



**NEXI S.p.A.**

**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE PURSUANT TO  
ARTICLE 123-*bis* TUF (Italian Consolidated Law on Finance)  
(TRADITIONAL MANAGEMENT AND CONTROL MODEL)**

Financial year 2023

**approved by Nexi S.p.A.'s Board of Directors on 6 March 2024**

**Available to the public on [www.nexigroup.it](http://www.nexigroup.it) and on the authorised storage mechanism “eMarket  
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## 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. Reference is made in full to the definitions of directors, executive directors, independent directors, significant shareholder, *Chief Executive Officer* (CEO), board of directors, control body, business plan, company with concentrated ownership, large company, sustainable success and top management referred to in the Code of Corporate Governance and the related Q&A.

<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 <i>Registre de Commerce et des Sociétés</i> of Luxembourg 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 S.p.A. (Italian stock exchange), with headquarters in Milan, Piazza degli Affari 6.
<b>CDPE</b>	CDP Equity S.p.A., with registered office at Via San Marco 21A, Milan, Tax Identification Number, VAT no. and entry in the Registry of Companies of Milan, Monza Brianza - Lodi 07532930968.
<b>CDPEI</b>	CDPE Investimenti S.p.A. (formerly FSI Investimenti S.p.A.) with registered office in Via San Marco 21A, Milan, entry in the Registry of Companies of Milan, Monza Brianza and Lodi 08699370964.
<b>CNFS</b>	The Consolidated non Financial Statement pursuant to decree n. 254 of 2016.
<b>Corporate Governance Code</b>	The governance code for listed companies, as 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>	6 March 2024, 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> ” (partnership limited by shares) under Luxembourg law, with registered office at 2-4, rue Beck, L-1222, Luxembourg, registration no. in the <i>Registre de Commerce et des Sociétés</i> of Luxembourg B211906.

<b>Issuer or Nexi or Company</b>	Nexi S.p.A., 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 no. 10542790968.
<b>Euronext Milan</b>	Euronext Milan, regulated market, organised and run by Borsa Italiana.
<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 no. in the <i>Registre de Commerce et des Sociétés</i> of Luxembourg B225755.
<b>Mercury</b>	Mercury UK Holdco Ltd, a company incorporated under English law, with registered office at 32 Curzon Street, London, United Kingdom, registration no. at the Companies’ House of England and Wales 0963808.
<b>Mercury Payment Services</b>	Mercury Payment Services S.p.A., (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 no. 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 no. with the Luxembourg Companies Register B218549, incorporated into Nexi as a result of the Nets Merger.
<b>Nexi Payments</b>	Nexi Payments S.p.A., 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 no. 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 (specializing in the design, implementation and management of infrastructure and technology services dedicated to Financial Institutions, Central Banks, Enterprises and Public Administrations) which, on completion of the SIA Merger, have become part of the Nexi Group.

<b>Poste Italiane</b>	Poste Italiane S.p.A., with registered office in Viale Europa 190, Rome, registered in the Rome Companies Register under no. 97103880585.
<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 policy and remuneration paid by the Issuer in financial year 2023, drafted pursuant to Article 123-ter 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-bis TUF.
<b>Services HUB</b>	Service HUB S.p.A. (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 no. 11872280968.
<b>SIA</b>	SIA S.p.A., a joint-stock company under Italian law with registered office at Via Francesco Gonin 36/38, Tax Identification Number, VAT no. 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</b>	Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

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*Disclaimer:* This is the English translation of the Italian Report. In any case of discrepancy between the English and the Italian versions, the Italian document is to be given priority of interpretation for legal purposes.

## INTRODUCTION

This Report has been prepared 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'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 infrastructure supporting Italian cooperative banks.

In December 2015 with the entry in the shareholding of Mercury Italy Srl<sup>1</sup>, it started an extensive transformation process, which led to the establishment of Nexi as the banking sector's paytech provider. Over time, the Company has gradually expanded its offer of products and services by organical developments and implementing synergistic takeovers (some of the main ones being CartaSi S.p.A., Bassilichi S.p.A. and Mercury Payment Services).

Nexi has been listed on Euronext Milan since 16 April 2019 and was included in the FTSE Mib index in June 2019.

During 2020, the Group completed the takeover of the merchant acquiring business unit of 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 S.p.A. into Nexi, described in greater detail below and (ii) the takeover of the book merchant acquiring business unit, formerly UBI Banca S.p.A., of Intesa Sanpaolo S.p.A..

The Nexi Group operates through the business lines briefly described below:

#### (i) Merchant Solutions

The Merchant Solutions Business Unit ("BU") offers solutions and support to all types of counterparties, providing services and products for accepting digital payments, managing POS payment terminals, acquiring flows and customer care activities. Together with the Partner Banks, the BU focuses on the needs of merchants and support for their activities, supporting every type of business, from small-scale retail to large retail chains, for payments both in person and online.

The Group also provides administrative and customer relationship services via Help Line S.p.A..

The services provided by this BU comprise payment acceptance products and services and POS terminal management services.

- The acquiring business consists of the range of products and services that enable merchants to accept payments through cards or other digital payment instruments belonging to credit or debit circuits (e.g. mobile payments).

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

- POS management services include the configuration, activation and maintenance of POS terminals, their integration with the merchants' accounting software, fraud prevention services, dispute management and customer support services via a dedicated call centre.

Nexi operates under different service models, which vary depending on the partner banks, and therefore it covers a wide extent of the value chain. The activities carried out by the Group are managed internally and/or outsourced according to service model.

Thanks to the wide range of services offered, the various types of payment accepted, broad geographical coverage and value-added services, the Nexi Group constitutes a one-stop-shop for merchants from various European countries, thanks to its ability to provide merchants with omnichannel integrated solutions covering all needs.

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

#### **(ii) E-commerce**

The e-commerce function monitors market trends, analyses and prioritises merchants' needs by customer segment and defines the offer of e-commerce solutions.

It is also responsible for planning the development and release of new products and services between the various regions, so as to create unique and modular solutions with the aim of expanding the opportunities and distribution channels for e-commerce services.

#### **(iii) Issuing Solutions**

Via this BU, the Group and its partner banks provide a wide range of issuing services, i.e. 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 Issuing Solutions BU provides services for the issue of payment cards almost exclusively through partner banks (cards issued in partnership with banks). Working with the partner banks, the BU also provides go-to-market and Customer Value Management services, continuing the mission of promoting, incentivising, engaging and educating customers on the use of digital payments.

#### **(iv) Digital Banking 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 Solutions BU 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 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 24/7 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 also 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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Below is a summary of the main events that led to the Group’s current composition and which are also relevant for the purposes of the shareholder agreements in force at the date of this Report.

### **1. 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 of this merger, the Nexi Group, which was already one of the main paytech players in Italy, has also gained a strong presence in some foreign markets, through the former Nets Group companies (which, as a result of the Nets Merger, have become part of the Nexi Group), opening up the prospect for Nexi of becoming one of the leading paytech companies in Europe as well.

In terms of competitive positioning, the Nexi Group, through the companies belonging to the Nets Scope, is one of the leading electronic money service providers, including card issuing and merchant acquiring, in many countries, including Croatia, Denmark, Estonia, Finland, Germany, Norway, Poland, Slovenia and Sweden. Therefore, through the merger with Nets, the Nexi Group has achieved greater presence in regions where the paytech sector is highly advanced or growing rapidly (i.e. the DACH and CSEE regions).

### **2. 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 S.p.A. (“**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, CDPEI (formerly FSIA Investimenti) and Mercury UK, subsequently amended. The SIA Merger, completed at 23:59 on 31 December 2021, has enabled 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, SIA operates 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 S.p.A. 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, is one of the leading providers of e-money services (both card issuing and merchant side) in many countries, including Italy, Austria, Belgium, Greece, Czech Republic, Slovakia and Hungary. The merger with SIA, in turn, allowed Nexi, to consolidate its presence in Italy and to increase the presence of the Group in foreign markets. Therefore, it enabled Nexi to expand and diversify its customer base to an even greater extent than that already achieved through the merger with Nets.

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.

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The Board of Directors leads the Company by pursuing its sustainable success. For an outline of the initiatives implemented by the Board to this end, please refer to the Sections in this Report describing: (i) how this objective is embedded into the strategies (Section 4.1), the remuneration policies (Section 8) and the internal control and risk management system (Section 9); and (ii) the corporate governance measures specifically adopted in this regard (Section 9.2 (Control and Risk Committee and Sustainability)).

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.

### **Company mission and Consolidated Non-Financial Statement**

The mission of Nexi (the European PayTech) is to lead the transition to a cashless Europe. Due to its portfolio of innovative products, E-commerce skills and industry-specific solutions, Nexi intends to provide flexible support for the digital economy and the entire global payment ecosystem across a wide range of different payment channels and methods. Nexi's technology platform and its professional expertise in the industry enable the company to operate as its best in three market segments: Merchant Solutions, Issuing Solutions and Digital Solutions. Nexi is constantly investing in technology and innovation, focusing on two fundamental

principles: to meet, together with its partner banks, the needs of its customers and create new business opportunities for them. Nexi is committed to supporting people and companies of all sizes, transforming the way people pay and businesses accept payments, offering customers the most innovative and reliable solutions to enable them to better serve their customers and grow. In this way, Nexi promotes progress for the benefit of all: simplifying payments and allowing people and businesses to build closer relationships and grow together.

Sustainability plays a central role for the Nexi Group, in line with its business strategy that sees "ESG Championship, making digital Payments a driver of progress" as a founding business element for the Group. Nexi Group's approach is to integrate ESG criteria and objectives throughout the Group's value chain. In line with this approach, the Nexi Group has adopted a broad sustainability plan for the period 2023-2025, with strategic ESG goals for a responsible business, starting from 2023.

