



**NEXI S.p.A.**

**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE PURSUANT TO  
ARTICLE 123-bis TUF**

**(TRADITIONAL MANAGEMENT AND CONTROL MODEL)**

Financial year 2021

**approved by Nexi SpA's Board of Directors on 10 March 2022**

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## TABLE OF CONTENTS

GLOSSARY	3
INTRODUCTION	6
1. NEXI'S PROFILE AND CORPORATE GOVERNANCE SYSTEM	6
1.1 PROFILE	
1.2 CORPORATE GOVERNANCE SYSTEM	
2. INFORMATION ON OWNERSHIP STRUCTURE	14
2.1 SHARE CAPITAL STRUCTURE	
2.2 RESTRICTIONS ON THE TRANSFER OF SECURITIES	
2.3 MAJOR SHAREHOLDINGS	
2.4 SECURITIES CONFERRING SPECIAL RIGHTS	
2.5 SHARES HELD BY EMPLOYEES: MECHANISM FOR EXERCISING VOTING RIGHTS	
2.6 RESTRICTIONS ON VOTING RIGHTS	
2.7 SHAREHOLDERS' AGREEMENTS (RELEVANT PURSUANT TO ARTICLE 122 TUF)	
2.8 CHANGE-OF-CONTROL CLAUSE AND PROVISIONS IN THE ARTICLES OF ASSOCIATION ON TAKEOVERS	
2.9 DELEGATION TO INCREASE SHARE CAPITAL AND AUTHORISATION TO PURCHASE TREASURY SHARES	
2.10 MANAGEMENT AND COORDINATION ACTIVITIES	
3. COMPLIANCE	39
4. <b>BOARD OF DIRECTORS</b>	39
4.1 THE ROLE OF THE BOARD OF DIRECTORS	
4.2 APPOINTMENT AND REPLACEMENT	
4.3 COMPOSITION	
4.4 FUNCTIONING OF THE BOARD OF DIRECTORS	
4.5 THE ROLE OF THE CHAIR OF THE BOARD	
4.6 EXECUTIVE DIRECTORS	
4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR	
5. CORPORATE INFORMATION MANAGEMENT	59
6. BOARD COMMITTEES	59
7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - REMUNERATION AND APPOINTMENT COMMITTEE	61
7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS	

7.2 REMUNERATION AND APPOINTMENT COMMITTEE	
8. DIRECTORS' REMUNERATION	68
9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - CONTROL, RISK AND SUSTAINABILITY COMMITTEE	70
9.1 CHIEF EXECUTIVE OFFICER	
9.2 CONTROL, RISK AND SUSTAINABILITY COMMITTEE	
9.3 HEAD OF INTERNAL AUDIT FUNCTION	
9.4 ORGANISATIONAL MODEL pursuant to Legislative Decree No. 231/2001	
9.5 INDEPENDENT AUDITORS	
9.6 FINANCIAL REPORTING OFFICER AND OTHER CORPORATE ROLES AND FUNCTIONS	
9.7 COORDINATION AMONG ICRM BODIES	
10. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS	79
11. BOARD OF STATUTORY AUDITORS	81
11.1 APPOINTMENT AND REPLACEMENT	
11.2 COMPOSITION AND FUNCTIONING	
12. SHAREHOLDER RELATIONS	87
13. SHAREHOLDERS' MEETINGS	88
14. OTHER CORPORATE GOVERNANCE PROCEDURES	90
15. CHANGES SINCE THE END OF THE REPORTING PERIOD	90
16. COMMENTS ON THE LETTER FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE OF 3 DECEMBER 2021	90
TABLE 1 - INFORMATION ON OWNERSHIP STRUCTURE AS AT 31/12/2021	94
TABLE 2 - STRUCTURE OF THE BOARD OF DIRECTORS AS AT THE END OF THE FINANCIAL YEAR	96
TABLE 3 - STRUCTURE OF THE BOARD COMMITTEES AS AT THE END OF THE FINANCIAL YEAR	98
TABLE 4 - STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AS AT THE END OF THE FINANCIAL YEAR	99

## GLOSSARY

The main terms used in this Report and their definitions are listed below. Unless otherwise specified, the terms and definitions shall have the meanings set forth below. Other terms used in the Report have the meanings assigned to them in the text. The full definitions of directors, executive officers, independent directors, significant shareholder, chief executive officer (CEO), management body, control body, business plan, company with concentrated ownership, large company, sustainable success and top management set forth in the Corporate Governance Code and related Q&As can be found below.

<b>AB Europe</b>	AB Europe (Luxembourg) Investment S.à r.l., a “ <i>société à responsabilité limitée</i> ” (limited liability company) under Luxembourg law, with registered office at 2-4, rue Beck, L-1222, Luxembourg, registration number with the Luxembourg <i>Registre de Commerce et des Sociétés</i> B218765.
<b>Supervisory Authorities</b>	As appropriate, the Bank of Italy, Borsa Italiana stock exchange, Consob and/or any other independent authority and/or EU Member State’s administration, considered either jointly or severally.
<b>Borsa Italiana</b>	Borsa Italiana SpA (Italian stock exchange), with headquarters in Milan, Piazza degli Affari 6.
<b>CDPE</b>	CDP Equity SpA, with registered office at Via San Marco 21A, Milan, Tax Identification Number, VAT number and entry in the Registry of Companies of Milan, Monza Brianza - Lodi 07532930968.
<b>Corporate Governance Code</b>	The Corporate Governance Code of listed companies approved by the Corporate Governance Committee in January 2020 and promoted by Abi, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana.
<b>Italian Civil Code</b>	Royal Decree Law No. 262 of 16 March 1942, as subsequently amended.
<b>CONSOB</b>	Commissione Nazionale per le Società e la Borsa, Italian stock market supervisory authority, with headquarters in Rome, Via G.B. Martini 3.
<b>Board or Board of Directors</b>	The Nexi Board of Directors.
<b>Report Date</b>	10 March 2022, the date of approval of this Report by Nexi’s Board of Directors.
<b>Legislative Decree No. 231/2001</b>	Legislative Decree No. 231 of 8 June 2001, on the administrative liability of legal entities, companies and associations (including those with no legal status), as subsequently amended.
<b>Eagle or Eagle SCA</b>	Eagle (AIBC) & CY SCA, a “ <i>société en commandite par actions</i> ” (joint-stock company) under Luxembourg law, with registered office at 2-4, rue Beck, L-1222, Luxembourg, registration number with the Luxembourg <i>Registre de Commerce et des Sociétés</i> B211906.
<b>Issuer or Nexi or Company</b>	Nexi SpA, with headquarters in Milan, Corso Sempione 55, entry in the Registry of Companies of Milan, Monza Brianza and Lodi and Tax Identification Number 09489670969, VAT number 10542790968.

<b>Euronext Milan</b>	Euronext Milan, regulated market, organised and run by Borsa Italiana, formerly Mercato Telematico Azionario or MTA.
<b>FSIA Srl</b>	FSIA Investimenti Srl, a private limited liability company incorporated under the laws of Italy, with registered office in Milan, Via San Marco 21/A, Tax Identification Number, VAT number and entry in the Registry of Companies of Milan, Monza Brianza, Lodi 08655320961.
<b>FTSE Mib</b>	The Financial Times Stock Exchange Milano Indice di Borsa.
<b>Nets Merger</b>	The overall transaction consisting of the cross-border merger by incorporation of Nets Topco 2 into Nexi, which became effective on 1 July 2021.
<b>SIA Merger</b>	The overall transaction consisting of the merger by incorporation of SIA into Nexi, which became effective on 31 December 2021.
<b>Group or Nexi Group</b>	Nexi and its subsidiaries, including the companies belonging to the Nets Scope and the SIA Scope.
<b>H&amp;F</b>	Evergood H&F Lux S.à r.l., a “ <i>société à responsabilité limitée</i> ” (limited liability company) under Luxembourg law, with registered office at 15, boulevard F.W. Raiffeisen, L-2411, Luxembourg, registration number with the Luxembourg <i>Registre de Commerce et des Sociétés</i> B225755.
<b>Mercury</b>	Mercury UK Holdco Ltd, a company incorporated under British law, with registered office at 32 Curzon Street, London, United Kingdom, registration number with the Companies’ House of England and Wales 0963808.
<b>Mercury Payment Services</b>	Mercury Payment Services SpA, (formerly Setefi Services SpA), Italian public company with headquarters in Milan, Corso Sempione 55, entry in the Registry of Companies of Milan, Monza Brianza and Lodi and Tax Identification Number 08449660581, VAT number 10542790968.
<b>Nets</b>	The Luxembourg-based company Nets Topco 2 S.à r.l., with registered office at 15, boulevard F.W. Raiffeisen, L 2411, Luxembourg, Grand Duchy of Luxembourg, registration number with the Luxembourg Companies Register B218549, incorporated into Nexi as a result of the Nets Merger.
<b>Nexi Payments</b>	Nexi Payments SpA, an Italian joint-stock company with headquarters in Milan, Corso Sempione 55, entry in the Registry of Companies of Milan, Monza Brianza and Lodi and Tax Identification Number 04107060966, VAT number 10542790968.
<b>Nets Scope</b>	The companies of the Nets Group which, on completion of the Nets Merger, have become part of the Nexi Group.
<b>SIA Scope</b>	The companies, branches and offices of the SIA Group which, on completion of the SIA Merger, have become part of the Nexi Group.
<b>Borsa Italiana Rules</b>	The Rules of the Markets organised and managed by Borsa Italiana.

<b>Report on Remuneration</b>	The report on remuneration policies and the remuneration paid by the Issuer in financial year 2021, drafted pursuant to Article 123- <i>ter</i> TUF.
<b>Issuers Regulation</b>	The Regulation on issuers adopted by CONSOB by resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
<b>RPT Regulation</b>	The Regulation on related-party transactions, issued by CONSOB by resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented.
<b>Report</b>	This Report on corporate governance and ownership structure, drafted pursuant to Article 123- <i>bis</i> TUF.
<b>Service HUB</b>	Service HUB SpA (formerly, Newco 55 Srl), with headquarters in Milan, Corso Sempione 55, registered in the Registry of Companies of Milan, Monza Brianza and Lodi, Tax Identification Number and VAT number 11872280968.
<b>SIA</b>	SIA SpA, a joint-stock company under Italian law with registered office at Via Francesco Gonin 36/38, Tax Identification Number, VAT number and entry in the Registry of Companies of Milan, Monza Brianza and Lodi 10596540152, merged into Nexi as a result of the SIA Merger.
<b>TUF or Consolidated Law on Finance</b>	Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.

## INTRODUCTION

This Report was drafted pursuant to Article 123-*bis* TUF, on the basis of the template updated yearly and published by Borsa Italiana (IX edition - January 2022). In compliance with the provisions of the Corporate Governance Code, the Report contains information on the actions undertaken to implement the individual recommendations contained in the principles and application criteria of the Corporate Governance Code over the reporting period.

### 1. THE ISSUER'S PROFILE AND CORPORATE GOVERNANCE SYSTEM

#### 1.1. PROFILE

Nexi, in its capacity as Parent Company, pursuant to Articles 2497 et seq. of the Italian Civil Code, manages and coordinates subsidiaries Nexi Payments, SIApay, Mercury Payment Services, Service HUB and Help Line.

Nexi's history dates back to 1939, when six Italian banks set up a company (ICBPI - Central Institute of Italian Cooperative Banks) to create a single technological and services facility supporting Italian cooperative banks.

In December 2015 the entry of a new major shareholder, Mercury Italy Srl<sup>1</sup>, triggered an important transformation process, which led to the establishment of Nexi as the banking sector's paytech provider. Over time, the Company has steadily expanded its offer by developing new products and services and implementing synergistic takeovers (the main ones being CartaSì SpA, Basilichi SpA and Mercury Payment Services SpA).

Nexi was listed on the MTA (since renamed Euronext Milan) on 16 April 2019 and on the FTSE Mib index in June 2019.

In 2020, the Group finalised its acquisition of the merchant acquiring business unit from Intesa Sanpaolo S.p.A.

In 2021, the Nexi Group, continuing its steady growth path, completed (i) two important integration transactions through the Nets Merger, i.e. the cross-border merger by incorporation of Nets Topco 2 S.à r.l. into Nexi and the SIA Merger, i.e. the merger by incorporation of SIA SpA into Nexi, described in greater detail below and (ii) the acquisition of the former UBI Banca S.p.A.'s merchant acquiring book from Intesa Sanpaolo S.p.A.

The Nexi Group (including the companies acquired through the Nets Merger) operates on the business lines briefly described below:

#### (i) Merchant Services & Solutions

Via this business line, the Group provides merchants with the services necessary for digital payment acceptance, including through commercial arrangements with partner banks, for in-person transactions at the business premises and digital transactions via the Internet (e-commerce). The Group also provides administrative and customer relationship services via Help Line.

The services provided by this business unit comprise payment acceptance services, aka acquiring services, and POS management services. The Issuer operates under several service models, which vary depending on the nature of the Group's relationship with partner banks, therefore with varying extent of coverage of the value chain. The activities carried out by the Group are managed internally and/or outsourced according to service model.

The payment acquiring services encompass the entire range of services that allow merchants to accept payments through cards or other digital instruments belonging to credit or debit schemes.

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<sup>1</sup>A SPV indirectly held by funds Advent International, Bain Capital and Clessidra

POS management services include configuration, activation and maintenance of POS terminals, their integration within merchant accounts software, fraud prevention services, dispute management, as well as customer support services via a dedicated call centre.

Thanks to the wide range of services offered, the various payment types accepted, broad geographical coverage and value-added services, the Nexi Group, after integrating the Nets Scope, can be a one-stop-shop model for merchants from several European countries. This business area offers end-to-end payment acceptance solutions that allow merchants to use the Nexi Group as a single supplier for all payment acceptance services.

In addition, a wide range of value-added services is offered to merchants, according to their growth and changing needs throughout their business life cycle, including, among others, invoice and receipt management, consumer and merchant financing, and loyalty and omni-channel solutions.

## **(ii) Cards & Digital Payments**

Via this business line, the Group and its partner banks provide a wide range of issuing services, namely services relating to the supply, issue and management of private and corporate payment cards, with advanced fraud prevention systems ensuring fast, reliable and secure customer authentication and payments. In addition, the Group provides administrative services such as payment tracking and the production of monthly statements, data analysis and pricing support services, customer support and dispute management services, as well as communication and customer development services through promotional campaigns and loyalty programmes.

The Cards & Digital Payments business line provides services to issue payment cards almost exclusively through partner banks (cards issued in partnership with banks).

This business line also includes the services that Nets provides with respect to the products of: (i) Account Management Services; (ii) Core Payment Processing; (iii) Risk Management Services, (iv) Digitisation Services and (v) eIdentity Infrastructure.

The business area also includes the operations and processing services provided in relation to the national debit card systems in Denmark (“Dankort”) and Norway (“BankAxept”).

## **(iii) Digital Banking & Corporate Solutions**

With this business line, the Group provides three types of service: ATM Management, Clearing and Digital Corporate Banking. To cover this range of services, the Digital Banking & Corporate Solutions business line relies on dedicated professionals (in different roles, such as marketing, sales, ICT and operations) and three internal Digital Factories dedicated to developing application solutions.

The Group is responsible for installing and managing ATMs (approximately 11,000 at the end of December 2021) on behalf of partner banks. Of the ATMs managed, more than one third are “cash-in” machines, i.e. allowing both cash withdrawals and cash deposits. The service can be on a full-fleet basis, i.e. with full management of the ATM machines, or include only part of the services (outsourcing basis).

On the Italian market, the Group also operates as an Automated Clearing House (ACH) for domestic and international payments pursuant to standard interbank regimes. Through a dedicated platform, the Group allows participating banks to exchange flows containing collection and payment instructions, and to calculate bilateral and multilateral balances to be settled at a later date. Recently, the Group opened the “ACH Instant Payments” service, for the management of instant transfers, which differs from traditional clearing services in terms of speed of execution and 24-hour availability.

The Group provides its partner banks’ corporate customers with digital banking services for the management of current accounts and payments.



For the Scandinavian market, this business unit provides e-Security and digitisation services. These include the provision of e-Security solutions through MitID (Denmark), digitisation services enabling customers to simplify workflows and services to support the digital transformation.

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The main events that occurred during the year ended 31 December 2021 are summarised below in chronological order.

## **1. Mercury Payment Services Spin-Off**

On 1 April 2021, the Mercury Payment Services spin-off in favour of Nexi Payments became effective. It involved the Mercury Payment Services business branch comprising all the assets, liabilities, property and legal relationships relating to the performance of payment services, in particular, acquiring, processing and issuing activities. Following the spin-off, Mercury Payment Services ceased to be a payment institution, focusing its activities on the existing “Card Manufacturing” and “Contact Centre” business units.

## **2. The Nets Merger**

On 1 July 2021, the cross-border merger by incorporation of Nets Topco 2 S.à r.l. (“**Nets**”) into Nexi (the “**Nets Merger**”) was finalised. As a result, the Nexi Group, which was already one of the main paytech players in Italy, following the Nets Merger has also gained a strong presence in foreign markets, through the former Nets Scope (i.e. the Nets Group companies which, as a result of the Nets Merger, became part of the Nexi Group), opening up the prospect for Nexi to become one of the leading paytech companies in Europe.

In terms of competitive positioning, the Nexi Group, through the companies belonging to the Nets Scope, manages, at various levels of the value chain, transactions amounting to 5% of the electronic money sector (including card issuing and merchant acquiring) in the European Economic Area (EEA) and is one of the leading electronic money service providers, including card issuing and merchant acquiring, in many EEA countries, including Croatia, Denmark, Estonia, Finland, Germany, Norway, Poland, Slovenia and Sweden. Therefore, through the Nets Merger, the Nexi Group has achieved greater presence in regions where the paytech sector is highly advanced or growing rapidly (i.e. Italy, the DACH and EEC/EEA regions and Poland).

Moreover, the Nexi Group, after integrating the Nets Scope, has benefited from strong business innovations across its three lines of business (Merchant Services & Solutions, Cards & Digital Payments, Digital Banking & Corporate Solutions) from the corresponding activities carried out by the companies belonging to the Nets Scope.

Specifically, thanks to the Nets Merger, the Nexi Group has expanded its offer to include, among others, the following capabilities:

- (i) provide omni-channel solutions, enhance its e-commerce/m-commerce offer and exploit the potential of the “pay-later” business model, through Ratepay, for the Merchant Services & Solutions business line;
- (ii) focus on opening new national payment circuits (i.e., Dankort and BankAxept) where the main operator prior to the Nets Merger was precisely the Nets group, and on new mobile payments solutions (account-to-account), only for the Cards & Digital Payments business line; and
- (iii) include in the Digital Banking & Corporate Solutions business line the provision of eSecurity services including, in particular, electronic identification systems (eID or Electronic Identification) which before the Nets Merger were offered in Denmark by the Nets group, through MitID, a solution for authenticating the identity of individuals wishing to interact with the government, banks and private companies of Denmark.

### **3. Acquisition of UBI's merchant acquiring book**

On 25 May 2021, Nexi Payments and Intesa San Paolo SpA (“**ISP**”) entered into an agreement for the transfer to Nexi Payments of the business unit comprising the tangible and intangible assets and the related personnel organised by ISP to perform the merchant acquiring activity previously carried out by UBI Banca SpA (the “**UBI Business Unit**”) until the effective date of the merger by incorporation of UBI Banca SpA into ISP. The transfer, which was conditional on the fulfilment (or, as the case may be, the waiver) of certain conditions precedent, was carried out on 26 October 2021 through the subscription and allocation of a capital increase in Nexi Payments reserved for ISP, excluding option rights pursuant to Article 2441(4) of the Italian Civil Code, and became effective as of 23:59 of 31 October 2021. At the same time, the Company purchased the Nexi Payments shares issued and allotted to ISP against the transfer of the UBI Business Unit, for a price of €170,000,000, as set out in the relevant sale agreement, signed between the Company and ISP on 26 October 2021. For the sake of clarity, please note that the Company's purchase of the shares in Nexi Payments issued in the context of the transfer of the UBI Business Unit also became effective from 23:59 of 31 October 2021.

### **4. The SIA Merger and the Push-Down**

On 16 December 2021, once all the conditions precedent had been met, the deed of merger by incorporation of SIA SpA (“**SIA**”) into Nexi (the “**SIA Merger**”) was executed. The transaction was governed by the agreement signed on 11 February 2021 between Nexi, SIA, CDP Equity, FSIA Investimenti and Mercury UK, subsequently amended. The SIA Merger, completed at 23:59 on 31 December 2021, will enable Nexi to consolidate its position as an industry leader at European level: the new Group enjoys unique positioning to develop new partnership agreements with the main market players.

The SIA Scope includes companies engaged in the design, implementation and management of technological infrastructure and services for financial institutions, banks, companies and public authorities. In addition to Italy, the companies operate in approximately 50 countries (through companies in Austria, the Czech Republic, Croatia, Greece, Romania, Serbia, Slovakia and South Africa; through branches in Belgium, Germany, Hungary, the Netherlands and South Africa; and through offices in the United Kingdom and Poland).

In particular, the SIA Merger transaction included a push-down reorganisation (the “**Push-Down**”) whereby Nexi Payments would receive the assets, liabilities and contractual relationships of SIA, including SIA's holding in SIAPay Srl and in the foreign branches located in Belgium, the Netherlands, Germany and South Africa, on the understanding that the following could not be transferred: (x) SIA's financial debt, transferred to Nexi through the Merger, (y) certain specific non-regulated activities (e.g., Help Desk & Customer Operations and Card Factory services, as well as part of the above-mentioned branches and any other branch belonging to the SIA group carrying out such activities) which would be transferred to a newly incorporated Nexi subsidiary, as well as (z) the holdings in SIA's foreign subsidiaries which, following the Merger, would be held by Nexi.

In this regard it is specified that, without prejudice to items not included in the transfer, the following were transferred as part of the Push-Down:

- (i) to Nexi Payments, the business unit consisting of all tangible and intangible assets functionally organised by SIA to perform its activity and comprising the assets, liabilities and contractual relationships originally held by SIA, including SIA's holding in SIAPay Srl, ATS SpA and the foreign branches located in Belgium, the Netherlands and South Africa, as well as part of the assets relating to the branch located in Germany, as described in detail in the transfer deed; and
- (ii) to Service Hub, a company established ad hoc, the business unit consisting of all the tangible and intangible assets functionally organised by SIA to perform its non-regulated activities, i.e. Help Desk & Customer Operations and Card Factory services, as well as the branch located in Romania

and part of the assets relating to Customer Operations of the branch located in Germany, including the respective personnel, as detailed in the transfer deed.

The Push-Down became effective, after the SIA Merger effective date (23:59 on 31 December 2021), at 00:01 on 1 January 2022.

In terms of competitive positioning, the Nexi Group, through the SIA Scope, manages, at various levels of the value chain, transactions amounting to 6% of the electronic money sector in the EEA and is one of the leading service suppliers in the electronic money sector (both card issuing and merchant side) in many EEA countries, including Italy, Austria, Belgium, Greece, Czech Republic, Slovakia and Hungary. The SIA Merger, in turn, allowed Nexi, on the one hand, to consolidate its presence in Italy and, on the other hand, to further increase the Group's growth in terms of geographic presence. Therefore, it enabled Nexi to expand and diversify its customer base to an even greater extent than that already achieved through the Nets Merger.

Moreover, at corporate level, the SIA Merger enabled development in business areas complementary to those covered by the Nexi Group after it had integrated only the Nets Scope. In particular, the Nexi Group was able to:

- (i) expand its issuing services offer in the electronic money sector, with regard to the creation of payment gateways and the personalisation of debit/credit cards used in national and international circuits, loyalty cards, prepaid and petrol cards, and related anti-fraud and support services;
- (ii) with reference to the Cards & Digital Payments business line, insource processing services, previously outsourced to third parties (including SIA itself);
- (iii) to an even stronger extent, with regard to the Digital Banking & Corporate Solutions business line, exploit the established presence of the SIA Scope in the provision of clearing and settlement services; and
- (iv) rely on the infrastructure and data centres available to the SIA Scope;

Moreover, following the SIA Merger, the Nexi Group launched activities for interfacing with customers acquired through the SIA Scope, including central institutions, central banks and public authorities, further extending its customer base and reducing customer concentration risks.

The completion of this transaction, together with the already completed merger with Nets, has allowed the Nexi group to achieve its goal of creating the leading Italian paytech company in Europe, by creating a new technology and digital innovation hub that will guarantee a portfolio of best-in-class solutions, technologies and expertise in all digital payment areas, in Italy and Europe. In this context, CDP will be the anchor investor supporting Nexi's strategic development in Italy and Europe, with an indirect shareholding of about 17%.

\* \* \*

The Issuer:

- does not qualify as an "SME" within the meaning of Article 1(1)(w-*quater*.1) TUF; and
- is a "large company" and a "company with concentrated ownership" within the meaning of the Corporate Governance Code.

This being said, it should be noted that, in some circumstances, the Board made use of some flexibility options with respect to the provisions of the Corporate Governance Code concerning large and/or concentrated ownership companies: in this regard, see Sections 4.7 (as to the meetings of independent directors only), 6 (concerning the temporary concentration of offices assigned to the members of the internal board committees), 7.1 (concerning self-assessment) and 9.5 (concerning the Independent Auditors' letter of suggestions and the additional report to the Board of Statutory Auditors).

In 2020, the Company was included for the first time in the ESG ratings of S&P Global, CDP and Standard Ethics, and was assigned a score of 61 (out of 100) by S&P and a rating of “C” by CDP. In 2021, the assessments issued by said organisations showed a significant improvement. In particular: (i) the score assigned by S&P rose to 68 (out of 100), showing an improvement in Nexi’s rating across all three ESG dimensions and (ii) the most significant improvement was recorded in the Environmental area, as reflected in the recently announced CDP assessment of the environmental impact of thousands of companies worldwide for 2021, which awarded Nexi an “A” rating.

These improvements demonstrate the Group’s strong commitment to sustainability mainly attributable to the reduction of the carbon footprint and the extension of this commitment to emissions by the supply chain, the approval of net-zero targets and the Science-Based Targets (SBTi) initiative, the ISO 14001 environmental certification and the first risk and opportunity assessment aligned with the TCFD (Task Force on Climate-related Financial Disclosures).

With reference to sustainability issues, a key role - in addition to that of the whole Board of Directors - is played by Nexi’s Risk, Control and Sustainability Committee, which submits proposals and provides advice to the Parent Company’s Board of Directors on sustainability issues. For further information in this regard, see Section 9.2 of this Report.

The Issuer has published on a mandatory basis a non-financial statement, drawn up pursuant to Legislative Decree No. 254/2016 and Consob Resolution No. 20267 of 18 January 2018 and in accordance with the GRI Standards, Core Option, defined in 2016 by the Global Reporting Initiative. This non-financial statement can be found on Nexi’s website at the following link:<https://www.nexigroup.com/it/gruppo/governance/assemblee-degli-azionisti/2022/assemblea-straordinaria-e-ordinaria-05052022/>.

## 1.2. CORPORATE GOVERNANCE SYSTEM

Nexi, the holding company of the Group bearing the same name, is structured according to its current Articles of Association (the “**Articles of Association**”) and the standard organisational model under Articles 2380-*bis* et seq. of the Italian Civil Code, as follows:

- **Shareholders’ Meeting:** it passes resolutions, in both ordinary and extraordinary meetings, on the matters reserved for it by the law and by the Company’s Articles of Association.
- **Board of Directors:** it holds full power for the ordinary and extraordinary management of the Company and may perform all actions deemed suitable for achieving the corporate goals, excluding the powers reserved by law or the Company’s Articles of Association for the Shareholders’ Meeting. The Board of Directors pursues the sustainable success of the Nexi Group, focusing on creating medium- to long-term value for shareholders. The Board of Directors plays a key role in the corporate structure, setting out and pursuing the Company’s strategic, business and financial objectives and verifying the existence of the necessary controls for monitoring the Company’s performance. The Board of Directors guides the Issuer in the pursuit of sustainable success by establishing specific guidelines for performance of the activities of the Issuer and, where applicable, of its subsidiaries, by approving specific policies such as, among others, the Dialogue Policy, the Diversity Policy and the Sustainability Policy. With reference to the Group’s major sustainability targets, for more information on their implementation in (i) the Group’s strategies, see Section 4.1, (ii) the corporate governance measures specifically adopted in this regard, see Section 6, (iii) remuneration policies, see Section 8 and (iv) the internal control and risk management system, see Section 9.
- **Board of Statutory Auditors,** tasked with monitoring:
  - compliance with the law and the Articles of Association;

- observance of the principles of correct administration;
- the adequacy of the Company's organisational structure, as well as the appropriateness and effectiveness of the internal control and risk management system, internal audit and accounting and administrative system, including the latter's reliability in terms of giving a fair presentation of operations;
- the arrangements for implementing the corporate governance rules set out in the codes of conduct drawn up by regulated market management companies or by trade associations, which the Company has declared it complies with by means of a notice to the public;
- the appropriateness of the instructions given to subsidiaries concerning required disclosures;
- the financial disclosure process, independent audits of financial statements and the independence of the independent auditors.

The Board of Statutory Auditors also carries out the duties of Supervisory Body pursuant to Legislative Decree No. 231/2001 as permitted by the applicable laws and regulations and by the organisational, management and control model adopted by the Issuer pursuant to Legislative Decree No. 231/2001.

The Board of Statutory Auditors also acts as Internal Control and Audit Committee, pursuant to Article 19 of Legislative Decree No. 39/2010.

- **Independent Auditors.** The independent auditing of the financial statements is carried out by a specialised firm, pursuant to and for the purposes of the TUF, Legislative Decree No. 39 of 27 January 2010 and Regulation (UE) No. 537/2014. The audit firm is appointed by the Shareholders' Meeting on the proposal of the Board of Directors, based on the reasoned recommendation of the Board of Statutory Auditors (acting as the Internal Control and Audit Committee, according to the selection procedure under Article 16 of the aforesaid Regulation (EU)).

Below are the Company's main governance instruments, which also comply with the legal and regulatory provisions, the provisions of the Corporate Governance Code and domestic and international best practice:

- the Articles of Association;
- the Shareholders' Meeting Regulation;
- the Board of Directors Regulation;
- the Guidelines for the functioning of the Strategic Committee;
- the Control, Risk and Sustainability Committee Regulation;
- the Remuneration and Appointment Committee Regulation;
- The Procedure for Transactions with Related Parties and the Related Party Committee Regulation (pursuant to Article 2391-*bis* of the Italian Civil Code and the RPT Regulation);
- the Group Regulation on Management and Coordination;
- The Regulation on the handling of relevant or inside information and on setting up and keeping the Relevant Information List (RIL) and the Insider and Internal Dealing List;
- Diversity Policy;
- Dialogue Policy;
- Sustainability Policy;

- Policy on qualitative and quantitative criteria for assessing the independence requirements under the Corporate Governance Code;
- Guidelines on the composition of the Board of Directors.

The Company has also adopted an organisational model pursuant to Legislative Decree No. 231/2001, a Code of Ethics and an Anti-Bribery Policy, which are available on the Issuer's website at the following link: <https://www.nexigroup.com/it/gruppo/governance/sistema-di-governance/>

## 2. INFORMATION ON OWNERSHIP STRUCTURE

### 2.1. SHARE CAPITAL STRUCTURE

As at 31 December 2021, after completion of the Nets and SIA mergers, the fully paid-up share capital was €18,451,992.00, subdivided into 1,310,191,586 no-par value shares, all having the same rights. There are no other categories of shares.

To service the three-year Long-Term Incentive Plan - LTI, on 12 March 2019, the Extraordinary Shareholders' Meeting resolved to grant to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to authorise, within sixty months, a free share capital increase - divisible and in one or several tranches - pursuant to Article 2349(1) of the Italian Civil Code, through profits or available reserves, for a maximum amount of €1,000,000.00 to be allocated entirely as capital through the issuance of an overall number of shares not exceeding 1.5% of the number of Company shares existing following the listing, with regular dividend rights. Under the plan, Nexi ordinary shares are awarded at no cost to selected employees who achieve specific targets. For more information, see (i) pages 26 et seq. of Section I of the Report on Remuneration approved in 2020 with respect to the operating rationale of such plan; and (ii) Section 39.2 of the Notes to the 2020 Consolidated Financial Statements. Each share entitles the holder to one vote at all of the Company's Shareholders' Meetings. The shareholders' rights and duties are those under Article 2346 et seq. of the Italian Civil Code.

Table 1 below provides information on the shares constituting the share capital and the other financial instruments granting the right to subscribe for newly issued shares (i.e. the two convertible bond loans described in Paragraph 2.8).

### 2.2. RESTRICTIONS ON THE TRANSFER OF SECURITIES

The shares are indivisible, registered and freely transferable.

### 2.3. SIGNIFICANT HOLDINGS

As at the date of this Report, based on the information received by the Company and Consob pursuant to Article 120 TUF, the data in the shareholders' register and other information available to the Issuer, the following shareholders hold directly or indirectly a significant stake in the share capital, consisting of voting shares:

<b>Declarant</b>	<b>Direct shareholder</b>	<b>% of share capital</b>
<b>CDP</b>	CDPE <sup>(*)</sup>	5.3%
	FSIA <sup>(*)</sup>	8.3%
<b>Poste Italiane</b>	PSIA <sup>(*)</sup>	3.6%
<b>Mercury <sup>(*)</sup></b>	Mercury	9.4%
<b>Evergood H&amp;F Lux S.à r.l. <sup>(*)</sup></b>	Evergood H&F Lux S.à r.l.	19.9%

<b>AB Europe (Luxembourg) Investment S.à r.l. (*)</b>	AB Europe (Luxembourg) Investment S.à r.l.	4.0%
<b>Eagle (AIBC) &amp; CY SCA (*)</b>	Eagle (AIBC) & CY SCA	6.1%
<b>Intesa Sanpaolo</b>	Intesa Sanpaolo	5.0%

(\*) Parties to the SIA Shareholders' Agreement, which covers a total holding in Nexi of 56.6% of the share capital.

