



Third item on the agenda of the ordinary shareholders' meeting.

3. Appointment of the Board of Directors:

- 3.1 determination of the number of members;**
- 3.2 determination of the term of office;**
- 3.3 appointment of the members of the Board of Directors;**
- 3.4 appointment of the Chairman of the Board of Directors;**
- 3.5 determination of remuneration.**

Shareholders,

With the approval of the financial statements for the year ending December 31, 2022, the term of office of the Board of Directors of your Company, appointed by the Ordinary Shareholders' Meeting of April 30, 2020, is coming to an end; therefore, it is necessary to appoint a new management body, after determining the number of members and the term of office.

In this regard, please recall, in particular, the following:

Members of the Board of Directors

Pursuant to Art. 13 of the Articles of Association in force as of the date of this Report, the Company is managed by a Board of Directors consisting of a minimum of 3 and a maximum of 9 members; the number of members of the Board of Directors, within the limits specified above, is decided by the Shareholders' Meeting, which shall also decide on the term (which may not exceed three financial years). Directors shall stand down on the date of the Shareholders' Meeting convened to approve the financial statements relating to their last year in office; they may stand for re-election.

In this regard, moreover, it is noted that the same Shareholders' Meeting called to pass a resolution on, *inter alia*, the appointment of the Board of Directors, will also be called to decide on the proposed amendment to the current Articles of Association in order to expand the number of members of the Board of Directors by establishing that it will be composed of a minimum number of 5 to a maximum number of 11 members (the "**Proposed Amendment to the Articles of Association**"). In this regard, please refer to the Company's press release dated March 14, 2023, available on the website www.orserogroup.it, Investors section, as well as to the related illustrative report of the Board of Directors, which will be made available to Shareholders and the public in the manner and within the terms prescribed by law on the website www.orserogroup.it, Governance/Shareholders' Meeting section.

It should be noted that this Proposed Amendment to the Articles of Association will be submitted to the Shareholders' Meeting, referred to above, in extraordinary session and prior to the appointment of the Board of Directors as well as with immediate effect, so that the decisions concerning the appointment of the Board of Directors (subject to this Report) will be made taking into account the results of the Shareholders' Meeting's resolution regarding the Proposed Amendment to the Articles of Association.

With regard to the requirements that Directors must meet, it is recalled in particular that, pursuant to Art. 13 of the current Articles of Association, a number of Directors who are members of the Board of Directors must meet the independence requirements in accordance with current regulations and, in particular, with the provisions pursuant to Art. 148, third paragraph, of Legislative Decree no. 58/1998, as amended (the "**Consolidated Law on Finance**").

In addition, since your Company's shares are traded on the STAR Segment of the Euronext Milan market, organized and managed by Borsa Italiana, in order to stay in that Segment, the members of the Management Body must comply with the provisions of the Regulation of Markets organized and managed by Borsa Italiana S.p.A. as well as the relative instructions (the "**Instructions**") apply, specifically Art. 1A.2.10.6 of the Instructions, which establishes that *"the number of independent directors [...] is considered adequate when there are: - at least 2 independent directors for Boards with up to 8 members; - at least 3 independent directors for Boards with between 9 and 14 members"*.

The composition of the Board of Directors must also comply with gender balance pursuant to Art. 147-ter, paragraph 1-ter, of the Consolidated Law on Finance; therefore, as of the term of office of the new Board of Directors, at least two-fifths of the Directors must belong to the less represented gender, rounded up to the next higher unit (Art. 144-undecies.1, paragraph 3, Consob Regulation no. 11971/1999, as amended, the "**RE**").

List voting mechanism for appointing the Board of Directors

In accordance with Art. 14 of the Articles of Association in force, the members of the Board of Directors shall be appointed on the basis of lists submitted by Shareholders with the methods laid out below, setting out candidates with a sequential number.

Only those Shareholders who, alone or together with other shareholders, collectively hold shares representing at least the percentage of the share capital, subscribed as of the date of submission of the list, established and published by Consob pursuant to the RE, have the right to submit lists. In this regard, it should be recalled that by Executive Determination of the Head of the Corporate Governance Division no. 76 of January 30, 2023, Consob determined that 4.5% of the share capital is the shareholding required for the submission of lists for the election of the Company's Board of Directors.