Since 2020, the Company has been listed for the first time in the ESG ratings of S&P Global and CDP (formerly the Carbon Disclosure Project).

As in the previous two years, even in 2023, the assessments of these bodies have given a very satisfactory result. In particular, in the S&P rating the categorization of the Company has changed from "IT Services" to "Diversified Financial Services and Capital Markets", a sector that is more akin to the activities of Nexi.

The score awarded by S&P was 65 (out of 100), and led the Company to be included for the first time in the Dow Jones Sustainability Index World and the Dow Jones Sustainability Index Europe. The two indices represent the sustainability benchmarks monitored by S&P, and trace the equity performance of the world's leading companies in terms of economic, environmental and social criteria.

The Issuer has published its mandatory 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. The non-financial statement can be found on the Nexi website at the following link: <https://www.nexigroup.com/en/esg/documents/>.

## 1.2. CORPORATE GOVERNANCE SYSTEM

Nexi, the holding of the Nexi Group, 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 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 powers concerning the ordinary and extraordinary management of the Company and may perform all actions deemed suitable for the purposes of achieving corporate goals, excluding the powers reserved for the Shareholders' Meeting by the law or by the company's Articles of Association. The Board of Directors pursues the sustainable success of the Nexi Group, focusing on creating value for shareholders in the medium and long term. 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 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 (i) their integration within 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 good 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 declares to comply with by means of a notice to the public;
- the adequacy of the instructions given to subsidiaries on the information to be provided to comply with disclosure requirements;
- the financial disclosure process, independent audits of financial statements and the independence of the independent auditors.

The Board of Statutory Auditors also acts as 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 the "Internal Control and Accounts Auditing Committee" pursuant to Article 19 of Italian Legislative Decree no. 39/2010.

- **The 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 (EU) 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, in accordance with the selection procedure under Article 16 of the aforesaid EU Regulation).

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

- Articles of Association;
- Rules for the Shareholders' Meetings;
- Board of Directors' Regulation;
- the Guidelines for the Strategic Committee's Operations;
- the Control, Risk and Sustainability Committee Regulation;
- the Remuneration and Appointments Committee Regulation;
- The guidelines of the Internal Control and Risk Management System;
- the Related-Party Transactions Procedure and the Related Parties Committee Regulation (pursuant to Article 2391a of the Italian Civil Code and to the RPT Regulation);
- the Nexi Group General Regulation on Management and Coordination;
- the Director in charge of the internal control and risk management system, appointed pursuant to article 6 of the Corporate Governance Code;

- the head of the internal audit function, appointed pursuant to article 6 of the Corporate Governance Code;
- the supervisory body pursuant to Legislative Decree 231/2001.
- Regulation for handling relevant/inside information set up and management of the RIL insider list and Internal Dealing;
- 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;
- Policy on qualitative and quantitative criteria to assess the independence requirements of Directors and Statutory Auditors (Independence Policy).
- The Group Ethic Code
- The Whistleblowing procedure.

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/en/group/governance/governance-system/>.

## 2. INFORMATION ON OWNERSHIP STRUCTURE

### 2.1. SHARE CAPITAL STRUCTURE

As at 31 December 2023, the fully paid-up share capital was € 118,647,177,00 subdivided into 1,312,350,527 no-par value shares, all having the same rights. There are no other categories of shares. Each share carries one vote in the Company's Shareholders' Meetings. The shareholders' rights and duties are those set forth in Article 2346 et seq. of the Italian Civil Code.

In service of a three-year variable Long Term Incentive plan (LTI), the extraordinary Shareholders' Meeting held on 12 March 2019 resolved to grant 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, using the 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, please refer (i) to pages 26 and following of Section I of the Report on Remuneration approved in 2020 with reference to the operating logic of said plan; and (ii) to section 39.2 of the Notes to the Consolidated Financial Statements for 2020. On 5 May 2022, the Board of Directors, in partial exercise of its delegated powers, resolved to increase the share capital free of charge, pursuant to Articles 2443 and 2349 of the Italian Civil Code, for a nominal amount of € 130,852, by allocating a corresponding amount from the available reserve, with the issue of 1,447,352 ordinary shares, with regular dividend rights, to be allocated in accordance with the provisions of the LTI plan. On 10 May 2023, the Board of Directors, in partial exercise of its delegated powers, resolved to increase the share capital free of charge, pursuant to articles 2443 and 2349 of the Civil Code, for the amount of nominal Euro 64,333, by a capital allocation of the corresponding amount from the available reserve with issuance of no. 711,589 ordinary shares, with regular dividend, to be allocated according to the provisions of the LTI plan. The Board of Directors, on March 6 2024, in partial exercise of its delegated power, resolved to increase the share capital free of charge, pursuant to Articles 2443 and 2349 of the Italian Civil Code, for a nominal amount of Euro 75.945,00 by allocating to capital a corresponding amount taken from the 'Profit Reserve', with the issue of no. 840.025 ordinary shares, with regular dividend entitlement, to be allocated to the beneficiaries in accordance with the provisions of the LTI Plan, subject to (i) the Board of Directors' verification that each beneficiary has achieved the company performance targets for the year 2023 set forth in the LTI Plan, and (ii) the verification of the availability of the aforesaid profit reserve, also following the approval by the Shareholders' Meeting of the financial statements as of 31 December 2023 and the allocation of the result for that year.

The Extraordinary Shareholders' Meeting of 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.

The Extraordinary Shareholders' Meeting of 3 March 2021, in view of the approval of the proposed merger by incorporation into Nets Topco 2 S.à r.l., a limited liability company (*société à responsabilité limitée*) incorporated under the law of the Grand Duchy of Luxembourg, with registered office at boulevard F.W. Raiffeisen 15, L-2411 Luxembourg, Grand Duchy of Luxembourg, has approved the possible issuance of an

additional 40,000,000 shares, without capital increase, in the service of EarnOut EBITDA (as defined in the above-mentioned merger project).

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.

The Extraordinary Shareholders' Meeting of 5 May 2022 resolved to increase the share capital, pursuant to Article 2349 of the Italian Civil Code, free of charge and in one or more tranches, by the deadline of 31 May 2027, for a maximum of € 1,776,780 through the issue, in one or more tranches, of a total number of 19,652,874 ordinary shares with no par value, having the same characteristics as those outstanding and with regular dividend rights, at an issue value equal to the accounting par value of the Company's shares on the execution date, to be allocated as capital, for a corresponding amount taken from the “Retained earnings/losses carried forward” reserve as resulting from the Company's financial statements for the year ended 31 December 2021, in order to service the incentive plan known as the “LTI Plan” which was approved by the same Shareholders' Meeting. For more information about the LTI Plan, see the “**Information Document**” provided to shareholders and available at the following link <https://www.nexigroup.com/en/group/governance/shareholders-meetings/2022/extraordinary-and-ordinary-meeting-05052022/>. In particular, the LTI Plan provides for the free allocation to the selected beneficiaries, over a medium-long term time horizon, divided into three allocation cycles of three years each (2022-2024, 2023-2025 and 2024-2026), of two categories of rights, the Performance Shares Rights and the Restricted Shares rights which, under the terms and conditions described in greater detail in the Disclosure Document, allow the respective beneficiaries to receive Company shares.

Table 1, attached to this Report, 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

Shares are indivisible, registered and freely transferable.

## 2.3. MAJOR SHAREHOLDINGS

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>Cassa Depositi e Prestiti S.p.A.</b>	CDPE <sup>(*)</sup>	5.3%
	CDPEI <sup>(*)</sup>	8.3%

<b>Poste Italiane</b> (*)	-	3.6%
<b>Mercury</b> (*)	Mercury	9.4%
<b>H&amp;F Corporate Investors VIII Ltd</b>	Evergood H&F Lux S.à r.l. (*)	19.9%
<b>Eagle (AIBC) &amp; CY SCA</b> (*)	Eagle (AIBC) & CY SCA	6.1%

(\*) Parties to the SIA Shareholders' Agreement, as defined in paragraph 2.7 below.

#### 2.4. SECURITIES CARRYING SPECIAL RIGHTS

No securities carrying special control rights have been issued.

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

There is no mechanism for exercising employees' voting rights.

#### 2.6. RESTRICTIONS ON VOTING RIGHTS

There are no restrictions on 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 S.p.A. ("**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.

For the relevant provisions of the Mercury Shareholders' Agreement, as subsequently amended, the reader is referred to the essential information pursuant to Article 122 of the TUF and Article 130 of the Issuers



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

## **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 and Neptune BC - as stated below - 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.

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, respectively and individually, a lock-up agreement 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 and 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.

On 2 November 2023, in the context of an intra-group reorganisation, AB Europe transferred approximately 50% of its stake held in Nexi to Neptune (BC) S.à r.l. (in liquidation), a limited liability company under Luxembourg law registered in the Commercial and Commercial Register of Luxembourg (Registre de Commerce et des Sociétés), with registered office at 4 rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg ("Neptune BC"), (the "**Transfer**"). By reason of that Transfer, Neptune BC acceded to the Shareholders' agreement by means of a letter of endorsement signed on the same date, assuming - with effect from the same date - all rights and obligations previously held by AB Europe under the Shareholders' Agreement (the "**Neptune BC Membership**").

For the relevant provisions of the Nets Shareholders' Agreement concerning Nexi's governance and specific restrictions on the transfer of Nexi shares as well as the main provisions of the Lock-up Agreements and the Management Sell-Down Agreement the reader is referred to the essential information pursuant to Article 122 of the TUF and Article 130 of the Issuers Regulation, published on the Nexi website at <https://www.nexigroup.com/en/group/governance/documents-and-procedures/shareholders-agreements/>.

