



CORPORATE  
GOVERNANCE  
AND OWNERSHIP  
STRUCTURE REPORT

pursuant to Article 123-*bis* of Legislative Decree No. 58 of February 24, 1998  
(Traditional administration and control model)

Issuer: Piovan S.p.A.  
Website: [www.piovan.com](http://www.piovan.com)  
Reporting Year: 2022  
Approval date of Report: March 21, 2023



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## GLOSSARY

In addition to the definitions contained in this Report, the following terms are defined as follows:

**Shareholders' Meeting:** the Shareholders' Meeting of Piovan S.p.A.

**Corporate Governance Code/CG Code:** the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.

**Civil Code/Civ. Cod./C.C.:** the Italian Civil Code.

**Board of Statutory Auditors:** the Board of Statutory Auditors of Piovan S.p.A.

**Committee/CG Committee/Corporate Governance Committee:** the Italian Committee for the Corporate Governance of listed companies, promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria.

**Consob:** the “*Commissione Nazionale per le Società e la Borsa*” (Italian market oversight authority).

**Board/Board of Directors:** the Board of Directors of Piovan S.p.A.

**Reporting Date:** the date of approval of the Report by the Board of Directors of Piovan S.p.A., i.e. March 21, 2023.

**Executive Officer:** the Executive Officer for Financial Reporting pursuant to Article 154-*bis* of the CFA.

**Issuer:** the issuer to which the Report refers, i.e. Piovan S.p.A..

**Year/Year 2022:** the financial year to which the Report refers.

**Euronext Milan/Euronext:** the Euronext Milan market, organized and managed by Borsa Italiana S.p.A. (formerly known as *Mercato Telematico Azionario*, or MTA).

**Piovan Group/Group:** collectively the Issuer and the companies controlled by this latter directly and indirectly pursuant to Article 93 of the CFA.

**Consob Issuers' Regulation:** the Regulation issued by Consob Resolution No. 11971 of 1999 (as subsequently amended) regarding issuers.

**Consob Market Regulation:** the Regulation issued by Consob Resolution No. 20249 of 2017 regarding markets.

**RPT Regulation/Consob Related Parties Regulation:** the Regulation issued by Consob with Resolution No. 17221 of March 12, 2010 (as subsequently amended) regarding related party transactions.

**Report:** the corporate governance and ownership structure report which Piovan S.p.A. is required to prepare and publish pursuant to Article 123-*bis* of the CFA and the Corporate Governance Code.

**Remuneration Report:** the Report on the policy regarding remuneration and fees paid that companies are required to prepare and publish in accordance with Article 123-*ter* of the CFA and Article 84-*quater* of the Consob Issuers' Regulation.

**Consolidated Finance Act/CFA:** Legislative Decree No. 58 of February 24, 1998 (as amended and supplemented from time to time) on financial intermediation.

Unless otherwise specified, CG Code definitions shall also apply to the following terms: (i) Directors; (ii) Executive Directors; (iii) Independent Directors; (iv) significant shareholder; (v) Chief Executive Officer (CEO); (vi) Board of Directors; (vii) Control body; (viii) business plan; (ix) company with concentrated ownership; (x) large company; (xi) sustainable success; (xii) top management.



## 1. ISSUER PROFILE

Piovan S.p.A. (“**Piovan**” or the “**Issuer**” or also the “**Company**”) has been listed on the Euronext Milan stock exchange (previously MTA, *Mercato Telematico Azionario*, Italian Stock Exchange) organized and managed by Borsa Italiana S.p.A. since October 19, 2018.

Piovan Group is a global leader in the development and manufacturing of automation systems for the storage, shipping and processing of polymers, bio-resins, recycled plastic, food fluids and food and non-food powders.

Over recent years, the Group has been particularly engaged in developing and producing auxiliary systems to automate production processes for the bio-economies and circular economies for recycling and reusing plastic and for the production of plastics which are naturally compostable, tapping into cross-selling opportunities.

The Group also supports its customers globally through continual technical assistance, including the sale of spare parts for machinery, the provision of a range of additional services and support activities from the preliminary design phase through to installation and initialization of the equipment and machinery. These steps guarantee optimal product performance and consolidate customer relationships.

Piovan S.p.A. is organized according to the traditional administration and control model, which includes the Shareholders’ Meeting, the Board of Directors and the Board of Statutory Auditors.

Within the Board of Directors, the Nomination and Remuneration Committee (“**Nomination and Remuneration Committee**”) and the Control, Risks and Sustainability Committee, both with proposal and consultative functions in accordance with the recommendations of the Corporate Governance Code, and the Related Party Transactions Committee, in accordance with the RPT Regulation and the Company’s related party transactions policy, have been set up.

The governance model adopted by Piovan S.p.A. ensures correctness and transparency in the management and information and is oriented towards the creation of sustainable value in the medium to long term for the shareholders, taking into account the interests of other stakeholders relevant to the Company, in accordance with national and international best practices, as also described in the Policy for managing the Dialogue with Shareholders approved by the Company's Board of Directors on November 11, 2021. Specifically, in order to contribute to the Company's sustainable success, the Issuer's Board of Directors (i) examines and approves the Company and Group's strategic, business and financial plans (also monitoring their application); (ii) defines and approves, where opportune, corporate governance rules and guidelines of the Company and the Group, as well as the remuneration policy of the Company; and (iii) defines, according to the Company's strategy, guidelines for the Company's Internal Control and Risk Management System, allowing the identification, measurement, management and monitoring of relevant risks. For further information on the role of the Issuer's Board of Directors, please refer to section 4 below.

The statutory audit for the financial years ending from December 31, 2018 to December 31, 2026 is awarded to the independent audit firm Deloitte & Touche S.p.A., with registered office in Milan, Via Tortona 25, registered in the Chartered Accountants' Register (*Registro dei Revisori Legali*), as per Article 6 and subsequent of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135 of July 17, 2016.

In compliance with the disclosure requirement as per Legislative Decree No. 254 of December 30, 2016, transposing EU Directive 2014/95, regarding information on environmental, social, employment, human rights, corruption, board member diversity and sustainability issues, the Company publishes an annual Consolidated Non-Financial Report. The independent audit firm BDO Italia S.p.A. issues an annual opinion regarding the compliance of the Consolidated

Non-Financial Report (“NFR”) according to the “limited assurance” approach. The NFR for the Year is available on the Company’s website [www.piovan.com](http://www.piovan.com), in the “Investors/Investor Relations/Financial Statements” section.

The Issuer qualifies as an “SME” pursuant to Article 1, Paragraph 1, Letter *w-quater.1* of the CFA, as amended by Legislative Decree No. 76/2020, and Article 2-ter, Paragraph 1, of the Consob Issuers’ Regulation, having a capitalization for the year ended on December 31, 2022 of Euro 411,912,744. The Company was therefore included in the “SME” list of listed share issuers published for information purposes by Consob in January 2023.

Note that Piovan S.p.A. does not fall within the definition of “large company” given by the Corporate Governance Code, having had a capitalization of less than Euro 1 billion on the last trading day of each of the three calendar years preceding the Reporting Date, yet it does fall within the definition of a “company with concentrated ownership”, since the shareholder Pentafin S.p.A. holds the majority of votes exercisable at the Shareholders’ Meeting.

## **2. INFORMATION ON THE OWNERSHIP STRUCTURE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1, CFA) AT 31/12/2022**

### **a. Structure of the share capital (pursuant to Article 123-bis, paragraph 1, letter a), CFA)**

At December 31, 2022, the share capital amounted to Euro 6,000,000, entirely subscribed and paid-in, comprising 53,600,000 ordinary shares, without par value.

One vote attaches to each ordinary share of the Issuer at the Ordinary and Extraordinary Shareholders’ Meetings of the Company, in addition to the other administrative rights established under the applicable legal

provisions and the By-Laws, subject to that indicated at point d) below concerning shares with increased voting rights.

At the Reporting Date, the Company holds 2,567,539 treasury shares, equal to 4.79% of the share capital.

For further information on the share capital structure at December 31, 2022, see **Table 1** in the Annex.

**b. Restriction on the transfer of shares (pursuant to Article 123-bis, paragraph 1, letter b), CFA)**

There are no restrictions on the transfer of shares, limitations upon possession, nor approval clauses of Issuer or other holders.

**c. Significant holdings (pursuant to Article 123-bis, paragraph 1, letter c), CFA)**

The significant direct or indirect shareholdings in Piovan, according to the communications received from the Company at the Reporting Date pursuant to Article 120 of the CFA, are presented in **Table 1** of the Annex.

The Issuer qualifies as an SME as per Article 1, paragraph 1, letter *w-quater*.1) of the CFA, as falling within the parameters of this rule.

Therefore, the threshold for disclosure of significant investments as per Article 120 CFA is equal to 5% of the share capital with voting rights (see Article 120, paragraph 2, final point, CFA).

**d. Shares which confer special rights (pursuant to Article 123-bis, paragraph 1, letter d), CFA)**

No securities exist to which special control rights or special powers attach.

However, in exception to the principle by which each one vote attaches to each ordinary share, as per Article 6 of the By-Laws, two votes attach to each share belonging to the same party for a continual period of at least 24 months from enrolment in the appropriate list (the “**List**”), according to the quarterly update made by the Company.

The assessment of the requirements to attach increased voting rights is made by the Board of Directors - and through it by the Chairperson or the appointed Directors, also with the support of specifically appointed support personnel - on the basis of the results of this List, which should include the shareholder who wishes to benefit from the increased voting rights, attaching or sending in addition the certification required by Article 83-*quinquies*, paragraph 3, of the CFA.

The By-Laws set out detailed rules on how to compile, maintain and update the List, in addition to and also for the appointment of the party in-charge of its management and the setting of the relative maintenance criteria (including where only in computerized form). According to the By-Laws, increased voting rights are also considered when evaluating quorum requirements to meet and pass motions based on percentages of share capital. In addition, increased voting rights are without any effect on rights other than voting rights devolving on the basis of the possession of a particular portion of capital (e.g. the right to call the Shareholders’ Meeting).

For further details, please refer to the Increased Voting Right Regulation for Piovan S.p.A. shares, as well as (i) the list of shareholders that have requested increased voting rights, and (ii) the list of shareholders who have obtained increased voting rights, available on the Company’s website, [www.piovan.com](http://www.piovan.com), in the “*Investors/Corporate Governance/Increased Voting Right*” section.

**e. Employee shareholdings: voting mechanism (pursuant to Article 123-bis, paragraph 1, letter e), CFA)**

At the Reporting Date, no employee share ownership plans with mechanisms whereby votes are not attached exist.

It should be noted that the Company implemented the following three incentive plans (the “Plans”), approved by the Shareholders’ Meeting on April 29, 2020 and terminated on December 31, 2022:

- (i) a free stock grant plan for ordinary company shares called the “2020-2022 Performance Shares Plan”, reserved for Executive Directors (excluding the Executive Chairperson), Managers with strategic responsibilities and employees or associates of the Company or of the Group;
- (ii) a plan to issue monetary incentives called the “2020-2022 Long-Term Monetary Incentive Plan”, reserved for Executives and employees or associates of the Company or of the Group; and
- (iii) a plan for the free assignment of options and which could result in the issue of monetary incentives called the “2020-2022 Phantom Stock Option Plan”, reserved for Executive Directors, Managers with strategic responsibilities and employees or associates of the Company or of the Group.

In particular, the 2020-2022 Performance Shares Plan did not provide for mechanisms that excluded or limited the direct exercise by beneficiaries of voting rights relating to ordinary shares subscribed in exercise of the options granted to them.

The details and contents of the three Plans can be found in the information documents, which can be consulted on the Company's website ([www.piovan.com](http://www.piovan.com), “Investors/Corporate Governance/Corporate Documents” section). In addition, the Company intends to submit to the Shareholders' Meeting scheduled for April 27, 2023 a new long-term incentive plan, which will involve the free allocation of the Company's

ordinary shares to Executive Directors (excluding the Chairman), Managers with strategic responsibilities, employees and/or collaborators of the Company or the Group companies due to the strategic importance of their roles. For all detailed information and comments on the new long term incentive plan, please refer to the respective documents made available to the public at the Company's headquarters in Santa Maria di Sala (Venice, Italy), Via delle Industrie, No. 16, and on the Company website [www.piovan.com](http://www.piovan.com) within the terms prescribed by current regulations.

**f. Voting restrictions (pursuant to Article 123-bis, paragraph 1, letter f), CFA)**

At the Reporting Date there are no restrictions on voting rights.

**g. Shareholder agreements (pursuant to Article 123-bis, paragraph 1, letter g), CFA)**

As far as the Issuer is aware, at the Reporting Date no agreement exists among the Company shareholders that may be considered relevant as per Article 122 of the CFA.

**h. Change of control clauses (pursuant to Article 123-bis, paragraph 1, letter h), CFA) and statutory provisions concerning Public Purchase Offers (pursuant to Article 104, paragraph 1-ter, and Article 104-bis, paragraph 1, CFA)**

Significant agreements that become effective, are amended or are terminated in the event of a change of control of the contracting company are listed below.

i) Loan agreement entered into on October 14, 2020, between Piovan S.p.A. and Banco BPM S.p.A.

On October 14, 2020, the Company signed a loan agreement for a total maximum amount of Euro 20,000,000 with Banco BPM S.p.A. exclusively for the purpose of paying the price for the acquisition of Doteco S.p.A. (the "**Banco BPM Loan Agreement**").

The Banco BPM Loan Contract stipulates repayment according to a five-year amortization plan in 10 half-yearly instalments, paid from April 15, 2021, subject to the option for the Company to repay, in full or in part and on satisfying certain conditions, the amounts disbursed under the Banco BPM Loan Agreement in advance to agreed maturity.

The Banco BPM Loan Agreement provides, *inter alia*, that in the event of a "change of control", the Issuer shall be required to fully reimburse Banco BPM S.p.A. the amount disbursed and pay any other amount due. "Change of control" is defined as the occurrence of any event as a result of which any person or group of persons acting in concert with each other, other than Pentafin S.p.A., obtains the power (whether direct or indirect) to: (i) designate or remove the majority of the members of the administrative body of Piovan S.p.A. and/or, following the completion of the acquisition, of Doteco S.p.A.; or (ii) exercise the majority of the votes that can be exercised in the ordinary Shareholders' Meeting of Piovan S.p.A. and/or, following the completion of the acquisition, of Doteco S.p.A.; or (iii) exercise Control over Piovan S.p.A. and/or, following the completion of the acquisition, over Doteco S.p.A..

ii) Loan agreement entered into on January 21, 2022, between Piovan S.p.A. and Banco BPM S.p.A.

On January 21, 2022, the Company entered into a loan agreement for a total amount of Euro 100,000,000 with Banco BPM S.p.A. in order to pay part of the acquisition of IPEG Inc., which took place through the merger by incorporation of Sewickley Capital, Inc., owner of 100% of IPEG Inc.,



into a company newly incorporated, in Delaware, and wholly owned by Piovan S.p.A. (the “**Second Banco BPM Loan Agreement**”).

This loan is to be repaid, with interest, in quarterly installments over 72 months, starting from the fifteenth month from the date of stipulation of the loan agreement.

The Second Banco BPM Loan Agreement stipulates that Banco BPM has the right to demand, *inter alia*, payment of the amount due in the event that any person or persons acting in concert, other than the Piovan family, acquire, directly or indirectly, control of Piovan S.p.A.

The Issuer’s By-Laws do not provide for exceptions to the “passivity rule” pursuant to Article 104, paragraphs 1 and 1-*bis*, of the CFA, nor to the application of the neutralization rules pursuant to Article 104-*bis*, paragraphs 2 and 3, of the CFA.

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

At the Reporting Date, the Board of Directors has not been granted any powers to increase the share capital in accordance with Article 2443 of the Civil Code or to issue equity financial instruments.

At the Reporting Date, the Company holds 2,567,539 treasury shares, equal to 4.79% of the share capital.

**j. Management and Coordination activities (pursuant to Article 2497 and subsequent of the Civil Code)**

Although it is a subsidiary of Pentafin S.p.A., the Company does not believe to be subject to management and coordination activities by the latter, pursuant to Article 2497 *et seq.* of the Civil Code, since:

- i. the main decisions relating to the management of the Company and its subsidiaries are taken within the bodies of Piovan S.p.A.;

- ii. the Board of Directors is responsible, among other things, for examining and approving the strategic, industrial and financial plans and budgets of the Company and the Group;
- iii. the Board of Directors consists of five Independent Directors out of a total of seven;
- iv. the Control, Risks and Sustainability Committee, the Nomination and Remuneration Committee, and the Related Parties Committee are composed exclusively of Independent Directors;
- v. the Company and the Group operate in full autonomy, without interference from Pentafin S.p.A. or other subjects external to the Company and the Group, with respect to relations with customers and suppliers.

Piovan S.p.A. exercises management and coordination activities, pursuant to Articles 2497 et seq. of the Civil Code, with respect to the Italian companies belonging to the Group and controlled, directly or indirectly, by the same.

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It is noted that:

- the information required by Article 123-bis, paragraph 1, letter i) of the CFA, concerning *“the agreements between the Company and Directors ... which provide indemnity in the case of resignation or dismissal of office without just cause or termination of employment following a public purchase offer”* is illustrated in the Report on the policy regarding remuneration and fees paid prepared and published as per Article 123-ter of the CFA;
- the information required by Article 123-bis, paragraph 1, letter i), first part of the CFA, concerning *“the applicable regulations concerning the appointment and replacement of Directors... if differing from applicable law and regulations”* is illustrated in section 4.2 of this Report covering the Board of Directors;

- the information required by Article 123-bis, first paragraph, letter i), second part of the CFA, concerning “*the applicable regulations concerning amendments of the By-Laws if differing from applicable law and regulations*” is illustrated in section 13 of this Report covering the Shareholders’ Meeting.

### **3. COMPLIANCE (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER a), FIRST PART, CFA**

Piovan adheres to the Corporate Governance Code approved on January 31, 2020 by the Corporate Governance Committee and is committed to complying with the corporate governance principles contained therein, as detailed later in this Report.

The Corporate Governance Code is accessible to the public on the website of the Corporate Governance Committee at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

Piovan and its subsidiaries are not subject to laws in force outside Italy which affect the Company’s corporate governance structures.

## **4. BOARD OF DIRECTORS**

### **4.1 Role of the Board of Directors**

Piovan's Board is a central body in the Company's corporate governance system and plays a primary role in directing and managing the Company, taking all the action necessary to achieve the corporate purpose.

In addition to the powers assigned to in accordance with law and the By-Laws, the Board is exclusively responsible for making the most important decisions from an economic and strategic point of view and in terms of structural impact on operations, i.e. those functional to the

exercise of the monitoring and guidance activities of the Company and the Group, including the definition of corporate governance.

In addition to legal powers, as per Article 20 of the By-Laws, the Board of Directors has the power to resolve without delegation on:

- a) mergers and spin-offs, in the cases referred to in Articles 2505 and 2505-*bis* of the Civil Code, also as referred to in Article 2506-*ter* of the Civil Code;
- b) the opening and closing of secondary offices;
- c) indication of which Directors may represent the Company;
- d) any reduction of the share capital in the case of the return of shares by one or more shareholders;
- e) modify the Company By-Laws in compliance with law;
- f) the transfer of the registered office within Italy;
- g) motions concerning the issue of bonds within the limits envisaged by law.

Specifically, the Board of Directors' responsibilities include, without limitation:

- (i) the adoption of the Company's corporate governance rules and the definition of the Group's corporate governance guidelines;
- (ii) the definition of guidelines for the Internal Control and Risk Management System, and the appointment of a Director as its supervisor and an Internal Audit Manager;
- (iii) the assessment and monitoring of the organizational, administration and general accounting system of the Company and of its strategic subsidiaries, with particular reference to the internal control system and the management of the conflict of interests (see section 9 below for further information);
- (iv) the assigning and revocation of powers to the Chief Executive

Officer, defining limits and procedures for their exercise;

(v) the setting out also of the timing, in any case not exceeding the quarter, with which the delegated bodies shall report to the Board on the activities performed in the exercise of their delegated powers;

(vi) the definition, based on the proposals of the Nomination and Remuneration Committee, of the Company's remuneration policy pursuant to Article 123-ter of the CFA and monitoring of its application;

(vii) the determination, after examining the proposals of the Nomination and Remuneration Committee and having consulted the Board of Statutory Auditors, of the remuneration of the Chief Executive Officer and other Directors in office, in addition to, as required, allocation among Board of Directors members of the overall remuneration set by the Shareholders' Meeting, as per Article 2389, Paragraph 3, of the Civil Code;

(viii) the examination and approval of the Company and Group's strategic, business and financial plans and the monitoring of their application;

(ix) the approval of the Company and Group's budget and business plan, and any significant changes to these documents;

(x) the approval of the annual financial report, half-year financial report, and periodic financial statements;

(xi) the evaluation of the general operational performance, taking into account, in particular, the information received from Executives, as well as periodically comparing the results with the budgets;

(xii) the examination and prior approval of the transactions of the Company and its subsidiaries, when such transactions have a significant strategic, economic, equity or financial significance for the Company, paying particular attention to situations in which one or more Directors have an interest on their own behalf or on behalf of third parties and, more generally, to transactions with related parties in accordance with

the Related Party Transactions Regulation and the procedures on related party transactions adopted by the Company in accordance with the aforementioned Regulation;

(xiii) the establishment and appointment of the Nomination and Remuneration Committee and the Control, Risks and Sustainability Committee, as well as any other internal committees with advisory and proposal functions;

(xiv) the appointment and dismissal of the Executive Officer for Financial Reporting in accordance with Article 20.4 of the By-Laws;

(xv) the approval of the procedures and internal organizational controls provided for by applicable laws and regulations and recommended by the Corporate Governance Code (such as, for example, the related party transactions policy, the internal procedure for the management and maintenance of the insider register and the handling of confidential information, the internal dealing procedure. See section 5 for further details);

(xvi) the approval of related party transactions to which the Company and/or Group companies are a party, in accordance with the applicable laws and regulations, as well as the procedures for transactions with related parties adopted by the Company in accordance with the aforementioned regulations;

(xvii) the approval of stock option plans and incentive plans in general, in accordance with the applicable laws and regulations and in compliance with the Remuneration Policy adopted by the Company.

