



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE SIXTH ITEM
ON THE AGENDA OF THE SHAREHOLDERS' MEETING OF NEODECORTECH
S.P.A., CONVENED ON 29 APRIL 2025 IN SINGLE CALL**

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF NEODECORTECH S.P.A.
ON THE PROPOSED RESOLUTIONS OF THE SHAREHOLDERS' MEETING

Shareholders,

you have been convened on 29 April 2025 for the Shareholders' Meeting ("**Meeting**") of Neodecortech S.p.A. ("**Neodecortech**", "**NDT**" or the "**Company**") to resolve, *inter alia*, on the following item on the agenda.

6. Appointment of the Board of Directors:

6.1 determination of the number of members of the Board of Directors;

6.2 determination of the term of office of the Board of Directors;

6.3 appointment of the members of the Board of Directors;

6.4 appointment of the Chairman;

6.5 determination of the annual compensation of the members of the Board of Directors.

This report - prepared pursuant to Article 125-*ter*, paragraph 1, of Legislative Decree No. 58 of 24 February 1998 as subsequently amended and supplemented (the "**TUF**") and Article 84-*ter* of the Regulation adopted by CONSOB Resolution No. 11971 of 14 May 1999 (the "**Issuer Regulation**"), as subsequently amended and supplemented - (the "**Report**") outlines the proposal that the Company's Board of Directors is submitting for your approval regarding the appointment of the new governing body, given the expiration of the current Board of Directors with the approval of the financial statements for the year ended 31 December 2024.

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6.1 Determination of the number of members of the Board of Directors.

Pursuant to Article 20 of Neodecortech's Bylaws (the "**Bylaws**"), the Shareholders' Meeting is called upon to appoint a Board of Directors consisting of no fewer than 5 (five) and no more than 9 (nine) members, determining their number, prior to their appointment, within the aforementioned limits.

6.2 Determination of the term of office of the Board of Directors.

Pursuant to Article 20 of the Bylaws, the Shareholders' Meeting determines, upon appointment, the term of office of the Board of Directors, which may not exceed three years. Directors' terms expire on the date of the shareholders' meeting convened to approve the financial statements for the last year of their term of office and are eligible for re-election.

6.3 Appointment of the members of the Board of Directors.

In accordance with current laws and regulations as well as Article 20 of the Bylaws, the appointment of the Board of Directors by the Shareholders' Meeting shall be made on the basis of lists of candidates.

Shareholders who, alone or together with other shareholders, hold shares representing at least 2.5%

of the share capital, as established by CONSOB Executive Resolution No. 123 of 30 January 2025, have the right to submit lists.

The ownership of the minimum stake required for the submission of lists, to the extent indicated above, is determined by taking into account the shares that are registered in favour of the Shareholder on the day the lists are filed with the Company. The relevant certification may also be produced after the filing of the list, as long as it is within the deadline for the Company to publish the lists by means of a notice issued by an authorized intermediary in accordance with current regulations.

The lists shall include a number of candidates not exceeding the number of members to be elected, listed in sequential order. Directors shall satisfy the requirements of the legal regulations in force at the time and of the Bylaws. Additionally, a certain number of directors not less than the legal minimum shall qualify as independent as set out in Articles 147-ter, paragraph four and 148, paragraph three of the TUF and in the Corporate Governance Code promoted by the Corporate Governance Committee established by Borsa Italiana S.p.A. (the "**Corporate Governance Code**").

Moreover, the lists that contain three or more candidates shall include candidates of different gender, as provided for in the notice of call of the Meeting, so as to allow the Board of Directors to be composed in accordance with the provisions on gender balance set out in the legal and regulatory provisions in force from time to time and in the Corporate Governance Code.

Lists of candidates shall be filed at the registered office at least 25 calendar days prior to the date set for the Meeting in single call (i.e., by **4 April 2025**) by one of the following methods: (i) by hand delivery at Neodecortech, Via Provinciale 2, 24040 Filago (BG) during normal business hours, or (ii) by certified e-mail at neodecortech@legalmail.it

Together with each list, within the time limits mentioned above, the following shall be filed:

- (i) statements by which the individual candidates accept their candidacy and certify, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the satisfaction of the requirements prescribed by current regulations to hold the office of director;
- (ii) statements of independence issued pursuant to applicable laws and regulations;
- (iii) the CV of each candidate, containing detailed information of personal and professional characteristics, with an indication of directorships and supervisory positions held;
- (iv) information regarding the identity of the Shareholders who submitted the list, indicating the percentage of the total stake they hold.

Each shareholder, as well as the shareholders belonging to the same Group, the shareholders who are members of the same shareholders' agreement pursuant to Article 122 of the TUF, the controlling entity, the subsidiaries and those subject to joint control pursuant to Article 93 of the TUF, may not submit or take part in the submission of more than one list, neither through a third party nor a trust company, nor vote for different lists, and each candidate may be included in one list only, under penalty of ineligibility.

Lists for which the above requirements are not observed are deemed as not submitted.

Appointed directors shall notify the Board of Directors without delay of the loss of independence requirements, as well as the occurrence of grounds for ineligibility or incompatibility.

Additionally, those who submit a "minority list" are addressees of the recommendations made by CONSOB in Notice No. DEM/9017893 of 26 February 2009, which provide, among other things, that the list be accompanied by the statement of the shareholders submitting it, certifying the absence of relations of connection, even indirect, as referred to in Art. 147-ter, paragraph 3, of the TUF and Article 144-quinquies of the Issuer Regulation, with shareholders who hold, even jointly, a controlling or relative majority interest, if identifiable.