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

On 11 February 2021, Nexi, CDPE (formerly FSIA), Mercury and SIA entered into a framework agreement (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 parties to the SIA Framework Agreement executed an amendment to the Agreement which made further changes to the timeframe of the SIA Merger. Specifically, the timing of certain pre-closing corporate steps, such as the holding of the Shareholders' meetings and the Boards of Directors' meetings for the purposes of the Push-Down, was changed; the closing of the SIA Merger was scheduled for 15 November 2021 and the timing of the pre-closing corporate steps was changed accordingly. The originally planned dates were changed from time to time – as is typical in this kind of long-lasting transactions – 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 limit.

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) TUF. The SIA Shareholders’ Agreement was disclosed in accordance with Article 122 TUF within the legal time limit.

The Neptune BC Membership also took effect with respect to this Shareholders' agreement. More details on this are given in the previous section.

For the relevant provisions of the SIA Framework Agreement and the SIA Shareholders’ Agreement the reader is referred to the essential information pursuant to Article 122 of the TUF and Article 130 of the Issuers Regulation, published on the Nexi website at <https://www.nexigroup.com/en/group/governance/documents-and-procedures/shareholders-agreements/>.

#### **D. SPIN-OFF AGREEMENT**

On 19 May 2021, CDPE, CDPEI (formerly FSIA), Poste Italiane and PSIA (merged by incorporation into Poste Italiane on 1 November 2022) 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 CDPEI (formerly FSIA), a company indirectly controlled by CDPE, which held a 57.42% equity investment in the share capital of SIA, to be carried out through the allocation of CDPEI (formerly FSIA)’s assets and liabilities, including, inter alia, part of the above-mentioned stake in SIA held by CDPEI (formerly FSIA) to the beneficiary PSIA (merged by incorporation into Poste Italiane on 1 November 2022), wholly owned by Poste Italiane.

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

## **2.8. CHANGE-OF-CONTROL CLAUSE 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 which will be enforced, amended or terminated if the Company undergoes a change of control.

#### **Strategic partnership with Alpha Bank in Greece**

On 30 June 2022, the transaction to create a strategic partnership with Alpha Bank S.A. (“**Alpha Bank**”) in the Greek merchant acquiring market was finalised.

The transaction was carried out through, inter alia, a) the transfer of all the tangible and intangible assets organised by Alpha Bank for the exercise of merchant acquiring activities to a new company incorporated under Greek law (Nexi Payments Greece S.A., “**NPG**”), and the subsequent purchase by the Company of a 51% stake, a percentage subsequently increased to 90.01%, of NPG’s share capital, and b) the signing of a long-term marketing and distribution agreement, whereby Alpha Bank undertook to exclusively distribute NPG’s products and services through its extensive network of branches throughout Greece (the “**AB Transaction**”).

As part of the AB Transaction, the Company and Alpha Bank have entered into a shareholders’ agreement concerning NPG (the “**Agreement**”). The Agreement provides that, in the event that Nexi transfers its shareholding in NPG to banks operating in Greece, to entities active in the merchant acquiring business which have distribution agreements in place in Greece, or to entities holding a qualifying shareholding therein (“**Competitors of AB**”), or in the event that following a change of control, direct or indirect, of Nexi, a Competitor of AB acquires – alone or acting jointly with others – control of Nexi, Alpha Bank has the right to exercise an option to purchase the shareholding held by Nexi in NPG, or alternatively an option to sell its shareholding in NPG to Nexi.

For more information about the AB Transaction, please refer to the press releases published by the Company and available to the public on the website [www.nexigroup.it](http://www.nexigroup.it) and on the authorised storage mechanism “eMarket STORAGE”.

### **ISP Transaction**

The strategic transaction with Intesa Sanpaolo S.p.A. (“**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 at [www.nexigroup.it](http://www.nexigroup.it) and on the authorised storage mechanism “eMarket STORAGE”.

### **ISP Croatia Transaction**

The transaction concerned the acquisition of the merchant acquiring book of Intesa SanPaolo in Croatia through its subsidiary Privredna banka Zagreb d.d. (“**PBZ bank**”), the parent company of PBZ Card d.o.o. (“**PBZ Card**”, together with PZB Bank “**PBZ Entities**”) and was characterized by, *inter alia*, a) the transfer of all the assets, properties, contracts, rights, liabilities and obligations held by PBZ Card for the exercise of the merchant acquiring activity in favour of Nets CEE d.o.o. (the “**Transferee**”) for a cash payment of €180,000,000 b) the signing of a twenty-five-years agreement between the Transferee and the PBZ Entities

relating to marketing and distribution by the PBZ Entities to its customers of the products and services of the business "Merchant Digital Acceptance" of the Group (the "**Distribution Agreement**"). The Distribution Agreement provides for a right of withdrawal of PBZ Bank and PBZ Card in the event of a change in the direct or indirect control or actual ownership of the Transferee or of its current business through a share transfer, merger, consolidation, sale, merger of assets or otherwise, in favor of UniCredit S.p.A. (acting alone or with any subject). The change of control includes the acquisition of control, the lose of control or the transition of control from a single person to joint control by several persons (and vice versa) or the transition to a different form of joint control (as defined in the agreement). PBZ Transaction was finalised on 28 February 2023, following the fulfilment of the suspensive conditions provided for in those agreements. For further information on the PBZ Transaction, see the press release published by the Company on 17 June 2022, available at [www.nexigroup.it](http://www.nexigroup.it) and on the authorised storage mechanism "emarket STORAGE".

### Loan Agreements

This definition refers to the following bank loan agreements concluded and still outstanding with Italian or international counterparties.

- 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 € 1,165,000,000, 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 18 June 2021, the IPO Facilities Agreement was amended and extended to revise some of its economic and contractual elements, as well as to postpone its original expiry date to 31 May 2026.
- On 26 June 2020, the Company and a number of banks signed a loan agreement with maturity in a single settlement 5 years from the date it was entered into (the "**Term Facility Agreement**") pursuant to which the banks granted the Company, under the terms and conditions set forth therein, a term loan for an original total amount of € 466,500,000, equal to € 366,500,000 at the date of this Report, 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.
- On 15 December 2021, Nexi signed a loan agreement (the "**BBPM Loan Agreement**") pursuant to which Banco BPM S.p.A. granted the Company an amortising 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. The BBPM Loan must 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 Loan and (ii) on the date falling on the 48th month after the BBPM Loan Agreement execution date, as to the remaining 70%.
- On 22 June 2022, Nexi signed a loan agreement (the "**BPER Loan Agreement**") pursuant to which BPER Banca S.p.A. granted the Company a term loan for an original total amount of € 50,000,000.00 (the "**BPER Loan**") expiring on 30 April 2026, in order to finance the cashflow needs of the Company and the Nexi Group without any constraints as to its use.
- On 2 August 2022, the Company and a number of banks entered into a loan agreement (the "**Syndicated Facilities Agreement**") pursuant to which the lenders granted the Company, under the terms and

conditions set forth therein, a term loan of € 900,000,000 with a maturity of 5 years from the date of execution to be used, inter alia, to finance the Company's new growth initiatives in Italy or abroad, through acquisitions or investments, as well as the financial needs of the Company and the Nexi Group.

Nexi must repay the credit lines under each of the Loan Agreements, inter alia, in the event of a change of control or if, among other things:

- i) an entity, or a group of entities acting collectively (with the exception of entities defined as "Equity Investors" in each Financing Agreement) who at the date of signing the Loan Agreements 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 in the amount of € 825 million in principal, currently outstanding in the amount of € 476 million in principal, to be repaid through a lump sum payment on 31 October 2024, listed on the "Euro MTF" multilateral trading facility of the Luxembourg Stock Exchange and placed with qualified investors (the "**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 "825,000,000 4.125% Senior Secured Notes due 2023", worth € 825 million, issued in May 2018 by Nexi Capital S.p.A. (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, among other things, 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, in the amount of € 500 million in principal due in 2027, listed on the multilateral trading facility “Vienna MTF” of the Vienna Stock Exchange (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 were used to partially refinance the Nets group’s debt at the date the merger was finalised in 2021 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 HY Notes 2021-2026 are currently outstanding for € 926 million.

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 was used to finance the Issuer’s core business (including to refinance its financial debt)

The HY 2019 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"), currently outstanding for € 219,584,000 in principal, 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. The maturity date of the Nassa Topco Notes is the first business day after 6 April 2024. 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.

### **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**

With reference to the delegation of powers conferred by the extraordinary shareholders' meeting on 12 March 2019 in relation to the incentive plan, please refer to paragraph 2.1 above.

On 4 May 2023, the Ordinary Shareholders' Meeting resolved: (i) to revoke with effect from such date the authorization for the purchase and disposal of treasury shares approved by the Shareholders' Meeting of 5 May 2022 for the part that was not implemented; 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 – 0.3% 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, 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 Board of Directors' Report. As at 31 December 2023, Nexi held 744,170 treasury shares.

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

The Issuer is not subject to any management and coordination activities.

The Company performs the management and coordination of its subsidiaries, and for such purposes it approved specific internal regulations. Said activities are governed by the Group's general regulations, approved by Nexi's Board of Directors lastly on 22 December 2022 also to take into account amendments made to the internal target operating model, 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.

Nexi exercises management and coordination activities with respect to subsidiaries in full compliance with the provisions currently in force in accordance with the principles of impartiality, fairness, transparency, and in accordance with the principle of legal and managerial autonomy of subsidiaries, without influencing their respective responsibilities, as well as in compliance with the corporate interest of subsidiaries and in deference to the principles of proper and prudent corporate and business management

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Finally, it should be noted that:

- for the information referred to in 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 Report on Remuneration available on the Company's website at <https://www.nexigroup.com/en/group/governance/shareholders-meetings/2024/extraordinary-and-ordinary-meeting-30042024/> ;

- the information required by Article 123-*bis*(1)(1) 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 <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.en.htm>.

