to retain a traditional administration and control system.

At present, therefore, the Company is administered by a board of directors governed, in all its aspects (composition, functioning, remuneration, powers, representation of the company), in addition to the legislation in force, by Articles 19 to 23 of the Articles of Association and by the *Regulation of the Board of Directors of El.En. s.p.a.* It is subject to control and supervision by a board of statutory auditors governed in all respects by Art. 25 of the Articles of Association.

The statutory audit of accounts is carried out by a company chosen from among those listed in the relevant CONSOB register.

The value of the Issuer's capitalisation over the last three financial years, by which is meant the simple average of the daily capitalisations calculated with reference to the official price recorded during the year was as follows:

YEAR	DAYS	AVERAGE
2022	255	1,057,000,000
2023	253	911,000,000
2024	252	823,000,000

Pursuant to and for the purposes of art. 2-ter Consob Regulation on Issuers in force at the time, as at 31 December 2023, the Issuer had therefore lost its SME status under Art. 1, paragraph 1, lett. w-*quater*, 1) TUF by notifying the public on 8 January 2024 as specified in Articles 65-*quinquies*, 65-*sexies* and 65-*septies* of the Consob Regulation on Issuers, about the qualification variation. The relevant press release is available on the Issuer's website [www.elengroup.com \(https://elengroup.com/it/investor-relations/comunicati-stampa.html\)](https://elengroup.com/it/investor-relations/comunicati-stampa.html).

During the fiscal year, given that Art. 2 of It. Law of 5 March 2024, no. 21 changed the capitalisation threshold for qualifying SMEs from EUR 500 million to EUR 1 billion, Consob updated the list of SMEs published on its website on 25 January 2024, including the Issuer, based on the new criterion calculated on the basis of the average capitalisation during 2023, among the companies qualifying as SMEs as of the date on which It. Capital Law came into force (27 March 2024). On 8 January 2025, however, the Issuer informed the public, as specified in Articles 65-*quinquies*, 65-*sexies* and 65-*septies* of the Consob Regulation on Issuers (<https://elengroup.com/it/investor-relations/comunicati-stampa.html>)

As to the qualification of the Company for the purposes of the definitions of the Code, the capitalisation on the last open market day of the previous three calendar years is as follows:

YEAR	CAPITALISATION AS AT 30 DECEMBER
2022	1138
2023	780
2024	936

Furthermore, there is no person who holds the majority of the votes exercisable at the Shareholders' Meeting, not even indirectly. None of the relevant shareholders have disclosed their participation in any shareholders' agreements, nor is the existence of such agreements known to the Company.

The Issuer therefore does not qualify as a “large company” and cannot be defined as a “concentrated ownership company”.

This Report was drawn up taking into account the relevant *format*, X edition, provided by the Committee.

In this regard and with reference to the disclosures required by the ESRS standards on governance, this document contains the same information as Chapter 1. GENERAL INFORMATION of the Consolidated Sustainability Report 2024,

published on a mandatory basis pursuant to It. Leg. D. 6 September 2024, no. 125 on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

Express reference is made in this Report to any further aspects that are discussed in more detail in the 2024 consolidated sustainability report.

The Board

It is the board of directors, which is vested with the broadest powers of ordinary and extraordinary administration for the performance of activities aimed at the pursuit of the corporate purpose with a view to the creation of long-term value for the benefit of the shareholders, taking into account the interests of other *stakeholders* relevant to the Issuer.

The Board pursues these goals by means of responsible management in line with the economic, social and environmental balances of the business context in which the Group is active. This is achieved by embedding targets geared towards sustainable, lasting success, which take into account the in-house and external settings in which all Group companies work, into the Issuer's and the Group's strategies as well as remuneration policy.

For a description of the Issuer's *mission* and profiles relating to its sustainability, please refer to the section 'SBM 1 - Strategy, Business Model and Value Chain' of the sustainability report published on a mandatory basis pursuant to It. Leg. D. 6 September 2024, no. 125 on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and on the website www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

More information on how this role is interpreted is described in the Sections of the Report where the following is outlined: (i) how this objective is embedded into the strategies (Sect. 4.1), remuneration policies (Section 8) and internal control and risk management system (Section 9); (ii) the corporate governance measures specifically taken in this regard.

The current Board was elected by the Shareholders' Meeting held on 29 April 2024 and, following a Board resolution of the same date, is made up of executive and non-executive board members organised, for the performance of advisory and proposal-making functions in support of the Board, into three committees: for control and risk, related party transactions and sustainability; for remuneration; and for appointments.

Pursuant to Art. 144-*quater*, CONSOB Reg. on Issuers, the minimum shareholding in the share capital required for the submission of lists of candidates for directors was 2.5% in accordance with the provisions of Art. 19 of the Articles of Association and of Art. 144-*quater* of the aforementioned Reg. on Issuers 11971, as well as by CONSOB Executive Decision 31 January 2024, no. 92.

Three board members were elected because they met the independence requirements of Art. 148-*ter* TUF and Art. 2 of the Code.

The board members are domiciled for office at the headquarters of the Issuer.

Pursuant to the Board resolution of 29 April 2024, the managing directors have been vested with all powers of ordinary and extraordinary administration for the performance of all activities falling within the corporate purpose, with the sole exception of those powers that are prohibited from being delegated pursuant to Art. 2381 of It. c.c. and the Articles of Association.

The Board expires upon approval of the 2026 annual financial statements and shall therefore be renewed by the Shareholders' Meeting in 2027.

Since 5 September 2000, the Board has set up the following committees, the majority of which are made up of non-executive and independent administrators, who have been entrusted with the tasks described and governed by the respective regulations:

- a) *committee for appointments to the office of administrator* (hereinafter also referred to as the "Appointments Committee");
- b) *committee for remuneration* (hereinafter "Remuneration Committee");
- c) *control and risk committee for transactions with related parties and for sustainability* (formerly *internal control committee* and hereinafter "Control and Risk Committee").

The committee regulations also regulate their composition and role.

They were approved in an initial version on 5 September 2000, and are revised periodically and on the occasion of adjustments to new laws and regulations or internal organisational changes within the Issuer.

The committees perform the functions described in the relevant Sections of the Report.

Furthermore, the company has entrusted a specific committee with the task of supporting the Board in analysing issues relevant to long-term value generation and sustainable success (Section 6).

As of 5 September 2000, the Board also appointed an internal control officer. The internal control and risk management system has been in a process of continuous evolution expanded and organised as described later in the Report (Section 9) with the aim of preserving the integrity of the Issuer and the Group with a view to enabling the achievement of the strategic and long-term objectives set by the Board.

The Board meets at least quarterly also to ensure that the Board of Statutory Auditors is adequately informed on the activities carried out, on the most significant transactions carried out by the Issuer and its subsidiaries, as well as, where necessary, on the execution of transactions with related parties or of particular complexity and/or importance, and, lastly, whenever the Chairman and/or the managing directors intend to share with the entire Board issues and decisions within their competence.

The Issuer's administrators participate, as members, in the administrative bodies of most of the subsidiaries. In other cases, the Board of Directors of the subsidiaries provides the broadest information necessary for the organisational definition of the Group's activities and the accounting information required to fulfil legal obligations: by the end of the month following the end of the quarter in question, the subsidiaries provide all the information necessary for the preparation of a consolidated economic and financial *report*.

The provisions of the Articles of Association concerning the appointment of administrators, the composition of the Board of Directors and the powers reserved to it – Articles 19, 21 and 22, respectively - were amended by the Shareholders' Meeting held on 15 May 2007 in order to adapt them, to the extent necessary and not already provided for, to the new TUF and the Code, and then adapted by the Shareholders' Meeting held on 28 October 2010 to the provisions of aforementioned It. Leg. D. 27/2010. On that occasion, the Board was also given the power to make use of the provisions of Art. 11 and 13 Consob Related Parties Regulation on urgent related party transactions.

At the Assembly held on 15 May 2012, Art. 19 of the Articles of Association has been adapted to It. L. 12 July 2011, no. 120 regarding the balance between represented genders. It referred to the legislation in force and did not need to do so following the amendments set forth in Art. 147-ter TUF as amended by Art. 1, paragraph 302 of Law no. 160 of 27.12.2019 in the text republished in Official Gazette no. 13 of 17.1.2020 to be amended in that part.

Finally, the Shareholders' Meeting of 15 May 2013 removed from the text of Articles 19 and 25 - regulating the election mechanism, respectively: the first, of the Board of Directors; the second, of the supervisory body - the prohibition on withdrawing the certificates attesting the right to submit appointment proposals before the actual meeting. On this occasion, other typos in these articles referring to the date of filing/communication of the certification were removed.

For a detailed description, please refer to the following respective paragraphs in the part of the Report devoted to information on adherence to the Code.

With regard to the required presence of so-called independent board members, which since 2005 has been a legal obligation, the Articles of Association provide for this obligation in implementation of the practice that the Issuer, in compliance with the Code's regulations, has perpetuated since 2000, the year in which its securities were admitted to listing.

The Board of Statutory Auditors

The Board of Statutory Auditors is the auditing body which, by virtue of legal, regulatory and statutory provisions, is responsible for supervising compliance with the law, the articles of association and correct administration principles, the adequacy of the Company's organisation structure for its areas of competence, the internal control system and the administrative-accounting system adopted by the Company, and their actual functioning. The Board of Statutory Auditors also supervises the matters provided for in Art. 19 of It. Leg. D. 27 January 2010 no. 39 as well as the concrete implementation of the corporate governance rules provided for in the Code, compliance with Consob provisions and the concrete implementation of corporate procedures concerning related parties.

This body is also responsible for supervising the adequacy of the instructions given to the subsidiaries so that they provide all the information necessary to fulfil their statutory reporting obligations.

The current Board of Statutory Auditors, elected at the shareholders' meeting of 29 April 2022, expires with the approval of the financial statements for the financial year 2024. Therefore, the Shareholders' Meeting convened in 2025 will have to appoint the new Board of Statutory Auditors.

The Articles of Association establishes a limit to the accumulation of offices, pursuant to Art. 148-*bis* TUF, by establishing as a cause of ineligibility and disqualification, for candidates or elected auditors, the fact that they hold the office of standing statutory auditor in more than five listed companies, as well as those who find themselves in situations of incompatibility or exceed the maximum limit provided for by the Consob Regulation on Issuers (Articles 144-*duodecies* et seq.).

It was also specified - following an amendment to the Articles of Association approved by the Meeting on 15 May 2007 - in Art. 25 of the Articles of Association, which already provided for election by list voting, that the statutory auditor drawn from the minority list that came first is elected chairman of the board of statutory auditors.

Finally, upon the Shareholders' Meeting of 15 May 2012, the company adjusted Art. 25 of the Articles of Association to It. L. 12 July 2011, no. 120 regarding the balance between represented genders. It referred to the legislation in force and did not need to be amended again as a result of what was introduced in Art. 147-ter TUF from Art. 1, paragraph 302 of Law no. 160 of 27.12.2019 in the text republished in Official Gazette no. 13 of 17.1.2020.

Pursuant to art. 144-*septies*, paragraph 2, Consob Regulation on Issuers, the minimum shareholding in the share capital required at the last election for the submission of lists of candidates for members of the Board of Statutory Auditors was 1%, in accordance with Art. 25 of the Articles of Association, by Art. 144-*sexies* Consob Regulation on Issuers and CONSOB Decision no. 60 of 28 January 2022.

Statutory audit of accounts

The statutory audit is entrusted (pursuant to the provisions introduced by It. Leg. D. 39/2010) to Independent Auditor recorded in the appropriate CONSOB register.

The Shareholders' Meeting convened to approve the financial statements for fiscal year 2019, appointed EY s.p.a. for the financial years 2021-2029 pursuant to Art. 17 of It. Leg. D. 39/2010.

Internal dealing

Until 30 March 2006, for the entities definable as relevant pursuant to and for the purposes of articles 2.6.3 and 2.6.4 of the “Regulations of the Markets organised and managed by Borsa Italiana s.p.a.” in force at the time, the Issuer had approved - as of 1 January 2003 - a “Code of Conduct” which, with reference to the transactions carried out by the latter, regulated the information obligations and the behaviour methods to be observed in order to ensure maximum transparency and consistency of information towards the market.

By virtue of the amendments made to TUF by the 2004 Community Law (L. 18 April 2005, no. 62), in implementation of the EU directive on *market abuse*, and the subsequent implementing regulations issued by Consob, as of 1 April 2006 the Company was required to comply with the provisions on *internal dealing* set forth in Art. 114, paragraph 7, TUF and 152-*sexies* to 152-*octies* Consob Regulation on Issuers.

As of 1 April 2006, therefore, the obligation to disclose to the public the transactions carried out by relevant persons, and persons closely related to them, on financial instruments of the Company became law and, consequently, the *internal dealing* rules contained in the Regulation of Markets Organised and Managed by Borsa Italiana s.p.a. were repealed.

As a result of the foregoing, the code of conduct adopted in 2003 by the Issuer was replaced by a new document - adopted on 31 March 2006 and subsequently amended on 13 November 2006 and on 13 November 2015 - which, in addition to organically reproducing the legal obligations, provides for periods of limitation or prohibition on the performance of transactions by the aforementioned persons.

During the fiscal year 2016 and following the entry into force of Reg. E.U. 596/2014, the period of prohibition to carry out transactions in financial instruments of the Issuer was extended, bringing it into line with the new legislation.

During the 2017 fiscal year, the code of conduct was brought into line with the new rules also in relation to the amendments to Title VII, Chapter II, of the Regulation on Issuers introduced by Consob with resolution 19925 of 22 March 2017. As a matter of fact, with this resolution, it made use of the option provided for in Art. 19, para. 9, Reg. E.U. 596/2014 to raise the threshold above which reporting obligations are triggered to EUR 20,000.00 per year.

In the course of 2019, the code of conduct was further amended by specifying the extension of the black-out periods under Art. 19 of Reg. EU 596/2014 also to the 30 days preceding the approval of the quarterly financial reports.

* * *

2.0 INFORMATION ON OWNERSHIP STRUCTURE (pursuant to art. 123-bis, paragraph 1, TUF) AS AT 31 DECEMBER 2024

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

As at 31 December 2024, the underwritten and deposited share capital was EUR 2,603,971.75 divided into 80,121,900 ordinary shares with no express par value.

The Board, following delegation of authority received at the Shareholders' Meeting of 12 May 2016 pursuant to Art. 2443 of the It. c.c., implemented the Stock Option Plan 2016-2025 described in the Management Report accompanying the 2022 Financial Statements section "STOCK OPTIONS OFFERED TO ADMINISTRATORS, COLLABORATORS AND EMPLOYEES" and in the information document prepared pursuant to Article 84-bis, paragraph 1 and Schedule 7 of Annex 3A of the Consob Regulation on Issuers available on the Issuer's website www.elengroup.com (Italian version) - *sec. Governance - Corporate Documents - 2016-2025 Stock Option Plan*.

As at 31 December 2024, 733,003 option rights out of the 800,000 exercisable during the entire period of validity of the Plan.

On 20 July 2021, the Shareholders' Meeting approved the elimination of the express par value of the shares and the increase of the total number of shares through a one-for-four split of the outstanding ordinary shares. The split then led to an increase in the number of outstanding shares from 19,929,586 to 79,718,344 ordinary shares, by means of withdrawal and cancellation of the issued and pre-existing ordinary shares, and assignment, for each ordinary share withdrawn and cancelled, of 4 newly issued ordinary shares. The share capital did not change as a result of the *stock split*.

The Meeting accordingly approved the amendments to Art. 6 of the Articles of Association (paragraphs 1-3-4) concerning share capital, pursuant to and for the purposes of Art. 2328, 2346 and 2443 of the It. c.c. and the adjustment of the 2016-2025 Stock Option Plan. Withdrawal and issuance of fractional shares without express par value began on 2 August 2021 with allocation of a new ISIN code: IT0005453250.

The Board, following the powers received from the Shareholders' Meeting of 15 December 2022 pursuant to Art. 2443 of the It. c.c., implemented, on 15 March 2023, the 2026-2031 Stock Option Plan described in the Management Report accompanying the 2023 Financial Statements section "STOCK OPTIONS OFFERED TO ADMINISTRATORS, COLLABORATORS AND EMPLOYEES" and in the information document prepared pursuant to Article 84-bis, paragraph 1 and Schedule 7 of Annex 3A of the Consob Regulation on Issuers available on the Issuer's website www.elengroup.com (Italian version) - *sec. Governance - Corporate Documents - 2026-2031 Stock Option Plan*.

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

There are no restrictions on the transfer of shares.

c) Significant equity investments of capital (pursuant to art. 123-bis, paragraph 1, letter c), TUF)

According to the information and data available as at 31 December 2024, the shareholders listed in the attached Table 1 have a significant shareholding (greater than 5%) in the Issuer's share capital.

d) Securities conferring special rights (pursuant to Art. 123-bis, paragraph 1, letter d), TUF)

No securities conferring special supervisory rights were issued.

As for the special powers of the State, It. Decree-Law no. 21 of 15 March 2012 (converted with modifications by It. Law 11 May 2012, no. 56), regulates the State's special powers over company structure in the Defence and National Security sectors, as well as for activities of strategic importance in the Energy, Transport and Communications sectors and in those covered by Regulation (EU) No. 452/2019 of the European Parliament and of the Council, establishing a framework for monitoring foreign direct investment in the EU. The framework provides that, in the event of a real threat of serious prejudice to essential defence and security interests, the State may exercise the following special powers: imposition of specific conditions; vetoing the adoption of resolutions, acts or transactions; and opposition to the acquisition of equity investments in an undertaking engaged in activities of strategic importance.

e) Employee share ownership: mechanism for exercising voting rights (pursuant to art. 123-bis, paragraph 1, letter e), TUF)

No mechanism.

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

None.

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

No agreement known to the Issuer.

h) Clauses of *change of control* (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)

There are no agreements containing *change of control* clauses.

With regard to the provisions of the Articles concerning takeover bids, the Shareholders' Meeting, by resolution of 13 May 2011, included among the powers of the Board, pursuant to Art. 104, paragraph 1-ter, T.U.F., the power to implement defensive manoeuvres in the event of a takeover bid even in the absence of authorisation by the shareholders' meeting. No further statutory provisions on takeover bids.

i) Powers to increase the share capital and authorisations to purchase treasury stock (pursuant to art. 123-bis, paragraph 1, letter m), TUF)

On 13 September 2016, the Board fully exercised the authority granted to it by the Shareholders' Meeting of 12 May 2016 pursuant to Art. 2443, It. c.c.

For details, please refer to what has already been said above under letter a) of this section regarding the share capital structure and the references therein for consulting the relevant documents.

On 27 April 2021, the Shareholders' Meeting authorised the purchase of treasury stock under the conditions proposed by the Board of Directors, pursuant to, for the effects and within the limits set by Articles 2357 and 2357-ter of the It. c.c. The authorisation expired on 26 October 2022.

On 27 April 2023, the Shareholders' Meeting once again authorised the Company to purchase treasury stock under the conditions proposed by the Board of Directors, pursuant to, for the effects and within the limits set by Articles 2357 and 2357-ter of the It. Civil Code. The authorisation expired on 26 October 2024.

On 29 April 2024, the Shareholders' Meeting once again authorised the Company to purchase treasury stock under the conditions proposed by the Board of Directors, pursuant to, for the effects and within the limits set by Articles 2357 and 2357-ter of the It. Civil Code. The authorisation will expire on 28 October 2025.

As at 13 March 2025, the Company holds no. 35,970 treasury stocks.

The Shareholders' Meeting held on 15 December 2022 resolved, in its ordinary session, to approve a 2026-2031 share incentive plan (so-called stock option) reserved for administrators, collaborators and employees of the company and its subsidiaries ("2026-2031 Stock Option Plan") and, in its extraordinary session, to grant the Board the powers, pursuant to Art. 2443, para. II, of the Italian Civil Code, to increase, even in several times and even in a divisible form, within five years from the date of the resolution, the share capital in one or more times, for a maximum nominal amount of Euro 65,000.00 by issuing a maximum of 2,000,000 ordinary shares without express par, for a fee, to be freed through payment of a price to be decided by the Board in a unit value, inclusive of surcharge, equal to the arithmetical mean of the official prices registered by the ordinary shares of the Issuer on the Market organised and managed by Borsa Italiana s.p.a. in the 6 months prior to the single resolution of the Board, to increase capital, even partially, as long as that value is not lower than the one decided based on the consolidated shareholders' equity of the El.En. Group as at 31 December of the last financial statements published at the date of the respective single increase resolution, even partial, in execution of the powers attributed.

Said capital increase to be resolved, pursuant to the fifth paragraph of art. 2441 of the It. c.c., excluding the option right provided for by law in favour of shareholders as it is at the service of the 2026-2031 *Stock Option* Plan as approved by the Shareholders' Meeting of 15 December 2022 is intended for administrators, collaborators and employees of the Issuer and its subsidiaries.

Pursuant to Art. 2443 of the It. c.c., the Board partially exercised its powers on 15 March 2023 by implementing the 2026-2031 *Stock Option* Plan described in the Management Report, accompanying the 2023 Financial Statements, section "STOCK OPTIONS OFFERED TO ADMINISTRATORS, COLLABORATORS AND EMPLOYEES", and in the information document prepared pursuant to Article 84-bis, paragraph 1 and Schedule 7 of Annex 3A of the Consob Regulation on Issuers, available on the Issuer's website www.elengroup.com. (Italian version) – sec. Governance - Corporate Documents - Stock Option Plan 2026-2031.

It will be possible to exercise the first *tranche* of the options granted as of 1 April 2026.

I) Management and coordination activities (pursuant to art. 2497 et seq. of the It. c.c.)

The Issuer is the parent company and is not subject to management and coordination activities pursuant to Art. 2497 et seq. of the It. c.c.

* * *

The information required by Article 123-bis, paragraph 1, letter i) of TUF ("*agreements between the company and the administrators ... providing for indemnities in the event of resignation or dismissal without just cause or if their employment ceases as a result of an initial public offer*") is contained in the remuneration section of the Report (Sec. 8.1).

The information required by Article 123-bis, first paragraph, letter l), first part of TUF ("*the rules applicable to the appointment and replacement of administrators ... if different from the laws and regulations applicable on a supplementary basis*") is provided in the section of the Report about the Board (Sec. 4.2);

The information required by Article 123-bis, paragraph one, letter l), Part II of TUF (“*the rules applicable ... to the amendment of the articles of association, if different from the laws and regulations applicable on a supplementary basis*”) is explained in the section of the Report dedicated to the Shareholders' Meeting (Sec. 13).

* * *

3.0 COMPLIANCE (*pursuant to art. 123-bis, paragraph 2, letter a), first part, TUF*)

The Issuer has adhered to the Code, in its various editions and versions, since the original 1999, since the admission, in 2000, of its securities to listing on the market organised and managed by Borsa Italiana s.p.a., consistent with its size and structure, in a process of continuous evolution towards progressive alignment with what is suggested and recommended therein.

The version of the Code (2020) under which the Report is prepared is publicly accessible on the Corporate Governance Committee's *website* at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

The information referred to in Article 123-*bis*, paragraph 2, letter a) of the TUF is contained in the following different, related and relevant sections of the Report.

* * *

Neither the Issuer, nor its subsidiaries, are subject to non-Italian law provisions affecting the structure of *corporate governance* of the Issuer.

4.0 BOARD OF DIRECTORS

4.1 ROLE OF THE BOARD OF DIRECTORS – ART. 1 CODE

Pursuant to Art. 22 of the Articles of Association, the Board is the body vested with the broadest powers for the management of the company and it guides the Company by pursuing its sustainable success and exercising the powers vested in it as provided for by Articles 20 and 22 thereof.

In accordance with the provisions of Principles P.I. and P.II. of the Code, the Board defines the strategies of the Company and the Group - by approving a three-year strategic plan of the Company and Group, drawn up taking into account the issues relevant to the generation of long-term value and supplemented with goals, also of a non-economic nature, relating to sustainable success - and monitors their implementation.

For the definition of the sustainability plan, the activities performed and planned and the objectives that the Board considers to be strategic in this area, please refer to the 2024 Consolidated Sustainability Report published pursuant to It. Leg. D. 125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> as well as on the website www.elengroup.com under “sustainability/sustainability documents-report”.

The following is the responsibility of the Board:

- a) examining and approving the Issuer's and the Group's strategic plan, also on the basis of the analysis of the issues relevant to the generation of long-term value (Rec. 1 lett. a), which is carried out jointly with the Audit and Risk Committee in its capacity as Sustainability Committee;
- b) periodically monitoring the implementation of the business plan, as well as the assessment, on a quarterly basis, of the general operating performance, periodically comparing the results achieved with those planned (Rec. 1 lett. b);
- c) determining the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessments those elements that may be relevant to the Issuer's sustainable success (Rec. 1 lett. c);
- d) defining the Issuer's corporate governance system and Group structure (Rec. 1 lett. d), first part);
- e) assessing the appropriateness of the organisational, administrative and accounting structure of the Issuer and its strategically important subsidiaries, with particular reference to the internal control and risk management system (Rec. 1 lett. d), second part) (Section 9 for details);
- f) resolving on the transactions of the Issuer and its subsidiaries that have significant strategic, economic, equity-related or financial importance for the Issuer by establishing the general criteria for identifying significant transactions (Recommendation 1(e));
- g) adopting, upon proposal of the Chairperson and in agreement with the board member responsible for managing corporate information, a procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to inside information (Rec. 1(f)) (Section 5 for the relevant information).

On 5 March 2021, the Board approved the 2021-2023 development plan for the entire Group with reference to both the industrial and medical sectors, which takes into consideration as its primary objective the success of the company's business in the medium and long term, a *focus* always been central to the Company and the Group before its more social and environmentalist version became the pervasive meaning today *in vogue* in common feeling. Central to this, the Board considers and takes into account: the enhancement of human resources, environmental protection, investment in research and development and high product quality, as well as the safeguarding of interests and the creation of value for all *relevant* stakeholders (Rec. 1(a). In defining the plan, the Board has defined and taken into account the aforementioned issues in order to be able to accept and deal with the challenges and risks that the social activities may present in its opinion in the period under review (Rec. 1(c).

On 12 September 2023, the Board approved the 2023-2027 Sustainability Plan, which can be found on the website www.elengroup.com under “Sustainability” (<https://elengroup.com/it/sostenibilita>).

On 29 February, the Board of Directors, also for the purpose of expressing to shareholders the guidelines on the qualitative and quantitative composition of the new board of directors that the shareholders' meeting is called upon to elect., approved the new strategic plan of the entire Group for the three-year period 2024-2026 (Rec. 1(b).