In addition, the Board of Directors is exclusively responsible for making the most important decisions from an economic and strategic point of view and in terms of structural impact on operations, i.e. those functional to the exercise of the monitoring and guidance activities of the Company and the Group, including the powers for the following types of transactions:

1. establish, acquire, sell or dispose of, and acquire or establish ownership or beneficial rights, guarantees, charges, encumbrances or third party rights of any kind (including real) on, equity investments, or interests, including controlling interests, in companies, other legal persons or other entities, companies or business units, providing and accepting them as carry-over and in warranty, carry out transactions in accordance with stock exchange and securities market practices in general, for an amount not exceeding Euro 15,000,000.00;
2. acquire, for the conduct of business, under ownership or use license, software, trademarks, patents, designs, domain names, and other intellectual property of any kind, also through the entering into of opportune contracts, for any amount exceeding Euro 3,000,000.00 (or equivalent) per individual transaction;
3. assign and revoke consultancy assignments in general to third parties for an amount not exceeding Euro 3,000,000.00 (or its equivalent in other currencies) per each individual transaction;
4. make investments and divestments from tangible or intangible fixed assets (excluding real estate transactions) not exceeding Euro 5,000,000.00 (or its equivalent in another currency) per each individual transaction;
5. carry out real estate transactions of any kind, including for the purchase and/or the sale and/or acts of disposal of property, the acquisition or the establishment of real rights and/or of use on property (including entering into contracts for its lease, rent or loan, also for a period exceeding 9 years in each case) and/or the establishment of guarantees, charges, encumbrances or third party rights of any kind (including real) on them, the establishment and/or the purchase and/or sale and/or acts of disposal (of any kind and under any form), and the acquisition or establishment of real rights and/or of use, guarantees, charges, encumbrances or third party rights of any kind (including real) on holdings or interests, including of control, in real estate companies, for an amount not exceeding Euro 10,000,000.00 (or its equivalent in other currencies) per each individual transaction;

6. enter into, amend or terminate loans or credit lines with credit institutions or other financial institutions, in any contractual form, and negotiate the relevant conditions, for any amount exceeding Euro 15,000,000.00 per individual transaction;
7. propose and validly sign judicial and extra-judicial transactions and settlements pursuant to Article 48 of Legislative Decree No. 546/1992, for any amount costing the Company in excess of Euro 1,000,000;
8. in line with the approved remuneration policy, stipulate, amend or terminate individual employment contracts regarding key managers and Executives, as well as other employees, carrying out all personnel management acts (including without limitation hiring, promotion, dismissal, disciplinary measures, determination of economic benefits and remuneration, transfers and secondments to other Group companies), without prejudice to the propositional and consultative tasks of the Nomination and Remuneration Committee, for any gross annual salary higher than Euro 500,000.00.

In compliance with the recommendations contained in Article 1 of the Corporate Governance Code and the provisions contained in Article 20, paragraph 3, of the By-Laws, the delegated bodies have reported to the Board of Directors and the Board of Statutory Auditors on a quarterly basis, also by means of written reports or periodic financial disclosure, on the operating performance. The Board of Directors has therefore constantly assessed and monitored the operating performance, taking into account the information provided by the delegated bodies and periodically comparing the results achieved with budgets.

With regard to the transactions of the Company and its subsidiaries, when such transactions have a significant strategic, economic, equity or financial importance, as described above, they are reserved to the exclusive remit of the Board of Directors, which applies the general criteria and limits described above.

In the illustrative Report of the Directors on the proposals regarding the



matters on the Agenda of the Shareholders' Meeting called in ordinary session for April 28, 2022, made available to the public on March 23, 2022, the Board of Directors outlined its motivated proposal on the purchase and disposal of treasury shares. For further details, please refer to section 13 below.

Finally, please note that on November 11, 2021, the Company's Board of Directors approved the Policy for managing the dialogue with shareholders. For further details, please refer to section 12 below.

#### **4.2 Appointment and replacement (pursuant to Article 123-bis, paragraph 1, letter l), first part of the CFA)**

The appointment and replacement of Directors are governed by applicable law, as transposed and supplemented, within permitted limits, by the By-Laws.

The By-Laws provide for the slate voting mechanism for the appointment of the Board of Directors (and the Board of Statutory Auditors), with provisions which permits the appointment of minority representatives to these boards.

In accordance with Article 14 of the By-Laws, the Company is governed by a Board of Directors comprising of up to 7 members. The Shareholders' Meeting, before appointing them, must first determine the number of Board members according to the above limits.

The provisions of the By-Laws governing the composition and appointment of the Board of Directors ensure compliance with legal provisions as per Article 147-ter of the CFA and associated implementation rules, as briefly described below. Specifically, Article 14.3 of the By-Laws provides that the Directors are appointed for a period of three years, or for a lesser period, although not greater than three years, as established on appointment, and may be re-elected.

Directors are appointed by the Shareholders' Meeting on the basis of slates presented by Shareholders, in accordance with the applicable statutory and regulatory rules, also in terms of gender balance, on which the candidates, in an amount not greater than seven, and meeting the requirements of the applicable statutory and regulatory provisions, should be numbered progressively.

The slates must be filed at the registered office of the Company according to the manner prescribed by current regulations, at least 25 days prior to the Shareholders' Meeting called to appoint the Directors. The slates must be made available to the public by the Company at least 21 days prior to the Shareholders' Meeting in accordance with the manner prescribed by current regulations.

Each slate should indicate which candidates are considered independent in accordance with the applicable statutory and regulatory provisions. Currently, the By-Laws state that the slates that include a number of candidates equal to or higher than three must be composed of candidates belonging to both genders, in compliance with the current *pro tempore* regulations concerning the balance between genders.

Regarding gender balance, it is recalled that the 2020 Budget Law (Law No. 160 of December 27, 2019) amended the rules in terms of gender balance in the administrative and control boards of listed companies. This law introduced a new criterion for the gender equality quota through which at least two-fifths of Directors and Statutory Auditors must belong to the under-represented gender with effect from the first renewal subsequent to the date of the law's entry into force (that is, commencing from the first renewal of corporate boards after January 1, 2020) provided that, for the first reappointment of the Board of Directors subsequent to the listing, the under-represented gender makes up at least one-fifth of elected Directors. Furthermore, this criterion shall apply for six consecutive mandates.

In this regard, please note that the composition of the current Board also complies with the provisions under Article 147-ter, paragraph 1-ter

of the CFA, with two out of seven members belonging to the under-represented gender. Regarding the renewal of corporate boards following the approval of the 2020 financial statements, the Company was obliged to have one fifth of the Board made up by the under-represented gender, instead of two fifths, this being the first renewal of the Board following the listing.

Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate at the risk of ineligibility.

Only shareholders who individually or collectively hold at least 2.5% of the share capital (or a differing threshold established by the applicable statutory and legal provisions) have the right to present slates.

The declarations of the individual candidates, in which they accept their candidacies and certify, in good faith, the inexistence of any cause of ineligibility or incompatibility, as well as the satisfaction of the requirements prescribed by applicable law for their respective offices, must be lodged together with each slate by the applicable legal and regulatory deadlines. The declarations shall be accompanied by a curriculum vitae for each candidate, with an indication, where appropriate, of the fact that the candidate qualifies as independent, in accordance with the applicable statutory and legal provisions, in addition to any corporate governance conduct codes adopted by the Company. Slates for which the above provisions have not been complied with are deemed not to have been submitted.

The appointed Directors should communicate without delay to the Board of Directors where no longer meeting the independence requirements, in addition to the arising of reasons for ineligibility or incompatibility.

Those with voting rights may vote on only one slate.

The candidates elected shall be those on the two slates that have obtained the higher number of votes, with the following criteria:

(i) from the slate that obtains the majority of the votes, in the progressive order presented on the slate, the number of Directors to be elected to the Board are elected, less 1 (one);

(ii) the remaining Director shall be elected from the slate which obtained the second highest number of votes (“Minority Slate”) at the Shareholders’ Meeting and which is not related in any way, even indirectly, to shareholders who presented or voted upon the slate receiving the highest number of votes.

Should two slates receive the same number of votes, a second vote of the entire Shareholders’ Meeting shall decide with the candidate being elected by means of a simple majority of the votes.

Where, on conclusion of voting, an insufficient number of elected Directors satisfy the independence requirements envisaged by the applicable legal and regulatory framework, the candidate lacking these requirements elected last in the progressive order of the slate obtaining the highest number of votes will be excluded. This candidate will be replaced by the subsequent candidate who satisfies the independence requirements, selected from the same slate belonging to the excluded candidate. If necessary, this procedure will be repeated until the number of Independent Directors to be elected is accomplished. Where with the election of the candidates from the slates according to methods indicated above the Board of Directors is not in line with the current of law and from time-to-time regulations concerning gender equality, the candidate of the over-represented gender elected last in the progressive numbering on the slate which has obtained the highest number of votes will be replaced by the candidate of the under-represented gender elected of the same slate. This replacement procedure is carried out until the composition of the Board of Directors complies with applicable regulations and in particular those concerning gender equality. Where this procedure does not ensure an outcome, the Shareholders’ Meeting will elect in accordance with the majority by law, on condition of the presentation of candidates of the under-represented gender.

In the event that only one slate is submitted, Directors will be drawn from the submitted slate, provided it has obtained the approval of the simple majority of votes. If Directors elected in this manner do not meet the number corresponding to the members of the Board determined by the Shareholders' Meeting, or in the event that no slate is submitted or the slate submitted does not permit the appointment of Independent Directors in compliance with applicable legislative and regulatory provisions, the Shareholders' Meeting shall resolve with a statutory majority; all of the above is subject to compliance with the applicable *pro tempore* rules concerning gender balance.

Slate voting is applied only in the case of the appointment of the entire Board of Directors.

Should one or more Directors resign during the year, they shall be replaced in accordance with Article 2386 of the Civil Code. If one or more departing Directors were drawn from a slate also containing unelected candidates, they will be replaced by appointing, in progressive order, persons drawn from the slate to which the Director in question belonged, provided they are still eligible and willing to accept the office. Should the slate not include such candidates, or these are unwilling to accept the office, another candidate, indicated by the Directors drawn from the slate to which the departing Director belonged, will be appointed. In any case, the replacement of departing Directors is made by ensuring the presence of the necessary number of Directors satisfying the independence requirements laid down by the law and compliance with the applicable *pro tempore* regulation concerning gender balance.

Where there is no longer a majority of Directors appointed by the Shareholders' Meeting due to resignations or other reasons, the entire Board of Directors will be dissolved. However, the cessation will take effect from the moment in which the Board is reappointed following the new appointments made by the Shareholders' Meeting which must be called as a matter of urgency by the Directors remaining in office.

### 4.3 Composition (pursuant to Article 123-bis, paragraph 2(d) and (d-bis), CFA)

The Shareholders' Meeting held on April 29, 2021 appointed, effective until the approval of the financial statements for the fiscal year ending December 31, 2023, a Board of Directors, consisting of 7 members, including those who meet the independence requirements under the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the CFA, and pursuant to Recommendation 7 of the Corporate Governance Code. The Board was originally composed as follows:

Name	Office
Nicola Piovan (***)	Executive Chairperson
Filippo Zuppichin	Chief Executive Officer
Marco Stevanato	Non-Executive Director
Marco Maria Fumagalli (*) (**)	Independent Director
Antonella Lillo (*)	Independent Director
Mario Cesari (*)	Independent Director
Manuela Grattoni (*)	Independent Director

During this Shareholders' Meeting, the only slate presented was that of the majority shareholder Pentafin S.p.A., owner at the time of a total of 31,042,310 shares, equal to 57.915% of the Company's share capital.

The slate was accompanied by the following legally required documentation: (i) indication of the identity of the shareholder presenting the slate, the total shareholding percentage, and the intermediary notice of ownership; (ii) nominee acceptance statements attesting to the absence of any cause of ineligibility or incompatibility as per law and the By-Laws, and to compliance with the independence

requirements as per law and the Corporate Governance Code; (iii) curricula vitae, containing personal and professional information on the nominees, and a list of administrative and executive positions held in other companies.

The slate and accompanying documentation were made available to the public at the registered office, published on the Company's website [www.piovan.com](http://www.piovan.com), and on the electronic storage mechanism, on April 8, 2021.

Since only one slate was presented, as per Article 14.3 of the By-Laws, the Directors were selected from this slate by a simple majority of votes.

The ensuing motion was approved by majority vote, with favorable votes equal to 91.377863% of the total voting rights, and, therefore, all the nominees were elected to office.

At the Board meeting held on January 26, 2023, Mr. Marco Stevanato resigned from his position as Director of the Company for personal reasons, effective immediately. At the same time, the Board of Directors, having acknowledged the resignation of Dr. Marco Stevanato, decided to co-opt a new Director at the first available Board meeting. On March 21, 2023, to replace the resigning Director, Mr. Maurizio Bazzo was then appointed by co-optation, pursuant to Article 2386 of the Civil Code and Article 14.4 of the By-Laws, taking into account the opinion expressed by the Nomination and Remuneration Committee and with the favorable opinion of the Board of Statutory Auditors. Maurizio Bazzo will remain in office until the next Shareholders' Meeting. It should be noted that Mr. Maurizio Bazzo meets the independence requirements set forth in the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the CFA, in addition to the independence requirements set forth in Recommendation 7 of the Corporate Governance Code, and therefore - following co-option - the number of Independent Directors of the Company has increased to 5.

At the Reporting Date, the Board of Directors therefore comprises the following members:

Name	Office
Nicola Piovan (***)	Executive Chairperson
Filippo Zuppichin	Chief Executive Officer
Maurizio Bazzo (*)	Independent Director
Marco Maria Fumagalli (*) (**)	Independent Director
Antonella Lillo (*)	Independent Director
Mario Cesari (*)	Independent Director
Manuela Grattoni (*)	Independent Director

(\*) Independent Non-Executive Director pursuant to Article 147-ter, paragraph 4, of the CFA and Article 2 of the Corporate Governance Code.

(\*\*) Director appointed Lead Independent Director as per Article 3 of the Corporate Governance Code.

(\*\*\*) Previously, the Chairperson Nicola Piovan has held the position of Sole Director of the Company or Director of the Company from January 1, 1996.

The above evidences that the number and skills of Non-Executive Directors are such as to ensure them a significant weight in the adoption of Board motions, and effective monitoring of the management of the Company.

Please refer to **Table 2** in the Annex for further details on the composition of the Board, and to the Company's website for the curricula vitae of the Directors ([www.piovan.com](http://www.piovan.com), in the "Investors/Corporate Governance/Governance Structure" section).



## Diversity criteria and policies for the Board and organization

As regards corporate policies concerning diversity, applied in relation to the composition of the Board of Directors in office, relating to aspects such as age, gender composition and training and professional background (Article 123-bis, letter d-bis), CFA), it should be noted that:

- (i) the Company's Board of Directors includes 2 Directors belonging to the under-represented gender, in accordance with the gender balance regulations;
- (ii) the Board is diverse in terms of age of its members, considering that the age of the Directors ranges from 55 to 65 years;
- (iii) the training and career path of the Directors currently in office guarantees a balanced combination of profiles and experience so as to ensure the proper performance of the assigned functions.

Piovan's Code of Ethics covers, among other matters:

- the development and assigning of responsibility to human resources: the Company in its internal relations and in all third-party relations, strongly rejects all discrimination based on age, racial and ethnic origin, nationality, political opinions, religious beliefs, gender, sexuality or health status. The Company considers the physical and moral integrity of the individual and respect for human dignity of fundamental importance, and uses the Code of Ethics to fully implement the applicable law on racism and xenophobia;
- equal opportunities and prohibition of harassment: to foster professional growth opportunities for its staff, Piovan offers equal opportunities for professional growth, ensuring that treatment of all personnel is fair, based on criteria of merit, and free from discrimination.

Piovan's Code of Ethics is available on the Company's website ([www.piovan.com](http://www.piovan.com), in the *Investors/Corporate Governance/Corporate Documents* section), to which reference should be made for further details.

The Company, also in view of the new regulations and the provisions of the new Article 147-ter paragraph 1-ter of the CFA, also adopted a "Diversity Policy" aimed at promoting and protecting gender diversity, age diversity and seniority in office diversity, as well as professional and managerial skills diversity within the Board of Directors and the Board of Statutory Auditors. In detail, the Diversity Policy was approved by the Board of Directors that met on September 10, 2020 and includes guidelines that highlight the policies on gender quotas that the Board of Directors and the Board of Statutory Auditors intend to implement in the future financial years, as well as some principles aimed at identifying an adequate composition of the corporate boards and ensuring that they can effectively carry out their functions by making use of the contribution of a plurality of qualified points of view.

For further information, reference should be made to the document published on the Issuer's website ([www.piovan.com](http://www.piovan.com), "*Investors/Corporate Governance/ Corporate Documents*" section).

The Company believes that diversity of gender, professional background and thought are elements to be valued as a source of cultural and professional enrichment. Accordingly, Piovan S.p.A. believes in the importance of valuing different perspectives and experiences through an inclusive culture, free of any form of discrimination.

For more information on the measures to promote equal treatment and equal opportunity between genders within the entire corporate organization adopted by the Company, please refer to the NFR in this regard, made available to the public on the Company's website ([www.piovan.com](http://www.piovan.com), *Investors/Investor Relations/ Shareholders Meetings* section).

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

A list of the positions held by the Company's Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance companies or companies of significant size is attached (Annex 1).

In accordance with the recommendations of Articles 1 and 2 of the Corporate Governance Code, each member of the Board of Directors is required to pass motions with full knowledge of the facts and independently, furthering the objective of creating value for shareholders over the medium/long term and undertakes to dedicate the time necessary to ensure the diligent performance of his/her duties, regardless of the positions held outside Piovan Group, with full awareness of the responsibilities inherent in the position held.

To this end, each candidate for the office of Director assesses in advance, at the time of accepting the position at the Company and independently of the limits established by law and regulations regarding the accumulation of offices, the ability to carry out the tasks assigned to him/her with due attention and effectiveness, taking particular account of the overall commitment required by offices held outside Piovan Group.

Each member of the Board of Directors is also required to promptly inform the Board of Directors if he or she becomes a Director or Statutory Auditor in other companies, in order to allow compliance with the disclosure requirements of the applicable laws and regulations.

The Board of Directors has decided not to draw up general criteria on the maximum number of administration and control positions that may be held in other companies as per Recommendation 15 of the Corporate Governance Code, subject to the duty of the Director to decide whether the office of Director or Statutory Auditor held in other listed companies on regulated markets (including overseas), in financial, banking, insurance or large companies, is compatible with the diligent

undertaking of their duties as Director of the Issuer. Please also note that the above provision applies only to “large companies”, and that Piovan S.p.A. is not considered as such according to the definition expressed in the Corporate Governance Code.

#### **4.4 Functioning of the Board of Directors (pursuant to Article 123-bis, paragraph 2, letter d), CFA)**

On November 11, 2021, the Company’s Board approved the Regulation of the Board of Directors (hereinafter also the “**Regulation**”), as per Article 3, Recommendation No. 11 of the Corporate Governance Code. The Regulation governs the operating methods of the Board of Directors of Piovan S.p.A., in compliance with legal requirements, regulations and the By-Laws, and in line with the principles and recommendations of the Corporate Governance Code.

The Board of Directors shall periodically verify the adequacy of the Regulation and approve any amendments or additions thereto, with the exception of those consisting in the implementation of legislative, regulatory or statutory changes, for which permanent delegation of authority is given to the Chairperson, who shall report to the Board at the earliest opportunity.