## 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 value for shareholders in the medium and long term.

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.

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 with the essential contribution of the Control, Risk and Sustainability Committee and monitoring the application of the following policies: (i) Group Sustainability policy; (ii) diversity policy, 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, (iii) dialogue with shareholders policy, to incorporate stakeholder input. In addition, with the contribution of the Remuneration and Appointment Committee, it has elaborated the incentive systems that constitute the variable part of the remuneration of specific employees of the Company that have long been linked to the creation of sustainable value, with 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;

During the financial year, the Board of Directors updated its internal policies, procedures and rules of conduct.

- (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 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.

With reference to the Group's strategic direction, at the time of preparation of the Business Plan in the financial year 2022, the Board of Directors has properly considered relevant issues for the value generation in the long term that were consistent with the Group's commercial activities and in line with stakeholder expectations. For further details see Section 16 of this relation and the Non-Financial Statement.

- (iii) monitoring of the Group's performance, which includes monitoring of the implementation of corporate and financial strategies as well as of the relevant risks;

During the financial year, the Board of Directors proceeded in particular on monitoring the performance of the business, and the Chief Executive Officer reported, regularly and at least quarterly, to the Board of Directors and the Board of Statutory Auditors on the activity carried out under the powers received, on the general performance of operations and its foreseeable evolution as well as on the most significant economic, financial and equity transactions relating to the Company and its subsidiaries. The CEO's reports also provided the Board of Directors with the necessary information to monitor the effective implementation of the budget approved for the

financial year. In addition, the company approved the Group's quarterly results in line with industry best practice.

On 8 February 2023, the Board of Directors approved the results of the Enterprise Risk Assessment activities carried out in 2022, with the aim of identifying the main business risks over the next 3 financial years.

- (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. On the other hand, the Nexi Board of Directors verifies, from time to time, whether the transactions to be carried out by the Issuer have significant strategic, economic, equity or financial importance for the Company.

It should be noted that during the financial year, the Board of Directors evaluated and approved a series of initiatives in line with the guidelines of the Business Plan, further information on this are included in the press releases available on the Issuer's website.

- (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.

In this regard, 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 at Group level were also duly mapped, 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.

Furthermore, the Board of Directors, assisted by the Board committees, is responsible for defining (i) the Issuer's corporate governance system considered to be the most effective for the pursuit of the company's business and strategies, (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 managing and disclosing inside information (see, in this regard, Section 5); (iv) defining the remuneration policies (for further information please make reference to the remuneration policy available at

<https://www.nexigroup.com/en/group/governance/shareholders-meetings/2024/extraordinary-and-ordinary-meeting-30042024/>).

In addition to the above, the Board of Directors plays a key role in drawing up the guidelines and monitoring the integration process of the companies.

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 2023 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 Control, Risk 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 (paragraph 4.3), functioning (paragraph 4.4), appointment and self-assessment (paragraphs 4.1 and 7.1), remuneration policy (paragraph 8); internal control and risk management system (paragraph 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 31 January 2024, by means of Decision (Determinazione) no. 92, Consob established a minimum shareholding for the submission of a slate equal to 1% of Nexi's share capital.

Each shareholder, (as well as (i) the shareholders belonging to the same group, meaning the parent entity, not necessarily in company form, pursuant to Article 2359 of the Civil Code and each company controlled by, or under the common control of, the same entity, or (ii) the shareholders participating in the same shareholders' agreement pursuant to Article 122 TUF, or (iii) the shareholders who are otherwise connected to each other by virtue of significant ties pursuant to the laws and/or regulations in force and applicable) may not submit - or participate in the submission of, even through an intermediary person or trust company - more than one slate nor may they 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. Failure to comply with such obligations shall lead to the slate being rendered null and void.

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

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. The two candidates with the highest quotients shall be elected. 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.

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 submission 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.

For further information on the role of the Board of Directors and of the 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 2023 is composed of 13 members and was appointed by the Ordinary Shareholders’ Meeting of the Issuer on 5 May 2022, based on the Articles of Association in force, for a period of three financial years until the approval of the financial statements as at 31 December 2024, except as specified below. The members of the Board of Directors were elected through the slate voting mechanism. In the aforementioned Shareholders’ Meeting, 2 slates of candidates were submitted. One slate was submitted by certain shareholders parties to a relevant shareholders’ agreement pursuant to Article 122 TUF<sup>2</sup> (the “**Majority Slate**” or “**Slate 2**”), while another slate was submitted by certain asset management companies and institutional investors<sup>3</sup> (the “**Minority Slate**” or “**Slate 1**”).

All candidates on both slates were elected (with the exception of candidate Barbara Falcomer, who was in the Minority Slate). For more information on the slates submitted for the appointment of the Board of Directors, see the following link <https://www.nexigroup.com/en/group/governance/shareholders-meetings/2022/extraordinary-and-ordinary-meeting-05052022/>.

At 31 December 2023, the Board of Directors was composed of the following members:

Name	Surname	Role	Slate
Michaela	Castelli(*)	Non-Executive Chair	Slate 2
Paolo	Bertoluzzo	Chief Executive Officer	Slate 2
Ernesto	Albanese (*)	Non-Executive Director	Slate 1
Elena	Antognazza (*)	Non-Executive Director	Slate 1
Luca	Bassi	Non-Executive Director	Slate 2
Maurizio	Cereda (*)	Non-Executive Director	Slate 2
Elisa	Corghi (*)	Non-Executive Director	Slate 2
Johannes	Korp	Non-Executive Director	N.A.
Marina	Natale (*)	Non-Executive Director	Slate 2
Bo Einar Lohmann	Nilsson	Non-Executive Director	Slate 2
Francesco	Casiraghi	Non-Executive Director	N.A.
Francesco	Pettenati	Non-Executive Director	Slate 2
Marinella	Soldi (*)	Non-Executive Director	Slate 2

\*Fulfilling the independence requirements pursuant to the TUF and the Corporate Governance Code

<sup>2</sup> Evergood H&F Lux S.à r.l., CDP Equity S.p.A., FSIA Inversiones S.r.l., Mercury UK Holdco LTD, AB Europe (Luxembourg) Investment S.à r.l, Eagle (AIBC) & CY SCA, together holding 53.03% of Nexi’s share capital at the time of submission of the slates, submitted a slate for the appointment of the Board of Directors (Majority Slate), in compliance with the provisions of the shareholders’ agreement. CDP Equity S.p.A., FSIA Inversiones S.r.l., Mercury UK Holdco LTD, AB Europe (Luxembourg) Investment S.à r.l, Eagle (AIBC) & CY SCA, together holding 33.1% of Nexi’s share capital at the time of submission of the slates, submitted a slate for the appointment of the Board of Statutory Auditors (Majority Slate), in compliance with the provisions of the shareholders’ agreement.

<sup>3</sup> Amundi Asset Management SGR S.p.A., Anima SGR S.p.A., Arca Fondi SGR S.p.A., BancoPosta Fondi SGR S.p.A., Eurizon Capital S.A., Eurizon Capital SGR S.p.A., Fidelity Funds – Italy/Fidelity Funds – European Dynamic Growth/FAST – Europe Fund, Fideuram Asset Management Ireland, Fideuram Intesa Sanpaolo Private Banking Asset Management SGR S.p.A., Generali Investments Luxembourg SA, Interfund Equity Italy, Kairos Partner SGR S.p.A., Legal & General Assurance (Pensions Management) Limited, Mediobanca SGR S.p.A., Mediolanum International Funds Limited – Challenge Funds – Challenge Italian Equity and Mediolanum Gestione Fondi SGR S.p.A., together holding 1.52% of Nexi’s share capital, submitted a slate for the appointment of the Board of Directors (Minority Slate) and a slate for the appointment of the Board of Statutory Auditors (Minority Slate), in compliance with the provisions of the shareholders’ agreement.

The Majority Slate obtained 78.961% of the votes cast by the eligible shareholders in attendance at the Shareholders' Meeting while the Minority Slate obtained 18.500% of the votes cast in the Shareholders' Meeting.

With reference to the current composition of the Board of Directors, it should be noted that:

- (i) Director Stefan Goetz resigned on 26 January 2023, citing professional commitments. On the same date, the Board of Directors, after obtaining the favourable opinion of the Board of Statutory Auditors, appointed through co-option Mr Johannes Korp as a new non-executive and non-independent Director: The Shareholders' meeting held on 4 May 2023 confirmed Mr. Johannes Korp, who will remain in charge until the approval of the financial statement as of 31 December 2024;
- (ii) Director Jeffrey David Paduch resigned on 31 July 2023, citing professional commitments. On the same date, the Board of Directors, after obtaining the favourable opinion of the Board of Statutory Auditors, appointed through co-option Mr. Francesco Casiraghi as a new non-executive and non-independent Director, who will remain in office until the next Shareholders' Meeting.

The information regarding the composition of the Board of Directors at the closing date of the Financial Year is shown in the Table attached to this Report. In accordance with the provisions of Article 144-*decies* of the Consob Issuers Regulation, the CVs with the personal and professional background of each director in office at the date of the Report are indicated below and are available on the Company's website at the following link: <https://www.nexigroup.com/en/group/governance/corporate-bodies/>.

As shown by the CVs provided below, the professionalism, skills and experience of the directors are appropriate for the performance of their duties as directors of Nexi. At the closing of the 2023 financial year and at the date of this Report, the Board of Directors comprises 12 non-executive directors out of 13 (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 and their skills is such as to guarantee their significant weight in the adoption of the Issuer's decisions, as well as effective monitoring of operations. Of the non-executive directors, 7 out of 12, 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.