#### **2.4. SECURITIES CONFERRING SPECIAL VOTING RIGHTS**

No securities conferring special control rights have been issued.

#### **2.5. SHARES HELD BY EMPLOYEES: MECHANISM FOR EXERCISING VOTING RIGHTS**

There is no mechanism for exercising the voting rights of employees.

#### **2.6. RESTRICTIONS ON VOTING RIGHTS**

There are no restrictions voting rights.

#### **2.7. SHAREHOLDERS' AGREEMENTS (RELEVANT PURSUANT TO ARTICLE 122 TUF)**

##### **A. MERCURY SHAREHOLDERS' AGREEMENT**

On 11 March 2019, funds Advent International Corporation ("**Advent**"), Bain Capital Private Equity Europe LLP ("**Bain**"), Clessidra SGR SpA ("**Clessidra**" and, jointly with Advent and Bain, the "**Investors**"), Mercury AI, Mercury BC, Fides, Mercury A Capital Limited, Mercury B Capital Limited, Mercury ABC Capital Limited and Mercury UK Holdco Limited ("**Mercury**" and, jointly, the "**Parties**"), entered into a shareholders' agreement, governed by English law (the "**Mercury Shareholders' Agreement**"), amending and renewing the investment agreement and shareholders' agreement concluded between the same Parties in 2015. Within the context of the Nets Merger, on 15 November 2020, the Parties entered into an agreement amending the Mercury Shareholders' Agreement (the "**Amending Agreement**") in order to reflect certain covenants arising from the Nets Merger and the SIA Merger.

The Shareholders' Agreement regulates, among other things:

- Mercury's governance;
- specific restrictions on the transfer of Mercury shares;
- Nexi's governance;
- specific restrictions on the transfer of Nexi shares;
- the possibility of disclosing specific information.

The Mercury Shareholders' Agreement contains covenants that are relevant under Article 122(1) and (5)(a) and (b) TUF.

The relevant provisions of the Mercury Shareholders' Agreement concerning Nexi's governance and specific restrictions on the transfer of Nexi shares are described below. For additional information on the Mercury Shareholders' Agreement, please see the key information pursuant to Article 122 TUF and Article 130 of the



Issuers Regulation published on Nexi's website at <https://www.nexigroup.com/en/group/governance/documents-and-procedures/shareholders-agreements/>.

### **Composition of the Board of Directors**

The Investors have undertaken to ensure that at the time of appointing the Company's Board of Directors:

- (i) Mercury shall submit a slate of thirteen candidates, three of whom designated by Advent, three by Bain, two by Clessidra, three jointly by Advent and Bain (all meeting the independence requirements under the Corporate Governance Code) and two by Advent and Bain, after consulting Clessidra, without prejudice to different arrangements in the agreements accepted by Mercury in the context of the Nets Merger and the SIA Merger, which are applicable respectively, as of the effective date of the Nets Merger and the SIA Merger;
- (ii) at the Company's Shareholders' Meeting called to appoint the Board of Directors, Mercury shall:
  - a. propose that the number of members of the Board of Directors be thirteen and vote in favour of said proposal;
  - b. vote for the slate submitted by Mercury itself;
  - c. propose to appoint as Chair of the Board of Directors one of the two Directors designated by Advent and Bain, after consulting Clessidra, and vote in favour of said proposal.
- (iii) if, following the Nets Merger and/or the SIA Merger, Mercury is not able to designate a member of Nexi's Board of Directors among the ones freely appointed by each Investor, Clessidra shall be the first of such Investors, depending on the circumstances, to:
  - a. appoint a Nexi Board independent director; or
  - b. lose its right to appoint a Nexi Board director;for the sake of clarity, as long as Mercury is able to designate a Nexi Board director among the ones freely nominated by each Investor, then Advent, Bain and Clessidra shall in turn hold the right to appoint one of said candidates.
- (iv) Save where Nexi Board directors must be appointed by an Investor, the directors designated by Advent and the directors designated by Bain in Mercury shall jointly appoint the individual designated by Mercury as a Nexi Board director.

### **Functioning of the Board of Directors**

As for the functioning of Nexi's Board of Directors, the Investors and Mercury shall make their best effort to ensure that:

- (i) the Board discusses and passes resolutions on all key strategic and operational matters concerning Nexi and its subsidiaries, including the following matters:
  - a. approval or amendment of multi-year business plans and yearly budgets;
  - b. appointment, removal and remuneration of the Chair of the Board of Directors (if said matters have not been resolved on by the Shareholders' Meeting), the Chief Executive Officer, the Chief Financial Officer and other senior managers;
  - c. acquisition or divestment of holdings, companies or assets worth €25 million or more;
  - d. signing of loan or refinancing contracts, issuance of bonds or other debt securities;

- e. approval of capital expenditure not included in the yearly budget if overall amount exceeding € million per year;
  - f. possible changes in the implementation of accounting principles (when under the Issuer's competence) or change of independent auditor;
  - g. creation or modification of incentive and retention plans;
- (ii) should a Director cease to hold office, for whatever reason, he/she is replaced by an individual designated by the same Investor that designated the Director no longer in office.

The Mercury Shareholders' Agreement does not require qualified majorities at Board meetings. Consequently, the Board of Directors shall be deemed validly constituted if the majority of its members in office are in attendance and shall pass resolutions by a majority of the Directors in attendance. In the event of a tie, the meeting's Chair shall have the casting vote.

#### **Composition of the Board of Statutory Auditors**

The Investors have undertaken to ensure that at the time of appointing the Board of Statutory Auditors, Mercury shall:

- (i) submit a slate of three candidates - the first designated by Advent, the second by Bain and the third by Clessidra - for the position of Statutory Auditor - and two candidates - the first designated by Advent, the second by Bain - for the position of alternate Auditor.
- (ii) vote in favour of the aforesaid slate at the appropriate meeting.

#### **Functioning of the Shareholders' Meeting**

The Mercury Shareholders' Agreement requires no qualified majorities at Shareholders' Meetings; therefore, the quorums for holding Shareholders' Meetings and passing resolutions are those set out in the Italian Civil Code.

\* \* \*

With regard to specific restrictions on the transfer of Nexi shares, the Mercury Shareholders' Agreement provides that as long as Mercury holds Company shares, it can sell Nexi shares to third parties (hence to parties other than its subsidiaries, controlling entities or entities under joint control) subject to the following conditions: (i) the consent of Advent and Bain, if the Investors gain from the disposal a return on their initial investment in Nexi (based on the assumption that 100% of the Company's capital will be sold at the Nexi per-share price of the latest disposal) of not less than the minimum threshold agreed by the Parties based on specific parameters (the "**Minimum Threshold**"); and (ii) the consent of all Investors (hence Advent, Bain and Clessidra) if the return on the initial investment in Nexi is less than the Minimum Threshold.

If, at the end of the third year since the first listing of the Company shares, Mercury still holds Nexi shares - or before said term if, based on the 7-day average market price, the value of Nexi's capital falls below the Minimum Threshold - each Investor may request that it (or one of its wholly-owned subsidiaries) be allocated a number of Nexi shares proportional to its direct or indirect stake in Mercury's capital (or, alternatively, the proceeds of the sale of Nexi shares carried out by Mercury).

If, following said allocation, an Investor directly or indirectly holds a share exceeding 5% of the Company's capital, said Investor shall sign an agreement including: (i) an orderly market clause to ensure that the sale of the stake including the shares so allocated takes place so as to guarantee orderly market functioning, and (ii) a co-sale right for each of the other Investors that, at that date, hold at least 5% of the Company's capital. These commitments will not apply to those Investors that at said date directly or indirectly hold less than 5% of the Company's capital.

In addition, the Parties have undertaken to discuss in good faith, where appropriate, a mechanism (which could involve an actual transfer of Nexi shares, or could be a purely virtual transfer) whereby Fides SpA would be able to hold or otherwise sell (for its sole benefit) its indirect stake in Nexi through Mercury, provided that such mechanism, *inter alia*, complies with all applicable contractual restrictions entered into by Mercury.

## **B. NETS SHAREHOLDERS' AGREEMENT, LOCK-UP AGREEMENTS, MANAGEMENT SELL-DOWN AGREEMENT**

On 15 November 2020, in the context of the Nets Merger, Evergood H&F Lux S.à r.l. (“**H&F**”), AB Europe (Luxembourg) Investment S.à r.l. (“**AB Europe**”), Eagle (AIBC) & CY SCA (“**Eagle SCA**” and, together with AB Europe, the “**AB Investors**” and the AB Investors, jointly with H&F, the “**Investors**”) and Mercury signed an agreement, under English law, which governs, *inter alia*, Nexi’s governance and the restrictions on the transfer of Nexi shares, as detailed below.

On 4 December 2020, the Investors and Mercury signed an agreement amending said Shareholders’ Agreement, which amended and supplemented some of its provisions (as last amended, the “**Nets Shareholders' Agreement**”).

On the same date, Nexi signed individual lock-up agreements respectively with (i) AB Europe; (ii) Eagle; (iii) H&F; (iv) Bamboh Co-Investments ApS (“**Bamboh**”); (v) EmpCo A/S (“**Empco**”); (vi) nInvestment 1 ApS (“**Danish Manco**”); (vii) nInvestment Lux S.C.Sp. (“**nIv Lux**”); (viii) Stargazer Invest ApS (“**Stargazer**” and, together with Bamboh, Empco, Danish Manco e nIv Lux, the “**Nets Vehicles**”) (the “**Lock-up Agreements**”).

Finally, still on 15 November 2020, the Investors and the Nets Vehicles signed an agreement (the “**Management Sell-Down Agreement**”) concerning, among other things, the transfer and disposal of Nexi shares.

The relevant provisions of the Nets Shareholders’ Agreement concerning Nexi’s governance and specific restrictions on the transfer of Nexi shares, and the main provisions of the Lock-up Agreements and the Management Sell-Down Agreement are described below. For additional information on the Nets Shareholders’ Agreement, please see the key information pursuant to Article 122 TUF and Article 130 of the Issuers Regulation, published on Nexi’s website at <https://www.nexigroup.com/en/group/governance/documents-and-procedures/shareholders-agreements/>.

### **Composition of Nexi’s Board of Directors**

As long as - pursuant to the applicable laws and Nexi’s Articles of Association - Mercury and/or any AB Investor hold the right to submit to the shareholders’ meeting a slate of candidates for the appointment of directors to Nexi’s Board, they shall have to submit said slate (or vote in favour of said slate, if, for example, it is submitted by Nexi’s Board of Directors) in accordance with the following provisions:

- (i) Before the effective date of the SIA Merger, the slate must include (a) two candidates designated by H&F, as long as H&F still holds at least 70% of the shares issued to it within the scope of the Nets Merger, or (b) one candidate designated by H&F, as long as H&F still holds between 50% and 70% of the shares issued to it within the scope of the Nets Merger.
- (ii) After the effective date of the SIA Merger, the slate must include (a) two candidates designated by H&F, provided that H&F still holds at least 70% of the Nexi shares it held as at the effective date of the SIA Merger (and provided that, before the effective date of the SIA Merger, H&F did not lose its right to designate two candidates, in accordance with paragraph (i)(a) above), or (b) one candidate designated by H&F, as long as H&F holds at least 50% (and, if paragraph (ii)(a) is applicable, in accordance with the same, less than 70%) of the Nexi shares it held at the effective date of the SIA Merger.

- (iii) In any case, if Mercury submits said slate of candidates, it shall ensure that the candidates named by H&F are placed in a position ensuring their appointment if that slate obtains the highest number of votes at the Nexi Shareholders' Meeting convened to appoint Nexi's directors.
- (iv) Should, for any reason, one or more of the candidates designated by H&F cease to hold their office before their term expires, Mercury shall exercise its powers as a Nexi shareholder, to the extent permitted by law, to ensure that Nexi's Board is convened to replace the director no longer in office with a director designated by H&F, in accordance with Article 2386(1) of the Italian Civil Code.
- (v) If H&F's holding drops below the thresholds referred to in paragraphs (i) and (ii) above, H&F shall promptly ensure that, as the case may be, either one or both of the Nexi directors it has designated resign from office (or the parties shall have to promptly cooperate and ensure that, as the case may be, one or both such individuals be removed from office). This is without prejudice to the fact that, if this provision is applicable and one of Nexi's directors designated by H&F before the reduction of the holding was Mr Bo Nilsson, H&F shall not be compelled to make Mr Bo Nilsson resign (or the parties shall not be compelled to cooperate to make Mr Bo Nilsson resign) from office and he shall continue to be a Nexi director on the condition that his continuation is approved by each of the following: H&F, Nexi's CEO, the Chair of Nexi's Board of Directors, and, as long as Mercury is a Nexi shareholder, Mercury itself. If Mr Bo Nilsson continues to be a Nexi director under said circumstances, he shall no longer be considered a Nexi director designated by H&F.

As long as Mercury and/or any AB Investor holds the above right, no other party to the Nets Shareholders' Agreement shall submit a slate of candidates to Nexi's Board of Directors. It is understood that, if Mercury and the AB Investors lose the aforesaid right, H&F may, but will have no obligation to, submit its own slate of candidates in accordance with the laws, with Nexi's Articles of Association and/or with the CDPE Agreement (as defined below).

The candidates designated by H&F do not have to meet any independence or gender requirement (or any other requirements, pursuant to the applicable laws, other than those that all Nexi Board directors must meet). In any case, for the entire period that H&F holds the right to designate two candidates for appointment to Nexi's Board of Directors, one of them must be chosen between (i) Mr Bo Nilsson and (ii) a suitable independent candidate.

As long as at least one director designated by H&F is a director on Nexi's Board, the parties shall ensure that said person is a member of: (i) Nexi's Strategic Committee; and (ii) any Committee of Nexi's Board of Directors in which one or both AB Investors and/or Mercury are represented from time to time.

### **Sell-Down**

Pursuant to the Nets Shareholders' Agreement, the parties acknowledge and agree that, in order to ensure the orderly sale of their Nexi shares, each Investor and/or Mercury may start - either individually or jointly with the other parties, through one or several transactions - a transfer of Nexi shares. Said transfer shall be subject to specific terms and conditions and to the procedure set out in the Nets Shareholders' Agreement (the "**Transfer Procedure**").

Without prejudice to the lock-up commitments taken, each Nexi shareholder, including the shareholders not taking part in the Transfer Procedure, undertakes to enter into lock-up agreements, under ordinary conditions, concerning the Nexi shares held by it (the "**Subscriber Lock-Up**"), without prejudice to the following:

- (i) no Subscriber Lock-Up can in any way limit the transfer to parties related to them that have joined the Subscriber Lock-Up or other transfers unaffected by the Nets Shareholders' Agreement;

- (ii) no Subscriber Lock-Up applicable to one of the parties may last more than 90 (ninety) calendar days starting from the effective date of the transfer proposal (or possibly lasting less); and
- (iii) to the extent that the Subscriber Lock-Up of one of the parties concerning said transfer proposal is dissolved, renounced or completed, any Subscriber Lock-Ups entered into by other Nexi shareholders in relation to the same Transfer Procedure shall also be automatically dissolved, renounced or completed under the same terms and conditions.

\* \* \*

In any case, Mercury shall have the right to (i) carry out specific transactions on its Nexi shares, if said transactions derive from obligations assumed pursuant to the Nets Shareholders' Agreement or were notified in advance to H&F, (ii) transfer to Fides SpA a part of the Nexi shares if specific conditions arise, and (iii) fulfil any obligation it has in respect of the Nexi shares under any call option granted after the effective date of the Nets Shareholders' Agreement, in accordance with the specific terms and conditions, and all as governed by the Nets Shareholders' Agreement.

Should Mercury propose to transfer any of Mercury's Nexi shares, in accordance with the above and at any time a lock-up commitment made by a Nexi shareholder (the "**Subscriber Lock-Up**") on Mercury's Nexi shares is in force, said transfer shall be subject to the transferee's acceptance of the terms and conditions of the Subscriber Lock-Up on Mercury's Nexi Shares being transferred.

Furthermore, the parties acknowledge and agree that, respectively, neither the Nexi shares held by the Investors, nor the Nexi shares held by Mercury, may be transferred from the signing date of the Nets Shareholders' Agreement to:

- (i) the date falling exactly six months after the effective date of the Nets Merger, with reference to 100% of the Nexi shares held, as the case may be, by the Investors or by Mercury;
- (ii) the date falling exactly 12 months after the effective date of the Nets Merger, with reference to 66% of the Nexi shares held, as the case may be, by the Investors or by Mercury; and
- (iii) the date falling exactly 24 months after the effective date of the Nets Merger, with reference to 33.4% of the Nexi shares held, as the case may be, by the Investors or by Mercury.

Without prejudice to the above, the parties shall, in any case, be allowed to complete certain transfers specifically identified pursuant to the Nets Shareholders' Agreement; however, the transfer cannot be prohibited by the terms and conditions of the lock-up commitments made by Nexi shareholders.

Finally, should the effective date of the SIA Merger occur within 24 months of the effective date of the Nets Merger, the provisions of the preceding paragraph shall cease to be effective for Mercury, which acknowledges and accepts that no transfer of its Nexi shares shall be allowed from the date of the Nets Shareholders' Agreement to:

- (i) the date that falls exactly six months after the effective date of the SIA Merger, with reference to 100% of the Nexi shares held by Mercury; and
- (ii) without prejudice to the provisions of paragraph (i) above, with reference to 50% of the Nexi share held by Mercury, the 12 months following the effective date of the SIA Merger, it being understood that this provision shall not limit the transfer of Nexi shares for a per-share price exceeding €15.50 per Mercury share.

### **Lock-up agreements**

Pursuant to the Lock-Up Agreements, the Investors and the Nets Vehicles, each insofar as it concerns them, including on behalf of parties they control, that control them, under joint control or acting on behalf of them, undertake, in the absence of a prior written consent by Nexi, not to:

- (i) directly or indirectly offer, sell, negotiate the sale of, pledge or grant any guarantee on, grant any option on or otherwise dispose of (or commit to any transaction that aims to or may reasonably be deemed to be aiming to dispose of) any share subject to lock-up or any financial instrument that may be converted into, exercised or swapped with shares subject to lock-up, regardless of whether said transactions are to be settled via the allocation of the Issuer's ordinary shares or of other financial instruments, in cash or otherwise;
- (ii) enter into any swap agreement or any other agreement or become a party to any transaction that may entail (including conditionally) the direct or indirect transfer of all or part of the economic effects arising from the ownership of any share subject to lock-up, regardless of whether said transactions are to be settled via the allocation of the Issuer's ordinary shares or other financial instruments, in cash or otherwise (each of the aforesaid transactions, including the ones mentioned in point (i) above, a "Sale"); and
- (iii) publicly disclose the intention to perform any of the aforesaid transactions.

The aforesaid obligations shall not apply: (a) to Empco, with reference to one or more Sales involving up to 1 million of the shares assigned to it upon the effectiveness of the Nets Merger and (b) to Danish Manco, with reference to one or more Sales involving up to 2 million of the shares assigned to it upon the effectiveness of the Nets Merger.

### **Management Sell-Down Agreement**

Pursuant to the Management Sell-Down Agreement, the Nets Vehicles have undertaken, from said agreement signing date to the effective date of the Nets Merger, to refrain from, and instruct its employees and managers holding a stake in the Nets Vehicles (the "Managers") to refrain from, purchasing, directly or indirectly, Nexi shares unless in accordance with the provisions of the framework agreement governing the Nets Merger and unless under any employee incentive plans as may be agreed upon between the Nets Vehicles and/or Managers and Nexi after the Management Sell-Down Agreement signing date.

If, after the completion of the Nets Merger and without prejudice to the terms of the Lock-Up Agreements, one or more Nets Vehicles or Investors intend to sell, transfer or otherwise dispose of Nexi shares, such transfer must be executed in accordance with the specific provisions of the Management Sell-Down Agreement. Specifically, the disposing parties must promptly notify the Investors or the Nets Vehicles, as the case may be, of their intention. Following said transfer, further Lock-Up Agreements shall be subscribed, as the case may be, by the Nets Vehicles or the Investors, it being understood that said agreements must not last more than ninety calendar days.

Should a Nets Vehicle sell or transfer, by any means, any stake directly held in Nexi shares to a Manager, including through the distribution by a Nets Vehicle, resulting in a Manager holding aggregate Nexi shares exceeding €5,000,000 in value, said Nets Vehicle shall require said Manager to make a commitment to the Investors to comply - via a consent agreement or otherwise - with the provisions of the Management Sell-Down Agreement (the sale or transfer will be conditional on said Manager making said commitment).

### **C. SIA FRAMEWORK AGREEMENT AND SIA SHAREHOLDERS' AGREEMENT**

On 11 February 2021, Nexi, CDPE, FSIA, Mercury and SIA entered into the SIA Framework Agreement containing the terms and conditions of the SIA Merger. On 18 May 2021, the above-mentioned parties also

signed an agreement amending the SIA Framework Agreement in order to amend and supplement certain provisions thereof. Finally, on 30 July 2021, the same parties agreed in writing, by means of an amending agreement to the SIA Framework Agreement, further changes to the timeframe of the SIA Merger. Specifically, the timing of certain pre-closing corporate actions, such as the holding of the Shareholders' meetings and the Boards of Directors' meetings for the purposes of the Push-Down, was changed; the effectiveness of the SIA Merger was scheduled on 15 November 2021 and the timing of the pre-closing corporate actions was changed accordingly. The originally planned dates were changed from time to time - as is typical in this kind of long-lasting transaction - with the agreement of all parties. In this regard it should be noted that, on the SIA Merger closing date (i.e., 16 December 2021), all the parties to the SIA Merger Framework Agreement signed a "closing memorandum" by which they mutually confirmed, *inter alia*, the actual dates - with respect to the originally agreed timing - on which the various obligations under the SIA Merger Framework Agreement had been completed, as well as the actual closing date and the consequent effective date of the SIA Merger.

The SIA Framework Agreement contains, *inter alia*, certain relevant provisions pursuant to Article 122(1) and (5)(b) TUF, which have been disclosed pursuant to Article 122 TUF within the legal time limits.

In this regard, it should be noted that, for the purposes of the disclosure obligations under Article 122 TUF, the SIA Framework Agreement contains certain lock-up commitments of the parties. Specifically, for the period between the signing of the SIA Framework Agreement and the SIA Merger effective date, (i) CDPE and FSIA undertook not to transfer any SIA shares held by them; and (ii) MERCURY undertook not to transfer any Nexi shares it holds, without prejudice to its right to transfer said shares to a directly or indirectly controlled entity, controlling entity or entity under joint control with the transferor.

In the context of the SIA Merger, the parties negotiated and attached to the SIA Framework Agreement two different drafts (draft "A" and draft "B") of the SIA Shareholders' Agreement, concerning, *inter alia*, Nexi's corporate governance and the transferability of the shares that said shareholders will hold in Nexi as a result of the SIA Merger. Since the Nets Merger was executed on 1 July 2021, hence prior to the SIA Merger, the version of the SIA Shareholders' Agreement that was signed on the closing date of the SIA Merger and which entered into force on the Merger's effective date is "draft A" attached to the SIA Framework Agreement, which, in any case, will remain in force for three years from the SIA Merger's effective date without prejudice to the different time limits previously provided therein (the "**SIA Shareholders' Agreement**"). The SIA Shareholders' Agreement contains relevant provisions pursuant to Article 122(1) and 5, points (a), (b), (c) and (d). The SIA Shareholders' Agreement was disclosed in accordance with Article 122 TUF within the legal time limit.

On 18 October 2021, the spin-off of FSIA Investimenti was concluded between FSIA Investimenti, as spun-off company, and PSIA Srl ("**PSIA**"), a company wholly owned by Poste Italiane SpA ("**Poste Italiane**"), as the beneficiary. This consisted in the partial, non-proportional, asymmetrical spin-off of FSIA (the "**FSIA Spin-off**") in favour of PSIA, to be implemented through the allocation, *inter alia*, to PSIA of 29,514,776 SIA shares, representing 17.23% of the share capital of SIA. Pursuant to the above-mentioned spin-off deed, the FSIA Spin-off became effective on the SIA Merger's effective date, albeit immediately before said Merger. Accordingly, at the time the SIA Merger became effective, PSIA (i) became a shareholder of SIA and (ii) converted its SIA shares, in accordance with the exchange ratio, into Nexi shares, thus becoming a direct shareholder of Nexi following the SIA Merger.

The relevant provisions of the SIA Shareholders' Agreement concerning Nexi's governance and specific restrictions on the transfer of Nexi shares are described below. For additional information on the SIA Shareholders' Agreement, see the key information pursuant to Article 122 TUF and Article 130 of the Issuers

Regulation published on Nexi's website at <https://www.nexigroup.com/en/group/governance/documents-and-procedures/shareholders-agreements/>.

**No separate agreement, no mandatory public takeover bid**

Each party to the SIA Shareholders' Agreement (hereinafter, each a "**Party**" and, collectively, the "**Parties**") confirms and shall ensure that itself and its affiliated entities are not a party to - and do not enter into - any Shareholders' Agreement concerning Nexi, other than: (i) the SIA Shareholders' Agreement; (ii) the rights and obligations of shareholders arising from or related to the SIA Framework Agreement; (iii) the Shareholders' Agreement between Mercury shareholders entered into on 11 March 2019, as amended or supplemented, concerning Mercury and Nexi; (iv) the Nets Shareholders' Agreement; (v) the Management Sell-Down Letter, as subsequently amended or supplemented, as defined in the Nets Framework Agreement (the "**Management Sell-Down Letter**"); (vi) any type of Shareholders' Agreement entered into (or to be entered into) between CDPE and one or more strategic partners, being shareholders of the CDPE vehicle (i.e. one or more newly-incorporated entities to which CDPE transfers all or part of its interest in the Company) concerning the CDPE Vehicle itself and - subject to compliance with the different covenants concerning the CDPE Vehicle set out in the SIA Shareholders' Agreement - the Resulting Entity; (vii) any Shareholders' Agreement entered into (or to be entered into) between H&F and its current or future shareholders being H&F partners insofar as said agreements do not directly or indirectly concern Nexi's governance; (viii) the Spin-Off Agreement, as defined and described below (all rights, obligations and agreements set forth in points (iii) to (viii) above, hereinafter, jointly and for the purposes of Covenant A, shall be referred to as "**Other Shareholders' Agreements**").

For the entire term of the SIA Shareholders' Agreement, each Party undertakes, before the others: (a) not to, (b) to make sure that its subsidiaries do not and (c) to take all reasonable actions to make sure that any other party acting jointly with it or with one of its subsidiaries does not cause the launching of a mandatory public takeover bid by one of the Parties, individually or collectively (including following the purchase of any share or the execution of any shareholders' agreement). In this regard, each Party undertakes to (i) promptly inform the other Parties of any purchase or transfer of shares of the Resulting Entity or the execution of any shareholders' agreement that may be relevant for the above, and to (ii) hold the other Parties harmless and indemnify them from any liability that they may incur should said Party have triggered for one or all of the other Parties the obligation to launch a mandatory public takeover bid on the shares of the Resulting Entity.

**Key governance principles**

The Parties shall set some key governance principles in accordance, among other things, with the best practices and governance standards applicable to national and foreign listed companies of similar size. The Parties also agree that the Nexi Group shall be managed by a highly specialised management team appreciated by institutional investors, leveraging the professional expertise at several organisational levels of the inhouse resources of both Nexi and SIA, as existing at the date of the SIA Shareholders' Agreement. In particular, the management team will be selected by the Chief Executive Officer, Paolo Bertoluzzo: (a) based on the best practices for similar-sized listed companies and consistent with the relevant standards and guidelines, and (b) taking due account of the expertise and professional skills - in both SIA and Nexi - required for the future growth of the Resulting Entity.

The Parties (other than H&F and PSIA) agree that Nexi's Board of Directors will adopt, as quickly as possible after the date of the SIA Shareholders' Agreement: (a) an initial Business Plan that reflects and builds on the guidelines agreed by Nexi, SIA, Mercury, CDPE and FSIA pursuant to the SIA Framework Agreement; and (b) an adequate management retention system (in cash and/or shares) that includes lock-up obligations and, if necessary, vesting obligations, in line with the best practices of similar-sized listed companies. For the entire duration of the SIA Shareholders' Agreement, said Parties will monitor compliance with the agreed



guidelines and will exercise their voting and other rights as shareholders of the Resulting Entity so as to fully implement the guidelines while pursuing the primary and common goal of creating value for and in the best interest of all shareholders.

### **Resolutions of Nexi's Shareholders' Meeting and Board of Directors**

Each Party (other than PSIA and the H&F Investor, the latter only as regards point (i) below) will exercise its voting rights as shareholder of the Resulting Entity in a coordinated way and jointly with the other Parties on the resolutions concerning: (i) with the exception of H&F and PSIA, some Confidential Matters (as detailed in the SIA Framework Agreement), so that, should AB Investors, Mercury, CDPE and FSIA fail to reach a common stance on the relevant resolution, all the Parties (save for H&F and PSIA, which may vote at their discretion) shall vote together to reject the resolution, and (ii) the appointment of Nexi's Board of Directors and Nexi's Board of Statutory Auditors, so as to comply at all times with the provisions of the SIA Shareholders' Agreement. Furthermore, each Party (other than PSIA and the H&F Investor, the latter only as regards point (i) below) will, to the extent permitted by the applicable laws and in accordance with their fiduciary duties, ensure that each director designated by said Party, from time to time, (but, for the sake of clarity, excluding any independent director), exercises his/her voting rights and powers in a coordinated way and jointly with the directors designated by the other Parties on resolutions concerning: (i) with the exception of H&F and PSIA, the applicable Confidential Matters (as detailed in the SIA Framework Agreement) in such a way that, should the non-independent directors designated by AB Investors, Mercury, CDPE and FSIA fail to reach a common stance on the relevant resolution, all directors designated by the Parties (other than the directors designated by H&F, who may vote at their discretion) will vote together to reject the resolution and (ii) the appointment/replacement of the Chief Executive Officer, the replacement of the Board of Directors' members pursuant to Article 2386(1) of the Italian Civil Code and any other applicable issue, so as to comply at all times with the provisions of the SIA Shareholders' Agreement.

### **Composition of Nexi's Board of Directors and Board of Statutory Auditors**

#### **Board of Directors**

Starting from the Effective Date and until the first of the following dates - (i) the date of the Shareholders' Meeting called to approve the annual financial statements as at 31 December 2021, and (ii) the date of the Shareholders' Meeting called to appoint the new Nexi Board of Directors to succeed the one in office at the Effective Date (hereinafter, the "**First Term**") - the composition of the Board of Directors shall be as follows:

- (i) six directors (one non-independent director to be appointed as deputy chairperson, four independent directors and one director meeting the gender balance requirements under the applicable laws) designated jointly by CDPE and FSIA;
- (ii) Paolo Bertoluzzo, as Nexi's Chief Executive Officer ("**Initial CEO**");
- (iii) four directors (one to be appointed as chair, three directors, who need not be independent, and one independent director and two directors meeting the gender balance requirements under the applicable laws) designated by Mercury;
- (iv) one director - who need not be independent - designated by AB Europe;
- (v) one director - who need not be independent - designated by Eagle SCA; and
- (vi) two directors - who need not be independent - designated by H&F.

In this regard, it should be noted that, on 16 December 2021 (and in any case prior to the signing of the SIA-Nexi Merger deed), CDPE and FSIA sent to Mercury and Nexi the names of the individuals nominated by them, who were appointed on the same date, with effect from the effective date, as directors of Nexi after the

## SIA Merger.

This composition of the Board of Directors may be modified should, during the First Term, the percentage of the aggregate stake in the Resulting Entity's share capital directly or indirectly held (including through the CDPE Vehicle), by CDPE and FSIA fall below a specific Governance Threshold (said threshold being (i) 17.2% and, (ii) starting from, and for the purposes of, the appointment of the Board of Directors following the one in office on the Effective Date and any future appointment of the Board of Directors, 19.9%). In the latter case, CDPE and FSIA shall ensure that one independent director they have designated promptly resigns from office and the Parties (other than PSIA) shall ensure that said resigning director is replaced by one independent director designated jointly by Mercury and the AB Investors. Notwithstanding the above, each of the rights under points (iii), (iv) and (v) above shall be deemed assigned to Mercury and to the AB Investors.

Starting from the expiry of the First Term (excluded) and until the date of the Shareholders' meeting that will approve the annual financial statements of the Resulting Entity as at 31 December 2024 (hereinafter, the "**Second Term**"), should CDPE, FSIA and PSIA hold, directly or indirectly (including through the CDPE Vehicle) an aggregate stake of the Resulting Entity's share capital that is equal to or greater than the Governance Threshold, Nexi's Board of Directors shall be composed as follows:

- (i) six directors (five of whom must be independent directors, including one to be appointed as chair, and two of whom must meet the gender requirements under the applicable laws) designated jointly by CDPE and FSIA;
- (ii) two directors - who need not be independent - designated jointly by Mercury and AB Investors;
- (iii) unless otherwise provided by the SIA Shareholders' Agreement, the Initial CEO;
- (iv) two directors - who need not be independent - designated by H&F;
- (v) two directors designated by the minority shareholders.

Otherwise, starting from the expiry of the First Term (excluded) and until the Second Term, should CDPE, FSIA and PSIA directly or indirectly hold (including through the CDPE Vehicle) an aggregate stake in the Resulting Entity's share capital that is below the Governance Threshold, Nexi's Board of Directors shall be composed as follows:

- (i) five directors (four of whom must be independent directors, including one to be appointed as chairperson, and two of whom must meet the gender requirements under by the applicable laws) designated jointly by CDPE and FSIA;
- (ii) three directors (one independent director and, in this case, one director that meets the gender requirements provided for by the applicable laws) designated jointly by Mercury and AB Investors;
- (iii) unless otherwise provided by the SIA Shareholders' Agreement, the Initial CEO;
- (iv) two directors - who need not be independent - designated by H&F; and
- (v) two directors designated by the minority shareholders.