For further information, please refer to the Regulation itself, published on the Company’s website, [www.piovan.com](http://www.piovan.com), in the “*Investors/Corporate Governance/ Procedures and Regulations*” section.

The timeliness and completeness of the pre-Board information is guaranteed through the involvement of the competent corporate structures, which take care of and coordinate the preparation of the documentation necessary as required for the specific matters on the Agenda.

The documentation is sent to the Directors and Statutory Auditors by the Legal & Corporate Affairs Function, together with the Group Chief

Financial Officer (who was also appointed Secretary of the Board of Directors on January 27, 2022, as further detailed in paragraph 4.6 below), who operate in coordination with the Chairperson well in advance of the meetings, taking due account of any confidentiality and price sensitivity requirements associated with certain topics (such as, for example, plans of particular strategic importance for the Company's business and on which the Chief Executive Officer reports directly to the Board of Directors, initiating the consequent process of the Board's review and assessment), as well as any urgency connected with certain issues.

In accordance with the Regulation, the documentation supporting the items on the Agenda shall be made available to the members of the Board of Directors and the Board of Statutory Auditors, usually by the third day prior to the day set for the meeting, except in special cases of necessity or urgency, when the documentation is made available as soon as possible. In any case, if it is not possible to provide the necessary information well in advance, with the help of the Secretary, the Chairperson may ensure that adequate and timely information is provided during the Board's meetings. This period was generally respected during the Year.

Pursuant to Article 19 of the By-Laws, Board of Directors motions are recorded in minutes that are transcribed in a designated book kept in accordance with law and signed by the Chairperson of the meeting and the meeting Secretary. Except where provided for by current legislation in which the minutes are required to be drawn up by a Notary, the minutes of the meetings shall be taken by the Secretary, or, in his/her absence, by the secretary of the meeting. For the purposes of sharing, the draft minutes prepared by the Secretary shall be submitted to the Chair of the meeting, and the final text of the minutes shall normally be submitted to the Board of Directors for approval at the next available meeting. The minutes shall then be transcribed in the book of Board of Directors' motions by the competent corporate function. Any

supporting documentation provided to Directors and Statutory Auditors that is not directly attached to the minutes is retained in the Company's records. If a Board motion requires immediate execution, the text of the minutes may be shared by email to Directors and Statutory Auditors for their approval (including tacit approval). Pursuant to Article 19.2 of the By-Laws, copies of minutes shall be deemed valid if signed by the Chairperson and the secretary of the meeting.

The members of the Board of Directors, the Board of Statutory Auditors and the Group Chief Financial Officer usually attend the meetings of the Board of Directors. Upon invitation by the Chairperson, the Managers with strategic responsibilities, in addition to the other Executives of the Company and the Group responsible for the functions to which the issues dealt with by the Board refer, may also participate, so that they can provide the Directors and Statutory Auditors with in-depth analysis and clarification during the meetings.

The Board of Directors met five times in 2022. In 2023, two meetings of the Board of Directors were held - including the one at which this Report was approved - and three more are planned.

The average duration of the Board of Directors' meetings in 2022 was approximately 90 minutes. The meetings took place both on site, and via audio-video conferencing.

Please refer to **Table 2** of this Report for further details on participation in the meetings.

#### **4.5 Role of the Chairperson of the Board of Directors**

In accordance with the Regulation, in the exercise of the functions assigned to him by law, the By-Laws and this Regulation, and in line with the recommendations of the Corporate Governance Code, the

Chairperson of the Board of Directors, with the support of the Secretary, ensures the effective functioning of the Board proceedings.

Specifically, with the help of the Secretary, the Chairperson ensures:

- (i) that the pre-meeting information and supporting documents are made available to the Directors and Statutory Auditors at the appropriate time and using suitable IT tools that guarantee the confidentiality of the information;
- (ii) that such documentation allows the Directors, in the performance of their duties, to act in an informed manner and to express themselves with knowledge of the matters under discussion; and
- (iii) that the activities of the internal Board Committee are coordinated with the activities of the Board of Directors, facilitating communication between the various corporate boards.

During the year, the Chairperson, in agreement with the Chief Executive Officer, arranged, where necessary or appropriate, participation in the meetings by Executives of the Issuer and of Group companies and/or other internal or external parties whose presence was deemed useful regarding the matters under discussion. In particular, regarding specific Agenda items, various meetings saw the participation of the Group's Chief Financial Officer and the Internal Audit Manager.

also It should also be noted that, as per the Policy for Managing the Dialogue with Shareholders approved by the Company, the Chief Executive Officer, supported by the Investor Relations Manager, regularly updated the Board on developments in the dialogue with shareholders, generally at the first available meeting.

Finally, it is noted that, following renewal of the Internal Dealing Procedure and the Internal Procedure for the management of inside information adopted by the Company, on December 2, 2022, an induction session was held via videoconference to provide the Board members, the Board of Statutory Auditors and other top management

with in-depth knowledge regarding the regulatory framework and related corporate practices.

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

The Regulation of the Board of Directors states that, on the proposal of the Chairperson, the Board may appoint, and, as need be, dismiss, a Secretary, who may also not be a Board member. The role of Secretary requires adequate corporate and corporate governance experience and in the management of corporate secretarial activities for listed companies.

As per the Regulation of the Board of Directors and Recommendation 18 of the Corporate Governance Code, on January 27, 2022, on the proposal of the Chairperson, the Board thus resolved to appoint, in consideration of his role in the Company, Mr. Giovanni Rigodanza, the Group Chief Financial Officer and Investor Relations Manager, to the office of Secretary, from January 27, 2022 until approval of the 2023 financial statements, or until dismissal or resignation, assigning him the tasks and roles provided for by the Corporate Governance Code and the Regulation of the Board of Directors.

The Secretary, in concert with the competent corporate functions, supports the activities of the Chairperson, within the terms set out in the Regulation, and provides impartial support and advice to the Board on any issue that is relevant for the proper functioning of the Company's corporate governance system.

## **4.6 Executive Directors**

### **4.6.1 Chief Executive Officers**

In accordance with Article 21, paragraph 1, of the By-Laws, the Board of Directors may assign, within the limits set out in Article 2381 of the Civil Code, its powers to an Executive Committee, determining its powers



and number of members, or to one or more of its members, if necessary with the title of Chief Executive Officers, establishing the content, limits and any means for the exercise of the mandate. Within the limits of the authority conferred, the delegated boards shall have the power to delegate single acts or classes of acts to employees of the Company or to third parties, authorizing sub-delegation.

By motion of April 29, 2021, the Board appointed Mr. Filippo Zuppichin as Chief Executive Officer of the Company. Mr. Filippo Zuppichin, in his capacity as Chief Executive Officer of the Company, is vested with the powers related to the function held and the related powers of representation vis-à-vis third parties, to be exercised individually or with the joint signature of the Executive Chairperson, with the power to sub-delegate for individual acts or categories of acts to Company employees or third party special attorneys and coordinating in any case the exercise thereof with the powers vested in the Board of Directors and the Chairperson.

It should be noted that Mr. Filippo Zuppichin does not hold the position of Director in another listed issuer of which a Director of the Company is Chief Executive Officer.

The Executive Chairperson is Mr. Nicola Piovan, who, as described in point 4.6.2 below, is vested with certain executive powers, in addition to the powers related to the function held and the related powers of representation vis-à-vis third parties, to be exercised individually or with the joint signature of the Chief Executive Officer, with the power to sub-delegate for individual acts or categories of acts to Company employees or third party special attorneys and coordinating in any case the exercise thereof with the powers vested in the Board of Directors and the Chief Executive Officer.

Most recently on January 27, 2022, the Board granted Mr. Filippo Zuppichin, as Chief Executive Officer, all powers of ordinary management of the Company, without exception, and the right to carry out all acts deemed opportune for achievement of company purposes,

including powers of representation in relation to third parties, and, in particular, the following powers:

Supervision and coordination:

1. powers to coordinate the structures of the Company and its subsidiaries;
2. powers to represent the Company at the Shareholders' Meetings of subsidiaries;
3. supervision of the correct functioning of the corporate governance rules, thereafter reporting to the Board of Directors;
4. management and coordination of external relations with institutions, authorities, bodies and third parties, both domestic and international, the press, media, trade associations; and
5. management and coordination of relations with the market, the financial community, shareholders and investors.

Strategic Management:

1. propose to the Board of Directors the guidelines for the preparation of strategic, industrial and financial plans, the approval of which is reserved to the Board of Directors;
2. propose to the Board of Directors the operating plan and the annual budget, whose approval is reserved to the Board of Directors;
3. verify, through periodic meetings with management, that the operating performance is in line with the objectives set out in the budget and with the strategies outlined in the plans;
4. carry out all the transactions and activities provided for in the budget approved by the Board of Directors, in accordance with the established limits and procedures;
5. establish, acquire, sell or dispose of, and acquire or establish ownership or beneficial rights, guarantees, charges, encumbrances or third party rights of any kind (including real) on, equity investments, or interests, including controlling interests, in companies, other legal

persons or other entities, companies or business units, providing and accepting them as carry-over and in warranty, carry out transactions in accordance with stock exchange and securities market practices in general, for an amount not exceeding Euro 1,500,000.00 (or its equivalent in another currency) per individual transaction, without prejudice to the following provisions regarding real estate companies; transactions exceeding Euro 5,000,000.00 and equal to or less than Euro 15,000,000.00 require the joint signature of the Executive Chairperson and the Chief Executive Officer;

6. unless otherwise provided for, to carry out all the transactions and activities provided for in the approved budget, according to the established limits and procedures.

#### Operational Management:

1. negotiate, carry out and define any transaction or practice of an administrative, fiscal or organizational nature, ensuring compliance with all relevant regulations;
2. acquire goods and services, other than fixed assets, instrumental to business activities, without any limitation of cost, except as indicated below regarding certain types of goods and services;
3. acquire, for the conduct of business, under ownership or use license, software, trademarks, patents, designs, domain names, and other intellectual property of any kind, also by entering into opportune contracts, for any amount exceeding Euro 500,000.00 (or its equivalent in another currency) per individual transaction;
4. assign consultancy appointments in general to third parties for an amount not exceeding Euro 500,000 (or its equivalent in another currency) per each individual transaction;
5. enter into and terminate insurance contracts covering risks of all kinds, and do whatever is necessary for their management, renewal and modification, up to an annual premium of Euro 100,000.00 (or its equivalent in another currency) per contract, and, in case of annual

premiums in excess of Euro 100,000.00 per contract, with the joint signature of the Executive Chairperson and Chief Executive Officer;

6. make investments and divestments of tangible and intangible fixed assets, other than those referred to in point 3 above, for an amount not exceeding Euro 1,000,000.00 (or its equivalent in another currency) per individual transaction, except for real estate transactions as indicated below;

7. carry out real estate transactions of any kind, including for the purchase and/or the sale and/or acts of disposal of property, the acquisition or the establishment of real rights and/or of use on property (including entering into contracts for its lease, rent or loan, also for a period exceeding 9 years in each case) and/or the establishment of guarantees, charges, encumbrances or third party rights of any kind (including real) on them, the establishment and/or the purchase and/or sale and/or acts of disposal (of any kind and under any form), and the acquisition or establishment of real rights and/or of use, guarantees, charges, encumbrances or third party rights of any kind (including real) on holdings or interests, including of control, in real estate companies, for an amount not exceeding Euro 1,000,000.00 (or its equivalent in another currency) per each individual transaction; transactions exceeding Euro 5,000,000.00 and equal to or less than Euro 10,000,000.00 require the joint signature of the Executive Chairperson and the Chief Executive Officer;

8. enter into contracts and/or confidentiality agreements;

9. sell and export Company and Group products, ensuring the proper management of trade receivables from customers, including the conclusion of supply and distribution framework agreements and the granting of licenses or other use rights for trademarks, patents, designs, domain names or other intellectual property of any kind, through contracts drawn up in any form, with public or private entities and by commercial contracts in general, determining the relevant fees, conditions, and methods;

10. collect insurance indemnities on behalf of the Company by issuing valid receipts and discharges and arranging payment of the relevant amounts to the Company's active accounts;
11. enter into, amend, transfer and terminate utility contracts and agreements;
12. see to the carrying out, at customs, post, telegraph, state railways and public or private shipping entities offices or premises, of any shipping operations and relevant claims, including the release and collection of goods, valuables, ordinary and telegraphic postal orders, packages, parcels, objects, letters, including registered and insured letters;
13. sign the Company's ordinary correspondence in relation to transactions, deeds, contracts and negotiations regarding the powers conferred;
14. carry out any act or formality necessary or useful for obtaining or maintaining CE certifications or other product or installation certifications;
15. sign necessary requests and declarations for import and export operations and EU intra-community operations, including currency communications and Intrastat forms;
16. draw up and sign communications, certifications and declarations as per tax, social security, welfare and employment requirements;
17. authorize the payment of municipal taxes for urban waste collection, government concession fees and other legal taxes and charges that are or will be applicable in relation to existing or future installations, and sign any related claims, declarations, certifications or requests in relation to the relevant competent bodies;
18. carry out any act or formality necessary or useful for obtaining VAT or tax refunds for the Company or its subsidiaries, whether directly or indirectly, including requests for sureties or other guarantees in favor of the financial administration or its local offices, all within the scope of granted credit lines;

19. pay duties, taxes and levies, request and receive their refund and issuing acknowledgements, and make payments in favor of insurance and social security public institutions;
20. carry out any act necessary or useful to request, acquire and maintain patents, signing all necessary documents for conferred powers, and appointing and mandating patent agents in Italy and abroad;
21. carry out any act necessary to obtain concessions, licenses or authorizations for the Company to carry out its business from public or private entities, in Italy and abroad, and stipulate and sign framework agreements, conventions, submission deeds, and any other preparatory acts of such provisions, in order to fulfill all relevant obligations, including those connected to tax law, production and consumption taxes, and revenue and monopoly duties;
22. submit applications and carry out any necessary, preparatory or otherwise functional act, in relation to any public or private office in Italy or abroad, in order to register, modify, maintain or terminate trademarks, designs and domain names.

#### Financial Management:

1. open and close bank current accounts of any kind, with any bank or postal administration, and carry out necessary treasury management transactions;
2. carry out any transaction in Italy or overseas in the national currency or foreign currencies, at Banks, credit institutions, or other financial institutions and the Post and Telegraphs Administration within the limits of the powers issued to him/her, designating persons who should operate these accounts and conferring to them the necessary powers for deposit transactions and, in particular, to withdraw or, in any case, to utilize checks, letters of credit etc. with the methods that would possibly be stipulated at banks in Italy and overseas, with the power to fully settle and discharge all the sums relating to the Company which would be paid or credited for whatever reason;

3. carry out any payable transaction, in Italy or abroad, in national or foreign currencies, in relation to banks, credit institutions, other financial institutions, post offices or telegraph administrations, within the limits of conferred powers, mandating delegates to operate the relevant accounts, and granting them the necessary powers for withdrawal operations within previously agreed limits of availability or credit lines, and withdraw or use, in the manner that may be prescribed, checks, letters of credit, and so on, from banking institutions, both in Italy and abroad, up to Euro 10,000,000.00 (or equivalent in another currency) for each single payment flow; in the case of transactions exceeding Euro 10,000,000.00 per single payment flow, the joint signature of the Executive Chairperson and Chief Executive Officer is required;
4. carry out the following day-to-day operations with lending institutions on an ongoing basis:
  - a. request and collect check books issued against the Company's accounts;
  - b. carry out transfer transactions between different accounts of the Company, and make collections in the name and favor of the Company;
  - c. deposit securities, documents and valuables with authorized intermediaries and banks for custody and administration, and withdraw them, issuing release receipts;
  - d. issue bank drafts and receipts;
  - e. sign currency communications in compliance with applicable currency regulations;
  - f. set up continuous cash and safe deposit accounts;
5. enter into, amend or terminate loans or credit lines with credit institutions or other financial institutions, in any contractual form, negotiating the relevant conditions, up to a maximum amount of Euro 10,000,000.00 per individual transaction; in the case of transactions exceeding Euro 10,000,000.00 and equal to or less than Euro 15,000,000.00 per individual transaction, the joint signature of the Executive Chairperson and Chief Executive Officer is required;

6. fulfill all payment obligations envisaged by the Company under existing loan agreements, by contractual deadlines;
7. demand and collect everything due to the Company, of any sum or title, from any party, carrying out all the necessary operations, paying the relevant amounts to the Company's active accounts, and issuing releases and receipts;
8. sign and issue requests for information, documents, statements and certificates from public authorities, public and private bodies and offices, and banks and financial institutions.

Representation:

In relation to the transactions, deeds and contracts entered into in the exercise of the conferred powers:

1. represent the Company before any judicial, administrative, tax, ordinary and special authority in any proceedings and before all courts, as well as before mediation bodies, with the power to sign applications, appeals and settlement applications pursuant to Legislative Decree No. 218/1997, verbal and written applications for exemption and refunds for any object, filing and sustaining actions in civil, criminal and administrative matters of any kind, including legal actions for investigation and enforcement, to protest bills, file civil actions and also procedures for bankruptcy, composition, moratoria and extraordinary administration, attending to the relative formalities and, therefore, also granting special powers of attorney and mandates to attorneys and special proxies for legal proceedings and elect domicile; to settle in arbitration, including through out-of-court mediators, any and all disputes in which the Company has interests; to propose and validly sign in-court and out-of-court transactions within the limits of charges for the Company of Euro 500,000.00 per litigation, settlement reports, also pursuant to Article 48 of Legislative Decree No. 546/1992; transactions exceeding Euro 500,000.00 and equal to or less than Euro 1,000,000.00 require the joint signature of the Executive Chairperson and the Chief Executive Officer;



2. represent the Company at any and all tax disputes, at any authority or office, including tax commissions, land commissions, customs offices and appraisal boards.
3. represent the Company in Italy and abroad in relations with the competent authorities, administrations and public bodies, public and private offices, banks and financial institutions and investors;
4. represent the Company at trade union and business organizations in general, at business associations and trade and industry consortia;
5. sign correspondence and any deed or contract other than those listed in the preceding points, necessary for the ordinary management of the Company, with the exception of transactions carried out with related parties, as identified by Consob Regulation No. 17221 of March 12, 2010 and as provided in the internal regulation adopted.

#### Human resources:

1. propose general policies relating to the organization and management of human resources to the Board of Directors;
2. as per the Remuneration Policy approved by the Board of Directors, enter into, amend and terminate individual employment contracts regarding key managers and Executives, in addition to other employees, carrying out all personnel management acts (including without limitation hiring, promotion, dismissal, disciplinary measures, determination of economic benefits and remuneration, transfers and secondments to other Group companies), without prejudice to the propositional and consultative tasks of the Nomination and Remuneration Committee, for any gross annual salary less than or equal to Euro 250,000.00; in case of any gross annual salary exceeding Euro 350,000.00 and less than or equal to Euro 500,000.00, the joint signature of the Executive Chairperson and Chief Executive Officer is required;
3. sign, amend and terminate business agreements with trade union representatives and workers' unions;

4. also in implementation of the remuneration policy approved by the Board of Directors, to manage and provide guidelines for the human resources policy of the Company and once defined, to provide motivation, training, compensation and development;
5. provides indications to the Nomination and Remuneration Committee regarding the remuneration of Managers with strategic responsibilities;
6. appoint and revoke the Investor Relator;
7. carry out any payable transaction, in Italy and abroad, in national or foreign currencies, in relation to banks, credit or other financial institutions, post offices, and telegraph administrations, due to employees, Directors, or Statutory Auditors.

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

The Chairperson of the Board of Directors has the powers provided for by law and the By-Laws with regard to the functioning of the corporate boards and the legal representation of the Company vis-à-vis third parties.

The Chairperson of the Board of Directors, appointed by motion of the Shareholders' Meeting of April 29, 2021, is Mr. Nicola Piovan.

Pursuant to Article 22 of the By-Laws, the Chairperson and, in the event of his/her absence or impediment, the Chief Executive Officer are responsible for the legal representation of the Company and for signing on behalf of the Company.

As mentioned in the previous paragraph "4.6.1 Chief Executive Officers", Mr. Nicola Piovan, in his capacity as Executive Chairperson of the Company, possesses the powers related to the function held and the related powers of representation with third parties.

In addition, the Board of Directors of the Company has granted the Executive Chairperson, Mr. Nicola Piovan, additional management

powers as the business leader who has furthered the development of the Company, contributing significantly to its gaining of market leadership positions. In particular, Mr. Nicola Piovan has held various positions within the Company over the years, becoming General Manager in 1997, Chief Executive Officer in 2002 and Sole Director of the Company in 2011. Specifically, the Board of Directors, most recently on January 27, 2022, conferred on Mr. Nicola Piovan, as Executive Chairperson of the Company, all powers of ordinary management of the Company, without exception, and the right to carry out all acts deemed opportune for achievement of company purposes, including powers of representation in relation to third parties, and, specifically, the following powers:

Supervision and co-ordination:

1. powers to coordinate the structures of the Company and its subsidiaries;
2. powers to represent the Company at the Shareholders' Meetings of subsidiaries;
3. supervision of the correct functioning of the corporate governance rules, thereafter reporting to the Board of Directors;
4. management and coordination of external relations with institutions, authorities, bodies and third parties, both domestic and international, the press, media, trade associations; and
5. management and coordination of relations with the market, the financial community, shareholders and investors.