A summary of the directors' CVs, in the role as of the date of this Relation, is set out below.

**Michaela Castelli (Chair - independent)** – born in Rome on 7 September 1970, after her in Law and a postgraduate degree in Financial Law, she started to work in London dealing with the Capital Market law at the British branch of Banca Commerciale Italiana; then she consolidated her experience at Borsa Italiana S.p.A., 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. She served as Secretary of the Scientific Committee that dealt with the update of the Code of Corporate Governance for Listed Companies and Head of the Department of Listing Legal in charge of the processes of admission to listing of shares and other financial instruments, with delegated powers on sensitive procedures. She has participated in consultation procedures on industry regulations and the drafting of corporate procedures for the

operation of the market management company, a CONSOB supervised entity. She is an expert on organization, corporate compliance, internal controls and 231 regulations.

**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 Fontainbleu. 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 S.p.A., 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. In July 2016, he joined the Nexi Group as Chief Executive Officer of CartaSì and Istituto Centrale delle Banche Popolari Italiane (now Nexi S.p.A.), respectively. He has been a Nexi director since 13 February 2019 and since then he has held the office of CEO of the Nexi Group which, under his leadership, has experienced strong growth and expansion, also through the Nets and SIA mergers.

**Ernesto Albanese** (independent) - Born in Naples in 1964, he graduated in Political Science and International Economics from the Federico II University in Naples. He has gained 35 years of experience, many of them at the top of public and private companies, in different service sectors including transport, sports and hospitality. In the latter sector, he began his activity as an entrepreneur in 2014; he is the shareholder and Chair of CampusX, a leading student housing company in Italy; he is also the founder and CEO of Fattore Italia, a company that manages projects in the hospitality and tourism sector. In the past he worked at Alitalia and Seat Pagine Gialle, held the office of CEO of Eurofly S.p.A., General Manager of Coni Servizi S.p.A., CEO of Atahotels of the Fondiaria-Sai group and General Manager of the Rome 2020 Olympic Games Promotion Committee. At the moment, he is member of the Board of Directors of Nexi S.p.A., where he is also the Chair of the Control, Risk and Sustainability Committee and *Lead Independent Director*. In addition, he is the Chair of HRC S.p.A. (owner of the Mandarin Oriental Hotel in Lake Como), of Hotel Cristallo S.p.A. (owner of the homonymous Hotel in Cortina D'Ampezzo) and of Ferroli S.p.A.. In the past, he was an independent director of Geox S.p.A. and of Autogrill S.p.A.

He is founder and Chair since 2005 of L'Altra Napoli Onlus, a non-profit organisation that pursues projects for young people from Naples inner city. In 2007 he was awarded the title of Commander of the Italian Republic (*Commendatore della Repubblica Italiana*).

**Elena Antognazza** (independent) – born in Milan in 1970, she graduated in Economics from Bocconi University in 1995 and subsequently took various postgraduate courses in the United States of America. She began her career as an Internet Marketing Manager at one of the most important media centres in Italy, and then in the Netherlands with UUNET (global internet business connectivity provider). Since 1997 she has set up and moderated discussion groups dedicated to online marketing, including Mlist. In 1997 she wrote her first book “Web Marketing per le PMI” (Web Marketing for SMEs), which has long been a reference for the online marketing sector. She has also worked as a trainer and consultant (organising workshops and seminars throughout Italy on online, offline and mobile integration). From 2005 to 2012, she worked at PayPal, holding roles of increasing responsibility. In particular, she held the position of Marketing Director, also spending a long period at the PayPal headquarters in the United States supporting a global strategic project as head of the planning and marketing strategy team for the EMEA area. Subsequently she was CMO at Tandem Bank and from 2017 to 2023 she was General Manager Digital for Europe and Russia at CIS Western Union.

**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 cum laude in Business Administration from the Luigi Bocconi University in 1996. From 1996 to 2000, she was the *brand manager* with 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 has held and holds the office of non-executive independent Director in listed and non-listed medium and large companies involved in significant extraordinary transactions. She has been a director of Nexi since 26 September 2019.

**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 from the 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 Ariston Holding NV and, since February 2019, of Nexi S.p.A. Since July 2021, she is Chairman of the Board of Directors of RAI. Since September 2023, she is an independent director of BBC – British Broadcasting Corporation.

**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 is CEO of Bamboh Invest, a private investment company and family office based in Denmark. Since 2021 Bo has also held the positions of Chairman of the Board of Nets Denmark AS. He joined Nets in 2013 as CFO, assuming the role of CEO in 2014 leading the company through an 8-year transformation journey. Prior to Nets, he was an investment banker at JPMorgan Chase & Co in London and New York, and CFO and Director of Grupo Media Capital in Lisbon. In 2006, he founded the multinational publishing house Grupo LeYa, where he was Director until 2013. He has been a director of Nexi since July 1, 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. She has been CEO and General Manager of AMCO - Asset Management Company S.p.A. Since July 2017 till the end of August 2023, responsible for the creation of a leading player in the management of non-performing loans, a benchmark in the NPE market in Italy, at the service of the country and the real economy. 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 is a member of the Board of Directors of Nexi S.p.A. since December 2021 and of the Board of Directors of WeBuild S.p.A. since December 2019. She has been member of the Board of Directors of Fiera Milano S.p.A. until July 2022, where she held the role of chief executive officer from April 2017 to July 2017. In addition, she has also been a member of the Board of Directors of the Investors Committee of the Italian Recovery Fund (formerly Atlante II) until July 2023.

**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 di Efficienza Energetica. He is a member of the Boards of Directors of 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.

**Johannes Korp** – born in Graz, Austria, on 28 November 1984, he graduated in Business Administration from St. Gallen University (HSG) and earned an MBA from Stanford Graduate School of Business. He is currently a member of the Board of Directors of Allfunds and Nexi. Previously, he was a Member of the Board of Directors of Nets. Since 2020 he has been a Partner of Hellman & Friedman, which he joined in 2014 after working in Warburg Pincus in the financial services and retail investment groups area and in Goldman Sachs in London in the financial services and M&A group.

**Francesco Casiraghi** - born in Reggio Emilia on October 29, 1978, he graduated in Industrial Engineering at the University of Parma. He started his career at Procter&Gamble; he then joined the investment banking team at Bank of America Merrill Lynch, working in London, Hong Kong, Rome and Milan. In 2007 he joined Advent International. He has served as Board member for several companies with a strong technological/digital profile, including also Laird Ltd, an advanced IT application and IoT connectivity player, beyond Nexi.

### **Diversity criteria and policies in the composition of the Board and in the company's organisation**

On 13 May 2021, the Board of Directors approved a policy concerning the diversity of corporate bodies (the “**Diversity Policy**”), modified on 31 July 2023. The Diversity Policy, also approved by the Risk, Control and Sustainability Committee, 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, through the adoption of the Diversity Policy, the Company 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 the provisions of 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 promote 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 stakeholders and employees. For details, see the Sustainability Policy – approved during the 2020 financial year – and the Report on remuneration and remuneration paid available at [www.nexigroup.com](http://www.nexigroup.com).

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 2023 are also reported in Nexi's Consolidated Non-Financial Statement available at [www.nexigroup.it](http://www.nexigroup.it).

In anticipation of the renewal of the corporate governance bodies at the Shareholders' Meeting of 5 May 2022, the Board of Directors drew up some guidelines on the composition of the new Board (the "**Guidelines**") that cover, among other things, diversity criteria, including those contained in the Diversity Policy. In their Guidelines for the qualitative and quantitative composition of the Nexi board, the directors clarified how it is necessary to give adequate visibility to key criteria for Nexi such as gender diversity, age, seniority of service, and complementarity of professional and managerial experiences. In particular, when preparing the slates, the shareholders were 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. These Guidelines were made available prior to the publication of the notice convening the Shareholders' Meeting concerning the renewal of the Board.

In this regard, it should be noted that the composition of the Board of Directors at the closing date of the financial year and at the date of this Report is in line with the Guidelines (which suggest a 13-member Board) and the Diversity Policy.

The Company's Code of Ethics clarifies the Group's commitment to ensuring a work environment free from discrimination of any kind (e.g. related to cultural, sexual or religious orientation) and to offering equal opportunities on equal terms. At all stages of the employment relationship, the Group pays continuous attention to respect for diversity and equal opportunities and to the prevention of all types of discrimination.

In addition, it should be noted that, in accordance with the Sustainability Policy, the Group has made gender diversification, experiences and skills the distinctive element of its people in response to the growing challenges of the market in which it operates, and is committed to promoting diversity. Through the tools of the people strategy, Nexi is committed to promoting the value of people by establishing an inclusive corporate identity that fosters and enhances diversity in terms of gender, skills, abilities, capabilities and passions, as well as individual characteristics. Finally, as part of the provisions of its remuneration and incentive policy, Nexi is committed to paying fair remuneration by ensuring the application of the principle of equal opportunities and promoting policies to combat the gender gap.

#### **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 area, on 10 March 2022 the Nexi Board of Directors established, on the proposal of the Remuneration and Appointment Committee, the maximum number of directorships and auditing positions in other companies that can be considered compatible with an 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 – which may be consolidated – 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.

The composition of the Board of Directors in office at the end of the financial year and at the date of the Report complies with the aforementioned general criteria.

#### **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 standing 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 Standing 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 with appropriate advance notice. 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<sup>4</sup>, 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 2023, 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 Company's directors 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.

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 "Material" 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.