This composition of the Board of Directors may be modified if, during the Second Term, the aggregate stake directly or indirectly held in the Resulting Entity's share capital (including through the CDPE Vehicle) by CDPE, FSIA and PSIA increases or decreases above or below the Governance Threshold. In the latter case, Mercury and the AB Investors, or CDPE and FSIA (as the case may be) shall ensure that one independent director they have designated promptly resigns from office and all Parties (other than PSIA) shall ensure that the resigning director is replaced by one independent director designated jointly by CDPE and FSIA, or Mercury and the AB Investors (depending on the case).

The Parties (other than PSIA) acknowledge that (i) all Resulting Entity directors designated by the Parties as independent must meet the independence requirements prescribed by applicable law (including the provisions of the Corporate Governance Code), and (ii) consistent with the best practices and governance standards applicable to listed companies, all candidates nominated by the Parties for appointment or co-option as members of the Resulting Entity's Board of Directors must (collectively, the "**Selection Criteria**"):

- (i) not be directors or employees of competitors of the Group or of any of the major commercial banks, or employees of the Group (with the exception of the Chief Executive Officer who may also be a General Manager pursuant to Article 2396 of the Civil Code);
- (ii) meet certain professional requirements, such as an international professional background and previous experience as a director or auditor in domestic or foreign listed companies, or in key roles in companies of comparable size to the Resulting Entity, operating in the payments, digital technology, banking or financial sectors; and
- (iii) be identified in compliance with the applicable law and the Articles of Association, also taking into account any appropriate indication from the Remuneration and Appointment Committee of the Resulting Entity.

The Parties (other than PSIA) shall ensure that at least one director designated by Mercury and the AB Investors, one designated by H&F and one designated by CDPE and FSIA is a member of: (x) Nexi's Strategic Committee; and (y) any other Board Committee that from time to time has among its members at least one director designated by the other Party(ies).

Each director designated pursuant to the above, save for any individual that will be appointed as Nexi CEO (the "**Chief Executive Officer**"), may be dismissed (with or without just cause) from time to time, at any time, by the Shareholders' Meeting, upon request of the Party or Parties that designated them. The Party or Parties requesting the dismissals shall hold Nexi and/or the other Party or Parties harmless and indemnify them from any claims or actions the dismissed directors may, respectively, submit or take with regard to said dismissal. Should a designated director, save for anyone who is CEO of the Company, resign or cease from office, for any reason, during the First or Second Term (as the case may be), the Party or Parties that designated them shall have the right to designate the new director, in order to retain the composition of the Board of Directors as set out above.

The Parties agree that the rights of H&F under the Nets Shareholders' Agreement shall be unprejudiced.

During the First Term, the Initial CEO (a) shall be the Chief Executive Officer and sole general manager of Nexi and the Nexi Group, and (b) shall hold, in the other subsidiaries of the Group, the same powers/proxies and the same roles/titles held as at the date of the SIA Shareholders' Agreement.

Without prejudice to the above, should the Initial CEO cease to be Chief Executive Officer for any reason, within and no later than 15 (fifteen) days of the effective date of his/her ceasing from office (unless CDPE, FSIA, AB Investors and Mercury have, in the meantime, agreed in writing on the person that will replace the Initial CEO as Nexi Chief Executive Officer and General Manager - hereinafter, the "**New Chief Executive Officer**"), CDPE, FSIA, AB Investors and Mercury (who shall pre-emptively consult with H&F), supported by a specialised head-hunter - identified jointly - shall select the New Chief Executive Officer, in the manner and with the criteria set forth in the SIA Shareholders' Agreement.

#### Board of Statutory Auditors

During the First Term, the composition of the Board of Statutory Auditors shall be as follows:

- (i) one statutory auditor and one alternate auditor designated jointly by CDPE and FSIA; and

- (ii) the remaining two statutory auditors - one acting as chair of the Board of Statutory Auditors - and one alternate auditor designated jointly by Mercury and AB Investors.

Each Party shall ensure that, for the entire duration of the Second Term, the Board of Statutory Auditors is composed as follows (in accordance with the applicable laws and the New Articles of Association):

- (i) one statutory auditor and one alternate auditor designated jointly by CDPE and FSIA;
- (ii) one statutory auditor designated jointly by AB Investors and Mercury; and
- (iii) one statutory auditor, who shall act as chair of the Board of Statutory Auditors, and one alternate auditor, designated by the minority shareholders.

Should a statutory auditor and/or alternate auditor designated pursuant to the above resign or cease to be in office, for any reason, before their term expires, the Party(ies) that have designated said auditor shall designate (in accordance with the applicable laws and the New Articles of Association) the new auditor so as to retain the aforesaid composition of the Board of Statutory Auditors.

**Lock-ups, allowed transfers and call options**

The Parties (other than the AB Investors and H&F) agree that for a period of:

- (i) 6 months starting from the effective date of the SIA Merger (hereinafter, the “**First Lock-Up Period**”), no Party may transfer the Resulting Entity’s shares or perform any hedging activities on the Resulting Entity’s shares; and
- (ii) 12 months starting from the expiry of the First Lock-Up Period (hereinafter, the “**Second Lock-Up Period**”), no Party may transfer the Resulting Entity’s shares, unless specific exceptions are provided in the SIA Shareholders’ Agreement.

Notwithstanding the above, at any time, including during the First Lock-Up Period and the Second Lock-Up Period:

- (i) each Party (to which such provision applies) may transfer all or part of their shares in the Resulting Entity (a) to their affiliated companies, or (b) in accordance with the mandatory laws or following the order of any competent authority; and
- (ii) Mercury shall have the right to transfer (all or part) of its Nexi shares (a) to its Affiliated Companies and to Intesa Sanpaolo SpA (in the latter case up to 2.5% of Nexi’s share capital); (b) to parties bound to Nexi by subordinate employment relationship at the date of the Shareholders’ Agreement (and any other party for the purpose of possible sell-to-cover procedures); (c) in accordance with the lockup obligations explicitly taken on by Mercury under the placement agreements subscribed by Mercury itself on 6 October 2020; (d) to Clessidra (or Fides, or any of its Affiliated Companies) as a result of the Mercury Reorganisation, subject to Clessidra (and its Affiliated Company, if applicable) agreeing to join the Shareholders’ Agreement as if it/they were Party(ies) thereto by entering into one or more specific deeds of acceptance with the other parties to the Shareholders’ Agreement; (e) subject to any obligations and/or rights which Mercury has granted and which require it to transfer Nexi shares, to the extent that such obligations and/or rights have already been disclosed to CDPE and FSIA when entering into the Framework Agreement; and (f) pursuant to (i) any security interest, margin loan or similar financing entered into by Mercury and/or the Clessidra Funds or the Affiliated Companies in respect of Nexi Shares (the “**Margin Loan Security Interest**”) and/or (ii) any application of the Margin Loan Security Interest,

subject to certain specific conditions for the effectiveness of any transfer pursuant to clause (i)(a) above to an Affiliate Company which is not already a Party to the Shareholders’ Agreement.

Notwithstanding any contrary provision of the Other Shareholders' Agreements, for the entire term of the SIA Shareholders' Agreement, the AB Investors undertake, without CDPE's prior written consent (which shall not be unreasonably denied if CDPE, along with FSIA and PSIA their affiliated companies (including the CDPE Vehicle, if applicable), together, retain a stake exceeding that of each of the AB Investors, Mercury and their affiliated companies): (i) not to transfer their shares in the Resulting Entity to any affiliated entity (directly or indirectly through their subsidiaries), of AB Europe, or of Eagle SCA; and (ii) not to transfer their shares in the Resulting Entity to Mercury or one of its subsidiaries.

In the event that each of Mercury, AB Europe and/or Eagle SCA decides to transfer, individually or jointly, all or part of its shares representing at least 1% of Nexi's share capital (in a different scenario from those envisaged in points (i) and (ii) above, relating to permitted transfers which, for the sake of clarity, also include any transfer included in that list made by AB Europe and/or Eagle SCA, with the exception of the transfers contemplated in points (ii)(c) and (ii)(e) above), CDPE will have an irrevocable option right to purchase the shares involved in such transfer. Said call option, if applicable, shall be exercised by CDPE in accordance with the specific terms and conditions of the SIA Shareholders' Agreement, including the fact that exercising said call option shall not trigger the obligation to launch a mandatory public takeover bid on the shares and that all authorisations required by the applicable laws and regulations have to be obtained. The procedure for exercising the call option shall also apply, *mutatis mutandis*, in the event of further transfers of all or part of the Resulting Entity's shares by one of the aforesaid parties, where said transfers concern at least 1% of the Resulting Entity's share capital, until the total share package reached amounts to 5% of the Resulting Entity's share capital.

#### D. SPIN-OFF AGREEMENT

On 19 May 2021, CDPE, FSIA, Poste Italiane and PSIA entered into a spin-off agreement (the "**Spin-off Agreement**") governing the terms, conditions and procedures for the execution of a non-proportional partial spin-off transaction (the "**FSIA Spin-off**") of FSIA (a company indirectly controlled by CDPE), which held a 57.42% holding in the share capital of SIA, to be carried out through the allocation of FSIA's assets and liabilities, including, *inter alia*, part of the above-mentioned stake in SIA held by FSIA to the beneficiary PSIA, wholly owned by Poste Italiane.

The relevant provisions of the Spin-off Agreement are described below. For further information on the Spin-off Agreement, see the key information pursuant to Article 122 TUF and Article 130 of the Issuers Regulation, published on Nexi's website at <https://www.nexigroup.com/en/group/governance/documents-and-procedures/shareholders-agreements/>.

The Spin-off Agreement and the FSIA Spin-off are part of the SIA Merger and the Nets Merger.

The Spin-off Agreement provided that the FSIA Spin-off would become effective on the earlier of (i) the effective date of the SIA Merger deed, albeit immediately before said Merger, and (ii) the date on which the last of the authorisations for the Spin-off by the antitrust authority was obtained (the "**Effective Date**"), it being understood that said conditions had to be fulfilled by the deadline of 30 April 2022 for the Spin-off to become effective.

In this respect, also note that on 18 October 2021, the spin-off deed of FSIA Investimenti was signed between FSIA Investimenti, as the spun-off company, and PSIA, as the beneficiary. The agreement involved, *inter alia*, the allocation to PSIA of 29,514,776 SIA shares, representing 17.23% of the share capital of SIA. Pursuant to the above-mentioned spin-off deed, the FSIA Spin-off became effective on the SIA Merger's effective date, albeit immediately before said Merger. Accordingly, at the time the SIA Merger became effective, PSIA (i) became a shareholder of SIA and (ii) converted its SIA shares, in accordance with the exchange ratio, into Nexi shares, thus becoming a direct shareholder of Nexi following the SIA Merger.

The Spin-off Agreement contains, *inter alia*, shareholders' agreements concerning the governance of Nexi and specific restrictions on the transfer of Nexi shares, effective from the date of completion of the SIA Merger. These agreements are relevant for the purposes of Article 122 TUF and belong to the type of shareholders' agreements referred to in Article 122(5)(b) TUF, and cover all the stakes held by the parties to the Spin-off Agreement in Nexi after the SIA Merger.

### **Right of first refusal**

The Parties agree that from the beginning of the Second Lock-Up Period (as defined in the SIA Shareholders' Agreement) and until the earlier of: (i) the date on which CDPE and FSIA will reach a shareholding of at least 20% plus one share and (ii) the date of expiry of the SIA Shareholders' Agreement, both CDPE and FSIA shall have the right of first refusal ("**ROFR**"), which they may also exercise separately, on all the shares (the "**Sale Shares**") of Nexi that PSIA intends to transfer - in accordance with the terms and conditions set out in the Spin-off Agreement.

To exercise its ROFR, PSIA must send a specific notice to CDPE and FSIA (the "**PSIA Notice**") stating specifically: (i) the number of Sale Shares and (ii) the methods of transfer, i.e. whether en bloc through an accelerated book building process (the "**Block Sale**", or the "**ABB**"), or through sales on the electronic market (the "**Market Sale**").

In the case of a Block Sale, the Spin-off Agreement provides for a specific procedure to be followed by CDPE and/or FSIA to exercise their ROFR. In that case, the consideration per Sale Share payable by CDPE and/or FSIA shall be determined in the manner specified in the Spin-off Agreement.

In the event that neither CDPE nor FSIA exercises the ROFR (or exercises it in part), the (remaining) Sale Shares may or may not be sold en bloc by PSIA to a third party.

In the case of a Market Sale, the Spin-off Agreement provides for a specific procedure to be followed by CDPE and/or FSIA to exercise their ROFR. In that case, the consideration payable by CDPE and/or FSIA shall be determined in the manner specified in the Spin-off Agreement.

If neither CDPE nor FSIA exercise their ROFR, PSIA will be entitled to sell on the electronic market no more than the quantity of Sale Shares it indicated in the daily communication which PSIA is required to make by the day preceding each execution day.

### **Right of pre-emption**

As from the Second Lock-Up Period (as defined in the SIA Shareholders' Agreement) and until the earlier of (i) the date on which CDPE and FSIA will have reached a shareholding of at least 20% plus one share and (ii) the date of expiry of the SIA Shareholders' Agreement, in the event of unsolicited offers by third parties to purchase all or part of such shares of the Resulting Entity in the context of a private placement, each of CDPE and FSIA (which may also exercise such right severally) shall have the right of pre-emption over all (and not less than all) of the Nexi shares being offered by the third-party purchaser (the "**Nexi Shares Pre-emption Right**").

### **Right of co-sale**

Without prejudice to the Nexi Shares Pre-emption Right, until the expiry date of the SIA Shareholders' Agreement, PSIA is granted a right of co-sale, pursuant to which, if CDPE or FSIA intend to transfer, in whole or in part, their shareholding in Nexi to a third party (the "**Potential Transferee**"), Poste Italiane/PSIA will be entitled to transfer to the Potential Transferee, and CDPE or FSIA will therefore be required to allow the Potential Transferee to acquire, under the same terms and conditions, a stake in Nexi held by PSIA proportional to that transferred by CDPE or FSIA (the "**Co-sale Right on Nexi Shares**").

## 2.8. CHANGE-OF-CONTROL CLAUSES AND PROVISIONS IN THE ARTICLES OF ASSOCIATION ON TAKEOVERS

### 2.8.1 CHANGE-OF-CONTROL CLAUSES

The following are the relevant agreements which the Company or its subsidiaries are parties to and that shall be enforced, amended or terminated if the Company undergoes a change of control.

#### ISP Transaction

The strategic transaction with Intesa Sanpaolo SpA (“**ISP**” and “**ISP Transaction**”), approved by the Company’s Board of Directors on 19 December 2019, concerned and included, among other things, a) the transfer of all the tangible and intangible assets held by ISP for its merchant acquiring activity to Nexi Payments (the “**Transferee**”) in connection with the subscription and full issue of a capital increase reserved for ISP, without option rights pursuant to Article 2441(4) of the Italian Civil Code, and the subsequent all-cash acquisition, by the Company, of all the shares held by ISP following said capital increase in the Transferee upon said transfer and b) the signing of a 25-year agreement between the Transferee and ISP for the marketing and distribution by ISP to its merchant clients of the products and services of the Group’s Merchant Digital Acceptance business (the “**Distribution Agreement**”).

Under the Distribution Agreement, ISP has a right of withdrawal if, following a direct or indirect change of control in the Transferee, a direct competitor of ISP, alone or with other parties, acquires control over the Transferee. The ISP Transaction was finalised on 30 June 2020, following the fulfilment of the conditions precedent set forth under said agreements, including obtaining clearance from the Bank of Italy and the European Antitrust Authority. For further information on the ISP Transaction, see the report published by the Company on 23 December 2019, available on the website [www.nexigroup.it](http://www.nexigroup.it) and on the authorised storage mechanism “eMarket STORAGE”.

#### Loan Agreements

- On 20 March 2019, the Company, its subsidiaries Nexi Payments and Mercury Payment Services and a number of banks signed a loan agreement (the “**IPO Facilities Agreement**”) pursuant to which the banks granted the Company, Nexi Payments and Mercury Payment Services, in accordance with the terms and conditions set forth therein, a credit line (term loan) originally of €1,650,000,000 - currently €1,000,000,000 - and a revolving credit line of €350,000,000 to be used, among other things, respectively, to partially refund the Group’s financial debt outstanding at the time and fund or refund working capital needs and/or meet the Group’s general corporate requirements.
- On 26 June 2020, the Company and a number of banks signed a loan agreement (the “**Term Facility Agreement**” and, together with the IPO Facilities Agreement, the “**Loan Agreements**”) pursuant to which the banks granted the Company, under the terms and conditions set forth therein, a credit loan (term loan) for an overall amount of €466,500,000 used, together with the proceeds of the EL Notes 2020 and other cash equivalents of the Company, to comply with the Company’s payment obligations to ISP stemming from the ISP Transaction and to pay all the fees, costs and expenses related to said transaction.

Nexi shall refund the relevant credit lines if, among other things:

- i) an entity, or a group of entities acting collectively (with the exception of entities defined as “Equity Investors”, pursuant to the Financing Agreements) that do not control Nexi, come to directly or indirectly hold a stake of 50%+1 of Nexi’s share capital with voting rights; or
- ii) in the event of a sale of all or essentially all of the Nexi Group’s assets to entities not belonging to the Nexi Group (through individual sales or via several related transactions).

### **HY Notes 2019**

On 21 October 2019, Nexi issued notes, governed by the laws of the State of New York, worth €25 million due in 2024, listed on the multilateral trading facility “Euro MTF” of the Luxembourg Stock Exchange and placed with qualified investors (“**HY Notes 2019**”). The proceeds of the HY Notes 2019 issuance have been used, together with other cash equivalents of the Company, for the full early repayment of the “€25,000,000 4.125% Senior Secured Notes due 2023”, worth €25 million, issued in May 2018 by Nexi Capital SpA (company merged by incorporation into Nexi in December 2018) and to cover the related costs and expenses.

The indenture relating to the HY 2019 Notes of 21 October 2019 (the “**HY 2019 Notes Indenture**”) provides that each holder of the HY Notes 2019 may require the Company to make an early redemption, in whole or in part, of the HY Notes 2019 held for an amount equal to 101% of the principal amount, plus accrued interest still unpaid at the early redemption date, if any of the following events occur:

- 1) the sale or any other disposal other than a merger, a consolidation, a transfer of Nexi Voting Stocks (as defined under the HY Notes 2019 Indenture) concerning all (or substantially all) the assets and properties of the Company and its subsidiaries, jointly considered, to any party (as defined under Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended) other than one or more of the Permitted Holders (as defined in the HY Notes 2019 Indenture), except for the sale or other disposal concerning all (or substantially all) the assets and properties of the Company and its subsidiaries to a Company’s affiliated company (as defined in the HY Notes 2019 Indenture), so as to reincorporate the Company under another jurisdiction, change its residence or company structure, on condition that said transaction be performed in accordance with the commitments and limitations set forth under the section “Certain Covenants - Merger, Consolidation or Sale of Substantially all Assets” of the HY Notes 2019 Indenture; or
- 2) the performance of any transaction (including, for example, any merger or consolidation) following which a person (as defined in Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended) other than one or more of the Permitted Holders (as defined in the HY Notes Indenture) directly or indirectly becomes the Beneficial Owner (as defined in the HY Notes 2019 Indenture) of more than 50% of the Company’s voting stock (as defined in the HY Notes 2019 Indenture) considering voting rights and not the number of shares, without prejudice to the fact that, for the purposes of this provision, the event in question shall not be considered to have occurred if the Company becomes a subsidiary of a Parent Holdco (as defined in the HY Notes 2019 Indenture),

provided that, in each case under points 1) and 2), during the 90 days following the occurrence of the events indicated in points 1) and 2) (extendable by a further 90 days if a rating agency announces to the public that it is considering a possible downgrade of the HY Notes 2019) a Rating Event has occurred, as defined in the HY Notes 2019 Indenture.

### **EL Notes 2020**

On 24 April 2020, Nexi issued equity-linked notes, governed by English law, worth €500 million in principal due in 2027, listed on the multilateral trading facility “Vienna MTF” of the Vienna Stock Exchange, starting on 8 May 2020 (the “**EL Notes 2020**”). The EL Notes 2020 can be converted into ordinary shares of the Company, under the terms and conditions of the EL Notes 2020 rules. The proceeds of the EL Notes 2020 issuance have been used to partially fund the consideration payable for the ISP Transaction described above.

Under the terms and conditions of the EL Notes 2020 set out in the trust deed of 24 April 2020 (the “**EL Notes T&Cs 2020**”), each holder of EL Notes 2020 may ask the Company for the early repayment of the EL Notes 2020 held, for an amount equivalent to the issue price plus the interest accrued and outstanding at the date of the early repayment (excluded), if one of the following events occurs:



- 1) (x) an entity other than a Permitted Holder (as defined in the EL Notes T&Cs 2020) makes an offer to all the shareholders (or to a number of shareholders that is as close as possible to their total number) other than the offeror and/or parties related to it, for the purchase of all or of the majority of the Company shares and the acquisition, by the offeror, of control over the Company; or (y) a person (other than a Permitted Holder) or several persons acting in agreement or jointly, acquire control over the Company, in either case under points (x) and (y) unless said circumstances result from an Exempt Newco Scheme (as defined in the EL Notes T&Cs 2020), without prejudice to the fact that (A) for the purposes of points (x) and (y), “control” means the acquisition, holding, legal or beneficial ownership or control of an overall share of voting rights (as defined in the EL Notes T&Cs 2020) in the Company exceeding 50% and (B) for the purposes of point (y), if a Permitted Holder acts in agreement with or jointly with one or more persons, the voting rights attached to the shares held by said Permitted Holder shall not be taken into consideration when determining whether said person (or persons) have taken over control of the Company; or
- 2) on each market trading day in a period of at least 30 consecutive trading days, the Floating Amount (as defined in the EL Notes T&Cs 2020) is equal to or less than 25% of the Company’s ordinary shares issued and outstanding (it being understood that, for the purposes of this calculation, the shares held by the Company and by the companies controlled by it shall be deemed not issued and not outstanding).

### **EL Notes 2021**

On 24 February 2021, Nexi issued equity-linked notes, governed by English law, worth €1 billion in principal due in 2028, listed on the multilateral trading facility “Vienna MTF” of the Vienna Stock Exchange, starting on the date of issuance (the “**EL Notes 2021**”). The EL Notes 2021 can be converted into ordinary shares of the Company, under the terms and conditions of the EL Notes 2021 rules. The proceeds from the issuance of the EL Notes 2021 shall be used to partially refinance the Nets group’s debt at the date the merger was disclosed to the market on 15 November 2020 and/or to carry out Nexi’s core business.

Under the terms and conditions of the EL Notes 2021 set out in the trust deed of 24 February 2021 (the “**EL Notes T&Cs 2021**”), each holder of EL Notes 2021 may ask the Company for the early repayment of the EL Notes 2021 held, for an amount equivalent to the issue price, if one of the following events occurs:

- 1) (x) an entity other than a Permitted Holder (as defined in the EL Notes T&Cs 2021) makes an offer to all the shareholders (or to a number of shareholders that is as close as possible to their total number) other than the offeror and/or parties related to it, for the purchase of all or of the majority of the Company shares and the acquisition, by the offeror, of control over the Company; or (y) a person (other than a Permitted Holder) or several persons acting in agreement or jointly, acquire control over the Company, in either case under points (x) and (y) unless said circumstances result from an Exempt Newco Scheme (as defined in the EL Notes T&Cs 2021), without prejudice to the fact that (A) for the purposes of points (x) and (y), “control” means the acquisition, holding, legal or beneficial ownership or control of an overall share of voting rights (as defined in the EL Notes T&Cs 2021) in the Company exceeding 50% and (B) for the purposes of point (y), if a Permitted Holder acts in agreement with or jointly with one or more persons, the voting rights attached to the shares held by said Permitted Holder shall not be taken into consideration when determining whether said person (or persons) have taken over control of the Company; or
- 2) on each market trading day in a period of at least 30 consecutive trading days, the Floating Amount (as defined in the EL Notes T&Cs 2021) is equal to or less than 25% of the Company’s ordinary shares issued and outstanding (it being understood that, for the purposes of this calculation, the shares held by the Company and by the companies controlled by it shall be deemed not issued and not outstanding).

### **HY Notes 2021**

On 29 April 2021, Nexi issued two high yield bonds denominated respectively “€1,050,000,000 1.625% Senior Notes due 2026” (the “**HY Notes 2021-2026**”) and “€1,050,000,000 2.125% Senior Notes due 2029” (the “**HY Notes 2021-2029**”) and, together with the HY Notes 2021-2026, the “**HY Notes 2021**” and each a “**HY Note 2021**”) pursuant to an indenture governed by the laws of the State of New York entered into on 29 April 2021 between the Issuer and U.S. Bank Trustees Limited as trustee (respectively, the “**HY Notes 2021 Trustee**” and the “**HY Notes 2021 Indenture**”).

The proceeds of the HY Notes 2021 were partially used to refinance, together with the proceeds of the EL Notes 2021, the financial debt of the Nets group, as well as to refinance the financial indebtedness of SIA; to complete the SIA Merger; and to meet costs and expenses associated with the issuance of the HY Notes 2021 and the EL Notes 2021. The residual portion of the proceeds (less than €30 million) was used to finance the Issuer’s core business (including to refinance its financial debt).

The HY 2021 Notes Indenture provides that each holder of the HY Notes 2021 may ask the Company for the early repayment, in whole or in part, of the HY Notes 2021 held for an amount equal to 101% of the principal amount, plus interest accrued and outstanding at the early redemption date, if one of the following events occurs:

- 1) the sale, transfer or other direct or indirect disposal (other than as a result of a merger, consolidation or transfer of shares carrying voting rights for the appointment of the Issuer’s Board of Directors), through one or more related transactions, involving all or substantially all of the property and assets of the Issuer and its Subsidiaries, together deemed to be for the benefit of any person or group (as defined in Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended) other than one or more Permitted Holders (as defined in the HY Notes 2021 Indenture), except for the sale, transfer or other direct or indirect disposal, involving all or substantially all of the property and assets of the Issuer and its Subsidiaries to an Affiliate (as defined in the HY Notes 2021 Indenture) of the Issuer for the purpose of the incorporation of the Issuer into another jurisdiction, change of domicile or change of corporate form, provided that such transaction is effected in accordance with the requirements and limitations set forth in the “Certain Covenants-Merger, Consolidation or Sale of Substantially all Assets” section of the HY Notes 2021 Indenture for the purpose of effecting extraordinary transactions; or
- 2) the performance of any transaction (including, without limitation, any merger or consolidation transaction) by which a “person” or “group” (as defined in Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended) - without taking into account, among the shares with voting rights for the appointment of the Issuer’s Board of Directors held by such “person” or “group”, shares with voting rights for the appointment of the Issuer’s Board of Directors held by a Permitted Holder who is part of such “person” or “group” - becomes the Beneficial Owner (as defined in the HY Notes 2021 Indenture), directly or indirectly, of more than 50% of the shares with voting rights for the appointment of the Issuer’s Board of Directors, calculated on the basis of voting rights and not on the basis of the number of shares, provided that for the purposes of this point, no Change of Control event will occur if the Issuer is a Subsidiary of a “Parent Holdco” (as defined in the HY Notes 2021 Indenture),

provided that, in each case under points 1) and 2), during the 90 days following the occurrence of the events indicated in points 1) and 2) (extendable by a further 90 days if a rating agency announces to the public that it is considering a possible downgrade of the HY Notes 2021) a Rating Event has occurred, as defined in the HY Notes 2021 Indenture.

**Nassa Topco Notes**

On 6 April 2017, Nassa Topco AS issued Notes entitled “€400,000,000 2.875% Senior Notes due 2024” (the “**Nassa Topco Notes**”) pursuant to the provisions of the relevant rules (the “**Nassa Topco Notes Rules**”). The Nassa Topco Notes were placed by virtue of the exemptions set out in Rule 144A and Regulation S of the U.S. Securities Act of 1933. Following the Nets Merger, the Nassa Topco Notes became part of the Nexi Group’s financial debt.

Upon the occurrence of a “Change of Control” and a “Rating Event”, as defined in the Nassa Topco Notes Rules, each holder of securities representing the Nassa Topco Notes may ask Nassa Topco AS to repurchase all or part of the Notes held by it at a price equal to 101% of the total principal amount of the notes being repurchased, together with interest accrued and outstanding interest and any additional amounts, if any, at the date of repurchase.

For the purposes of the Nassa Topco Notes, a “Change of Control” occurs where, *inter alia*, substantially all the property or assets of Nets A/S and its subsidiaries are transferred to any person (as defined in Section 13(d)(3) of the U.S. Securities Exchange Act of 1934, as amended), or a plan for the liquidation or dissolution of Nets A/S is adopted or a transaction is completed whereby ownership of more than 50% of the voting shares (calculated on the basis of voting rights) of Nets A/S is transferred to a person (as defined in Section 13(d)(3) of the U.S. Securities Exchange Act of 1934, as amended).

For the purposes of the Nassa Topco Notes, a “Rating Event” occurs if (i) on the date of the first public announcement of an event constituting a Change of Control, there is also a downgrade - in addition to and for any reason whatsoever (including other than the occurrence of a Change of Control itself) - of the Investment Grade rating assigned by S&P’s and Moody’s to the Nassa Topco Bond, upon the occurrence of a Change of Control, or within 90 days (extended for a further 90 days if S&P’s or Moody’s announce to the public that they are considering a possible downgrade of the Nassa Topco Notes), leading to the lowering of the Investment Grade rating by even only one of the rating agencies or (ii) if on the date of the first public announcement of an event constituting a Change of Control, the Nassa Topco Notes do not have an Investment Grade rating issued by S&P’s and Moody’s - in addition and for any reason whatsoever (including other than the Change of Control) - a change in the Investment Grade rating issued by one of the above-mentioned rating agencies occurs upon the Change of Control, or within 90 days (extended for a further 90 days if S&P’s or Moody’s announce to the public that they are considering a possible downgrade of the Nassa Topco Bond), so that the rating of the Nassa Topco Notes is downgraded to a lower rating category compared to the rating issued by the same agency prior to the public announcement of the Change of Control.

### **BBPM Loan Agreement**

On 15 December 2021, Nexi signed a loan agreement (the “**BBPM Loan Agreement**”) pursuant to which Banco BPM SpA, as lender, agent and sole arranger, granted the Company a credit line for an original total amount of €200,000,000.00 (the “**BBPM Credit Line**”), in order to finance the cashflow needs of the Company and the Nexi Group without any constraints as to its use.

As at 30 December 2021, the BBPM Credit Line had been fully drawn down by the Company and shall be repaid in two instalments, in accordance with the repayment percentages provided therein, as follows: (i) on the date falling on the 36th month after the BBPM Loan Agreement execution date, as to 30% of the amount of the BBPM Credit Line and (ii) on the date falling on the 48th month after the BBPM Loan Agreement execution date, for the remaining 70%, it being understood that, in any event, the BBPM Credit Line shall be repaid in full by the date falling on the 48th month after the BBPM Loan Agreement execution date.

Pursuant to the BBPM Loan Agreement, Nexi must carry out the early repayment of the BBPM Credit Line in the following cases, *inter alia*: (i) in the event of a change of control, i.e., if a party, or a group of parties acting jointly (with the exception of the parties defined as “Equity Investors” in the BBPM Loan Agreement), which at the above-mentioned date did not control the Company comes to hold, directly or indirectly, a stake equal

to 50%+1 of the Company's share capital with voting rights) and (ii) in the event of the sale of all or substantially all of the Nexi Group assets to entities not belonging to the Nexi Group (whether through individual sales or a series of linked transactions) (each scenario (i) and (ii) above, an "**Exit Event**") with the exception of any transaction, fact or action carried out by Nexi in the context of the SIA Merger and the Nets Merger.

In said cases, even in the absence of any other event of default under the BBPM Loan Agreement, the lender, without prejudice to the rights and obligations of the other lenders, (i) shall be released from the obligation to fund further drawdown requests and (ii) may request to terminate its commitments under the BBPM Loan Agreement and declare immediately due and payable all drawdowns not yet repaid, in both cases by notifying the agent and Nexi, within 30 days of being notified of an Exit Event, of its intention to exercise the rights under (i) and (ii) above.

### **2.8.2 PROVISIONS IN THE ARTICLES OF ASSOCIATION ON TAKEOVERS**

As concerns public takeover and exchange/swap bids, please note that the Company's Articles of Association do not provide for exceptions to the provisions concerning the passivity rule under Article 104(1) and (1a) TUF, nor for the application of the neutralisation rules under Article 104a(2) and (3) TUF.

### **2.9. DELEGATION OF POWERS TO INCREASE THE SHARE CAPITAL AND AUTHORISE THE PURCHASE OF TREASURY SHARES**

On 12 March 2019, the Extraordinary Shareholders' Meeting resolved to grant to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to authorise, within sixty months, a free share capital increase - divisible and in one or several tranches - pursuant to Article 2349(1) of the Italian Civil Code, through profits or available reserves, for a maximum amount of €1,000,000.00 to be allocated entirely as capital through the issuance of an overall number of shares not exceeding 1.5% of the number of Company shares existing following the listing, with regular dividend rights, to service the three-year Long-Term Incentive Plan - LTI. Under the plan, Nexi ordinary shares are awarded at no cost to selected employees who achieve specific targets. For more information on this plan, see pages 26 et seq. of the Report on Remuneration.

The extraordinary Shareholders' Meeting, held on 29 June 2020, resolved to increase the share capital in cash, via payment and on a divisible basis, excluding option rights pursuant to Article 2441(5) of the Italian Civil Code, for an overall amount - including any share premium - of €500,000,000 (five hundred million) to service the conversion of the bond loan issued by the Company, named "*€500,000,000 1.75 per cent. Equity-Linked bonds due 2027*", to be paid up in one or more tranches by issuing ordinary shares of the Company, with regular dividend rights, for a maximum amount of €500,000,000 (five hundred million) in accordance with the criteria set out in the Bond Rules, it being understood that the deadline for subscribing the new shares is 30 April 2027.