Strategic Management:

1. propose to the Board of Directors the guidelines for the preparation of strategic, industrial and financial plans, the approval of which is reserved to the Board of Directors;
2. propose to the Board of Directors the operating plan and the annual budget, whose approval is reserved to the Board of Directors;

3. verify, through periodic meetings with management, that the operating performance is in line with the objectives set out in the budget and with the strategies outlined in the plans;
4. carry out all the transactions and activities provided for in the budget approved by the Board of Directors, in accordance with the established limits and procedures;
5. establish, acquire, sell or dispose of, and acquire or establish ownership or beneficial rights, guarantees, charges, encumbrances or third party rights of any kind (including real) on, equity investments, or interests, including controlling interests, in companies, other legal persons or other entities, companies or business units, providing and accepting them as carry-over and in warranty, carry out transactions in accordance with stock exchange and securities market practices in general, except for real estate transactions as set out below, for an amount not exceeding Euro 5,000,000.00 (or its equivalent in another currency) per individual transaction if signed individually; transactions exceeding Euro 5,000,000.00 and equal to or less than Euro 15,000,000.00 require the joint signature of the Executive Chairperson and the Chief Executive Officer;
6. unless otherwise provided for, to carry out all the transactions and activities provided for in the approved budget, according to the established limits and procedures.

#### Operational Management:

1. acquire goods and services, other than fixed assets, instrumental to business activities, without any limitation of cost, except as indicated below regarding certain types of goods and services;
2. acquire, for the conduct of business, under ownership or use license, software, trademarks, patents, designs, domain names, and other intellectual property of any kind, including through the entering into of opportune contracts, up to a maximum amount of Euro 3,000,000 (or equivalent) per individual transaction;

3. assign consultancy appointments in general to third parties for an amount not exceeding Euro 3,000,000.00 (or its equivalent in another currency) per each individual transaction;
4. enter into and terminate insurance contracts covering risks of all kinds, and do whatever is necessary for their management, renewal and modification, up to an annual premium of Euro 100,000.00 (or equivalent in another currency) per contract, and, in case of annual premiums in excess of Euro 100,000.00 per individual contract, with the joint signature of the Executive Chairperson and Chief Executive Officer;
5. make investments and divestments of tangible and intangible fixed assets, other than those referred to in point 2 above, for an amount not exceeding Euro 5,000,000.00 (or its equivalent in another currency) per individual transaction, except for real estate transactions as indicated below;
6. carry out real estate transactions of any kind, including for the purchase and/or the sale and/or acts of disposal of property, the acquisition or the establishment of real rights and/or of use on property (including entering into contracts for its lease, rent or loan, also for a period exceeding 9 years in each case) and/or the establishment of guarantees, charges, encumbrances or third party rights of any kind (including real) on them, the establishment and/or the purchase and/or sale and/or acts of disposal (of any kind and under any form), and the acquisition or establishment of real rights and/or of use, guarantees, charges, encumbrances or third party rights of any kind (including real) on holdings or interests, including of control, in real estate companies, for an amount not exceeding Euro 5,000,000.00 (or its equivalent in another currency) per each individual transaction if signed individually; transactions exceeding Euro 5,000,000.00 and equal to or less than Euro 10,000,000.00 require the joint signature of the Executive Chairperson and the Chief Executive Officer;
7. sell and export Company and Group products, ensuring the proper management of trade receivables from customers, including the conclusion of supply and distribution framework agreements and the

granting of licenses or other use rights for trademarks, patents, designs, domain names or other intellectual property of any kind, through contracts drawn up in any form, with public or private entities and by commercial contracts in general, determining the relevant fees, conditions, and methods;

8. enter into contracts and/or confidentiality agreements;

9. enter into, amend, transfer and terminate utility contracts and agreements;

10. see to the carrying out, at customs, post, telegraph, state railways and public or private shipping entities offices or premises, of any shipping operations and relevant claims, including the release and collection of goods, valuables, ordinary and telegraphic postal orders, packages, parcels, objects, letters, including registered and insured letters;

11. carry out any act or formality necessary or useful for obtaining or maintaining CE certifications or other product or installation certifications;

12. carry out any act necessary or useful to request, acquire and maintain patents, signing all necessary documents for conferred powers, and appointing and mandating patent agents in Italy and abroad;

13. carry out any act necessary to obtain concessions, licenses or authorizations for the Company to carry out its business from public or private entities, in Italy and abroad, and stipulate and sign framework agreements, conventions, submission deeds, and any other preparatory acts of such provisions, in order to fulfill all relevant obligations, including those connected to tax law, production and consumption taxes, and revenue and monopoly duties;

14. submit applications and carry out any necessary, preparatory or otherwise functional act, in relation to any public or private office in Italy or abroad, in order to register, modify, maintain or terminate trademarks, designs and domain names;

15. collect insurance indemnities on behalf of the Company by issuing valid receipts and discharges and arranging payment of the relevant amounts to the Company's active accounts;
16. pay duties, taxes and levies, request and receive their refund and issuing acknowledgements, and make payments in favor of insurance and social security public institutions;
17. sign necessary requests and declarations for import and export operations and EU intra-community operations, including currency communications and Intrastat forms;
18. draw up and sign communications, certifications and declarations as per tax, social security, welfare and employment requirements;
19. carry out any act or formality necessary or useful for obtaining VAT or tax refunds for the Company or its subsidiaries, whether directly or indirectly, including requests for sureties or other guarantees in favor of the financial administration or its local offices, all within the scope of granted credit lines.

#### Financial Management:

1. open and close bank current accounts of any kind, with any bank or postal administration, and carry out necessary treasury management transactions;
2. carry out any transaction in Italy or overseas in the national currency or foreign currencies, at Banks, credit institutions, or other financial institutions and the Post and Telegraphs Administration within the limits of the powers issued to him/her, designating persons who should operate these accounts and conferring to them the necessary powers for deposit transactions and, in particular, to withdraw or, in any case, to utilize checks, letters of credit etc. with the methods that would possibly be stipulated at banks in Italy and overseas, with the power to fully settle and discharge all the sums relating to the Company which would be paid or credited for whatever reason;

3. carry out any payable transaction, in Italy or abroad, in national or foreign currencies, in relation to banks, credit institutions, other financial institutions, post offices or telegraph administrations, within the limits of conferred powers, mandating delegates to operate the relevant accounts, and granting them the necessary powers for withdrawal operations within previously agreed limits of availability or credit lines, and withdraw or use, in the manner that may be prescribed, checks, letters of credit, and so on, from banking institutions, both in Italy and abroad, up to Euro 10,000,000.00 (or equivalent in another currency) for each single payment flow; in the case of transactions exceeding Euro 10,000,000.00 per single payment flow, the joint signature of the Executive Chairperson and Chief Executive Officer is required;
4. carry out the following day-to-day operations with lending institutions on an ongoing basis:
  - a. request and collect check books issued against the Company's accounts;
  - b. carry out transfer transactions between different accounts of the Company, and make collections in the name and favor of the Company;
  - c. deposit securities, documents and valuables with authorized intermediaries and banks for custody and administration, and withdraw them, issuing release receipts;
  - d. issue bank drafts and receipts;
  - e. sign currency communications in compliance with applicable currency regulations;
  - f. set up continuous cash and safe deposit accounts;
5. enter into, amend or terminate loans or credit lines with credit institutions or other financial institutions, in any contractual form, negotiating the relevant conditions, up to a maximum amount of Euro 10,000,000.00 per individual transaction; in the case of transactions exceeding Euro 10,000,000.00 and equal to or less than Euro



15,000,000.00 per individual transaction, the joint signature of the Executive Chairperson and Chief Executive Officer is required;

6. fulfill all payment obligations envisaged by the Company under existing loan agreements, by contractual deadlines;

7. demand and collect everything due to the Company, of any sum or title, from any party, carrying out all the necessary operations, paying the relevant amounts to the Company's active accounts, and issuing releases and receipts.

Representation:

1. represent the Company before any judicial, administrative, tax, ordinary and special authority in any proceedings and before all courts, as well as before mediation bodies, with the power to sign applications, appeals and settlement applications pursuant to Legislative Decree No. 218/1997, verbal and written applications for exemption and refunds for any object, filing and sustaining actions in civil, criminal and administrative matters of any kind, including legal actions for investigation and enforcement, to protest bills, file civil actions and also procedures for bankruptcy, composition, moratoria and extraordinary administration, attending to the relative formalities and, therefore, also granting special powers of attorney and mandates to attorneys and special proxies for legal proceedings and elect domicile; to settle in arbitration, including through out-of-court mediators, any and all disputes in which the Company has interests; to propose and validly sign in-court and out-of-court transactions, settlement reports, also pursuant to Article 48 of Legislative Decree No. 546/1992, within the limits of charges for the Company of Euro 500,000.00 or less per litigation; transactions exceeding Euro 500,000.00 and equal to or less than Euro 1,000,000.00 require the joint signature of the Executive Chairperson and the Chief Executive Officer;

2. represent the Company at any and all tax disputes, at any authority or office, including tax commissions, land commissions, customs offices and appraisal boards.

3. represent the Company in Italy and abroad in relations with the competent authorities, administrations and public bodies, public and private offices, banks and financial institutions and investors;
4. represent the Company at trade union and business organizations in general, at business associations and trade and industry consortia;
5. sign correspondence and any deed or contract other than those listed in the preceding points, necessary for the ordinary management of the Company, with the exception of transactions carried out with related parties, as identified by Consob Regulation No. 17221 of March 12, 2010 and as per the internal regulation adopted.

Human resources:

1. propose general policies relating to the organization and management of human resources to the Board of Directors;
2. as per the Remuneration Policy approved by the Board of Directors, enter into, amend and terminate individual employment contracts regarding key managers and Executives, as well as other employees, carrying out all personnel management acts (including without limitation hiring, promotion, dismissal, disciplinary measures, determination of economic benefits and remuneration, transfers and secondments to other Group companies), without prejudice to the propositional and consultative tasks of the Nomination and Remuneration Committee, for any gross annual salary less than or equal to Euro 350,000.00; in case of any gross annual salary exceeding Euro 350,000.00 and less than or equal to Euro 500,000.00, the joint signature of the Executive Chairperson and Chief Executive Officer is required;
3. sign, amend and terminate business agreements with trade union representatives and workers' unions;
4. also in implementation of the remuneration policy approved by the Board of Directors, to manage and provide guidelines for the human resources policy of the Company and once defined, to provide motivation, training, compensation and development;

5. provides indications to the Nomination and Remuneration Committee regarding the remuneration of Managers with strategic responsibilities;
6. appoint and revoke the Investor Relator.

The Chairperson of the Board of Directors is the Company's majority shareholder.

Specifically, the Company is indirectly legally controlled, pursuant to Article 2359, paragraph 1, of the Civil Code and Article 93 CFA, by the Chairperson of the Board of Directors Nicola Piovan who at the Reporting Date, through the company Pentafin S.p.A., holds 58.350% of the Issuer's share capital. The share capital of Pentafin S.p.A. is in turn 85% held by Nicola Piovan.

#### **4.6.3 Executive Committee**

At the Reporting Date, an Executive Committee had not been established.

#### **4.6.4 Disclosure to the Board by Directors and delegated bodies**

Pursuant to Article 20, paragraph 3, of the By-Laws and Article 150 of the CFA, and in accordance with the best practices set out in the Corporate Governance Code, the delegated boards shall report to the Board of Directors and to the Board of Statutory Auditors - or, in the absence of the delegated boards, the Directors shall report to the Board of Statutory Auditors - at least quarterly, and also through written reports - on the activities undertaken, on the general operating performance and its prospects and on the significant economic, financial and equity transactions, or on the significant transactions in terms of their size and characteristics, undertaken by the Company and its subsidiaries; in particular, such persons shall report any transactions in which they have an interest, on their own account or on behalf of third

parties, or those which are influenced by the person who performs management and co-ordination activities, where existing.

#### **4.6.5 Other Executive Directors**

At the Reporting Date, there are no other Executive Directors at the Issuer.

### **4.7 Independent Directors and Lead Independent Director**

#### **4.7.1 Independent Directors**

In accordance with the recommendations of Article 2 of the Corporate Governance Code) and the provisions of Article 14.3 of the By-Laws, outlined at paragraph 4.1 above, at the Reporting Date five Independent Directors are in office, in the persons of Maurizio Bazzo, Mario Cesari, Marco Maria Fumagalli, Manuela Grattoni and Antonella Lillo, considered independent pursuant to the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the CFA. The Company believes that an adequate number of Independent Directors has been identified, also for the purposes of appointing the Committees described in the following paragraphs. Directors Mario Cesari, Marco Maria Fumagalli, Manuela Grattoni, Antonella Lillo and Maurizio Bazzo, in declaring their acceptance of the office of Company Directors and in attesting to the requisites for appointment to office, stated their suitability to qualify as Independent Directors and, simultaneously, undertook to promptly communicate to the Board of Directors and to the Board of Statutory Auditors any changes with regard to the requisites, including those of independence, as well as of any circumstances for revocation that might occur.

It is also recalled that the Chairperson of the Board of Directors, Mr. Nicola Piovan, does not qualify as an Independent Director.

In the meeting held on April 29, 2021, the Board verified, on the basis of nominee declarations, the independence requirements of the newly elected Directors Mario Cesari, Marco Maria Fumagalli, Manuela Grattoni and Antonella Lillo, as per Articles 147-ter, Paragraph 4, and 148, Paragraph 3, of the CFA, and Recommendation 7 of the Corporate Governance Code. As regards the recently appointed Maurizio Bazzo, this verification was carried out on the occasion of his co-optation on March 21, 2023.

At its meeting of May 11, 2021, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

The annual verification of the fulfillment of these requirements for each of the Independent Directors, as per Recommendation 7 of the Corporate Governance Code, was carried out by the Board most recently on March 21, 2023. For such purpose, in addition to provisions of the CFA and Corporate Governance Code, additional qualitative and quantitative independence criteria were approved by the Board of Directors on January 27, 2022, as per Recommendation 7 of the Corporate Governance Code, and are detailed below.

Specifically, the following criteria were thus approved:

i) regarding the notion of “*significant commercial, financial or professional relations*”, as per Letter c) of Recommendation No. 7 of the Corporate Governance Code, this is deemed to include consultancy positions or any other office which, in the three preceding financial years, entailed, for the Director whose independence is being assessed, a gross annual fee equal to or greater than Euro 100,000, in the case of relations entertained directly with individuals or with companies or entities, of which the Director has control of or is a prominent representative of, or with professional firms or consulting companies of which the Director is a partner, shareholder or associate;

ii) regarding the notion of “*significant additional remuneration*”, as per Letter d) of Recommendation No. 7 of the Corporate Governance Code, this is deemed to include, for each year, all remuneration paid to the Director by the Company or by a direct or indirect subsidiary or parent company, in addition to the remuneration for the office of Director, inclusive of that envisaged for participation in internal Board committees, cumulatively reaching a gross amount equal to or greater than Euro 100,000.

The Board of Statutory Auditors will verify in an appropriate session the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

#### **4.7.2 Lead Independent Director**

By Board of Directors’ motion of April 29, 2021, and as per Recommendation 13 of the Corporate Governance Code, the Company appointed the Independent Director Marco Maria Fumagalli as Lead Independent Director. Specifically, the Lead Independent Director represents a point of reference and coordination for the petitions and contributions of Non-Executive Directors and, in particular, of Independent Directors, and works together with the Chairperson of the Board of Directors in order to ensure that Directors receive complete and timely information.

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

The Company has adopted:

(i) an internal procedure adopted in implementation of the applicable domestic and EU regulation for the prevention of market abuse and public disclosure, in addition to compliance with the recommendations

pursuant to Article 1 of the Corporate Governance Code, drawn up to govern the management and processing of inside information and the procedures to be observed for the outside communication by the Company of this information (the “**Internal Procedure for the management of inside information**”);

(ii) an internal procedure adopted as per, and in compliance with, the domestic and European rules regarding transactions executed by persons exercising an administrative, control or management function (“internal dealing”) and market abuse (the “**Internal Dealing Procedure**”). In particular, this Procedure governs the disclosure and conduct obligations to be observed by Relevant Persons, Relevant Shareholders, and Closely Associated Persons (all of whom defined herein) and by the Company to ensure specific, timely and correct transparent disclosure regarding transactions with the public and the competent authorities.

During the Year, and with the support of an outside consultant, the Company reviewed and updated, in line with the latest regulatory changes, the Internal Procedure for the management of inside information and the Internal Dealing Procedure. As a result of this activity, on November 9, 2022 the Board of Directors approved the current text of both Procedures.

These Procedures are made available on the Company’s website [www.piovan.com](http://www.piovan.com), in the “*Investors/Corporate Governance/Procedures and Regulations*” section.

## **6. INTERNAL COMMITTEES TO THE BOARD (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER d), CFA)**

The Nomination and Remuneration Committee, the Control, Risks and Sustainability Committee and the Related Party Transactions Committee (jointly the “**Committees**”) have been set up within the Board, in

accordance with the current version of the Corporate Governance Code. In particular, in addition to having approved the establishment of the Committees on July 6, 2018, making their effectiveness conditional on admission of the Company's shares to the Euronext STAR Milan market (formerly known as Mercato Telematico Azionario, STAR Segment) organized and managed by Borsa Italiana S.p.A., which occurred on October 19, 2018, the Board also approved regulations governing the composition, duties and functioning of these Committees.

The Board subsequently updated these regulations with its motion of March 19, 2021.

The regulations of the Committees are available on the Company's website [www.piovan.com](http://www.piovan.com), in the *"Investors/Corporate Governance/Procedures and Regulations"* section.

Following the renewal of the corporate bodies, the Company's Board, meeting on April 29, 2021, appointed, on verification of competence and experience requirements as per the Corporate Governance Code, the new members of the (i) Nomination and Remuneration, (ii) Control, Risk and Sustainability, and (iii) Related Party Committees. For further information on the composition and functioning of the Committees, please refer to sections 7 and 8 below.

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At the Reporting Date, no additional Committees to those recommended by the Corporate Governance Code or required by the RPT Regulation have been set up.



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

### **7.1 Self-assessment and succession of Directors**

It is recalled that, in compliance with Article 4 of the Corporate Governance Code, during the year 2020, the Company carried out the assessment on the Board's functioning, of the Nomination and Remuneration Committee and of the Control, Risks and Sustainability Committee, as well as on their size and composition, also taking into account the professional characteristics, experience and gender of the members (so-called *board evaluation*).

To support the board evaluation, a questionnaire was prepared and distributed by means of which each Director was asked to express his or her assessment, on the basis of qualitative parameters, comments and suggestions concerning the size and functioning of the Board of Directors and its internal committees, also taking into account the principles and recommendations contained in the current Self-Governance Code.

The findings of the board evaluation were reviewed by the Board of Directors at its September 10, 2020 meeting. At the end of these activities, the Board unanimously expressed a positive opinion on the functioning of the Nomination and Remuneration Committee, the Control and Risk Committee and the Related Parties Committee, as well as on their size and composition.

The Company, not qualifying as a "large, not with concentrated ownership company", as per the Corporate Governance Code, does not carry out an annual self-assessment, but will conduct a board evaluation every three years.

It should also be noted that the Company, qualifying as a "company with concentrated ownership", decided not to express an opinion on the quantitative and qualitative composition of the Board deemed optimal

on the renewal of the corporate boards in 2021. Likewise, since it does not qualify as a “large company”, Piovan S.p.A. did not define a succession plan for the Chief Executive Officer or Executive Directors.

## **7.2 Nomination and Remuneration Committee**

### **Composition and functioning of the committee**

In view of the Company’s organization, operating processes and the size of its Board of Directors, Piovan S.p.A. has set up a single Nomination and Remuneration Committee, pursuant to the recommendations of Articles 3, 4 and 5 of the Corporate Governance Code.

The Nomination and Remuneration Committee comprises three Non-Executive Directors, possessing the qualifications and experience required to execute the duties of the Nomination and Remuneration Committee, the majority of whom are considered independent as per the Corporate Governance Code. At least one member of the Nomination and Remuneration Committee should possess appropriate financial or remuneration policy experience.