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<sup>4</sup>The digital platform provides access through personal user IDs and passwords. The platform is managed by the Group Corporate Governance Function, which manages the content to be published and the users to be enabled or removed to: a) consult, b) download and c) print documents. The documents for which consultation, saving on personal devices and/or printing is granted are also protected by a special watermark indicating the name of the recipient, as well as the time and date of reading the file. The documentation is also published in a non-editable format.

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. Following the meeting, a draft of the minutes shall be sent to all the Directors and, after their approval, transcribed in the book of meetings and resolutions of the Board by the Secretary.

In 2023, the Board of Directors met 11 times both in person and via videoconference. The meetings held also by audioconference, had an average duration of about 3 hours. As regards the attendance of Directors at individual meetings, see Table 2.

During the year, the Board of Directors' Regulations were regularly complied with.

For the current financial year, bimonthly Board meetings have been scheduled. As at the date of this Report, 3 meetings have been held, including the meeting that approved this Report.

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.

#### **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, Attorney 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. In this respect, it should be noted that during the year the practice of sending executive summaries on the items of the agenda to the Directors continued.

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 will 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 2023, 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 (specifically the CFO, Head of Internal Audit and the Head of Group Risk Management, the Financial Reporting Officer, the Group Human Resources Officer as well as some external consultants to support the Board in relation to specific projects). The Financial Reporting Officer always participates in the Board meetings for the approval of financial data pursuant to Article 154-bis TUF.

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, the Lead Independent Director and the committees' activities, organising induction initiatives and ensuring the transparency of the Board's self-assessment process. In this regard, it should be noted that in all the Board meetings that provided for the adoption of resolutions with the opinion of the Board's internal committees, an item was expressly included on the agenda dedicated to the report of the Chairs of the Committees on the activities carried out by them. For more information on the coordination of the committees' activities and the Board's self-assessment, see Sections 6 and 7.

With reference to induction activities, it should be noted that in financial year 2023, 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, 6 meetings were held in which the following topics were discussed: (i) Risk Appetite Framework; (ii) new organisational structure; (iii) strategic transactions.

Finally, it should be noted that the Chair of the Board of Directors did not take 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.

The Chair also ensured that the Board of Directors was in any case informed of the development and the significant contents of the dialogue that took place with all the shareholders. For more details on this, see Section 12.

Finally, the Chairman with the support of the Secretary of the Board of Directors during the year managed the planning of the Board activities and ensured the coordination of the continuous dialogue between the various actors in the corporate governance process (Board of Directors, Board of Statutory Auditors, Lead independent director and Committees)

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

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 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.

On 5 May 2022, in accordance with Recommendation 18 of the Corporate Governance Code, the Issuer's Board of Directors confirmed the appointment of Attorney Francesca Paramico Renzulli, Head of Group Corporate Governance, 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.

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During the course of the financial year, the Secretary supported 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,
- (ii) in coordinating the activities of the committees and the Lead Independent Director with the activities of the Board of Directors,
- (iii) in defining the agenda for the meetings, in managing Board activities and in dialogue with the committees,
- (iv) in coordinating with the Chief Executive Officer to ensure the participation in the Board meetings of the heads of the corporate functions relevant to the items on the agenda to provide the appropriate in-depth information,
- (v) in coordinating activities and managing information flows with and from the board of statutory auditors, including in its capacity as Organismo di Vigilanza
- (vi) to ensure that (a) all Directors could participate, after their appointment and during their term of office, in specific induction activities and (b) the self-assessment process was adequate and transparent.

The Secretary also provided impartial assistance and advice to the Board of Directors on all aspects relevant to the proper functioning of the corporate governance system.

#### **4.6. EXECUTIVE DIRECTORS**

##### ***CEO 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 22 December 2022, 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 activities of the Parent company and Group;
3. ensure the strategic coordination and management of the Parent company and Group;
4. deal with and coordinate relationships with institutional and supervisory bodies, with the exception of relationships that by law are reserved to other bodies and functions;
5. manage and coordinate relationships with shareholders, entities, investee companies, and other 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 review of ordinary and/or special documents and/or strategic plans and budgets of the Parent company and Group companies
9. establish and modify the organisational structures and related corporate regulations, with exception of (i) the organisational structure that reports directly to the Chief Executive Officer; (ii) the provisions of specific regulations relating to the System of Internal Controls as a whole
10. propose to the Board agreements relating to equity investments or transactions
11. manage equity investments, 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 expenses and make investments necessary for the management of the company in compliance with the strategies decided by the Board of Directors and within the annual limits of the budget set out by the Board
16. authorise expenditures not provided for by the budget for an amount not exceeding € 5,000,000.00 (each), and in any case for an overall annual amount not higher than € 20,000,000.00

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 arbitration proceedings, including amicable settlements, appointing and revoking arbitrators; authorise the recognition of losses for matters/disputes entailing a total cost or loss of revenue for the Company not exceeding € 500,000.00
20. execute the administrative documents required to take part in tenders, including, among others, the establishment of joint ventures
21. make decisions to recruit staff and take measures relating to promotions, transfers, economic improvements and changes in assignments as part of the guidelines agreed with the Board and in line with the remuneration policies in force, with the sole exception of managers reporting directly to the Chief Executive Officer and managers of control departments
22. purchase, sell, exchange and enter into leases as lessor or lessee of moveable assets (including assets enrolled with public registers), sign and perform purchase and sales contracts for the supply of products and/or services, including the sale/lease to third parties of licensed products manufactured or marketed by the Company
23. enter into and sign insurance contracts with insurance companies and institutions, signing the related policies, for a unitary amount not exceeding € 5,000,000, net of VAT and applicable taxes, 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, up to the amount of € 2,500,000
24. 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
25. open, close and operate bank and postal 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
26. make payments, including in foreign currencies, recover sums, deliver and withdraw securities and valuables by issuing release receipts; open and withdraw securities, cash, valuables and freight deposits as a 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, submit the statements established by applicable laws when making payment and accept the obligations relating thereto in the name and on behalf of the Company
27. make decisions on redundancies and take disciplinary actions, including dismissal measures if necessary, against Company personnel, with the sole exception of managers reporting directly to the Chief Executive Officer and managers of control departments
28. act in the name and on behalf of the Company as data controller of the personal data stored in the Company's databases, including all-encompassing powers to introduce any necessary precautions and measures and provisions established by Regulation (EU) No 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 any other EU or Italian law or applicable regulatory provision that may be issued, with full spending power, even if not provided by the annual budget, and the power to appoint Data Processors and persons in charge of processing, duly reporting to the Board of Directors at the first possible 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 28 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 the powers granted thereto, 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.

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

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The Chair is not primarily responsible for the management of the Issuer, has not received management powers or proxies in the elaboration of corporate strategies, and is not the controlling shareholder of the Issuer.

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

At the end of the 2023 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) Attorney Michaela Castelli;
- (b) Elisa Corghi;
- (c) Ernesto Albanese;
- (d) Elena Antognazza;
- (e) Marinella Soldi;
- (f) Marina Natale; and
- (g) Maurizio Cereda.

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. At least once a year, the Board of Directors assesses whether each of the non-executive directors meets the independence requirements.

It should be noted that the Chair, Attorney Michaela Castelli, has been qualified as independent and indicated as such in the Majority Slate.

The independence of the directors indicated above was verified on 5 May 2022 after their appointment. This circumstance was disclosed to the market pursuant to Article 144-*novies*(1-*bis*) of the Issuers' Regulation, with a press release issued on the same date.

Lastly, the independence requirements were last verified on 6 March 2024.

On all the aforementioned occasions, the Board of Directors considered all the elements necessary and/or useful for the purpose of the 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 fulfilment of the independence requirements pursuant to the TUF and the Corporate Governance Code as implemented by the "Policy on qualitative and quantitative criteria to assess the independence requirements of Directors and Statutory Auditors" approved by the Board of Directors on 22 December 2021 (the "**Independence Policy**"), which sets out the qualitative and quantitative criteria for assessing the relevant circumstances pursuant to the Corporate Governance Code. In this regard, each independent non-executive director has provided all necessary or useful elements for the Board's assessments.

With particular reference to the quantitative criteria, for the purposes of the Independence Policy, a Director who has or has had, during the fiscal year during which the declaration of independence is made or during the three fiscal years preceding the date on which the declaration is made and, if applicable, during the period between the closing date of the last fiscal year and the date on which such declaration is made (the "**Relevant Period**"), commercial, financial or professional relationships with the following parties (collectively, the "**Relevant Persons**") is not normally independent:

- i. the Company, its subsidiaries, the entity controlling the Company and companies under common control; and
- ii. the relevant Executive Directors or top management.

For the purposes of this Report, it should be noted that under the Independence Policy, any business, financial or professional relationships are to be considered significant – and, therefore, capable of compromising the Director's independence – if the total value of such relationships exceeds the lower of:

- 10% of the Director's annual income as a natural person or of the annual turnover generated directly by the Director in the context of the activity carried out at the legal entity, organisation (even if not recognised) or professional firm, of which the Director has control, is a significant representative or partner; and
- 7% of the annual turnover of the legal entity, organisation (even if not recognised) or professional firm, of which the Director has control or is a significant representative or partner.

With particular reference to the additional remuneration received, including during the Relevant Period, by the Director whose independence is subject to assessment pursuant to the Independence Policy, the sum of any remuneration paid to the latter for positions held in Nexi's subsidiaries that is, in the aggregate and on an annual basis, higher than the fixed annual remuneration received by such Director for serving as a Director of Nexi (including any remuneration provided for participation in endo-committees) shall be relevant.