On 5 May 2021, the Ordinary Shareholders' Meeting resolved: (i) to revoke with effect from that date the plan for the purchase and disposal of treasury shares approved by the Shareholders' Meeting of 5 May 2020; (ii) to authorise, pursuant to, for the purposes of and within the limits of Article 2357 of the Italian Civil Code, the purchase, in one or more instalments and including on a revolving basis, of a maximum number of ordinary shares of Nexi that would lead the Company to hold, if the option so granted is exercised in full within the time limit indicated below, a number of shares not exceeding - taking into account the shares held from time to time in the portfolio by the Company and its subsidiaries - 1.5% of the share capital existing from time to time, in compliance with all legal limits, for the pursuit of the purposes and under the terms and conditions set out in the Board of Directors' Report (prepared and published within the legal terms); (iii) to authorise, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, the performance of acts of disposal, in one or more instalments, on treasury shares purchased or already held by the Company as at the Shareholders' Meeting date, in compliance with the laws and regulations in force from time to time, for the pursuit of the

purposes and according to the terms and conditions set forth in the said Board of Directors' Report. On 13 May 2021, Nexi's Board of Directors resolved to initiate a share buyback programme, in execution of the above-mentioned resolution of the Shareholders' Meeting of 5 May 2021, for a maximum number of 325,000 shares, equivalent to 0.05% of Nexi's current share capital (the "**Programme**"). The Programme, which has already been completed, serves the medium-long term incentive plan based on the granting of ordinary shares of the Company, approved by the Board of Directors on 12 March 2019. As at 31 December 2021, Nexi held 282,475 treasury shares representing approximately 0.02% of Nexi's shares.

On 15 October 2021, the Extraordinary Shareholders' Meeting resolved to increase the share capital in cash, via payment and on a divisible basis, excluding option rights pursuant to Article 2441(5) of the Italian Civil Code, for a total amount, including any share premium, to be paid in one or more tranches through the issue of ordinary shares of the Company, with regular dividend rights, for a maximum amount of €1,000,000,000 (one billion), to service exclusively the bond loan issued by the Company named "€1,000,000,000 Zero Coupon Equity Linked Bonds due 2028", according to the criteria set out in the Bond Rules, it being understood that the final date for subscription of the newly issued shares is set at 10 March 2028.

## **2.10. MANAGEMENT AND COORDINATION ACTIVITIES**

Nexi is subject to no management and coordination activities.

The Company performs the management and coordination of its subsidiaries. Said activities are governed by the Group's general regulations, approved by Nexi's Board of Directors and transposed by the subsidiaries' Boards. Management and coordination of said companies is performed, in particular, via the approval of Group-wide business, financial and strategic plans, the drafting of Group directives, procedures and guidelines and the appointment of the subsidiaries' corporate bodies.

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Finally, it should be noted that:

- for the information under Article 123-*bis*(1)(i) TUF concerning possible agreements between the Company and the directors that provide for indemnities in the event of an early termination of the employment relationship, please refer to Section 8 of this Report and to the Remuneration Report.
- The information required by Article 123-*bis*(1)(l) TUF, concerning the applicable rules for the appointment and replacement of directors is set forth in the Section of the Report on the Board of Directors (Section 4, paragraph 4.1).
- Regarding the rules on amending the Articles of Association, pursuant to Article 123-*bis* TUF, said rules have been approved by the Shareholders' Meeting as provided for by law. However, it should be noted that, based on Article 16 of the Articles of Association, the powers of the Board of Directors include making amendments to the Articles of Association where required to comply with legal provisions. The granting of said power to the Board of Directors shall not affect the powers of the Shareholders' Meeting to amend the Articles of Association. For more information, please see Section 13 of this Report.

### 3. COMPLIANCE

Nexi has acceded to the Italian Corporate Governance Code.

The Corporate Governance Code is available on the website of the Italian Corporate Governance Committee, at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

Nexi's implementation of the Code is nearly total, except for limited exceptions which are subject to appropriate disclosure as provided for by the Code.

The Company and its subsidiaries are not subject to non-Italian laws affecting its corporate governance structure.

### 4. BOARD OF DIRECTORS

#### 4.1. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors pursues the sustainable success of the Nexi Group, focusing on creating medium- to long-term value for shareholders.

The Board of Directors plays a key role in the corporate structure, setting out and pursuing the Company's strategic, business and financial objectives and verifying the existence of the necessary controls for monitoring the Company's performance.

Accordingly, the Board of Directors assesses carefully its own work, taking into account the input from the various stakeholders and carrying out benchmarking activities, also through independent consultants, to monitor the constant evolution of the best practices of other listed companies with regard to specific aspects. Additionally, the Board constantly updates its policies, procedures and monitors changes in the relevant risk profiles, in light of the constant evolution of its Group.

The purpose of these activities is to obtain an update and a full picture of the situation, to ensure that the Board of Directors, as the Group's guide, can effectively pursue principles of sustainability, also thanks to the major monitoring role played by the Risk, Control and Sustainability Committee. In particular, while the theme of sustainability is already discussed in the meetings of the Board of Directors, the Board intends to strengthen its guiding role in the pursuit of the Company's "sustainable success", i.e. over a medium-long term period, by discussing this issue constantly in Board meetings (as highlighted by the self-assessment process described in Section 7).

Without prejudice to the above, the Board decided to effectively pursue its role as a leader in the sustainable success of the Issuer already in the past years, adopting the Group's Sustainability Policy with the essential contribution of the Risk, Control and Sustainability Committee and monitoring its application; during 2021, the Board approved various policies, including policies on (i) diversity, to ensure the best Board composition in terms of skills, gender and age, in order to ensure that the Board decisions are well-considered and inclusive of diverse interests, (ii) dialogue with shareholders, to incorporate stakeholder input. The incentive systems that make up the variable remuneration component for specific Company employees have also long been linked to the creation of sustainable value over a medium-long term horizon (see Section 8).

In particular, as provided for in the Group Regulation on management and coordination activities ("**M&C Regulation**"), the Issuer's Board of Directors is responsible for:

- (i) defining the Group's internal regulatory system, which consists of codes, regulations, guidelines, policies and procedures adopted by Nexi in order to regulate and carry out its management and coordination activities while safeguarding the autonomy, responsibilities and independence of its subsidiaries;

- (ii) establishing the Group's strategic direction, consistently with the goal of accelerating the spread of digital payments and the transition to a cashless society in Italy and in Europe. To this end, the Board, *inter alia*, approves the Issuer's and the Group's strategic, business and financial plans and determines the nature and level of risk compatible with the Group's strategic objectives;
- (iii) monitoring the Group's performance and, hence, the implementation of corporate and financial strategies as well as the relevant risks;
- (iv) exercising the Group's senior management functions: indeed, the M&C Regulation reserves for the Issuer's Board of Directors the power to pass resolutions on those transactions of the Issuer and its subsidiaries that have a significant strategic, economic, equity or financial importance for the Issuer. In particular, pursuant to the M&C Regulation, said key transactions are those carried out by Nexi's subsidiaries (or by companies controlled by them) which: a) do not fall within the scope of the ordinary activities of the subsidiaries and of their respective controlled companies (such as, by way of example, capital increases, bond issues, mergers, demergers, significant collaborations, significant joint ventures, significant contracts, activities that deviate from the Group's plan, policy or budget) and other transactions which, regardless of their economic value, entail a change in the share capital structure, financial structure or assumption of strategic risks, including financial risks; or b) involve an investment and/or disinvestment, including of an equity nature, or concern the purchase/disposal of business units or assets, or deviate from the Group's strategic direction. Nexi's Board of Directors shall verify, from time to time, whether the transactions to be executed by the Issuer have a significant strategic, economic, equity or financial importance for the Company.
- (v) assessing the adequacy of the Group's internal control and risk management system, in line with corporate strategies, defining specific guidelines and assessing their effectiveness on an annual basis, and coordinating their implementation and monitoring with the support of the Internal Audit Department, the Chief Executive Officer and the Board of Statutory Auditors.

Furthermore, the Board of Directors, assisted by the internal board committees, is responsible for defining (i) the Issuer's corporate governance system, (ii) the structure of the Group headed by the Issuer, with a view to medium-long term sustainability, (iii) defining and implementing the procedures for processing and disclosing inside information (see, in this regard, Section 5).

In addition to the above, the Board of Directors plays a key role in defining the guidelines and monitoring the integration process of the companies following the completion of the Nets Merger and the SIA Merger.

Pursuant to Article 16 of the Articles of Association, the Board of Directors has full powers for the ordinary and extraordinary management of the Company.

Without prejudice to the limits established by law, the Board of Directors has sole competence, which it may not delegate, to pass resolution on the following matters: a) mergers and spin-offs, in the cases under Articles 2505 and 2505-*bis* of the Italian Civil Code, and under Article 2506-*ter* of the Italian Civil Code; b) opening and closing branches; c) designating the Directors that may represent the company; d) possible capital reductions if one or more shareholders withdraw; e) amendments to the Articles of Association required for legal compliance; f) the transfer of the registered office in the national territory; g) resolutions on the issuance of bonds within the limits provided for by the laws and regulations applicable from time to time.

Pursuant to Article 17 of the Articles of Association, the Board of Directors is validly constituted with the presence of the majority of its members in office and validly resolves with the favourable vote of the absolute majority of the directors present. In the event of a tie, the casting vote shall be that of the Chair.

Pursuant to Article 19 of the Articles of Association, the Board of Directors may, within the limits provided for by the laws and regulations applicable from time to time, delegate part of its powers to an executive

committee consisting of some directors or to one or more directors, establishing their powers and, after hearing the opinion of the Board of Statutory Auditors, the related remuneration. The Board of Director may also establish its own internal committees having advisory and proposing functions and determine their powers also to align the corporate governance system with the codes of conduct the Company may adopt.

The Board of Directors may also appoint General Managers and special attorneys, for specific acts or categories of acts, granting them the relevant powers.

The Board of Directors shall appoint a Financial Reporting Officer, subject to the mandatory (non-binding) opinion of the Board of Statutory Auditors and may, if needed, revoke said appointment. The Board of Directors, pursuant to Article 154-*bis*(4) TUF, shall monitor that the Financial Reporting Officer employs the adequate means and powers to fulfil the tasks conferred on him/her pursuant to the laws, and shall monitor compliance with administrative and accounting procedures.

During the 2021 financial year, the Board of Directors did not deem it necessary or appropriate to draw up and submit to the Shareholders' Meeting reasoned proposals for defining a corporate governance system better meeting the company's needs. For more information, see Section 13 of this Report.

At the meeting of 22 December 2021, on the basis of a proposal of the Chair and the Chief Executive Officer subject to the favourable opinion of the Risk, Control and Sustainability Committee, the Board of Directors approved the "*Policy for managing dialogue with all shareholders and other Investors*" (the "**Dialogue Policy**") which specifies how the dialogue between the Company and its investors is managed. For more information, see Section 12 of this Report.

Below are descriptions of the additional powers granted to the Board of Directors concerning: its composition (Section 4.3), functioning (Section 4.4), appointment and self-assessment (Section 4.1 and 7.1), remuneration policy (Section 8); internal control and risk management system (Section 9).

#### **4.2. APPOINTMENT AND REPLACEMENT**

The Articles of Association, pursuant to Article 147-*ter* TUF, include a clause establishing the slate voting system for appointing Directors.

The Board of Directors is appointed by the ordinary Shareholders' Meeting based on the slates, in accordance with the procedure described below, without prejudice to any different and additional mandatory provisions of laws and regulations.

The slates may be submitted by: (i) the shareholders that, at the time the slate is submitted, hold - either alone or jointly with other submitting shareholders - at least 2.5% of the voting share capital in the ordinary Shareholders' Meeting or the lower stake in the share capital established by the laws and regulations applicable from time to time; and (ii) the outgoing Board of Directors. In particular, it should be noted that, on 28 January 2022, by means of Decision (Determinazione) No. 60, Consob established a minimum shareholding for the submission of a slate equal to 0.5% of Nexi's share capital.

Every shareholder, the shareholders that entered into a Shareholders' Agreement on the relevant company pursuant to Article 122 TUF, the parent company, the subsidiaries and companies subject to joint control and other entities related through association including indirect, pursuant to the laws and regulations applicable from time to time, may not submit - or participate in the submission of, including via proxies or trust companies - more than one slate, nor vote for different slates.

Each candidate may be included in one slate only, on penalty of becoming ineligible. Each slate shall bear the names, listed with sequential numbering, of a number of candidates not exceeding the number of the members to be appointed.



Each slate shall include at least 1 (one) candidate - to be placed at the top of each slate - meeting the independence requirements required by the laws and regulations applicable from time to time to independent Directors, and shall specify which candidate(s) meet said requirements.

For as long as the laws and regulations on gender equality applicable from time to time are in force, each slate presenting more than 3 (three) candidates must also include candidates of both genders, meeting the minimum proportion required by the laws and regulations applicable from time to time, as set forth in the notice convening the Shareholders' Meeting.

The slates must be accompanied by: a) identification of the shareholders who have submitted the slate and their share of equity held; b) a statement by shareholders other than those individually or jointly holding a controlling or majority share, certifying the absence, pursuant to the laws and regulations applicable from time to time, of any direct or indirect association with said controlling or majority shareholders; c) the candidates' CVs and a statement from each certifying, under their own responsibility, that they have no grounds for inadmissibility or incompatibility and that they meet the requirements of the offices for which they are running; d) a report on the candidates and any indication of their qualification as independent pursuant to the laws in force from time to time and the codes of conduct on corporate governance that may be adopted by the Company; e) each candidate's acceptance of nomination; f) any further statement, report and/or document required pursuant to the laws and regulations applicable from time to time.

The slates shall be submitted to the Company by the deadline set forth in the laws and regulations in force from time to time, as indicated in the meeting notice, by delivery to the Company's head office or via remote communication, as indicated in the meeting notice, and shall be made available to the public in the manner and by the deadlines established by the laws and regulations in force from time to time.

Each shareholder shall vote for the slate, and therefore all the candidates listed in it, with no variations or exclusions.

The candidates in the slates that won the highest number of votes will be elected, based on the following criteria:

- a) all the Directors, except for two, shall be drawn, according to their sequential number, from the slate that obtained the highest number of votes;
- b) the remaining directors shall be drawn from the other slates; to this end, the votes obtained by the slates shall be successively divided by one, two, three, four, etc. according to the progressive order in which the candidates are placed on the respective slates. The resulting quotients shall be included in a single list, in decreasing order. At least one director shall be drawn from the minority slate that obtained the highest number of votes and which is not associated in any way, even indirectly, with shareholders who submitted or voted for the slate that obtained the highest number of votes.

The two candidates with the highest quotients shall be elected.

If several candidates obtain the same quotient, the candidate of the slate that has not yet elected any Director or that has elected fewer Directors shall be appointed. If no such slate has yet elected a Director, or if all slates have elected the same number of Directors, the candidate of the slate that won more votes shall be elected. In the event of a tie in terms of both number of votes and quotient, a new voting session shall take place and the Shareholders' Meeting shall resolve with the majorities provided for by the law.

If, after the above steps, the Shareholders' Meeting fails to appoint the minimum required number of independent directors and/or directors belonging to the less represented gender, in accordance with the laws and regulations applicable from time to time, the following procedure shall be followed:

- a) the candidates elected in the various slates shall be placed in a single list, in decreasing order, generated with the quotients system mentioned in point b) above;
- b) if the minimum required number of independent directors is not elected, the candidate not meeting the independence requirements and with the lowest quotient in the list mentioned in point a) shall be replaced by the first non-elected candidate meeting the independence requirements belonging to the same slate as the replaced candidate. If said slate has no other eligible candidate, the Shareholders' Meeting shall resolve on the replacement with the majorities provided for by law;
- c) if the minimum required number of directors of the less represented gender is not elected, the candidate of the most represented gender with the lowest quotient in the list mentioned in point a) shall be replaced, without prejudice to the minimum number of independent directors, by the first non-elected candidate meeting the independence requirements belonging to the same slate as the replaced candidate. If said slate has no other eligible candidate, the Shareholders' Meeting shall resolve on the replacement with the majorities provided for by law.

Any slates that fail to reach a percentage of votes that is at least half of that required for submitting the slates shall not be considered.

If only one slate is submitted, the Shareholders' Meeting shall cast its vote on said slate and, if the slate obtains the relative majority, the candidates shall be elected directors in order of presentation on the slate, until the number of directors set by the Shareholders' Meeting is reached, without prejudice to the obligation to appoint a number of independent directors, pursuant to Article 147-ter TUF, which is the minimum number under the Articles of Association and under the law, and without prejudice to compliance with the gender balance requirements under the laws and regulations applicable from time to time. If the minimum number of directors of the less represented gender and of independent directors required by the Articles of Association and by the laws and regulations applicable from time to time is not elected, the Shareholders' Meeting shall replace the directors with the lowest sequential number and not meeting said requirements, and shall appoint the subsequent candidates meeting said requirements from the single slate. Should suitable replacements not be found even with said replacement criterion, the Shareholders' Meeting shall resolve on the matter by relative majority voting. In this event, the replacements shall be made starting from the candidates having the lowest sequential number.

If the number of candidates included in the majority and minority slates submitted is lower than the number of directors to be appointed, the remaining directors shall be elected by the Shareholders' Meeting voting with the majorities provided for by the law, without prejudice to the Meeting's obligation to appoint the minimum number of directors belonging to the less represented gender and independent directors required by the Articles of Association and by the laws and regulations applicable from time to time. Through said procedures and majorities, the Shareholders' Meeting shall appoint all the directors, even if no slate is submitted.

Article 13 of the Articles of Association allows the outgoing Board of Directors to submit a slate of candidates for the renewal of the Board. Although the Articles of Association provide for this option, in accordance with the provisions of the SIA Shareholders' Agreement, some of the participating shareholders undertook, among other things, to submit a slate of candidates for the renewal of the Board of Directors.

For further information on the role of the Board of Directors and of the internal board committees in self-assessment processes and in the appointment and succession of directors and/or top managers, please see Section 7 of this Report.

Regarding cessation from office, pursuant to Article 15 of the Articles of Association, failure to meet the requirements under the laws or regulations for holding directorships shall lead to forfeiture of office. However, failure to meet the independence requirement - without prejudice to the obligation to immediately disclose this

fact - shall not lead to forfeiture of office if this requirement is still met by the minimum number of directors required to meet it by the Articles of Association and by the laws and regulations applicable from time to time. Without prejudice to the above, failure to meet the independence requirement shall, however, lead to forfeiture of the offices to which said requirement applies under the laws and regulations applicable from time to time.

Furthermore, in the event of cessation from office, for any reason, of one or more directors, they shall be freely replaced in accordance with Article 2386 of the Italian Civil Code; where possible, the new directors will be selected from the pool of candidates originally included in the same slate as the director leaving office and who confirmed their availability, without prejudice to the obligation to retain a minimum number of independent directors pursuant to Article 147-ter TUF, as established by the Articles of Association and the law, and without prejudice to the obligation to ensure gender balance established by law.

Please note that, aside from the requirements of professionalism, integrity and independence provided for by law, the Articles of Association and the Italian Civil Code, the Directors are also subject to the prohibition of interlocking directorates, pursuant to Article 36 of Law Decree No. 201/2011, amended and converted into Law No. 214 of 22 December 2011, laying down provisions on the protection of competition and on cross-holdings in the credit, insurance and financial markets.

Please see Section 7 for information on the role of the Board of Directors and Board committees in self-assessment processes and in the appointment and succession of directors.

#### **4.3. COMPOSITION**

The Company is managed, pursuant to Article 12 of the Articles of Association, by a Board of Directors consisting of at least 7 (seven) and no more than 15 (fifteen) members holding the required professional skills and expertise. The Directors hold their office for the term established by the Shareholders' Meeting resolution appointing them, for a maximum of 3 (three) financial years, and may be re-elected. Their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year they were in office, without prejudice to the causes of termination and forfeiture of office provided for by the law and the Articles of Association.

The Issuer's Board of Directors in office as at 31 December 2021 is composed of 15 members and was appointed, firstly, by the Issuer's ordinary Shareholders' Meeting of 13 February 2019, on the basis of the Company's Articles of Association in force at the time, for a period of three financial years until the approval of the financial statements as at 31 December 2021, with the exception of (i) Elisa Corgi, co-opted by the Board of Directors on 26 September 2019 and confirmed by the Shareholders' Meeting of 5 May 2020; (ii) Bo Nilsson and Stefan Goetz, appointed on 3 March 2021 by the Shareholders' Meeting, with effect deferred to the effective date of the Nets Merger (1 July 2021) and (iii) Fabio Massoli, Marina Natale, Maurizio Cereda and Francesco Pettenati, co-opted by the Board of Directors on 16 December 2021, effective from the date of the SIA Merger (31 December 2021).

With specific reference to the last co-opted directors, the resignations of Giuseppe Capponcelli, Maurizio Mussi, Francesco Casiraghi and Simone Cucchetti became effective as of 23:59 on 31 December 2021. On the same date, the appointments by co-option made on 16 December 2021 of the directors designated by CDPE and FSIA pursuant to the SIA Shareholders' Agreement, namely Fabio Massoli, Francesco Pettenati, Marina Natale and Maurizio Cereda, became effective. For the sake of completeness, it should be noted that the directors of CDPE and FSIA pursuant to the SIA Shareholders' Agreement are Fabio Massoli, Francesco Pettenati, Marina Natale, Maurizio Cereda, as well as Michaela Castelli and Marinella Soldi, who already serve as directors of Nexi (Ms Castelli as Chair). The SIA Shareholders' Agreement also confirmed the position in office of Paolo Bertoluzzo.

The composition of the Issuer's Board of Directors as at 31 December 2021, specifically, following the effective date of the SIA Merger, has remained unchanged as at the date of this Report and is detailed in Table 2 attached to this Report, along with information about each director. It should be noted that the current Board of Directors will have to be renewed by the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2021.

As highlighted by the CVs provided below, the professionalism, skills and experience of the directors are sufficient for the performance of their duties as directors of Nexi. At the end of the 2021 financial year, the Board of Directors was made up of 14 non-executive members out of 15 (i.e., all the directors, except for the Managing Director Paolo Bertoluzzo): the non-executive directors bring their specific expertise to Board discussions, so as to facilitate examination of the topics under discussion from different perspectives, in order to adopt well-pondered, informed resolutions in line with the Company's interests. Indeed, the number of non-executive directors is such as to guarantee their significant weight in the adoption of the Issuer's decisions. Of the non-executive directors, 7 out of 15, including the Chair, met the independence requirements prescribed by the TUF and the Corporate Governance Code. The contribution of the independent directors is crucial, especially because of their extensive involvement in internal board committees.

For the sake of completeness, it should be noted that, on 1 March 2022, the independent director Luisa Torchia resigned - with immediate effect - following her appointment to another board of directors of a listed insurance group and in order to comply with the provisions set out in Article 36 of Decree-Law no. 201/2011, converted, with amendments, by Law no. 214 of 22 December 2011 (prohibition against interlocking). Therefore, as a result of the above-mentioned resignations, there are 6 independent directors on Nexi's Board of Directors.

A summary of the directors' CVs is given below.

**Michaela Castelli (Chair - independent)** - born in Rome on 7 September 1970. She has a degree in Law and a postgraduate degree in Financial Law. She started her career in London, dealing with Capital Markets. She then gathered further experience in some of the major Italian law firms, specialising in corporate law and financial markets. She worked for nine years at Borsa Italiana SpA, working on primary markets and providing assistance to listed issuers in matters concerning extraordinary transactions, corporate reporting, compliance and corporate governance. Admitted to the Bar Association of Milan, she has gained significant experience as a member of the Boards of Directors and Supervisory Bodies of some major listed and non-listed companies. Author of several finance-related publications and professor of several continuous education classes on corporate and financial markets law, she has been a speaker at several conventions. She has been a director of Nexi since 13 February 2019.

**Fabio Massoli (Deputy Chair)** - born in Rome on 25 June 1969. Since 2015 he has been an adjunct professor of Financial Risk Management/Derivatives for the Master's course in Corporate Finance at the LUISS Business School in Rome. From 1990 to 2002, he worked at Banca di Roma in the FX & MM - Trading & Sales sector, and from 2002 at Capitalia SpA, where he held the positions of Head of Trading (from 2002 to 2006) and Head of Financial Markets (from 2006 to 2008). From 2008 to 2012, he worked at UniCredit SpA, where he held the positions of Head of Structuring and Services (Europe) - Corporate Treasury Sales and Head of Corporate Treasury Sales Italy. From 2012 to 2015, he held the position of Head of Financial Products Distribution at BNL Group BNP Paribas. In 2015, he joined the Cassa Depositi e Prestiti Group, where he holds the positions of Head of Finance and Deputy Chief Financial Officer. He is currently Chair of SACE FCT SpA and a Director on the board of Ansaldo Energia SpA. He was previously a Director of SIA. He has been a director of Nexi since 31 December 2021.

**Paolo Bertoluzzo (Chief Executive Officer and General Manager)** - born in Padua on 11 December 1965, he graduated in Managerial Engineering from the Milan Polytechnic in 1990 and in 1994 he earned an MBA (Master in Business Administration) from the Institut Européen D'administration Des Affaires (INSEAD) in

Paris. Paolo Bertoluzzo started his professional career as a management consultant, working in Europe and in the United States. From 1995 to 1999 he was a manager at Bain & Company, and in 1999 he joined Vodafone Italia SpA, where, from 2008 to 2013, he was CEO. From 2012 to 2013, he was also CEO for Southern Europe at Vodafone Group Plc; from 2013 to 2016, he was Group Chief Commercial and Operation Officer for the same company. As of July 2016, he joined the Nexi Group as Chief Executive Officer of, respectively, CartaSì and Istituto Centrale delle Banche Popolari Italiane (now Nexi S.p.A.). He has been a director of Nexi since 13 February 2019, and since then has served as CEO of the Nexi Group, which has experienced strong growth and expansion under his leadership, including through the mergers with Nets and SIA.

**Luca Bassi** - born in Busto Arsizio on 16 June 1970, he graduated in Economics from the Luigi Bocconi University in 1993 in Milan and earned an MBA (Master of Business Administration) from the Columbia Business School of New York in 2000. From 1994 to 1998, he was a consultant at Bain & Company's Milan office, and from 2000 to 2003 he worked at Goldman Sachs in London. In 2003, he joined Bain Capital Private Equity, where he holds the office of managing director and is co-head of technology, financial and business services. He has been a director of Nexi since 13 February 2019.

**Elisa Corghi (independent)** – born in Mantua on 11 August 1972, she graduated in Economics and Business from the Luigi Bocconi University in Milan. She has held corporate positions of increasing responsibility in the marketing departments of Barilla Alimentare and Kraft Foods. From 2000 to 2013, she was responsible for hedging Consumer Goods & Consumer Luxury securities in the role of sell side Senior Financial Analyst at Intermonte SIM where she was a shareholder. She is a non-executive Director of listed and unlisted companies. She has been a director of Nexi since 26 September 2019.

**Federico Ghizzoni** - born in Piacenza on 14 October 1955, he graduated in Law from the University of Parma in 1979. From February 1980 to July 2016 he worked at Unicredit Group SpA, where he also was appointed CEO. He is currently Deputy Chair of Clessidra Holding S.p.A., Chair of Clessidra Factoring S.p.A. and Clessidra Capital Credit SGR S.p.A., member of the Board of Directors of Pellegrini S.p.A., Castello SGR and Rothschild & Co Wealth Management SIM S.p.A. He has been a director of Nexi since 13 February 2019.

**Jeffrey David Paduch** - born in Maryland (United States of America) on 4 December 1978, he earned a Bachelor of Arts from the University of Virginia in 2000. From 2000 to 2002, he worked as an investment banker at UBS Investment Bank in New York; in 2002 he joined Advent International in Boston, then relocating to the London office in 2005. He is a managing partner at Advent International and Head of Business & Financial Services for investments in Europe. She has been a director of Nexi since 13 February 2019.

**Antonio Patuelli (independent)** - born in Bologna on 10 February 1951, he graduated in Law from the University of Florence. Since January 2013, he has been president of ABI (Associazione Bancaria Italiana - Association of Italian Banks), where he was also a member of the Board of Directors and of the Executive Committee from 1998, deputy chair in the 2002-2004 and 2006-2008 periods and substitute deputy chair in the 2010-2012 period. He is the Chairman of Cassa di Ravenna S.p.A., parent company of the banking group of the same name. Since 2001, he has been on the Board of Directors of the Fondo Interbancario di Tutela dei Depositi. He was appointed “Cavaliere del Lavoro” by the President of the Republic in 2009. He is a columnist for several major newspapers, including Resto del Carlino, La Nazione and Il Giorno. In the early 1990s, he was the Defence Undersecretary of the Ciampi cabinet and a Member of Parliament (in the Lower House) for two terms. He has been a director of Nexi since 13 February

**Marinella Soldi (independent)** - born in Figline Valdarno (FI) on 4 November 1966, she graduated in Economics in 1989 from the London School of Economics and in 1994 she earned an MBA (Master of Business Administration) from the Institut Européen D'administration Des Affaires (INSEAD) in Paris. Throughout her career she has held managerial posts at Mckinsey & Company, MTV Networks Europe and Discovery Networks International. She is currently an independent director of Angelini Hive, Ariston SpA,

Chair of the Vodafone Foundation and, since July 2021, Chair of RAI. As of 13 February 2019, she is an independent director of Nexi.

**Luisa Torchia (independent)**<sup>2</sup> - born in Catanzaro on 15 April 1957, she graduated in Law from the University of Rome in 1978. Since 2004, she has been a tenured professor of Administrative Law in the Law Faculty of Roma Tre University. Since 1994, she has participated in and coordinated many research projects funded by Italian and foreign universities and by the CNR (Italian National Research Centre). She was legal advisor for the Cabinet and for several Ministries. She has served on the boards of several listed companies and worked with a number of journals. She has been a director of Nexi since 13 February 2019.

**Bo Nilsson** - born in Copenhagen on 10 August 1965, he holds a Master's degree in Economics and Business Administration from Copenhagen Business School (CBS) and an MBA from the JPMorgan Corporate Finance Program. He joined Nets in 2013 as CFO, becoming CEO from 2014 to 2021. Bo was Managing Director of JPMorgan Chase & Co in London and New York from 1990 to 2000, CFO and a member of the Board of Directors of the Media Capital Group in Lisbon from 2000 to 2006. In 2006, Bo founded the multinational publishing house Grupo LeYa, where he was Managing Director until 2013. He has been a director of Nexi since 1 July 2021.

**Stefan Goetz** - born in Cologne on 10 November 1970, he graduated in Science and Engineering from the *Ecole Centrale Paris* and holds a Master's degree in Electrical Engineering from the Aachen University of Technology and an MBA from the Kellogg Graduate School of Management. He is currently Chair of the Board of Directors of Verisure (Securitas Direct), Chair of the Supervisory Board of zooplus AG, and Director of SimpliSafe and Belron. He was previously a Director of Scout24 and Associated Materials. Since 2008, he has been a Partner at Hellman & Friedman, which he joined after serving as Executive Director of Goldman Sachs International in London. He has been a director of Nexi since 1 July 2021.

**Francesco Pettenati** - born in Parma in 1977, he graduated in Economics and Business from the University of Parma and obtained a Master's degree in Money and Finance from the University of Brescia. From 2004 to 2016, he worked at the European Investment Bank (EIB), where he also held the position of Head of the Vice President's Office; subsequently, from 2016 to 2021 he was Head of Information and Solutions Management at the European Investment Fund (EIF - EIB Group). In 2021, he joined Cassa Depositi e Prestiti, where he holds the position of Head of Staff and CEO. He has been a director of Nexi since 31 December 2021.

**Marina Natale (independent)** - born in Saronno on 13 May 1962, she graduated with honours in Economics and Business from the Università Cattolica del Sacro Cuore in Milan. Since July 2017 she has been CEO and General Manager of AMCO - Asset Management Company SpA. She has held a number of positions at UniCredit, including Deputy General Manager and CFO, having managed the Group's most important external growth transactions. She has also been a member of the Board of Directors of WeBuild SpA since December 2019 and of the Investors Committee of the Italian Recovery Fund (formerly Atlante II), as well as of the Board of Directors of Fiera Milano, where she served as CEO for a short period in 2017 before her appointment with AMCO. She has been a director of Nexi since 31 December 2021.

**Maurizio Cereda (independent)** - born in Milan on 7 January 1964, he graduated in Business Economics from the Luigi Bocconi University of Milan in 1989. From 1989 to 1992, he worked at RASFIN, at the primary market desk. In 1992, he joined Mediobanca, where he remained until 2015, holding the positions of Deputy General Manager and member of the Board of Directors, among others. He currently provides consultancy services to entrepreneurs, family offices, financial companies and institutions, and is also a promoter and partner of FIEE, Fondo Italiano per l'Efficienza Energetica. He is a member of the Boards of Directors of

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<sup>2</sup> It should be noted that the independent director Luisa Torchia resigned - with immediate effect - on 1 March 2022.

Technogym and Enervit, companies listed in Italy, and of Prada, a company listed in Hong Kong, as well as of FIEE SGR. He has been a director of Nexi since 31 December 2021.

### **Diversity criteria and policies**

On 13 May 2021, the Board of Directors approved a policy concerning the diversity of corporate bodies (the “**Diversity Policy**”). The Diversity Policy builds on specific principles set out in the Group's Sustainability Policy, approved on 30 July 2020, in particular, on the principles of diversity and inclusion, development and promotion of a culture of sustainability and transparency and compliance with current legislation.

