

ITALMOBILIARE BOD GUIDANCE ON THE COMPOSITION OF THE BOARD OF DIRECTORS DUE TO BE APPOINTED

In view of the renewal of the corporate bodies, the Corporate Governance Code that the Company implements recommends that the administrative body should provide guidance on the qualitative and quantitative composition of the Board due to be appointed.

The mandate of the Board of Directors of Italmobiliare S.p.A. ("Italmobiliare" or the "Company") expires with the approval of the 2022 financial statements. The Board would therefore like to inform the shareholders about its thoughts on the size and composition of the new Board of Directors. This after hearing the opinion of the Remuneration and Nominations Committee, also in light of the results of the self-assessment process relating to 2022 and the two previous years and in view of the renewal of the administrative body which the shareholders will vote on at the Meeting due to be held on April 27, 2023.

THE SIZE OF THE BOARD

As regards the size, article 14 of Italmobiliare's By-laws provides that the Company is managed by a Board of Directors consisting of a minimum of five and a maximum of fifteen members. The current Board of Directors is made up of twelve directors.

According to best practice in the field of corporate governance, the number of members of the Board should be appropriate for the size and complexity of the company's organisational structure. Best practice does not indicate an ideal number of directors for issuers to have on their Board: a large number of directors does not favour interaction between them; on the other hand, a small number would make it difficult to set up internal board committees that could operate effectively.

The right size for the administrative body therefore depends on the number and composition of the committees whose role is to improve the efficiency of the Board and the quality of the decisions that it takes.

It is worth recalling that in the period 2020-2022 Italmobiliare's Board of Directors was assisted in the exercise of its functions by the following committees, whose efforts were much appreciated by the Board:

- the Control and Risk Committee (made up of two independent directors and one non-executive director),
- the Remuneration and Nominations Committee (made up of three independent directors),
- the Committee for Sustainability and Social Responsibility (made up of five directors, three of whom are independent, as well as the Company's Chairman and Chief Executive Officer-General Manager),
- the Committee for Transactions with Related Parties (made up of three independent directors).

The number of directors and, in particular, the number of independent directors needed on the Board due to be appointed has to take into account how many are needed to set up these committees. In this regard, it should be remembered that the Company's Corporate Governance Code recommends that, in the case of issuers that like Italmobiliare qualify as "large" and "with widespread ownership", independent directors should make up at least half of the administrative body. A similar provision is contained in Italmobiliare's Regulation governing the Board of Directors.

Considering the experience of the last three years, the important contribution made by the committees and the composition of boards of directors at national and foreign peers, the Board of Directors is of the opinion that the current size of the Board is appropriate at twelve members. The Board is also of the opinion that, as in the last three-year period, the composition of the committees should confirm the leading role of independent directors.

THE COMPOSITION OF THE BOARD

As regards the general and personal characteristics of the members of Italmobiliare's Board of Directors, we consider it appropriate to ensure the presence of different types of professional experience, age and skills, so as to permit efficient and constructive dialogue among the members.

In particular, we hope that when proposals are being made to the Shareholders' Meeting, the shareholders will ensure that:

- a suitable number of independent directors is maintained, as we said earlier,
- the positions already held and the time availability that candidates can guarantee are taken into consideration; in this regard, it should be remembered that for the term of office which is about to end, the Board of Directors has set the maximum number of positions held in companies listed on regulated markets, including foreign markets, at four - including the position in Italmobiliare S.p.A. but excluding other companies of the Italmobiliare Group - which is considered compatible with performing effectively as a Director of Italmobiliare,
- there is a balanced combination of profiles, aptitudes and experience developed in the industrial, financial and investment sectors, with particular attention to topics of a strategic, managerial, operational, financial and control nature,
- differences in terms of background, age and gender diversity are promoted, ensuring, as regards the latter, compliance with the provisions of the law and the recommendations of the Corporate Governance Code,
- there is a presence of members that, also in terms of age, can guarantee an adequate replacement capacity.

More specifically, as far as the professional profile is concerned, the skills which are expected to be present require the following backgrounds:

- experience in leading management roles in medium-large industrial companies and/or companies listed on the Stock Exchange,
- investment management experience,
- experience in marketing,
- accounting and financial experience,
- experience in the legal and compliance area.

Milan, March 8, 2023

ITALMOBILIARE S.p.A.
The Board of Directors