When renewing the corporate boards, the Board of Directors’ motion of April 29, 2021 appointed to the Nomination and Remuneration Committee the Independent Director Manuela Grattoni (as Chairperson of the Nomination and Remuneration Committee), the Independent Director Marco Maria Fumagalli and the Independent Director Antonella Lillo. On appointment, the Board of Directors verified that the majority of the members of the Nomination and Remuneration Committee possess the appropriate knowledge and experience upon financial and remuneration policy matters.

The work of the Nomination and Remuneration Committee is coordinated by the Chairperson.

During 2022, the Nomination and Remuneration Committee met three times, while in 2023, two meetings have been held to date and at least

two more are planned. Where non-members attend the meetings of the Nomination and Remuneration Committee, attendance takes place on the invitation of the committee and on individual matters on the Agenda. The average duration of the meetings of the Nomination and Remuneration Committee in 2022 was approximately 45 minutes.

The Chairperson of the Board of Statutory Auditors (or another statutory auditor nominated by him/her) attends the Nomination and Remuneration Committee meetings, while the other statutory auditors may also attend. The Chairperson on a case-by-case basis may invite to meetings of the Nomination and Remuneration Committee other members of the Board of Directors and the Board of Statutory Auditors, the independent auditors, the heads of the various departments within the Company and the subsidiaries, or other parties whose presence may assist the functions of the Nomination and Remuneration Committee.

Directors do not take part in Nomination and Remuneration Committee meetings concerning proposals on their remuneration to the Board of Directors.

Meetings of the Nomination and Remuneration Committee are minuted. The Chairperson and the secretary sign the minutes of the meetings which are archived by the secretary in chronological order.

Please refer to **Table 3** of this Report for more information on the workings of the Nomination and Remuneration Committee.

### **Functions of the committee**

In line with the recommendations contained in Article 4 of the Corporate Governance Code, the Nomination and Remuneration Committee assists the Board of Directors through investigative, propositional and consultative duties, in the evaluations and decisions concerning the composition of the Board of Directors and the remuneration of Directors and Managers with strategic responsibilities.

In particular, the Nomination and Remuneration Committee undertakes the following duties:

- (i) supports the Board of Directors in defining the optimal composition of the Board and its committees and carrying out the self-evaluation of the Board and its committees;
- (ii) assists the Board of Directors in identifying candidates for the office of Director in the cases of co-option;
- (iii) supports the administrative body in the preparation, updating and execution of any plan for the succession of the Chief Executive Officer and the other Executive Directors;
- (iv) supports the Board of Directors in defining the remuneration policy for Directors and Managers with strategic responsibilities;
- (v) periodically assesses the adequacy, overall consistency and practical application of the remuneration policy for the Directors and Managers with strategic responsibilities;
- (vi) presents proposals or expresses opinions to the Board of Directors on the remuneration of Executive Directors and other Directors holding specific offices as well as establishing the performance objectives related to the variable component of this remuneration; monitors the application of the decisions adopted by the Board and the achievement of the performance objectives;
- (vii) expresses an assessment on the particular and specific issues regarding remuneration whose review has been requested by the Board of Directors.

In line with the provisions of the Corporate Governance Code, in the performance of its duties, the Nomination and Remuneration Committee is authorized to access the information and corporate departments necessary for the performance of its duties. The

Nomination and Remuneration Committee may make use of external consultants, at the Company's expense, within Board approved budget limits, after verifying that such consultants are not in any situation and do not provide to the human resources department, Directors or Managers with strategic responsibilities services of such significance that might compromise their independence.

The Company, according to the terms established by the Board of Directors, is required to make available to the Nomination and Remuneration Committee adequate financial resources to the committees for the undertaking of their duties within the budget limits approved by the Board.

The Chairperson of the Nomination and Remuneration Committee reports (i) to the Board of Directors, on at least a half-yearly basis, regarding the activities carried out, and (ii) to the Shareholders' Meeting, at least annually, on the approval of the statutory financial statements according to its operating methods.

Please note that the Nomination and Remuneration Committee regulation was most recently updated on March 19, 2021, in accordance with the principles and recommendations contained in the Corporate Governance Code, and can be found on the company website ([www.piovan.com](http://www.piovan.com)), in the "*Investors/Corporate Governance/Procedures and Regulations*" section. The Nomination and Remuneration Committee periodically, at least annually, reviews the adequacy of its regulations and submits any changes or additions to the Board of Directors.

During the Year, in the exercise of the functions assigned, the Nomination and Remuneration Committee has, *inter alia*:

- (i) supported the Board in implementing the incentive plans approved by the Shareholders' Meeting on April 29, 2021;
- (ii) assessed the Remuneration Policy adopted by the Company with respect to the Year, verifying its adequacy, overall consistency and

concrete application, and preliminarily examined the Company's Report on the policy regarding remuneration and fees paid. Specifically, it also assessed the assignment of extraordinary incentives linked to activities carried out by the Executive Chairperson, the Chief Executive Officer and top management.

(iii) analyzed the remuneration of Executive Directors and Managers with strategic responsibilities, as well as the setting of the performance targets related to the variable component of such remuneration;

## **8. REMUNERATION OF DIRECTORS**

For all information concerning remuneration of Directors, reference should be made to the Remuneration Report, drawn up pursuant to Article 123-ter of the CFA, available at the registered office and on the Company's website ([www.piovan.com](http://www.piovan.com)), in the "Investors/Corporate Governance/Shareholders' Meeting/Documents and Reports" section.

At the Reporting Date, no agreements have been signed between the Company and the Directors stipulating indemnities in the case of resignation or revocation of office without just cause or the termination of employment following a takeover or change of control.

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

As per the Corporate Governance Code, the Internal Control System consists of the set of regulations, procedures and organizational structures that guarantee effective and efficient identification, measurement, management and monitoring of relevant risks, in order to contribute to the sustainable success of the Company.

The administration body defines the guidelines of the Internal Control and Risk Management System in line with the Company's strategies, and

evaluates its adequacy and effectiveness on an annual basis. The administration body also defines the principles concerning the coordination and information flows between the various parties involved in the Internal Control and Risk Management System, in order to maximize the efficiency of the system, reduce duplication of activities and guarantee effective performance of the duties of the control board;

The Risk Management System of Piovan S.p.A., together with the Internal Control System, guarantees the reliability, accuracy and timeliness of the Company's financial disclosure. It thus aims to contribute, through risk identification, management and monitoring, to sound and correct management of the business, consistent with the objectives set by the Board. The Internal Control and Risk Management System thus makes it possible to identify, measure, manage and monitor relevant risks, in addition to the reliability, accuracy and timeliness of financial disclosure.

The Internal Control and Risk Management System therefore involves, each within their specific remit:

- the Board of Directors, which defines the guidelines and assess the adequacy of the Internal Control and Risk Management System;
- the Control, Risks and Sustainability Committee, with the duties set out in paragraph 9.2 below, which conducts appropriate investigative and propositional activities and evaluates the Board of Directors' decisions concerning the Internal Control and Risk Management System, in addition to those concerning the approval of the periodic financial reports;
- the Chief Executive Officer, with the duties detailed in paragraph 9.1 below;
- the Internal Audit Manager, appointed to verify if the Internal Control and Risk Management System is functional and adequate, in line with the duties described in detail in paragraph 9.3 below;

- the Board of Statutory Auditors, which oversees the efficacy of the Internal Control and Risk Management System.

It should be noted that on March 23, 2022, the Company's Board of Directors approved the Audit plan for 2022, subject to the favorable opinion of the Control, Risks and Sustainability Committee, and having heard the Chief Executive Officer, in accordance with his role as Director in charge of the Internal Control and Risk Management System, and the Board of Statutory Auditors. It should also be noted that the Internal Audit Manager submitted to the Board of Directors on March 21, 2023 the Audit plan for the year 2023, which was approved by the Board subject to the favorable opinion of the Control, Risks and Sustainability Committee.

The Board of Directors, latterly on March 21, 2023, positively assessed the substantial adequacy, efficacy and effective functioning of the Internal Control and Risk Management System with respect to the characteristics of the Company and the risk profile assumed.

### **9.1 Chief Executive Officer**

On April 29, 2021, the Board of Directors assigned Mr. Filippo Zuppichin, Chief Executive Officer, the task of establishing and maintaining the Internal Control and Risk Management System, as per Recommendation 32 of the Corporate Governance Code.

During the year, and the first few months of 2023, the Chief Executive Officer, with the support of the Internal Audit Manager:

- oversaw the identification of the main business risks, considering the Company and Group's business strategies and characteristics;
- implemented the guidelines defined by the Board, carrying out the planning, realization and management of the Internal Control and Risk



Management System, constantly verifying its overall adequacy and efficacy;

- oversaw the adaptation of the Internal Control System to business dynamics and evolving operating, legislative and regulatory conditions.

The Chief Executive Officer may also ask Internal Audit for checks on specific operational areas and on compliance with internal rules and procedures in company operations, and then update the Chairpersons of the Board of Directors, the Control, Risk and Sustainability Committee, and the Board of Statutory Auditors on any relevant information.

## **9.2 Control, Risks and Sustainability Committee**

As indicated in paragraph 9 above, pursuant to the recommendations set out by Article 6 of the Corporate Governance Code, the Board of Directors of the Company has set up the Control, Risks and Sustainability Committee, approving its operating regulation.

### **Composition and functioning of the Committee**

When renewing the corporate boards, the Board of Directors' motion of April 29, 2021 appointed to the Control, Risks and Sustainability Committee the Independent Director Antonella Lillo (as Chairperson of the Control, Risks and Sustainability Committee), the Independent Director Marco Maria Fumagalli and the Independent Director Mario Cesari. The Board of Directors, following careful evaluation, concluded that, on their appointment, all three members of the Control, Risks and Sustainability Committee had adequate experience in accounting, finance and risk management, in addition to adequate expertise in the Company's own sector.

During 2022, the Control, Risks and Sustainability Committee met five times, while during 2023, two meetings have been held so far and at

least three more are planned. Where meetings of the Control, Risks and Sustainability Committee are attended by non-members, their attendance takes place on the invitation of the committee and on the individual matters on the Agenda. The average duration of the meetings of the Control, Risks and Sustainability Committee in 2022 was approximately 110 minutes.

The Chairperson of the Board of Statutory Auditors (or another Statutory Auditor nominated by him/her) attends the Control, Risks and Sustainability Committee meetings, while the other Statutory Auditors may also attend. The Chairperson on a case-by-case basis may invite to meetings of the Control, Risks and Sustainability Committee other members of the Board of Directors and the Board of Statutory Auditors, the independent auditors, the heads of the various departments within the Company and the subsidiaries, or other parties whose presence may assist the functions of the Control, Risk and Sustainability Committee.

Meetings of the Control, Risks and Sustainability Committee are minuted. The Chairperson and the secretary sign the minutes of the meetings which are archived by the secretary in chronological order.

Please refer to **Table 3** of this Report for more information on the workings of the Control, Risks and Sustainability Committee.

### **Control, Risks and Sustainability Committee functions**

Pursuant to the recommendations of Article 6 of the Corporate Governance Code, the Control, Risks and Sustainability Committee undertakes investigative, consultative and proposal functions, supporting, with appropriate preparatory activities, the assessments and decisions of the Board of Directors on the Internal Control and Risk Management System, in addition to those concerning the approval of the periodic financial reports.

In particular, in supporting the Board of Directors, the Control, Risks and Sustainability Committee:

- (i) evaluates, having consulted the Executive Officer for Financial Reporting, the internal audit firm and the Board of Statutory Auditors, the correct application of the accounting principles and their uniformity in the preparation of the consolidated financial statements;
- (ii) assesses the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, impact of its activities and performance;
- (iii) expresses opinions on specific aspects concerning the identification of the main corporate risks and supporting the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the Board has become aware;
- (iv) examines the periodic reports and those of particular relevance prepared by the Internal Audit function;
- (v) monitors the independence, adequacy, efficacy and efficiency of the Internal Audit function;
- (vi) may request the Internal Audit function to carry out audits on specific operational areas, simultaneously communicating such to the Chairperson of the Board of Statutory Auditors;
- (vii) reports to the Board of Directors on the work carried out and the adequacy of the Internal Control and Risk Management System at least every six months, at the time of the approval of the annual and half-yearly accounts;
- (viii) carries out duties given to it by the Board of Directors;

The Control, Risks and Sustainability Committee is also the body responsible for assessing sustainability. In particular, as the body responsible for matters of sustainability, the Control, Risk and Sustainability Committee: (i) advises on processes and actions to monitor the Company's commitment to sustainable development

throughout the value chain; (ii) analyzes relevant information in the Company's sustainability reports and non-financial statements; and (iii) evaluates sustainability policies to create value for all shareholders and stakeholders over the medium to long term, in line with sustainable development and sustainability principles, guidelines, objectives, processes and reporting, and the annually submitted sustainability report.

In the performance of its duties, the Control, Risks and Sustainability Committee is authorized to access the information and corporate departments necessary for the performance of its duties, including through the use of external consultants.

During the Year, the Control, Risks and Sustainability Committee, among other matters, examined the Company's periodic financial reports, submitting them to the Board of Directors for approval, and was updated on the progress of the Internal Audit plan, as well as on the activities carried out by the Executive Officer for Financial Reporting. The Committee also preliminarily reviewed the NFR and impairment tests carried out by the Company. The Control, Risks and Sustainability Committee was also periodically updated on the main events or topics relating to the Group companies.

The Control, Risks and Sustainability Committee reports to the Board of Directors on the work carried out and the adequacy of the internal control system at least every six months, at the time of the approval of the annual and half-yearly accounts, and also reports on the adequacy of the Internal Control and Risk Management System.

Please note that the Control, Risks and Sustainability Committee regulation was most recently updated on March 19, 2021, in compliance with the principles and recommendations contained in the Corporate Governance Code. It is available on the Company's website ([www.piovan.com](http://www.piovan.com)), in the *Investors/Corporate Governance/Procedures and regulations* section. The Control, Risks and Sustainability Committee

verifies on an annual basis the adequacy of its regulation, and submits any amendments or supplements to the Board of Directors.

### **9.3 Internal Audit Manager**

In accordance with the Principles and Recommendations of the Corporate Governance Code, on October 18, 2021, the Board of Directors, on the proposal of the Chief Executive Officer in charge of the Internal Control and Risk Management System, Mr. Filippo Zuppichin, with the prior favorable opinion of the Control, Risks and Sustainability Committee and after consultation with the Board of Statutory Auditors, appointed Ms. Chiara Zilio as the Internal Audit Manager.

Ms. Zilio is not responsible for any operational area, but reports to the Board of Directors, has direct access to all the information useful for the performance of her duties, and during the year liaises with the Chief Executive Officer and the Executive Chairperson regarding the organization plan, ensuring provision of all the required information to the Control, Risks and Sustainability Committee, the Board of Directors, the Board of Statutory Auditors and the Executive Officer for Financial Reporting. The remuneration of the Internal Audit function and its staff are defined in the Company's budget annually approved by the Board.

In 2022, the Internal Audit Manager:

- verified, 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 for 2022 – which was approved by the Board of Directors following consultation with the Board of Statutory Auditors and the Chief Executive Officer on March 23, 2022 – based on a structured analysis process and prioritization of principal risks;

- had direct access to all the necessary information to carry out its duties;
- prepared periodic reports for the attention of the Board of Directors and Board of Statutory Auditors, containing adequate information on its activities, on the way in which risk management is conducted, on compliance with the plans defined for their containment, on the progress of the activities actually carried out with respect to the initial planning, and an assessment of the adequacy of the Internal Control and Risk Management System.

Key areas of focus in the 2022 audit plan included:

- mapping and measurement of the main risks to which the Issuer is exposed, with regard to all corporate functions;
- analysis, by means of risk assessment and a detailed audit program, of the internal control system for three subsidiary entities considered significant;
- support to the Executive Officer for Financial Reporting regarding audits on the oversight of the preparation for the Piovan S.p.A. consolidated and separate financial statements, as per Law No. 262 of December 2005 “Provisions to protect savings and financial market governance”;
- support to the supervisory bodies appointed pursuant to Legislative Decree No. 231 of June 8, 2001 (the “**231 Decree**”), carried out by means of independent checks on compliance with the specific prevention protocols in relation to certain sensitive activities identified by the Organization, Management and Control Models pursuant to the 231 Decree, adopted by some Group companies.

Finally, please note that the Board of Directors, meeting on March 22, 2023, following consultation with the Board of Statutory Auditors and

the Chief Executive Officer, approved the 2023 work plan prepared by the Internal Audit Manager.

#### **9.4 Organization Model pursuant to Legislative Decree No. 231/2001**

By motion of August 2, 2018, the Board of Directors adopted an Organization, Management and Control Model, as per the 231 Decree. The 231 Model was subsequently updated to bring it into line with legislative changes and company needs.

The 231 Model was first updated on September 9, 2019, through, *inter alia*, the inclusion of a special section in the part specifically focusing on the prevention of Market Abuse offenses and the introduction of potentially significant predicate offenses in the special section of the Model relating to corporate offenses.

By motion on November 11, 2021, the Board of Directors approved a further update to the 231 Model, chiefly designed to reflect the integration of Articles 25-*quinquiesdecies* (Tax offenses) and 25-*sexiesdecies* (Contraband) into the 231 Decree.

The 231 Model comprises:

- (i) a general section, concerning oversight and application of Decree 231, the composition and functioning of the Supervisory Board as per Article 6 of Legislative Decree 231 and Chapter 2 of the 231 Model and the sanctions applicable in the case of breaches of the 231 Model conduct rules; and
- (ii) a special section concerning the various categories of offenses under Decree 231 as a requirement for the administrative liability of the Company and the relative conduct rules.

In consideration of the Company's organization and business activities, the following offenses have been identified as relevant for Piovan S.p.A.:

- offenses committed in relations with the Public Administration (Articles 24 and 25);
- computer crimes and unlawful processing of data (Article 24-*bis*);
- organized crime and transnational offenses (Article 24-*ter* and Article 10, Law No. 146/2006);
- offenses against industry and commerce (Article 25-*bis*.1);
- corporate offenses (Article 25-*ter*);
- crimes for the purpose of terrorism or subversion of the democratic order (Article 25-*quater*);
- manslaughter or serious or very serious injuries, committed in violation of the regulations on the protection of health and safety at work (Article 25-*septies*);
- receipt, laundering and use of money, assets and other proceeds of illegal provenance, as well as self-money laundering (Article 25-*octies*);
- copyright infringement offenses (Article 25-*novies*);
- inducement to not provide accounts or to make false statements to the judicial authority (Article 25-*decies* of Legislative Decree 231);
- employment of illegal staying third-country nationals (Article 25-*duodecies*);
- environmental offenses (Article 25-*undecies*);
- market abuse offenses (Article 25-*sexies*);
- tax-related offenses (Article 25-*quinqüesdecies*);
- contraband (Article 25-*sexiesdecies*).

The 231 Model adopted by the Company is completed by the Code of Ethics, which sets out the key ethical values of the Group and to which



all employees and outside collaborators should comply with in the exercise of their duties.

The General Part of 231 Model and Code of Ethics of the Company are available on the Company's website, [www.piovan.com](http://www.piovan.com), in the "*Investors/Corporate Governance/Corporate Documents*" section.

With motion of August 2, 2018, the Board of Directors set up the Supervisory Board as per Article 6 of Legislative Decree 231 and Chapter 2 of the 231 Model, with the duty to oversee 231 Model compliance and ensure its updating.

Following the expiry of the Supervisory Board's first mandate, the Board of Directors, meeting on July 28, 2021, resolved to appoint a new Supervisory Board, in collegial form, in the persons of Patrizia Santonocito, Giovanni Boldrin, and Chiara Zilio, conferring it with all the necessary power and authority, in accordance with the 231 Model and Decree 231. The Supervisory Board thus composed will remain in office for three years from August 2, 2021, and, therefore until August 1, 2024.

At the Reporting Date, the Supervisory Board is therefore collegial in nature and comprises Ms. Patrizia Santonocito, Statutory Auditor of the Issuer (as Chairperson), Mr. Giovanni Boldrin, accountant, and Ms. Chiara Zilio, Internal Audit Manager of the Company. It should be noted that the current composition of the Supervisory Board reflects the indications of Recommendation 33 of the Corporate Governance Code.

On September 16, 2019, the administrative bodies of the Italian subsidiaries Penta S.r.l., Aquatech S.r.l., Energys S.r.l., Studio Ponte S.r.l., Progema S.r.l. (the latter two merged by incorporation into the parent company Penta S.r.l. from January 1, 2023) decided, in line with Group policies, to approve the adoption of their own Organization, Management and Control Models similar to those adopted by the Company, as per Decree 231, and related Supervisory Boards. These models were subsequently updated to bring them in line with legislative changes and respective company needs.

Finally, with specific reference to the Italian subsidiaries Fea Ptp S.r.l. and Doteco S.p.A. we note that at the Reporting Date, activities are underway to prepare their own Organization, Management and Control Models, as per Decree 231, with the help of an external consultant.