In greater detail, the Group intends to promote: (i) the enhancement of diversity in terms of gender, experience and skills of the Group's resources as a distinctive element in response to the growing challenges of the market in which Nexi operates, including diversity within its administration, management and control bodies, in compliance with the regulatory requirements for listed companies; (ii) accountability for the impacts of its daily activities on relevant social, environmental and governance issues, through mandatory training plans and awareness initiatives aimed at the Group's people, corporate bodies and stakeholders; and (iii) the alignment with the legal provisions for listed companies and with the applicable legislation, including the TUF and the Corporate Governance Code.

Here too, the Board of Directors plays a crucial role in identifying the principles and guidelines on the diversity of corporate bodies to be included in the Diversity Policy, in monitoring the Policy's implementation and in updating it to ensure it is up to date with developments in applicable legislation, the market and best practices, also taking into account changes in the corporate structure.

The Diversity Policy identifies the fundamental principles to ensure a broad diversity of the members of the corporate bodies in terms of gender, age and professional profiles.

In particular, the Diversity Policy contains the following recommendations on the composition of the Board of Directors:

- (a) the Company encourages shareholders to propose as candidates to Nexi's Board individuals of different ages and different seniority of office, to ensure the right balance between continuity and change;
- (b) in accordance with Article 147-ter(1-ter) TUF and Law No. 160/2019, at least two-fifths of Nexi's Board of Directors must be made up of directors of the less represented gender; gender balance must also be achieved in the slates having more than three candidates;
- (c) the Company must promote gender diversity across all positions in the Company, including representative bodies, top management and employees;
- (d) Nexi's Board of Directors must be composed of members with diverse and complementary professional profiles who, together, ensure that the management body has adequate expertise in business-finance, accounting, the technical-scientific area, IT, organisational matters and internal control and risk management systems, as well as knowledge of the applicable legal and regulatory framework;
- (e) the Company undertakes to promote the diversification of experience and skills within the Company's administrative, management and control bodies in compliance with the regulatory requirements for listed companies; and
- (f) the Company ensures that at least one third of the members of the board of directors are independent directors, in order to best balance the interests of all shareholders, including majority and minority shareholders. Any fraction contained in that one third shall be rounded down.

In addition to the above, diversity is promoted mainly through the commitment to encourage an inclusive culture and ensure the application of the equal opportunities principle to combat the gender and pay gap within the provisions of the Remuneration and Incentive Policies.

Consistent with this effort, starting in 2020, a specific target was introduced in the MBO of the Chief Executive Officer and Key Officers, namely “People Value”, which aims to strengthen management’s focus on long-term growth targets and on value creation for employees. For more details, see the Sustainability Policy - approved in 2020 - and the Report on remuneration and compensation paid, available on the website [www.nexigroup.it](http://www.nexigroup.it).

The set of tools adopted for People Strategy, performance management, training, reward and sustainable welfare tools adopted and the associated performance achieved by the Group in 2021 are also reported in Nexi’s Consolidated Non-Financial Statement. The Consolidated Non-Financial Statement is available at [www.nexigroup.it](http://www.nexigroup.it).

In anticipation of the renewal of the corporate governance bodies that will be carried out by the Shareholders’ Meeting called, among other things, to approve the annual financial statements for 2021, the Board of Directors has drawn up guidelines on the composition of the new Board that cover, among other things, diversity criteria, including those contained in the Diversity Policy. In their Guidelines for the future qualitative and quantitative composition of Nexi’s Board of Directors, the directors have clarified that, in the future composition of the Board, they consider it necessary to give adequate visibility to key criteria for Nexi such as diversity of gender, age, seniority in office, complementarity of professional and managerial experience. In particular, when preparing the slates, shareholders are invited to identify candidates as Directors that can ensure compliance with the requirements on gender balance pursuant to the applicable legislation, as well as to take into account the benefits that may result from the presence of different age groups, seniority and internationality in the Board of Directors.

### **Limit to the number of offices held in other companies**

Pursuant to the Board of Directors’ Regulation, as defined below, the Board has issued its guidelines on the maximum number of offices in the administrative or control bodies of other listed or large companies that can be considered compatible with the effective performance of the office of director of the Company, taking into account the commitment required by the role held.

More specifically, also in the light of the best practices in this matter, on 10 March 2022, the Nexi Board of Directors established, on the proposal of the Remuneration and Appointment Committee, the maximum number of administrative and control positions in other companies that can be considered compatible with the effective performance of the role of director of Nexi, namely:

- (i) **Directors** (whether executive or not) are allowed to take up positions of director and/or statutory auditor in no more than 5 companies listed on regulated markets (including foreign ones) and/or large companies, including Nexi itself;
- (ii) **Executive Directors** are not allowed to take up the role of Chair, even in a non-executive role, of another company listed on regulated markets (including foreign ones) and/or large companies.

For the purposes of the aforementioned limits on multiple directorships:

- (i) a “large company” means any Italian or foreign company, with shareholders’ equity – that may be consolidated – that is greater than €1 billion;
- (ii) if a Director holds offices in more than one company belonging to the same group, only one position held within that group shall be taken into account for the purposes of calculating the number of directorships;



- (iii) any office as Chair of the Management Body shall be deemed to have a double weight, whereas executive directorships (or comparable roles) shall be deemed to have a triple weight.

#### 4.4. FUNCTIONING OF THE BOARD OF DIRECTORS

Pursuant to Article 17 of the Articles of Association, the Chair of the Board of Directors shall convene and chair the Board of Directors, set its agenda and coordinate its sessions.

In addition to the rules under the Articles of Association, the Board of Directors also adopted, on 11 March 2021, a regulation of the Nexi Board of Directors (the “**Board of Directors Regulation**”), which is available on the Issuer's website at the following link: <https://www.nexigroup.com/en/group/governance/documents-and-procedures//>.

The main provisions of the Articles of Association and the Board of Directors Regulation are set out below.

The Board shall be convened with all the suitable means, notifying each Director and member of the Board of Statutory Auditors with due advance notice (typically at least 5 (five) calendar days prior to the meeting - for urgent meetings, the minimum notice period is 12 (twelve) hours prior to the meeting). The Board of Directors' meetings shall still be deemed validly constituted - even in the absence of a formal call - if all the Directors and the majority of the statutory auditors in office are in attendance, and if all those entitled have been previously notified of the meeting and have not objected to the items on the agenda. The power to convene the Board of Directors is also held by the Board of Statutory Auditors and by each Statutory Auditor, pursuant to Article 151 TUF.

The items to be included in the agenda and the disclosures to the Board of Directors must be sent - accompanied by all the relevant documentation and endorsed by the heads of the competent departments, functions and areas, according to the organisational structure adopted by the Company from time to time - in good time to the Secretary, who shall submit them without delay for approval to the Chief Executive Officer and the Chair for the purpose of drawing up the draft Board meeting agenda. The Chair of the Board of Directors may add items to the agenda where the factual or legal requirements for the proposed items and/or disclosures are met after the notice of call was sent out. The agenda so supplemented and the related documents, where possible, shall be sent to the individual Directors and the members of the Board of Statutory Auditors suitably in advance. The Chair shall ascertain whether the requirements of necessity and urgency have been met.

The Board of Directors Regulation provides that the documentation must be made available to the Directors and members of the Board of Statutory Auditors in such a way as to guarantee its necessary confidentiality, even through a dedicated IT platform, sufficiently in advance of the date of the Board of Directors' meeting, generally not later than the third day prior to the date of the meeting, except in cases of urgency, in which the documentation is made available as soon as possible. In 2021, the above time limit was respected and, where this was not possible in the case of extraordinary transactions in progress, in especially urgent cases or due to the sensitivity of the matter and of the resolution, the Chair ensured that adequate and detailed information was provided during preparatory meetings ahead of the Board meeting.

The directors of the Company shall ensure that they have enough time available to diligently fulfil the tasks assigned to them. In particular, it should be noted that all the directors, except for one case, as detailed in Table 1 attached at the end of this Report, made themselves fully available, also participating in unscheduled Board meetings necessary for the progress of the activities related to the extraordinary transactions. This resulted in a total commitment of approximately 42.5 hours of Board meetings.

The Chair, with the support of the Secretary, is responsible for identifying the most appropriate operating procedures to balance the requirements of accessibility, confidentiality and integrity of the information and

documentation relating to Board activities. The documentation is normally transmitted by computer, except in the case of specific requests or needs, which are prudently assessed by the Secretary.

Directors and auditors are required to keep the documents and information acquired in the performance of their duties confidential. Documentation containing “Relevant” and/or “Inside” information shall be disclosed in compliance with the EU and Italian legislation on market abuse in force from time to time, and the Chair, with the help of the Secretary, shall ensure an adequate flow of information to the Directors in relation to the items on the agenda and any follow-up information to the decisions taken by the Board, so as to enable them to act in an informed manner in carrying out their duties.

The Board of Directors’ meetings may also be held via video or teleconference, provided that all participants can identify one another and that each participant is able to take the floor in real time when the topics are being addressed and to receive, send and view documents. If all the above conditions are met, the meeting is deemed to be held in the place where the Chair is located.

Pursuant to Article 17 of the Articles of Association, the Board of Directors is validly constituted with the presence of the majority of its members in office and validly resolves with the favourable vote of the absolute majority of the directors present. In the event of a tie, the casting vote shall be that of the Chair. Since the Board of Directors includes some non-Italian speakers, Nexi shall provide an interpreter in order to facilitate the orderly conduct of meetings.

The decisions of the Board are recorded in minutes signed by the Chair and the Secretary (unless a Notary acts as secretary). Since the Board of Directors includes some non-Italian speakers, Nexi shall provide such Directors with a courtesy translation.

The minutes are drawn up in summary form, reporting the main interventions, summarised by the Secretary and, in particular, the contributions providing key additions to the documentation submitted, the questions and answers necessary to clarify the documentation, significant comments on the matters discussed or whose recording is expressly requested, and the Directors’ votes.

In financial year 2021, the Board of Directors met 17 times. The Board meetings, usually held via audio-conferencing, lasted an average of about 2.5 hours each. As regards the attendance of Directors at individual meetings, see Table 2. With regard to the results of the Board Review for 2021, it is noted that the Board has operated with continuity, aiming to strengthen the Group’s leading position whilst also consolidating governance rules and structures: during the term of office, the level of commitment has been significant and driven by the need to assess and manage extraordinary strategic transactions and that all Directors displayed maximum availability in terms of agenda and timetable, flexibility and resilience (also in response to the pandemic), which has enabled the Board to support management with great promptness, facilitating the decision-making process.

For the current financial year, quarterly Board meetings have been scheduled. As at the date of this Report, three meetings have been held, including the meeting that approved this Report.

Finally, the Board periodically assesses the overall performance of operations and their foreseeable evolution, particularly taking into account the information received and the reports of the Chief Executive Officer, while also periodically comparing planned versus actual results. As at the Report Date, the Shareholders’ meeting has not authorised any general prior exemption from the non-competition obligation pursuant to Article 2390 of the Italian Civil Code, to meet organisational requirements.

With reference to the assessment of the organisational, administrative and accounting structure, with particular regard to the Issuer’s internal control and risk management system, it should be noted that, since its listing, the Board of Directors has taken steps to implement an internal control and risk management system complying with the provisions of the Corporate Governance Code and appropriate to the nature of the Company, as the

holding of a group of companies operating in the payment sector. The strategic risks were also duly mapped at Group level, as well as the actions taken by management to mitigate their impacts in the event of an adverse scenario.

Implementing and assessing the organisational, administrative and accounting structure and the internal control and risk management system of the relevant subsidiaries are the exclusive responsibility of the corporate bodies of those subsidiaries, in accordance with supervisory regulations as also transposed in the Group Regulation on the exercise of management and coordination activities.

#### **4.5. ROLE OF THE CHAIR OF THE BOARD OF DIRECTORS**

##### **Chair of the Board of Directors**

The Chair of Nexi's Board of Directors, Ms Michaela Castelli, collaborates as appropriate with the Chief Executive Officer, the Committee Chairs and the Board of Statutory Auditors for the optimal functioning of the administrative body.

In particular, the Chair, together with the Chief Executive Officer, is the first recipient of proposals for items to be included in the agenda and of the documentation supporting board resolutions, which is circulated to the Issuer's directors and auditors well in advance of meetings, in accordance with the provisions of the Board of Directors' Regulation described in Paragraph 4.4 above.

If she deems it appropriate, in relation to the content of the matter and the related resolution, the Chair may decide to make the information and documents available directly at the meeting. In this case, the Chair shall in any case inform the Directors and Auditors and ensure that the documents are properly assessed during the Board meetings or in specific preparatory meetings held to ensure appropriate due diligence and enable the Directors to discharge their duties in an informed manner.

Again on the basis of the Board of Directors' Regulation, to ensure the Directors obtain adequate information on the management of the Company, the Chief Executive Officer, in agreement with the Chair - and with the support of the Secretary - shall ensure that the heads of the competent functions and areas relating to the topics on the agenda are available to attend the aforementioned meetings, if requested. These persons shall take part in Board meetings only for the discussion of items falling within their remit, and are in any case bound by the confidentiality obligations laid down for Board meetings. During 2021, the heads of the competent corporate functions having competence for specific items on the agenda were regularly invited to take part in the Board meetings and, at the invitation of the CEO, to provide the appropriate details on the topics under discussion.

Persons not belonging to the Company may also be invited to attend meetings in connection with specific items on the agenda. It is understood that such persons will in any case be required to comply with the confidentiality obligations established for the mandate received and for Board meetings.

The Chair is also responsible, with the support of the Secretary, for coordinating the Board's and the committees' activities, organising induction initiatives and ensuring the transparency of the Board's self-assessment process. For more information on the coordination of committee activities and the Board's self-assessment, see Sections 6 and 7.

In this regard, in particular, it should be noted that in financial year 2021, several initiatives were taken to provide directors and statutory auditors with adequate knowledge of the reference sector, Company and Group dynamics and their evolution, and of the reference legislative and regulatory framework, also with the help of

Group managers and consultants; dedicated meetings were also organised to describe specific aspects of Nexi's business sector. In particular, the following topics were examined in detail: customer centricity and reputation, cyber security, the operation of the Merchant Services & Solutions business line, succession planning.

Training sessions involving officers belonging to the SIA Scope and the Nets Scope were also organised, to facilitate their full understanding of the Group's dynamics and regulatory framework. The topics covered included corporate governance, inside information management and the market abuse regulation, as well as the regulation on related-party transactions.

Lastly, it should be noted that the Chair of the Board of Directors cannot assume executive functions within the Board of Directors, does not play a specific role in the development of corporate strategies and exercises the functions provided for by the laws and regulations in force and is not the controlling shareholder. In particular, the Chair: (i) has powers of representation; (ii) chairs the Shareholders' Meetings; (iii) convenes and chairs the Board meetings, establishing the agenda, manages proceedings and ensures that Directors are provided with all appropriate information concerning the agenda items; (iv) ensures that Board resolutions are implemented.

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

On 11 February 2021, in accordance with Recommendation 18 of the 2020 Corporate Governance Code, the Issuer's Board of Directors resolved to appoint Attorney Francesca Paramico Renzulli, Head of Corporate & Regulatory Affairs, as Secretary of Nexi's Board of Directors with the task, among others, of supporting the activities of the Chair and providing impartial assistance and advice to the Board of Directors on any aspect relevant to the proper functioning of the corporate governance system. The Board of Directors has acknowledged that Ms Paramico Renzulli meets the appropriate requirements in terms of professional experience and independence and that her appointment entails no conflict of interests.

Pursuant to Article 6 of the Board of Directors' Regulations, the Board of Directors decides, upon proposal by the Chair, on the appointment and removal of the Secretary of the Board. In accordance with the provisions of the Articles of Association, the Secretary need not be chosen from among the members of the Board of Directors and need not be an employee of the Company.

The Secretary supports the activities of the Chair and provides impartial assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system. In particular, in addition to the powers granted by other provisions of this Regulation, the Secretary supports the Chair:

- (i) in the performance of tasks relating to the convening, organisation and holding of meetings and the provision of the documentation necessary for the conduct of meetings, and
- (ii) to ensure that (a) the activities of the Committees are coordinated with those of the Board of Directors; (b) all Directors can participate, after their appointment and during their term of office, in specific induction activities and (c) the self-assessment process is adequate and transparent.

In any case, the Secretary must fulfil the appropriate professionalism requirements and have gained adequate experience in the law applicable to listed companies and regulated markets, as well as specific experience in managing the duties envisaged for this role by the Board of Directors Regulation.

## **4.6. EXECUTIVE DIRECTORS**

### ***Chief Executive Officer and General Manager***

Pursuant to Article 19 of the Articles of Association, the Board of Directors may delegate, within the limits provided for by the laws and regulations applicable from time to time, some of its powers to one or more of its members, establishing their powers and, following consultation with the Board of Statutory Auditors, the related remuneration.

The Board of Directors may also appoint General Managers and special attorneys, for specific acts or categories of acts, granting them the relevant powers.

By resolution of 13 February 2019, without prejudice to the powers, functions and duties assigned to the Board of Directors, the Chair and other corporate functions by law and the Articles of Association, the Board delegated the following powers to the Chief Executive Officer and General Manager, Mr Paolo Bertoluzzo, in respect of all Group companies, including the power to subdelegate:

I) General powers:

1. carry out any Parent Company management and coordination duties concerning the Group and Group Companies for the purpose of implementing Group-wide plans, to that end ensuring that Group companies are subject to unified management and coordination and that said companies carry out any instructions issued by the Bank of Italy - all of the above in line with the guidelines issued by the Board of Directors;
2. supervise the management of the Parent Company and the Group;
3. ensure the strategic coordination and management control of the Parent Company and Group;
4. manage and coordinate relationships with institutional and supervisory bodies, with the exception of relationships that by law are reserved to other bodies and departments;
5. manage and coordinate relationships with shareholders, entities, subsidiaries and third-party companies and groups;
6. manage and coordinate relationships with the media and, more generally, represent the company in dealings with the outside world/external stakeholders.

II) Operational and organisational powers:

7. implement the resolutions of the Board of Directors;
8. supervise and coordinate the drafting and revision of ordinary and/or extraordinary documents and/or strategic plans and budgets of the Parent Company and Group Companies;
9. establish or modify organisational structures and their corporate regulations, with the exception of (i) organisational structures directly reporting to the Chief Executive Officer, (ii) the legal requirements applying to the Internal Control Systems framework;
10. propose to the Board possible agreements relating to holdings or transactions;
11. manage shareholdings, subject to the limitations set forth under the Articles of Association, in particular in respect of: (i) transactions involving equity investments held or to be acquired; (ii) transactions entailing businesses, business units and groups of assets and liabilities; (iii) instructions on the exercise of voting rights at the ordinary and extraordinary Shareholders' Meetings of direct investee companies; (iv) appointments of corporate representatives in investee companies and in bodies and organisations;
12. chair the Group Management Committee established at the Parent Company;
13. supervise the measures required to ensure an efficient and effective internal control system;
14. set up work groups to study and carry out research on particular matters and issues;
15. incur expenditures and any investments that may be necessary to manage the Company pursuant to the strategies approved by the Board of Directors and within the annual budget limits established by the Board;

16. authorise expenditures not provided for by the budget within the ceiling of €500,000.00 per expenditure and, in any case, within the overall annual limit of €2,500,000.00;
17. supervise and carry out all activities related to the marketing of products/services and establish the terms and conditions thereof;
18. file legal proceedings to protect the Company and defend the Company's rights and claims in lawsuits filed against it up to a value of no more than €2.5 million, selecting and appointing lawyers, and represent the Company before any ordinary, tax, administrative or special court;
19. enter into out-of-court and judicial settlements entailing a cost or loss of revenue for the Company not exceeding €500,000.00, and reach settlements in arbitrations, including amicable settlements, appointing and revoking arbitrators; authorise the write-off of losses for matters/disputes entailing a total cost or loss of revenue for the Company not exceeding €500,000.00;
20. sign any administrative documents required to participate in calls for tenders, including the establishment of temporary joint ventures;
21. make decisions on the hiring of personnel and personnel promotions and transfers, improvements in remuneration and changes to assigned duties, in keeping with the guidelines agreed by the Board and with the remuneration policies applicable from time to time, with the sole exception of the personnel reporting directly to the Chief Executive Officer and the heads of the control functions;
22. make decisions on dismissals and any disciplinary actions, including dismissal, concerning the Company's personnel, with the sole exception of the personnel reporting directly to the Chief Executive Officer and the heads of the control functions;
23. purchase, sell, exchange and enter into leases as lessor or lessee of moveable property (including property registered in public registers), enter into and execute purchase and sale agreements for the supply of goods and/or services, including the sale/lease to third parties of products manufactured or marketed under licence by the Company;
24. enter into and sign insurance contracts with insurance companies and institutions, with the power to carry out, wherever insurance claims are filed, any activities to ensure the settlement of the claim or indemnity, also by way of amicable settlement, all of which subject to the limitations under point 19 above;
25. carry out any transactions concerning securities, valuables and currencies, with the power to sign the contract notes and any other document that may be necessary;
26. open, close and manage bank and post office accounts, within their overdraft limits; request, draw, transfer and cash bank and cashier's cheques, postal wire money orders, savings certificates and cheques, Bank of Italy payment orders and other payment instruments issued by banks;
27. make payments, even in foreign currency, recover sums, deliver and withdraw securities and valuables, and issue receipts therefor; establish and withdraw security deposits, sums of money, valuables and goods, as guarantee, security or in custody with individuals and public administrations; represent the Company in any matter or litigation with public or private offices, audit and settle asset or liability accounts; sign statements and any other document for which the signature of the Company's legal representative is not mandatory, sign documents for the payment of taxes and contributions of any kind, including social security contributions, submitting the statements required by applicable laws when making payment and accept the obligations relating thereto in the name and on behalf of the Company;

28. act for and on behalf of the Company in its capacity as data controller for the processing of any personal data stored in the Company's databases; ensure the adoption of all precautions and any measures and actions under Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and under any future EU or domestic Italian laws and regulations in this area, with full spending powers, even above the annual budgets, and with power to appoint data controllers and processors providing due notice of such appointments at the first subsequent Board meeting.

The above powers relate to the following roles: the general powers in point i) and the organisational powers in point ii), 7 to 22 and 28 relate to the role of Managing Director; the operational and organisational powers under point ii), 23 to 27 relate to the role of Managing Director.

The Chief Executive Officer also has the powers of representation provided by the Articles of Association, within the limits of his powers, with sole signing authority.

Pursuant to the above powers, the Chief Executive Officer/General Manager may appoint or revoke proxies and special representatives, entrusting them with specific acts or types of acts.

The Chief Executive Officer/General Manager, who holds the principal management function in the Company, also reports at each Board meeting on all the most important decisions made pursuant to the powers delegated to him.

Paolo Bertoluzzo is also Chief Executive Officer and General Manager, with powers granted on 3 January 2022, of subsidiary Nexi Payments.

At the time of publication of the Report, there are no other executive directors on the Company's Board of Directors.

#### **4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR**

As at the end of the 2021 financial year, the Issuer's Board of Directors is composed of 7 (seven) directors who meet the independence requirements set forth in Article 147-ter TUF and in the recommendations of the Corporate Governance Code. The Issuer's independent directors are:

- (a) Michaela Castelli;
- (b) Elisa Corghi;
- (c) Antonio Patuelli;
- (d) Marinella Soldi;
- (e) Luisa Torchia;
- (f) Marina Natale; and
- (g) Maurizio Cereda.

However, following the resignation - with immediate effect - of independent Director Luisa Torchia on 1 March 2022, there are 6 independent directors on Nexi's Board of Directors.

These Directors meet the independence requirements under Article 2 of the Corporate Governance Code and under the criteria laid down in Article 147-ter(4) TUF, which in turn references Article 148 TUF.

In compliance with Article 2 of the Corporate Governance Code, the Issuer considers the number of independent Directors appointed by the Shareholders' Meeting to be appropriate to the size of the Board of Directors and the business carried out by the Issuer, and suitable to enable the establishment of governance committees within the Board according to the recommendations of the Corporate Governance Code.

The Chair of the Board of Directors, Ms Michaela Castelli, was classed as independent on 10 March 2022, in accordance with Recommendation 7 of the Corporate Governance Code. In particular, it should be noted that: (i) the Chair was appointed prior to Nexi's listing on the MTA (now Euronext Milan) when appointment through the slate voting system was not envisaged by the Articles of Association in force at the time; (ii) the Chair is also independent pursuant to Recommendation 7 of the Corporate Governance Code, as verified by the Board of Directors at its meeting of 10 March 2022.

Since Nexi is a "large company" with "concentrated ownership" within the meaning of the Corporate Governance Code, the independent members of Nexi's Board of Directors must represent at least 1/3 of the members of the administrative body. As of 31 December 2021, 7 out of 15 directors are classed as independent.

On 13 February 2019, the date of the first appointment of the Board of Directors as a whole, the Board verified that its non-executive members met the independence requirements. This fact was not disclosed to the market pursuant to Article 144-*novies*(1-*bis*) of the Issuers Regulation, as there was no obligation to do so, since this verification took place prior to the listing of the Issuer.

At least once a year, the Board of Directors assesses whether each of the non-executive directors meets the independence requirements. As regards the 2021 financial year, the Board of Directors verified the continued fulfilment of the independence requirements under the combined provisions of Articles 147-*quinquies* and 148 TUF and Article 2 of the Corporate Governance Code for the independent directors and pursuant to the combined provisions of Article 148 TUF and Article 2 of the Corporate Governance Code for the statutory auditors. All of the criteria established by the Corporate Governance Code were applied (i) on 11 March 2021, (ii) on 30 July 2021, for the directors whose appointment had become effective following the finalisation of the Nets Merger, (iii) on 27 January 2022, for the directors whose appointment had become effective as of 23:59 on 31 December 2021, following the finalisation of the SIA Merger (i.e., directors Massoli, Pettenati, Natale and Cereda) and (iv) on 10 March 2022 for the remaining non-executive members of the Board of Directors (i.e., the Chair Castelli and directors Patuelli, Corghi, Soldi, Bassi, Nilsson, Goetz, Paduch and Ghizzoni).

On all the aforementioned occasions, the Board of Directors considered all the elements necessary and/or useful for the purpose of the related assessments, such as, by way of example, the CVs accompanied by specific information as well as any updates provided by each director, also assessing the circumstances relevant to their meeting of the independence requirements pursuant to the TUF and the Corporate Governance Code. In particular, the Board of Directors (i) on 10 March 2021, confirmed the independence of directors Michaela Castelli, Elisa Corghi, Luisa Torchia, Marinella Soldi and Antonio Patuelli, (ii) on 30 July 2021, held that the new directors Bo Nilsson and Stefan Goetz did not meet the independence requirements; (iii) on 27 January 2022, held that the new directors Marina Natale and Maurizio Cereda met the aforementioned independence requirements; on the contrary, it held that the new directors Fabio Massoli and Francesco Pettenati did not meet the aforementioned independence requirements; (iv) on 10 March 2022, confirmed the independence of directors Michaela Castelli, Elisa Corghi, Marinella Soldi and Antonio Patuelli (with regard to Patuelli, only with regard to the requirements of the TUF) and held that the directors Luca Bassi, Jeffrey David Paduch, Federico Ghizzoni, Bo Nilsson and Stefan Goetz did not meet the independence requirements.

In the course of the above meetings, the Board of Statutory Auditors was able to verify, in turn, that the Board of Directors, in carrying out the above assessments, correctly applied the criteria indicated in the Corporate Governance Code, following a transparent assessment procedure, which allowed the Board to become aware of the information potentially relevant to the assessment itself. As a result of these audits, the Board of Statutory Auditors confirmed the assessments made by the Board of Directors.

The independent directors expressed their opinion on the Independence Policy for members of the Board of Directors in December 2021. Given that the Remuneration and Appointment Committee and the Control, Risk



and Sustainability Committee are made up of independent Directors, it was not necessary to hold ad hoc meetings of only the independent directors. Since they were appointed prior to Nexi's listing on the MTA (now Euronext Milan) and, since, in that context, appointment through the slate voting system was not provided for by the Articles of Association in force at the time, the directors who make up the Company's Board of Directors were not appointed by those means. On such occasion, the directors did not commit to maintaining their independence during their term of office and, if necessary, to resign. However, for the sake of completeness, it should be noted that, in accordance with the provisions of the SIA Shareholders' Agreement, the parties called upon to nominate the candidates for the renewal of the administrative body that will be carried out by the Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2021, are required to identify a minimum number of independent directors.

### **Lead Independent Director**

Pursuant to the Board of Directors' Regulation, the Board of Directors may appoint an independent director as Lead Independent Director; it shall be required do so if requested by the majority of the independent directors. If appointed by the Board of Directors, the Lead Independent Director collects and coordinates the requests and inputs of non-executive directors, in particular of independent directors, and coordinates the meetings of the independent directors.

The Board of Directors has not created the position of Lead Independent Director, since the conditions set out in Recommendation 13 of the Corporate Governance Code have not been met.

With regard to the role of the Lead Independent Director, the independent directors considered the appointment of a Lead Independent Director unnecessary in a company such as Nexi, where the Chair of the Board of Directors, who is an independent director, is fully able to ensure the proper functioning of corporate governance and an adequate exchange of information between the independent Board and the independent directors. During the meeting it was also confirmed that the Board is fully involved in the main strategic and operational matters.

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

On 8 March 2019, the Company's Board of Directors approved:

- a procedure pertaining to both the in-house management and the external communication of inside information and the establishment and keeping of the Insider List ("**Guidelines on the Management of Inside Information and the Insider List**");
- a procedure on Internal Dealings ("**Internal Dealing Guidelines**").

The above procedures were subsequently amended and supplemented by a resolution of the Board of Directors on 10 June 2021, effective from 1 July 2021, in order, among other things, to align certain provisions with updates on internal dealing. The above procedures are published on the Issuer's website at <https://www.nexigroup.com/en/group/governance/documents-and-procedures/>.

## **6. INTERNAL BOARD COMMITTEES**

On 13 February 2019 the Board of Directors confirmed the appointment, made on 3 July 2018, of the strategic committee (the "**Strategic Committee**"), whose advisory scope includes, but is not limited to: (i) Group-level strategic planning; (ii) guidelines for Group-level business planning; (iii) business line performance; (iv) extraordinary transactions; (v) financial strategy and policy; (vi) the organisational structure of subsidiaries. The Strategic Committee consists of the CEO, the Chair and directors Luca Bassi, Bo Nilsson, Stefan Goetz and Jeffrey David Paduch. On the effective date of their resignation as directors, Francesco Casiraghi, Giuseppe Capponcelli and Simone Cucchetti also ceased to be members of the Strategic Committee, while, on

10 February 2022, the Board of Directors resolved to appoint Francesco Pettenati as a member of the Strategic Committee.

On 25 February 2019, the Company's Board of Directors, in accordance with the recommendations on corporate governance contained in the Corporate Governance Code, also resolved to establish:

- a *control, risk and sustainability* committee ("**Risk, Control and Sustainability Committee**"), which deals, among other things, with sustainability issues relevant to the generation of long-term value.
- a committee for *related-party transactions*, also implementing the provisions of the Related Parties Regulation (the "**RPT Committee**"); for more information on this, see Section 10.
- a *remuneration and appointment* committee, which combines the functions of the appointment committee and the remuneration committee ("**Remuneration and Appointment Committee**").

On 8 March 2019, the Board of Directors approved the regulations governing the functioning of said Committees. In accordance with these regulations, minutes shall be drafted for all committee meetings by a Secretary who may be appointed from time to time or permanently. At the earliest opportunity, the Chairs of each Committee shall i) inform the Board of Directors as to the issues discussed, ii) report to the Board any assessments and/or opinions pertaining to the issues discussed and/or resolved upon.

Under the Committees' Regulations, pre-meeting disclosures must usually be circulated at least five days in advance and using computerised methods that ensure the confidentiality of the information shared, except in cases of urgency where the documentation is made available as soon as possible; in 2021 the above time limit was respected and, where this was not possible in the case of extraordinary transactions in progress, in especially urgent cases or due to the sensitivity of the matter and of the resolution, the Chair ensured that adequate and detailed information was provided, including during non-board meetings in preparation for the meeting.

In performing their duties, said Committees have access to all the information and corporate functions necessary for fulfilling their duties, and can appoint external advisors at the Company's expense, normally within the budget limits approved by the Board of Directors for each Committee.

In view of the Company's organisational requirements and of the manner of operation and size of its Board of Directors, the Company has set up a single appointment and remuneration Committee tasked with carrying out due diligence and providing advice and proposals to the Board of Directors.

The Remuneration and Appointment Committee and the Risk, Control and Sustainability Committee underwent changes in their composition during the 2021 financial year. Until 11 November 2021, said Committees had been composed of a majority of independent members (2/3); on that date, the non-executive and non-independent directors Luca Bassi and Francesco Casiraghi ceased to be members of said Committees. In both cases, the outgoing members were replaced by the Chair; consequently, the two Committees became composed exclusively of independent members pursuant to the law and the Corporate Governance Code, namely Marinella Soldi, Michaela Castelli and Elisa Corghi, as Chair. This circumstance, however, presumably implied a possible concentration - albeit temporary, in light of the forthcoming renewal of the administrative body and, consequently, of the Committees - of the roles held by the members of the internal board committees. This concentration, however, was due to the need to ensure the change of certain directors, in view of the finalisation of the SIA Merger and, consequently, the effectiveness of the appointment of the directors designated by CDPE and FSIA, as per the SIA Shareholders' Agreement. In this regard, in particular, it should be noted that, on 10 February 2022, the Board of Directors approved the replacement of (i) Ms Michaela Castelli, as member of the Remuneration and Appointment Committee, by Mr Maurizio Cereda (independent director), (ii) Ms Marinella Soldi, as member of the control, risk and sustainability committee,

by Mr Fabio Massoli and (iii) Ms Marinella Soldi, as member of the related parties committee, by Mr Maurizio Cereda (independent director).

On the other hand, throughout 2021, the RPT Committee was always composed exclusively of directors who met the independence requirements under the law and the Corporate Governance Code.