With regard to the definition of the Issuer's corporate governance system and the Group's structure, the first act of the Board expiring with the approval of the 2026 financial statements consisted of the assignment of management powers following the appointment of the new body on 29 April. At its 15 May meeting, the Board proceeded to assess its composition as well as board committees set-up (Rec. 1(d), first part) and appointed the secretary and various positions within the scope of corporate information management, internal control, occupational health and safety, and personal data protection.

Furthermore, the Board – according to Art. 20 B of the Articles of Association - meets at least quarterly to ensure the performance of strategic policy-making and verification activities in relation to the exercise of delegated powers, also with reference to the relevant subsidiaries and, among these, those subject to management and coordination activities that include among the members of their respective boards of directors the Issuer's managing director or chairman.

The planned frequency of meetings is also aimed at ensuring that the Board operates in an informed manner and assesses

management performance on a quarterly basis, analysing the information received from the delegated bodies and the General Manager and the results achieved (Rec. 1(b)).

In the course of its meetings, the Board receives information from the delegated bodies, the general manager and other executives who are heard, and proceeds at each board meeting devoted to the approval of financial reports for the period, and, therefore at least every three months, to compare the results achieved with those planned. (Rec. 1(b)).

During the meetings, the Board is also informed, together with the Board of Statutory Auditors, on the activities carried out in the financial year of the delegated powers, on the general operating performance and outlook, as well as on the most significant economic, financial and equity transactions carried out also by subsidiaries, on those in potential conflict of interest, with related parties and those that are atypical or unusual with respect to the business operations.

Finally, the frequency of board meetings should also allow non-executive board members to get the elements necessary to assess the organizational, administrative and accounting structure of both the Issuer and the main subsidiaries, provided by the managing directors as tangible work, with particular reference to the internal control and risk management system (Rec. 1(d)).

In implementation of the positions assigned to it, the Board, through the activity implemented and coordinated by the Control and Risk Committee, the Board of Statutory Auditors, as well as the written reports submitted every six months by the internal control managers/internal auditors and the executive responsible for drafting the accounting and corporate documents, has assessed, by sector respectively in the meetings of 14 March (referring to the activity of the second half of 2023: verification of the operations and suitability of the internal control and risk management system with reference to the area of preparation of the financial statements; updating and implementation of the matrix of the areas subject to control and of the control activities carried out and/or planned; activities carried out under It. L. 262/05) of 11 September (referring to the first half of 2024: verification of the operability and suitability of the internal control and risk management system, with reference to the scope of financial statement preparation; updating of the integrated risk assessment and the matrix of the areas subject to supervision and of the control activities carried out and/or planned; activities carried out under It. L. 262/05), the adequacy of the general organisational, administrative and accounting structure of the Issuer set up by the managing directors, with particular reference to the internal control and risk management system.

In relation to the general organisational, administrative and accounting structure - prepared by the managing directors - of strategically important subsidiaries, with particular reference to the internal control and risk management system, the Board, within the scope of its activities pursuant to It. L. 262/2005, proceeded, also for the fiscal year, to review and define, in terms of risk, the limits of materiality and tolerable error as well as the scope of intervention for *compliance*, aimed at identifying companies and *processes in scope* and reviewing the *risk rating* associated with control. The procedures for companies in scope were then updated where necessary.

The companies selected as relevant for the Financial year, in addition, of course, to the Issuer, are: Deka Mela S.r.l., Cutlite Penta S.r.l., Quanta System S.p.a., Asclepion Laser Technologies GmbH, With US Co. Ltd, Penta Laser (Wuhan) Co. Ltd. and Penta-Laser (Zhejiang) Co., Ltd, Penta Laser Technology (Shandong) Co., Ltd. The company Esthelogue S.r.l. is selected as relevant only for the purpose of carrying out specific *tests* on individual, specific budget areas.

The results of the activities carried out during the year and the *tests* performed are summarised in written reports, which were, as usual, delivered and illustrated to the Control and Risk Committee and the Board of Statutory Auditors in its capacity as the Internal Control Committee at its regular meetings.

Art. 20 of the Articles of Association reserves to the Board the examination and prior approval of transactions of the Issuer and its subsidiaries, when such transactions have a significant strategic, economic, capital or financial significance for the Issuer (Rec. 1(e)) or subsidiaries, as well as on transactions in potential conflict of interest, those with related parties, and those that are atypical or unusual with respect to normal business operations. In this regard, on 15 May, the Board formalised the general criteria for the identification of significant transactions and implemented those already approved by the Board outgoing on 12 November 2021 (Rec. 1(e)).

A procedure for the management of corporate information was adopted by the Board in 2007. For further details on this, see Section 5 of the Report (Coll. 1, lett. f).

Please refer to the respective sections of the Report for further attributions to the Board regarding its composition, functioning, appointment and self-assessment (Section 7), remuneration policy (Section 8) and internal control and risk management system (Section 9).

In the course of the fiscal year, in view of its renewal, the Board proceeded to express its opinion on the size, composition, appointment and term of office of the board when providing guidance to shareholders for the renewal of the board of directors. While, during the Fiscal Year, it did not deem it necessary to draw up reasoned proposals to be submitted to the Shareholders' Meeting for the definition of a different corporate governance system (Rec. 2).

In 2021, the Board adopted a document formalising the policy of dialogue with all shareholders (Rec. 3). For further information, please refer to Section 12 of the Report.

For the information required by the ESRS standards concerning the roles and responsibilities of the administrative, management and supervisory bodies, please refer to the 2024 Consolidated Sustainability Report (section "GOV 1 - Role of the administrative, management and supervisory bodies" and section "GOV 2 - Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them" in chapter "1. GENERAL INFORMATION") published pursuant to It. Leg. D. 125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and is also available at www.elengroup.com - section '*Sustainability/Documents-Sustainability Report*'.

4.2. APPOINTMENT AND REPLACEMENT (pursuant to Art. 123-bis, paragraph 1, letter I), first part, TUF)

The appointment of Board members is by list voting and is governed by Art. 19 of the Articles of Association.

This article has been amended several times to adapt to the repeated legislative and regulatory interventions on the subject. It was first amended by the Extraordinary Shareholders' Meeting held on 15 May 2007 in accordance with Art. 147-ter paragraph 1 TUF and the Consob Regulation on Issuers, then by the one held on 28 October 2010 in compliance with Art. 147-ter paragraph 1-bis introduced by Art. 3 of It. Leg. D. 27 January 2010 no. 27, from the one held on 15 May 2012 in compliance with Art. 147-ter, paragraph 1-ter, as well as the implementing provisions of Art. 144-undecies of the Consob Regulation on Issuers, in relation to compliance with the gender balance, both in the formation of lists of candidates and in the composition of the elected body, as well as in the replacement of any members who may have ceased to hold office.

Moreover, prior to the introduction of Article 147-ter, paragraph 1-bis, of the TUF, in order to satisfy the interest of the generality of shareholders in knowing the personal and professional characteristics of the candidates with the advance notice necessary to be able to consciously exercise their right to vote, to anticipate the deadline for filing the lists with the statutory provisions (as provided for in Code 2006 6.C.1).

Finally, the Shareholders' Meeting held on 15 May 2013, in view of the changed legislation and regulations on the legitimacy of the right to submit lists of candidates following It. Leg. D. of 18 June 2012, no. 91, removed from the text of the Articles of Association the prohibition of withdrawing certifications before the meeting.

It currently reads, on the subject of appointment and composition:

“Art. 19 – Board of directors – (... omissis ...) *The following procedure is followed to appoint members of the board of directors. Shareholders intending to propose board member candidates must deposit at the headquarters at least twenty-five days before the date set for the ordinary shareholders' meeting in first call:*

a) a list containing a progressive number of candidate names for the position of director and indication of which ones hold requirements of independence pursuant to art. 147-ter, paragraph 4, It. Leg. D. of 24 February 1998, no. 58 and the Code of Self- Regulation prepared by the Corporate Governance Committee of listed companies promoted by Borsa Italiana s.p.a.;

b) together with the list shareholders must deposit: a full description of the professional profile of candidates presented, providing adequate motives for the proposal;

a curriculum vitae for each candidate which also includes the appointments as members of the board of directors or supervisory bodies held in other companies. And a declaration in which each candidate accepts the candidacy and states, under his/her responsibility, that there are no causes for ineligibility and incompatibility and that he/she holds the requirements prescribed by laws applicable and by the articles of association for the respective positions.

The creation of lists containing no less than three candidates must comply with regulations on gender balance.

The lists must provide identification of shareholders, or the name of the shareholder, presenting the list with full indication of personal details and the capital percentage owned singly and as a whole.

Each shareholder may present or take part in presenting just one list and each candidate may be presented in just one list, penalty the person's ineligibility. Shareholders adhering to a same shareholders' agreement may present just one list.

Shareholders with the right to present lists are those who alone or together with other shareholders represent that share of share capital established by art. 147-ter of It. Leg. D. of 24 February 1998, no. 58, or the share, even higher, established by the Consob with regulations considering the capitalisation, free float and ownership structure of listed companies.

Ownership of the minimum share needed to present lists is decided considering shares registered to shareholders on the day on which the lists are deposited with the company. However, the relative certification must be produced at least twenty one days before the date set for the ordinary shareholders' meeting in first call.

Board members are appointed by the shareholders' meeting based on the lists presented by shareholders in which candidates are listed progressively.

Each shareholder with right of vote may vote just one list.

Board members are extracted from the list obtaining the highest number of votes; in any case a percentage of votes that is at least equal to half what is needed to present them.

At least one board member must always be taken from the minority shareholders' list obtaining the highest number of votes.

In a list votes draw, the entire shareholders' meeting will vote again and the list obtaining the simple majority will be elected.

If no list should be presented within the terms indicated, the shareholders' meeting resolves with the relative majority of shareholders present at the meeting.

If just one list is presented, all board members will be elected from that list.

If no minority shareholders' list should receive votes, the board will be integrated by a majority resolution of shareholders present at the meeting.

Candidates elected must include, pursuant to law, an adequate number of board members holding the independence

requirements established for statutory auditors by art. 148, paragraph 3, of It. Leg. D. of 24 February 1998, no. 58 and the Code of Self-Regulation prepared by the Corporate Governance Committee of listed companies promoted by Borsa Italiana s.p.a.. The director who should lose those independence requirements after appointment must notify the board of directors immediately and, in any case, forfeits office.

In any case, the composition of the body elected must be able to guarantee representation of a gender balance pursuant to art. 147-ter, paragraph 1-ter, of It. Leg. D. of 24 February 1998, no. 58.

The members of the Board of Directors remain in office for 3 (three) financial years or for the shorter period decided each time by the Shareholders' meeting, in compliance with art. 2383, paragraph 2 of the It. c.c. and may be re-elected. If one or more board members should resign or fall from office during the financial year, the others shall replace that person in compliance with art. 2386 of the It. c.c.

When one or more board members fall from office for any reason whatsoever, new members shall be appointed in compliance with gender balance regulations in force. (... omissis...)"

The Articles of Association currently do not provide for the possibility of the outgoing Board to submit a list.

Consob, by decision of 31 January 2024 no. 92, set the required shareholding for the submission of candidate lists for the election of the management and control bodies for the 2024 Shareholders' Meeting at 2.5%.

In a decision dated 28 January 2025, no. 123, confirmed this share at 2.5% for the 2025 Meeting season.

On the occasion of the publication of the notice of call relating to the Shareholders' Meeting called to elect the board of directors, the Issuer makes express mention in the full text of what CONSOB recommended in its communication no. DEM/9017893 of 26-2-2009 concerning the need for those who intended to submit a list of candidates for the office of so-called minority board members to file together with the list a declaration attesting to the absence of any relationship of connection, even indirect, pursuant to Art. 147-ter, paragraph 3, TUF and Art. 144-*quinquies* of the Consob Regulation on Issuers, with the shareholders who hold, also jointly, a controlling interest or a relative majority, where identifiable on the basis of significant equity investments notifications pursuant to Art. 120 of the TUF or the publication of shareholders' agreements pursuant to Art. 122 of the same TUF.

In addition to the express provisions of the TUF and its implementing legislation in force and Art. 19 of the Articles of Association, the Issuer is not subject to further special rules regarding the composition of the Board, in particular with reference to the representation of minority shareholders and/or the number and characteristics of independent administrators.

The role of the Board and the board committees in the processes of self-assessment, appointment and turnover of administrators are explained in Section 7 of the Report.

4.3. COMPOSITION (pursuant to Art. 123-bis paragraph 2(d) and d-bis) TUF

The Board is composed of seven members: three executive and four non-executive administrators, all of whom have professionalism and skills commensurate with the tasks entrusted to them (Principle V).

The number and competences of the non-executive ones are such as to ensure that they have significant weight in the taking of board resolutions and to guarantee effective monitoring of management; a significant component (three) of the non-executive administrators (four) is independent (Principle VI).

Current composition

The current Board is composed as follows:

Qualification	Name	Genre	Year of birth	Role	Year of first election since listing
Chairman and Managing Director	Gabriele Clementi	M	1951	Executive	2000
Managing Director	Andrea Cangoli	M	1965	Executive	2000
Director	Roberta Pecci	F	1972	Non-Executive	2024
Director	Alberto Pecci	M	1943	Non-Executive	2002
Director	Fabia Romagnoli	F	1963	Independent non-executive pursuant to Article 147-ter TUF and Art. 2 of the Code	2015
Director	Giovanna D'Esposito	F	1969	Independent non-executive pursuant to Article 147-ter TUF and Art. 2 of the Code	2024
Director	Michele Legnaioli	M	1964	Independent non-executive pursuant to Article 147-ter TUF and Art. 2 of the Code	2000

The number of members was set at seven by the Shareholders' meeting of 29 April 2024, which elected the current Board.

It expires with the approval of the financial statements for the financial year ending 31 December 2026.

Following its own resolution adopted on 29 April after the completion of the Board work, the Board is composed of executive and non-executive board members divided into three committees to carry out consulting and proposal-making functions in support of the Board - responsible, respectively, for control and risk management, transactions with related parties and sustainability; for remuneration; for appointments.

The Board was elected by drawing its members from the only two lists submitted.

The lists were deposited at the company's headquarters no later than the twenty-fifth day prior to the date set for the first call of the Shareholders' Meeting.

List no. 1 was filed by shareholder Andrea Cangoli, owner, at the time of filing, of a total no. 11,804,752 shares representing 14.774% of the underwritten and deposited share capital as at 31 March 2024.

List no. 1 contained the following seven candidates:

- 1) Gabriele Clementi born in Incisa Valdarno (FI) on 8 July 1951, residing in Florence, Via Bardelli 27, tax code CLMGRL51L08E296Z, Italian citizen - candidate for Chairman of the Board of Directors;
- 2) Andrea Cangoli, born in Florence on 30 December 1965, residing in Florence, Via delle Campora 17, tax code CNGNDR65T30D612C, Italian citizen - candidate for board member;
- 3) Fabia Romagnoli, born in Prato on 14 July 1963, residing in Prato, Via del Colle, 17, tax code RMGFBA63L54G999D,

Italian citizen - candidate for independent board member;

4) Michele Legnaioli, born in Florence on 19 December 1964, residing in Impruneta (FI), Via Quintole per le Rose 43, tax code LGNMHL64T19D612T, Italian citizen - candidate for independent board member;

5) Alberto Pecci, born in Pistoia on 18 September 1943, residing in Florence, Via delle Campora, 7/e, tax code PCCLRT43P18G713K, Italian citizen - candidate for board member;

6) Roberta Pecci, born in Florence on 14 February 1972, residing in Florence, Corso Italia, 24 - tax code PCCRRT72B54D612H, Italian citizen - candidate for board member;

7) Daniela Toccafondi, born in Prato on 18 July 1962, residing in Prato, Via San Giusto, 8/T, tax code TCCDNL63L58G999B, Italian citizen - candidate for independent board member;

From that list no. 1, which received the favourable vote of 70.317626 % of the capital present at the Shareholders' Meeting, i.e. 55.269391 % of the share capital, the chairman Gabriele Clementi and the following five additional board members were drawn: Andrea Cangioli, Alberto Pecci, Roberta Pecci, Fabia Romagnoli, Michele Legnaioli.

List no. 2 was submitted by the following group of shareholders: Algebris UCITS Funds plc - Algebris Core Italy Fund; Anima Sgr S.P.A. fund manager Anima Iniziativa Italia; Arca Fondi Sgr S.P.A. fund manager: Fondo Arca Economia Reale Equity Italia, Fondo Arca Economia Reale Bilanciato Italia 30, Fondo Arca Azioni Italia; BancoPosta Fondi S.p.A. SGR manager of the fund Bancoposta Rinascimento; Eurizon Capital S.A. manager of the fund Eurizon Fund, sub-funds: *Italian Equity Opportunities*, *Equity Italy Smart Volatility*; Eurizon Capital SGR S.p.A fund manager: Eurizon Pir Italia Azioni, Eurizon Azioni Pmi Italia, Eurizon Pir Italia 30, Eurizon Progetto Italia 70, Eurizon Progetto Italia 20, Eurizon Progetto Italia 40; Fideuram *Asset Management Ireland* fund manager Fonditalia *Equity Italy*; Fideuram Intesa Sanpaolo *Private Banking Asset Management* Sgr S.P.A. fund manager: Fideuram Italia, Piano Bilanciato Italia 50, Piano Bilanciato Italia 30, Piano Azioni Italia; *Interfund* Sicav - *Interfund Equity Italy*; *Kairos Partners* Sgr S.p.A. as *Management Company* of *Kairos International* Sicav - *Comparti Italia* and *Made in Italy*, as well as *Alternative Investment Fund Manager* of *Kairos Alternative Investments* S.A. Sicav - *Renaissance Eltif*; Mediobanca SGR S.p.A. manager of the fund Mediobanca *Mid & Small Cap* Italy; Mediolanum Gestione Fondi Sgr S.P.A. fund manager: Mediolanum Flessibile Futuro Italia and Mediolanum Flessibile Sviluppo Italia; Mediolanum *International Funds Limited - Challenge Funds - Challenge Italian Equity*, representing in total no. 3,637,033 shares equal to 4.37854% of the share capital.

List no. 2 contained the following 2 candidates:

1) Giovanna D'Esposito, born in Vico Equense, on 22/10/1969, tax code DSPGNN69R62L845B, residing in S.Agnello, Via Maiano 26;

2) Stefano Cleto Belletti, born in Milan, Italy, on 27.09.1967, tax code BLLSFN67P27F205W, residing in Milan, via Rosellini, no. 5.

Out of that list no. 2, which received the favourable vote of 29.572097% of the Shareholders' Meeting's capital, equal to 23.243558% of the share capital, independent board member Giovanna D'Esposito was drawn.

The Board was set up, in accordance with Art. 147-ter TUF and Art. 19 of the Articles of Association, by drawing, from the seven members determined by the Shareholders' Meeting, the first six board members from list no. 1 and one board member, the first, from list no. 2. Furthermore, it was set up by respecting the gender balance.

The shareholders who filed the lists did not declare any connection between them.

The profiles of the Board members are summarised below:

GABRIELE CLEMENTI – Chairman and managing director - born in Incisa Valdarno (Florence) on 8 July 1951. He graduated in Electronic Engineering from the University of Florence in 1976, with which he collaborated until 1981, while working on setting up, together with Ms Bazzocchi, a biomedical equipment application testing centre. In 1981, together with Ms Barbara Bazzocchi, he founded the Issuer in the form of a general partnership. Since then, he has devoted himself full-time to the running and management of the Issuer and the group within which he holds various corporate positions. Since 1989, when the Issuer was converted into a limited liability company, he has been chairman of the board of directors.

In 2017, he was made a Knight of Labour.

Since 2000, he has also been a managing director and director of several group companies.

ANDREA CANGIOLI – managing director - born in Florence on 30 December 1965. He graduated from the Milan Polytechnic in 1991 with a degree in Industrial Technology Engineering with an Economic-Organisational focus. Since 1992 he has been a member of the Board of Directors of El.En. s.r.l. and since 1996 Managing Director of the Issuer and Chairman or board member of several group companies.

ALBERTO PECCI - non-executive director - born in Pistoia on 18 September 1943. Graduated in Political Science, after a short work experience at B.N.L. U.S.A. he dedicated himself to Lanificio Pecci, of which he is Chairman, as well as to the other companies of the textile group that belong to it. Knight of Labour since 1992, he was first Deputy Chairman (1988-1993) then Chairman (1993-2002) of La Fondiaria Assicurazioni; he has served on the boards of Mediobanca s.p.a. (as non-executive vice-chairman), Assicurazioni Generali, Banca Intesa and Alleanza Assicurazioni. Non-executive director of the Issuer since 2002.

FABIA ROMAGNOLI - independent director - born in Prato on 14 July 1963. Graduated in Pharmacy, she has gained numerous professional experiences, including, from 2006 to 2012, membership of the Training Commission of the Unione Industriale Pratese (Confindustria), for 2012 and 2013 the delegation of the Unione Industriale Pratese to internationalisation, since 2013 the presidency of the Fondazione Cassa di Risparmio di Prato, since 2021 she has been vice-chairman of Confindustria Toscana Nord with delegation to sustainability. Non-executive and independent director of the Issuer since 2015.

ROBERTA PECCI - non-executive board member - born in Florence on 14 February 1972. With a degree in Electronic Engineering, she has gained numerous professional experiences in the management of notable companies manufacturing fine yarns, in addition to being a member of boards of directors of listed companies, also as an independent director. Since 2018, she has been a member of the general board of Confindustria Toscana Nord and, since 2019, a member of the board of directors of the Polimoda international school in Florence. Non-executive director of the Issuer since 2024.

GIOVANNA D'ESPOSITO - independent director - born in Vico Equense on 22 October 1969. A graduate in Mechanical Engineering, she has gained numerous professional experiences in technology sectors as a Senior Executive and board member specialised in scaling and managing B2C technology platforms in complex regulatory environments and has gained experience in listed companies, private equity backed, scaleups and startups. Until 2022, she was General Manager for Southern Europe at Uber. He is an independent member on two boards. Non-executive and independent director of the Issuer since 2024.

MICHELE LEGNAIOLI – independent director - born in Florence on 19 December 1964. He has gained numerous professional experiences, among others, as chairman of Fiorentinagas s.p.a. and Fiorentinagas Clienti s.p.a., of the Young Industrialists Group of Florence, national vice-chairman of the Young Entrepreneurs of Confindustria, since May 2003 member of the Confindustria Council, and then, from 28 April 2004 until 2010 chairman of the company Aeroporto di Firenze s.p.a., listed on the Italian Stock Exchange. Non-executive and independent director of the Issuer since 2000.

Diversity Criteria and Policies in Board Composition and Company Organisation

By resolution of 14 November 2017, the Board approved, upon the proposal of the Appointments Committee, formulated following the meeting held on 10 November 2017, which concluded a process that had begun at the beginning of the 2017 financial year, the formalisation of the *Policies applied with regard to the composition of the bodies of El.En. s.p.a.* (hereinafter the “Composition and Diversity Policy”) pursuant to art. 123-bis, paragraph 2, letter d-bis, TUF.

By resolution of the Board of Directors of 5 March 2021 in view of the publication on the same date of the guidelines for the election of the new Board of Directors by the 2021 Shareholders' Meeting, the number of board members was increased to seven upon proposal of the Appointments Committee. This resulted in the amendment that was made to the Composition and Diversity Policy in order to take into account the assessments made in relation to the numerical size of the Board and the changes made to Art. 147-ter T.U.F. by Art. 58-sexies, pars. 1 of It. L. D. no. 124 of 26.10.2019, converted with amendments by It. L. no. 157 of 19.12.2019 and then by Art. 1, paragraph 302 of Law no. 160 of 27.12.2019 in the text republished in Official Gazette no. 13 of 17.1.2020 and the provisions of paragraph 304 of Art. 1 of Law no. 160 of 27.12.2019 in the text republished in Official Gazette no. 13 of 17.1.2020 in relation to the increase from one-fifth to two-fifths of the required proportion of the least represented gender in management and control bodies. With the Board resolution of 29 February 2024 in view of the publication, on 1 March, of the guidelines for the election of the new Board of Directors by the 2024 Shareholders' Meeting, it was decided, upon proposal of the Appointments Committee, to maintain the number of board members at seven and to make some additions to the Composition and Diversity Policy, emphasising from a qualitative point of view, the need for specific skills in the field of ESG corporate sustainability and social responsibility, attitudes and qualities that, in addition to independence of thought and moral integrity combined with common sense and good judgment, collaborativeness and balance, reveal the ability to integrate sustainability issues into the *business* vision.

In addition to compliance with the law and the various applicable secondary regulations, the objectives pursued by the Issuer in defining the Composition and Diversity Policy are to:

- a) ensure the effective management of the Issuer and the Group;
- b) create value for shareholders in the medium to long term;

c) make the Issuer's and the Group's activity sustainable in the medium to long term in respect of *stakeholders*.

Board

In relation to the Board, the Composition and Diversity Policy, in addition to the provisions, in quantitative terms, set forth in Art. 19 of the Articles of Association - and reported in paragraph 4.2. above - and the indication that the current numerical size of the Board (7 members) ensures both dialectic and efficient deliberative capacity, in qualitative terms, it wishes to have the following people within it:

1) fully aware of the duties and responsibilities inherent in the office and of the powers and obligations inherent in the roles each of them is called upon to perform;

2) endowed with diversified skills and professionalism, appropriate to the role to be covered, also in any internal Board committees, and calibrated in relation to the Issuer's transactions and size, taking into account, in this regard, both the theoretical knowledge acquired during the relevant training course and the practical experience gained.

It is considered a sufficient indicator of the professionalism required to sit on the Board, that they have a good knowledge and experience preferably in at least two of the following areas:

- *experience in business management and corporate organisation*: acquired through many years of activity in administration, management or control in companies or groups of size, structure and geolocation similar to those making up the Group;

- *ability to read and interpret financial statements prepared and drawn up in accordance with the regulations applicable to the Issuer and the Group*: acquired through many years of experience in management and control in listed or large companies, professional experience or university teaching;

- *expertise in the corporate field* (internal control, *compliance*, legal, corporate, etc.): acquired through *auditing* or management control experience within listed or large companies, professional activities or university teaching;

- *knowledge of the Group's foreign target markets*: acquired through the performance of business or professional activities over several years in companies or groups with an international vocation and a similar sector to that of the Group;

- *knowledge of market mechanisms in the sector in which the Group operates*: acquired through business or professional activities over several years in companies in the Group's technology sector;

- *technical knowledge in the Group's field of operation*: acquired through many years of activity at companies in the same technological sector as El.En. s.p.a..