In addition, any relationship of a business, financial or professional nature that, in the opinion of the Nexi Board of Directors, is liable to influence the autonomy of judgement and the independence of a Director of the Company in the performance of his/her duties is relevant for the purposes of the Independence Policy. In particular, in the event that the Director is also a partner of a professional firm or a consultancy firm, the professional relations of the firm and/or consultancy with the relevant parties shall be considered significant – regardless of whether these quantitative criteria are exceeded – where such relations:



- may have an effect on the position and role that the Director holds within the professional firm or consultancy; or
- in any case relate to important transactions of the Company and the Group. The significance of the relationships referred to above is assessed taking into account the overall professional activity normally performed by the Director, the tasks normally entrusted to him or her, as well as the importance that such relationships may assume for the Director in terms of reputation within his or her own organisation.

In addition to the above, for the purposes of assessing the independence of each Director, the Nexi Board of Directors may consider as relevant any further element deemed useful and/or appropriate in relation to the specific situations concerning said Director (e.g., position, individual characteristics and overall professional activity), adopting additional or partially different criteria from the qualitative criteria indicated above and in any case favouring substance over form. In particular, the Board of Directors, giving adequate reasons in its resolution, may, among other things:

- also take into consideration relationships that, albeit devoid of economic content or nature or economically not significant, are particularly significant for the reputation of the Director concerned or capable of genuinely affecting his/her independence and autonomy of judgement;
- assess, on the basis of the actual circumstances, the existence and/or maintenance of the independence requirements for a Director even in the presence of one of the criteria set out in the policy.

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 2023, 7 out of 13 directors are classed as independent.

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.

During the 2023 financial year, the independent directors met twice. The meetings were coordinated by the Lead Independent Director, Mr. Ernesto Albanese, and had as its object the evaluation of topics of strategic interest to the Group.

### **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.

On the proposal of the Committee of Independent Directors aimed at aligning Nexi with international best practices, on 22 December 2022 the Board of Directors appointed Mr Albanese as Lead Independent Director, entrusting to him the tasks set out in Recommendation no. 14 of the Corporate Governance Code.

The Lead Independent Director is responsible for the following tasks:

- 1) Convening and chairing the meetings of the independent directors for the discussion of issues pertaining to the functioning of the Board of Directors;
- 2) Collecting and coordinating within the Board the requests and contributions of independent directors;

- 3) Collaborating with the Chair of the Board of Directors in order to ensure that the Directors receive complete and timely information;
- 4) Acting as contact person for the Board evaluation process on the functioning, size and composition of the Board of Directors and its Committees;
- 5) Performing any additional tasks that may be assigned from time to time by the Board of Directors, in particular on strategic issues and/or extraordinary transactions.

During the financial Year, the Lead Independent Director, in addition to convening and chairing the meetings of the independent directors mentioned above, was the point of reference and coordination of the requests and contributions of the non-executive Directors, and in particular of the independent ones.

## 5. CORPORATE INFORMATION MANAGEMENT

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. BOARD OF DIRECTORS 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.

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 (“**Control, Risk 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**”).

As of the date of this Report, the Board of Directors has not reserved to itself any function that the Code assigns to the committees. In accordance with the Code and in compliance with the applicable regulatory provisions, only non-executive and independent directors have been appointed as members of the committees.

On 8 March 2019, the Board of Directors approved the regulations, as subsequently amended, 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.

The Regulations of the Committees provide for adequate notice in the transmission of pre-meeting information as a rule at least 3 days in advance via information technology ensuring the confidentiality of the information shared (in the same way as for the meetings of the Board of Directors), except in urgent cases in which the documentation is made available as soon as possible. In 2023 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.

The Board of Directors determined the composition of the Committees, giving priority to the skills, experience and professionalism of their members, avoiding an excessive concentration of offices. Despite the presence of some Independent Directors both in the Control, Risk and Sustainability Committee and in the Remuneration and Appointment Committee, the Board considered that this circumstance did not constitute a risk of excessive concentration of offices in single individuals such as to hinder the proper functioning of the committees, also in light of the close correlation between some issues, dealt with by both committees.

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.

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### **Strategic Committee**

The Strategic Committee has changed its composition during the financial year 2023. Until 26 January 2023, it was composed of Chief Executive Officer Paolo Bertoluzzo (Chair), and Directors Michaela Castelli, Luca Bassi, Bo Nilsson, Stefan Goetz, Jeffrey David Paduch and Francesco Pettenati. Since the aforementioned date, the Director Stefan Goetz ceased to be a member of the Board of Directors and of that Committee and took over Director Johannes Korp. So, since 31 July 2023, the Director Jeffrey David Paduch ceased to be a member of the Board of Directors and of that Committee and took over Director Francesco Casiraghi. So, as of December 31, 2023 and the date of this Relation, the Committee is composed of Chief Executive Officer Paolo Bertoluzzo (Chair), and Directors Michaela Castelli, Luca Bassi, Bo Nilsson, Johannes Korp, Francesco Pettenati and Francesco Casiraghi. During the financial year, the aforementioned committee met 18 times and had the main task of supporting the Board in analysing issues related in particular to: (i) business line performances, (ii) extraordinary transactions and (iii) financial strategies and policies. The meetings lasted an average of 6 hours.

The CEO shall provide information on what was discussed during the Strategic Committee at the first useful meeting of the Board of Directors.

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

### 7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS

#### Board Review 2023

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 Board Committees for the financial year ended 31 December 2023.

Nexi's 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. Given that Nexi qualifies as a large concentrated-ownership company, it decided to conduct the self-assessment activity related to the second year of its term internally, as required by the Corporate Governance Code.

The self-assessment activity of the Board of Directors was initiated in December 2023 by sending to the Directors of a self-assessment questionnaire deemed appropriate for the level of maturity of the Board, prepared by the Remuneration and Appointments Committee with the support of the corporate C&EA and HR functions. The areas of investigation covered the three areas stipulated in the Corporate Governance Code: size, composition and functioning of the Board of Directors and the Board committees, i.e., the Control, Risk and Sustainability Committee, the Remuneration and Appointment Committee, the Related Party Transactions Committee and the Strategic Committee. In this regard, it is noted that the composition of the Board of Directors is characterized by managers with specific experience in some sectors relevant to Nexi's business, such as the banking and financial sector (for more information on this point, see the relevant section of the Company's website <https://www.nexigroup.com/en/group/governance/corporate-bodies/>).

The mix of skills of the Board of Directors is well balanced and strengthened by the knowledge of the Nexi business that has seen the current Board of Directors committed to Nexi Group's growth and development path. The Board's composition, among other things, is consistent with the results of 2022 board evaluation. In this regard, it should be noted that the Board, in its Guidelines, had suggested ensuring adequate continuity in the composition of the Board of Directors, to leverage the extensive knowledge about Nexi, acquired by the Directors, necessary to continue and support the current development phase launched by the current Board of Directors.

As a result of the self-assessment process, a positive level of satisfaction emerges from the directors in relation to the organization of meetings, the activity carried out by the Board and its effectiveness. The judgement regarding the Committees' activities is very positive, both in the evaluation expressed by all Directors regarding the support provided to the Board's resolution activity and in the feedback requested from the members of each Committee itself. In addition, very positive is the evaluation of the "Independent Directors", who were asked to express their opinion with respect to the information provided before taking the relevant resolutions.

The areas for improvement highlighted by the board review activity can be identified, *inter alia*

- in management support to the activities of the Remuneration and Appointments Committee and the Control, Risk and Sustainability Committee;
- in the support of consultants, in general and to the activities of the Committees;
- in remote connections (audio and video) and their effective use.

The areas for improvement highlighted by the Board review activity can also be identified with aspects for which the assessment, although positive, was marginally lower than the results of the self-assessment last year. In particular, in addition to what has been highlighted above with regard to the composition, the dynamics of the board and the issue of the "delay" in reporting to the Strategic Committee, the following are possible areas of improvement compared to the more positive assessments expressed last year:

- (1) the adequacy of directors' attendance at Board meetings;
- (2) management support for the activities of the Remuneration and Appointments Committee; and the Control, Risk and Sustainability Committee;
- (3) the support of consultants, generally, and to the activities of the Committees;
- (4) remote connections (audio and video) and their effective use;
- (5) the time spent by the Board on monitoring the implementation of the strategic plan and new organizational model and the Group's ESG strategy.

With reference to the Board Committees, the directors expressed a positive evaluation.

### **Succession plans**

On March 6, 2023 after of the approval of the Group's new organizational model, the Board of Directors approved a comprehensive Succession Planning process for all strategic roles (CEO and first line reporting, including Control Functions) with a more international scope, as proposed by the Remuneration and Appointment Committee, with the aims of:

- ensuring business continuity in the medium/long term;
- promoting business sustainability for shareholders and key stakeholders by mitigating risk factors.

For all positions, the Nexi Group has therefore adopted:

- an approach aligned with Italian and international market best practices and consistent with the indications of Consob and the Corporate Governance Code;
- a methodology integrated with the Nexi Group's management, development and enhancement tools;
- a robust process, based on a rigorous and objective comparison between internal candidates and the best candidates in the market (mapping of external talent for 3 strategic roles: Chief Executive Officer, Chief Financial Officer and Chief Information Officer), also considering diversity and inclusion issues in the broadest sense; the process is annual, to ensure alignment with business needs and continuity with development actions, where applicable.

The Remuneration and Appointment Committee, in consultation with the relevant corporate functions and with the support of an external advisor (Egon Zehnder International), initiated this action and coordinated the related preliminary activities. The activity was complemented by the mapping of the external market for the roles of Group Chief Executive Officer, Group Chief Financial Officer and Group Chief Information Officer, in order to increase knowledge of external candidates, especially those with an international scope.