The lists shall be made publicly available, by the Company, at least twenty-one days prior to the date of the Meeting in single call (i.e., no later than **8 April 2025**), in the manner required by current regulations.

At the end of the voting, the candidates from the two lists with the highest number of votes shall be elected according to the following criteria:

- (a) a number of directors equal to the total number of members to be elected, except for 1 (one), shall be drawn from the list that has obtained the majority of votes (the "**Majority List**"), in the sequential order in which they appear on the list;
- (b) the remaining director shall be drawn from the second list that obtained the highest number of votes at the shareholders' meeting (the "**Minority List**"), which is not connected in any way, not even indirectly, with those who submitted or voted for the Majority List.

For the purpose of the allocation of the directors to be elected, no account shall be taken of the lists that have not obtained a percentage of votes equal to at least half of the percentage required by the Bylaws for the submission of the lists. If no list other than the Majority List obtains this percentage of votes, the director referred to in this point b) shall be drawn from the Majority List.

In the event of a tie between lists, the list submitted by shareholders holding the largest stake, or secondarily, by the highest number of shareholders, shall prevail.

If only one list is submitted, the Board of Directors shall be composed of all the candidates on the single list.

If the candidates elected according to the abovementioned procedures do not ensure the appointment of the required number of Directors belonging to the less represented gender or the minimum number of independent directors required by law, depending on the number of members of the Board of Directors in compliance with the law in force at the time, the candidate elected as last in sequential order in the most-voted list shall be replaced with the first candidate - depending on the case - of the less represented gender and/or independent according to the sequential order in which they were listed, or, failing that, with the candidate - depending on the case - of the less represented gender and/or independent not elected from the other lists according to the sequential order in which they were listed, based on the number of votes obtained by each of them.

This replacement procedure shall be applied until the composition of the Board of Directors complies with the regulations in force at the time. Lastly, if this procedure does not ensure the specified outcome, the replacement shall be implemented by means of a resolution of the Shareholders' Meeting, approved with a relative majority and following the submission of candidates who comply with the necessary requirements.

If no list is submitted or admitted, the Shareholders' Meeting shall resolve with the majorities required

by law, without complying with the abovementioned procedure, so as to ensure the presence of the required number of directors who meet the independence requirements set out by law and compliance with applicable legislation in force at the time on gender balance.

The list voting procedure applies only in case of appointment of the entire Board of Directors.

For further information on the appointment of the Board of Directors, see the notice of call found on the Company website www.neodecortech.it, *Governance/Assemblea degli Azionisti 2025* section, and the Bylaws, found on the Company website, www.neodecortech.it, *Governance/Statuto* section.

6.4 Appointment of the Chairman.

Pursuant to Article 23 of the Bylaws, if the Meeting has not done so, the Board of Directors elects from among its members a Chairman and one or more Vice Chairmen.

The Meeting, therefore, is invited to appoint the Chairman and, if necessary, the Vice Chairman of the Board of Directors from among the directors elected as a result of the voting on item 6.3 above and based on the proposals made by the Shareholders. In this regard, Shareholders are invited to make proposals indicating this preference within the list to be submitted.

6.5 Determination of the annual compensation of the members of the Board of Directors.

As for the compensation to be awarded to directors, pursuant to Article 28 of the Bylaws, they are entitled to an annual compensation to be determined by the Ordinary Shareholders' Meeting at the time of their appointment, as well as reimbursement of expense incurred in the performance of and on account of their duties. Compensation may consist, in whole or in part, of profit sharing or the granting of the right to subscribe for shares of future issue at a predetermined price. Directors may also be awarded, at the time of appointment, an additional annual compensation to be set aside as a severance payment for administration, to be paid in a lump sum at the end of the term.

The remuneration of directors holding strategic responsibilities, including participation in committees set up in compliance with the recommendations of the Corporate Governance Code, is established by the Board of Directors, subject to the opinion of the Board of Statutory Auditors. The Meeting may decide on an aggregate amount for the remuneration of all directors, including those holding strategic responsibilities.

It should be recalled that the Ordinary Shareholders' Meeting of 27 April 2023 had set at € 300,000.00 (three hundred thousand/00) (in addition to reimbursement of expenses incurred in the performance of and by reason of their duties) the total amount of compensation to be paid to the members of the Board of Directors for the office of director alone, leaving the Board of Directors to determine the remuneration of directors holding special offices (including the determination of the compensation to be awarded to directors for their respective participation in Board committees).

The expiring Board of Directors refrains from making specific proposals on the matter and invites the Meeting to determine the compensation due to the members of the Board of Directors based on the proposals submitted by the Shareholders.

For more information, see Section I of the "Report on the Remuneration Policy and on Compensation Paid" prepared by the Company pursuant to the TUF and published within the time limits of law on the Company website www.neodecortech.it, *Governance/Assemblea degli Azionisti 2025* section.

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Shareholders,

in light of the above, the Board of Directors invites you to submit proposed resolutions regarding the number of directors to be elected and their term of office, as well as to submit lists and make resolutions regarding the number, term of office, determination of compensation, and appointment of members of the Board of Directors, expressing your preference for one of the lists prepared, filed, and published, in compliance with the above provisions.

Shareholders are also invited to appoint the Chairman of the Board of Directors.

Filago, 19 March 2025

For the Board of Directors

The Vice Chairman

Gianluca Valentini