On September 9, 2019, the Board of Directors of the Company approved the Guidelines on Corporate Criminal Liability & Compliance, drawn up by the Company in order to introduce its compliance system within the overseas subsidiaries of the Group, particularly with regard to the matters of money laundering and corruption, so as to make the overall internal regulation as consistent as possible with the Group's international structure. These Guidelines were subsequently transmitted to Group Companies which adopted and implemented them. At the same meeting on September 9, 2019, the Board of Directors also approved a policy drawn up by the Company in order to regulate transactions and commercial relationships with parties and countries subjected to sanctions by the United States (the "OFAC Guidelines"). At the Reporting Date, the Company and all companies in Piovan Group have therefore adopted and implemented the OFAC Guidelines. In this regard, note that the Company has begun a process to update the relevant procedures, also with the support of an external consultant.

The Company undertakes to extend the Internal Control and Risk Management System implemented at Group level to any new companies that may be acquired by the Group in the future. Accordingly, the Company is continuing to integrate the relevant procedures of IPEG, Inc and its subsidiaries.

#### **9.5 Independent Auditing Firm**

The Company appointed to audit the Issuer's accounts is Deloitte & Touche S.p.A., with registered office in Milan, Via Tortona 25, enrolled in the Chartered Accountants' Register as per Articles 6 and subsequent

of Legislative Decree No. 39/2010, as amended by Legislative Decree No. 135 of July 17, 2016 (the “**Independent Auditing Firm**”).

In particular, the ordinary Shareholders’ Meeting of the Issuer of July 1, 2016 assigned the statutory audit of the Issuer's financial statements to the Independent Auditing Firm, as well as the verification of the proper maintenance of accounting records and the correct recording of the operational activities in the accounting records for the years—2016 - 2018, pursuant to Legislative Decree No. 39 of January 27, 2010.

On September 14, 2018, the Shareholders’ Meeting, in view of the listing and consequent qualification as a public interest entity as per Article 16 of Legislative Decree No. 39 of January 27, 2010 and subsequent amendments, granted to the Independent Auditing Firm, of Article 17 of Legislative Decree No. 39/2010 and Article 16 of Regulation (EU) No. 537/2014:

(i) the statutory audit of the accounts for financial years 2018-2026, and therefore until the Shareholders’ Meeting called to approve the 2026 Annual Accounts, with regards to the statutory financial statements of the Company and the consolidated financial statements of the Piovan Group; and

(ii) the limited audit of the condensed consolidated half-year financial statements for the periods ending June 30 for the financial years 2019-2026.

#### **9.6 Executive Officer for Financial Reporting and other corporate roles and functions**

In accordance with Article 21, paragraph 4, of the By-Laws, the Board of Directors:

(i) appoints and withdraws the appointment of the Executive Officer for Financial Reporting, following the prior mandatory but non-binding opinion of the Board of Statutory Auditors;

(ii) establishes its duration and

(iii) confers upon the role the adequate powers and means for its execution.

The Executive Officer for Financial Reporting must have at least five years of significant professional experience in accounting, economics and finance and must meet any additional requirements set by the Board of Directors and/or by applicable law and regulations.

The Board of Directors, meeting on November 4, 2021, having consulted the Control, Risks and Sustainability Committee and obtained the favorable opinion of the Board of Statutory Auditors, resolved to appoint Mr. Giovanni Rigodanza, the current Group Chief Financial Officer, as the Executive Officer for Financial Reporting, assigning him all the tasks envisaged by current legislation, effective from November 12, 2021, until approval of the financial statements as at December 31, 2023.

The Executive Officer for Financial Reporting thus has the following powers:

1. prepares appropriate administrative and accounting procedures for the preparation of the separate financial statements and consolidated financial statements, in addition to any other financial communications;
2. issues written declarations certifying the consistency of the Company's deeds and communications to the market and the relative accounting disclosure, including of an interim nature, of the Company to the accounting documents and records;
3. declares, together with the Chief Executive Officer, in the form of a report provided according to the Consob regulation compliant model, annexed to the statutory financial statements, the condensed half-year financial statements and the consolidated financial statements:
  - a) the adequacy and effective application of the procedures as per point 1. above during the period to which the documents refer;

- b) that the documents are drawn up in conformity with the applicable international accounting standards recognized by the European Union in conformity with Regulation (CE) No. 1606/2002 of the European Parliament and the Commission of 19 July 2002;
- c) the consistency with the underlying accounting documents and records;
- d) that the documents provide a true and fair view of the equity, operating and financial situation of the Company and of the other companies in the consolidation scope;
- e) for the separate and consolidated financial statements, that the Directors' Report includes a reliable analysis on the performance and operating result as well as on the situation of the Company and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed;
- f) for the condensed half-year financial statements, that the interim Directors' report includes a reliable analysis of the disclosure required by paragraph 4 of Article 154-ter of Legislative Decree No. 58/1998.

In addition, the Executive Officer for Financial Reporting was granted:

- a) all powers of an organizational and operational nature for the exercise of the duties attributed by the applicable legislation, the By-Laws and this motion, including direct access to all the departments, offices and information necessary for the production and verification of accounting, financial and economic data, without the need for any authorization;
- b) full autonomy of expenditure for the exercise of the duties assigned by the applicable regulations, the By-Laws and this motion, according to the limit of the allocated general annual budget and subject to any supplements and amendments considered necessary which may be reviewed and approved by the Board of Directors at any time;
- c) the obligation to:
  - i) attend the meetings of the Board of Directors of the Company where the Agenda includes the review of the Company's results;

ii) promptly report to the Chief Executive Officer and the Board of Directors, including through the Control and Risks Committee, any significant aspects which he feels must be declared, where these are incorrect, in the statements envisaged by Article 154-*bis* of Legislative Decree No. 58/1998;

iii) report on the operations carried out on a half-yearly basis, to the Board of Directors, directly or through the Control and Risks Committee, and to the Board of Statutory Auditors;

d) all the powers of representation in respect of third parties connected to the role held and in the exercise of the duties attributed by the applicable legislation, the By-Laws and the appointment motion.

Finally, it should be noted that, considering that the corporate roles involved in the controls - and particularly in the Internal Control and Risk Management System act impartially and with adequate professionalism and resources, the Board of Directors did not consider it necessary or appropriate to elaborate, during Year 2022, new measures or company policies in this regard.

#### **9.7 Co-ordination of the parties involved in the Internal Control and Risk Management System**

The various parties involved in the Internal Control and Risk Management System (whose functions are summarized in paragraphs 9 and 10 of this Report) coordinate their activities according to their respective duties. Specifically, presence at the meetings of the Control, Risks and Sustainability Committee is generally expected of members of the Board of Statutory Auditors, the Executive Officer for financial reporting– and - for the items within their remit - the Internal Audit Manager and the Chief Executive Officer. The Chairperson of the Control, Risks and Sustainability Committee handles the continuity and

completeness of the flow of information towards the Board of Directors with regard to risk management and internal controls.

## **10. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS**

### **10.1 Procedure for related party transactions**

Pursuant to Article 27 of the By-Laws, the Company approves the related party transactions in accordance with law and current regulations, the By-Laws and the relative procedures adopted to ensure transparency and substantial correctness.

On November 12, 2018, the Board of Directors approved, with the favorable opinion of the Related Party Transactions Committee, the related party transactions policy ("**RPT Policy**"), in fulfilment of Article 2391-*bis* of the Civil Code and the RPT Regulation, taking account also of the indications and guidelines to apply the RPT Regulation provided by Consob with communication No. DEM/10078683 of September 24, 2010, which sets out the rules governing the approval and execution of related party transactions by the Company, directly or through subsidiaries, in order to ensure the transparency and substantial and procedural correctness of the transactions.

Please note that on December 11, 2020, Consob announced its approval of the regulatory amendments necessary to bring secondary legislation into line with the second European Shareholder Rights Directive 2. These amendments also affected the Related Party Transaction (RPT) Regulation. With the support of an external consultant, the Company has committed to revising the RPT Policy to adapt it to the RPT Regulation, as last amended by Resolution No. 21624 of December 10, 2020, by the end of the transitional period on June 30, 2021. The Board of Directors, meeting on June 23, 2021, subsequently resolved to approve the Company's new RPT Procedure, subject to the favorable opinion of the Related Party Transactions Committee.

The RPT Policy currently in force is available on the Company's website ([www.piovan.com](http://www.piovan.com)), in the “*Investors/Corporate Governance/Procedures and Regulations*” section, to which reference should be made for further details.

## 10.2 Related Party Transactions Committee

With the motion of July 6, 2018, the Board of Directors of the Company established the Related Party Transactions Committee, in accordance with the RPT Regulation and the RPT Policy (the “**Related Parties Committee**”). The Related Parties Committee performs the duties and tasks envisaged by the RPT Policy, the RPT Regulation and applicable law; in particular:

- (i) expresses its prior favorable opinion on the approval of and amendments to the RPT Policy, in addition to the proposals to be submitted to the Company’s Shareholders' Meeting with regard to any statutory changes identified as necessary by the Board of Directors in the context of the definition of the RPT Policy;
- (ii) as regards Greater Importance Transactions (as defined in the RPT Policy), it is promptly involved in the discussion and investigation stages, by means of a full and updated flow of information and with the right to request information and issue comments to the delegated boards and persons appointed to conduct the discussions or investigations;
- (iii) expresses its reasoned, binding opinion on Greater Importance Transactions, regarding the Company’s interest in carrying out the Transaction and on the appropriateness and substantial fairness of the related conditions. This opinion is attached to the minutes of the Related Parties Committee meeting;
- (iv) expresses its reasoned, non-binding opinion on Lesser Importance Transactions (as defined in the RPT Policy) regarding the Company's



interest in carrying out the transaction and on the appropriateness and substantial fairness of the related conditions. This opinion is attached to the minutes of the Related Parties Committee meeting;

(v) if necessary, also supports the business functions responsible for preliminary checks relating to the identification of related parties and related party transactions in accordance with the RPT Policy and applicable law.

Following the renewal of the corporate bodies, at its meeting of April 29, 2021, the Board of Directors resolved to appoint the Company's Related Party Transactions Committee in the persons of the Independent Directors Marco Maria Fumagalli, Mario Cesari and Manuela Grattoni, designating the Director Marco Maria Fumagalli as Chairperson of the Committee and granting the Committee the powers and functions provided for by current legislation on related party transactions and the RPT Policy. The term of office of the members of the Related Parties Committee will be the same as that of the Board of Directors appointed by the Shareholders' Meeting of April 29, 2021, which will remain in office until the approval of the financial statements for the year ended December 31, 2023.

In 2022, the Related Parties Committee met once, and one meeting has been held in 2023. The duration of the meeting held on March 18, 2022 was approximately 60 minutes.

Minutes of the Related Parties Committee meetings are kept. The Chairperson and the secretary sign the minutes of the meetings which are archived by the secretary in chronological order.

See **Table 3** of this Report for more information regarding the Related Parties Committee.

### **10.3 Directors' interests**

At the Reporting Date, the Board of Directors did not consider it necessary to adopt, in addition to the RPT Policy and the disclosure obligations envisaged by Article 2391 of the Civil Code, a specific policy for the identification and management of situations in which a Director has a personal interest or an interest on behalf of third parties.

## **11. BOARD OF STATUTORY AUDITORS**

### **11.1 Appointment and replacement**

Pursuant to Article 25, paragraph 2, of the By-Laws, Statutory Auditors and Alternate Auditors are appointed by the Shareholders' Meeting, in compliance with the applicable *pro tempore* rules concerning gender balance, on the basis of slates, presented by shareholders in accordance with the applicable legal and regulatory framework, on which the candidates must be listed by means of a progressive number and must not exceed the number of members of the board to be elected.

The provisions concerning voting by slates in the By-Laws, as already previously discussed for the Board of Directors, will find application as from the first renewal of the Board of Statutory Auditors subsequent to listing.

Each slate shall comprise two sections: one for the appointment of Statutory Auditors and the other for the appointment of Alternate Auditors. The first candidates in each section are to be identified from among the Auditors enrolled in the special register referred to in Article 2397 of the Civil Code.

Currently, the By-Laws state that the slates that include a total number of candidates equal to or higher than three must be composed of candidates belonging to both genders, in compliance with the current

*pro tempore* regulations concerning the balance between genders. As previously discussed with reference to the Board of Directors, the 2020 Budget Law (Law No. 160 of December 27, 2019) amended regulations with regard to gender balance in the administrative and control boards of listed companies. This Law introduced a new criterion for the gender equality quota for which at least two-fifths of Directors and Statutory Auditors must belong to the under-represented gender with effect from the first renewal subsequent to the date of the law's entry into force (that is, commencing from the first renewal of the corporate boards subsequent to January 1, 2020). This is subject to the under-represented gender obtaining at least one-fifth of elected Directors at the first renewal subsequent to listing. Furthermore, this criterion shall apply for six consecutive mandates.

In order to reflect the aforementioned regulatory changes, within the duties conferred to it pursuant to Article 20.2 of the By-Laws, the Board of Directors, which met on September 10, 2020, approved an amendment to Article 25.2 of the By-Laws by providing that the slates that present a number of candidates equal to or higher than three must be composed of candidates belonging to both genders, in compliance with the *pro tempore* regulations in force concerning the balance between genders.

Only shareholders who individually or collectively hold at least 2.5% of the share capital (or a differing threshold established by the applicable statutory and legal provisions) have the right to present slates. Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate at the risk of ineligibility.

The declarations of the individual candidates, in which they accept their candidacies and attest, in good faith, the inexistence of any cause of ineligibility or incompatibility, as well as the satisfaction of the requisites prescribed by applicable law and the By-Laws for their respective offices, must be lodged together with each slate and within the timeframes

prescribed by applicable legislation. Slates presented that do not comply with all of the above formalities are considered as not presented. Each candidate's declarations shall be accompanied by a *curriculum vitae* covering personal and professional characteristics and shall include the list of administration and control offices held by each candidate in other companies.

Applicable legal and regulatory provisions shall apply for the presentation, filing and publication of slates. The slates comprise two sections: one for candidates for the position of Statutory Auditor and the other for the position of Alternate Auditor. Those with voting rights may vote on only one slate. The procedure for electing Statutory Auditors is as follows:

- i. from the slate obtaining the highest number of votes in the Shareholders' Meeting, and based on the progressive order in which they are listed in the sections of the slate, 2 standing members and 1 alternate member are elected;
- ii. from the second slate obtaining the highest number of votes in the Shareholders' Meeting and which is not related in any manner, even indirectly, with the Shareholders who presented or voted on the slate with the highest number of votes, and based on the progressive order in which they are listed in the sections of the slate, the remaining standing member - who will assume the office of Chairperson of the Board of Statutory Auditors - and the other alternate member are elected. Where more than one minority slate has obtained the same number of votes, the eldest slate candidate is elected as Statutory Auditor and Alternate Auditor.
- iii. In the event that only one slate is presented, the whole Board of Statutory Auditors is elected from this slate if it obtains the approval of the simple majority of votes.

Where the above procedures do not ensure the composition of the Board of Statutory Auditors, for the appointment of the standing

members, in accordance with the current *pro tempore* provisions relating to gender equality, within the slate which attracted the highest number of votes the necessary substitutions of candidates elected to the roles of standing auditor is made, according to the progressive order in which the candidates were elected.

Where his/her legal and statutory requisites no longer exist, the Statutory Auditor must leave office. In the case of replacement of a Statutory Auditor, the Alternate Auditor belonging to the same slate replaces him/her, or in the case of the resignation of the Minority Statutory Auditor, the next candidate on the same slate replaces him/her or the first candidate of the Minority Slate which obtained the second highest number of votes.

The Chairperson of the Board of Statutory Auditors will always be the candidate elected by the minority shareholders and the composition of the Board of Statutory Auditors will have to comply with the *pro tempore* regulations concerning gender equality.

Where the Shareholders' Meeting is required to appoint Statutory and/or Alternate Auditors necessary to integrate the Board of Statutory Auditors the following procedures apply: where auditors elected from the Majority Slate are to be replaced, the appointment is made with the favorable votes of a relative majority without being tied to a slate; where instead Auditors elected from the Minority Slate are to be replaced, the Shareholders' Meeting replaces them with the favorable votes of a relative majority, choosing where possible from among the candidates on the slate from which the Auditor to be replaced was elected or, if not possible, from the Minority Slate which achieved the second highest number of votes.

Where the application of these procedures does not permit, for any reason, the replacement of the Statutory Auditors elected by the minority, the Shareholders' Meeting votes in accordance with the relative majority, following the presentation of candidacies by shareholders who, alone or with others, are holders of shares with

voting rights at least representing the aforementioned percentage in relation to the procedure for the presentation of slates; however, the results of this latter vote will not include the votes of shareholders that, according to the communications received pursuant to current regulations, hold, even indirectly or together with other shareholders through a shareholder agreement, in accordance with Article 122 of Legislative Decree No. 58/1998, the majority of the votes exercisable in the Shareholders' Meeting, as well as the shareholders that control, are controlled or are subject to their joint control.

The replacement procedure outlined in the previous paragraphs must in every case ensure compliance with the gender equality regulation in force at the time.

Pursuant to Article 25, paragraph 3, of the By-Laws, Statutory Auditors may be re-elected.

#### **11.2 Composition and functioning (pursuant to Article 123-*bis*, paragraph 2, letters d) and d-*bis*) CFA)**

Pursuant to Article 25, paragraph 1, of the By-Laws, the Shareholders' Meeting elects the Board of Statutory Auditors, comprising 3 (three) statutory auditors, and establishes their remuneration. The Shareholders' Meeting also elects 2 (two) Alternate Auditors.

The powers, duties and duration in office of Statutory Auditors are those established by law.

The Board of Statutory Auditors of the Company comprises five members, of whom three standing and two alternate, and was appointed by the Shareholders' Meeting of the Company of April 29, 2021. As reported in the minutes of said Shareholders' Meeting, on April 8, 2021, the only slate deposited for the appointment of the Board of Statutory Auditors was published on the Company's website and

stored on the authorized storage mechanism; it was submitted by the majority shareholder Pentafin S.p.A., which at the time held a total of 31,042,310 shares, equal to 57.915% of the Company's share capital. No further slates were submitted, including following the extension of the deadline until April 7, 2021 with the reduction of the shareholding threshold for filing to 1.25% of the share capital.

The slate submitted by Pentafin S.p.A. was accompanied by the relevant statements in which the candidates declared, under their own responsibility, compliance with the regulations on the accumulation of offices, the absence of causes of ineligibility and disqualification, and the existence of the requirements set out by current legislation and Piovan S.p.A.'s By-Laws for the position of Statutory Auditor and the possession of the independence, integrity and professionalism requirements set out by current legislation and Piovan S.p.A.'s By-Laws.

Since only one slate was submitted, in accordance with Art. 25.2 (c) of the By-Laws the Board of Statutory Auditors was appointed entirely from this slate, by means of approval with a simple voting majority.

The proposed motion was approved by a majority, with votes in favor representing 91.377863% of the total number of voting rights. Carmen Pezzuto, Patrizia Santonocito and Luca Bassan were therefore elected as Statutory Auditors and Kristian Sartor and Stefania Targa were elected as Alternate Auditors.

The Board of Statutory Auditors will remain in office until the Shareholders' Meeting called for the approval of the financial statements for the year ended December 31, 2023.

The following table lists the members of the Board of Statutory Auditors in office at the Reporting Date, together with the respective office held.

Name	Office
Carmen Pezzuto	Chairperson
Luca Bassan	Statutory Auditor
Patrizia Santonocito	Statutory Auditor
Kristian Sartor	Alternate Auditor
Stefania Targa	Alternate Auditor

For further details on the composition of the Board of Statutory Auditors, reference should be made to **Table 3** in the Annex.

The members of the Board of Statutory Auditors in office at the Reporting Date are all domiciled for the purposes of office at the Company's registered office.

In 2022, the Board of Statutory Auditors held eight meetings, while two meetings of the Board of Statutory Auditors have been held in 2023 to date. The average duration of Board of Statutory Auditors meetings in 2022 was approximately 150 minutes. Meetings were held both in-person and by videoconference.

An extract of the *curriculum vitae* of each member of the Board of Statutory Auditors in office at the Reporting Date outlining their business management expertise and experience is presented below.

#### **Carmen Pezzuto – Chairperson of the Board of Statutory Auditors**

Born in Sacile on November 22, 1967, she graduated in Economics and Commerce in 1991 at the Ca' Foscari University of Venice. She has been enrolled in the Accountants Register of Padova since 1994 and the Auditors Register since 1999. She has been a partner in Studio Associato di Consulenza Tributaria of Padova since 2008, where she has practiced her profession since 1994. She has more than twenty years' experience in consultancy on taxation, corporate, accounting and corporate finance and in auditing. In particular, she provides tax consultancy with



reference to direct and indirect national taxation and certain important aspects of international taxation. She holds offices as a Director and Statutory Auditor in various listed and non-listed companies.