The Board of Directors determined the composition of the Committees, giving priority to the skills, experience and professionalism of their members. For more details on the composition and professionalism of the members of the Committees, see the following Sections. See also Table 3 for further information on the work of the Committees.

For the sake of completeness, it should be noted that no functions assigned to the committees by the Corporate Governance Code were reserved for the Board of Directors as a whole.

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

### **7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS**

#### ***Board Review 2021***

Nexi's Board of Directors, by means of a process coordinated by the Remuneration and Appointment Committee, carried out a self-assessment of its size, composition and functioning and of its internal board committees for the financial year ended 31 December 2021, the third year of the Board's term of office.

The Board's latest assessment had been made with respect to the financial year ended 31 December 2020.

The Nexi Board of Directors, aware that the Board Review is a useful tool to support the company's governance system, conducts this activity on an annual basis. During the current term of office, the Board Review has been conducted at the end of each financial year, using an integrated method that includes the preparation of an ad hoc questionnaire - diversified over the three years - as well as interviews with individual Directors.

The review was carried out with the support of Spencer Stuart, an independent external advisor and expert in corporate governance and board effectiveness, who supported Nexi's Self-Assessment throughout the three-year period. In this regard, it should be noted that Spencer Stuart does not provide any other services to the Company, or to companies in a relationship of control with it, except for the consultancy provided for the Board Review for the 2020 financial year and, for the 2021 financial year only, the support to the Self-Assessment of the Control Body.

The Board Review focused on the size, composition and specific functioning of the Board and its Committees, taking into account the role played by the Board in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

In this regard it should be noted that the composition of the Board of Directors is characterised by the presence of managerial profiles with specific experience in certain sectors relevant to Nexi's business, such as the banking and financial sector, professionals and university lecturers with specific experience in economic and financial matters (in this regard, see the specific section of the Company's website <https://www.nexigroup.com/en/group/governance/corporate-bodies/>). More specifically, with regard to the Board of Directors in office following and as a result of the SIA Merger:

- 80% of the members of the Board of Directors have significant managerial experience, of which 40% have acquired experience at a managerial level in banks and financial institutions and in companies operating in the digital payments sector;
- 50% of the members have strong skills in administration, finance, control and auditing, gained within top companies and financial institutions in Italy;

- 20% of the members of the Board of Directors have specific experience in the academic field and in professional firms, both in accounting and in law.

The mix of skills on the Board of Directors is well balanced and strengthened by knowledge of Nexi's business, which has seen the current Board of Directors committed to Nexi's growth and development. In this regard, the Board, in its Guidelines, has suggested to ensure adequate continuity in the Board's composition, in order to leverage the wealth of knowledge about Nexi acquired by the Directors necessary to continue and support the current development phase started by the current Board of Directors.

This being said, this year too, the Directors have willingly contributed to this process to help to identify possible areas of improvement for the optimisation of Board dynamics.

The interviews allowed the Board to examine the answers to the questionnaires in more detail, expand the dialogue and collect comments and suggestions directly. Building on the actions taken as a result of the Self-Assessment process carried out the previous year, the focus this year was on:

- "End-of-term-of-office review", highlighting the actions actually carried out and identifying possible areas of improvement for the further optimisation of Board dynamics;
- Size and Composition of the Board, in order to gather input and comments from the current Directors, useful for drawing up Guidelines on the professional figures to be proposed to the Shareholders for appointment to the new Board.

With regard to composition, the advisor also prepared a benchmark analysis of a panel of companies belonging to the FTSEMib index.

The Nexi Board worked with constant commitment. Looking at the results of the Self-Assessment, the third year in office continued to be very demanding, as the Board had to engage in extraordinary activity due to the continuation of the health emergency caused by the several waves of the pandemic and, above all, to complete the Nets Merger and the SIA Merger.

Overall, the Directors are satisfied with the Board of Directors' work throughout the financial year; the results of the interviews are positive and the percentage of positive responses to the questions is very high, exceeding 90%.

The Directors expressed their full satisfaction and appreciation of the size, composition and functioning of the Board of Directors and its Committees. During the three-year period, the Board has implemented a path of progressive knowledge and implementation of the governance principles, operating in compliance with the Corporate Governance Code and the best practices at Italian and international level.

In particular, the strengths that have emerged - also with reference to the three-year term of office - are:

- strong collaboration, a positive and constructive climate that has steadily strengthened during the term of office; this has fostered a strong sense of teamwork, trust, unity of vision and awareness of having supported the company's development;
- the Board has operated with continuity, aiming to strengthen the Group's leading position whilst also consolidating governance rules and structures; during the term of office, the level of commitment has been significant and driven by the need to assess and manage extraordinary strategic transactions;
- all Directors displayed availability in terms of agenda and timetable; flexibility and resilience in response to the pandemic), enabling the Board to support management with fast action, facilitating the decision-making process;

- the leadership of the Chair and of the Chief Executive Officer has been acknowledged by all Directors; both have worked to ensure that the health emergency would not affect the Board's work. The Chair, with the support of the corporate Secretariat, has worked during the three-year period to ensure the highest effectiveness of Board meetings, even though the continuing pandemic forced Directors to work mostly remotely; the Chief Executive Officer is the recognised leader, and has continued to guide senior management functions with determination and clear direction, managing the business with excellent results and driving the expansion of the Group's scope;
- constant and timely support provided by the structures and management, which ensure the preparation of documentation of excellent quality; the 2021 Board Review shows a constant level of satisfaction with both the delivery deadlines for documentation, precisely defined, and the quality and completeness of the Board meeting disclosures; moreover, the accessibility and usability of the documentation is guaranteed by a highly secure information platform. The confidentiality of said documents is guaranteed and, as such, is not a current concern for the Nexi Board.

As regards the functioning of the internal board committees:

- the Directors emphasised that the work of the Committees constitutes the ideal forum for debate and discussion and all agreed on the effectiveness and intensity of their work;
- there has been appreciation for the thorough due diligence and reviews carried out by the specific Committees, whose results were passed on appropriately to the Board for the information of the directors not belonging to the same Committee, to facilitate the Board's decision-making process.

Regarding the composition of the Board:

- the extraordinary transactions provided for a review of governance and a change in the composition of the Body, which in July 2021 went from 13 to 15 members and which on 16 December of the same year saw a change of certain Directors due to the provisions of the binding Framework Agreement, aimed at regulating the terms and conditions associated with the merger by incorporation of SIA into Nexi;
- in preparation for the appointment of the new Board, following the completion of the Nets Merger and the SIA Merger, the Board has carried out some reflections, shared with the Shareholders, on the Board's size and composition, with the aim of (i) continuing to ensure primary business skills in the digital sector (paytech), (ii) ensuring the presence of managerial profiles with high seniority (at CEO level), (iii) reflecting the Group's international nature, (iv) ensuring constant monitoring of Italian and international regulatory matters in the reference sector, (v) monitoring and ensuring the adequacy of the internal control and risk management system, (vi) further enhancing competences in the area of Sustainability (ESG), to support and undertake additional initiatives in this area by the Group over a medium-to-long term period.

About the Committees:

- the Board appreciates their structure and current composition, intending to take advantage of the possibility of greater diversification of the members of the internal board committees in order to distribute their tasks among the various directors, also with a view to their greater overall involvement and the enhancement of the wealth of skills and experience of each person.

The following points for further reflection were also raised:

- to boost cohesion and interaction between members, it was suggested to organise off-site and informal meetings: the long-lasting distancing rules have made it difficult to plan even informal face-to-face

meetings, which the Directors had hoped to hold during their term of office; it was recommended to resume this type of activity as soon as possible in order to foster team spirit among Directors;

- to continue the Onboarding Plan also for the new Directors with specific focus on business and strategies, but also on governance, risks, technology, etc.
- reflection already underway on Sustainability issues (currently overseen by the Risk, Control and Sustainability Committee) in order to make the issue a constant topic of discussion at Board meetings and establish the Board of Directors as a guide of the Company's "sustainable success".

### **Succession plans**

In January 2020, the Nexi Group - upon proposal of the Remuneration and Appointment Committee and approval of the Board of Directors - adopted a succession plan for the leading positions of the Group, in order to achieve a twofold objective: (i) ensure management continuity in the medium-long term; (ii) promote business sustainability for relevant shareholders and stakeholders, mitigating risk factors. This succession plan aims to guarantee in a predetermined manner, with the greatest possible transparency, the criteria for the succession of the Group's senior management, as described below.

The perimeter and scope of the succession plan includes the positions of the Chief Executive Officer and General Manager, as well as the senior managers reporting directly to the CEO and General Manager, including the control functions.

In defining the succession plans, an approach aligned with Italian and international market best practice and consistent with the provisions of Consob and the Corporate Governance Code was adopted, using a methodology integrated with the management, development and enhancement tools for internal resources within the Nexi Group. This being said, in 2022, following the Nets Merger and the SIA Merger, the revision of the succession plan on the basis of the new organisational structure was initiated. As a result of this review process, the scope and area of application of the assessments was further extended to include the control functions of the subsidiaries Nexi Payments and Nets, with the aim, among other things, of ensuring managerial continuity.

With reference to the succession process for the CEO and the General Manager in the event of a sudden and unexpected loss of the relationship, a contingency plan will be implemented, according to which the key role in managing the transition will be entrusted by the Board to the Chair of the Board of Directors, together with an ad hoc Committee set up at the time of discontinuity, without prejudice to the powers of the Board itself. In this case, the Chair of the Board of Directors will take over *ad interim*, and in any case for a limited period of time, the powers of the CEO/General Manager, until the date on which the successor takes office. In this regard, as a result of the above review process, the Company has also decided to integrate the internal identification mechanisms of "contingency" candidates with a market view (external mapping); this involves, in addition to the CEO, also the Chief Financial Officer and Chief Information Officer of the Nexi Group.

The Remuneration and Appointment Committee started the work and coordinated, in collaboration with the relevant Company and with the support of external advisers, the related preliminary activity, identifying contingency candidates among the existing roles with regard to 2022. The same activity will be subject to annual revisions and possible adjustments, in order to meet the Group's succession planning requirements, taking into account the development of the organisational context.

At the time of its most recent renewal (i.e., on 13 February 2019), the Board of Directors had not issued guidelines on its optimal quantitative and qualitative composition, since there was no obligation to do so, as its appointment took place prior to the listing of the Issuer.

Without prejudice to the foregoing, the replacement of the CEO, as well as the presentation of the slate for the appointment of the Board of Directors shall in any case be carried out in compliance with the provisions of the SIA Shareholders' Agreement, as set out in Section 1.

It should be noted that, on 10 March 2022, the outgoing Board of Directors, as a result of the self-assessment activity described above, issued Guidelines on the quantitative and qualitative composition deemed optimal for the new Board of Directors, although, as a “*company with concentrated ownership*” it would not necessarily be required to express the aforementioned opinion. In any case, also with a view to a correct and prudent corporate management and in order to comply with the sector’s best practices, the Board expressed its opinion on the quantitative and qualitative composition deemed optimal for the Board of Directors to be appointed. With regard to the most relevant provisions of these Guidelines, the Board of Directors, in line with Recommendation 23 of the Corporate Governance Code, invited shareholders who submit a slate containing more than half of the members to be elected to (i) provide adequate disclosures in the documentation submitted for the filing of the slate, concerning its compliance with the guidelines expressed by the outgoing Board, also with reference to the criteria of diversity and to (ii) formulate the proposals for resolutions required to appoint the Board whether as alternatives or additions to those of the outgoing Board, such as the determination of the number of its members, their term of office and remuneration. While the Guidelines do not provide specific guidance as to who should assume the role of Chair, taking into account the results of the self-assessment, they do define the main characteristics of the Chair of the Board of Directors.

These Guidelines are available on the Company’s website at the following link <https://www.nexigroup.com/en/group/governance/shareholders-meetings/2022/extraordinary-and-ordinary-meeting-05052022/>.

## **7.2 REMUNERATION AND APPOINTMENT COMMITTEE**

### **Composition**

The Remuneration and Appointment Committee underwent changes in its composition during the 2021 financial year. Until 11 November 2021, this Committee was composed of a majority of independent members (2/3); from that date, Luca Bassi, a non-executive and non-independent director, ceased his office as a member of this Committee. Consequently, he was replaced by the Chair, and accordingly the Committee became composed exclusively of independent members pursuant to the law and the Corporate Governance Code, namely Marinella Soldi, Michaela Castelli and Elisa Corghi, as Chair. Subsequently, following the finalisation of the SIA integration and on the basis of the reorganisation of the Nexi Group's governance, a review of the composition of the Board committees became necessary and, on 10 February 2022, independent director Maurizio Cereda joined the Committee, replacing Michaela Castelli.

All members have appropriate experience in financial matters and remuneration policies, as assessed by the Board of Directors.

### **Functioning**

The Remuneration and Appointment Committee is tasked with carrying out due diligence and providing advice and proposals to the Board of Directors.

The meetings of the Remuneration and Appointment Committee are presided by the Chair and the minutes of its proceedings are recorded and then presented to the Board of Directors at the first available Board meeting.

In addition, the Committee’s meetings are also usually attended by the Chair, the Chief Executive Officer, the members of the Board of Statutory Auditors, the Group Chief Administrative Officer and the Group Head of Corporate & Regulatory Affairs. These additional corporate figures participate on the basis of the regulation of the Remuneration and Appointment Committee.

The Remuneration and Appointment Committee has access to all the information and corporate functions necessary for fulfilling its duties and can appoint external advisors within the limits established by the Board of Directors, after verifying the independence of said advisors. During 2021, the Remuneration and Appointment Committee used external advisors, as described in more detail below.

The Remuneration and Appointment Committee ensures disclosure and transparency concerning the amount of remuneration of the Chief Executive Officer and senior management and the method of determining said amount. Pursuant to Article 18 of the Articles of Association and in compliance with Article 2389(3) of the Italian Civil Code, the Remuneration and Appointment Committee's duties are purely advisory. The power to determine the remuneration of any directors with special duties or responsibilities rests, upon consulting the Board of Statutory Auditors, with the Board of Directors.

In accordance with the provisions of the Corporate Governance Code, no director shall take part in the meetings of the remuneration committee in which proposals are made to the Board of Directors regarding his or her own remuneration and, consequently, shall abstain from taking part in the related resolutions.

The meetings of the Remuneration and Appointment Committee are presided by the Chair and the minutes of its proceedings are recorded and then presented to the Board of Directors at the first available Board meeting.

In addition, the Committee's meetings are also usually attended by the Chief Executive Officer, the members of the Board of Statutory Auditors, the Group Chief Administrative Officer and the Group Head of Corporate & Regulatory Affairs. These additional corporate figures participate on the basis of the regulation of the Remuneration and Appointment Committee.

### **Tasks and Duties**

With regard to appointments, the Remuneration and Appointment Committee, pursuant to its Regulation, is responsible for:

- a) assisting the Board of Directors in the annual self-assessment of the Board and its Committees, supporting the Chair of the Board in ensuring the adequacy and transparency of the self-assessment process;
- b) assisting the Board of Directors in defining the optimal composition of the Board and its Committees;
- c) assisting the Board of Directors in identifying candidates for the office of director in cases of co-option;
- d) assisting the Board of Directors in the possible presentation of a list by the Board itself, in a manner that ensures its transparent formation and presentation;
- e) assisting the Board of Directors in preparing, updating and implementing the plan, if any, for the succession of the CEO.

The Remuneration and Appointment Committee, also in accordance with its Regulation, is entrusted with the following tasks regarding remuneration:

- a) assisting the Board of Directors in drawing up the remuneration policy;
- b) submitting proposals or opinions to the Board of Directors on the remuneration of executive directors and of any directors with special duties or responsibilities, and on performance benchmarks attached to variable components of remuneration;
- c) periodically monitoring the actual application of the remuneration policy and verifying the effective achievement of performance objectives;
- d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and senior management.



## Committee Activities

In 2021 the Committee met 10 times. The average duration of the meetings was about 1 hour 45 minutes. The meetings scheduled for 2022 are normally held at least quarterly; 3 meetings have been held as at the date of this Report.

Average attendance at meetings during 2021 stood at 93%. The Board of Auditors attended all meetings.

During the meetings held in 2021, the Committee focused on the following issues, with regard to appointments:

- analysing the results of the 2020 Board evaluation activities and defining the activities for the evaluation for the 2021 financial year, which were carried out by Spencer Stuart as external advisor; Mr Stuart's appointment was preceded by a check to identify any situations that could compromise his independence; no such situations were identified;
- adopting a succession plan for top management positions, in order to achieve a twofold objective: (i) to ensure management continuity in the medium-long term; (ii) to promote business sustainability for relevant shareholders and stakeholders, mitigating risk factors.
- adopting the new Guidelines on the composition of the Subsidiaries' Boards of Directors and supervisory bodies.

During the meetings held in 2021, the Committee focused on the following issues, with regard to remuneration:

- setting 2021 MBO performance objectives for the CEO, Key Management Personnel (KMP), Control Functions and other management directly reporting to the CEO;
- performing appraisals on the implementation of the 2020 remuneration policy in respect of managers reporting directly to the CEO/GM and as to the finalisation of the MBO plan for the CEO/GM and his direct reports;
- examining the Group's 2020 financial results for the purposes of setting MBO plans;
- drafting the Report on Remuneration relating to Section II only, to be submitted for approval to the 2021 Shareholders' Meeting (with advisory vote);
- reviewing the voting outcomes of the 2021 Shareholders' Meeting on matters of remuneration and the outcomes of meetings with major institutional investors and proxy advisors in preparation for the Shareholders' Meeting;
- periodically monitoring and reviewing the relevant regulatory framework and market standards for remuneration reporting, with a focus on the changes stemming from the transposition of Directive (EU) 2017/828 (the "**SHRD II Directive**");
- analysing remuneration benchmarks with reference to the compensation of the CEO/GM, managers reporting directly to the CEO/GM, and members of the Board of Directors and Board of Statutory Auditors;
- analysing the evolution of the Nexi organisational model following the finalisation of the corporate merger transactions with Nets and SIA;
- analysing the remuneration systems in place in the Nets and SIA Groups and proposing approval of the consequent necessary exceptions in the light of the remuneration policy in place in Nexi;
- proposing to extend the last LTI 2021-2023 cycle also to the key people of Nets and SIA subject to the closing of the corporate integration transactions in accordance with the provisions of the Plan's regulation;

- carrying out a comparative analysis of the remuneration systems in place in Nexi, SIA and Nets and a comparison with market best practices with the support of external advisors specialising in Compensation/Benefit & Executive Remuneration;
- analysing and proposing an update to the remuneration policy for Nexi group employees with regard to short-term variable remuneration (MBO) and long-term variable remuneration (LTI), also in the light of the analyses and market benchmarks carried out.

## 8. REMUNERATION OF DIRECTORS

In accordance with Article 18 of the Articles of Association, the remuneration of Board members is determined by the Shareholders' Meeting. Directors are entitled to reimbursement of any expenses incurred in carrying out their duties. The remuneration of directors tasked with special duties, pursuant to the Articles of Association, is determined by the Board of Directors upon consulting the Board of Statutory Auditors.

On 6 March 2020, the Company's Board of Directors approved the Report on remuneration policy and remuneration paid (prepared pursuant to Articles 123-ter of Legislative Decree No. 58 of 24 February 1998 and 84-*quater* of the Issuers Regulation and its Annex 3A, Schemes 7-*bis* and 7-*ter*) approved (with a binding vote for Section I and an advisory vote for Section II) by the Shareholders' Meeting called to approve the financial statements as at 31 December 2019 and held on 5 May 2020.

For further information in this regard, see the Report on remuneration policies and the remuneration paid in 2020 (the "**Remuneration Policy**") which the Shareholders' Meeting approved on 5 May 2020 (<https://www.nexigroup.com/en/group/governance/shareholders-meetings/2020/ordinary-meeting-05052020/>) while, with regard to Section II of the Report on remuneration policies and the remuneration paid, it should be noted that the Shareholders' Meeting last cast a favourable advisory vote on 5 May 2021 (<https://www.nexigroup.com/en/group/governance/shareholders-meetings/2021/ordinary-meeting-05052021/>).

For the sake of completeness, it should be noted that the Company will adopt a new remuneration policy at the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2021 and that Section II of the Report on the remuneration policy and remuneration paid for 2022 will include information with regard to the 2021 financial year (<https://www.nexigroup.com/en/group/governance/shareholders-meetings/2022/extraordinary-and-ordinary-meeting-05052022/>).

The policy for the remuneration of directors, statutory auditors and senior management is drawn up as follows: (i) the process is initiated by the Chief Administrative Officer Department, which provides technical support; (ii) next, the Remuneration and Appointment Committee makes proposals for the policy, with input from the Board of Statutory Auditors; (iii) the Board of Directors, gathering the results of the work of the above parties, produces the draft and approves the remuneration policy and (iv) the Shareholders' Meeting approves Section I of the policy with a binding vote and Section II of the policy with an advisory vote.

The Remuneration Policy approved by the Board of Directors and the Shareholders' Meeting during the 2020 financial year reflects and supports Nexi's business strategy and values, with the aim of strengthening its leadership in the management and development of resources among listed companies with a particular focus on the hi-tech sector. The remuneration policy has the following objectives, which are aligned with the ultimate goal of pursuing the sustainable success of the Issuer:

- create lasting value for shareholders, while also respecting the interests of both customers and employees;
- pursue and ensure the sustainable growth of the organisation in the medium-long term, leading accordingly, through the identification of specific targets, the actions of the directors and senior

management, in line with the guidelines of the Company's strategic business plan, through the informed management of corporate risks;

- attract, motivate and retain people whose attitudes, passions, skills and experience are a key factor in Nexi's success;
- develop a culture based on recognising merit, through remuneration systems linked to results achieved in the short and medium term, as well as to conduct.

In the Issuer's opinion, the remuneration package for directors, statutory auditors and members of senior management is consistent with the role held and the responsibilities assigned, at all levels of the company. Company roles are weighed in terms of impact and responsibility according to a codified and internationally-recognised system (banding) to ensure a uniform and fair approach to the role. External benchmarks - including benefits - are established with companies of a similar size in the relevant sectors, in terms of pay mix and remuneration levels, with the support of independent external consultancy firms. The Issuer also constantly monitors market practices at national and international level; the aim is to ensure that remuneration decisions are made effectively to ensure the competitiveness of remuneration packages so as to attract and retain key skills, and to ensure fairness within the Company.

For more information on:

- the remuneration of executive directors and senior management, see the Remuneration Policy;
- share-based remuneration plans, see the Remuneration Policy;
- the remuneration of non-executive directors, see the Remuneration Policy;
- the vesting and payment of compensation, see the Report on Remuneration Paid; and
- the compensation of directors in the event of resignation, dismissal or cessation of office following a takeover bid, see the Report on Remuneration Paid.

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

The Issuer has adopted an internal control and risk management system suitable to allow the identification, measurement, management and monitoring of the main risks and in line with national and international best practices, with the aim of creating sustainable success for the Group.

As already mentioned in Section 4, paragraph 4.1 above, one of the fundamental tasks of the Board of Directors is to define the nature and level of risk compatible with the Group's strategic objectives, with a view to medium-long term sustainability. To do so, the Board of Directors relies on a series of bodies, corporate structures and functions that oversee the identification, monitoring and management of corporate risks and make up the Group's Internal Control and Risk Management System.

In this context, it is in any case the Board that defines the guidelines of the Group's internal control and risk management system, in accordance with corporate strategies, and assesses its adequacy and effectiveness on an annual basis; each subsidiary must also provide all necessary information and the results of assessments regarding the adequacy of the internal control and risk management system to the Parent Company and must promptly inform the Issuer of any significant change in applicable laws and regulations that could impact the system.

The main challenge that the Issuer has already started to face is the redetermination of risk profiles resulting from the parallel corporate merger process due to the completion of the Nets Merger and the SIA Merger.

The parties involved in the internal control and risk management system are described below.

### **9.1 CHIEF EXECUTIVE OFFICER**

To support the Issuer's internal control and risk management system, in addition to the Control, Risk and Sustainability Committee, the Company's Board of Directors appointed Mr Paolo Bertoluzzo, on 25 February 2019 and with immediate effect, as director in charge of the internal control and risk management system, to perform the functions described in the Corporate Governance Code. In this regard, the Issuer believes that the appointment of the Chief Executive Officer as the person in charge of the internal control and risk management system is in line with the provisions of the Corporate Governance Code, which emphasise the positive aspects of this choice, also in light of the specific knowledge possessed by the person appointed.

In line with Recommendation 34 of the Corporate Governance Code, the Executive Director in charge of overseeing the functioning of the internal control system shall:

- ensure that major corporate risks are identified, taking into account the nature of the business conducted by the Issuer and its subsidiaries, and regularly report such risks to the Board of Directors;
- implement the guidelines issued by the Board of Directors, overseeing the design, development and implementation of the internal control and risk management system and ensuring its constant evaluation in terms of adequacy and effectiveness;
- ensure that said system is updated to reflect changes in the operating, legal and regulatory environments;
- at his or her discretion, request that the Internal Audit function carry out reviews into specific operating segments and into compliance with internal rules and procedures in executing corporate transactions; when so doing, provide immediate notice to that effect to the Chair of the Board of Directors, the Chair of the Control, Risk and Sustainability Committee and the Chair of the Board of Statutory Auditors;
- without delay, report to the Control, Risk and Sustainability Committee (or to the Board of Directors) on any significant findings, whether as a result of his or her activities or otherwise obtained, to enable the Committee (or the Board) to take appropriate action.

## **9.2 RISK, CONTROL AND SUSTAINABILITY COMMITTEE**

### **Composition**

The Control, Risk and Sustainability Committee underwent changes in its composition during the 2021 financial year. Until 11 November 2021, this Committee was composed of a majority of independent members (2/3); from that date, Francesco Casiraghi, a non-executive and non-independent director, ceased his office as a member of this Committee. Consequently, he was replaced by the Chair, and accordingly the Committee became composed exclusively of independent members pursuant to the law and the Corporate Governance Code, namely Marinella Soldi, Michaela Castelli and Elisa Corghi, as Chair. Subsequently, following the finalisation of the SIA integration and on the basis of the reorganisation of the Nexi Group's governance, a review of the composition of the Board committees became necessary and, on 10 February 2022, director Fabio Massoli joined the Committee, replacing Marinella Soldi.

All members have appropriate experience in accounting, finance or risk management.

### **Functioning**

The meetings of the Control, Risk and Sustainability Committee are presided by the Chair and the minutes of its proceedings are recorded and then presented to the Board of Directors at the first available Board meeting.

The Chair of the Board of Statutory Auditors or another Statutory Auditor designated by him takes part in the work of the Control, Risk and Sustainability Committee. The Chief Executive Officer and the Head of the Audit Function are invited to all Committee meetings. On the basis of its Regulation, the Committee may also invite the Chair and Deputy Chair of the Board of Directors, the Director in charge of the internal control and

risk management system and the other Directors to its meetings. The Financial Reporting Officer, as well as the representatives of the independent audit firm and the managers in charge of the various functions and any other person whose presence is deemed helpful to the Committee in carrying out its functions in the best possible way may also be invited to attend its meetings.

At the invitation of the Chair, the other Directors, the Financial Reporting Officer and the representatives of the Company's and the Group's staff may also attend meetings, if necessary informing the Chief Executive Officer. Independent auditors representing the company may also be invited.

The Control, Risk and Sustainability Committee has access to all the information and corporate functions necessary for fulfilling its duties and can appoint external advisors within the limits established by the Board of Directors. In 2021, the Committee did not enlist any external advisors.

The majority of the members of the Risk and Control Committee have appropriate experience in accounting and finance and/or risk management.

### **Tasks and Duties**

The Control, Risk and Sustainability Committee, in assisting the Board of Directors, in accordance with the Corporate Governance Code, has the following duties:

- support the Board in carrying out the tasks entrusted to it by the Corporate Governance Code regarding internal control and risk management;
- assess, after consulting the Financial Reporting Officer, the independent audit firm and the Board of Statutory Auditors, the correct application of accounting standards and, since the Issuer is the head of a Group, their uniformity for the purposes of preparing the consolidated financial statements;
- assess whether the periodic financial and non-financial reporting is suitable to correctly represent the Issuer's business model, its strategies, the impact of its business and the performance achieved;
- examine in advance periodic non-financial reporting relevant to the internal control and risk management system;
- express opinions on specific aspects relating to the identification of the main corporate risks and support the Board of Directors' assessments and decisions relating to risk management in response to any potentially damaging events of which the Board is aware;
- examine the periodic reports of the control functions and particularly significant reports prepared by the Internal Audit function;
- monitor the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function and the control functions;
- ask the Internal Audit function to carry out checks, if it deems it necessary, on specific operational areas, at the same time notifying the Chair of the Board of Statutory Auditors;
- report to the Board, at least at the time of the approval of the annual and half-yearly financial reports, on the activities carried out as well as on the adequacy of the internal control and risk management system;
- assist the Board of Directors in supervising the actual functioning of the risk management and control processes in compliance with the laws and regulations in force;
- submit proposals to and advise the Board of Directors on matters of sustainability, namely:
  - a) examine and evaluate any sustainability issues with a bearing on business operations and on the nature of interactions with stakeholders;

- b) examine and evaluate the data collection and consolidation system for the drafting of the Group's "Sustainability Report" (including the "Non-Financial Statement" pursuant to Legislative Decree No. 254/2016);
- c) examine, prior to approval, the Group's "Sustainability Report" (including the "Non-Financial Statement" laid down in Legislative Decree No. 254/2016), and recommend its approval to the Board of Directors;
- d) monitor the Company's positioning on sustainability issues, in particular its ranking in ethics-based sustainability indices;
- e) at the Board's request, provide opinions on other matters relating to sustainability.

The Control, Risk and Sustainability Committee, in accordance with the provisions of the Corporate Governance Code, also issues its prior opinion to the Board of Directors concerning:

- guidelines for the internal control and risk management system, in line with the Company's strategies;
- the adequacy and efficacy of the internal control and risk management system with respect to the nature of the Issuer's business and its risk profile, as well as its effectiveness;
- the work plan prepared by the head of the Internal Audit function and the heads of the control functions, where present, of the Group companies, after consulting the Board of Statutory Auditors and the CEO;
- a description, in the corporate governance report, of the main characteristics of the internal control and risk management system and of the coordination arrangements between the relevant parties, including an assessment of the system's adequacy;
- proposals pertaining to the appointment, revocation and remuneration of the Head of the Internal Audit function as well as opinions as to the adequacy of resources allocated to said function head for the purposes of the mandate;
- assessment of the appropriateness of adopting measures to ensure the effective and impartial judgment of the other corporate functions involved in controls (such as risk management and legal and non-compliance risk monitoring functions), verifying that they possess adequate professional skills and resources;
- granting to the Board of Statutory Auditors or to a body specifically set up for this purpose of the supervisory functions laid down in Article 6(1)(b) of Legislative Decree No. 231/2001 (additional points under Article 4 of the Regulation)

### **Committee Activities**

In 2021 the Committee met 13 times. The average duration of each meeting was approximately 2 hours; 11 out of the 13 meetings reported full attendance. The meetings scheduled for 2022 are normally held at least quarterly; 4 meetings have been held as at the date of this Report.

The Committee has acted pursuant to the due diligence, advisory and proposal-making functions assigned to it by the Board of Directors. At the 13 meetings, regular sessions were also held to discuss issues falling within the Committee's remit. In particular: Group ERM development; Audit findings; AML compliance; transparency, Privacy and PSD2; business continuity and cybersecurity; corporate & social responsibility and DNF.

In the second half of 2021, the work carried out focused mostly on identifying and redefining measures to contain the risks arising from the integration of the entire Nets Scope into the Nexi Group.

The Committee liaised constantly with the Board of Statutory Auditors and the Supervisory Body (SB) to carry out common activities and exchange mutually-relevant information, while having due regard for their respective mandates.

At various stages throughout 2021, the meetings of the Control, Risk and Sustainability Committee were:

- fully attended, with some meetings carried out jointly, by the Board of Statutory Auditors, to discuss matters of common interest;
- attended six times, upon invitation, by the Financial Reporting Officer, to discuss matters relevant to accounting and related issues;
- attended two times, upon invitation, by the representatives of the independent audit firm, to discuss the topics covered by their mandate.

### **9.3 HEAD OF THE INTERNAL AUDIT FUNCTION**

The Head of the Internal Audit Function, Emanuele Boati, reports to the Board of Directors, directly or via the Control, Risk and Sustainability Committee, at least annually and, in cases of particular relevance, at the first available meeting, on the adequacy, effectiveness and effective functioning of the internal control system with respect to the guidelines defined by the Board of Directors. The remuneration of the Head of the Internal Audit Function was established in line with the company policies.

The Head of the Internal Audit Function acts in support of the Issuer's internal control and risk management system, which has been assigned, among other things, the tasks under Recommendation 36 of the Corporate Governance Code.

The Head of the Internal Audit Function is not responsible for any of the Group's operational areas and reports directly to the Board of Directors.

The Internal Audit Function is granted unlimited access by the Board of Directors to all other corporate functions, to recordings, to the minutes of all and any decision-making and consulting committees, to all other Nexi premises and personnel, provided that it is useful for the performance of its duties.

The Head of the Internal Audit Function also has an adequate annual budget, which is submitted for approval to the competent corporate bodies.

None of the duties or functions of the Internal Audit Function have been outsourced, either entirely or partially, to any third parties outside the Group.