- *specific expertise in the field of ESG sustainability and corporate responsibility*: acquired through work activities within listed or large companies, professional and institutional activities or university teaching

The Board recommends that all of the aforementioned areas of expertise be represented on the administrative body, as the coexistence of diverse skills and experience is believed to ensure the complementarity of professional profiles and thus promotes the efficient functioning of the Board.

In particular, it is believed that the diversification of skills ensures that each of the members, both within the committees in which they participate and in the collective decisions, can effectively contribute to analysing the various themes and issues from different perspectives with a view to contributing to dialogue inside the Board, an essential tool for pursuing suitable strategies and ensuring effective governance of the Issuer and the Group.

As for the board members who qualify as independent pursuant to Art. 147-ter, paragraph 4, TUF and Art. 2 of the Code, it is advisable that at least one of them has qualified experience to chair Supervisory Bodies or Internal Control and Risk Committees of listed companies of a similar size to El.En. s.p.a. or has served on the board of directors of banking, financial or insurance institutions, so as to effectively contribute to the governance of the risks to which the Company is exposed on its path to sustainable success;

3) possessing personal characteristics consistent with the requirements of good corporate governance, thus requiring the fulfilment of a series of subjective requirements suitable to ensure the efficient functioning of the body.

In this respect, the following aptitudes and qualities are considered relevant:

- independence of thought and moral integrity combined with common sense and judgement;

- ability to embed sustainability issues into the business vision;

- ability to strike a balance with the opinions of other administrators and manage conflicts constructively;

- sharing the sustainable business strategic plan as outlined by El.En. by supporting the executive administrators in its implementation;

- aptitude to collaborate;

4) who devote time and resources commensurate with the complexity of their duties, subject to compliance with the limits on the accumulation of offices envisaged in the implementation of the regulations and the resolutions passed by the Issuer in this regard.

In this regard, see the Board's deliberations on the accumulation of offices;

5) diversified in gender – in the sense that at least two-fifths of the members must belong to the least represented gender – in order to bring to the Board a different vision and approach to the various issues and to the Issuer’s management in general.

As a matter of fact, it is believed that, regardless of legal and regulatory requirements, gender diversification, practised by El.En. s.p.a. since its establishment in 1981, ensures that the different nature and method of approaching issues that unequivocally characterise the male and female genders effectively contribute to the balanced management of the Issuer and the Group. Furthermore, the presence of different genders on the Board increases the perception of the needs of the different genders in the entire corporate organisation and facilitates the adoption of measures to pervasively promote equal treatment and opportunities throughout the Group;

6) diversified in age in order to enrich the board dynamic of the peculiarities in terms of analysis and management of the various issues in relation to the degree of experience gained and the capacity for initiative and proactiveness possessed;

7) who meet the requirements of integrity under Art. 147-*quinquies* TUF;

8) who are not in a position of incompatibility, known as *interlocking*, i.e. who are not managing directors of another listed Italian company not belonging to the Group and in which one of the managing directors of El.En. s.p.a. is an administrator.

The requirements described above must be possessed by both executive and non-executive members, who are co-participants in the decisions taken by the entire Board and called upon to perform an important dialectical and monitoring function on the choices made by the executive members.

The authoritativeness and professionalism of the non-executive members must be adequate to perform tasks that are increasingly crucial for the sound and prudent management of the Issuer and the Group: it is therefore essential that the non-executive board members also possess adequate knowledge of the *business* in which the Issuer operates, the dynamics of the market in which it operates, the regulations of listed companies and, above all, the methods of risk management and control and conflict of interest.

Finally, by virtue of the provisions of Article 147-*ter*, paragraph 4, TUF, Art. 2 of the Code and - since El.En. belongs to the STAR segment of the Italian Stock Exchange - by Art. 2.2.3 Market Regulation letter m) and Art. IA.2.10.6 of the Instructions to the Market Regulation, the Board must include among its members an adequate number of independent administrators: at least 2 up to 8 members; at least 3 from 9 to 14 members; at least 4 over 14 members.

Board of Statutory Auditors

Please refer to *sub* Section 11.2 on the composition of the Board of Statutory Auditors.

The methods of implementing the Composition and Diversity Policy described consist in expressing to the shareholders, when appointing the administrative and control bodies, guidelines consistent with this policy and in verifying, at the first meeting after the election, compliance therewith in terms of composition and then, cyclically, every three years during the self-assessment of the Board and from year to year during the assessment of the independence requirements of the Board and of the independent board members, compliance therewith in terms of functioning.

As regards checking the achievement of the objectives, the assessment is made taking into account the result, both in financial sustainability terms, of the Issuer and of the Group when assessing the achievement of the targets upon approval of the final report of the incentive remuneration due to the recipient administrators and the general manager.

With regard to measures aimed at promoting equal treatment and opportunities between genders within the entire corporate organisation and monitoring correct implementation, the Group acknowledges the need to enhance principles such as the integration of diversity and gender equality as forms of protection of the person within the workplace: these values are promoted first and foremost within the Code of Ethics adopted since 2006 and through which the Issuer and all the companies of the Group undertake to guarantee their employees equal treatment and personal enhancement.

At the end of the fiscal year, the female workforce accounted for 24%, a percentage that rose to 34% if the category of white collar workers is included; in the top management category (executives and middle managers), the role covered by the female gender increased from 18% to 22%.

As far as the qualification of blue collar worker is concerned, the predominantly productive nature of the Group's activities results in a higher incidence of male workers.

With this in mind, the El.En. Group has started a *screening* and monitoring process as of 2021 regarding (i) spontaneous applications received, (ii) interviews conducted and (iii) actual hires broken down by department and gender in order to check whether the percentage of female hires is in line with the percentage of women who have applied and been interviewed.

The data shows that in 2024, spontaneous applications received from women accounted for approximately 28% of the applications received. These were followed by 1747 interviews, 439 of which were carried out by women: this figure,

equal to 25% of the total number of interviews carried out, is in line with the applications received. The Group finalised 414 recruitments during the year, of which 86 were women (21%).

In implementation of the general principles set forth in the Code of Ethics, the Board approved a “Diversity Policy” (available on the Issuer's website: <https://elengroup.com/etica/>) on 14 November 2022 and, subsequently, updated with a resolution of 31 January 2025, with a view to taking further steps forward in the process of promoting equal treatment and opportunities, which was adopted by all subsidiaries and disseminated to all employees.

Preparatory work on the integration of the policy was carried out during the year, leading to the approval of the updated version at the beginning of the current year.

For further details, please refer to the sustainability report published on a compulsory basis pursuant to It. Leg. D. 6 September 2024, no. 125 on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

Maximum cumulation to offices held in other companies (Rec. 15)

The Board, with a resolution of 5 March 2021, also in order to provide guidance to the shareholders called to appoint the new board of directors in the Shareholders' meeting called to approve the financial statements as of 31 December 2020, partially amending what was decided in the past, established that its board members, including non-executive, may not hold roles as administrator and/or auditor in more than three companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies.

This resolution, which reduced the number of positions (from five to three) and extended the limit to non-executive board members as well, compared to the limits provided for in the past, derives from assessments carried out on the basis of the commitment connected to each role (executive, non-executive or independent director), also in relation to the nature and size of the companies in which the positions are held, whether they belong to the Group, and the challenges that the consequences of the recent events related to the Covid 19 pandemic present to all economic operators.

On the occasion of the renewal of the Board currently in office, by resolution of 29 February, also in order to provide guidance to the shareholders called upon to appoint the new administrative body, it confirmed that its board members may not hold roles as administrator and/or statutory auditor in more than three listed companies.

As far as the Issuer is concerned, as at 31 December 2024, none of the board members in office is in breach of the maximum accumulation limit.

For more details on the composition of the Board of Directors, please refer to the 2024 Consolidated Sustainability Report (section "GOV 1 - Role of the administrative, management and supervisory bodies" and section "GOV 2 - Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them" in chapter "1. GENERAL INFORMATION") published pursuant to It. Leg. D. 125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/>.

and is also available at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

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

The rules and procedures for the functioning of the Board are provided for in Art. 20 of the Articles of Association and in *Regulations of the Board of Directors of El.En. s.p.a.* ("The Board Regulations") approved by the Board at its meeting on 13 November 2020 with effect from 1 January 2021 (Rec. 11).

The composition, tasks and functioning of the board committees is governed by the respective regulations approved and adopted by the Board since 5 September 2000 (Rec. 11). For the contents of the board regulations, please refer to the respective sections of the Report.

As for the Board, Art. 20 of the Articles of Association, which is hereby referred to in its entirety and is available on the Issuer's website, regulates the role of the Chairman also in the pre-meeting information phase, the procedures for convening, constituting and holding meetings, taking minutes, delegating powers and reporting to the Shareholders' Meeting.

The Regulation of the Board, recalling the methods of convening provided for by the Articles, foresees and regulates the role of the secretary and contain the formalization of the procedure, already observed by the Issuer, for effective management of pre-board information, also when setting up committees (Principle IX). As a matter of fact, it provides (Articles

4 and 5) for the manner and timing of preparing and making available to the board members and auditors the information and supporting documentation useful for the Board or committee to make informed and conscious decisions on the matters proposed on the agenda and submitted for examination and approval. Concretely, in order to ensure the timeliness and completeness of the pre-meeting information, until 2019, all board members and members of the Board of Statutory Auditors were sent, either by *hand* or by e-mail, documentation accompanying the items proposed for discussion on the agenda of the meeting.

During 2019, at the Chairman's instigation, a system for making the necessary documentation available was implemented through a dedicated digital platform used to have an effective, timely, complete and confidential communication system that guarantees the protection of the confidentiality of the data and information provided and, at the same time, the timeliness and completeness of the information flows.

This virtual environment provides restricted access for each director and statutory auditor, and is protected by personal authentication credentials that are different for each person authorised to enter. The chosen system tracks the identity, the date and time of the document consultation activity.

The documentation, the strict confidentiality of which, in the Issuer's opinion, must be preserved, is not downloadable, but can only be viewed on screen.

In addition to board members and auditors, the secretary of the Board, the *internal auditor* and the FGIP, also a managing director, have access to the virtual environment. The latter can thus monitor the activities carried out and the documents made available.

Supporting documentation is collected, prepared and arranged by the Board Secretary, on the instructions of the Chairman and with the help of the relevant functions. The secretary ensures that the information is made available in the virtual environment as soon as it is available and, therefore, depending on the type of document: starting from the date of the meeting call and, in any case, within the third day prior to the day set for the meeting, except in cases of urgent call or exceptional cases in which the documentation is not yet available within the expected timeframe.

The Board Regulation also contains the Board's own evaluation procedure and that of the Committees, which will be discussed in detail later in the Report (Section 7).

During the fiscal year 2024, the Board of Directors of El.En. met 8 (eight) times and on the following dates:

1. 29 February
2. 14 March
3. 29 April
4. 15 May
5. 22 July
6. 11 September
7. 8 November
8. 14 November

All board members are active and participate in the work of the Board. The percentage of attendance at meetings of individuals is shown in the relevant table at the end of this report.

The average duration of meetings during the Fiscal Year was 2.4 hours (Principle XII).

During fiscal year 2025, the Board, as of the date of filing of this Report, already met on the following dates:

1. 31 January
2. 10 February
3. 13 March
4. 18 March

and scheduled the following calendar of further meetings for institutional obligations on 14 November 2024:

5. 15 May – Interim management report as at 31 March 2025
6. 10 September – Half-yearly financial report
7. 14 November – Interim management report as at 30 September 2025

The calendar is supplemented with additional dates if further board of directors meetings are required.

Meetings are conducted under the guidance and coordination of the Chairman, according to the agenda set out in the convocation, and are conducted in such a way that each item under consideration can be given the time deemed necessary by the entire Board to illustrate proposals and build an appropriate debate to which all board members can effectively contribute. In particular, the exhaustiveness and analytical nature of the expositions carried out during the board meeting by the speakers (chairman, managing director, general manager and other persons called

upon to expound by the chairman) together with the timely and adequate pre-meeting information allows all board members, even non-operative ones, to deliberate in an informed and conscious manner.

Meetings are held in the presence, subject to the remote participation of one of the executive board members and the chairman of the board of statutory auditors who reside in other regions. In such cases, a video call tool is used, which guarantees real-time discussion of issues, exchange of opinions, any actions and the opportunity to view documents, as well as the possibility of voting by board members and of formulating opinions and observations by the Board of Statutory Auditors.

4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS (Principle X – Rec. 12, 18)

In accordance with Art. 3, Principle X, the Chairman plays a liaison role between the executive and non-executive administrators and ensures the effective implementation of the board work.

Art. 20 A of the Articles of Association provides the Chairman with the power/duty to organise the work of the Board of Directors by convening and preparing the agenda as well as coordinating the Board's activities, to guide the conduct of its meetings and to ensure the timely provision of information to the Board members and the Board of Statutory Auditors for the purpose of informed, conscious and autonomous action and decision-making (Rec. 12(a)). Art. 20 A continues by attributing to the Chairman the right to request that managers of the company, of subsidiaries or affiliates, in charge of functions competent for matters being dealt with, take part in board meetings to provide suitable in-depth information on items on the agenda (Rec. 12(c)).

Specifically, the General Manager often attends Board meetings, and in any case when deemed appropriate and necessary by the Chairman, to report on major management issues. In addition, the Issuer's main legal advisor, also secretary to the Board, shall attend for the illustration of regulatory updates; the *internal auditor*; and, lastly, when appropriate for the in-depth examination and illustration of agenda items of a technical nature or when requested also by individual board members, the executive, the head of the internal office being examined as well as the professional deemed appropriate (Rec. 12(c)).

During the Financial Year, the above-mentioned persons attended the Board meetings.

As for the pre-meeting information, which has been discussed at length in Section 4.4, it is, as stipulated in the Board Regulation, carried out by the chairman with the assistance of the Board secretary. The additional information provided during board meetings is intended to be adequate and comprehensive (Rec. 12(a)). At this meeting, in addition to the exhaustive and analytical nature of the expositions carried out by the speakers mentioned in section 4.4. above, the Chairman has the custom of making the non-executive board members and the Board of Statutory Auditors participate and active on the details, even purely operational, of the corporate activities carried out, the Group's strategies and the prospects for implementation, including in the long term. The Board Regulation provides that, where applicable, given the dynamic nature of the work of the board committees, the same criteria and procedures shall be followed for reporting to the board committees.

Concerning the coordination of the activities of the board committees, the establishment of which is provided for in Art. 20 E of the Articles of Association and Art. 13 of the Regulation of the Board, with the activity of the administrative body, the Chairman does so jointly with the secretary, in accordance with the provisions in the Regulation of the Board. The secretary, therefore, organises and supports the work of the respective committees based on the obligations to be carried and the performance of the corporate business (Rec. 12, lett. b).

The Chairman, with the support of the secretary, deals with the participation of the members of the management and control bodies, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Issuer operates, of the company dynamics and their evolution also with a view to the Issuer's sustainable success, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference (Rec. 12, lett. d). In this regard, see what is described in the following paragraph on the *induction programme*.

The Chairman, with the help of the secretary and the support of the Appointments Committee, ensures the adequacy and transparency of the Board's self-assessment process (Rec. 12 lett. e). See in this regard what is said in relation to how the self-assessment process was carried out in Section 7 of the Report.

The Chairman ensures that the Board itself is informed, by the first useful meeting, of the development and significant contents of the dialogue that has taken place with all shareholders (Rec. 3). Currently, special cases are reported with respect to the normal dialogue management performed by the Investor Relations Manager and the other positions referred to in the dialogue policy.

Induction Programme (Rec. 12 lett. d)

The current executive members of the Board work on a daily basis within the Issuer: one of them, the Chairman, was a founding partner of the Company in 1981 and since then has been directly involved in the management and strategic direction of the Company and the Group; Board member Cangioli has been a member of the Board since 1992 and a Managing Director of the Company and several Group companies since 1996. The non-executive director Pecci and the independent director Legnaioli, in addition to their technical expertise in the *corporate* field, have gained more than ten years' experience in the Company through their constant participation in the board committees set up since September 2000. Independent board member Ms. Romagnoli and the non-executive board member Ms. Roberta Pecci have gained experience in management, controls and sustainability. Independent board member Ms. Giovanna D'Esposito has her own management experience.

As for the members of the Board of Statutory Auditors, all of whom have technical and regulatory training and experience, one of the standing statutory auditors has been involved in the Company's internal auditing activities since the Company's listing, and all of them have immersed themselves with dedication and commitment in the Company's reality with reference to the performance of the activities assigned to them.

As for the newly-elected Chairman of the Board of Statutory Auditors, elected for the first time by the Shareholders' Meeting of 27 April 2022, he was involved and provided with information on the sectors of activity in which the company operates, on company dynamics and their evolution also with a view to the sustainable success of the company itself, as well as on the principles of proper risk management and the regulatory and self-regulatory framework of reference. In particular, this took place through interview and illustrative sessions with the managing director also in charge of internal control and sustainability and the Inside Information Management position, the general manager, the board secretary and the control and sustainability positions.

The content of new developments in the regulatory and self-regulatory framework of the sector in which the company operates is constantly explained in and during board meetings.

In addition, on the occasion of the reports made to the Board by the board members and the positions involved in the preparation of financial reports and updates to the internal regulations upon the regulatory changes made, relevant to the Issuer (Managing director, board committees, Supervisory Body It. Leg. D. 231/2001, the Inside Information Management position, the *Data Protection Officer*), these persons proceed, with the assistance, where necessary, of the secretary of the board, a lawyer, to outline the new regulations underlying all board members' activities to them.

In particular, during the fiscal year, the *manager* in charge of sustainability - appointed on 31 January 2025 executive in charge of issuing the certification on sustainability reporting pursuant to Art. 154-*bis*, paragraph 5-ter, TUF - proceeded, on 22 July and 16 September, for the Committee members and the Board of Statutory Auditors to specific training on sustainability issues, which covered the new features introduced by the European CSRD (Corporate Sustainability Reporting Directive) regulation, the new accounting standards ESRS (European Sustainability Reporting Standards) and EU Taxonomy Regulation 852/2020. (GRI 2-17). During the training sessions, the company's projects for alignment and transposition of the new regulations were also illustrated, as well as projects for the implementation of an internal control system relating to the formation of sustainability reporting.

Secretary (Rec. 18)

The appointment and dismissal of the secretary, as well as the definition of the candidates' professional requirements are governed by Art. 9 of the Regulation of the Board which states:

“Art. 9

Board Secretary

In addition to activities relating to the taking of minutes of meetings, the 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.

He/she, in particular, assists the Chairman in carrying out activities aimed at:

- (a) that pre-meeting briefings and additional information provided during meetings are adequate to enable administrators to act in an informed manner in the performance of their duties;*
- (b) that the work of the board committees with investigative, proposing and advisory functions is coordinated with the work of the board of directors;*
- c) that, in agreement with the chief executive officer, the company managers and those of the group companies, responsible for the company functions competent according to the subject matter, attend Board meetings, also at the request of individual administrators, to provide the appropriate details on the items on the agenda;*
- d) that all members of the management and control bodies may participate, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the company operates, of the company dynamics and their evolution also with a view to the company's*

sustainable success, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference;

e) if requested by the Chairman, the adequacy and transparency of the Board's self-assessment process, with the support of the appointments committee.

He is appointed by the Board on the proposal of the Chairman from among persons with qualified competence to perform the function. To this end, legal expertise and at least five years' experience as secretary in listed companies of a similar size to the Company are required. The Board defines any further requirements, including professionalism, of candidates for the role.

The Secretary may be dismissed by resolution of the Board."

He is appointed by the Board on the proposal of the Chairman from among persons with qualified competence to perform the function. To this end, legal expertise and at least five years' experience as secretary in listed companies of a similar size to the Company are required. The Board defines any further requirements, including professionalism, of candidates for the role.

The Secretary may be dismissed by resolution of the Board."

The Board, upon proposal of the Control and Risk Committee, on 15 May confirmed lawyer Maria Federica Masotti as Secretary of the Board. The latter had already been appointed by the previous Board on 13 November 2020 and has been performing this role also for several subsidiaries of the Issuer since 22 September 2000. The Control and Risk Committee first and then the Board assessed the secretary as qualified and suitable to perform the function.

During the financial year, the Secretary convened and recorded the minutes of the Board and the Committees and took care of the preparatory work, coordinating those of the Board with the activities of the Committees.

She drew up and sent to board members and auditors the illustrative sheets relating to board meetings and made the sheets and all accompanying documentation available by depositing them in the virtual environment, ensuring that the functions called upon to report to the Board were present or produced suitable illustrative reports in good time.

She assisted the Chairman in the *induction programme*, ensuring that the non-executive board members and the Board of Statutory Auditors were made aware of the Company's and the Group's sectors of activity, the company's dynamics and their evolution, also with a view to the sustainable success of the company itself, as well as the principles of proper risk management and the company's regulatory and self-regulatory framework.

She provided, with impartial judgement, support and advice to the Board on aspects relevant to the proper functioning of the corporate governance system, dealing, during the year, with the promotion of *induction programmes* for the new Statutory Auditors; the examination of the Letter from the Chairman of the Corporate Governance Committee; the analysis of the corporate governance system; and the identification, planning and execution of continuous improvement activities for the purpose of optimizing compliance with the dictates of the Code.

She coordinated compliance activities with the sustainability position, specifically with regard to sustainability reporting for governance aspects.

She assisted FGIP in analysing and managing corporate information, *Investor Relators* in managing dialogue with *stakeholders*.

She supported the Board in activities related to the 2024 Shareholders' Meeting and the obligations concerning related party monitoring and relevant information flows.

The work of the Secretary is evaluated by the entire Board of Statutory Auditors through a questionnaire. This was the case, with a positive outcome, during the Financial Year, on the occasion of the three-yearly self-assessment carried out by the Board.

4.6. EXECUTIVE BOARD MEMBERS

Managing Directors

The Board currently in office, elected by the Shareholders' Meeting held on 29 April 2024, appointed from among its members, by resolution of the same date, two managing directors, one of whom is also chairman. By a board resolution of the same date, all powers of ordinary and extraordinary administration were delegated to them, severally between them and with sole signing authority, for the performance of all activities falling within the corporate purpose, with the exception of those powers that are prohibited from being delegated pursuant to law and the Articles of Association.

It is not possible to identify a main Company manager (Rec. 4).

The fact that powers have been granted without any limit is substantially linked to the exercise, in practice, by inveterate custom, of the powers delegated according to a model that up to now has provided for a constant commitment by the chairman and the managing director in carrying out the activity of pursuing the corporate purpose, on the one hand, each carrying out autonomously and separately only the tasks related to daily management, each according to their own skills, on the other hand, comparing and consulting each other on each transaction that has significance and relevance.

As a matter of fact, therefore, there is no concentration of corporate offices in a single person, although any one of them could potentially become one: in concrete terms, even though he/she has held the office of executive director since the date of listing in 2000, it can be affirmed that none of the two managing directors, including the chairman, has ever become or acted as the sole and principal manager of the company (chief executive officer). This circumstance was further reinforced by the appointment of the General Manager with effect from 1 January 2017, which, although it did not affect management aspects from a strategic point of view, is certainly significant in terms of the distribution of operational management powers and the implementation of the strategic direction defined by the Board.

Finally, the Articles explicitly state, when defining the powers reserved for the board by art. 20 E, the power-duty to proceed, when delegating powers to board members, to adopt measures aimed at, in practice, avoiding excessive concentration of power and responsibility for managing the company.

Chairman of the Board of Directors

By virtue of all circumstances outlined above, the Chairman is not the main person responsible for the management of the Issuer, even though he/she is the holder of significant management powers, like the other managing director. He is not a controlling shareholder of the Issuer.

Information to the Board by the managing directors

The delegated bodies report to the Board on the activities performed in the financial year of the powers delegated to them at regular intervals:

- at least quarterly;
- in the event of significant transactions also relating to subsidiaries, those with related parties or, if any, in conflict of interest by calling a specific board meeting.

During the financial year, the delegated bodies reported to the Board at less than quarterly intervals due to the frequency of the Board meetings actually held in addition to those scheduled for the approval of financial data.

Other executive board members

There are currently no other board members on the Board who qualify as executives within the meaning of the Code's definitions.

None of the other executive board members hold positions in the Company or the Group.

For further information, please refer to the Consolidated Sustainability Report 2024 (section "GOV 1 - Role of the administrative, management and supervisory bodies" and section "GOV 2 - Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them" within chapter "1. GENERAL INFORMATION") published pursuant to It. Leg. D. 125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and is also available at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

4.7. INDEPENDENT ADMINISTRATORS AND LEAD INDEPENDENT DIRECTOR (Principle VI; Rec. 5, 6, 7, 13, 14)

The Issuer contemplates, within its Board, that is currently made up of seven members, three non-executive administrators who qualify as independent pursuant to both Art. 148(3), TUF, referred to in Art. 147-ter, paragraph 4, TUF, both pursuant to Art. 2 of the Code.

The Chairman of the Board does not qualify as an independent member.

The election of board members Fabia Romagnoli, Giovanna D'Esposito and Michele Legnaioli provided the Board with independent administrators in accordance with Art. 19 of the Articles of Association in accordance with Art. 147-ter, paragraph 4 of (It.) Legislative Decree 58/98 and art. 2 of the Code.

At its self-assessment meeting on 15 May following the election of the new body, the Board assessed the conformity of the number and competences of the board members, including independent ones, with the guidelines expressed and published by the Board itself on 1 March 2024 at the proposal of the Appointments Committee (Rec. 5).

As to their number, they comply with the requirements of Art. 147-ter, paragraph 4, TUF, Art. 2, Rec. 5 of the Code and Art. 2.2.3, paragraph 3, letter m), of the Stock Exchange Regulations (letter m), paragraph 3 and the related Instructions (Article IA.2.10.6) applicable to the Company as an issuer of Star-qualified shares.

With regard to competences, the guidelines expressed by the Board require that in relation to board members who qualify as independent pursuant to Art. 147-ter, paragraph 4, of It. Leg. D. of 24 February 1998, no. 58 ("TUF") and Art. 2 of the Code, it is advisable that at least one of them has qualified experience to chair Supervisory Bodies or Internal Control and Risk Committees of listed companies of a similar size to El.En. s.p.a. or has served on the board of directors of banking,

financial or insurance institutions, so as to effectively contribute to the governance of the risks to which the Company is exposed on its path to sustainable success.

This requirement, taking into account the board members' *CVs*, was also assessed as fulfilled.

The number and competences of independent board members ensure an effective and Code-compliant constitution of the board committees.