Each Shareholder, as well as those Shareholders who are part of the same group – thereby meaning the entity exercising control, subsidiaries, or those under common control of the same parent company, or associates as defined under Art. 2359 of the Italian Civil Code – and those Shareholders participating, whether directly or through a subsidiary, in an agreement executed under Art. 122 of the Consolidated Law on Finance regarding Company shares cannot submit, either directly or through a third party or trust company,

more than one list. We would also remind you that Shareholders submitting a "minority list" are subject to the recommendations given by Consob in Communication no. DEM/9017893 dated February 26, 2009.

Lists must be submitted to the registered office at Via Vezza d'Oglio 7, Milan, by 12:00 on Monday, April 3, 2023 (as the twenty-fifth day before the date of the Shareholders' Meeting is not a business day), with the exception of any list that may be submitted by the Board of Directors, for which the deadline is brought forward to March 27, 2023 (i.e. thirty days before the Shareholders' Meeting).

Lists for the appointment of the Board of Directors can also be deposited by electronic communication to the certified e-mail address orsero@legalmail.it. Again by noon on Monday, April 3, 2023. If submitting lists by certified e-mail, a copy of a valid form of ID of the submitters, must also be sent.

Without prejudice to any other provisions of law or regulation in force *pro tempore*, lists must be accompanied by the following information and documents: **(i)** information relative to the identity of the Shareholders who submitted the lists, indicating the total share held; **(ii)** a declaration by Shareholders other than those holding, individually or jointly, a controlling or relative majority share, certifying the absence of any relations with the latter, as envisaged by Art. 144-*quinquies* of the RE; **(iii)** the declarations whereby the individual candidates accept their candidacy and certify, at their own responsibility, that there are no grounds for ineligibility and incompatibility and that the requirements are met, as prescribed by current legislation and the Articles of Association for the respective offices; **(iv)** the CV containing personal and professional details about each candidate, also specifying if they are able to be classified as "independent".

Ownership of the shareholding required to submit the list is certified by means of the sending to the Company, by the intermediary qualified to keep the accounts, of the communication envisaged by Art. 43 of the Single Provision on post-trading of Consob and the Bank of Italy of August 13, 2018 (the "*Regulation of central counterparties, central depositories and centralized management*"), even after the list has been submitted, as long as it arrives at least twenty-one days prior to the date scheduled for the Shareholders' Meeting at single call, i.e. by 6:00 p.m. on Wednesday, April 5, 2023. Note that ownership of the investment share is defined by taking account of shares that are registered to the Shareholder on the day on which the lists are deposited with the Company.

The lists setting out 3 or more candidates must include candidates of both genders, to an extent that complies with the regulations in force *pro tempore* regarding gender balance and thus ensure, as mentioned, that at least two-fifths of the Directors, rounded up to the next higher unit, belong to the less represented gender.

Any lists presented, which are not in compliance with the aforesaid provisions, are considered void.

Lists will also be subject to the other forms of publication envisaged by legislation and *pro tempore* regulation in force. More specifically, at least twenty-one days prior to the Shareholders' Meeting date (Wednesday, April 5, 2023), the lists are made available to the

public at the registered office, on the Company's website and in all other ways envisaged by Consob Regulation.

Methods of appointing the Board of Directors

The Board of Directors shall be elected pursuant to the following rules, without prejudice to the fact that, in accordance with Art. 14 of the Company's Articles of Association in force, any lists that receive a voting percentage which is less than half what is needed to submit the same, shall not count:

- a) candidates appearing on the list receiving the majority of affirmative votes will become seven-eighths of the Directors to be elected, in the sequential order in which they appear on the list; in case of a fraction, the number will be rounded down; the first person appearing on the list will be the Chairman of the Board of Directors;
- b) the remaining Directors will be taken from the other list(s), provided they are in no way connected, whether directly or indirectly, to the Shareholders who have submitted or voted on the list which came first in number of votes (point a); consequently, the number of votes secured by the lists themselves will be divided thereafter by one, two, three, etcetera, depending on the sequential number of Directors to be elected. The quotients so obtained will be sequentially assigned to the candidates of each of these lists, according to the order contemplated in the same. The quotients so attributed to candidates on the various lists will be filed in a single ranking, in descending order. Those with the highest quotients will be elected. Where more than one candidate earns the same quotient, the candidate on the list which has not yet had any Directors elected, or which has elected the lowest number of Directors, will be elected. Alternatively, should neither of the lists have had a director elected, or should they all have elected the same number of Directors, the candidate on the list receiving the most votes shall be deemed elected. As a further scenario, in case of a tie, and provided the principle of equal quotients stand, a run-off will be held, with the entire Shareholders' Meeting voting. The candidate with a simple majority shall be deemed the winner.