In 2021, the Head of the Internal Audit Function

- verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the functioning and the suitability of the internal control and risk management system through an audit plan, approved by the Board of Directors and based on a structured process of analysis and prioritisation of the main risks;
- prepared periodic reports containing adequate information on its activity, on the ways in which risk management is conducted, as well as on compliance with the plans defined for the containment of risks. The reports also contained an assessment of the suitability of the internal control and risk management system. The Head of the Internal Audit Function forwarded them to the Chairs of the Board of Statutory Auditors, the Control, Risk and Sustainability Committee and the Board of Directors, as well as to the Chief Executive Officer, except in cases where the subject-matter of said reports concerned specifically the activities of those individuals;

- prepared promptly reports on events of particular significance and forwarded them to the Chairs of the Board of Statutory Auditors, the Control, Risk and Sustainability Committee and the Board of Directors, as well as to the Chief Executive Officer, except in cases where the subject-matter of such reports concerned specifically the activities of those individuals;
- verified, as part of the audit plan, the reliability of the information systems, including the accounting systems with regard to the auditing of IT procedures as requested by the Financial Reporting Officer (262)

The Head of the Audit Function carried out interventions in accordance with the prescribed operating procedures and, in cases of particular relevance, promptly and adequately informed the relevant corporate bodies. The Head of the Internal Audit Function also prepared and submitted individual reports for each business area, each designed to highlight any issues detected, their significance and any situations warranting reporting to the relevant managers. Said actions were carried out with a view to improving control of the timely implementation of actions in response to risks identified during the course of audits. The Head of the Internal Audit Function has played and will continue to play a key role in the corporate integration processes of the Nets Scope and the SIA Scope.

#### **9.4 ORGANISATIONAL MODEL (PURSUANT TO LEGISLATIVE DECREE NO. 231/2001)**

The Company has adopted an Organisation, Management and Control Model, pursuant to and for the purposes of Legislative Decree No. 231/2001 (“**231 Model**”), most recently updated on 30 July 2020 in order to align it with Nexi’s new organisational structure and account for the new predicate offences pursuant to Legislative Decree No. 231/2001 on Bribery and Tax Offences.

The Model is divided into one General Part and six Special Parts.

The General Part (which defines Nexi's organisational structure, as well as how the Model is created and the principles on which it is based) has been reviewed, updated and expanded, especially in respect of the offences against the Public Administrations and the criteria for identifying them. In particular, the types of relevant offences pursuant to Legislative Decree No. 231/2001, as subsequently supplemented, which may give rise to the administrative liability of entities, are only those expressly provided for by law, in accordance with the principle of legality confirmed by Article 2 of Legislative Decree No. 231/2001. These types of offences can be grouped, for the sake of clarity, into the following categories: offences against the Public Administration, computer crimes and unlawful data processing, organised crime offences, forgery of money, public credit cards, revenue stamps and identification instruments or signs, offences against industry and commerce, corporate offences, offences for the purpose of terrorism or subversion of the democratic order, offences against individuals, market abuse, manslaughter and serious or very serious negligent injuries committed in violation of workplace health and safety legislation, receiving stolen goods, money laundering, using money, goods or benefits of unlawful origin, as well as self-laundering, offences concerning violations of copyright, coercion not to make declarations or make misleading declarations to the legal authorities, environmental offences, employment of illegally resident third-country nationals, transnational offences and tax offences.

This General Part is available on the Issuer's website at the following link <https://www.nexigroup.com/en/group/governance/governance-system/>.

The Model includes six Special Parts in addition to the General Part:

- Special Part I - Risk Mapping. The document is designed to identify the types of offence and potential ways in which they may be committed in the performance of the Company’s activities.
- Special Part II - Protocols. Documents summarising, for each relevant Company structure, a range of activities, controls and reporting mechanisms established for the purposes of ensuring that the organisational system complies with the rules of Legislative Decree No. 231/2001.



- Special Part III - Code of Ethics, amended with respect to the previous version by adding a reference to the Whistleblowing System.
- Special Part IV - Information Flows. Document summarising the main Information Flows towards/from the Supervisory Body.
- Special Part V - Report Form to be submitted to the Supervisory Body on infringements of the Model.
- Special Part VI - List of Offences pursuant to Legislative Decree No. 231/2001 applicable to the Company.

As allowed by applicable law, the Supervisory Body duties are carried out by the Board of Statutory Auditors. Said Supervisory Body fulfils the relevant requirements of autonomy, independence, professional skills and continuity of action.

As part of its activities, the Supervisory Body coordinates its functions with those of the Board of Directors by means of periodic and/or extraordinary information flows (e.g., to report a violation).

The Board of Directors, with the cooperation of the members of the Supervisory Body, is considering how to supplement and/or amend the 231 Model in light of the integration of the Nets Scope and the SIA Scope, and how to coordinate it with similar models and policies adopted by its foreign subsidiaries.

## **9.5 INDEPENDENT AUDITORS**

The Company has appointed as their independent auditors PricewaterhouseCoopers SpA (hereinafter also “PWC”), with registered office in Milan, Piazza Tre Torri 2, registered at the Ministry of Economy and Finance under the Registry of Auditors as no. 119644).

In particular, on 13 February 2019 the Issuer’s Shareholders’ Meeting resolved to entrust PwC with (i) the independent audit of the Group’s statutory and consolidated financial statements for 2019-2021, starting from the expiry of the prior mandate awarded to KPMG SpA (hereinafter, KPMG) and expiring at the earlier of (a) the date on which Nexi’s statutory financial statements for the year ending 31 December 2021 are approved and (b) the date on which Nexi shares are traded on Borsa Italiana’s MTA (since renamed Euronext Milan) market, and (ii) the independent audit of the Group’s statutory and consolidated financial statements for 2019-2027 and, for the same years, the limited audits of the condensed consolidated half-yearly financial statements for the six months ending 30 June, all of which pending the actual listing on the MTA (now Euronext Milan) of Nexi shares and, hence, effective as of the first day of trading of Nexi shares on said market. For the sake of completeness, it should be noted that, since the Independent Auditors did not deliver any suggestions or specific indications in specific documentation (i.e., letter to the Board of Directors or additional report to the Board of Statutory Auditors), the Board of Directors did not carry out this assessment.

## **9.6 FINANCIAL REPORTING OFFICER AND OTHER CORPORATE ROLES AND FUNCTIONS**

On 25 February 2019, the Issuer’s Board of Directors, in compliance with the provisions of Article 154-*bis* TUF and in accordance with the relevant appointment procedures set out in Article 19 of the Articles of Association, resolved to appoint, effective as of the start of trading of Nexi’s shares on the MTA (now Euronext Milan), Mr Enrico Marchini as the Financial Reporting Officer.

Article 19 of the Issuer’s Articles of Association, in accordance with the provisions of Article 154-*bis* TUF, provides that the Financial Reporting Officer shall be appointed by the Board of Directors subject to the mandatory, non-binding opinion of the Board of Statutory Auditors. Further statutory requirements are that the Financial Reporting Officer must have a minimum of three years’ experience in administration, finance and control matters and that he or she must satisfy the same standards of integrity required of directors. Failure to

satisfy said requirements shall entail dismissal, to be ratified by the Board of Directors within 30 (thirty) days of gaining knowledge of said failure.

In respect of the above requirements, the Board of Directors, upon due consideration of the Board of Statutory Auditors' opinion of 25 February 2019, deemed Enrico Marchini suitable for the appointment.

Pursuant to Article 154-*bis* TUF, the Financial Reporting Officer shall:

- prepare accompanying written statements in respect of the Company's financial reports and communications to the public, including interim reports;
- establish appropriate administrative and accounting procedures for the preparation of the financial statements and, where applicable, of the consolidated financial statements and any other financial disclosure;
- report on the separate, half-yearly condensed and consolidated financial statements and certify: (i) the adequacy and effective application of the relevant administrative and accounting procedures for the preparation of the financial statements; (ii) as to each, preparation in accordance with the International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002; (iii) as to each, the consistency of information therein with respect to that published in the accounting ledgers and records; (iv) as to each, that they provide a true and fair representation of the financial position, results and cash flows of the Issuer and of the companies included in its scope; (v) as to the separate and consolidated financial statements, that the report on operations includes a reliable analysis on the performance, result of operations and the business of the Issuer and of all entities included in its scope as well as a description of the main risks and uncertainties to which they are exposed; (vi) as to the condensed half-yearly financial statements, that the interim management report contains a reliable analysis of the information pursuant to Article 154-*ter*(4) TUF.

On the basis of the regulation drafted by the Board in compliance with the market best practices, the Issuer, in order to outline the rules of conduct to be followed by the Financial Reporting Officer when performing his duties, received pursuant to Article 154-*bis* TUF, taking into account the scope of the proxies, powers and areas of coordination assigned to him, also in compliance with the provisions of the Company's Articles of Association, has defined protocols and operating rules of conduct, with particular reference to the following aspects:

- reporting and disclosures between the Financial Reporting Officer and the corporate administrative and control bodies, and between said officer and any other corporate functions with a bearing on such disclosures as are subject to the requirement of said Officer's reporting and certification (e.g. the consolidated, separate and condensed half-yearly financial statements, interim management reports, etc.);
- reporting and disclosures between the Financial Reporting Officer and Nexi Group Companies;
- process for establishing the control model for administrative and accounting checks;
- internal certification/reporting as preparatory and prerequisite to the final external certification process, as defined by the following point;
- process of certification/reporting relating to the financial statements, the consolidated financial statements, the half-yearly condensed financial statements (pursuant to Article 154-*bis*(5) TUF) as well as the accounting information disclosed to the market, including interim management reports (pursuant to Article 154-*bis*(2) TUF).

During the financial year, the Financial Reporting Officer, within the scope of his powers and in compliance with the protocols and rules defined by the Issuer, supervised the external growth undertaken by the Nexi Group.

### **Risk Management**

At the date of this Report, responsibility for the Nexi Group's Risk Management structure lies with Alessia Carnevale, as Group Risk Manager of Nexi. Since 2019, Ms Carnevale has also served as head of the Risk Management structure of the subsidiary Nexi Payments.

The Risk Management function is responsible for facilitating, coordinating and monitoring the implementation of the Enterprise Risk Management model adopted by the Company. Specifically, the Risk Management function:

- coordinates the analysis and management of all risks relating to the Nexi Group;
- monitors the Nexi Group's exposure to the main risks;
- periodically oversees/monitors the implementation and effectiveness of mitigation strategies and plans;
- participates in the discussion of the Nexi Group's major strategic projects, supporting risk analysis, with the aim of facilitating risk-informed decisions;
- prepares a periodic risk report, providing Management and Top Management with a complete view of the company's risk profile, allowing a comparison of the different types of risks, including those already addressed by dedicated Risk Management systems;
- reviews the risk-related information included in the Group's official documents;
- ensures the definition, evolution and updating of the methodology to support risk management processes, providing methodological support to the functions involved;
- receives adequate disclosure from risk owners;
- manages the Nexi Group's insurance coverage.

### **9.7 COORDINATION AMONGST INTERNAL CONTROL AND RISK MANAGEMENT BODIES**

Nexi promotes information exchanges amongst those bodies engaged in the governance of the Internal Control and Risk Management system. The timely and continuous exchange of information is ensured through: (i) attendance of the Board of Statutory Auditors at the Control, Risk and Sustainability Committee's meetings, with all its members; (ii) attendance of the Financial Reporting Officer at the Control, Risk and Sustainability Committee's meetings at least four times a year; (iii) regular reporting to the Control, Risk and Sustainability Committee, the Board of Statutory Auditors, the Director in charge and the Board of Directors by the Head of the Internal Audit Function, the Group's Chief Risk Officer and the Compliance & AML Officer concerning any ICRM activities; (iv) information exchanges between the Control, Risk and Sustainability Committee, the independent auditors and the Financial Reporting Officer concerning accounting standards adopted and as to the adequacy of administrative and accounting procedures applied to prepare the Nexi and Group-level financial disclosures; (v) regular reporting to the Board of Directors by the Supervisory Body.

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

Nexi has adopted a procedure to govern transactions with related parties (hereinafter, the "**Procedure**") pursuant to Article 2391-*bis* of the Italian Civil Code and pursuant to the RTP Regulation, including further instructions and clarification thereto issued under CONSOB Communication DEM/10078683 of 24 September 2010.

The Procedure establishes the rules for the approval and execution of Related-Party Transactions carried out by Nexi, either directly or through subsidiaries, in order to ensure the transparency and substantial and procedural correctness of such transactions.

The Procedure requires the Company's Board of Directors to establish a Related Parties Committee, composed of three Independent and non-executive Directors, appointed by Nexi's Board of Directors. The members of the Related Parties Committee shall remain in office until they resign, cease their role as director or fail to meet the independence requirements.

The Committee is comprised of non-executive Independent Directors Elisa Corghi (Chair as of 6 March 2020, replacing Luisa Torchia), Antonio Patuelli and Marinella Soldi. Subsequently, following the finalisation of the SIA integration and on the basis of the reorganisation of the Nexi Group's governance, a review of the composition of the Board committees became necessary and, on 10 February 2022, independent director Maurizio Cereda joined the Committee, replacing Marinella Soldi.

The Related Parties Committee is governed by a specific Regulation approved by the Board of Directors. The work is coordinated by the Chair, the minutes of the meetings are recorded and the Chair presents them to the Board of Directors at the first available Board meeting.

During the financial year, the Related Parties Committee met on two occasions, with each meeting lasting an average of 1 hour. The meetings were also attended by the Chair of the Board of Directors and by the Board of Statutory Auditors. No meetings have yet been held or planned for the current year at the date of the Report.

The Procedure for the governance of Related-Party Transactions was approved by Nexi's Board of Directors on 8 March 2019, subject to the favourable opinion of the Related Parties Committee, pursuant to Article 3(4) of the RPT Regulation. This Procedure has since been updated to incorporate the latest amendments to the law, effective as of 1 July 2021.

Nexi's Related Parties are those parties identified as related parties pursuant to accounting standard IAS 24; the Financial Reporting Officer, with the support of the Corporate & Regulatory Affairs division, is responsible for setting up and maintaining a register to map the Group's related parties, to be updated promptly and in any case half-yearly on the basis of available information.

Transactions of greater importance are Related-Party Transactions in which at least one of the relevance ratios specified in Annex 1 to the Procedure, that are applicable according to the specific transaction, is above the thresholds specified therein.

For the purpose of identifying Transactions of Greater Importance, the Financial Reporting Officer is the person designated to calculate and update the threshold values relating to the relevant ratios specified in Annex 1 to the Procedure.

Transactions of Greater Importance, which do not fall within the remit of the Shareholders' Meeting or which do not need to be authorised by it, are approved by the Company's Board of Directors, subject to a reasoned favourable opinion of the Related Parties Committee on the Company's interest in carrying out the Transaction, as well as on the convenience and substantial fairness of the related terms.

Transactions of lesser importance are Related-Party Transactions different to Transactions of Greater Importance and Low Value Transactions.

Transactions of Lesser Importance, that do not fall within the remit of the Shareholders' Meeting or do not require its approval, are approved by the Delegated Body, subject to the reasoned non-binding opinion of the Related Parties Committee on the Company's interest in carrying out the Transaction, as well as on the convenience and substantial fairness of the related terms.

Without prejudice to the mandatory provisions on reporting and transparency under the RPT Regulation and under applicable laws and regulations, the Procedure, as well as not applying to transactions defined under Article 13(1) and (4) of the RPT Regulation, shall not apply to the following Related-Party Transactions (including any Transactions carried out by way of a subsidiary):

- a. single transactions not exceeding €100,000 (one hundred thousand) in which the Related Party is a natural person; or value transactions not exceeding €500,000 (five hundred thousand) in which the Related Party is a legal entity;
- b. equity-based compensation plans approved by the Shareholders' Meeting pursuant to Article 114-*bis* TUF and any transactions thereto that are subject to an executive decision;
- c. resolutions, other than those excluded pursuant to the RPT Regulation, concerning the remuneration of board directors and directors holding special positions as well as executives with strategic functions, provided that: (i) a remuneration policy has been adopted; (ii) a committee consisting exclusively of non-executive directors, the majority of whom are independent, has been involved in establishing this policy; and (iv) the remuneration allocated is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments;
- d. transactions with or between subsidiaries - even jointly controlled by the Company - and Transactions with associates of the Company, provided that no other Related Parties of the Company have significant interests in the subsidiaries or associates that are counterparties to the Transaction.

For this purpose, the "significant interests" of another Related Party of the Company are intended as interests deriving from relationships involving shareholdings or of a financial nature with the subsidiary or associate of the Company that is the counterparty to a specific Transaction, if the purpose of these relationships is exclusively or primarily that of influencing the choices of the subsidiary or associate in order to satisfy the interests of the Related Party. Significant interests of another Related Party may exist if the Company shares with the subsidiary or associated company one or more executives with strategic responsibilities and these persons, in addition to sharing positions, also enjoy the benefits of equity-based incentive plans (or in any case variable remuneration incentive plans) determined by the results of the subsidiary or associated company with which the transaction is carried out. In any case, interests arising from the mere sharing of one or more directors or other executives with strategic responsibilities between the Company and its subsidiaries or associates, are not considered to be significant interests;

- e. transactions that fall within the ordinary business and related financial activities of the Company or the subsidiary that carries out the transaction, under terms similar to those usually applied to unrelated parties for transactions of a similar kind, size and involving a similar risk, or based on regulated tariffs or imposed prices or applied to parties with which the Company is obliged by law to enter into contracts at a specific price;
- f. urgent transactions that do not fall within the remit of the Shareholders' Meeting or do not have to be approved thereby, subject to the introduction of a specific clause in the Articles of Association and compliance with the requirements of Article 13(6) of the RPT Regulation.

In the event that some directors of Nexi have an interest in the Related-Party Transactions, on their own behalf or on behalf of third parties, conflicting with the Company's interest, regardless of whether the Transaction is of minor or major importance, if for any reason the same Transaction is resolved upon by the Board of Directors, including the case referred to in Article 2391 of the Italian Civil Code, the directors involved in the Transaction are required to abstain from voting on the relevant resolutions, even though their presence is counted for the purpose of the quorum of the meeting provided by law or the Articles of Association.

Nexi's Board of Directors periodically assesses, at least once every three years, whether to review the Procedure, and in so doing takes due account of, among other things, its effectiveness in practice and any prospective changes in Nexi's ownership structure. Amendments to the Procedure are approved by the Board of Directors subject to the favourable opinion of the Related Parties Committee or, failing this, in accordance with Article 4 of the RPT Regulation.

The Procedure is made available to the general public on the Company's website at the following address: <https://www.nexigroup.com/en/group/governance/documents-and-procedures/>

Nexi's Board of Statutory Auditors ensures that this Procedure complies with the general principles of the RPT Regulation, and the observance thereof, and reports to the Company's Shareholders' Meeting in accordance with Article 2429(2) of the Italian Civil Code or Article 153 TUF.

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

### **11.1 APPOINTMENT AND REPLACEMENT**

Pursuant to Articles 21, 22 and 23 of the Articles of Association, the Issuer has adopted a transparent procedure for the appointment of its Statutory Auditors. Said procedure ensures appropriate and timely disclosure as to candidates' personal and professional qualifications.

Members of the Board of Statutory Auditors are elected by the ordinary Shareholders' Meeting by way of a slate voting system, as detailed below, ensuring gender diversity in line with the laws and regulations applicable from time to time.

The submission of slates is governed by the laws and regulations in force from time to time and by the Articles of Association.

Slates may be submitted by the shareholders who, either individually or with other shareholders, at the time of submission account for 2.5% of the Company's capital, or any such shareholding as is determined by the laws and regulations applicable from time to time. In particular, it should be noted that, on 28 January 2022, by means of Decision (Determinazione) No. 60, Consob established a minimum shareholding for the submission of a slate equal to 0.5% of Nexi's share capital.

The slates shall be submitted to the Company by the deadline set forth in the laws in force from time to time, as indicated in the meeting notice, by delivery to the Company's head office or via remote communication, as indicated in the meeting notice, and shall be made available to the public in the manner and by the deadlines established by the laws and regulations in force from time to time. Every shareholder, the shareholders adhering to a Shareholders' Agreement concerning the relevant Company pursuant to Article 122 TUF, the parent company, the subsidiaries and those companies subject to joint control and other subjected parties related through association, including indirectly, pursuant to the laws and regulations applicable from time to time, may not submit - or participate in the submission, including via proxies or trust companies - more than one slate, nor vote for different slates. Each candidate may be included in one slate only, under penalty of ineligibility.

Each slate shall contain a number of candidates in progressive order not exceeding the number of members to be appointed.

The slates shall be divided into two sections: one listing candidates for the role of Statutory Auditor and the other listing candidates for Alternate Auditor. The first candidate listed in each section must be entered in the Register of Legal Auditors and must have a minimum 3 (three) years' experience in auditing.

Any slate which, when considering the two sections combined, includes 3 (three) or more candidates must also include candidates of both genders, such that the least represented gender accounts for, upon rounding up, at

least one third of the candidates running for statutory auditor and, should the slate also include candidates for alternate auditor, no less than one candidate for alternate auditor. Failure to comply with such obligations shall lead to the slate being rendered null and void.

The slates must be submitted alongside: a) information pertaining to the shareholders who have submitted the slate and their share of equity held; b) a statement by shareholders other than those individually or jointly holding a controlling or majority share, certifying the absence, pursuant to the laws and regulations applicable from time to time, of any direct or indirect ties with said controlling or majority shareholders; c) candidates' CVs and a statement from each certifying, under their own responsibility, that there are no grounds for inadmissibility or incompatibility, and that they meet the requirements of the offices for which they are running; d) a report on the candidates detailing any administrative and control duties held at other companies, and a statement by candidates as to their meeting all requirements - including those pertaining to integrity, professionalism, independence and to the maximum number of appointments held - as provided for by the laws and regulations applicable from time to time and by the Articles of Association, and as to their acceptance of the candidacy and, should they be appointed, of the office; e) the statement with which each candidate accepts their candidacy; f) any further statement, report and/or document required pursuant to the laws and regulations applicable from time to time.

Failure to comply with the aforesaid obligations shall lead to the slate being rendered null and void.

The members of the Board of Statutory Auditors must meet the requirements of integrity, professionalism and independence and must comply with provisions concerning the maximum number of appointments under the laws and regulations applicable from time to time as well as the Corporate Governance Code. Matters deemed strictly relevant to the Company's business scope include commercial law, corporate law, financial markets law, tax law, corporate economics, corporate finance, subjects dealing with the same or similar topics and subjects and sectors linked to the Company's business sector.

The Board of Statutory Auditors is appointed as follows: a) two statutory auditors and one alternate auditor shall be selected, based on the order in which they are listed, from the slate that gained most votes (the "majority slate"); b) the third and last statutory auditor, who shall be appointed Chair of the Board of Statutory Auditors, and the second and last alternate auditor shall be selected, based on the order in which they are listed, from the slate that both gained the second highest number of votes (the "minority slate"). Should several slates obtain the same number of votes, a ballot is held between said slates, in which all eligible shareholders in attendance may vote. Upon such vote, the slate winning the relative majority shall have its candidates appointed.

Failure to meet gender diversity requirements, as provided for by the laws and regulations applicable from time to time and as separately applicable to statutory auditors and alternate auditors, shall lead to any such majority slate candidate belonging to the majority gender, elected and last in order of presentation within the relevant section of the slate, being replaced by any such non-elected candidate belonging to the minority gender and listed in the same section of the same slate as the replaced candidate, said minority gender candidate being selected based on order of presentation within the slate. Should the number of candidates appointed on the basis of the submitted slates be lower than the number of auditors to be appointed, the remaining auditors shall be elected by the Shareholders' Meeting by way of a relative majority and in such a way as to ensure that gender diversity requirements are met, as provided for by the laws and regulations applicable from time to time.

Where only one slate is submitted, the Board of Statutory Auditors shall be entirely selected from said slate, in accordance with the laws and regulations applicable from time to time. If, however, no slates are submitted, the Shareholders' Meeting shall decide the matter by way of a relative majority, as provided for by the law. In

such instances, the Chair of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting by way of a relative majority based on voting rights.

The Chair of the Board of Statutory Auditors shall be the statutory auditor appointed by the minority, save for cases whereby either one or no slates have been submitted. Should that be the case, the Chair of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting by way of a relative majority based on voting rights.

## 11.2 COMPOSITION AND FUNCTIONING

The Issuer's Board of Statutory Auditors in office at the date of this Report, appointed pursuant to the previous Articles of Association, is composed of 3 (three) standing members and 2 (two) alternate members and was appointed by the Issuer's Ordinary Shareholders' Meeting of 13 February 2019 for a period of three financial years until the approval of the financial statements as at 31 December 2021, except for (i) the statutory auditor Eugenio Pinto and (ii) the alternate auditors Serena Gatteschi and Emiliano Ribacchi, appointed on 15 October 2021 by the Shareholders' Meeting, effective as of the date of the SIA Merger.

Consequently, as of 31 December 2021, at 23:59, the resignation of the statutory auditor, Marco Giuseppe Zanobio, and of the alternate auditors, Andrea Carlo Zonca and Tommaso Ghelfi, became effective and, at the same time, Eugenio Pinto, Serena Gatteschi and Emiliano Ribacchi were appointed as new members of Nexi's Board of Statutory Auditors.

The members of the Board of Statutory Auditors were chosen from those meeting the requirements of integrity and professionalism set forth under Ministry of Justice Decree No. 162 of 30 March 2000. In respect of the requirements of professionalism, in particular, reference under the foregoing Article 1(2)(b) and (c) of Ministry of Justice Decree No. 162 of 30 March 2000 to subjects and sectors strictly relevant to a Company's activities shall be understood as meaning the subjects and sectors of activity connected or inherent to the Company's line of business and, hence, to its corporate purpose.

The members of the Board of Statutory Auditors meet the independence requirements provided for in Article 148(3) TUF and in the provisions of the Corporate Governance Code.

At the end of their term of office, the members of the Board of Statutory Auditors may be re-elected.

The requirements, functions and duties of the Board of Statutory Auditors are governed by the law.

Unchanged at the time of publication, the composition of the Issuer's Board of Statutory Auditors as at 31 December 2021 is detailed in Table 4 attached at the end of this Report, along with relevant information concerning each member.

A summary of the auditors' CVs is given below.

**Piero Alonzo (Chair)** - Born in Rome on 2 October 1965, he graduated in Economics and Business from "La Sapienza" University in Rome. He is listed in the Register of Chartered Accountants and Accounting Professionals of Rome and in the Register of Auditors. He is a technical consultant to the Court of Rome and has lectured in tax law at the Scuola Superiore delle Economie e delle Finanze, and was a lecturer for Master's and specialised courses organised by Euroconference, *Il Sole 24 Ore*, at the Università LUISS "Guido Carli" in Rome. He has had multiple technical papers and articles on tax law published in major Italian sector publications and financial newspapers (i.e. *Corriere Tributario*, *Il Fisco*, *Guida Normativa*, *L'Iva*, *Giurisprudenza Tributaria* and *Il Sole 24 Ore*). Between 1989 and 1993 he was a tax consultant for the Pallavicini Group. Between 1993 and 2004 he was a partner at the Grimaldi & Associati Law Firm. Between 2006 and 2008 he was a partner at the Tonucci & Partners Law Firm. Since 2008 he has been a partner at the Alonzo Committeri & Partners Law Firm. Piero Alonzo is an expert of corporate and tax law. He provides tax consulting services for extraordinary financial transactions, in stock market listings, leveraged buy-outs and



multinational transactions. His experience in tax matters also covers the areas of corporate planning, structuring and restructuring, mergers and acquisitions, as well as other tax ruling, regulation, legislation and litigation transactions. He is a member of the boards of statutory auditors of major Italian companies.

**Mariella Tagliabue (Statutory Auditor)** - Born in Monza (MB) on 31 August 1970, she graduated with top marks in Economics and Business from the Università Cattolica del Sacro Cuore of Milan in 1994. She is a Chartered Accountant, Auditor and Expert Witness for the Court registered in the Register of Expert witnesses at the Court of Milan. From 1994 to 2004 she was a Senior Manager of Audit Financial Services at KPMG SpA. She has been Manager since 2001. She was in charge of planning and overseeing the audits for listed Italian banks and major international corporations. She is a Master's lecturer in Credit Risk Management in the Faculty of Banking, Financial and Insurance Sciences at the Università Cattolica del Sacro Cuore in Milan. Her published works cover topics relating to International Accounting Standards. She was previously a Statutory Auditor of IntesaSanpaolo Previdenza Sim SpA and Centrofactoring SpA. (IntesaSanpaolo Group), Mittel Investimenti Immobiliari Srl, Mittel Advisory Debt & Grant SpA and Earchimede (Mittel Group), Ligestra Srl (CDP Group) and Fiera Milano SpA. She currently holds the position of Chair of the Board of Statutory Auditors of Anima Holding SpA (since April 2017), member of the Control Body of Fondazione Telethon, Chair of the Board of Statutory Auditors of Ipack-Ima Srl - Joint Venture Fiera Milano-Ucima and of Made Eventi Srl (Fiera Milano Group).

**Eugenio Pinto (Statutory Auditor)** - Born in Taranto on 20 September 1959, he graduated with honours in Economics and Business from the University of Rome "La Sapienza". Author of numerous scientific publications, he has taught, researched and studied Business Economics at the Faculty of Economics of the Universities of "LUISS-Guido Carli" and "La Sapienza" in Rome since 1984. He is currently a tenured professor in the Business Economics department at the Faculty of Economics of the Luiss-Guido Carli University and teaches undergraduate and postgraduate courses. He was a member of the Executive Committee of the OIC - Organismo Italiano Contabilità (Italian Accounting Profession). He is Chair of the Board of Auditors of Assonime, the Association of Italian Joint Stock Companies. He has been listed in the Register of Chartered Accountants for the district of the Court of Rome since April 1986 and registered as an Expert Witness for the Court of Rome since November 1988. He has been on the Register of Auditors since 1995. He provides economic and financial consultancy services on behalf of leading public and private entities in Italy and abroad and has repeatedly acted as a member of the Supervisory Committee of banks placed in extraordinary administration and in compulsory administrative liquidation by appointment of the Governor of the Bank of Italy, as well as Member and Chair of the Supervisory Body of listed and unlisted companies. He is Chair of the Board of Statutory Auditors of the listed company FNM S.p.A. and Statutory Auditor of Open Fiber and Open Fiber Holding S.p.A. as well as Independent Director of Banor SIM S.p.A.

**Serena Gatteschi (Alternate Auditor)** - Born in Arezzo on 25 September 1972, she graduated in Economics and Business from the University of Rome "La Sapienza" in 1998. Since 2007, she has been listed in the Register of Chartered Accountants of the Province of Arezzo and, since 2008, in the Register of Auditors. She was a non-executive and independent member of the Board of Directors of a well-known listed Italian bank and is a member of the Board of Statutory Auditors of several Italian companies. In addition, she has been a member of the Supervisory Body (SB) of Poste Assicura SpA, Poste Italiane group, Ad Moving SpA, EssediEsse SpA, Giove Clear Srl and Autostrade per l'Italia group since 2021.

**Emiliano Ribacchi (Alternate Auditor)** - Born in Rome on 28 November 1978, he graduated with a degree in Political Science, specialising in management, from "La Sapienza" University in Rome in 2004. He is listed in the Register of Chartered Accountants and Accounting Professionals of Rome and in the Register of Auditors. Since 2005, he has been working with leading corporate, business and tax consultancies and, since 2015, he has been a partner in "Alonzo Committeri & Partners". He is the sole director of FC Operations Hotel Srl and a member of the Board of Statutory Auditors of leading Italian companies operating in various sectors.

In addition to performing the duties assigned to it by the TUF and the Corporate Governance Code, the Board of Statutory Auditors is identified as the “Internal Control and Audit Committee” pursuant to Article 19 of Legislative Decree No. 39/2010. Pursuant to said committee mandate, the Board of Statutory Auditors is, among other things, tasked with monitoring:

- financial reporting processes;
- the effectiveness of the internal control, audit and risk management systems;
- statutory audits of the annual and consolidated accounts;
- the independence of independent auditors, especially in respect of the provision of non-audit services to the audited entity.

Pursuant to said Article 19, the Board of Statutory Auditors, as the Internal Control and Audit Committee, oversees procedures concerning the appointment of independent auditors. The Board of Statutory Auditors is also tasked with reporting to the Board of Directors on the outcome of independent audits and with submitting to the same Board the independent auditors' additional reports pursuant to Article 11 of Regulation (EU) 537/2014, with any appropriate comments.

The Board of Statutory Auditors carries out the duties of Supervisory Body as set forth by Legislative Decree No. 231/2001 and as permitted by the applicable laws and regulations and by the organisational, management and control model adopted by the Issuer pursuant to Legislative Decree No. 231/2001.

In the financial year 2021 and up to the date of this Report, the Board of Statutory Auditors met 24 times. The meetings were recorded in the minutes and were attended by all the statutory auditors who carried out the relevant audits, through videoconference, depending on the issues dealt with, with the internal control functions, the Financial Reporting Officer and the heads of the various corporate functions. The average duration of the meetings of the Board of Statutory Auditors currently in office was about 2 hours. The Board regularly engages in information exchanges with the independent auditors and, generally in its entirety, attends the meetings of the Related Parties Committee, the Remuneration and Appointment Committee and the Control, Risk and Sustainability Committee. In the financial year 2021 and to date, the Board of Statutory Auditors has attended 4 Shareholders' Meetings, 20 Board of Directors' meetings, 16 Audit, Risk and Sustainability Committee meetings, 2 Related Parties Committee meetings and 13 Remuneration and Appointment Committee meetings.

### **Diversity criteria and policies**

On 13 May 2021, the Board of Directors approved a policy concerning the diversity of corporate bodies (the “**Diversity Policy**”). The Diversity Policy builds on specific principles set out in the Group's Sustainability Policy, approved on 30 July 2020, in particular, on the principles of diversity and inclusion, development and promotion of a culture of sustainability and transparency and compliance with current legislation.