At its meeting of 29 February, the outgoing Board, when drafting the guidelines to be published with a view to the renewal of the Board of Directors, defined the quantitative and qualitative criteria for assessing the significance of the relevant circumstances pursuant to Rec. 7 lett. c) and lett. d) of the Code for the purposes of assessing the independence of administrators. In this regard, it stipulated the following:

1) with regard to Recommendation 7 lett. c) of the Code, that a commercial, financial or professional relationship is significant to the extent that it is so pursuant to and for the purposes of the provisions of the *Regulation of El.En. s.p.a. for related party transactions*;

2) with regard to Recommendation 7 lett. d) of the Code, that additional remuneration over and above the fixed remuneration for the office and the remuneration for participation in the committees recommended by the Code or provided for by the regulations in force is significant if it exceeds 30% of the total remuneration received for the office.

These criteria were, it was said, published in the shareholder guidance issued on 1 March 2024 (Rec. 10).

At its meeting on 15 May, immediately after its appointment, the Board confirmed the quantitative and qualitative criteria defined by the outgoing Board - published in the aforementioned guidelines.

At the same meeting, the Board then assessed the existence of the independence requirements for each of the non-executive board members qualifying as independent (Recommendation 6) considering all the information available (in particular, that provided by the administrators being assessed), evaluating all the circumstances that could have compromised their independence as identified by the TUF and the Code (Rec. 6) and applied (among others) all the criteria laid down in the Code with regard to the independence of administrators (Rec. 7).

Specifically, the Board assessed the statement made by the board members upon their appointment - confirmed in the meeting of May 15 - certifying the absence of all circumstances referred to in Rec. 7, with the exception of director Legnaioli, the requirement set out in lett. e) with reference to the duration of the office.

The shareholder who submitted the list containing the name of Michele Legnaioli and, subsequently, the shareholders who voted in favour of the appointment of the three independent administrators, considered that the fact that Mr. Legnaioli had held the position of independent director of the company for more than twenty years did not in itself constitute a relationship that would exclude his eligibility to be qualified as an independent director, given the absence of any other relationship or relationship among those listed in Art. 148, paragraph 3, of It. Leg. D. 58/98 cited above and in Art. 2, Rec. 7 of the Code and in view of his recognised ethical qualities and professional skills as well as his continued independence of judgement and assessment.

Each non-executive director provided all elements necessary or useful for the Board's assessments (Rec. 6).

All board members have undertaken upon accepting their appointment to maintain all declared independence requirements throughout their term of office and to resign should they cease to meet them.

The outgoing Board had assessed the existence of the requirements for independent board members at the 14 March meeting.

For the Year, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the outgoing Board to evaluate the independence of its members, expressing a favourable opinion at the Board meeting of 14 March and acknowledging it in the report to the Shareholders' Meeting (see paragraph 7 of the Report of the Board of Statutory Auditors attached sub. C to the minutes of 29 April).

The independent board members, under the leadership of the *lead independent director*, met in a separate meeting during the course of the fiscal year on 14 November to discuss the subject of specific information on the company's research and development activities.

Lead Independent Director (Rec. 13)

On 15 May, the Company appointed board member Fabia Romagnoli as lead independent director.

In this regard, the Board, without prejudice to the considerations made in the section on the chairman of the board of directors in Section 4.6. of the Report, nevertheless decided to proceed with the appointment of such a guarantor.

The *lead independent director* was entrusted with the task set out in Rec. 14:

- a) to represent a point of reference and coordination of the requests and contributions of non-executive administrators, and, in particular, of independent directors;
- b) to coordinate the meetings of the independent administrators only.

During the fiscal year, she performed these tasks by convening the above-mentioned meeting on 14 November, in order to proceed with the first discussions with the new board member at the independent-only meeting, and by continuing to act as an impetus with regard to the aspects related to the in-depth examination of the Group's research and development issues within the board.

5.0. MANAGEMENT OF CORPORATE INFORMATION (Rec. 1 lett. f)

Since 2007, the Issuer's Board, by resolution of 30 March, adopted a procedure called "*Regulation for the handling of El.En. s.p.a. corporate information*" ("the Regulation") by which it implemented the internal practice of handling and disseminating documents and information concerning the company with particular reference to inside information. The aim was to codify the smooth, yet secure and confidential internal management of information and knowledge of specific relevance for the social and corporate activity and functional to its performance. Furthermore, to the extent necessary for the prevention of abusive conduct and the fulfilment of legal obligations applicable to listed companies, this Regulation intended, and intends in its current form, to regulate the proper disclosure of that confidential information that may be defined as being of interest to the stock market.

This document also lays down the rules for the establishment and maintenance of a register of persons with access to inside information.

In accordance with the provisions of the Regulation, corporate information is managed by the Issuer in such a way as to ensure the controlled circulation of confidential information and the treatment and dissemination, in compliance with the regulations in force, of that confidential information that may significantly influence the price of the financial instruments issued.

The processing and dissemination of corporate information shall be carried out in a controlled manner in order, on the one hand, to prevent the dissemination of information that may prejudice the legitimate interests of the Issuer and its shareholders and, on the other hand, to ensure proper, timely and equal disclosure to the market of information that is capable, pursuant to Art. 7 Reg. EU 596/2014, to have a significant effect on the price of the financial instruments issued by the Company.

Therefore, non-public information of a precise nature, which could, if made public, have a significant effect on the price of financial instruments, is treated and disclosed in accordance with Art. 17 Reg. EU 596/2014 and Art. 114 TUF, so as to ensure symmetry of timely and, therefore, complete information.

In particular, all information concerning El.En. is carefully assessed by the top management position appointed by the Board and designated for that purpose (FGIP), that has the following tasks:

- a) supplement, where necessary, the procedural details of the Regulation;
- b) issue instructions to the corporate positions identified as Organisational Functions Responsible for Privileged Information ("FOCIP") in accordance with the following provisions for the correct application of the Regulation;
- c) analyse corporate information flows and map information flows concerning Inside Information;
- d) identifies inside information from time to time by virtue of the criteria laid down in the law and the Regulation;
- e) identify the Organisational Functions Responsible for Inside Information from among the corporate positions that are best suited to assess whether a specific piece of information falling within the flow of confidential information, as defined by the Regulation, can be considered to be Inside Information;
- f) in the case of persons not already entered in the register of permanently informed persons, establish and update a special section of the register containing the specific confidential information indicating the persons who have access to such information on a temporary basis and make arrangements for the proper handling of the persons who have access to such information;
- e) monitor the circulation of the specific inside information identified, give the relevant indications and instructions from time to time deemed appropriate to the persons involved in the processing thereof;
- f) in accordance with the provisions of the Regulation, identify the moment when the specific confidential information becomes inside information and decide on the timing of the publication of the inside information, monitoring, if necessary, the existence of the conditions permitting a delay in its publication;
- g) make arrangements for the proper management of the register of informed persons;
- h) monitor the circulation of inside information;
- i) offer employees, and in particular FOCIP, technical support to facilitate the identification of the nature of the corporate information processed and to clarify critical issues related to the current situation;
- l) avail itself, in particular for the performance of the tasks referred to in point f) above, of the cooperation of the *Investor Relator* and the FOCIPs concerned in the management of the relevant confidential or inside information;
- m) report to the Board, where necessary and at least once a year, on the activities carried out with regard to the processing of confidential information.

In addition to the above, the Regulation sets out the criteria for the identification of inside information and the prerequisites and procedures for the handling of cases in which the Issuer may, or must, delay the disclosure of information and the measures to be taken against those responsible for breaches or violations of the Regulation.

The Regulation was updated in 2017 in order to align it, insofar as compatible with the size and organisation of the Issuer, with the regulations set forth in Reg. 596/2014 and the Guidelines for the Management of Inside Information issued by Consob, and the annexes are also updated, if necessary, in order to bring them into line with the regulatory changes.

Furthermore, it was mentioned, in accordance with the original provisions of the then current Art. 2.6.3 and 2.6.4 of the Regulation of the Markets Organised and Managed by Borsa Italiana s.p.a. since 2003, the Issuer had adopted an internal code of conduct on *internal dealing*.

In 2006, following the entry into force of the amendments introduced to the TUF by the Law on Savings and the regulations issued by Consob to implement them, the disclosure obligations of transactions carried out by relevant persons envisaged in the aforementioned code of conduct became mandatory by law, and the threshold of transactions to be disclosed had been reduced to EUR 5,000.00: it was therefore necessary to adopt a new text of internal regulations reflecting the legislator's intervention.

Since 2006, and then following several resolutions of the Board, El.En., in compliance with what had already been recommended by the Italian Stock Exchange, had provided in the new code of conduct renamed “Code of Conduct for Transactions Performed on Financial Instruments of El.En. s.p.a. by Relevant Persons” the imposition, on relevant individuals and persons closely related to them, as defined in Art. 152-*sexies* Consob Regulation 11971/1999, of *blackout period*, - then lasting 15 days - on the occasion of the Board's approval of the draft annual financial statements and interim reports.

Subsequently following the entry into force of Reg. EU 596/2014, the code of conduct was brought into line with the new rules, among other things, also in relation to the amendments to Title VII, Chapter II of the Regulation on Issuers, made by Consob with resolution 19925 of 22 March 2017. As a matter of fact, with this resolution, it made use of the option provided for in Art. 19, para. 9, Reg. E.U. 596/2014 to raise the threshold above which reporting obligations are triggered to EUR 20,000.00 per year.

In addition, again by virtue of the entry into force of European Regulation 596/2014 which has, inter alia, introduced at primary level the prohibition for persons exercising administrative, control or management functions to carry out transactions on their own behalf or on behalf of third parties, directly or indirectly, relating to the Issuer's financial instruments during the 30 calendar days preceding the announcement of an interim financial report or a year-end report that the Issuer is required to make public (so-called “*closing periods*”) (see Article 19(11) MAR), the Issuer in 2019, by proceeding to the publication of such quarterly financial reports, has specified that this prohibition also applies to the publication of such reports.

Finally, it is envisaged that the Board, on the occasion of extraordinary transactions, may impose additional *ad personam* time limits on the trading of the company's securities or, in exceptional and justified cases, grant exceptions to the *blackout periods*.

6.0 BOARD INTERNAL COMMITTEES (pursuant to art. 123-bis, paragraph 2(d), TUF) – Art. 3 (Principle XI, Rec. 11, 16, 17)

Since 2000, the Board has formed three committees from among its members, each with different tasks (Rec. 16) with investigative, propositional and advisory functions (Rec. 11):

- a) *committee for appointments to the office of director* (“Appointments Committee”);
- b) *committee for remuneration* (“Remuneration Committee”)
- c) *control and risk committee for transactions with related parties and for sustainability* (“Control and Risk Committee”).

The competence of the Board to establish board committees is provided for by Art. 20 E of the Articles of Association and Art. 13 of the Board Regulations.

Each committee is governed by its own regulation, approved in 2000 and revised as necessary, which defines its tasks, determines its composition and regulates its operation, including the manner in which minutes are taken (Rec. 11).

The regulations are approved (and amended) by the Board and provide for the composition of each committee (Rec. 17) and operation:

- that it consists of at least three non-executive members, the majority of whom must be independent; if the board of directors has five or fewer members, the committee may consist of only two board members, provided that both are independent;
- that it remains in office for the period determined from time to time by the Board or, in the absence of express determination, for the entire term of office of the Board that appointed it;
- which elects from among its members a chairperson who is responsible for coordinating and planning the committee's activities, chairing and directing the conduct of its meetings;
- to be convened (by registered letter, also by hand, and/or fax and/or e-mail to be sent to each of the participants with 5 days' notice – reduced to 2 in case of urgency) at the headquarters (or any other place indicated by the chairperson, provided it is in Italy) by the chairperson or on his/her own initiative or following a written request by even a single member. It may validly deliberate, even in the absence of a formal convocation, if all its members are present;
- that in the absence or impediment of the chairperson, meetings are chaired by the oldest member;
- that meetings may be held by video or tele-conference;
- that the chairperson may invite any person who is not a member of the committee but useful to the work on the agenda to participate in the meetings, without voting rights;
- that resolutions are validly passed with the favourable vote of the majority of its members. In the event of a tie, the vote of the person presiding shall prevail;
- that the committee meetings are recorded in minutes, which are transcribed in a special book kept at the headquarters and signed by the chairperson and secretary;
- that the committee reports promptly to the Board on all its activities;
- that in the performance of its tasks and functions, the committee has the right to access the corporate information and functions necessary for the performance of the same, as well as to avail itself of external consultants and to dispose of any financial resources made available by the Issuer in an adequate amount for the performance of the tasks entrusted to it.

Concerning the procedures for handling the disclosure for to the members of the board committees, Art. 12 of the Board regulation provides that, with regard to both the time limits for prior submission and the arrangements for the protection of confidentiality, those provided for in Articles 4 and 5 of the Board Regulation (see section 4.4. of the Report) are applied.

The deadlines and procedures for the handling of disclosures were met during the financial year.

The current committee members were elected on 15 May by the new Board, and the Code conditions for their composition were met.

None of the functions of the committee members recommended by the Code were reserved for the entire Board, under the coordination of the chairperson (Rec. 16).

The Board, taking into account its numerical size, has determined the composition of the committee members by favouring the competence and experience of their members (Rec. 17).

Additional committee members (other than those provided for in the legislation or recommended by the Code)

With a resolution of 14 November 2018, the Board assigned the Audit and Risk Committee, with reference to the sustainability issues set forth in the then applicable It. Leg. D. 254/2016, the task of assisting the Board with investigative functions, of a propositional and advisory nature, in assessments and decisions related to sustainability issues connected to the company's business and its dynamics of interaction with all stakeholders, corporate corporate responsibility, the examination of scenarios for the preparation of the strategic plan and the corporate governance of the Company and the Group (Rec. 1 lett. a).

By resolution of 31 January 2025, this competence was supplemented with the function of analysing and assessing the impacts and risks of business activity along the human rights value chain.

These tasks were introduced in Art. 9 (paragraph 9.4.) of the Control and Risk Committee Regulation.

On at least a half-yearly basis, the Control and Risk, Sustainability and Related Parties Committee holds meetings with the *manager* in charge of sustainability (from 31 January 2025 executive in charge of sustainability reporting pursuant to Art. 154-bis, para. 5-ter, TUF) to discuss and be updated on the progress of the Sustainability Plan, on the activities carried out by the Group and on the management of gap analysis projects related to the alignment to the CSRD Regulation and the new ESRS (European Sustainability Reporting Standards), on the analyses for the identification of eligible activities and subsequently aligned to the six environmental objectives of the EU Taxonomy Regulation 852/2020, and then subsequently report to the Board on the issues discussed.

The Board is therefore involved and informed on all activities and as part of the sustainability analyses, the Board of Directors' meeting of 14 March, in addition to the approval of the Consolidated Non-Financial Statement 2023, approved the Materiality Matrix 2023 and the Sustainability Risk Analysis. (GRI 2-12).

As to its composition and functioning, please refer to what has been said above and what will be described in Section 6 of the Report.

The activities performed by the Control and Risk Committee in its capacity as Sustainability Committee during the year were:

14 March 2024

- advancement of the Sustainability Plan 2023-2027- Approval of Materiality Matrix 2023;
- approval of DNF 2023;
- analysis of sustainability risks with a focus on *climate change* risks.

22 July 2024

- progress of the project to align with the European CSRD regulation and ESRS accounting standards;
- advancement of the GAP detection project for the requirements of the Taxonomy Regulation;
- implementation of quarterly sustainability reporting;
- Progress of the first phase of the internal control implementation project on sustainability reporting;
- Goodwill of the calculation of indirect Scope 3 emissions of the corporate group.

16 October:

- completion of the first phase of the internal control implementation project on sustainability reporting and start of the second phase of the project;
- review of the draft dual materiality analysis;
- analysis and monitoring of the execution of projects to align the Company and the Group with the CSRD regulation as implemented by Italian law, the adoption of ESRS accounting standards and the implementation of the Issuer's internal control system for sustainability reporting, and quarterly sustainability reporting;
- analysis and monitoring of activities for alignment with the requirements of the European Taxonomy;
- analysis and monitoring of the project concerning the calculation of indirect emissions 2024 for the El.En. Group.

In 2025, the Board of Directors met on 31 January to update the Group's Code of Ethics and policies on anti-corruption, human rights, equal opportunities and the environment, as well as to approve the dual materiality matrix to be submitted to the Board, and to assess the skills and qualifications of the person to be appointed as executive in charge of drafting sustainability reports pursuant to Art. 154-bis, paragraph 5-ter. TUF.

At the time of writing, the Committee scheduled 2 more meetings for 2025.

7.0 SELF-ASSESSMENT AND SUCCESSION OF ADMINISTRATORS – APPOINTMENTS COMMITTEE (Art. 4 Code)

7.1 SELF-ASSESSMENT AND SUCCESSION OF ADMINISTRATORS

The Board periodically assesses the effectiveness of its activities and the contribution made by its individual members, through formalised procedures whose implementation it oversees (Principle XIV) with the support of the Appointments Committee.

The Board periodically conducts its own self-assessment and that of the Committees in relation to the size, composition and actual functioning of the Board, also considering the role played by the Board in defining strategies in monitoring management performance and the adequacy of the internal control and risk management system (Rec. 11).

The self-assessment process is composite in nature and takes place in several stages.

It is carried out upon the expiry of the Board in order to draw up guidelines for the shareholders on the qualitative and quantitative composition of the new body and, then, after the appointment at the time of installation and then the allocation and delegation of functions as well as the election of committees.

Currently, therefore, the overall assessment of the Board takes place on a three-year basis.

It consists of an analysis of the composition and functioning of the Board carried out by the Appointments Committee and then examined by the Board which makes the final evaluation. The compliance of the size and composition of the Board and committees with the regulations (TUF and Consob Regulations) and with the Code, the Articles of Association, the Composition and Diversity Policy and the regulations of the Italian Stock Exchange applicable to the Company as a member of the STAR segment is examined.

At the same time, the outcome of the self-assessment questionnaire sent to board members and filled in by them with the help of an IT platform is examined in order to facilitate the return of answers and at the same time maintain a traceability of the activities carried out, relating to the various aspects of the role and functioning of the Board. The questionnaire considers five thematic areas: strategic planning; organisational structure, delegation of powers, conflicts of interest; internal control system; remuneration and incentive policies; financial disclosure. Each director is asked to express his or her degree of satisfaction (high, medium-high, medium-low, low) by assessing, on the basis of several indices, the manner of discussion, the participation and contribution of the members, internal dialectics between the members, the timing and manner of preliminary reporting and, since fiscal year 2023, the role of the secretary.

Finally, in relation to the effectiveness of the Board's activities, the performance of the Company and the Group also in the medium term and the results achieved in terms of strategic objectives are taken into account.

On the occasion of the election of the current Board, the self-assessment was carried out on 5 March 2021 in view of the renewal of the board of directors by the outgoing Board in order to formulate the guidelines to the shareholders on the composition of the new administrative body, and after the appointment, on 15 May, in order to verify compliance with the published guidelines and the applicable laws, including regulatory and soft law.

In particular, at the meeting of 15 May, the Board assessed, after obtaining the favourable opinion of the Board of Statutory Auditors, that the Board in office reflects the indications provided to shareholders in the Board's guidelines, in the explanatory report and at the shareholders' meeting regarding the size and composition of the board, also in terms of professional figures and diversified skills considered, in their complementarity, useful for the efficient functioning of the administrative body; that it complies with the statutory provisions; that it reflects the requirements of the Composition and Diversity Policy adopted by the Company; that the obligations set out in the legislation regarding the balance between the genders represented and the presence of independent directors have been complied with; that the appointment of the internal committees into which it is divided complies in terms of the requirements of the members with the provisions of the Code; that the independent board members possess the necessary requirements; that the structure of the delegated powers attributed for the purposes of its functioning do not entail the exclusive concentration of the company's management positions in the hands of the chairman but that since pursuant to art. 3 Recommendation no. 13 of the Corporate Governance Code, the Chairperson of the Board of Directors holds, albeit non-exclusively, significant management powers, it was appropriate and necessary to designate one of the independent board members (Fabia Romagnoli) as *lead independent director*, assigning her the tasks envisaged by Rec. 14 of the Code.

With regard to the competing activities of the board members and the assessment reserved to the Board in the event of a general and prior authorisation by the Shareholders' Meeting to waive the non-competition clause, the Shareholders' Meeting (on 15 May 2007) authorised the inclusion in the Articles of Association, in Art. 19, last paragraph, of the provision according to which no act of authorisation is required if the competing activity is carried out by virtue of being a member of the board of directors in one of the subsidiaries.

This authorisation is limited to the scope of consolidation.

The Board, first, when drafting the proposal to the shareholders, and the Shareholders' Meeting, later, therefore considered *a priori* that the assumption of positions within the scope of consolidation would be in the interest of the Issuer, the parent company, in order to coordinate the activities of the subsidiaries.

The Board shall ensure, to the extent of its competence, that the process of appointment and succession of administrators is transparent and functional to achieve the optimal composition of the board of directors (Principle XIII).

Specifically:

(i) expressed, in view of its most recent renewal, a guideline on its considered optimal quantitative and qualitative composition, taking into account the outcome of its own self-assessment (Recommendation 23). This guideline was approved, circulated and published on 1 March 2024 on the Issuer's website <https://elengroup.com/documenti-assembleari/> well in advance of the publication of the notice of the meeting for the renewal of the Board, published on 20 March (Recommendation 23);

(ii) in the explanatory report of the related item on the agenda of the 2024 Shareholders' Meeting, it requested those who had submitted a list containing a number of candidates exceeding half of the members to be elected to provide adequate information, in the documentation submitted for the filing of the list, as to whether the list itself corresponded to the orientation expressed by the Board (also with reference to the diversity criteria provided for by Principle VII and Recommendation 8), as well as to indicate their candidate for the office of Chairperson of the Board (Recommendation 23);

(iii) with regard to the succession plan for the *chief executive officer* and executive administrators, the Company is not obliged to do so as a "non-major" company (Rec. 24). However, the issue has always been examined and assessed by the Issuer, which, on the advice of the Appointments Committee, has decided not to formulate an actual succession plan for executive administrators at this time, taking into clear consideration that any new board members chosen to replace one or more of the departed board members must be individuals who are deeply familiar with the company's organisational and functional characteristics.

The Board has also based its assessment on the circumstance that, over time, thanks to the company's investment in this respect, the Issuer's qualified staff have acquired management skills that would in any case enable them to cope with a transitional replacement at any time should the need arise.

These considerations and assessments are confirmed in light of the appointment of the General Manager, who is still in office today, as of 1 January 2017.

Lastly, on an annual basis, as illustrated in paragraph 4.7 above, the Board proceeds with the qualitative assessment of the existence of the independence requirements of the independent board members deemed sufficient also in quantitative terms to the requirements of the Articles of Association, the Code, and the TUF.

7.2. APPOINTMENTS COMMITTEE (Rec. 19)

Since 2000, the Board has appointed an internal Appointments Committee (Rec. 16).

Composition and functioning of the Appointments Committee (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

The Appointments Committee currently in office was appointed by resolution of 15 May following the renewal of the board of directors and is composed as follows: Fabia Romagnoli (non-executive, independent), Michele Legnaioli (non-executive, independent), Giovanna D'Esposito (non-executive, independent).

For general operating information common to all committees and provided for in their respective regulations, see Section 6.0 of the Report.

During the Fiscal Year, the Committee met on 25 January and 29 February to carry out self-assessment and to prepare the proposal for guidance to shareholders in view of the renewal of the administrative body.

It also met on 15 May to appoint the president.

Upon drafting, the Committee has not scheduled any meetings for 2025.

All members were present at the meetings and all members of the Board of Statutory Auditors attended.

The average duration of the meetings was 30 minutes considering that the meeting of 15 May, held for the election of the president alone, lasted 15 minutes.

The proceedings of the meeting were coordinated by the chairman and the meeting was duly minuted.

The chairman informs the Board of the meetings and the activities carried out at the first useful meeting.

There have been no changes in the composition since the end of the fiscal year.

During the Fiscal year, the Appointments Committee was composed, until the expiry of the new Board (29 April), of three members, all non-executive administrators, the majority of whom were independent (Rec. 20 and Rec. 7). Since the election of the new Board, it has been composed of three members, all of whom are independent administrators.

Until the election of the new Board, board member Daniela Toccafondi also participated in the induction programme.

At the invitation of the chairman, the Board of Statutory Auditors, the secretary, one of the internal auditors and, where necessary, on individual items on the agenda, any person or professional who the chairman deems useful for the

discussion, shall attend the Committee's meetings.

Functions of the Appointments Committee (Rec. 19)

The functions of the Appointments Committee are defined in Art. 9 of the committee's regulation since its establishment on 5 September 2000 and subsequent amendments.

Pursuant to the provisions of art. 9 of the Appointments Committee Regulation, it is entrusted with the task of assisting the Board in the following activities:

- a) ensuring the transparency of the selection process for administrators and compliance with the appointment procedures set forth in Article 19 of the Articles of Association;
- b) identification of administrator candidates in cases of co-option (Rec. 19, c);
- c) definition of the optimal composition of the administrative body, formulating opinions and proposals to the board of directors on the following:
 - the size and composition of the board, and make recommendations on the professional figures whose presence on the Board is deemed appropriate for its proper and effective functioning, as well as on the matters referred to in Art. 3, Rec. 15 (maximum number of administrator or auditor roles) and on problematic competition cases (Rec. 19, b);
 - definition of the diversity policy (age, gender, professional skills and educational background) in the composition of the management and control bodies, in particular with reference to the objectives and implementation methods (Rec. 19, b);
- d) preparing, updating and implementing the succession plan for executive administrators, if any, formulating proposals for the evaluation of the adoption of succession plans for executive administrators and, where necessary, contributing to the preparation of such plan;
- e) process of self-assessment of the Board and its committees and formulation, with a view to the renewal of the board of directors, of the orientation on the composition referred to in Art. 4 Rec. 23, lett. a) of the Code (Rec. 19, e);
- f) where applicable, any presentation of a list by the outgoing board of directors in order to ensure transparency in the formation and presentation.

There is currently no provision for the Board to submit its own list.

In the performance of its functions, the Appointments Committee has access to the information and corporate functions necessary to perform its duties, has access to financial resources and can avail itself of external consultants, under the terms established by the Board (Rec. 17).