If, following the procedure described above, the minimum number of independent Directors has not been elected, the candidate who does not meet such independence criteria and who was the last (in terms of the list's sequential order) to be elected from the list receiving the most votes, will be replaced by the first non-elected candidate (on the same list) who does meet such requirements. If, following the procedure described above, the Board of Directors has not been properly formed as required under gender-equality laws, the candidate from the more-represented gender who was last elected (in terms of the list's sequential order) on the list receiving the most votes will be replaced by the first candidate of the under-represented gender not elected from that same list (in terms of the list's sequential order) provided that such substitution does not lead to an insufficient number of independent Directors, in which case, the candidate elected penultimate will be elected. Should a single list be presented, all Directors shall be taken from such list provided it has received a majority of the votes; otherwise, only one-eighth of the Directors will be taken from the list (with any fraction rounded up) and the others shall be elected

pursuant to the provisions of the paragraph immediately infra. For any Director to be appointed other than through the election procedure described supra, the Shareholders' Meeting shall appoint such person, which appointment shall require a majority vote as determined by law, so that the composition of the Board of Directors shall comply with applicable law and with these Articles of Association.

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Finally, it should be noted that at its meeting on February 27, 2023, also in compliance with the Borsa Italiana Corporate Governance Code drafted by the Corporate Governance Committee for listed companies, which Orsero follows (the "**Code**"), the Company's Board of Directors defined the guidelines of the outgoing Board of Directors on the future size and composition of the Board of Directors, at the proposal of the Remuneration and Appointments Committee and also taking into account the results of the self-assessment; all of this also with regard to the Proposed Amendment to the Articles of Association and therefore on the assumption that it will be adopted by the Shareholders' Meeting. In this regard, please refer to the document containing the "*Guidelines of the outgoing Board of Directors on the future size and composition of the Board of Directors*" already available to the Shareholders and the public on the website www.orserogroup.it, "Governance" section.

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In inviting the Shareholders to vote on the appointment of the members of the Board of Directors and its Chairman, by expressing a preference for one of the lists submitted by the eligible parties in accordance with the indications set forth above, it is noted that the relevant text of the Shareholders' Meeting resolution will reflect the result of the vote, in accordance with the law and the Articles of Association.

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Term of office

We would also remind you that the Ordinary Shareholders' Meeting will be called to determine the term of office of the new Board of Directors, which shall in any case not exceed three financial years, in accordance with Art. 13 of the Articles of Association in force.

Determination of the fees of the Board of Directors

The Shareholders' Meeting will also be asked to determine the compensation of the members of the management body. In this regard, please remember that in accordance with Art. 21 of the Articles of Association, the compensation due to Directors is determined by the Shareholders' Meeting, which may alternatively determine a total amount for the remuneration of Directors, to be divided by the Board of Directors.

With regard to the compensation of the Board of Directors, it should be noted that the Code recommends that the policy for the compensation of non-executive directors should provide for compensation commensurate with the skill, professionalism and commitment required by the duties assigned to them on the board of directors and board

committees. In addition, in order to have people with appropriate expertise and professionalism, the remuneration of directors, both executive and non-executive, is defined by taking into account the remuneration practices prevalent in the relevant industries and for companies of similar size, also considering comparable foreign businesses and relying on an independent consultant if necessary.

In this regard, it is also recalled that in the proposed 2023 remuneration policy approved by the Board of Directors, at the proposal of the Remuneration and Appointments Committee within the scope of its responsibilities, and which will be submitted to the Shareholders' Meeting for a vote, an increase is proposed in the remuneration for the office of Director of Euro 5,000 and an increase in the remuneration for the Control and Risks Committee of Euro 2,000 for the Chairman and Euro 1,500 for the other members of the Committee, all compared to the remuneration established for the previous term of office; compensation for the planned Sustainability Committee (if established) is also indicated as Euro 8,000 for the Chairman and Euro 6,000 for the other members.