**Luca Bassan – Statutory Auditor**

Born in Padova on October 8, 1962, he graduated in Economics and Commerce in 1986 at the Ca' Foscari University of Venice. He has been enrolled in the Accountants Register of Padova since 1990 and the Auditors Register since 1995. He has held offices as a Statutory Auditor in various companies since 1990 and is also a consultant and advisor on taxation, corporate and administrative matters to joint stock companies and partnerships.

**Patrizia Santonocito – Statutory Auditor**

Born in Borgo Valsugana on June 21, 1963, she graduated from the Faculty of Political Science at the University of Padua. She is enrolled in the Accountants Register of Padova and the Auditors Register. She carries out her professional activity in the field of corporate and tax consultancy. She handles bankruptcy proceedings, having been appointed by the Court of Padova as Curator, Judicial Commissioner and Judicial Liquidator in several proceedings. She holds the position of Technical Consultant in corporate and accounting matters on behalf of the Court of Padua. She held and still holds offices as Statutory Auditor in companies, including listed companies. She is a member of Supervisory Boards and a member of the Padua Board of Certified Accountants.

**Kristian Sartor – Alternate Auditor**

Born in Venice on July 5, 1974, he graduated in Economics and Commerce in 2000 at the Ca' Foscari University of Venice. He has been enrolled in the Order of the Accounting Profession of Venice since 2008. He holds several offices as a bankruptcy curator and judicial commissioner at the Court of Venice.

### **Stefania Targa – Alternate Auditor**

Born in Padova on September 23, 1970, she graduated in Political Science at the University of Padova. She has been enrolled in the Order of Chartered Accountants and the Auditors' Register since 1997. She practices accountancy primarily in the consultancy, business and corporate assistance, taxation and administrative field for joint stock companies (including publicly held companies) and public and mixed institutions, where she also held offices as Statutory Auditor and/or Chairperson of the Board of Statutory Auditors. Director since 2016 of the Order of Accountants and contact person of the Anti-Money Laundering and Privacy Committee. Member of AML LAB Italian Association for Research on Money Laundering Risk.

### **Diversity criteria and policies**

It should be noted that the rules which require a quota of members of the Board of Statutory Auditors to be elected on the basis of criteria which ensure gender balance, in accordance with Article 148, paragraph 1-*bis*, of the CFA and Recommendation 8 of the Corporate Governance Code, were incorporated into the Issuer's By-Laws. Specifically, Article 148, paragraph 1-*bis*, of the CFA, as updated following the 2020 Budget Law, and Law 120/2011, as clarified by Consob Communication DIE No. 0061499 of July 18, 2011, require that the gender balance provisions are applied from the reappointment of the Board of Statutory Auditors subsequent to listing, establishing that, for this first reappointment, the under-represented gender makes up at least one-fifth of elected Auditors in the first renewal of the Board of Statutory Auditors and at least one-third of the Auditors elected for the two consecutive subsequent mandates (rounded up).

It is noted that at the Reporting Date, the composition of the Board of Statutory Auditors complies with the provisions of Article 148, paragraph 1-*bis*, CFA and Recommendation 8 of the Corporate Governance Code and is in accordance with the priority objective of ensuring adequate expertise and professionalism in the members of corporate boards.

As mentioned in the previous paragraphs, in view of the regulations on the subject and the provisions of Article 147-*ter*, paragraph 1-*ter*, of the CFA, the Company also adopted a Diversity Policy that provides guidelines on diversity with regard to the composition of the Board of Directors and the Board of Statutory Auditors concerning aspects such as age, gender composition and educational and professional background.

### **Independence**

All members of the Board of Statutory Auditors satisfy the requisites of independence envisaged by Article 148, paragraph 3, of the CFA and by the combined Recommendations of Articles 9, 10 and 6 of the Corporate Governance Code. None of the members of the Board of Statutory Auditors had relationships of a monetary or professional nature, even indirectly, by means of third party companies or professional firms, with the Issuer, the Group it belongs to, companies that control it or those subject to common control, during the last three years.

The declaration of members of the Board of Statutory Auditors with regard to satisfying the requisites of independence was verified by the Board of Directors at its meeting of April 29, 2021. In accordance with Recommendation 6, as referred to in Recommendations 9 and 10 of the Corporate Governance Code, the Board of Statutory Auditors verified that its members met the independence requirements.

Moreover, all the members of the Board of Statutory Auditors satisfied the requisites of independence and good standing in accordance with Article 148 of the CFA and the Regulation adopted with Ministry of Justice Decree No. 162/2000.

Notably, the members of the Board of Statutory Auditors in office at the Reporting Date satisfy the requisites of professionalism envisaged by Article 1 of Ministerial Decree No. 162/2000, as follows:

- at least two Statutory Auditors and one Alternate Auditor are enrolled in the Auditors' Register and have practiced the profession of legal auditor for a period of no less than three years; or
- they are selected from among those who have gained a total of at least three years' experience in the exercise of (a) administration or control activities or a managerial role in companies having a share capital of no lower than Euro two million, or b) professional activities or university teaching role on law, economics, finance and technical-scientific, strictly related to the activities of the Company, or c) managerial roles in public entities or administrations operating in the credit, financial and insurance sectors or, in any case, in sectors strictly related to the activities of the Company;
- in the period between the two financial years preceding the adoption of the relative provisions and the current year, they did not perform, for at least eighteen months, administration, management or control functions in companies: (a) subject to bankruptcy, compulsory administrative liquidation or similar procedures; (b) operating in the credit, financial, securities and insurance sectors subjected to extraordinary administration procedures;
- no measure was adopted in their regard for their removal from the single national roll of financial intermediaries envisaged by Article 201, paragraph 15, of Legislative Decree No. 58 of February 24, 1998 and of financial intermediaries excluded from trading in a regulated market.

On May 9, 2022, the Board of Statutory Auditors carried out the annual self-assessment on its members' fitness to properly execute their office. The Board of Statutory Auditors confirmed the independence of all its members pursuant to Article 148, paragraph 3, CFA and criteria 8.C.1. and Recommendations 9, 10 and 6 of the Corporate Governance Code.

It is also noted that on February 1, 2022, the Board of Statutory Auditors defined the quantitative and qualitative criteria for assessing the significance of the relevant circumstances pursuant to Recommendation 7, as referred to in Recommendation 9 of the Corporate Governance Code for the purposes of assessing the independence of Statutory Auditors.

In detail, the following criteria were approved:

(i) as regards the notion of "*significant commercial, financial or professional relations*" pursuant to letter c) of Recommendation 7 of the Corporate Governance Code, this includes consultancy appointments or any other assignment which, in the three financial years prior to the date of the assessment, have entailed, for the Auditor being assessed, annual gross remuneration of Euro 100,000 or more, both in the case of relations maintained directly with individuals and in the case of relations maintained with companies or bodies in which the Auditor has control or is a significant figure, or with the professional firm or consultancy firm of which the Auditor is a partner, associate or associate;

(j) as regards the notion of "*significant additional remuneration*", as set out in letter d) of Recommendation 7 of the Corporate Governance Code, this includes, for each year, all remuneration for any reason paid to the Auditor by the Company or one of its subsidiaries or parent companies (direct or indirect) - in addition to the remuneration for the office of Auditor - which cumulatively reaches a gross amount equal to or greater than Euro 100,000.

At the Reporting Date, to the Company's knowledge, none of the members of the Board of Statutory Auditors exceeds the limits on the

accumulation of offices set out in Article 144-*terdecies* of the Consob Issuers' Regulation.

At the Reporting Date, to the Company's knowledge, none of the members of the Board of Statutory Auditors are related to other members of the Board of Statutory Auditors of the Issuer, to the members of the Board of Directors or to the key Executives of the Company.

The Company considers that the remuneration of Statutory Auditors is commensurate with the commitment required, the importance of the role covered and the size and sector of the Company.

It should also be noted that in undertaking its activities, the Board of Statutory Auditors liaises with the Internal Audit function, the Control, Risks and Sustainability Committee and the Company's Supervisory Board.

### **Remuneration**

On April 29, 2021, the Company's Shareholders' Meeting resolved to set the remuneration due to the Chairperson of the Board of Statutory Auditors at Euro 25,000 gross per annum for the duration of the mandate, and the amount due to each Statutory Auditor at Euro 15,000 gross per annum for the duration of the mandate. Please note that the outgoing Board of Directors had not made any proposal to the Shareholders' Meeting with regard to the determination of the remuneration due to the members of the Board of Statutory Auditors and, therefore, the Shareholders' Meeting voted on the motion proposal submitted by the shareholder Pentafin S.p.A., which is commensurate with the commitment required, the importance of the role covered as well as the size and sector characteristics of the Company.

## Management of interests

Any member of the Board of Statutory Auditors who, on his/her own behalf or on behalf of third parties, has an interest in a given Company transaction, is required to promptly and fully inform the other members of the Board of Statutory Auditors and the Chairperson of the Board of Directors regarding the nature, terms, origin and extent of said interest.

## 12. RELATIONS WITH SHAREHOLDERS

### Access to information

The Company considers it proper and rightful to establish and maintain constant and open dialogue with its shareholders, investors, particularly institutional investors, and more generally, with all the stakeholders that come into contact with Piovan and the Group.

Following a thorough selection process, the Chairperson of the Board of Directors, in execution of the powers delegated to him, therefore appointed Mr. Giovanni Rigodanza as the Company's Investor Relations Manager, effective June 1, 2021. Please note that Mr. Rigodanza also assumed the role of Group Chief Financial Officer, effective November 4, 2021, maintaining responsibility for the Investor Relations area of the Piovan Group.

A special section on the Company's website ([www.piovan.com](http://www.piovan.com)) called "*Investor Relations*" is dedicated to significant financial and corporate information for investors. This section contains an email address for receiving and responding to information requests from shareholders and investors.

Investor Relations contact information is as follows:

Giovanni Rigodanza

[ir@piovan.com](mailto:ir@piovan.com)

T +39 041 5799 120

## Dialogue with Shareholders

On November 11, 2021, the Board of Directors of the Company, on the proposal of the Chairperson in agreement with the Chief Executive Officer, approved the Policy for managing the dialogue with Shareholders of Piovan S.p.A., drafted pursuant to Recommendation 3 of the Corporate Governance Code. For further information, reference should be made to the document text, available on the corporate website [www.piovan.com](http://www.piovan.com) in the “*Investors/Corporate Governance/Corporate Documents*” section.

During 2022, the Company had the opportunity to meet with various shareholders and potential investors through conference calls, roadshows, and Company visits; the topics discussed as part of the dialogue with shareholders mainly concerned corporate performance, the integration of the newly acquired IPEG Inc. and the Company's commitment to the circular economy.

### 13. SHAREHOLDERS' MEETINGS

Pursuant to Article 13 of the By-Laws, the Shareholders' Meeting (the “**Shareholders' Meeting**”) shall resolve on all matters authorized by law.

Motions of the Shareholders' Meeting are passed with the majorities required by law.

Motions approved by the Shareholders' Meeting in accordance with the law and the By-Laws shall be binding upon all Shareholders, even if they did not attend or voted against the motion.

In accordance with Article 9 of the By-Laws, the ordinary and extraordinary Shareholders' Meetings shall normally be held in the municipality where the Company's registered office is located, except as otherwise resolved by the Board of Directors and provided that this is in Italy or in a country in which the Company, directly or through its subsidiaries or investees, performs its business.



Ordinary and Extraordinary Shareholders' Meetings are held in single call as required by law.

The call is made within the timeframes prescribed by applicable law and regulations, by means of a notice to be published on the Company's website and with the methods envisaged by applicable law and regulations, with prior notice of not less than the legal minimum with respect to the date set for the Shareholders' Meeting.

The right to participate in the Shareholders' Meeting and the right to vote is governed by applicable law.

Pursuant to law, those with the right to vote may be represented in the Shareholders' Meeting by means of a proxy issued according to the procedures envisaged by applicable law. The proxy can also be notified to the Company electronically, by e-mail, according to the procedures indicated in the call notice.

The By-Laws does not provide that the Company makes use of the option envisaged by law to designate a representative to whom shareholders may confer the proxy with voting instructions on all or some of the proposals on the Agenda of the Shareholders' Meeting.

Shareholders' Meetings are chaired by the Chairperson of the Board of Directors or, if absent or prevented from doing so, by the Vice-Chairperson or Chief Executive Officer, if appointed and present; in their absence, the Shareholders' Meeting elects its chairperson.

Motions of the Shareholders' Meeting must be recorded in minutes of the meeting drawn up in accordance with applicable legislation and signed by the Chairperson and by the secretary or notary selected by the Chairperson.

Proceedings of shareholders' meetings are governed by a special regulation for an orderly functioning of meetings ("**Shareholders' Meeting Rules**") approved with the motion of the Ordinary Shareholders' Meeting of July 6, 2018, pursuant to the

recommendations of Article 9.C.3. of the Self-Governance Code and the provisions of Article 10 of the By-Laws.

The Shareholders' Meeting Rules can be found on the Company's website ([www.piovan.com](http://www.piovan.com)), in the section "*Investors/Corporate Governance*", to which reference should be made for further details.

During the Year, the Company's Shareholders' Meeting met on April 28, 2022, and resolved:

- (i) to approve the Financial Statements of Piovan S.p.A. at December 31, 2021 and to allocate the profit for the year of Euro 14,204,371.00 to the distribution of dividends for a total amount of Euro 5,092,930.00;
- (ii) to approve the remuneration policy set out in Section I of the Report on the policy regarding remuneration and fees paid pursuant to Article 123-*ter* of the CFA and express its favorable opinion on the second section of said report;
- (iii) to authorize the purchase and disposal of treasury shares in accordance with the terms and conditions set forth in the Meeting motion;

In conducting the Shareholders' Meeting, the Company availed itself of the option provided for in paragraphs 2 to 6 of Article 106 of Decree-Law No. 18 of March 17, 2020, subsequently converted with amendments by Law No. 27 of April 24, 2020, and extended to Article 3, paragraph 1, of Decree-Law No. 228 of December 30, 2021, converted with amendments by Law No. 15 of February 25, 2022, and decided to provide, even in the absence of a specific provision in the By-Laws, that attendance at the Shareholders' Meeting would take place exclusively by means of the conferral by the Shareholders, at no cost to themselves (except for any shipping costs), of a written proxy with voting instructions on all or some of the proposals on the Agenda to a person designated pursuant to Article 135-*undecies* of Legislative Decree No. 58 of February 24, 1998 (the "**Appointed Representative**"). The meeting was therefore held without the physical participation of the

shareholders, while the members of the Board of Directors and the Board of Statutory Auditors, as well as the Appointed Representative and any other person who might be authorized to take part in the Meeting's proceedings, in compliance with the provisions of the emergency regulations, were connected electronically (which ensured their identification, participation and exercise of their voting right). Directors Nicola Piovan, Filippo Zuppichin, Mario Cesari, Marco Maria Fumagalli, Manuela Grattoni and Antonella Lillo, and Statutory Auditors Carmen Pezzuto, Luca Bassan and Patrizia Santonocito attended the meeting, while the Director Marco Stevanato was absent with justification.

Please note that pursuant to Article 123-*bis*, paragraph 1, letter l), first part, the rules applicable to the amendment of the By-Laws do not differ from those of the laws and regulations applicable in the alternative.

**14. FURTHER CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2, LETTER a), SECOND SECTION, CFA)**

There are no corporate governance practices further to those already described in the preceding paragraphs.

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

As more fully detailed in Section 4.3 above, following the resignation of Mr. Marco Stevanato from the position of Director of the Company, tendered on January 26, 2023, the Board of Directors, on March 21, 2023, with the favorable opinion of the Nomination and Remuneration Committee, pursuant to Article. 2386 of the Civil Code and Article 14.4 of the By-Laws, taking into account the opinion expressed by the Nomination and Remuneration Committee and with the favorable opinion of the Board of Statutory Auditors, appointed by co-optation Mr. Maurizio Bazzo, in office until the next Shareholders' Meeting. Note

that Mr. Maurizio Bazzo qualifies as a Non-Executive Director and Independent Director.

## **16. CONSIDERATIONS ON THE LETTER OF THE CHAIRPERSON OF THE CORPORATE GOVERNANCE COMMITTEE**

The Chairperson of the Board of Directors brought to the attention of the Board meeting held on March 21, 2023 the recommendations made in the letter sent by the Chairperson of the Corporate Governance Committee (the "**CG Committee**") on January 25, 2023 (the "**2023 Recommendations**"), which were also subsequently analyzed by the Company's Board of Statutory Auditors.

Specifically, the 2023 Recommendations address the following areas:

1. *Shareholder dialogue.* On this point, the CG Committee calls on companies to (i) adopt a shareholder dialogue policy that also includes the allows for dialogue to be initiated by investors, defining graduated methods and procedures, based on the principle of proportionality, according to the company's characteristics in terms of size and ownership structure, and (ii) consider providing information in its own corporate governance report on the most relevant issues that were the subject of the shareholder dialogue and any initiatives taken in consideration of the indications that emerged.

In this regard, please note that Piovan S.p.A. strongly believes in the importance of transparent, active and constructive communication with all shareholders - be they institutional investors or retail shareholders - and with financial analysts, investors, rating agencies, and other financial interlocutors. On November 11, 2021, the Board of Directors of the Company approved the Policy for managing the dialogue with Shareholders of Piovan S.p.A., which is also published on the Company's website. Article 4 of the aforementioned policy sets out the main

ways in which the Company communicates and interacts with Shareholders and the Financial Community. These methods also include the possibility for current and potential investors to participate in, among other things, conference calls, roadshows, on-demand meetings and company visits.

Please refer to Section 12 of this Report for more information on the most relevant issues discussed in the dialogue with shareholders during the Year.

2. *Dialogue with other relevant stakeholders.* In this regard, the CG Committee calls on companies to provide adequate information in their Corporate Governance Report on the criteria and methods by which the Board of Directors promoted dialogue with other relevant stakeholders.

As also noted in the introductory section of this Report, the governance model adopted by Piovan S.p.A. ensures correctness and transparency in the management and information and is oriented towards the creation of sustainable value in the medium to long term for the shareholders, taking into account the interests of other stakeholders relevant to the Company, in accordance with national and international best practices, as also described in the Policy for managing the dialogue with Shareholders approved by the Company's Board of Directors on November 11, 2021.

3. *Conferment of management powers to the Chairperson.* In this regard, the CG Committee calls on companies with a Chairperson who is assigned significant management powers to adequately justify this decision in the Corporate Governance Report, even if the Chairperson is not the CEO.

Please refer to Section 4.6.2 of this Report for more information on the powers delegated to Mr. Nicola Piovan and the assessments made in relation to them.

4. *Pre-Board Disclosures.* In this regard, the CG Committee calls on the governing bodies to provide procedures for handling pre-Board Disclosures that do not include generic exemptions to the timeliness of disclosures for reasons of confidentiality of data and information, and to provide detailed information in the corporate governance report on any failure to comply with the notice period specified in the procedures for sending Board documents, giving reasons and explaining how adequate insights were ensured at the Board meeting.

As regards this recommendation, please note that on November 11, 2021, the Company's Board of Directors approved the Regulation of the Board of Directors, which is also available on the Company's website. Article 6.5 of the Regulation provides that: *“the documentation supporting the items on the Agenda shall be made available to the members of the Board of Directors and the Board of Statutory Auditors, usually by the third day prior to the day set for the meeting, except in special cases of necessity or urgency, when the documentation is made available as soon as possible. In any case, if it is not possible to provide the necessary information well in advance, with the help of the Secretary (where appointed) the Chairperson may ensure that adequate and timely information is provided during the Board's meetings.”* As noted in paragraph 4.4 of this Report, this notice period was generally respected throughout the year.

5. *Attendance of managers at Board of Directors meetings.* In this regard, CG Committee calls on companies to (i) define, in the regulations adopted for the functioning of the Board of Directors and its committees, the ways in which such bodies can access the relevant corporate functions according to the subject matter, under the coordination of the Chairperson of the Board of Directors or committee, respectively in agreement with or informing the CEO, and (ii) to provide, in the corporate governance report, information on the actual

participation of managers in Board and committee meetings, indicating the functions involved and the frequency of involvement.

Please note that Article 7.5 of the Regulation of the Board of Directors establishes that it is the duty and responsibility of each Director and Statutory Auditor to request additional information, should s/he consider the existing information to be insufficient in order to express an informed opinion on the subjects under discussion, by reporting the need for it at the Board meeting or, with reference to the information received prior to the meeting, also by e-mail well in advance. Article 7.6 also provides that, where necessary or appropriate, including upon request of individual Directors, the Chairperson may invite Company and/or Group Executives and/or other persons (including those outside the Company), to participate in Board meetings, where their presence is deemed useful in relation to the matters under discussion. Similar provisions have also been included in the regulations of the Company's Nomination and Remuneration Committee and Control, Risks and Sustainability Committee.