8.0 REMUNERATION OF ADMINISTRATORS – REMUNERATION COMMITTEE ART. 5 CODE

8.1 REMUNERATION OF ADMINISTRATORS

The following information shall be deemed to be supplemented by that contained in the *Report on the remuneration policy and compensation paid* pursuant to Art. 123-ter T.U.F. and 84-quater Reg. Consob 11971/1999, Section I, paragraphs 1 and 2, lastly approved by the Shareholders' Meeting on 29 April and available on the Issuer's website both in the section relating to the 2024 Shareholders' Meeting (<https://elengroup.com/it/investor-relations/documenti-assembleari.html>) and in the “Corporate Documents” section (<https://elengroup.com/it/investor-relations/documenti-societari.html>) (“Remuneration Report”).

The information contained herein refers to the Remuneration Report 2024-2026.

Remuneration policy

The procedure through which the Board developed the policy for the remuneration of administrators, auditors and *top management* (Principle XVI) is described in the Remuneration Report, Section I, Part A) paragraphs 1 and 2.

The remuneration policy for administrators, auditors and *top management* defined by the Board is deemed to be functional to the pursuit of the Issuer's sustainable success and takes into account the need to dispose of, retain and motivate people with the competence and professionalism required by the role held (Principle XV).

The aims pursued with the remuneration policy and the principles underlying it are described in the Remuneration Report, Section I, Part A) paragraph 5 as well as the considerations on any policies used as a reference for administrators (Section 1, Part A) paragraph 16) and auditors (Section 1, Part B). (Rec. 25).

Remuneration of executive administrators and *top management*

The remuneration policy for executive administrators and *top management* defines:

- a) a balance between the fixed component and the variable component that is appropriate and consistent with the Issuer's strategic objectives and risk management policy, taking into account the characteristics of the business activity and the sector in which it operates, while providing that the variable component represents a significant portion of the total remuneration (Recommendation 27, a);
- b) maximum limits on the payment of variable components for executive administrators (Recommendation 27, b). For *top management* and, specifically, for the general manager, a maximum limit was set for the payment of the variable component as of 1 January 2023. The circumstance that this limit was recently introduced is related to the considerations made in the Remuneration Report (Section I, Part A) paragraph 5) with reference to the need to preserve certain characteristics of the remuneration previously received by him/her. The consolidation of the report led to a revision of its remuneration in 2021 for the years 2021-2024 in line with the Code's requirements on long-term objectives. The next step was to cap the variable component;
- c) performance objectives - to which the payment of the variable components is linked - that are: (i) predetermined, measurable and linked in significant part to a long-term view; (ii) consistent with the Issuer's strategic objectives and aimed at promoting its sustainable success, including, where relevant, also non-financial parameters (Recommendation 27, c);
- d) an adequate deferral period - with respect to the time of maturity - for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity performed and the related risk profiles (Recommendation 27, d);
- e) contractual arrangements allowing the Issuer to reclaim, in whole or in part, variable remuneration components paid (or to withhold amounts subject to deferral), determined on the basis of data which subsequently prove to be manifestly erroneous and other circumstances which the Issuer may have identified (Recommendation 27, e);
- f) clear and pre-determined rules for the possible payment of termination indemnities which: (i) define the upper limit of the total amount payable by linking it to a certain amount or a certain number of years of remuneration and (ii) provide that such an indemnity shall not be paid if the termination is due to the achievement of objectively inadequate results (Recommendation 27, f). In relation to the latter requirement, as illustrated in the Remuneration Report (Section I, Part A) paragraph 13), it was not deemed appropriate at this time to predetermine any indemnity for termination of the relationship in addition to, as far as T.F.M. executive administrators are concerned established by the Shareholders' Meeting, and, as far as the general manager is concerned, to that established by the collective bargaining agreement for the sector.

Share-based remuneration plans (Rec. 28)

Stock Option Plan 2016-2025

The *Stock Option* Plan 2016-2025 referred to in section 2.0, lett. a) of this report, as implemented by the Board by resolution of 13 September 2016, establishes with reference to the administrators of the Issuer:

- a) for all beneficiaries, a three-year *vesting* period: the options granted on 13 September 2016 became exercisable for a first *tranche* from 14 September 2019 and for the second tranche from 14 September 2020;
- b) with reference to recipients who are administrators or members of the Issuer's *top management*, the exercisability of the options granted was subject to the circumstance that, with reference to the year preceding that of the possible exercise of the options, the recipients reach the gate value of at least one of the objectives assigned to them in relation to the annual incentive remuneration plans approved by the Board upon the proposal of the Remuneration Committee;
- c) with reference to beneficiaries who are administrators or members of the Issuer's *top management*, it has been established for the administrators, and they have then undertaken at the time of the assignment, that they must retain until the end of their term of office (three years) at least 5% of the shares resulting from the financial year of the options granted to them.

For the General Manager, the 2021-2024 incentive remuneration plan envisages that a portion of variable remuneration (20% of remuneration due to the achievement of annual objectives) will be paid in shares of the Company subject to a four-year *lock-up* from the date of assignment.

Currently, the retention period of the shares is aligned with the term of office with regard to administrators and the term of contract with regard to the general manager.

Stock Option Plan 2026-2031

The *Stock Option* Plan 2026-2031 referred to in section 2.0 lett. a) of this report, as implemented by the Board by resolution of 15 March 2024, establishes:

- a) for all beneficiaries, a three-year *vesting* period: the options granted on 15 March 2024 will become exercisable for a first *tranche* from April 1 2026 and for the second tranche from April 1 2027;
- b) for beneficiaries who are administrators or members of the Issuer's *top management*, the subordination of the exercisability of the options granted to the circumstance that, with reference to the financial year preceding that of the possible exercise of the options, the recipients reach the base value of at least one of the objectives assigned to them and approved by the Board upon the proposal of the Remuneration Committee;
- c) for beneficiaries who are administrators or members of the Issuer's *top management* that they must retain until the end of their term of office, and in any case for a minimum period of five years between the deed of assignment and any alienation, 10% of the shares resulting from the exercise of the options granted to them.

Remuneration of non-executive administrators (Rec. 29)

The remuneration of the non-executive administrators, including independent directors, until the end of the term of office of the current Board, consists solely of the annual fixed component equal for all board members quantified, for the entire term of office, by the Shareholders' Meeting at the time of their appointment and is represented by the basic remuneration established by the Shareholders' Meeting for all board members at the time of their appointment and currently set at Euro 18,000.00 per year.

An additional modest fixed remuneration of EUR 3,000.00 per year each is also provided for the non-executive board members who have been appointed chairpersons of the board committees

The remuneration of non-executive administrators is set by the Shareholders' Meeting in a fixed amount and is not linked in any way to the economic results achieved by the Issuer.

Non-executive administrators are not recipients of share-based incentive plans.

Accrual and payment of remuneration (Principle XVII)

The Board ensures that the remuneration paid and accrued is consistent with the principles defined in the policy, in light of the results achieved and other circumstances relevant to its implementation.

In this regard, see the Remuneration Report as to principles, verification procedures and disbursement mechanisms in Section I, Part A) paragraphs 9, 10 and 11 and, as to fees actually paid and deferred, Section II.

For the information required by the ESRS standards concerning the remuneration of administrators and top management, please refer to the 2024 Consolidated Sustainability Reporting (section "GOV 3 - Integrating sustainability performance into incentive schemes" within chapter "1. GENERAL INFORMATION") published pursuant to It. Leg. D. 125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and is also available at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

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Administrators' indemnity in the event of resignation, dismissal or termination following a takeover bid (pursuant to Art. 123-bis, paragraph 1, letter i), TUF)

Without prejudice to the end of term compensation determined by the Shareholders' Meeting pursuant to Art. 17 of the Consolidated Law on Income Tax (TUIR), upon appointment in favour of the chairperson and any managing directors in the maximum total amount of EUR 19,500.00 per year, no agreements have been entered into between the Issuer and the administrators providing for indemnity in the event of resignation or dismissal/revocation without just cause or if the employment relationship terminates following a takeover bid.

At present, there are no rights assigned in addition to the termination indemnity described above; there are no agreements providing for the assignment or maintenance of non-monetary benefits in favour of persons who have terminated their office or the stipulation of consultancy contracts for a period after the termination of the relationship; there are no agreements providing for compensation for non-competition commitments.

Upon appointment, the general manager signed a non-competition undertaking for the entire duration of the relationship and for two years following the termination of the employment relationship, in respect of which he/she receives an indemnity in the course of the relationship. For further details, please refer to the Remuneration Report.

During the financial year, there were no terminations of directorships - other than the expiry of the Board on 29 April - nor termination of the relationship with the general manager.

8.2 REMUNERATION COMMITTEE

Since 5 September 2000, the Board has appointed an internal remuneration committee in order to ensure the most comprehensive information and broad transparency on the remuneration due to administrators (Rec. 16, 25 and 26).

Composition and functioning of the remuneration committee (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

The Remuneration Committee currently in office was appointed by resolution of 15 May following the renewal of the board of directors and is composed as follows: Fabia Romagnoli (non-executive, independent), Giovanna D'Esposito (non-executive, independent) and Michele Legnaioli (non-executive, independent).

During the fiscal year, the Remuneration Committee met five times: on 25 January, 29 February, 14 March, 15 May (in two stages: during the board meeting and separately to appoint the chairman), 11 September.

All members were present at the meetings and all members of the Board of Statutory Auditors attended.

The average duration of the meetings was 45 minutes, taking into account that the meeting of 15 May, held for the election of the president alone, lasted 15 minutes.

The work during the meetings was coordinated by the chairman and the meetings were duly minuted.

The chairman informs the Board of the meetings and the activities carried out at the first useful meeting.

There have been no changes in the composition since the end of the fiscal year.

In 2024, the Remuneration Committee met once on 13 March and planned to meet a further time during 2025.

The Committee will hold the meetings necessary to carry out its activities in relation to the evolution of the company's remuneration system and any legislative and regulatory changes that may occur in the *medium term*.

During the Fiscal Year, the Remuneration Committee was composed of three members until the expiry of the new Board (29 April), all non-executive administrators, the majority of whom were independent with a chairman elected from among the independent board members (Rec. 26 and Rec. 7). Since the election of the new Board, it has been composed of three members, all of whom are independent administrators.

All the members of the Remuneration Committee, as mentioned above, are individuals of standing who have extensive experience in listed and/or large companies.

Therefore, the Board did not deem it necessary to make any further assessment as to the specific competence of one of its members in accounting and financial matters, and/or in remuneration policies, as these characteristics emerged for all members from the same *curricula vitae* submitted at the time of the inclusion of their candidatures in the lists for the appointment of the current Board (Rec. 26).

Pursuant to art. 4 of the Remuneration Committee Regulation, no executive director participates in the discussion and deliberation phase of the committee meetings in which proposals are made to the Board regarding his/her remuneration (Rec. 26).

The following participated in the work and meeting of the Remuneration Committee at the invitation of the chairman: the secretary; the entire Board of Statutory Auditors (Rec. 17).

Until the election of the new Board, board member Daniela Toccafondi also participated in the *induction programme*.

Functions of the remuneration committee

The Remuneration Committee functions and has the tasks described in the regulations approved *ad hoc* by the Board of Directors on 5 September 2000, as amended.

The Remuneration Committee assists the Board in drawing up the remuneration policy in an advisory and propositional capacity, as in accordance with Art. 2389, paragraph 3, It. c.c. and Art. 20 E of the Articles of Association, the Board of Directors has the exclusive power to determine the remuneration of the delegated bodies, the chairman and the board members holding special offices, having obtained the necessary opinion of the Board of Statutory Auditors on the matter.

The Remuneration Committee, in accordance with Art. 9 of the relevant regulation, is entrusted with the tasks referred to in Art. 5 of the Code. It therefore acts in an advisory and propositional capacity:

- assists the Board in drawing up the policy for the remuneration of administrators and *top management*;
- submits proposals or expresses opinions to the Board on the remuneration of executive administrators and other administrators holding particular offices, as well as on the setting of *performance* objectives related to the variable component of such remuneration;

- monitors the concrete application of the remuneration policy and verifies, in particular, the actual achievement of *performance* objectives;
- periodically assesses the adequacy, overall consistency and concrete application of the policy for the remuneration of administrators and key management personnel, making use in the latter respect of the information provided by the managing directors;
- carries out, on its own initiative or when requested by the Board, the appropriate and necessary preliminary and preparatory activities for the drafting of the remuneration policy;
- reports to shareholders on how it exercises its functions.

In formulating its proposals, the Remuneration Committee takes care:

- that the remuneration of executive administrators and *top management* and of the supervisory body is functional to the pursuit of the Company's sustainable success and takes into account the need to dispose of, retain and motivate people with the competence and professionalism required by the role held;
- that the remuneration of executive administrators, strategic managers and the supervisory body is defined taking into account the remuneration practices prevailing in the relevant sectors and for companies of similar size, also considering comparable foreign experiences;
- that the remuneration policy for executive administrators and strategic managers defines:
 - a) a balance between the fixed component and the variable component that is appropriate and consistent with the company's strategic targets and risk management policy, taking into account the characteristics of the business activity and the sector in which it operates, while providing that the variable component represents a significant portion of the total remuneration;
 - b) maximum limits on the disbursement of variable components;
 - c) performance targets, to which the payment of the variable components is linked, predetermined, measurable and linked in significant part to a long-term view, consistent with the company's strategic targets and aimed at promoting its sustainable success, including, where relevant, also non-financial parameters;
 - d) an adequate deferral period - with respect to the time of maturity - for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity and the related risk profiles;
 - e) contractual arrangements allowing the company to reclaim, in whole or in part, variable remuneration components paid (or to withhold amounts subject to deferral), determined on the basis of data which subsequently prove to be manifestly erroneous and other circumstances which the company may have identified;
 - f) clear and pre-determined rules for the possible payment of termination indemnities which define the upper limit of the total amount payable by linking it to a certain amount or a certain number of years of remuneration and which, in case of significant amounts, provide for non-payment upon achievement of objectively inadequate results;
 - g) in the case of share-based remuneration plans for executive administrators and strategic managers, they incentivise alignment with shareholder interests over a long-term view, with a predominant portion of the plan having an aggregate vesting and retention period of the assigned shares of at least five years.

During the Financial Year, the Remuneration Committee performed the following activities:

- a) verification of the degree of achievement of the objectives envisaged in the 2023 incentive remuneration plan and the variable portion of the remuneration due to executive administrators and executives with strategic responsibilities;
- b) definition of the proposal for the new board's overall remuneration policy and the 2024 incentive remuneration plan. In this context, it also formulated the proposed remuneration policy, which was then the subject of the report submitted to the 2024 shareholders for approval;
- c) verification for the exercise of options under the 2016-2025 *Stock-Option* Plan expires, of the prerequisites set forth in the relevant regulation with reference to the right of exercise by executive administrators and the general manager;
- d) verifying the conformity of the remuneration actually paid to the board members and the general manager with the remuneration policy approved by the shareholders.

In the performance of its functions, the Remuneration Committee has the possibility of accessing the information and corporate functions necessary for the performance of its tasks, as well as of availing itself of external consultants, under the terms established by the Board (Rec. 17).

At present, the Remuneration Committee has not deemed it necessary to make use of external consultants.

9.0 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – CONTROL AND RISK COMMITTEE – ART. 6 CODE

The Board, in its management of the Issuer and in defining its strategic, industrial and financial plans, assesses the nature and level of risk compatible with the objectives set and the sustainable success of the Issuer and the Group.

The Board has defined, and then mandated the various bodies involved in the internal control system (managing director, *internal auditor*, committee, supervisory body, executive in charge, etc.) the guidelines of the internal control and risk management system, so that the main risks pertaining to the Issuer and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, also determining the degree of compatibility of these risks with a management of the company consistent with the strategic objectives identified for the sustainable success of the Issuer and the Group (Principle XIX, Rec. 33).

The main features of the Issuer's internal control and risk management system are rules and procedures on the one hand and *governance* and control bodies on the other.

The rules consist first of all of a set of fundamental principles, codified in the Code of Ethics; secondly, of a set of second-level procedures (those pursuant to It. Leg. D. 231/01 It. L. 262/05 of It. Leg. D. 125/24 It. L. 81/09, internal regulations on the processing of confidential information, transactions with related parties, *internal dealing*, etc.), which make it possible to bring the aforementioned general principles into the company's reality and make them operational.

On the other hand, the various bodies at their respective levels carry out the control of compliance with the rules and procedures, on the basis of the competences and functions defined and assigned to them by the Board: internal auditor; executive in charge of drawing up the corporate accounting documents; supervisory body pursuant to It. Leg. D. 231; Control and Risk Committee; independent auditors; Board of Statutory Auditors; data protection officer appointed pursuant to Art. 37 Reg. 679/2016/EU.

Financial disclosure

The details of the current conformation of the existing risk management and internal control system in relation to the financial reporting process, including the consolidated one, (*pursuant to Art. 123-bis*, paragraph 2 letter b), TUF), are described in Annex I. The purpose here is to give a broad outline of the course followed by the Issuer after the entry into force of L. 262/2005.

On 15 May 2007, the Board, in implementation of Art. 154-bis TUF, in order to formalise a set of rules and tests to be implanted on the existing structure relating to the process of formation of financial information, including consolidated information, designated the executive in charge of preparing corporate accounting documents in the person of Mr Enrico Romagnoli, a person employed by the company until the admission of the shares to the market organised and managed by Borsa Italiana s.p.a.

Initially, the Issuer, availing itself of the cooperation of Price Waterhouse Coopers (a different company from the one that performs the accounting control in the Issuer), set up a working group with the aim of carrying out an analysis of the internal control system ("ICS") with reference also to the tasks assigned by law to the figure of the executive proposed for the preparation of accounting and corporate documents.

The analysis was conducted using as a model the *CoSo Report – Internal Control Integrated Framework*. At the conclusion of the project, a summary document was drawn up summarising the results that emerged, against which the specific tools to be applied were identified in order to ensure the coordination and functioning of all the elements of the ICS that concern information and data on the economic and financial situation required by law and/or disseminated to the market.

From that moment on, the executive in charge carries out his/her activity with a view to continuous improvement and constant verification of the instruments adopted. During the 2012/2013 financial year, the executive in charge, also in cooperation with Deloitte ERS, carried out activities aimed at revising the procedural system for existing *scope* companies according to a *risk-based* perspective for a better analysis of the risks associated with financial reporting. This model was also applied to the new companies that came into *scope* later.

On 14 November, the Board approved the 2025 work plan prepared by the head of the internal auditor position after consulting the Control and Risk Committee, the Board of Statutory Auditors and the Managing Director for Internal Control.

The Board, through the activities implemented and coordinated by the Control and Risk Committee, the Board of Statutory Auditors as well as the reports on the activities carried out by the internal audit function managers, the appointed executive the FGIP, the 231 supervisory body and the data protection officer designated pursuant to art. 37 Reg. EU 679/2016 assessed, by sectors and with positive results, at the meetings of 14 March, 15 May, 11 September, 14 November the

adequacy of the internal control and risk management system in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness.

Sustainability disclosure

For information on the internal control system relating to sustainability reporting, please refer to the information in section 'GOV 5 - Risk Management and Internal Controls over Sustainability Reporting' in chapter 'I. GENERAL INFORMATION' of the 2024 Consolidated Sustainability Report, published pursuant to It. Leg. D. 125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and is also available at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

9.1 CHIEF EXECUTIVE OFFICER

The Board has identified a director responsible for establishing and maintaining the internal control and risk management system (Rec. 32 lett. b).

This task was entrusted to Mr. Andrea Cangioli, Managing Director.

He has the task of supervising, on behalf of the Board, the functionality of the control and risk management system and performs the duties and functions set forth in the Code, in particular: sees to the identification and periodic submission to the Board of the main corporate risks (strategic, operational, financial and *compliance*) taking into account the characteristics of the activities performed by the Issuer and its subsidiaries, submitting them periodically to the Board when illustrating the financial data and management performance of the Issuer and the group; implements the guidelines defined by the Board, seeing to the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness; takes care of the adaptation of this system to the dynamics of the operating conditions and the legislative and regulatory panorama; regularly asks the *internal audit* function to carry out checks on specific operating areas and on compliance with internal rules and procedures in the execution of company transactions, keeping the Control and Risk Committee and Board of Statutory Auditors informed; regularly reports to the Control and Risk Committee/Board of Directors and Board of Statutory Auditors on problems or critical issues that have emerged in the performance of his activities or of which he has become aware, even if there was no need to do so during the financial year (Rec. 34).

9.2 CONTROL AND RISK COMMITTEE

Since 2000, the Board has set up an internal control committee, which was renamed “control and risk committee” in 2012 and “control and risk, related party transactions and sustainability committee” in 2021.

Composition and functioning of the control and risk committee (pursuant to Art. 123-bis, paragraph 2, letter d), TUF)

Since its establishment in 2000, the composition has always been in accordance with the Code in its various versions.

The current Control and Risk Committee was appointed by resolution of 15 May following the renewal of the board of directors and is composed as follows: Fabia Romagnoli (non-executive, independent), Giovanna D'Esposito (non-executive, independent), Roberta Pecci (non-executive), Alberto Pecci (non-executive) and Michele Legnaioli (non-executive, independent).

The Control and Risk Committee always meets prior to the Board's approval of the draft annual financial report and the half-yearly report, as well as whenever one of its members, the Board or the managing director in charge of internal control or the person in charge of internal control so requests.

It met seven times during the fiscal year (14 March, 15 May, 22 July, 1 August, 11 September, 16 October, 14 November).

All members were present at the meetings and all members of the Board of Statutory Auditors attended.

As for the average duration of meetings, it was 65 minutes.

The work carried out during the meetings was coordinated by the chairman. He informed and reported on the activities in the board meeting.

The Audit and Risk Committee has already met three times in 2025: on 31 January, 10 February and 13 March.

At least four meetings are currently scheduled, one per quarter, in addition to those that the Committee deems necessary within the scope of its, composite, functions.

The Control and Risk Committee during the Financial Year was composed of non-executive administrators, the majority of whom were independent.

During the year, the Control and Risk Committee consisted of four board members until the expiry of the outgoing Board, and from 29 April, when the new Board was elected, of five board members due to the complexity of the matters entrusted to it.

All the members of the Committee have experience in accounting, finance, risk management and sustainability, which was deemed to be appropriate by the Board at the time of their appointment for the reasons already mentioned in the presentation on the Remuneration Committee.

Meetings of the Committee are attended, upon invitation of the Board of Statutory Auditors, the executive in charge of preparing the accounting documents, the managing director for internal control, the secretary, the *internal auditors* and, where necessary, on individual items on the agenda, the person or professional the chairman deems useful for discussion.

Functions assigned to the control and risk committee

The Committee functions and has the tasks described in the regulations approved *ad hoc* by the Board of Directors on 5 September 2000, as amended.

As a matter of fact, in the light of It. Leg. D. 39/2010, which has redesigned certain aspects of internal control, the Issuer, by virtue of the contents of Stock Exchange Notice no. 18916 of 21 December 2010 - concerning the requirements to be met by issuers belonging to the STAR segment – had already proceeded with its resolution of 13 May 2011 to assign the committee a mere support role with reference to the activities reserved by It. Leg. D. 39/2010 to the Board of Statutory Auditors on the statutory audit of accounts.

Moreover, in November 2015, following the amendments made to the Code in July 2015, the role of preparatory support to the board of directors' assessments and decisions concerning the management of risks arising from prejudicial facts of which the Board has become aware was specified in the Control and Risk Committee regulation.

Lastly, with a resolution of 14 November 2018, the regulation was supplemented with the function relating to the role played by the Control and Risk Committee regarding the formulation of opinions and proposals to the Board of Directors on the definition of the sustainability policy pursuant to It. Leg. D. 254/2016.

By resolution of 31 January 2025, the regulation was supplemented by assigning the Committee the function of analysing and assessing the impacts and risks of business activity along the human rights value chain.

It therefore currently performs the following tasks.

First of all, those referred to in the Consob Related Parties Regulation, and thus it:

- (a) examines, analyses and gives an advance opinion on the procedures, and amendments thereto, adopted by the Board of Directors on related party transactions;
- (b) performs the tasks entrusted to it in those procedures with regard to the examination and review of related party transactions subject to those procedures.

Moreover, in the context of Art. 6 of the Code, in an advisory and propositional capacity, supports the assessments and decisions of the Board of Directors relating to the internal control and risk management system and the approval of periodic financial and non-financial reports and, in particular, insofar as compatible with the functions attributed by law to the Board of Statutory Auditors of listed companies, is responsible for:

- (a) assisting the Board, also by providing preventive opinions, in defining the guidelines of the internal control and risk management system, in line with the company's strategies and in the periodic assessment of the adequacy and effectiveness of said system, as well as in verifying the identification and adequate management of the main corporate risks, pertaining to the company and its subsidiaries, and in determining the degree of compatibility of the risks identified as pertaining to the company or its subsidiaries with a management of the company consistent with the identified strategic objectives and also with a view to the medium-long term sustainability of the company's business;
- (b) assessing, together with the executive responsible for preparing the Company's financial reports, after consulting the auditor and the Board of Statutory Auditors, the correct use of accounting standards and, for the Group, their uniformity for the purposes of preparing the consolidated financial statement;
- (c) expressing opinions on specific aspects included in the identification of the main corporate risks;
- (d) reviewing periodic reports, concerning the evaluation of the internal control and risk management system, and those of particular relevance prepared by the *internal audit* function;
- (e) monitoring the independence, adequacy, effectiveness and efficiency of the *internal audit* function;
- (f) requesting, at its own discretion and by simultaneously notifying the Chairman of the Board of Statutory Auditors, the *internal audit* function to carry out checks on specific operational areas;
- (g) assisting the Board of Statutory Auditors, if expressly requested by the latter, in assessing the proposals made by Independent Auditors to obtain the relevant appointment, assessing the work plan prepared for the audit and the results set out in the report and in the letter of suggestions;

(h) assisting the Board of Statutory Auditors, if expressly requested by it, in supervising the effectiveness of the audit process;

(i) reporting to the Board, at least once every six months, on the occasion of the approval of the annual and semi-annual financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system;

(l) expressing opinions on the appointment, dismissal and remuneration of the head of the *internal audit* function and on the allocation of the latter with adequate resources for the performance of his/her functions and responsibilities;

(m) supporting, with adequate preliminary activity, the Board's assessments and decisions relating to the management of risks arising from prejudicial facts of which the Board has become aware;

(n) performing such further tasks as may from time to time be assigned to it by the Board.

Lastly, with regard to sustainability issues, the Audit and Risk Committee has the task of:

With regard to sustainability issues, the Committee has the task of:

a) assist the Board of Directors with investigative functions, of a propositional and advisory nature, in assessments and decisions related to sustainability issues connected to the company's business and its dynamics of interaction with all stakeholders, corporate responsibility, the examination of scenarios for the preparation of the strategic plan and the corporate governance of the Company and the Group.

b) analysing and assessing the impacts and risks of business activity throughout the human rights value chain.