Should a different composition of the Committees be determined, compensation for each member of between Euro 6,000 and Euro 15,000 is also indicated, depending on the responsibilities assigned to each Committee and the role of each member.

For more information in this regard, please refer to the "Report on the 2023 Remuneration Policy and 2022 Fees Paid", available on the Company's website www.orserogroup.it, "Governance/Shareholders' Meeting" section. For information regarding the planned Sustainability Committee, please refer to the "Guidelines of the outgoing Board of Directors on the future size and composition of the Board of Directors" already available to Shareholders and the public on the website www.orserogroup.it, "Governance/Shareholders' Meeting" section.

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The Articles of Association in force as of the date of this report are available on the Company's website www.orserogroup.it, "Governance" section; the report of the Board of Directors explaining the Proposed Amendment to the Articles of Association will be available to Shareholders and the public in the manner and within the terms prescribed by law on the website www.orserogroup.it, "Governance/Shareholders' Meeting" section.

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In light of all of the above, the Board of Directors intends to submit the following proposed resolution to the Ordinary Shareholders' Meeting regarding the third item on the agenda:

"The Ordinary Shareholders' Meeting of Orsero S.p.A.:

- *having reviewed the explanatory report of the Board of Directors on the appointment of the Board of Directors and its Chairman, after determining the number of members, as well as its term of office and compensation;*

resolves

- *in compliance with the guidelines formulated by the Board of Directors, which in the "Guidelines of the outgoing Board of Directors on the future size and composition of the Board of Directors" and in its explanatory report set forth that it considered a number of directors equal to ten members to be adequate, pursuant to Article 13.3 as amended by the Extraordinary Shareholders' Meeting held today, to set the number of directors who make up the Board of Directors at ten;*
- *to establish, in accordance with the provisions of Article 13.2 of the Articles of Association and in line with practice, that the members of Orsero's Board of Directors shall hold office for three financial years and therefore until the approval of the financial statements for the financial year of Orsero S.p.A. as of December 31, 2025;*
- *in compliance with the indications formulated by the Board of Directors in the "Report on the 2023 Remuneration Policy and 2022 Fees Paid" and in the explanatory report, to determine the following compensation:*
 - (i) *Euro 25,000 (twenty-five thousand) gross annually, pro rata temporis, as an annual attendance fee for each director,*
 - (ii) *Euro 140,000 (one hundred forty thousand) gross annually, pro rata temporis, including the attendance fee, for the Chairman of the Board of Directors*

without prejudice to the fact that each director is entitled, pursuant to Article 21.3 of the Articles of Association, to be reimbursed for expenses incurred in the performance of his or her duties and

with reference to the Board committees, in the event that the next Board of Directors intends to confirm their current structure and formation and at the same time establish a committee responsible for sustainability:

- (iii) *as for the Related Parties Committee, a gross annual compensation, pro rata temporis, of Euro 8,000 (eight thousand) for the Chairman and Euro 6,000 (six thousand) for each of the other members;*
- (iv) *as for the Control and Risks Committee, a gross annual compensation, pro rata temporis, of Euro 15,000 (fifteen thousand) for the Chairman and Euro 10,000 (ten thousand) for each of the other members;*
- (v) *as for the Remuneration and Appointments Committee, a gross annual compensation, pro rata temporis, of Euro 15,000 (fifteen thousand) for the Chairman and Euro 10,000 (ten thousand) for each of the other members;*
- (vi) *as for the Sustainability Committee, a gross annual compensation, pro rata temporis, of Euro 8,000 (eight thousand) for the Chairman and Euro 6,000 (six thousand) for each of the other members;*

and, in the event that the Board of Directors deems it necessary to make changes to the above-mentioned structure and formation of the Board Committees, it proposes recognizing, to the Directors who will be part of these Committees, a gross annual compensation pro rata temporis of between Euro 6,000 (six thousand) and Euro 15,000

(fifteen thousand), in accordance with the responsibilities assigned to each Committee and the role of each member."

Milan, March 14, 2023

On behalf of the Board of Directors

The Chairman

Paolo Prudenziati