In this respect, with regard to the composition of the Board of Statutory Auditors, the Diversity Policy:

- (a) encourages shareholders to consider candidates of different ages groups for the role of Statutory Auditor, so as to ensure the right balance between continuity and change in the composition of the Board of Statutory Auditors;
- (b) provides that at least one third of the Statutory Auditors must belong to the less represented gender, in accordance with the provisions of Article 147-ter(1-ter) TUF and Law No. 160/2019, and recommends that the gender balance also be respected within the slates for both the statutory and the alternate members, where the number of candidates is greater than three;
- (c) provides that the Statutory Auditors must have sufficient skills and professional requirements in accordance with the regulations applicable to Nexi; and

- (d) in line with the provisions of the applicable legislation, provides that the Statutory Auditors must meet the independence requirements.

As of 31 December 2021, at least one third of the members belong to the less represented gender.

### **Independence**

On 13 February 2019, the date of the first appointment of the administrative body as a whole, the Board of Directors verified that the members of the Board of Statutory Auditors met the independence requirements. This fact was not disclosed to the market pursuant to Article 144-*novies*(1-*bis*) of the Issuers Regulation, as there was no obligation to do so, since this verification took place prior to the listing of the Issuer.

At least once a year, the Board of Directors assesses whether the Statutory Auditors meet the independence requirements. As regards the 2021 financial year, the Board of Directors verified that the statutory auditors still met the independence requirements provided for by Article 148 TUF and Article 2 of the Corporate Governance Code.

By resolution of 27 January 2022, the Company's Board of Directors assessed whether the statutory auditor Eugenio Pinto, and the alternate auditors Serena Gatteschi and Emiliano Ribacchi, in office as of the effective date of the SIA Merger (23:59 on 31 December 2021), also met the independence requirements. On 10 March 2022, the same check was also carried out for auditors Alonzo and Tagliabue.

In making the above assessments, the Board of Directors considered all the information made available by each member of the Board of Statutory Auditors, assessing all the circumstances likely to compromise their independence, as identified by the TUF and the Corporate Governance Code, and applied, among other things, all the criteria set out in the Corporate Governance Code with reference to the directors' independence.

As 2021 is the third financial year since its appointment, the Board of Statutory Auditors, in its previous composition (therefore with the involvement of the resigning Statutory Auditor Marco Zanobio), resolved to carry out its own self-assessment for the financial year 2021, in line with the two financial years 2019 and 2020, taking into account the instructions provided by Rule Q.1.1 "Self-assessment of the Board of Statutory Auditors" included in the document "Rules of conduct of the Board of Statutory Auditors of listed companies" by the National Board of Accountants and Auditors (April 2018). The Board of Statutory Auditors, in its previous composition, also requested the support of Spencer Stuart, an independent advisor who also follows the self-assessment of the Company's Board of Directors, for the transparency of the process of formulating guidance to shareholders on the renewal of the Board of Statutory Auditors.

The results of the self-assessment were presented by the Chair of the Board of Statutory Auditors to the Board of Directors at its meeting on 10 March 2022.

The self-assessment shows a positive overall picture of the functioning of the Board of Statutory Auditors, demonstrating that it has been able to adopt effective and efficient functioning methods that are in line with the regulatory framework.

As for the subjective self-assessment of the Board of Statutory Auditors, the findings show that:

- all members fulfil the requirements set forth by Article 2399 of the Italian Civil Code;
- every member of the Board of Statutory Auditors fulfils the independence requirements set forth by Italian laws and regulations;
- the Board of Statutory Auditors meets the diversity criteria in respect of gender and professional experience, backgrounds and expertise;

- every member of the Board of Statutory Auditors has a sound grounding and experience in many of the areas listed in the self-assessment questionnaire;

As for the Self-Assessment carried out for the 2021 financial year on the functioning of the Board of Statutory Auditors, the findings show that:

- the size of the Board is adequate in respect of its duties;
- the Board's composition is balanced and does not warrant supplementing in terms of professional expertise;
- all Board members state that the time available to them is adequate in respect of their appointments and given the broad scope and complexity of their duties, the Company's nature, size, business, operational structure and other characteristics;
- the functioning of the Board is generally suited to Nexi's needs;
- though reporting amongst the Board of Statutory Auditors and the other corporate bodies has proved adequate, with a view to pursuing ongoing improvement, a more timely submittal of documents was suggested;
- the Chair of the Board has played a key role.

### **Remuneration**

The Board of Statutory Auditors considers the remuneration for the financial year just ended to be in line with the competence, professionalism and commitment required by the importance of the role held, as well as the size and sector characteristics of the Issuer and its situation. However, in terms of the future composition and remuneration of the Board of Statutory Auditors, the auditors hoped for an integration in terms of numbers and professional knowledge of the Board of Statutory Auditors.

### **Interest management**

Any Statutory Auditor having a direct or indirect interest in respect of a specific transaction of the Issuer must promptly and fully report to the other statutory auditors and to the Chair of the Board of Directors as to the nature, terms, cause and scope of said interest.

## **12 RELATIONS WITH SHAREHOLDERS**

### **Access to information**

The Company has also added the “Investors” section to its website, ensuring its accessibility and visibility. The section provides all information concerning the Issuer relevant to shareholders and provides them with a full and proper understanding of their rights.

In order to ensure that relations with shareholders are appropriately managed, the Company appointed Stefania Mantegazza as Head of Investor Relations, effective as of 1 April 2019, and an ad-hoc corporate structure was set up.

### **Dialogue with shareholders**

The Company places great importance on ensuring ongoing and transparent communications with all its shareholders and investors in order to help investors and the market to better understand the Company's strategies and activities, ensure a fair assessment of the Company and continue to build its shareholders' structure in a long-term perspective.

For these reasons, the Company has always maintained a constant dialogue with its shareholders and investors, encouraging regular meetings with members of the financial community.

Furthermore, in order to further promote an open and constant dialogue with all its investors, in line with the recommendations of the Company's Corporate Governance Code, at the meeting of 22 December 2021, against a motion of the Chair proposed together with the Chief Executive Officer and subject to the favourable opinion of the Risk, Control and Sustainability Committee, the Board of Directors adopted the "*Policy for managing dialogue with all the shareholders and other Investors*" (the "**Dialogue Policy**") which specifies how the dialogue between the Company and its investors is managed.

The purpose of the Dialogue Policy is to establish and maintain a constant, ongoing relationship with the Company's investors, through engagement methods that comply with the principles of correctness and transparency, which help to better understand each other's perspectives and legitimate interests, encouraging the creation of long-term value in accordance with the applicable laws.

As at the date of this Report, this Dialogue Policy has not yet been implemented as the Company has not received any requests for direct dialogue with the Chief Executive Officer or other members of the Board of Directors.

The Dialogue Policy is available on the Issuer's website at the following link: <https://www.nexigroup.com/en/group/governance/documents-and-procedures/>

### **13 SHAREHOLDERS' MEETINGS**

Pursuant to Article 9 of the Articles of Association, Shareholders' Meetings are called whenever deemed necessary by the Board of Directors or whenever required by Law.

Shareholders' Meetings are to be held at the Company's registered office or at any other venue designated by the Board of Directors, provided such venue is either in Italy or in the European Union.

Ordinary and extraordinary Shareholders' Meetings are held on a single call. The Board of Directors may provide for more than one call date, in such instances detailing the date of the second and, where relevant, the third call, within the notice of call. Once convened and legally constituted, ordinary and extraordinary Shareholders' Meetings shall pass resolutions in accordance with such majorities as set forth by Law.

Shareholders' Meetings are called by the Board of Directors upon providing notice of such meetings on the company's website and upon providing for all other call requirements set forth by the applicable laws and regulations.

The ordinary Shareholders' Meeting to approve the company's financial statements must be called at least once a year, within 120 days from the end of the company's financial year or, where Article 2364(2) of the Italian Civil Code applies, within an extended term of 180 days from the end of the company's financial year, without prejudice to any other applicable deadlines set forth by applicable laws.

The rules for carrying out Shareholders' Meetings are governed by the law, the Articles of Association and the specific Rules for the Shareholders' Meetings, approved by the Shareholders' Meeting held on 12 March 2019, which can be consulted at the following link: <https://www.nexigroup.com/en/group/governance/documents-and-procedures/>. In particular, the rules for the Shareholders' Meetings govern, among other things, the composition of the meeting, indicating the persons eligible to participate, the additional persons admitted to the work of the shareholders' meetings, the use of audio-video recording devices; the conduct of the discussion, setting the maximum duration for interventions, identifying the cases in which the Chair may revoke the floor granted; the voting procedures.

The Shareholders' Meeting deliberates on all matters within its remit pursuant to the law and the Articles of Association.

Pursuant to Article 10 of the Articles of Association, any persons with voting rights at a Shareholders' Meeting, subject to applicable provisions, also hold a right to speak at such meetings. Shareholders shall attest their right to speak and vote and the manner in which they wish to exercise them in accordance with the applicable laws and regulations. Furthermore, any persons with voting rights may choose to be represented at a Shareholders' Meeting by proxy in the manner and to the extent permissible by law. The proxy is to be notified to the Company via the certified email address provided in the notice of call, or in accordance with any other method specified therein. For each Shareholders' Meeting, the Company may designate one or more persons to act as proxy on behalf of shareholders, and the latter may provide said persons with voting instructions concerning all or some of the agenda items. The proxy shall have no effect with regard to proposals for which no voting instructions have been given. The parties designated and the manner and method by which the proxy mandates are conferred shall be detailed in the notice of call.

Pursuant to the provisions of Law Decree No. 18 of 17 March 2020 "Cura Italia" converted with amendments by Law No. 27 of 24 April 2020 (as last extended under Law Decree No. 105 of 23 July 2021) issued in light of the COVID-19 epidemic and in order to minimise movement and gatherings, during the 2021 financial year the Company made use of the option - introduced by Article 106 of Law Decree "Cura Italia" - to provide for the holding of Shareholders' Meetings, with the intervention and voting of shareholders, exclusively through the representative appointed by the Company pursuant to Article 135-*undecies* TUF, without physical participation. On these occasions, the Company made audio-visual links available in order for the eligible persons (e.g. members of the Board of Directors and Board of Statutory Auditors, designated representative, etc.) to participate in the meeting.

Pursuant to Article 11 of the Articles of Association, Shareholders' Meetings are overseen by the Chair of the Board of Directors and, should he or she fail or be unable to attend, he or she shall be replaced, in order, by the Deputy Chair of the Board of Directors (should only one such person be appointed) or by the most senior Deputy Chair (should more than one such person be appointed) or by the Chief Executive Officer. Failing that, the Shareholders' Meeting shall be chaired by any such person as appointed by the majority of attending shareholders.

During Shareholders' Meetings, the Chair shall be assisted by a secretary, who need not be a shareholder, appointed by the attending shareholders, except as provided for in Article 2371(2) of the Italian Civil Code.

Also in consideration of the shareholders' agreements summarised in Section 2.7 of this Report, and of the ownership structures resulting from the SIA Merger (in relation to which see Section 2.7), no person has control of the Company pursuant to Article 93 TUF.

4 (four) Shareholders' Meetings were held in 2021.

The first, convened in extraordinary session to approve the Nets Merger draft and, in ordinary session, to approve the increase in the number of members of the Board of Directors from 13 to the current 15 and the consequent appointment of two directors, with effect deferred to the effective date of the Nets Merger.

The second, in ordinary session, convened to approve the Group's consolidated non-financial statement and the Company's financial statements as at 31 December 2020, the consolidated non-financial statement, the proposed authorisation to purchase and dispose of treasury shares, the report on remuneration policies and remuneration paid.

The third, in extraordinary session, convened to approve the SIA Merger draft.

The fourth, in extraordinary session, convened to approve the authorisation for the conversion of the equity-linked bond called "€1,000,000,000 Zero Coupon Equity Linked Bonds due 2028" and increase of the share capital in a divisible manner, with the exclusion of option rights, of the aforementioned bond, through the issuance of ordinary shares and, in ordinary session, (i) to appoint three members of the Board of Statutory

Auditors, effective as of the effective date of the SIA merger, to replace the resigning auditors (in relation to which see Section 11.2 of this Report) and (ii) to approve the informative document prepared in compliance with the provisions of Article 114-*bis* TUF and pursuant to Article 84-*bis* and Scheme 7 of Annex 3A to the Issuers Regulation relating to the incentive plan “Retention Plan Nets 2 - Cash Incentive Plan for NETS MEP ‘Non joiners’”.

Documents relating to the Shareholders' Meetings are made available in accordance with the applicable laws and regulations. The shareholders did not submit any proposals at the meeting.

The Shareholders' Meetings were attended, respectively, by at least two directors (the Chair and the Chief Executive Officer) for the Board of Directors, and by all the statutory auditors in office at the time for the Board of Statutory Auditors. At each of the Shareholders' Meetings, the Board of Directors reported on the activities carried out and planned, and endeavoured to ensure that the shareholders were provided with sufficient information on the respective items on the agenda, also in compliance with legal and regulatory disclosure obligations, so that they could make the decisions entrusted to them with full knowledge of the facts.

There was no need for the Chair to report on how the committee's functions were exercised at the meeting.

The Board did not draw up any proposals to submit to the Shareholders' Meeting concerning the choice of the corporate model, the structure of the administrative and equity rights of the shares or the percentages established for the exercise of the prerogatives to protect minority shareholders, as it did not consider it necessary to define a corporate governance system that was more functional to the needs of the company. For the sake of completeness, however, it should be noted that, on 3 March 2021, the Shareholders' Meeting, on the Board's proposal, increased the number of Directors on the Board from 13 to 15 to accommodate the new members joining the administrative body as of the effective date of the Nets Merger.

#### **14 FURTHER CORPORATE GOVERNANCE PROCEDURES**

No further corporate governance procedures have been adopted other than those presented in this Report.

#### **15 CHANGES SINCE THE END OF THE FINANCIAL YEAR**

Except for the developments detailed in this report, there have been no changes in the corporate governance structure.

#### **16 COMMENTS ON THE LETTER FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE OF 3 DECEMBER 2021**

At the meeting held on 27 January 2022, upon the Chair's invitation, Nexi's Board of Directors examined in detail the letter dated 3 December 2021 from the Chair of the Corporate Governance Committee.

The letter was also shared with the Chair of the Board of Statutory Auditors for his assessment.

The Chair recalled the contents of the new Corporate Governance Code, approved by the Corporate Governance Committee in January 2020, which the Company, as required by the provisions of the Code, as of the 2021 financial year, has implemented fully, except for limited exceptions better described in this Report. The Code details such principles and recommendations as applicable to Italian entities and as instrumental to the pursuit and attainment of the core value of the Company's sustainable success by consolidating best practices and fostering long-term value creation in respect of shareholders and of the interests of all major stakeholders.

During the meeting, the Chair first presented the results of the monitoring of the procedures actually implemented by the issuers following the recommendations made in the previous year by the Corporate Governance Committee (9th Report on the application of the Corporate Governance Code), noting Nexi's substantial compliance in the relevant areas.

Analyses carried out with the support of the Advisor in charge of the Self-Assessment showed that all the recommendations identified by the Corporate Governance Committee have been acknowledged and implemented, and constant measures for improvement are under way.

Attention was further drawn to the following:

**Sustainable Success:** Nexi's Board of Directors, in exercising its prerogatives with regard to Sustainability, is supported by the Control, Risk and Sustainability Committee, which was established on 25 February 2019. The Committee is tasked with due diligence, consulting and proposal-making duties for and on behalf of the Board of Directors, details of which are provided in its governing rules and procedures. By strengthening its governance, Nexi has testified to its commitment to putting sustainability at the centre of its strategy.

This means consolidating some of the good practices already implemented by the Company also during the previous financial year 2020, in order to establish the Board of Directors as a guide for "sustainable success". For a brief description of the methods adopted by the Company to pursue sustainable success, see the considerations made in this Report (Sections 2.2 and 4.1).

The findings of the Board of Directors' 2021 Self-Assessment confirm the Board's awareness of the relevance of issues pertaining to sustainability, safety and the environment. Ad hoc ESG sessions were held, showing good levels of commitment to and engagement with the path pursued by the Group.

All the Directors agree that they would like to devote more space to sustainability issues on the agendas of both the Board of Directors and the Committee, in order to consolidate the monitoring of these issues and launch new initiatives and projects.

**Proportionality:** On the basis of the provisions of the Corporate Governance Code, the Company has the characteristics of a "large company" (i.e., a company whose capitalisation exceeded Euro 1 billion on the last market trading day of the previous three calendar years) and a "company with concentrated ownership" (i.e., a company in which one or more shareholders participating in a shareholders' agreement hold, directly or indirectly, the majority of the votes that can be exercised in the ordinary Shareholders' Meeting). In view of the above, the Company has deemed it necessary to fully implement the provisions of the Corporate Governance Code, except for a few minor deviations described in greater detail in the following sections: 4.7 (with regard to the meetings of independent directors only), 6 (concerning the temporary concentration of offices assigned to the members of the internal board committees), 7.1 (concerning the self-assessment) and 9.5 (concerning the Independent Auditors' letter of suggestions and the additional report to the Board of Statutory Auditors).

**Application of the independence criteria:** within Nexi's current Board of Directors no cases of disapplication of the independence requirements have occurred. Pursuant to Article 12 of the Articles of Association, *The Board of Directors shall evaluate on an annual basis the compliance with the independence requirements, on the basis of the information provided by the directors, and in any case the directors appointed shall promptly notify the loss of the above requirements, also pursuant to the Corporate Governance Code, as well as the existence of any causes of ineligibility or incompatibility.*

Hence, the Board is tasked with carrying out in-depth verifications, having regard to considerations of substance in addition to form. The Chair of the Board of Directors, Attorney Michaela Castelli, was also assessed as independent in accordance with Recommendation 7 of the Corporate Governance Code.



None of the criteria set forth in the Code have ever been disapplied, and the assessment process carried out to this end has been confirmed to be correct by the Board of Statutory Auditors.

Moreover, by resolution of 22 December 2021, the Board of Directors adopted a specific policy on the qualitative and quantitative criteria for the purposes of assessing the independence requirements pursuant to Recommendation 7, first sentence, points c) and d), and to Article 2 of the Corporate Governance Code (with regard to which see Section 4.7 of this Report).

**Pre-meeting information:** on this issue Nexi appears to be in line with best practices and the requirements of the Corporate Governance Committee.

To ensure timely, full, adequate and intelligible Board disclosures, the supporting documents are:

- prepared by the Secretary of the Board of Directors, complete with summaries for each of the agenda items, and accompanied by detailed analytical reports setting out the elements assessed (including descriptions and numerical data) necessary for making informed decisions;
- made available to Directors and Auditors (usually no later than the third day prior to the date of the meeting, except in cases of urgency where the documentation is made available as soon as possible), by computerised means that guarantee the confidentiality of the information shared;
- stored and made available according to clearance levels which vary depending on their confidentiality classification.

Furthermore, both the Board of Directors Regulation and the Regulations relating to the functioning of each of the Committees expressly indicate the deadlines deemed appropriate for the submission of documents. In this regard, the 2021 Board Review highlighted the constant and timely support provided by the structures and management, which ensure the preparation of documentation of excellent quality; the 2021 Board Review shows a constant level of satisfaction with both the delivery deadlines for documentation, precisely defined, and the quality and completeness of the Board meeting disclosures; moreover, the accessibility and usability of the documentation is guaranteed by a highly secure information platform.

**Director appointments and succession:** the Chair drew attention to the Remuneration and Appointments Committee's due diligence and proposal-making duties. Such duties, though incumbent on both remuneration and appointments, are carried out and treated by said Committee as separate, evidence as to which is its distinct and detailed treatment of each within the annual corporate governance reports. With regard to the guidelines on the optimal composition of the Board of Directors, the Directors expressed their full satisfaction and appreciation of the size, composition and functioning of the Board and its Committees. As for succession procedures pertaining to the Chief Executive Officer, the Chair highlighted Nexi's adoption of a plan updated to 2022 detailing procedures applicable in the event that the CEO should cease to hold office.

**Remuneration policies:** with reference to the remuneration of non-executive directors and of the control body's members, the Corporate Governance Committee has drawn attention to the fact that such remuneration should be evaluated based on the commitments, demands and responsibilities that such appointments entail.

In Nexi, independent non-executive directors are involved in the work of the internal board committees, and are assigned increasing due diligence, advisory and proposal-making functions: the estimated commitment, in addition to participation and preparation for 8 Board meetings per year, must take into account 8 meetings scheduled for the Control, Risk and Sustainability Committee, 7 meetings for the Remuneration and Appointment Committee, and any meetings that may be necessary for the Related Parties Committee.

As for the members of the Board of Statutory Auditors, whose burden of duty and responsibility includes liaising with regulatory and supervisory bodies, it is worth taking into account the constant support they provide to the Board's committees by attending and contributing to each and every meeting.

Similar to the previous financial year, following the 2021 Board of Directors' Self-Assessment process, the Company established a benchmark with the support of Spencer Stuart. This analysis, in consideration of the Company's importance on the capital market, takes into account the values expressed by the market consisting of the top companies listed in Italy also belonging to the FTSE MIB segment.

In this regard, confirming a framework of excellent and essentially full compliance and satisfaction with the activities carried out by the Board also in financial year 2021, with the constant support of the Committees, the Nexi Board of Directors undertakes to continue along the path undertaken in order to fully implement the provisions of the Code and the recommendations of the Committee, also in light of the lessons learned from their practical application.

#### **THE BOARD OF DIRECTORS**

ANNEXES

**TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE AS AT 31/12/2021**

SHARE CAPITAL STRUCTURE				
	No. of shares	No. of voting rights	Listed (indicate markets) / unlisted	Rights and obligations
Ordinary shares	18,451,992.00	18,451,992.00	Euronext Milan	There is no increase in voting rights envisaged.
Preferred shares	N/A	N/A	N/A	N/A
Multi-voting shares	N/A	N/A	N/A	N/A
Other categories of shares with voting rights	N/A	N/A	N/A	N/A
Savings shares	N/A	N/A	N/A	N/A
Convertible savings shares	N/A	N/A	N/A	N/A
Other categories of shares without voting rights	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A

<b>OTHER FINANCIAL INSTRUMENTS</b> (granting the right to subscribe for newly issued shares)				
	Listed (indicate markets) / unlisted	No. of instruments issued	Category of shares servicing the conversion/financial year	No. of shares servicing the conversion/ financial year
Convertible obligations	“€500,000,000 1.75 per cent. Equity-linked bonds due 2027”, listed on the Vienna MTF (Multilateral Trading Facility) of the Vienna Stock Exchange	-	Ordinary shares	Shares up to a maximum equivalent value of €500,000,000
	“€1,000,000,000 Zero Coupon Equity Linked Bonds due 2028”, listed on the Vienna MTF (Multilateral Trading Facility) of the Vienna Stock Exchange	-	Ordinary shares	Shares up to a maximum value of €1,000,000,000
Warrants	N/A	N/A	N/A	N/A

<b>SIGNIFICANT SHAREHOLDINGS</b>			
Declarant	Direct shareholder	Percentage of ordinary capital	Percentage of voting capital
<b>CASSA DEPOSITI E PRESTITI S.P.A.</b>	<b>FSIA INVESTIMENTI S.R.L.</b>	8.284	8.284
	<b>CDP EQUITY S.P.A.</b>	5.297	5.297
<b>POSTE ITALIANE S.P.A.</b>	<b>PSIA S.R.L.</b>	3.550	3.550
<b>MERCURY UK HOLDCO LTD</b>	<b>MERCURY UK HOLDCO LTD</b>	9.435	9.435
<b>H&amp;F CORPORATE INVESTORS VIII LTD</b>	<b>EVERGOOD H&amp;F LUX S.A R.L.</b>	19.938	19.938
<b>AB EUROPE (lux) INVESTMENT S.A R.L.</b>	<b>AB EUROPE (lux) INVESTMENT S.A R.L.</b>	4.021	4.021
<b>EAGLE (AIBC) &amp; CY SCA</b>	<b>EAGLE (AIBC) &amp; CY SCA</b>	6.085	6.085
<b>INTESA SANPAOLO S.P.A.</b>	<b>INTESA SANPAOLO S.P.A.</b>	5.000%	5.000%

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AS AT THE END OF THE FINANCIAL YEAR**

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	In office since	In office until	Slate (submitting parties) (**)	Slate (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF or Consolidated Law on Finance	No. other offices (****)	Attendance (*****)
Chair	Castelli, Michaela	1970	3 July 2018	13 February 2019	Approval of the Financial Statements as at 31.12.2021	N/A	N/A		X	X	X	2	17/17
Chief Executive Officer	Paolo Bertoluzzo	1965	3 July 2018	13 February 2019	Approval of the Financial Statements as at 31.12.2021	N/A	N/A	X				0	17/17
Deputy Chair	Fabio Massoli <sup>(1)</sup>	1969	31 December 2021	31 December 2021	Approval of the Financial Statements as at 31.12.2021	N/A	N/A		X			0	0
Director	Luca Bassi	1970	21 April 2016	13 February 2019	Approval of the Financial Statements as at 31.12.2021	N/A	N/A		X			0	16/17
Director	Elisa Corghi	1972	26 September 2019	26 September 2019	Approval of the Financial Statements as at 31.12.2021	N/A	N/A		X	X	X	3	17/17
Director	Federico Ghizzoni	1955	3 July 2018	13 February 2019	Approval of the Financial Statements	N/A	N/A		X			1	14/17

					as at 31.12.2021								
<b>Director</b>	Jeffrey David Paduch	1978	3 July 2018	13 February 2019	Approval of the Financial Statements as at 31.12.2021	<b>N/A</b>	<b>N/A</b>		<b>X</b>			<b>2</b>	<b>13/17</b>
<b>Director</b>	Patuelli, Antonio	1951	3 July 2018	13 February 2019	Approval of the Financial Statements as at 31.12.2021	<b>N/A</b>	<b>N/A</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>0</b>	<b>17/17</b>
<b>Director</b>	Marinella Soldi	1966	13 February 2019	13 February 2019	Approval of the Financial Statements as at 31.12.2021	<b>N/A</b>	<b>N/A</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>1</b>	<b>15/17</b>
<b>Director</b>	Luisa Torchia	1957	13 February 2019	13 February 2019	Approval of the Financial Statements as at 31.12.2021	<b>N/A</b>	<b>N/A</b>		<b>X</b>	<b>X</b>	<b>X</b>	<b>1</b>	<b>7/17</b>
<b>Director</b>	Bo Nilsson	1965	1 July 2021	1 July 2021	Approval of the Financial Statements as at 31.12.2021	<b>N/A</b>	<b>N/A</b>		<b>X</b>			<b>0</b>	<b>7/7</b>
<b>Director</b>	Stefan Goetz	1970	1 July 2021	1 July 2021	Approval of the Financial Statements as at 31.12.2021	<b>N/A</b>	<b>N/A</b>		<b>X</b>			<b>0</b>	<b>5/7</b>
<b>Director</b>	Francesco Pettenati (1)	1977	31 December 2021	31 December 2021	Approval of the Financial Statements as at 31.12.2021	<b>N/A</b>	<b>N/A</b>		<b>X</b>			<b>0</b>	<b>0</b>

<b>Director</b>	Marina Natale <sup>(1)</sup>	1962	31 December 2021	31 December 2021	Approval of the Financial Statements as at 31.12.2021	N/A	N/A		X	X	X	3	0
<b>Director</b>	Maurizio Cereda <sup>(1)</sup>	1964	31 December 2021	31 December 2021	Approval of the Financial Statements as at 31.12.2021	N/A	N/A		X	X	X	3	0
----- DIRECTORS THAT CEASED FROM OFFICE (DURING THE FINANCIAL YEAR) -----													
<b>Director</b>	Giuseppe Capponcelli	1957	3 July 2018	13 February 2019	31 December 2021	N/A	N/A		X			0	17/17
<b>Director</b>	Francesco Casiraghi	1978	21 April 2016	13 February 2019	31 December 2021	N/A	N/A		X			0	17/17
<b>Director</b>	Simone Cucchetti	1976	21 April 2016	13 February 2019	31 December 2021	N/A	N/A		X			0	11/17
<b>Director</b>	Mussi, Maurizio	1978	11 December 2018	13 February 2019	31 December 2021	N/A	N/A		X			0	12/17

Indicate the number of meetings held during the Financial Year: 17

Indicate the quorum required for the submission of slates by minority shareholders for the appointment of one or more members (pursuant to Article 147-ter TUF):

#### NOTES

The symbols below must be entered in the "Office" column:

• This symbol indicates the director in charge of the risk management and internal control systems.

○ This symbol indicates the Lead Independent Director (LID).

(\*) The date of first appointment of each director means the date on which the director was appointed for the first time (ever) to the Board of Directors of the Issuer.

(\*\*) This column indicates whether the slate from which each director was drawn was submitted by shareholders (indicated with "Shareholders") or by the Board of Directors (indicated with "BoD").

(\*\*\*) This column indicates whether the slate from which each director has been drawn is from "majority" shareholders (indicated with "M") or "minority" shareholders (indicated with "m").

(\*\*\*\*) This column indicates the number of offices as director or auditor held by the person concerned in other listed or large companies. The offices are listed in full in the Corporate Governance Report.

<sup>(1)</sup> These directors took office on 31 December 2021 at 23:59, as a result of the completion of the SIA Merger.

(\*\*\*\*\*) This column indicates the attendance of directors at Board meetings (indicate the number of meetings attended compared to the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

**TABLE 3: STRUCTURE OF THE BOARD COMMITTEES AS AT THE END OF THE FINANCIAL YEAR**

BoD		Strategic Committee		RPT Committee		Remuneration and Appointment Committee		Risk, Control and Sustainability Committee	
Office/Role	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chair of the Board of Directors non-executive - independent as per the TUF and/or Code	Michaela Castelli	10/10	M			1/1	M <sup>3</sup>	1/1	M <sup>4</sup>
Chief Executive Officer	Paolo Bertoluzzo	10/10	C						
Non-executive director - not independent	Luca Bassi	10/10	M			7/8	M <sup>5</sup>		
Non-executive director - not independent	Bo Nilsson	4/4	M						
Non-executive director - not independent	Stefan Goetz	4/4	M						
Non-executive director - not independent	Jefferey David Paduch	10/10	M						
Non-executive Director - independent as per TUF and/or Code	Elisa Corgi			2/2	C	10/10	C	13/13	C
Non-executive Director - independent as per TUF and/or Code	Marinella Soldi			2/2	M	9/10	M	12/13	M
Non-executive Director - independent as per TUF and/or Code	Patuelli, Antonio			2/2	M				
<b>DIRECTORS TERMINATED DURING THE FINANCIAL YEAR</b>									
Non-executive director - not independent	Francesco Casiraghi	10/10	M				M	11/12	M <sup>6</sup>
Non-executive director - not independent	Giuseppe Capponcelli	10/10	M						
Non-executive director - not independent	Simone Cucchetti	5/10	M						
<b>No. of meetings held during the financial year</b>		<b>10</b>		<b>2</b>		<b>10</b>		<b>13</b>	
<b>NOTES</b>									
(*) This column indicates the attendance of directors at committee meetings (indicate the number of meetings attended compared to the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).									

<sup>3</sup> Replaced Director Luca Bassi on 11/11/2021 2021.

<sup>4</sup> Replaced Director Francesco Casiraghi on 11/11/2021 2021

<sup>5</sup> Termination of office as a committee member but not as a Director on 11/11/2021 2021.

<sup>6</sup> Termination of office as a committee member on 11/11/2021 2021 as a Director on 31/12/2021.



(\*\*) This column indicates the role of the director within the committee: "C": chair; "M": member.

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

<b>Board of Statutory Auditors</b>									
<b>Office</b>	<b>Members</b>	<b>Year of birth</b>	<b>Date of first appointment (*)</b>	<b>In office since</b>	<b>In office until</b>	<b>Slate (M/m) (**)</b>	<b>Indep. Code</b>	<b>Attendance (***)</b>	<b>No. other offices (****)</b>
<b>Chair</b>	Alonzo Piero	1965	16 April 2018	13 February 2019	Approval of the Financial Statements as at 31.12.2021	N/A	X	21/21	28
<b>Statutory Auditor</b>	Mariella Tagliabue	1970	13 February 2019	13 February 2019	Approval of the Financial Statements as at 31.12.2021	N/A	X	21/21	8
<b>Statutory Auditor</b>	Eugenio Pinto <sup>(1)</sup>	1959	31 December 2021	31 December 2021	Approval of the Financial Statements as at 31.12.2021	N/A	X	0	5
<b>Alternate Statutory Auditor</b>	Serena Gatteschi <sup>(1)</sup>	1972	31 December 2021	31 December 2021	Approval of the Financial Statements as at 31.12.2021	N/A	X	N/A	12
<b>Alternate Statutory Auditor</b>	Emiliano Ribacchi <sup>(1)</sup>	1978	31 December 2021	31 December 2021	Approval of the Financial Statements as at 31.12.2021	N/A	X	N/A	16
<b>AUDITORS TERMINATED DURING THE FINANCIAL YEAR</b>									
<b>Statutory Auditor</b>	Marco Giuseppe Zanobio	1964	16 April 2018	13 February 2019	31.12.2021	N/A	X	21/21	38

<b>Alternate Statutory Auditor</b>	Tommaso Ghelfi	1973	13 February 2019	13 February 2019	31.12.2021	N/A	X	N/A	<b>37</b>
<b>Alternate Statutory Auditor</b>	Andrea Carlo Zonca	1966	13 February 2019	13 February 2019	31.12.2021	N/A	X	N/A	<b>14</b>

**Indicate the number of meetings held during the Financial Year: 21**

**Indicate the quorum required for the submission of slates by minority shareholders for the nomination of one or more members (pursuant to Article 148 TUF): 0.5%**

**NOTES**

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

(\*\*) This column indicates whether the slate from which each auditor has been drawn is from "majority" shareholders (indicated with "M") or "minority" shareholders (indicated with "m").

(\*\*\*) This column indicates the attendance of auditors at meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

(\*\*\*\*) This column indicates the number of offices as director or statutory auditor held by the person concerned pursuant to Article 148-bis TUF and the related implementing provisions contained in the Consob Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulation.

<sup>(1)</sup> These auditors took office on 31 December 2021 at 23:59, as a result of the completion of the SIA Merger.