During the Financial Year, the Control and Risk Committee carried out the following activities:

(a) review and evaluation of the activities carried out by the executive in charge under L. 262/2005;

b) reviewing and assessing the 2025 *audit* plan and the activities carried out by the *internal auditors* with regard to: verifying the operation and suitability of the internal control and risk management system with reference to the financial reporting area; updating the matrix of areas subject to control and the control activities performed and/or planned; updating the *risk assessment*

d) examine and assess the recommendations contained in the Chairman's Letter for Corporate Governance of Borsa Italiana, proceeding to support the Board in the implementation of the related activities;

e) support the Board in the assessment of transactions between subsidiaries;

f) performance of the tasks entrusted to it by the *Regulation for El.En. s.p.a. related-party transactions* (as defined in paragraph 10.0 of this report) and by Consob Regulation 17221/2010;

g) activities described in Section 6 of the Report as a Sustainability Committee.

In the performance of its functions, the Committee has the right to access the information and corporate functions necessary for the performance of its tasks as well as, if it deems it appropriate, to make use of external consultants, under the terms established by the Board.

During the Financial Year, the Committee did not make direct use of external consultants.

The Board set the annual budget allocated to the entire internal control and risk management system and to sustainability, including the Control and Risk Committee, at €80,000.00.

9.3 HEAD OF THE INTERNAL AUDITOR FUNCTION

Since 2000, the Board has appointed two persons to verify that the internal control system is always adequate, operational and functioning (internal control officer(s) or internal auditor) (Rec. 33, b).

The current heads of the *internal auditing* function are, for the financial reporting area, Mr. Alessio Paoli, and for the other areas, Ms. Cristina Morvillo, both appointed at the proposal of the executive director in charge of supervising the functionality of the internal control system and after hearing the opinion of the Control and Risk Committee and with the approval of the Board of Statutory Auditors.

The Board is the body in charge of defining the remuneration of the person(s) in charge of the *internal auditor* function in line with corporate policies, on the proposal of the executive director in charge of supervising the functionality of the internal control system, after hearing the opinion of the Control and Risk Committee and the Board of Statutory Auditors.

The heads of the *internal auditor* function are not responsible for any operational areas they control and are hierarchically subordinate to the Board.

The heads of the *internal auditor* function verify, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an *audit* plan, approved annually by the Board, based on a structured process of analysis and prioritisation of the main risks.

The heads of the *internal auditor* function, each within the scope of his or her competence, had direct access to all information useful for the performance of his or her duties; they prepared half-yearly reports containing adequate information on their activities, on the manner in which risk management was conducted in the areas of investigation assigned to them and on compliance with the plans defined for their containment, as well as an assessment of the suitability of the internal control and risk management system, and forwarded them to the chairmen of the Board of Statutory Auditors, the Control and Risk Committee and the Board, as well as to the director in charge of the internal control and risk management system; they did not have the opportunity to report on particularly significant events; they verified, making use of the verification and control activities carried out by the executive in charge for 262/2005 in accordance with the COBIT model “Control Objectives for Information and related Technology” the reliability of the information systems supporting accounting activities.

At present, they have not felt the need to use external consultants or therefore have any financial resources to perform their tasks. The Board that, following the renewal of the mandate and confirming the previous one, drew up the structure of the internal control and risk management system set the overall budget allocated to the entire internal control and risk management system at EUR 80,000.00.

During the fiscal year, the control activities performed by the *internal auditor* function concerned the verification of the operation and suitability of the internal control and risk management system with reference to the area of financial statement preparation and the activities performed in the L 262/05. In addition, as per the 2024 plan approved by the Board, internal control activities also consisted of updating risk assessment through the implementation of the risk matrix, which was integrated in order to prepare and manage a single matrix encompassing the entire risk management system (strategic, financial, compliance, operational, ESG, external).

The *internal auditing* function with reference to the area of financial statements preparation remaining within the monitoring area pursuant to L. 262/05 was entrusted to Mr. Alessio Paoli, a chartered accountant, an external subject and considered to have adequate requirements of professionalism, independence and organisation. The outsourcing of the internal control function with reference to the financial statements area originated in resource optimisation assessments carried out in February 2005 by the Board at the time of the turnover of the internal control officer identified in a figure belonging to the finance and financial statements department and dedicated to preparing the financial statements of group companies.

A proper segregation between operational and control activities has led the Board to continue in the same vein.

9.4 ORGANISATIONAL MODEL pursuant to It. Leg. D. 231/2001

The Issuer has an organisation, management and control model, pursuant to It. Leg. D. 231/2001.

As for strategically important subsidiaries, it was adopted by Quanta System s.p.a., ASA s.r.l. and Deko M.E.L.A. s.r.l..

The Issuer's current model is the result of the periodic review of the model initially approved and of its continuous updating in line with the evolution of the range of predicate offences, introduced from time to time by the legislator. With a view to preventing the commission of offences related in some way to the Issuer's business, taking into account its structure and the area in which it operates, the Board has decided to include in its 231 model the health and safety at work section also valid for the purposes of Art. 30 L. 81/09.

In addition to offences relating to health and safety at work, the current model, as per It. Leg. D. 231/2001, is aimed at the prevention of offences against the public administration, corporate offences, market abuse, environmental offences, transnational offences, and offences of receiving stolen goods, money laundering, and the use of money, goods or benefits of unlawful origin.

The supervisory body is collective and composed of three members, one of whom is Mr Paolo Caselli, statutory auditor. At present, although the Issuer has provided in the Articles of Association for the option of assigning this function to the Board of Statutory Auditors, it has deemed it more effective to maintain the current set-up of the supervisory body: one statutory auditor and one *internal auditing* manager. The third member is a lawyer experienced in the field of It. Leg. D. 231/2001.

9.5 AUDITING COMPANY

The audit is entrusted pursuant to Articles 13, 17 and 19, It. Leg. D. 39/2010 to an Independent Auditor registered in the appropriate CONSOB register: the shareholders' meeting of 4 June 2020 appointed EY s.p.a. to audit the company's annual financial statements and consolidated financial statement for the years 2021-2029.

The term of office expires with the approval of the 2029 budget.

In this regard, during the Financial Year the Issuer assigned the task of performing the statutory auditing services of El.En. s.p.a. for the nine-year period 2021-2029.

9.6 EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS

The Executive responsible for preparing corporate accounting documents

The executive in charge of preparing the corporate accounting documents is Mr. Enrico Romagnoli, who is an executive of the Issuer's financial statements department and also acts as Investor Relator.

The Executive in charge is appointed in accordance with the articles of association by the Board and, pursuant to Art. 20 G, must possess the requisites of integrity laid down by law for auditors and administrators as well as professional characteristics and requisites, both in terms of preparation and training and in terms of work experience accrued, adequate for the performance of the task entrusted to them.

The person responsible for preparing the company's accounting documents has all the powers and means necessary for the proper performance of this function.

The principles and modalities implemented by the supervisor are described in detail in Annex 1.

Sustainability Reporting Executive

It is recalled that Art. 154-ter TUF provides, for issuers subject to the sustainability reporting obligations set forth in the legislative decree adopted in implementation of Article 13 of Law 21 February 2024, no. 15, in relation to the delegated administrative bodies and the executive responsible for preparing the company's financial reports certify that the sustainability reporting included in the management report has been prepared in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and the legislative decree adopted in implementation of Art. 13 of It. Law 21 February 2024 no. 15 and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

This rule also provides that this attestation may be issued by an executive other than the executive responsible for preparing the company's financial reports, with specific skills in sustainability reporting, appointed, subject to the mandatory opinion of the supervisory board, in accordance with the procedures and in compliance with the professionalism requirements set out in the Articles of Association.

In this regard, the Issuer has availed itself of this option by appointing, subject to the favourable opinion of the Board of Statutory Auditors, Ms. Caterina Delibassis, formerly *manager* for sustainability, who has declared that she meets the requirements of honourableness laid down by law for statutory auditors and administrators and, in the opinion of the Board and the Board of Statutory Auditors, possesses the professional requisites, both in terms of preparation and training and in terms of work experience accrued, suitable for the performance of the task entrusted to her.

In terms of the necessary integration of Art. 20 G of the Articles of Association to be proposed to the 2025 Meeting, Art. 18 of It. Leg. D. 125/2024 concerning transitional rules, expressly provides, in paragraph 10, that by way of derogation from Article 154-bis, paragraph 5-ter of the TUF, the sustainability reporting may be certified, with reference to financial year 2024, by an executive other than that in charge of drawing up the corporate accounting documents, designated by specific resolution of the administrative body even in the absence of specific provision in the Articles, subject to the mandatory opinion of the control body.

9.7 COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In concrete terms, as has already been stated and without wishing to dwell on repeating what has already been outlined in the Report, the Issuer ensures close coordination between the various parties involved in the internal control and risk management system through the cross-designation of subjects belonging to one body as members of others or through the constant participation in the work of the various members of the other bodies involved in the control and risk management system.

10.0 ADMINISTRATORS' INTERESTS AND RELATED PARTY TRANSACTIONS

With reference to transactions in which one of the administrators has an interest or transactions with related parties, to be understood as those identified on the basis of Annex 3 of the CONSOB Related Parties Regulation, the Articles of Association specify (Art. 20) that prior approval by the Board of transactions of significant strategic, economic, capital and financial importance must take place, with specific reference to transactions with related parties, those where a board member has a personal interest or an interest on behalf of third parties or which are unusual or atypical.

Furthermore, the Board, in implementation of Art. 2391-*bis* of the Italian Civil Code adopted on 30 March 2007 a special procedure called “*Regulations governing transactions with related parties of El.En. s.p.a.*”, also in compliance with the CONSOB Related Parties Regulation.

This regulation is available on the Issuer's website www.elengroup.com (<https://elengroup.com/it/investor-relations/documenti-societari.html>) and contains the rules governing the approval and execution of transactions entered into by the Issuer, either directly or through subsidiaries, with counterparties in relation to which the pre-existence of a shareholding, employment or professional relationship or close family ties could condition the conclusion, regulation and consistency of the contractual relationship. This regulation rendered in formal terms the intent, which has always been pursued by the Issuer, to act by ensuring that the performance of transactions with related parties - by which is meant also those transactions in which the correlation exists with an interest of the director or statutory auditor him/herself or on behalf of third parties - takes place in the utmost respect of the criteria of transparency and correctness, both substantial and procedural, of the transactions themselves.

The Issuer and its administrators have always acted in accordance with the relevant provisions of the Italian Civil Code (Articles 2391 and 2391-*bis* of It. c.c.).

In addition, the Administrative and Management Procedures Manual, in force since 2000, includes a special procedure, also for the purposes of mapping the Issuer's related parties, for the control of relations with related parties and the existence of conflicts of interest involving board of directors or supervisory bodies.

It stipulates that the internal control officer/*internal auditor* shall, at least once every six months, verify, by interviewing the members of the Board of directors and the Board of statutory auditors, whether additional related parties have been identified, as well as the existence of situations giving rise to conflicts of interest.

In concrete terms, this survey is carried out by means of a written interview consisting of a questionnaire that is filled out and signed by the aforementioned persons and kept on file by the person in charge of internal control/*internal auditor*.

The procedure approved by the Board contains the criteria for the identification of transactions that must be approved by the Board after consulting the Control and Risk Committee.

In addition to the relevant statutory provision (Art. 20 E) and the in-house Regulation by virtue of which, in particular, the Managing directors are obliged, pursuant to Art. 20 E cited above, to promptly highlight – for the purposes of the envisaged prior approval - transactions in potential conflict of interest, those with related parties, as well as those that are atypical or unusual with respect to normal business management, the Board had originally envisaged that a director with a personal or third-party interest in a given transaction would give prior information to the meeting called to deliberate on the matter and would leave the meeting.

The *Internal Regulations for Related Party Transactions* have been supplemented by reproducing some of the provisions of the Consob Related Parties Regulation in place of simple references in order to make them easier to read and to reconstruct the operational framework, as well as to regulate in detail the equivalent safeguards and to refine the provision of Art. 6 in relation to resolutions concerning transactions in which there is a relationship arising from an interest of the director or auditor. In this regard, the obligation to leave/abstain from the resolution was replaced with the power of the independent administrators to request the postponement of the meeting and the resolution in order to obtain more information.

In 2021, the Board supplemented and amended El.En. s.p.a.'s Regulation on Related Party Transactions following the changes introduced to Consob Reg. 17221/2010 with Consob Resolution of 10 December 2020, no. 21624 issued for the purpose of the transposition of Directive (EU) 2017/828 – so-called *Shareholder Rights Directive 2* (“SHRD 2”) – amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, by Consob, implementing the regulatory delegation contained in Art. 2391-*bis* of the It. c.c., as extended by It. Leg. D. 49/2019.

The Italian regulations on related party transactions were already, on the whole, substantially consistent with the SHRD 2 as regards approval procedures, transaction transparency requirements and certain exemption cases identified therein. The regulatory amendments that were the subject of Consob's most recent intervention were therefore intended to pursue a complete alignment of the regulatory text with the Directive and, on the basis of the application experience that Consob has gained since 2011 in its supervisory activities in this area, further interventions aimed at clarifying certain procedural steps in which the approval process of transactions with related parties is articulated and at specifying definitional and applicative aspects of the regulation.

The regulatory solutions adopted aim at the same time to maintain the flexibility aspects already provided for in the previously adopted regulation and to preserve, where possible, an established consolidated discipline of application by operators.

In substance, therefore, the Board approved the proposed amendments to El.En.'s internal regulations for related-party transactions in order to bring them in line with the new regulatory framework, taking into account that the Italian

regulatory framework was already ripe with reference to the transposition of the European regulations and that it was therefore a fine-tuning intervention on internal procedures that El.En. had already adopted at the end of 2010.

The proposed amendments to the *Regulation for El.En. s.p.a. related-party transactions* in 2021 concerned:

- a) reformulation of the definition of a related party: the Directive and therefore Consob refer to the definition of a related party contained in the international accounting standards in force at the time;
- b) obligation of the director involved in the transaction to abstain from voting: a provision that El.En. had already implemented, was later amended in 2019. This provision has been reinserted in line with the new rules with reference to all transactions, even of minor importance, in which a director has a personal or third-party interest, that conflicts with that of the company;
- c) approval procedures: the reservation of decision-making competence to the board of directors for transactions of major significance was introduced. This intervention is also in line with the core principle of the Code, namely the central role of the board of directors in strategic decisions and in the approval of transactions with significant economic, equity or financial importance. Furthermore, in relation to the procedures, the following has been specified, in continuity with the application practice already followed by El.En.: (i) the express provision of the duty of the committee of independent administrators to verify in advance the independence of the expert eventually selected and qualified as independent; (ii) the timeliness of the involvement of the committee of independent administrators in the negotiation and preliminary phase of a transaction of greater significance; (iii) the express provision of the obligation to attach the opinion of the committee of independent administrators to the minutes of the meetings of said committee;
- d) cases of exemption: some minor changes relating to:
 - i) exempt transactions of small amounts: the small amount of EUR 100,000.00 (one hundred thousand/00) has been confirmed;
 - ii) ordinary and market or *standard* transactions of major significance: an annual review by the Control and Risk Committee of exempted transactions of major significance and the regulation of the related information flow was introduced.

Finally, the *Regulation for El.En. s.p.a. related-party transactions* was last revised in the course of 2023 following the exceeding of the “smaller-sized companies” parameters set forth in Art. 3, para. 1, lett. f) of the aforementioned Consob Regulation.

The proposed amendments, since also in the previous version all transactions subject to this regulation were examined in advance by the Committee for related party transactions (“RPT Committee”), concerned:

- a) provision that in the case of transactions of greater significance, the RPT Committee shall be constituted and deliberate with the presence of Independent and unrelated Board members;
- b) provision of reinforced equivalent safeguards in the case of transactions of greater significance, with the competence to issue the opinion in the last resort of the entire board of statutory auditors instead of only the chairman of the supervisory body;
- c) reorganisation of the content with the separation into two separate articles of the procedure for the issue and value of the prior opinion of the RPT Committee and its effects by differentiating between minor and major transactions.

Although it was amended during the Fiscal year - by Art. 2 of It. Law of 5 March 2024, no. 21 - the capitalisation threshold for qualifying SMEs from EUR 500 million to EUR 1 billion, the Company did not deem it necessary to make any changes to its *Regulation for Related Party Transactions*, thus maintaining the 2023 structure.

As already mentioned, the Company set up a committee for related party transactions; it is incorporated into the Control and Risk Committee.

Please therefore refer to paragraph 9.2. on the composition, functions and activities performed during the Financial Year. Of the meetings held by the Control and Risk Committee, two were specifically and exclusively devoted to related party transactions: 14 March and 1 August.

11.0 BOARD OF STATUTORY AUDITORS

11.1 APPOINTMENT AND REPLACEMENT

In accordance with Art. 144-*sexies* Consob Regulation on Issuers, as well as Art. 148, paragraph 2, TUF as last amended by It. Leg. D. 27/2010, and the balancing legislation set out in It. L. 12 July 2011, no. 120, Art. 25 of the Articles of Association provides for the following appointment procedure.

“Art. 25 – Board of Statutory Auditors (...omissis...) The following procedure is followed to appoint members of the Board of Statutory Auditors. Shareholders intending to propose Statutory Auditor candidates must deposit at the headquarters at least twenty-five days before the date set for the ordinary shareholders’ meeting in first call:

a) a list containing the names in progressive order and divided into two sections: one, of candidates as Statutory auditors, the other for Alternate auditors.

b) together with the list: a full description of the professional profile of candidates presented, providing adequate motives for the proposal and a curriculum vitae of each candidate;

c) together with the list, the declaration with which each candidate accepts his/her candidacy and states, under his/her own responsibility, that there are no reasons for ineligibility or incompatibility and that he/she holds the requirements established by laws applicable and these Articles of Association for the respective positions.

*d) together with the list a declaration by shareholders who do not hold, even jointly, a controlling or relative majority share, declaring there are no connection relations as set forth in art. 144-*quinquies* Consob Regulation 11971/1999 with the latter.*

The lists must provide identification of shareholders, or the name of the shareholder, presenting the list with full indication of personal details and the capital percentage owned singly and as a whole.

The creation of lists containing no less than three candidates must comply with regulations on gender balance.

Each Shareholder may present or take part in presenting just one list and each candidate may be presented in just one list, penalty the person’s ineligibility.

*Shareholders with the right to present lists are those who alone or together with other shareholders represent that share of share capital established by art. 147-*ter* of It. Leg. D. of 24 February 1998, no. 58, or the share, even higher, established by the Consob with regulations considering the capitalisation, free float and ownership structure of listed companies.*

Ownership of the minimum share needed to present lists is decided considering shares registered to shareholders on the day on which the lists are deposited with the company. However, the relative certification must be produced at least twenty one days before the date set for the ordinary shareholders’ meeting in first call.

Statutory Auditors are appointed by the Shareholders’ meeting based on the lists presented by Shareholders in which candidates are listed progressively. Each Shareholder with right of vote may vote just one list.

*If only one list has been presented on the date the above term to present lists expires, or only lists presented by shareholders who, based on what is set forth in paragraph 4 of art. 144-*sexies* Consob Regulation 11971/1999, are connected pursuant to art. 144-*quinquies* of the Consob Regulation 11971/1999, lists may be presented up to the fifth day following that date. In that case, the above capital share level set for the presentation of lists is halved.*

If several lists have been presented, the following procedure applies to elect the members of the Board of Statutory Auditors:

a) the votes obtained by each list will be divided by one, two, three, etc., based on the progressive number attributed to candidates being elected;

b) the votes obtained will be progressively assigned to the candidates of each list in the order set and will be included in a single decreasing ranking;

c) those who obtained the highest results will be elected.

At least one Statutory Auditor must always be taken from the minority shareholders’ list obtaining the highest number of votes. Therefore, if the three highest results have all been obtained by candidates belonging to majority lists, the last Statutory Auditor to be elected will be taken from the minority shareholders’ list that has obtained the highest number of votes; even though he/she has obtained a lower number than the majority shareholders’ list candidate with the third highest result.

If candidates have obtained the same result, the candidate from the list that has not yet elected an Auditor will be elected; or if all lists have elected the same number of Auditors, the candidate of the list that obtained the highest number of votes will be elected. In a list votes draw and still with a numbers draw, the entire ordinary Shareholders’ Meeting will hold a new vote, and the candidate obtaining the simple majority will be elected.

The Board of Statutory Auditors Chairperson is the Statutory Auditor elected first in the minority shareholders’ list obtaining the highest number of votes; or, if there is no minority shareholders’ list, the statutory auditor elected first in the list obtaining the highest number of votes. If a Statutory Auditor should have to be replaced, he/she will be replaced by the Alternate auditor belonging to the same list.

If no list should be presented within the terms indicated, the Shareholders’ Meeting will resolve with the relative majority of Shareholders present at the Meeting.

*If just one list is presented, Substitute and Statutory Auditors will be elected from that list in their listing order.
If no minority shareholders' list should receive votes, the Board of Statutory Auditors will be integrated through a resolution taken by the relative majority of Shareholders present at the Meeting.
In any case, the composition of the body elected must be able to guarantee representation of a gender balance pursuant to art. 148, paragraph 1-bis, It. Leg. D. of 24 February 1998, no. 58.
The appointment of Statutory Auditors to integrate the Board pursuant to article 2401 of the It. c.c. is carried out by the Shareholders' Meeting by relative majority.
When one or more supervisory body members should fall from office for any reason whatsoever, new members shall be designated or appointed in compliance with gender balance regulations in force.”*

The current Board of Statutory Auditors that was elected by resolution of the Ordinary Shareholders' Meeting of 29 April 2022 for the financial years 2022-2024, will expire with the approval of the annual financial statements as at 31 December 2024. Therefore, the 2025 Meeting is called upon to appoint the new controlling body.

As at 31 December 2024, the Board of Statutory Auditors was composed as follows: Mr. Carlo Carrera, Chairman; Mr. Paolo Caselli, Statutory Auditor; Ms. Rita Pelagotti, Statutory Auditor; Ms. Elisa Raoli and Mr. Gino Manfriani, Substitute statutory Auditors.

The Chairman of the Board of Statutory Auditors Mr. Carlo Carrera and Alternate auditor Ms. Elisa Raoli were elected from the only minority list submitted.

Pursuant to Art. 144-*septies*, paragraph 2, Consob Regulation on Issuers, the minimum shareholding in the share capital necessary for the submission of lists of candidates for members of the Board of Statutory Auditors is currently 2.50%, in accordance with the provisions of Art. 25 of the Articles of Association, Art. 144-*sexies* Consob Regulation on Issuers and CONSOB Decision of 28 January 2025, no. 123.

11.2 COMPOSITION AND FUNCTIONING (pursuant to Art. 123-bis, para. 2, letter d) and d-bis), TUF)

The Board of Statutory Auditors is the body which, by virtue of legal, regulatory and statutory provisions, is responsible for supervising compliance with the law, the articles of association and correct administration principles, the adequacy of the Issuer's organisation structure for its areas of competence, the internal control system and the administrative-accounting system adopted by the Issuer, and their actual functioning. The Board of Statutory Auditors also supervises the matters provided for in Art. 19 of It. Leg. D. 27 January 2010 no. 39 as well as the concrete implementation of the corporate governance rules provided for in the Code, compliance with Consob provisions and the concrete implementation of corporate procedures concerning related parties.

Lastly, this body is responsible for supervising the adequacy of the instructions given to the subsidiaries so that they provide all the information necessary to fulfil their statutory reporting obligations.

In accordance with the provisions of the Articles of Association, where required by the Board, the Board of Statutory Auditors performs the functions of the supervisory body under Art. 6 of It. Leg. D. of 8 June 2001, no. 231.

By express provision of the Articles of Association, auditors must meet the legal requirements, and thus also the independence requirements of Art. 148 TUF.

They also act with autonomy and independence vis-à-vis the shareholders who elected them.

The current Board of Statutory Auditors comes from two lists:

a) the first (List 1) submitted by Andrea Cangioi, a natural person representing 14.476% of the share capital; containing the following candidates:

Section One – Statutory Auditors

- Caselli Paolo;
- Pelagotti Rita;
- Pilla Vincenzo;

Section Two – Substitute Statutory Auditors

- Manfriani Gino;
- Moroni Daniela;

b) the second (List 2) presented jointly by a group of shareholders jointly representing 3.88399% of the share capital and comprising the following:

Section One – Statutory Auditor

- Carlo Carrera;

Section Two – Alternate auditor

- Alessandra Pederzoli.

The election took place with the favourable vote of no. 60,531,140 ordinary shares equal to 75.843572% of the share capital as follows:

Appointment of the Board of Statutory Auditors

	N. SHAREHOLDERS (IN PERSON OR BY PROXY)	N. SHARES	% OF ORDINARY SHARES REPRESENTED	% OF SHARES ADMITTED TO VOTING	% OF ORDINARY SHARE CAPITAL
LIST 1	16	38.447.370	63,516679	63,516679	48,173318
LIST 2	276	22.063.022	36,449044	36,449044	27,644257
Against	1	20.748	0,034277	0,034277	0,025997
Abstained	0	0	0,000000	0,000000	0,000000
Non-voters	0	0	0,000000	0,000000	0,000000
Total	293	60.531.140	100,000000	100,000000	75,843572
Not Computed	0	0	0,000000	0,000000	0,000000

In accordance with Art. 25 of the Articles of Association, two statutory auditors (Paolo Caselli and Rita Pelagotti) and one alternate auditor (Gino Manfriani) were elected from List no. 1, the Chairman of the Board of Statutory Auditors (Carlo Carrera) and an Alternate Auditor (Alessandra Pederzoli) from List no. 2.

The lists presented were not connected in any way.

Following the passing away of Dr. Pederzoli, the 2024 Shareholders' Meeting proceeded to appoint Dr. Elisa Raoli as alternate auditor following the appointment proposal submitted jointly by a group of shareholders jointly representing 4.37854% of the share capital. The election took place with the favourable vote of no. 62,863,883 ordinary shares equal to 78.512949 of the share capital.

The current Board is in office for three financial years until the approval of the financial statements for the financial year 2024.

For professional profiles and personal characteristics, please refer to the CVs published on the Company's website [www.elengroup.com \(https://elengroup.com/documenti-assembleari/\)](https://elengroup.com/documenti-assembleari/).