Finally, it should be noted that this Report provides information on managers' attendance at Board of Directors meetings in paragraphs 4.4, 4.5 and at internal Board committees in paragraphs 7.2, 9.2 and 9.7.

6. *Guidance on the optimal composition.* In this regard, the CG Committee reiterates the importance that the Board of Directors, at least in companies other than those with concentrated ownership, expresses guidance on the optimal composition of the Board in the run-up to its renewal, and calls on companies to publish this guidance well in advance, such that those submitting slates of candidates can take it into account for the purposes of slate composition.

As regards this recommendation, it is recalled that Piovan S.p.A., qualifying as a “concentrated ownership company”, decided not

to express an opinion on the quantitative and qualitative composition of the Board, which is deemed optimal in light of the renewal of the corporate bodies in 2021. The Board of Directors in its current composition will remain in office until the approval of the financial statements for the year ended December 31, 2023.

7. *Criteria for assessing the significance of the relationship that may influence the Director's independence.* On this point the CG Committee, in addition to reiterating the importance of defining ex-ante and disclosing in the corporate governance report the quantitative parameters and qualitative criteria for assessing the significance of any business relationships financial or professional relationships and any additional remuneration for the purposes of a Director's independence, calls on companies to consider the appropriateness of providing quantitative parameters, also defined in monetary terms or as a percentage of the remuneration paid for the office and for participation in committees recommended by the Code.

It should be noted that on January 27, 2022, the Company's Board of Directors identified the materiality criteria set out in Recommendation 7 of the Corporate Governance Code, as described in Section 4.7.1 of this Report. Please also note that the existence of the independence requirements is assessed upon appointment of the Directors, after which the Board then verifies that these requirements are maintained on an annual basis.

8. *Transparency in remuneration policies regarding the weighting of variable components.* In this regard, the Committee calls on companies to incorporate a summary table in its remuneration policy for the CEO and other Executive Directors. The table should illustrate how remuneration packages are designed, including the characteristics and weighting of fixed, short-term variable, and long-term variable components in proportion to total remuneration. At a minimum, the



table should refer to the achievement of a target for variable components.

In this regard, please note that the Company makes use of the templates provided in Annex 3A, Schedule 7-*bis* of Consob Issuers' Regulation No. for the tabular representation of the composition of the remuneration package for members of the Company's administration and control bodies and Managers with strategic responsibilities in the Report on the policy regarding remuneration and fees paid submitted to the Shareholders' Meeting. Therefore, please refer to the Report on the policy regarding remuneration and fees paid for more information on this subject, which is available on the Company's website ([www.piovan.com](http://www.piovan.com)).

9. *Long-term horizon in remuneration policies.* In this regard, the Committee calls on companies to include a variable component with a multi-year timeline in their remuneration policies, in line with the Company's strategic objectives and its pursuit of sustainable success.

Please note that, as set out in the Report on the policy regarding remuneration and fees paid, Piovan S.p.A.'s Remuneration Policy pursues the creation of value in the medium to long term for the Company and its shareholders, balancing fixed and variable remuneration with the aim of creating value in a sustainable manner for the Company. Remuneration is consistent with the complexity of the role and the responsibilities it entails, with the results achieved and the quality of individual professional contribution.

The Company also had three medium- to long-term incentive plans in place until December 31, 2022, and intends to submit a new long-term incentive plan to the Shareholders' Meeting scheduled for April 27, 2023. For more information in this regard, please refer to the respective documents made available to the

public at the Company's headquarters in Santa Maria di Sala (VE), Via delle Industrie, No. 16, and on the Company website [www.piovan.com](http://www.piovan.com) within the terms prescribed by current regulations.

10. *ESG parameters in the remuneration of Directors.* On this point, the Committee calls on companies that have defined sustainability-related incentive mechanisms for their CEOs and other Executive Directors to provide clear indications of the specific performance targets to be achieved.

It should be noted that the Company will submit a new long-term incentive plan to the Shareholders' Meeting scheduled for April 27, 2023, under which part of the beneficiaries' compensation (which may include the Chief Executive Officer) will also be linked to ESG aspects.

\* \* \*

Santa Maria di Sala, March 21, 2023

Piovan S.p.A.

For the Board of Directors - The Chairperson

Nicola Piovan

## ATTACHMENT 1

List of positions held by the Directors of Piovan in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance companies or companies of significant size\*; list of positions held by the Statutory Auditors in other companies.

### Board of Directors as at 31.12.2022

Name	Office	Other offices
<b>Nicola Piovan</b>	Executive Chairperson	N/A
<b>Filippo Zuppichin</b>	Chief Executive Officer	N/A
<b>Marco Stevanato<sup>1</sup></b>	Non-Independent Director	Chairperson of the Board of Directors of: <ul style="list-style-type: none"> <li>Arsenale RE SGR S.p.A.</li> </ul> Director of: <ul style="list-style-type: none"> <li>Crédit Agricole Friul Adria S.p.A.</li> </ul> Vice-Chairperson of: <ul style="list-style-type: none"> <li>Stevanato Group S.p.A.</li> </ul> Management Board Member: <ul style="list-style-type: none"> <li>Fondazione Opera Immacolata Concezione Onlus</li> </ul>
<b>Manuela Grattoni</b>	Independent Director	Statutory Auditor of: <ul style="list-style-type: none"> <li>DBA Group S.p.A.</li> </ul> Statutory Auditor and member of the Supervisory Board of: <ul style="list-style-type: none"> <li>Restart S.p.A.</li> </ul>

<sup>1</sup> Please note that Mr. Marco Stevanato resigned from his position as Director of the Company for personal reasons on January 26, 2023, effective immediately.

<b>Mario Cesari</b>	Independent Director	<p>Independent Director of:</p> <ul style="list-style-type: none"> <li>• De Agostini S.p.A.</li> <li>• Larry S.p.A.</li> </ul> <p>Chairperson of:</p> <ul style="list-style-type: none"> <li>• Light Conversion UAB</li> <li>• Bantleon GmbH</li> </ul> <p>Director of:</p> <ul style="list-style-type: none"> <li>• Industrie De Nora S.p.A.</li> <li>• PetrolValves S.p.A.</li> </ul>
<b>Antonella Lillo</b>	Independent Director	<p>Independent Director of:</p> <ul style="list-style-type: none"> <li>• IWB Italian Wine Brands S.p.A.</li> <li>• Autostrade Meridionali S.p.A.</li> </ul>
<b>Marco Maria Fumagalli</b>	Independent Director and Lead Independent Director	<p>Chairperson of:</p> <ul style="list-style-type: none"> <li>• First Capital S.p.A.</li> </ul> <p>Director of:</p> <ul style="list-style-type: none"> <li>• IVS Group S.A.</li> </ul>

\* Only 'large enterprises' were considered for the purposes of this report. These are companies which surpass at least two of the following parameters: their revenues and/or total activity and/or employees exceed Euro 50 million, Euro 100 million and 100, respectively.

## Board of Statutory Auditors as at 31.12.2022

Name	Office	Other offices
Carmen Pezzuto	Chairperson of the Board of Statutory Auditors	<p>Chairperson of the Board of Statutory Auditors of:</p> <ul style="list-style-type: none"> <li>• Safilo Group S.p.A.</li> <li>• Aral Tre S.r.l.</li> <li>• Zafferano S.r.l.</li> </ul> <p>Statutory Auditor of:</p> <ul style="list-style-type: none"> <li>• Safilo S.p.A.</li> <li>• Safilo Industrial S.r.l.</li> <li>• Forno d'Asolo S.p.A.</li> <li>• Gradiente SGR S.p.A.</li> <li>• Pixartprinting S.p.A.</li> <li>• Isoclima S.p.A.</li> <li>• Compar S.p.A.</li> <li>• Aquafin Holding S.p.A.</li> <li>• Società Italiana Prodotti Alimentari SIPA S.p.A.</li> <li>• M-Cube S.p.A.</li> <li>• Filoblu S.p.A.</li> </ul> <p>Alternate Auditor of:</p> <ul style="list-style-type: none"> <li>• Santa Margherita S.p.A.</li> <li>• S.M. Tenimenti Lamole e Vistarenni e San Disdagio S.r.l.</li> <li>• Zignago Holding S.p.A.</li> <li>• Exo Automotive S.p.A.</li> <li>• Aquaspace S.p.A.</li> <li>• Tessilquattro S.p.A.</li> <li>• Alessi Domenico S.p.A.</li> <li>• Ca' Maiol S.r.l. – Società Agricola</li> <li>• Lizzi S.r.l.</li> <li>• Cà del Bosco Hospitality S.r.l.</li> <li>• Cà del Bosco S.r.l. – Azienda Agricola</li> </ul>

Name	Office	Other offices
		<ul style="list-style-type: none"> <li>• Vetri Speciali S.p.A.</li> <li>• Automatismi Benincà S.p.A.</li> <li>• Benincà Holding S.p.A.</li> </ul> <p>Independent Auditor of:</p> <ul style="list-style-type: none"> <li>• Lucy's Line S.r.l.</li> <li>• Tecnodent S.r.l.</li> </ul>
<b>Patrizia Santonocito</b>	Statutory Auditor	<p>Sole Director of:</p> <ul style="list-style-type: none"> <li>• Commservizi S.r.l.</li> </ul>
<b>Luca Bassan</b>	Statutory Auditor	<p>Chairperson of the Board of Statutory Auditors of:</p> <ul style="list-style-type: none"> <li>• Calcio Padova S.p.A.</li> <li>• Pittarello Holding S.p.A.</li> <li>• Sacchi Giuseppe S.p.A.</li> <li>• H2C S.p.A.</li> <li>• Veneto Energie S.p.A.</li> <li>• Agesia S.p.A.</li> <li>• Arcadia S.p.A.</li> <li>• Isarco S.p.A.</li> </ul> <p>Statutory Auditor of:</p> <ul style="list-style-type: none"> <li>• Consorzio Ottico Italiano Soc. Coop.</li> <li>• Elettroveneta S.p.A.</li> <li>• Sonepar Italia Holding S.p.A. Soc. Unip.</li> <li>• Palfin di Paolo Benetollo &amp; C. Società in Accomandita per Azioni</li> </ul> <p>Sole Auditor of:</p> <ul style="list-style-type: none"> <li>• Isocaf S.r.l.</li> </ul> <p>Alternate Auditor of:</p> <ul style="list-style-type: none"> <li>• O.C.S. Officine Costruzioni speciali S.p.A.</li> <li>• Ravagnan S.p.A.</li> </ul>

Name	Office	Other offices
		Chairperson of the Board of Directors and Executive Director of: <ul style="list-style-type: none"> <li>• Verifid S.r.l.</li> </ul>
<b>Stefania Targa</b>	Alternate Auditor	Statutory Auditor of: <ul style="list-style-type: none"> <li>• Bullonerie Riunite Romagna S.r.l.</li> </ul> Sole Auditor of: <ul style="list-style-type: none"> <li>• G.M.P. Minuterie Metalliche S.r.l.</li> </ul>
<b>Kristian Sartor</b>	Alternate Auditor	Independent Auditor of: <ul style="list-style-type: none"> <li>• Matir S.r.l.</li> <li>• Alma S.r.l.</li> </ul> Alternate Auditor of: <ul style="list-style-type: none"> <li>• Levorato Invest S.p.A.</li> <li>• Doteco S.p.A.</li> <li>• Pentafin S.p.A.</li> </ul> Administrator of: <ul style="list-style-type: none"> <li>• Cian S.r.l.</li> </ul>

## TABLES

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AS AT  
31/12/2022**

SHARE CAPITAL STRUCTURE (1)				
	No. of shares	No. of voting rights	Listed (with market indicated)/not listed	Rights and obligations
Ordinary shares (*) (**)	53,600,000	73,062,182	EURONEXT MILAN	-
Preference shares	-	-	-	-
Shares with increased voting rights	-	-	-	-
Other categories of shares with voting rights	-	-	-	-
Savings shares	-	-	-	-
Convertible savings shares	-	-	-	-
Other categories of shares without voting rights	-	-	-	-
Other	-	-	-	-

(\*) of which, 2,620,700 treasury shares held by Piovan S.p.A. at 31.12.2022; (\*\*) of which 19,462,182 shares with increased voting rights (36.31% of share capital)



SIGNIFICANT SHAREHOLDINGS					
Shareholder	Direct shareholder	% of ordinary share capital (*)	% of voting share capital (**)	% of ordinary share capital (***)	% of voting share capital (****)
Nicola Piovan	Pentafin S.p.A.	58.350	62.635	61.349	64.965
7INDUSTRIES HOLDING BV	7INDUSTRIES HOLDING BV	9.282	13.619	9.759	14.126
(*) Total No. ordinary shares: 53,600,000, including Piovan S.p.A. treasury shares equal to 2,620,700					
(**) Share capital expressed as number of votes as per Article 120, paragraph 1 of the CFA, including Piovan S.p.A. treasury shares.					
(***) Total No. ordinary shares: 50,979,300, excluding the Piovan S.p.A. treasury shares					
(****) Share capital expressed as number of votes as per Article 120, paragraph 1 of the CFA, excluding Piovan S.p.A. treasury shares.					

*Details on significant holdings were included on the basis of information published by the Company through the 120 Communications and on the basis of data in the Company's possession at the Reporting Date.*

OTHER FINANCIAL INSTRUMENTS (attributing the right to subscribe to new share issues)				
	Listed (with market indicated)/ not listed	No. of instruments outstanding	Class of shares for conversion/exercise	No. of shares for the conversion/ exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

(1) Please also note that:

(i) on September 22, 2020, a variation in the share capital expressed in voting rights occurred, following the shareholder Pentafin S.p.A.'s waiver of increased voting rights for a number of 6,018,031 shares. This waiver increased the float expressed in terms of voting rights, while Pentafin S.p.A. did not sell any shares;

(ii) on December 31, 2020, since the 24 months of uninterrupted possession from the date of registration in the Increased Voting Rights List have elapsed, the shareholders Pentafin S.p.A. and 7Industries Holding B.V. have accrued increased voting rights for 1,008,379 shares and 4,800,000 shares, respectively. This right was effective on the fifth open market day of the following month in which the conditions required by the By-Laws were met, i.e., January 8, 2021;

(iii) on November 3, 2022, the 24 months of uninterrupted ownership from the date of inclusion in the Increased Vote List having elapsed, the shareholder 7Industries Holding B.V. accrued the right to the increase for 175,277 shares. This right was effective on the fifth open market day of

*the following month in which the conditions required by the By-Laws were met, i.e., December 7, 2022.*

*On these occasions, the Company notified the market of the resulting change in the share capital expressed in voting rights.*

**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 from	In office until	Slate (presenters) (**)	Slate (M/m) (***)	Exec.	Non Exec.	Ind. Code	Ind. CFA	No. of other offices (****)	Attendance (*****)
Chairperson	Piovan Nicola	24/09/1963	(*)	29/04/2021	Approval of financial statements as of 31/12/2023	Shareholders	M	X				N/A	5/5
Chief Executive Officer •	Zuppichin Filippo	24/12/1968	29/06/2018	29/04/2021	Approval of financial statements as of 31/12/2023	Shareholders	M	X				N/A	5/5
Director	Stevanato Marco	27/12/1972	19/10/2018	29/04/2021	Approval of financial statements as of 31/12/2023 (**).	Shareholders	M		X			4	4/5
Independent Director o	Fumagalli Marco Maria	22/09/1961	14/09/2018	29/04/2021	Approval of financial statements as of 31/12/2023	Shareholders	M		X	X	X	2	5/5
Independent Director	Cesari Mario	17/10/1967	14/05/2020	29/04/2021	Approval of financial statements as of 31/12/2023	Shareholders	M		X	X	X	6	5/5
Independent Director	Lillo Antonella	19/08/1961	29/04/2021	29/04/2021	Approval of financial statements as of 31/12/2023	Shareholders	M		X	X	X	2	5/5

Independent Director	Grattoni Manuela	28/08/1958	29/04/2021	29/04/2021	Approval of financial statements as of 31/12/2023	Shareholders	M		X	X	X	2	5/5
----- DIRECTORS LEAVING OFFICE DURING THE YEAR -----													

**Indicate the number of meetings held in the Year: 5 (\*\*).**

**Indicate the quorum required for the presentation of slates by minority shareholders for the election of one or more members (pursuant to Article 147-ter CFA): 2.5% of share capital**

#### NOTE

The following symbols must be indicated 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 first appointment of each Director refers to the date on which the Director was appointed for the first time to the Board of the Issuer.

(\*\*) This column indicates whether the slate from which each Director is selected was presented by shareholders (indicating “Shareholders”) or by the BoD (indicating “BoD”).

(\*\*\*) This column indicates whether the slate from which each Director is selected is a “majority” slate” (indicating “M”), or a “minority” slate (indicating “m”).

(\*\*\*\*) This column indicates the number of offices a Director or Statutory Auditor holds in other listed companies or large enterprises. The Corporate Governance Report indicates all offices held.

(\*\*\*\*\*) This column indicates the percentage of attendance of the Director in relation to the number of BoD meeting (indicates the number of meetings attended compared to the amount they could have attended; e.g. 6/8; 8/8 etc.).

(\*). previously in office as the Sole Director of the Company.

(\*\*). Please note that Mr. Marco Stevanato resigned from his position as Director of the Company for personal reasons on January 26, 2023, effective immediately.

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

Board of Directors		Related Parties Committee		Control, Risks and Sustainability Committee		Nomination and Remuneration Committee	
Office/Category	Members	(*)	(*)	(**)	(*)	(**)	(*)
Chairperson (executive)	Piovan Nicola	N/A	N/A	N/A	N/A	N/A	N/A
Chief Executive Officer • (executive)	Zuppichin Filippo	N/A	N/A	N/A	N/A	N/A	N/A
Director (non-executive)	Stevanato Marco	N/A	N/A	N/A	N/A	N/A	N/A
Independent Director (non-executive)	Fumagalli Marco Maria	1/1	P	5/5	M	3/3	M
Independent Director (non-executive)	Cesari Mario	1/1	M	5/5	M	N/A	N/A
Independent Director (non-executive)	Lillo Antonella	N/A	N/A	5/5	P	2/3	M
Independent Director (non-executive)	Grattoni Manuela	1/1	M	N/A	N/A	3/3	P
----- DIRECTORS LEAVING OFFICE DURING THE YEAR -----							
Number of meetings held in the year:		1 meeting		5 meetings		3 meetings	
NOTE							
(*) This column indicates the percentage of attendance of the Director in relation to the committee meetings (indicates the number of meetings attended compared to the amount they could have attended; e.g. 6/8; 8/8 etc.).							
(**) This column indicates the position of the Director on the committee: "C": Chairperson; "M": member.							

**TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR**

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment (*)	In office from	In office until	Slate (M/m) (**)	Ind. Code	Attendance at Board meetings (***)	No. of other offices (****)
Chairperson	Carmen Pezzuto	22/11/1967	25/09/2018	29/04/2021	Approval of financial statements as of 31/12/2023	M	X	8/8	30
Statutory Auditor	Luca Bassan	08/10/1962	14/09/2018	29/04/2021	Approval of financial statements as of 31/12/2023	M	X	8/8	16
Statutory Auditor	Patrizia Santonocito	21/06/1963	14/09/2018	29/04/2021	Approval of financial statements as of 31/12/2023	M	X	8/8	1
Alternate Auditor	Kristian Sartor	05/07/1974	18/07/2013	29/04/2021	Approval of financial statements as of 31/12/2023	M	X	N/A	6
Alternate Auditor	Stefania Targa	23/09/1970	14/09/2018	29/04/2021	Approval of financial statements as of 31/12/2023	M	X	N/A	2
----- STATUTORY AUDITORS LEAVING OFFICE DURING THE YEAR -----									
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Indicate the number of meetings held in the Year: 8**

**Indicate the quorum required for the presentation of slates by minority shareholders for the election of one or more members (pursuant to Article 148 CFA): 2.5% of share capital**

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## NOTE

(\*) The first appointment of each Statutory Auditor refers to the date on which the Statutory Auditor was appointed for the first time to the Board of Statutory Auditors of the Issuer.

(\*\*) This column indicates whether the slate from which each Statutory Auditor is selected is a “majority” slate” (indicating “M”), or a “minority” slate (indicating “m”),

(\*\*\*) This column indicates the percentage of attendance of the Statutory Auditors in relation to the number of meetings of the Board of Statutory Auditors (indicates the number of meetings attended compared to the amount they could have attended; e.g. 6/8; 8/8 etc.).

(\*\*\*\*) This column indicates the number of offices of Director or Statutory Auditor in accordance with Article 148-*bis* of the CFA and the relative enacting provisions in the Consob Issuers’ Regulation. The complete list of offices held is published by Consob on its website pursuant to Article 144- *quinquiesdecies* of the Consob Issuers’ Regulation.





Corporate Governance and Ownership  
Structure Report of Piovan S.p.A.

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