The Board of Statutory Auditors as at 31 December 2024 consists of three statutory auditors and two substitute statutory auditors:

Name	Office	Domicile	Place and date of birth
Carlo Carrera	Chairman	Milan, Corso XII Marzo, 38	Turin on 13 June 1968
Paolo Caselli	Statutory Auditor	Pistoia, Via Venturi, 1/B	Florence, 14 April 1966
Rita Pelagotti	Statutory Auditor	Florence, Via Francesco Corteccia 28/2	Florence on 6 December 1956
Gino Manfriani	Alternate auditor	Florence, Viale Segni, 1/3 Florence	Borgo San Lorenzo (FI) 26 April 1963
Elisa Raoli	Alternate Auditor	Terni, Via Aleardi, 2	Anagni, 3 September 1982

The average duration of the Board meetings was 75,36 minutes.

There were 14 (fourteen) meetings held during the financial year.

As far as the current fiscal year is concerned, it was said, the current Board of Statutory Auditors will expire with the approval of the 2024 budget by the Shareholders' Meeting. Therefore, the schedule of meetings is partial and includes 2 additional meetings for pre-budget approval activities in addition to the 4 that have already been held (21 January, 29 January, 31 January, 27 February).

Concerning the actual participation of its members, see Table 4 in the annex.

The Issuer shall constantly make available to the Board its staff and the resources that this body deems useful from time to time for the performance of its functions under the current Art. 25 of the Articles of Association.

The Board has always actively participated in the meetings and activities of the Audit and Risk Committee in its various functions (internal control, related party transactions and sustainability) and cooperates with the head of the *internal auditing* function.

Statutory member Mr. Paolo Caselli, moreover, by virtue of a resolution passed by the Board on 31 March 2008, then confirmed at each renewal of the Board of Statutory Auditors and most recently on 13 May 2022, is the chairman of the supervisory body pursuant to It. Leg. D. 231/2001.

The reporting activities of the internal auditor and the executive in charge are carried out in relation to an internal control committee in a broader sense, including the Control and Risk Management Committee and the Internal Control Committee pursuant to aforementioned It. Leg. D. 39.

As at 31 December 2024, the following members of the Company's Board of Statutory Auditors were also members of the supervisory bodies of the following subsidiaries:

Name and Surname	Assets
Paolo Caselli	<ul style="list-style-type: none"> - Sole auditor of Deka M.E.L.A. s.r.l. - Chairman of the Board of Statutory Auditors of Lasit s.p.a. - Statutory auditor of Quanta System s.p.a.

Diversity Criteria and Policies (Rec. 8)

In addition to what has been said in general about the Composition and Diversity Policy in paragraph 4.2., it should be added that the formalisation of policies relating to the composition of the supervisory body is strongly conditioned by the detailed regulations governing this area.

Therefore, in the Composition and Diversity Policy document adopted by the Issuer, it merely recalls the essential features of the regulations.

As to the quantitative composition, in accordance with the law and Art. 25 of the Articles of Association, the Board of Statutory Auditors consists of five members: three statutory auditors, one of whom is the chairman, and two substitute statutory auditors.

As regards its qualitative composition, the Board of Statutory Auditors is composed of persons with the requirements of honour, professionalism, competence and independence laid down by law.

In the case of the Issuer, since the Board of Statutory Auditors is identified with the "Internal Control and Audit Committee" pursuant to Art. 19 of It. Leg. D. 39/2010 (as amended by It. Leg. D. 135/2016), the members of the Board must, as a whole, be competent in the sector in which the Company is active.

Furthermore, the members must be gender diverse - in the sense that at least one third of the members must belong to the least represented gender (Art. 148, paragraph *1-bis*, TUF) age and training and professional path, in order to ensure a different vision and approach to control issues and the appropriate skills to ensure the proper performance of the functions assigned to it.

As regards the limit on the accumulation of offices, the company complies with Consob regulations, Art. 144-*terdecies* Consob Regulation on Issuers, issued in implementation of the provisions of Art. 148-*bis*, TUF. As a matter of fact, the Articles of Association provides for a limit on the accumulation of offices, pursuant to Art. 148-*bis* TUF, by establishing as a cause of ineligibility and disqualification, for candidates or elected auditors holding the office of statutory auditor in more than five listed companies, as well as for those who find themselves in situations of incompatibility or exceed the maximum limit provided for by the Consob Regulation on Issuers (Articles 144-*duodecies* et seq.).

The methods for implementing the El.En. Composition and Diversity Policy consist of expressing to the shareholders when appointing the management and control bodies guidelines consistent with this policy and verifying at the time of election and then, cyclically, from year to year at the time of assessing the independence requirements of the Board, compliance with it in terms of composition and functioning.

With regard to the verification of the achievement of objectives, the assessment is made with regard to the result of both the Issuer and the Group when reviewing the degree of achievement of objectives upon approval of the final incentive remuneration due to the target administrators and the general manager.

Independence (Rec. 9 and 10)

The Board of Statutory Auditors:

- verified the independence of its members at the first opportunity after appointment by assessing whether they met the independence requirements set forth in Art. 148, paragraph 3, TUF (Art. 144-*novies*, paragraph *1-bis*, Issuers' Regulation); the Board acknowledged the declaration of possession of the requirements upon acceptance of the candidature;
- verified during the financial year that its members continued to meet the independence requirements and forwarded the results of these verifications to the Board;
- in making the above assessments, it applied the criteria set out in the Code with regard to the independence of administrators. In particular, with reference to the duration of the appointment, the Board of Statutory Auditors found that the fact that one of them has held their respective positions in El.En S.p.a. for more than nine years, does not in itself

constitute a relationship that could affect independence, in the absence of other significant relationships or relations among those listed in Art. 148 paragraph 3 of It. Leg. D. 58/98 cited above and in Rec. 7.

Therefore, the outcome of the inspections was positive and this was communicated to the Issuer's Board, which acknowledged this at the Board meeting of 15 March.

The Board of Statutory Auditors elected by the Shareholders' Meeting of 29 April 2022, referring not only to the Articles of Association and the regulations, but also to the qualitative and quantitative criteria adopted by the Company in relation to the assessment of administrators' independence:

- predefined in its meeting of 4 May 2022, at the beginning of its term of office, the quantitative and qualitative criteria for assessing the significance of the circumstances relevant under the Code for the purposes of assessing the independence of each member (Recommendation 7, as recalled by Recommendation 9), i.e., in addition to those provided for in the articles of association and the regulations:

- with regard to Recommendation 7 lett. c) of the Code, that a commercial, financial or professional relationship is significant to the extent that it is so pursuant to and for the purposes of the provisions of the El.En. S.p.a. for Transactions with Related Parties:

- with regard to Recommendation 7 lett. d) of the Code, that additional remuneration over and above the fixed remuneration for the office and the remuneration for any positions held in other supervisory bodies of the same Company or its subsidiaries, is significant if it exceeds 30% of the total remuneration received for the offices.

- at the same meeting of 4 May, it assessed the independence of the individual members, giving an account of it to the Board, which then took note of it at the meeting of 13 May, specifying the accounting policies concretely applied

- upon the occurrence of circumstances relevant to independence and in any case at least once a year, assesses the continued existence of the independence requirements of the members of the Board of Statutory Auditors (Recommendation 6 as referred to by Recommendation 9) and

- in making the above assessments, takes into consideration all the information made available by each member of the Board of Statutory Auditors (Recommendation 9), assessing all the circumstances that appear to compromise independence identified by the TUF and the Code (Recommendation 6, as recalled by Recommendation 9) and applying (among others) all the criteria provided for by the Code with reference to the independence of administrators (Recommendation 7, as recalled by Recommendation 9).

At the time of the appointment of the current Board of Statutory Auditors, the Board disclosed the continued existence of the independence requirements declared at the time of the acceptance of the candidature and then, on 13 May 2022, the outcome of the independence assessments received by the Board itself through a press release to the market.

As to any initiatives taken by the Chairman of the Board for the purpose of the *induction programme*, as already mentioned, the members of the Board of Statutory Auditors are all technically and legally trained and experienced. One of them has been involved in the internal control activity since its inception within the Issuer.

In order to introduce the Chairman of the Board of Statutory Auditors elected from the so-called minority list to the activities of the Company and the Group and to the regulatory environment in which it operates, several *induction programme* initiatives have been undertaken since June 2022 involving the various corporate bodies and functions. In particular, visits were organised to all departments of the Issuer, interviews were held with the managing directors, the general manager and the main corporate functions. In addition, illustrative sessions on the activities carried out by the various bodies, on company dynamics and current internal regulations and procedures were held at both board and committee meetings.

Furthermore, during the Year, the entire Board of Statutory Auditors participated in the meetings of the Control and Risk Committee in the function of Sustainability Committee, thus taking part in the specific induction sessions of 22 July and 16 October.

Remuneration

With regard to the remuneration of the Board of Statutory Auditors, it was approved by the Shareholders' Meeting at the time of election as proposed by the Board and is commensurate with the commitment required, the importance of the role and the size and sectoral characteristics of the Issuer.

Interest management

A Statutory Auditor who, on his/her own behalf or on behalf of third parties, has an interest in a certain transaction of the Issuer shall promptly and fully inform the other Statutory Auditors and the Chairman of the Board of the nature, terms, origin and extent of his/her interest and pursuant to Art. 7 of the *Internal Regulations for Related Party Transactions*, and the independent board members have the right to request the postponement of the meeting and the resolution in order to obtain more information.

The Board of Statutory Auditors, whose methods have already been described in previous sections of this report, in carrying out its activities, has constantly coordinated with the internal audit position and with the Control and Risk Committee in all its functions, therefore also the committee for transactions with related parties and for sustainability, present within the Board.

The Board of Statutory Auditors continued, among other things, to exercise its control over transactions with related parties as well as being an active member, in the person of one of its statutory members, of the supervisory body as per It. Leg. D. 231/2001 of the Issuer and certain subsidiaries, and also performed the functions assigned to it by It. Leg. D. 39/2010 with reference to the supervision of the activity of the Independent Auditor appointed by the Shareholders' Meeting of 4 June 2020.

11.3 ROLE

During the 2024 financial year, the Board of Statutory Auditors, also in its capacity as the Internal Control and Audit Committee, carried out its activities in compliance with the regulations of TUF, of It. Leg. D. 39/2010 and in accordance with the Rules of Conduct of the Board of Statutory Auditors of Listed Companies recommended by the National Board of Chartered Accountants and Accounting Consultants as well as with the provisions of Consob with Communication of 6 April 2001, amended and integrated with Communication DEM/3021582 of 4 April 2003 and subsequently with Communication DEM/6031329 of 7 April 2006 and the indications contained in the Corporate Governance Code.

During 2024, the Board of Statutory Auditors held, as mentioned in the previous paragraph, 14 meetings, the minutes of which were recorded in the relevant book, and maintained continuous relations with the various corporate functions involved in the activities subject to supervision; it also attended the meetings of the corporate boards as well as those of the board committees appointed by the Company pursuant to the provisions of the Code.

Among the activities subject to supervision, in addition to those implemented by the Company to ensure compliance with the applicable rules - including regulations - are those relating to the process of drawing up the financial statements (including the consolidated financial statements), the procedures for reporting by subsidiaries for the purposes of appropriate controls, and the regulation of relations with shareholders.

In addition to its general and recurring supervisory activities, the Board carried out a number of specific control activities during 2024, including the following.

The Board of Statutory Auditors was called upon to express its opinion on the petitions submitted by the appointed independent auditor EY S.p.a. concerning the request for adjustment of its fees as well as the assumption of certain 'non-auditing' assignments related to the certification of research and development expenses (Transition 4.0) incurred by some Group companies; following the audits carried out, the Board of Auditors expressed a favourable opinion in all three cases submitted to it.

The Board of Auditors devoted two meetings to the meeting with Independent Auditor EY S.p.a. in order to set up an exhaustive exchange of information on the results of the performance of their respective control activities, also pursuant to the provisions of Art. 150 of TUF; similar meetings were held with the Supervisory Board appointed by the Company pursuant to It. Leg. D. 231/2001.

As usual, the many activities aimed at drawing up the annual report, prepared in accordance with the provisions of the Italian Civil Code and the TUF, and compliance with the consequent and related requirements, such as the preparation of the Consob Form (Consob Communication no. DEM/1025564 of 06/04/2001), during three meetings specifically dedicated to this activity.

The Board of Statutory Auditors has fulfilled its periodic self-assessment regarding its composition, independence and size, taking into account the Rules of Conduct of the Board of Statutory Auditors recommended by CNDCEC, relating to the self-assessment of the Board and the periodic internal process of assessment regarding the recurrence and permanence of the requirements of suitability of its members and the correctness and effectiveness of its functioning, and the Corporate Governance Code (Principle VIII, Recommendation 9). The self-assessment process took into account the subjective profiles of the individual members and of the body as a whole, such as quantitative composition, qualitative composition, independence, honourableness, professionalism, diversity, availability of time and remuneration, and was concluded with a positive outcome, resulting in compliance with the requirements of the regulations in force. The Board of statutory auditors also took note of the positive outcome of the assessments regarding the composition, size and functioning of the Board of Directors and of the committees, with particular regard to the requirements for independent administrators and the determination of remuneration.

The Board of Statutory Auditors also monitored how the corporate governance rules laid down in the Code were implemented in practice.

The following specific control activities were also carried out: (i) meetings with company management to acquire information on the performance of the activity with a focus on certain topics such as: the evaluation of shareholdings in controlled companies, relationships (commercial, financial, etc.) between group companies; (ii) periodic meetings with the *Internal Audit* function in order to assess the work planning methods, based on the identification and assessment of the main risks present in processes and organisational units; (iii) periodic monitoring of the consistency of receivables due from third parties and intercompanies, with in-depth examination of the relative valuation and the results of the checks carried out by the Independent Auditor in this area (iv) fulfilments related, preceding, following and consequent to the approval of the annual financial statements (convocation of shareholders' meetings and related publicity requirements, compliance with shareholders' meeting regulations, publication, transmission to the various supervisory bodies, filing before and after the shareholders' meeting, etc.); (v) verification of the permanence of the annual financial statements in the Company's financial statements, including the approval of the financial statements by the Board of Directors and the Board of Statutory Auditors.); (v) verification of the permanence of adequate organisational structures both in relation to the control tools put in place and the resources employed in the various corporate sectors, with particular attention to the administrative sector and to the IT tools used to keep accounts and process data for the purpose of preparing periodic financial reports; (vi) meetings with the Executive in Charge of Financial Reporting aimed at supervising the activities carried out by the same pursuant to the applicable regulations; (vii) verification of the requirements to remain in the Euronext Star segment (Borsa Italiana); (viii) compliance analysis in relation to the provisions of the CG Code as well as the recommendations set forth in the letter from the Committee Chairman (ix) meetings with the legal department also for the purpose of acquiring information on the situation of pending litigation and its evolution with reference, among others, to the civil lawsuit involving a Chinese subsidiary and to the lawsuit concerning a claim occurred to a North American customer; (ix) analysis of the situation related to the insurance coverage stipulated by the Company (xi) meeting with the HR manager to supervise the appropriate set-up and acquire information on the functioning of the dedicated software, on the provision of mandatory training to employees, and on the composition of the workforce; (xii) monitoring the evolution of regulations on sustainability as well as, also following meetings with the manager in charge of sustainability reporting, the significant process of compliance with the new regulations implemented by the Company; (xiii) meetings with the control bodies of subsidiaries pursuant to paragraphs 1 and 2 of Art. 151 of TUF, during which the Board of statutory auditors acquired information on events deemed significant that affected the Group's companies and the internal control system;

For further details, please refer to the 2024 Consolidated Sustainability Report (section "GOV 1 - Role of the administrative, management and supervisory bodies" and section "GOV 2 - Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them" in chapter "1. GENERAL INFORMATION") published pursuant to It. Leg. D. 125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and is also available at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

12.0 RELATIONS WITH SHAREHOLDERS

Access to information

The Issuer has set up two easily identifiable and accessible shareholder sections on its website www.elengroup.com. The first contains all information about the Issuer that is relevant to its shareholders, so that they can exercise their rights in an informed manner.

This section is called “*Investor Relations*” and is accessible from the *homepage* of the Issuer's website (<https://elengroup.com/it>).

Mr. Enrico Romagnoli and the Managing Director Mr. Andrea Cangioli were identified as the persons in charge of managing relations with shareholders (“*Investor relator*”).

With regard to further initiatives taken to make access to information concerning the Issuer of significance to its shareholders timely and easy, see the following paragraph.

Consistent with the Issuer's organisational structure and structure, the *Investor Relator* structure shall endeavour to facilitate shareholder participation in shareholders' meetings and make it easier for shareholders to exercise their rights, as well as to establish an ongoing dialogue with them. The Board is responsible for facilitating the setting of the date, time and place – usually the headquarters - of the meeting and the timely fulfilment of all legal obligations regarding the manner of convening and notifying shareholders of the meeting.

Pursuant to the provisions of the Code, all administrators normally attend the shareholders' meetings, and information and news concerning El.En. is disclosed to shareholders therein, always in compliance with the rules on *price-sensitive* news.

The Chairman of the Board and the managing directors have jointly identified one of the employees, Mr Enrico Romagnoli, and the managing director, Mr Andrea Cangioli, as the persons responsible for relations with institutional investors and other shareholders. The *Investor Relator* Division is part of a corporate structure, consisting of employees, responsible for processing accounting, administrative and financial documents and information.

In compliance with the procedure on the disclosure of documents and information concerning El.En., the division in question has the task of taking care of the dialogue with shareholders and institutional investors and the provision of the appropriate documentation in awareness of the protection of and compliance with the law and “*Regulation for the processing of corporate information, of El.En. S.p.a.*”, especially with regard to inside information.

The second section is dedicated to sustainability and is also accessible from the *homepage* of the Issuer's website (<https://elengroup.com/it>). It contains all published documentation and useful news about the activities of the Company and the Group.

Dialogue with shareholders and other relevant stakeholders (Art. 1 Rec. 3)

The *Investor Relations* section includes a sub-section dedicated to shareholders that can be accessed under the path *Governance/ Shareholder Dialogue* also from the home page www.elengroup.com.

It contains the document approved by the Board on 12 November 2021, at the proposal of the chairman, consisting of the formalisation of the policy for the management of the dialogue with all shareholders (Rec. 3).

The purpose of the proposed policy is to facilitate El.En.'s dialogue with its shareholders, investors and other *stakeholders*, by fostering understanding of the company's corporate objectives and the industrial group it leads on the part of the corporate structure and the market, and by promoting communication aimed at aligning the various interests with a view to the pursuit of sustainable success.

The manner in which dialogue is managed and information is communicated complies with the “*Rules for the processing of company information, of El.En. S.p.a.*”, in compliance with the provisions of Reg. EU 16 April 2014, no. 596 and It. Leg. D. of 24 February 1998, no. 58 and its implementing regulations.

The dialogue policy is published on the Issuer's website (<https://elengroup.com/it/politica-azionisti>).

During the financial year, dialogue with the shareholders took place without particularity, through numerous meetings and telephone conversations. The meetings were both collective and individual. Collective ones are usually organised by the Company's *specialist* or press agency or by Borsa Italiana. Visits to the company's plants are also organised as part of the collective meetings. Individual ones usually concern potential investors or analysts and take place at their initiative.

Furthermore, following each board meeting that approves financial data or transactions of particular relevance, a telephone conference is held with the financial community by the managing director and the Investor Relators.

The Chairman ensures that the Board is informed in any case, within the first available meeting, on the development and significant contents of the dialogue with all shareholders (Recommendation 3).

For more detailed information on stakeholders, please refer to the 2024 Consolidated Sustainability Report (section "SBM 2 - Stakeholders' interests and opinions" in chapter "1. GENERAL INFORMATION") published pursuant to It. Leg. D.

125/2024 together with the management report on the Issuer's website at <https://elengroup.com/relazioni-bilanci/> and is also available at www.elengroup.com - section *Sustainability/Documents-Sustainability Report*.

13.0 SHAREHOLDERS' MEETINGS (pursuant to art. 123-bis, paragraph 2, letter c), TUF)

The Shareholders' meeting is governed by Title III of the articles of association (Articles 11-18) that regulates, in accordance with the provisions of the law and regulations, its powers, its functioning, convocation procedures, *quorums* of constitution, participation in the shareholders' meeting, etc., and which are set out below in the version updated as at 31 December 2014.

“Article 11

Shareholders' meeting

The Shareholders' meeting, legally convened, represents all Shareholders and its resolutions, taken pursuant to law and the articles of association, bind all Shareholders even if not present or dissenting.

The shareholders' meeting may be ordinary or extraordinary and may be held in second and third call.

The ordinary Shareholders' Meeting must be called at least once a year to approve the financial statements for the financial year within terms set by law. It may be called within the term of one hundred and eighty days from the end of the financial year for the financial years related to which the company has to draw up the consolidated financial statement and when specific motivated needs related to the company structure and purpose should require it.

The Shareholders' Meeting is also called each time the Board of Directors deems it appropriate, or a formal request is made by persons entitled by law, or by the Board of Statutory Auditors, or part thereof, as set forth in art. 25 of these articles of association.

Article 12

Meeting location

The Shareholders' meetings are held at the Company's headquarters or another place indicated in the notice of call, as long as it is in Italy.

Article 13

Calling the Shareholders' Meeting

The Shareholders' Meeting is normally called by the Board of Directors in compliance with regulations on the matter, through notice to be published, within legal terms, on the company's website and the daily newspaper ITALIA OGGI (except for cases where the law requires otherwise).

The notice must contain indication of meeting date, time and place, the list of items on the agenda and any other information established in regulations.

A single notice may contain the dates of the first, second and third call.

Article 14

Taking part in the Shareholders' Meeting

Taking part in Meetings is regulated by laws and regulations in force on the subject.

Shareholders who have the right to vote may participate in the Meeting, provided that, and for the number of shares for which they have deposited pursuant to legal terms and methods.

The Shareholder with the right to take part in the Meeting, with no prejudice to the categorical provision on proxies set forth in Italian Legislative Decree of 24 February 1998, no. 58 and other provisions applicable, may be represented by written proxy. The written and digitally signed proxy must be sent to the company by certified electronic mail.

“The Board of Directors of the Company may provide in the notice of call of each shareholders' meeting that participation in the shareholders' meeting and the exercise of voting rights shall take place exclusively through the representative designated by the company pursuant to Art. 135-undecies It. Leg. D. of 24 February 1998, no. 58.

Article 15

Chairing the Shareholders' Meeting

The Meeting is chaired by the Chairperson of the Board of Directors or if the latter is unavailable, by the Vice Chairperson. If not, by a person elected by the majority of votes per head of Shareholders present.

The Meeting elects a Secretary, also from amongst non Shareholders and, if deemed necessary, two Scrutineers.

The assistance of a Secretary is not needed when the minutes are drawn up by a Notary.

The Chairperson is responsible for checking the convening regularity and for ascertaining the identity and legitimacy of those present. When that ascertainment has been performed, the Shareholders' meeting constitution may not be invalidated because some of those present might leave the meeting.

The Chairperson is also responsible for regulating the Meeting, directing and disciplining discussions, possibly establishing duration of each statement, deciding voting method and order as well as ascertaining the results, all in full compliance with any regulation that, prepared by the Board of Directors and approved by the ordinary Meeting, may govern the orderly and functional conduct thereof in both ordinary and extraordinary sessions.

Article 16

Minutes

Shareholders' Meeting resolutions will be documented in minutes signed by the Chairperson, the Secretary or Notary and possibly the Scrutineers.

In cases established by law and, furthermore, when the Chairperson deems it opportune, the minutes are drawn up by a Notary.

Article 17

Ordinary Shareholders' meeting

In first call, the ordinary Shareholders' Meeting is regularly convened with the presence of Shareholders representing at least half share capital calculated pursuant to art. 2368, paragraph 1, of the It. c.c. It resolves by absolute majority.

In second call, the ordinary Shareholders' Meeting, whatever the share capital represented, resolves by absolute majority of those present on items that should have been dealt with in the first. To appoint the Board of Statutory Auditors, provisions in Art. 25 of these articles of association are complied with.

Vote by correspondence is allowed as established by law and regulations on the matter.

Article 18

Extraordinary Shareholders' Meeting

The extraordinary Shareholders' Meeting is regularly convened, in first and second call, with the participation of Shareholders representing that part of capital indicated respectively in arts. 2368, second paragraph and 2369, third paragraph of the It. c.c. In third call, the Meeting is regularly convened with the presence of all Shareholders representing at least one fifth of share capital. It resolves, in first, second and third call, with the favourable vote of at least two thirds of share capital represented at the Meeting."

Since 2000, the company's Articles of Association have provided for shareholders to exercise postal voting for matters of an ordinary nature.

Notices of Shareholders' Meetings and related courtesy notices concerning the actual date of the meeting are also published in the manner required by law on the company's website, and where required, and if permitted, also in excerpts, in a daily newspaper with wide national circulation (currently ITALIA OGGI).

Meeting 2024 approved the introduction of Art. 14 of the Articles of Association of the Board's power to establish from time to time that participation in the Meeting and the exercise of the right to vote take place exclusively through the representative designated by the company pursuant to art. 135-undecies TUF.

None of the Issuer's major shareholders has so far submitted any proposals to the Shareholders' meeting on topics on which no specific proposal had been made by the administrators.

The Chairman of the Board, who, unless prevented from doing so, presides over the meeting, proceeds to explain at length the proposals and items on the agenda of the meeting and to ensure that the Meeting is conducted in an orderly and functional manner.

In this regard, the Shareholders' Meeting on 15 May 2007 approved the Shareholders' Meeting Regulations prepared by the Board (Criterion 9.C.3) as amended on 13 May 2011 in the part relating to participation in the Shareholders' Meeting. In fact, it was also necessary to revise the assembly regulations in light of the amendment to Art. 14 of the Articles of Association, approved by the Shareholders' Meeting held on 28 October 2010, which came about as a result of the innovations made by the legislator with It. Leg. D. 27 January 2010 no. 27 in relation to Art. 2370 of the It. c.c., on the subject of the right to participate in Shareholders' meetings as well as the exercise of voting rights, and the introduction of Art. 83-sexies TUF, the latter providing for the so-called *record date*.

The regulations of the Shareholders' Meeting of El.En. s.p.a., which are reproduced below, are available at www.elengroup.com under section. "Governance/Articles of Associations and Regulations

"EL.EN S.P.A. SHAREHOLDERS' MEETING REGULATIONS"

Art. 1 - Subject matter and scope

These regulations govern the orderly and functional proceedings of the Shareholders' Meetings of El.En. s.p.a. ("Company") in both ordinary and extraordinary sessions.

It can be consulted and is available to shareholders at the headquarters and on the website (www.elen.it investor relations section) of the Company, as well as from time to time at the place of the shareholders' meeting.

Art. 2 - Venue and chairmanship of the Shareholders' Meeting

The Shareholders' Meeting shall be held in first, second or third call at the places and times fixed in the notice of call published pursuant to Art. 13 of the Articles of Association and is chaired, as a rule, by the chairperson of the board of directors, or in the event of his/her absence or impediment by the subjects identified in Art. 15 of the Articles of Association.

Art. 3 – Taking part in the Shareholders' Meeting

3.1. The right to take part in Shareholders' Meetings is governed by Art. 14 of the Company's Articles of Association, pursuant to which shareholders and those who are entitled to attend the Meeting, who are entitled to vote, may participate in the Meeting, provided that, and for the number of shares in relation to which, they have deposited within the terms and with the methods provided by law.

3.2. Upon invitation of the chairperson, the Shareholders' meeting may be attended by employees of the Company, consultants and representatives of the company entrusted with the audit of the Company's accounts, whose presence is

deemed by the chairperson to be useful or appropriate in relation to the matters to be discussed or the functional conduct of the proceedings.

3.3. Experts, financial analysts and journalists may also attend the Shareholders' Meeting, with the consent of the chairperson of the Shareholders' meeting and unless the shareholders present object, and for this purpose they must send a written request to the chairperson of the Company no later than the second working day prior to the date set for the Shareholders' meeting.

3.4. Before opening the illustration and discussion of the items on the agenda, the chairperson shall inform the Shareholders' meeting of the participation and attendance of the persons referred to in paragraphs 3.2. and 3.3. above.

Art. 4 - Verification of entitlement to participate in the Shareholders' meeting and access to the Shareholders' meeting premises

4.1. Only the persons entitled or authorised under Article 3 above may enter the Shareholders' Meeting premises after personal identification and verification of their entitlement to participate in the Shareholders' meeting.

4.2. Personal identification and verification of entitlement to participate in the Shareholders' meeting are carried out by specially appointed auxiliary staff, at the entrance of the premises used for holding the Shareholders' Meeting and normally begin within thirty minutes prior to the time of the Shareholders' Meeting, unless otherwise established in the notice of call.

4.3. Those entitled to take part in the Shareholders' meeting shall submit to the auxiliary staff at the entrance to the Shareholders' Meeting rooms a personal identification document and the certification indicated in the notice of call. Once the identification and verification referred to in paragraph 4.2. above has been carried out, the auxiliary staff shall issue the participants with a special badge to be kept for the entire duration of their participation in the Shareholders' Meeting proceedings and to be handed over to the auxiliary staff if they leave the Shareholders' Meeting premises, even temporarily.

4.4. In order to expedite the verification of their powers of representation, persons attending the Shareholders' meeting as legal or voluntary representatives of shareholders and other holders of voting rights may have the documentation proving such powers submitted to the Company no later than two days prior to the date set for the Shareholders' Meeting.

4.5. With the exception of the audio-visual equipment that may be authorised by the chairperson to support the recording and documentation of the proceedings of the Shareholders' meeting, no recording equipment of any kind (including mobile phones), photographic equipment and similar devices may be used in the rooms where the Shareholders' Meeting is held.

Art. 5 - Constitution of the Shareholders' meeting and opening of the proceedings

5.1. The chairperson of the Shareholders' meeting is assisted in the preparation of the minutes by a secretary appointed, also from among non-members, by the Shareholders' meeting on the proposal of the chairperson him/herself or by a notary public, and when required by law by two scrutineers appointed in the same manner also from among non-members. The secretary or notary may be assisted by persons of his or her choice and, notwithstanding the provisions of Art. 4.5 and with the prior authorisation of the chairperson, of audiovisual recording devices.

5.2. It is up to the chairperson to ascertain and certify the regularity of individual proxies and, in general, the legitimacy of those present to intervene in the Shareholders' meeting and, therefore, to verify and declare that the Shareholders' meeting has been duly constituted. The chairperson may set up a bureau to assist him/her in verifying the legitimacy of those present for participation and voting, as well as in specific Shareholders' Meeting procedures.

The chairperson settles any disputes concerning the entitlement to intervene.

5.3. The Chairperson of the Shareholders' meeting may use specially appointed auxiliary staff for the orderly service.

5.4. If the shareholders present do not reach the amount of share capital necessary for the Shareholders' meeting to be duly constituted pursuant to the provisions of Articles 17 and 18 of the Company's Articles of Association, the chairperson of the Shareholders' meeting, after a reasonable period of time, in any case no less than one hour has elapsed since the time set for the start of the Shareholders' meeting, shall inform those present and postpone discussion of the agenda to the next call.

5.6. Having ascertained that the Shareholders' meeting was duly constituted, the chairperson of the Shareholders' Meeting declares the proceedings open.

Art. 6 – Discussion of agenda topics and proposals

6.1. The chairperson of the Shareholders' Meeting outlines the topics and proposals on the agenda to those present, availing him/herself of the intervention of administrators, auditors and employees of the Company if he/she deems it appropriate. The topics and proposals may be dealt with in the different order approved on the proposal of the chairperson by a majority of the capital represented, just as the chairperson's proposal for partial or total joint discussion may be approved in the same way.

6.2. It is up to the chairperson of the Shareholders' meeting to regulate the proceedings by directing and regulating the debate and the right to speak, establishing the manner and, if necessary, the maximum duration of each speech.

It is the right of the chairperson of the Shareholders' meeting: to call the conclusion of speeches that are prolonged beyond the set time limit or that are not pertinent to the topic or proposal on the agenda under discussion; take away the floor from those who speak without having the right to do so or who insist on speaking after warning; prevent unbecoming, specious, aggressive, insulting and dilatory words and attitudes, as well as blatant excesses, removing the speaker if

he/she deems it appropriate, and, in the most serious cases, ordering the removal of any person from the Shareholders' meeting place for the entire discussion phase.

6.3. Requests to speak by those present on individual items on the agenda are made to the chairperson, who, in granting the floor, normally follows the order in which requests to speak are presented. Those who have asked for the floor are allowed to respond briefly.

6.4. The chairperson of the Shareholders' meeting or, upon his/her invitation, the administrators, auditors, employees of the Company or advisors, normally respond at the end of all speeches on each topic on the agenda. Members of the board of directors and the board of statutory auditors may request to speak in the discussion.

6.5. In order to prepare adequate replies or responses to the speeches, also taking into account the subject and relevance of the topics and proposals under discussion, the chairperson of the Shareholders' meeting may, at his/her sole discretion, suspend the proceedings for an interval not exceeding two hours.

6.6. Having exhausted the speeches, answers and any replies, the chairperson declares the discussion closed and puts the proposals to the vote.

Art. 7 – Voting and closure of proceedings

7.1. Voting normally takes place from time to time on each topic, and the related proposed resolution, placed on the agenda and in order of discussion unless otherwise ordered by the chairperson of the Shareholders' meeting, who may order voting to take place in a different order or after the discussion of all or some topics of business has been concluded.

7.2. Before commencing the voting operations, the chairperson of the Shareholders' meeting shall readmit those shareholders who so wish from among those who may have left or departed during the discussion phase.

7.3. Unless otherwise mandatory by law, voting shall be by open ballot.

7.4. The chairperson of the Shareholders' meeting shall determine the manner in which the vote is to be cast, normally by show of hands, the recording and counting of votes, and may set a maximum time limit within which the vote must be cast.

At the end of the voting, a ballot is held, after which the chairperson, with the help of the secretary or notary and any scrutineers, proclaims the results of the vote.

7.5. Votes cast in a manner other than those indicated by the chairperson of the Shareholders' meeting shall be null and void.

7.6. Shareholders who vote against or abstain from voting must state their name and the number of shares held in person or by proxy when declaring their vote. Having completed the agenda, the chairperson of the Shareholders' meeting declares the meeting closed and proceeds with the formalities for finalising the minutes.

Art. 8 - Final provisions

8.1. These Regulations have been approved pursuant to Art. 15 of the current Articles of Association by the Ordinary Shareholders' meeting of the Company held on 15 May 2007, and may only be amended or repealed by resolution of the same body.

8.2. In addition to the provisions of these Regulations, the chairperson may adopt any measure he/she deems appropriate to ensure the proper and functional proceedings of the Shareholders' Meeting and the exercise of the rights of the participants."

The Board, at the Shareholders' meeting held for the approval of the 2023 annual financial statements, reported on the activities performed and planned. In addition, during the Shareholders' meetings held during the Fiscal year, it endeavoured to ensure that the shareholders were adequately informed of the necessary elements so that they could take, with full knowledge of the facts, the decisions within the competence of the Shareholders' Meetings, in particular by making available to the shareholders within the prescribed time limits the documentation and the resolution proposals.

With regard to guaranteeing the right of each shareholder to speak on the topics on the agenda, the chairperson of the Shareholders' meeting, in accordance with the provisions of the shareholders' meeting regulations reproduced above, concretely, as recorded in the minutes of the shareholders' meeting, proceeds, at the end of the illustration of each topic on the agenda, to invite those present to speak and to debate.

The Remuneration Committee, present and available to the Shareholders' Meeting, believes that it has reported to the shareholders through the Remuneration Report and this Report.

The Control and Risk Committee, present and available to the Shareholders' Meeting, believes that it has reported to the shareholders through this Report.

During the Financial Year, the market capitalisation of the Issuer's shares decreased substantially, while the presence of the historical shareholders in the composition of its shareholding remained substantially unchanged (overall).

Therefore, the Board did not deem it necessary to propose any amendments to the Articles of Association to the Shareholders' meeting concerning the percentages established for the exercise of rights linked to the shares and the prerogatives established to protect minorities.

This determination is also based on the circumstance that the Articles of Association defer to the law and regulations the decision of the percentages of participation in the share capital necessary for the exercise of the rights and prerogatives set forth to protect minorities.

14.0 FURTHER CORPORATE GOVERNANCE PRACTICES (pursuant to Art. 123-*bis*, paragraph 2, letter a), TUF)

There are no additional corporate governance practices beyond those already mentioned in the previous points.

15.0 CHANGES SINCE THE END OF THE REFERENCE FINANCIAL YEAR

There were no further changes in the *corporate governance* structure.

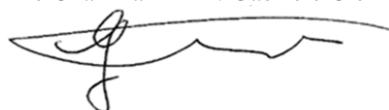
16.0 COMMENTS ON THE LETTER FROM THE CHAIRPERSON OF THE *CORPORATE GOVERNANCE COMMITTEE*

The letter received by the Chairman of the Corporate Governance Committee on 17 December 2024 was sent to the Board and the Board of Statutory Auditors on 18 December as soon as it was received.

The Board of Statutory Auditors met on 21 January 2025 to examine the recommendations contained in the Letter and shared its considerations with the Company. It was then examined first of all by the Board at its meetings on 31 January 2025 and then on 13 March 2025. Both the Board of Statutory Auditors and the Board assessed substantial alignment of the Company with the Committee's recommendations both in the internal regulations and in the Report with a sufficient level of disclosure.

In any case, the mandate was maintained for the board committees to monitor adherence to the Code and, if necessary, to propose initiatives and additions to both internal regulations and corporate practice in order to continue the process of evolution of *governance-related* areas with a particular focus on the greater involvement of managers of the various corporate functions in board work, with particular reference to strategic areas and research and development activities.

For the Board of Directors
The Chairman – Mr. Gabriele Clementi



TABLES

TABLE 1 – INFORMATION on OWNERSHIP STRUCTURE

based on what was reported to the Issuer as at 31 December 2024

SHARE CAPITAL STRUCTURE				
	Number of shares	% with respect to the share capital	Listed	Rights and obligations
Ordinary shares (stating whether the possibility of an increase in voting rights is envisaged)	80,121,900	100%	Milan Stock Exchange	Ordinary
Preferential shares	0			
Multiple-voting shares	0			
Other categories of shares with voting rights	0			
Savings shares	0			
Convertible savings shares	0			
Other categories of shares without voting rights	0			
Other	0			

OTHER FINANCIAL INSTRUMENTS (granting the right to subscribe for newly issued shares)				
	Listed (indicate markets) / unlisted	No. of instruments in circulation	Category of shares serving the conversion/exercise	No. of shares serving conversion/exercise
Convertible bonds	===	0	===	0
Warrant	===	0	===	0

EQUITY INVESTMENTS RELEVANT TO CAPITAL based on the Issuer's findings in relation to Form 120 TUF received as at 31 December 2024*			
Declarant	Direct shareholder	% Share of ordinary capital	% Share of voting capital
ANDREA CANGIOLI	ANDREA CANGIOLI	14,733	14,733
ALBERTO PECCI	S.M.I.L. s.r.l.	10,169	10,169
ALBERTO PECCI	ALBERTO PECCI	0.333	0.333
GABRIELE CLEMENTI	GABRIELE CLEMENTI	9,544	9,544
IMMOBILIARE DEL CILIEGIO	IMMOBILIARE IL CILIEGIO s.r.l.	7,237	7,237
KEMPEN ORANJE PARTICIPATIES N.V.	KEMPEN ORANJE PARTICIPATIES N.V.	6,802	6,802
KEMPEN INTERNATIONAL FUNDS	KEMPEN ORANJE PARTICIPATIES N.V.	0,253	0,253

* the percentages are those relating to the certifications filed for participation in the shareholders' meeting of 29 April, to the 120 TUF received during the Financial Year and also changed following the exercise of options relating to the 2016-2025 Stock Option Plan.

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	List (presenters) (**)	List(M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep TUF	No. other assignments (****)	Participation (*****)
Chairman and managing director	Gabriele Clementi	1951	5/09/2000	29/04/2023	Approv. financial statements 2026	Shareholders	M	X				0	8/8
Managing Director •	Andrea Cangioli	1965	5/09/2000	29/04/2023	Approv. financial statements 2026	Shareholders	M	X				0	8/8
Director ◦	Fabia Romagnoli	1963	28/04/2015	29/04/2023	Approv. financial statements 2026	Shareholders	M		X	X	X	0	8/8
Director	Roberta Pecci	1972	29/04/2023	29/04/2023	Approv. financial statements 2026	Shareholders	M		X			0	6/6
Director	Giovanna D'Esposito	1969	29/04/2023	29/04/2023	Approv. financial statements 2026	Shareholders	m		X	X	X	0	6/6
Director	Alberto Pecci	1940	16/07/2000	29/04/2023	Approv. financial statements 2026	Shareholders	M		X			0	8/8
Director	Michele Legnaioli	1964	5/09/2000	29/04/2023	Approv. financial statements 2026	Shareholders	M		X	X	X	0	8/8
ADMINISTRATORS TERMINATED DURING THE FINANCIAL YEAR													
Managing Director	Barbara Bazzocchi	1940	5/09/2000	27/04/2021	Approval financial statements 2023	Shareholders	M	X				0	2/2
Director	Daniela Toccafondi	1962	27 April 2021	27/04/2021	Approval financial statements 2023	Shareholders	M		X	X	X	0	2/2

Number of meetings held during the Financial year: 8 (eight)

Quorum required for the submission of lists by minorities for the election of one or more members (pursuant to art. 147-ter TUF): 2,5% (2021); 1% (2022); 1% (2023); 2,5% (2024); 2,5% (2025)

NOTES

The following symbols must be entered in the "Office" column:

• This symbol indicates the director in charge of the internal control and risk management system.

◦ This symbol indicates the Lead Independent Director (LID).

(*) The date of first appointment of each director means the date on which the director was appointed to the Issuer's Board of Directors for the first time (ever).

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

(***) This column indicates whether the list from which each director was drawn is "majority" (indicating "M") or "minority" (indicating "m").

(****) This column shows the number of administrator or auditor roles held by the person concerned in other listed or large companies. In the Corporate Governance Report, appointments are indicated in full.

(*****) This column shows the administrators' participation in BoD meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.)

TABLE 3: BOARD COMMITTEE STRUCTURE AT THE END OF THE FINANCIAL YEAR

B.o.D.		Executive Committee		RPT Committee		Control and Risk Committee		Remuneration Committee		Appointments Committee		Sustainability Committee	
Office/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman of the B.o.D.	Surname Name	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CEO	Surname Name	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-executive director – independent from TUF and/or Code	Fabia Romagnoli			2/2	M	7/7	M	5/5	C	3/3	M	3/3	M
Non-executive director – independent from TUF and/or Code	Michele Legnaioli			2/2	C	7/7	C	5/5	M	3/3	M	3/3	C
Non-executive director – independent from TUF and/or Code	Giovanna D’Esposito			1/1	M	6/6	M	2/2	M	1/1	C	2/3	M
Non-independent non-executive director	Alberto Pecci			1/1	M	7/7	M					3/3	M
Non-independent non-executive director	Roberta Pecci			1/1	M	6/6	M					2/3	M
ADMINISTRATORS WHO CEASED OFFICE DURING THE FINANCIAL YEAR (NOT APPLICABLE)													
Executive/Non-Executive Director – independent from TUF and/or Code/Non-Independent	Surname Name												
ANY MEMBERS WHO ARE NOT ADMINISTRATORS (NOT APPLICABLE)													
Executive of the Issuer/Other	Surname Name												
Number of meetings held during the financial year		NA		2		7		5		3		3	
NOTES: The control and risk, related party transactions and sustainability committee met a total of 5 times (*) This column shows the administrators' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.). (**) This column indicates the qualification of the director within the committee: “C”: chairman; “M”: member.													

With regard to the meetings of the Control and Risk, Related Party Transactions and Sustainability Committees, it should be noted that this is a single committee composed of five board members and that it met 7 times in total, addressing the topics on the agenda each time.

Furthermore, with reference to board members D'Esposito and Pecci, who were elected for the first time on 29 April, the percentage attendance refers to meetings held after their appointment.

TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Office	Members	In office since	In office until	List (M/m)	Independence from Code	Percentage of attendance to the Board meetings	Number of other offices in companies listed on Italian regulated markets
Chairman	Carlo Carrera	29 April 2022	Appr. financial state. 2024	m	X	100%	0
Statutory Auditor	Paolo Caselli	29 April 2022	Appr. financial state. 2024	M	X	100%	0
Statutory Auditor	Rita Pelagotti	29 April 2022	Appr. financial state. 2024	M	X	93%	0
Alternate Auditor	Elisa Raoli	29 April 2024	Appr. financial state. 2024	m	X	= =	0
Alternate Auditor	Gino Manfredi	29 April 2022	Appr. financial state. 2024	M	X	= =	0
AUDITORS WHO CEASED OFFICE DURING THE FINANCIAL YEAR							
Number of Meetings held during fiscal year 2024: 14 (fourteen)							
CONSOB, by Decision of 28 January 2025, no. 123 determined 2.5% of the share capital as the shareholding required for the submission of lists.							

ANNEXES

Annex 1: Paragraph on “Main characteristics of the existing internal control and risk management systems in relation to the financial reporting process” pursuant to Art. 123-bis, paragraph 2, lett. b), TUF

This document is dedicated to the description of the “main characteristics of the existing internal control and risk management system in relation to the financial reporting process” pursuant to Article 123-bis, paragraph 2, lett. b) of TUF on Finance (hereinafter, also “System”).

1) Foreword

The Issuer has defined its own internal control and risk management system in relation to the financial reporting process based, in accordance with international “best practice”, on the *CoSO Framework* model, a model developed by the *Committee of Sponsoring Organisations of the Treadway Commission* (supplemented for IT aspects with the Enterprise Risk Management (ERM) component): “*CoSO ERM Framework*”) and the Confindustria Guidelines.

The CoSO Report defines internal control as the process, implemented by the Board of Directors, management and all staff, aimed at providing reasonable assurance regarding the achievement of corporate objectives:

- effectiveness and efficiency of *operations*;
- reliability of financial information (*reporting*), in order to ensure that financial information gives a true and fair view of the assets and liabilities, economic and financial position, in accordance with generally accepted accounting standards;
- compliance with applicable laws and regulations (*compliance*).

The Issuer's control system is based on the following characteristic elements:

Control environment: is the environment in which individuals operate and represents the control culture permeated in the organisation. It consists of the following elements: Code of Ethics, Company organisation chart, System of proxies and powers of attorney, organisational provisions, Internal Dealing Code of Conduct for transactions performed on financial instruments of El.En. s.p.a., Regulation for the Processing of Corporate Information of El.En. s.p.a., Regulation for the Transactions with Related Parties of El.En. s.p.a, Sustainability Consolidated Reporting (published as part of the Management report), Personal Data Protection Manual (GDPR), Risk Assessment Document (DVR), Integrated Management System Manual, Organisational Model pursuant to It. Leg. D. 231/2001 and the Environmental, Human Rights, Anti-Corruption and Diversity Policies approved by the Issuer's Board, incorporated and approved by all subsidiaries and disseminated to all Group employees.

Risk identification and assessment: this is the process aimed at ensuring the identification, analysis and management of corporate risks, with particular attention to the analysis of risks of an administrative-accounting nature, related to accounting information and the controls to guard against the risks identified.

Control activities: is the set of control practices and procedures defined to enable the monitoring of business risks in order to bring them to an acceptable level and ensure the achievement of business objectives. It consists of the following elements:

- i. *Administrative-accounting procedures:* set of corporate procedures relevant to the preparation and dissemination of accounting information (such as: administrative-accounting procedures relating, in particular, to financial statements and periodic *reporting* and matrices of administrative-accounting controls);
- ii. *Company procedures relevant to the prevention and monitoring of operational risks* such as the ISO 9001:2015 quality management system, ISO 13485:2016 MDSAP and Directive 93/42/ECC (which has already been partly replaced by the EU Medical Device Regulation 2017/745 MDR).

Monitoring and reporting: it is the process established to ensure the accurate and timely collection and communication of information, as well as the set of activities necessary to periodically verify and assess the adequacy, operability and effectiveness of internal controls. It focuses on the process of assessing the adequacy and effective application of the procedures and controls on accounting information, such as to allow the Director in charge of the internal control and risk management system and the Executive in charge to issue the attestations and declarations required under Art. 154-bis TUF.

2) Description of the main characteristics of the existing internal control and risk management systems in relation to the financial reporting process

The internal control system in relation to the financial reporting process is designed to ensure the reliability, accuracy and timeliness of financial reporting.

a) Phases of the existing internal control and risk management system in relation to the financial reporting process

The main characteristics of the Internal Control System in relation to the financial reporting process are described below:

a.1) Identification and assessment of financial reporting risks:

The process of identifying and assessing risks (*risk assessment*) related to accounting and financial reporting is carried out by the Executive in charge and shared with the Director in charge of the internal control and risk management system and the Control and Risk Committee.

The *risk assessment* process consists of the following activities:

- **analysis and selection of the relevant accounting information disclosed to the market** (analysis of the latest financial statements or the latest available half-yearly report of the parent company and consolidated companies, in order to identify the main areas of risk and the relevant processes);
- **identification of significant Subsidiaries and significant administrative-accounting areas**, for each item in the consolidated financial statement, on the basis of defined quantitative criteria;
- **identification and assessment of the inherent risk** in significant administrative-accounting areas, as well as of the related processes/accounting flows, based on the analysis of qualitative and quantitative indicators;
- **communication**, to the functions involved, of the **areas of intervention** in respect of which it is necessary to prepare and/or update administrative-accounting procedures.

a.2) Identification of controls against identified risks:

Following the risk assessment, specific controls were identified in order to curb the risk of failure to achieve the system's objectives to an acceptable level at both company and process level. To this end, the issuer has defined, within the system of administrative-accounting procedures, the so-called "Matrices of administrative-accounting controls", documents describing the control activities existing in each relevant administrative-accounting process. The controls described in the matrices are to be considered an integral part of the Issuer's administrative and accounting control procedures.

At the process level, specific types of controls have been identified, such as checks on the basis of the supporting documentation of the correct accounting entry made, the issuing of authorisations, the carrying out of reconciliations, and the performance of consistency checks. Furthermore, the controls identified at process level were classified according to their characteristics into manual or automatic controls.

At company level, "pervasive" controls were identified, i.e. those controls characterising the entire structure such as the assignment of responsibilities, distribution of powers, tasks assigned and general controls on IT systems and segregation of duties.

a.3) Assessment of controls against identified risks:

The periodic review and assessment of the adequacy, operability and effectiveness of the administrative and accounting controls consists of the following steps:

- **Ongoing supervision** by function/company managers within the framework of day-to-day management;
- **Execution of control and monitoring activities** aimed at assessing the adequacy of the design and the effective operation of the controls in place, carried out by the Executive in charge, who availed him/herself of the contribution of staff of the Financial Management office and external consultants for testing activities.

The outcome of the checks described regarding the adequacy as well as the operation of the accounting control system led to the preparation of a report on the effectiveness of the system, which, shared with the Director in charge of the internal control and risk management system, was communicated by the Executive in charge of the Control and Risk Committee and the Board of Statutory Auditors in its capacity as the Internal Control Committee.

b) Roles and Functions involved

In particular, the main responsibilities identified to ensure the proper functioning of the system are outlined below:

- the **Board of Directors** is responsible for appointing the Executive in charge of preparing the accounting and corporate documents; ensure that the Executive in Charge has adequate requisites (in terms of authority, professionalism and independence), powers and means to perform the assigned tasks; establish a periodic information flow, through which

the Executive in Charge can report on the results of the activities carried out and any critical issues that have emerged, also in order to share the actions necessary to overcome significant critical issues. In carrying out its functions, the Board is assisted by the **Control and Risk Committee**, which has advisory and proposal-making functions also with regard to the internal administrative-accounting control system;

- the **Board of Statutory Auditors** acts as the Internal Control and Audit Committee, with the duties and responsibilities set out in Art. 19 It. Leg. D. 39/2010.

- the **Director in charge of the internal control and risk management system** is responsible for implementing and monitoring the Internal Control System, with particular reference to the Administrative-Accounting procedures; validating, in concert with the Executive in Charge, the results of the periodic *risk assessment* activity; assessing, also taking into account the preliminary activity of the Executive in Charge, the effectiveness of the implemented procedures; reviewing all “other financial information” released to the market;

- in addition to the responsibilities jointly assigned to the Director in charge of the internal control and risk management system, the **Executive in charge** of drafting accounting and corporate documents, is responsible for assessing and monitoring the level of adequacy and operability of the internal administrative and accounting control system, through a preliminary activity.

- the **Internal Auditor** in charge of inspecting the financial statements area has the task of verifying, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system with reference to the financial statements area.

- the **Supervisory Board** for compliance with the Organisational Model pursuant to It. Leg. D. 231/2001 has the task of supervising compliance with the procedures set up by the Issuer also in the context of the prevention of corporate offences