With reference to the succession process of the Chief Executive Officer and General Manager, it should be noted that the sudden or unexpected termination of the relationship will trigger a contingency plan, under which the key managerial role for the transition will be assigned to the Chairman of the Board of Directors, together with a committee set up ad hoc when the discontinuity occurs. In such a case, the Chairman of the Board of Directors will temporarily assume the executive powers previously delegated to the Chief Executive Officer/General Manager with the power to sub-delegate, if necessary, until the successor takes office.

## **7.2 REMUNERATION AND APPOINTMENT COMMITTEE**

### **Breakdown**

The Remuneration and Appointment Committee as of 31 December 2023, as the date of this Report, is composed exclusively of non executive and independent (pursuant to the law and the Corporate Governance Code) directors, namely Michaela Castelli, Maurizio Cereda and Elisa Corghi, as Chairwoman.

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

### **Operation**

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 President, the Chief Executive Officer, the members of the Board of Statutory Auditors, the Group Chief HR Officer, the Group Head of Reward and the Head of Group Corporate Governance. These additional corporate figures participate on the basis of the regulation of the Remuneration and Appointment Committee, on the invitation of the Committee's Chair. The CEO is informed of the participation of further corporate figures competent in the matter.

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 2023, the Remuneration and Appointment Committee relied on 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.

### **Tasks and Duties**

With regard to appointments, the Remuneration and Appointment Committee, pursuant to its Regulation, assists the Board of Directors:

- a) in the annual self-assessment activities of the Board and its Committees;
- b) in defining the optimal composition of the Board and its Committees;
- c) in identifying candidates for the office of director in cases of co-option;
- d) in the possible submission of a list by the Board itself, in a manner that ensures its transparent formation and presentation;



- e) in the development, updating and implementation of succession plan for the Chief Executive Officer and the other executive directors.

As long as the company qualifies as a large company pursuant to the Corporate Governance Code, the Committee will also be called upon to support the Board of Directors in establishing a plan for the succession of the Chief Executive Officer and executive directors that at least identifies the procedures to be followed in the event of early termination of office.

The investigation of matters relating to corporate or corporate governance issues may be carried out jointly with the Head of Group Corporate Governance, who, in that case, attends Committee meetings.

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 pursuant to art. 123-ter, section 3 lett. a) of Decree 58/98;
- b) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold specific responsibilities, as well as on the setting of performance objectives related to the variable component of this remuneration;
- c) monitoring the actual application of the remuneration policy and verifying the effective achievement of the performance objectives;
- d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and the top management.

Top management refers to Executives with Strategic Responsibility and the first line reporting to the Group Chief Executive Officer.

Furthermore, the Committee periodically assesses and formulates proposals regarding the definition and implementation of initiatives to protect and promote diversity, equal opportunities/equity and inclusion at the various levels of the organisation, with particular focus on the aspects of remuneration, staff development and succession plans for top management, in line with the Group's sustainability strategies.

The Chairman of the Committee reports to the Board of Directors on the Committee's activities.

### **Committee Activities**

In 2023 the Committee met 8 times. The average duration of the meetings was about 1 hour and 30 mins. The meetings scheduled for 2024 are normally held at least every three months; 3 meetings have been held as at the date of this Report.

Overall, during 2023, average meeting attendance was 100 percent. The average meeting attendance of the Board of Statutory Auditors was 88 percent.

During the meetings held in 2023, the Committee focused on the following issues, with regard to appointments:

- analysis of the results of the board evaluation activity for 2022 and definition of the activities related to the 2023 evaluation;
- 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;
- analysis of the proposal to co-opt candidates as director.

During the meetings held in 2023, the Committee focused on the following issues, with regard to remuneration:

- assignment of the objectives of the short-term variable incentive scheme 2023 with regard to the Group CEO/GM, Key Management Personnel (KMP), Control Functions and first line of managers reporting to Group CEO;
- verification of the implementation of the 2022 remuneration policy with regard to the Group CEO/General Manager, Key Management Personnel (KMP), Control Functions and first line of managers reporting to Group CEO;
- preparing the report on Remuneration submitted to 2023 shareholders meeting (with a binding vote on Section I and an advisory vote on Section II);
- drafting the proposal for the new ESG target included in the Group's Long-Term Incentive Plan 2022-2025 (LTI Plan) starting from the 2023-2025 cycle consistent with the commitment made when presenting the new LTI Plan (as approved by the Shareholders' Meeting of 5 May 2022);
- analysis of the outcome of the 2023 Shareholders' Meeting vote on remuneration and of what emerged in the meetings held with the main institutional investors and proxy advisors ahead of the Shareholders' Meeting;
- periodic monitoring and analysis of the evolution of the regulatory reference framework and market standards in the representation of remuneration information;
- updating of the remuneration benchmarks of the first line reporting to the CEO drawn up with the support of external consulting companies;
- analysis of the methodological approach in the area of pay equity and sharing of first evidence on this.

## 8. DIRECTORS' REMUNERATION

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. In this regard, it should be noted that the Board, on the proposal of the Remuneration and Appointment Committee, defines a policy for the remuneration of directors, members of the control body and top management in accordance with the Principles and Recommendations referred to in Article 5 of the Code.

On 6 March 2024, 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 (the "**Report on Remuneration**").

The Report on Remuneration will be submitted (with a binding vote for Section I and an advisory vote for Section II) for approval by the Shareholders' Meeting convened for the approval of the financial statements as of 31 December 2023 scheduled for 30 April 2024.

For all information regarding the general policy for the remuneration of directors, statutory auditors and managers with strategic responsibilities and the remuneration assigned to them during the financial year, see the Report on Remuneration, available at the company's registered office and on the Company's website at the following link <https://www.nexigroup.com/en/group/governance/shareholders-meetings/2024/extraordinary-and-ordinary-meeting-30042024/>.

For more information on:

- the remuneration policy, see the Report on Remuneration, Section I;
- the remuneration of executive directors and top management, see the Report on Remuneration, Section I;
- share-based remuneration plans, see the Report on Remuneration, Section I, paragraphs 3.4, 4.2, 4.3;
- the remuneration of non-executive directors, see the Report on Remuneration, Section I, paragraphs 3.4, 4.1;
- accrual and disbursement of remuneration, see the Report on Remuneration, Section II; and
- the compensation of directors in the event of resignation, dismissal or cessation of office following a takeover bid, see the Report on Remuneration, Section I, paragraphs 3.4 and 4.2.

For information on the composition and functioning, as well as the functions of the Remuneration and Appointments Committee in its capacity as Remuneration Committee, see paragraph 7.2 above as well as Section 1, Paragraph 2.1 of the Report on Remuneration. Further information on the Remuneration and Appointment Committee is contained in Table 3 attached to the Report.

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

On June 10, 2021, Nexi's Board of Directors approved the guidelines of the Internal Control and Risk Management System, as subsequently amended. Said document, adopted with the favorable opinion of the Control, Risk and Sustainability Committee outlines the principles and essential features of the Internal Control and Risk Management System, identifying the corporate players involved and specifying their roles, responsibilities and methods of interaction in line with the provisions of Legislative Decree 58/1998 and the Corporate Governance Code. The internal control and risk management system ("**SCIGR**") consists of the set of rules, procedures and organizational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks in order to contribute to the sustainable success of the company.

The Head of Internal Audit is responsible for verifying the functionality, adequacy and consistency of the SCIGR with the guidelines.

The subsidiaries are independently responsible for the definition and operation of their own SCIGR, particularly with regard to companies subject to supervision by a public authority, in compliance with Nexi S.p.A.'s management and coordination activities. The SCIGR adopted by Nexi Group Companies is defined consistently with the CoSO - Internal Controls and CoSO - ERM Framework models issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Nexi has identified the following pillars as enabling factors of the SCIGR:

- 1) the Management and Coordination Regulations, as a general reference framework to regulate certain governance relations between Nexi and the companies directly or indirectly controlled by it and subject to Nexi's management and coordination activities, pursuant to articles 2497 et seq. of the Civil Code;
- 2) the Group Regulatory System Guideline that is a set of Codes, Regulations, Guidelines, Policies, Procedures and Operating Instructions of the Nexi Group, defined within a pyramidal architecture, and involves the Board of Directors, the Chief Executive Officer, the management, the Subsidiaries and all the Group personnel;
- 3) the Enterprise Risk Management (ERM) process, and the establishment of the Group Enterprise Risk Management function, with the task of coordinating the various risk management and mitigation activities in the Group and consolidating the main risks for the top management bodies;

4) the operating model of Internal Audit function in order to capture the synergies arising from the integration and harmonization of the contributions of the various control functions in compliance with regulatory requirements and to consolidate the overall assessment of the suitability and adequacy of the Group's system of internal controls and risk management.

The Nexi Group's SCIGR is structured for its companies along three lines of defense. Specifically, there are:

- First level of control - line controls, aimed at ensuring the proper conduct of operations. These control activities are placed under the primary responsibility of operational management and are considered an integral part of every business process.

- Second level of control - controls on risk management and regulatory compliance, which are aimed at contributing to the definition of methodologies for identifying and assessing corporate risks, defining their governance policies, verifying compliance with the limits assigned to the various operational functions, and ensuring the consistency of the operations of individual production areas with the assigned risk-return objectives, as well as the compliance of corporate operations with rules and regulations, particularly for supervised companies, including internal regulations. They are entrusted to structures other than operational ones (so-called second level control functions).

- Third level of control consisting of the controls of the Internal Audit function. This includes controls designed to detect violations of procedures and regulations, as well as the periodic assessment of the completeness, functionality and adequacy of the system of internal controls and risk management, including those on the information system (ICT Audit), at a predetermined frequency in relation to the nature and intensity of the risks. The activity is conducted by a different and independent function from the operational functions, including through on-site audits.

Under the Group's organizational model, the control environment is structured as follows:

- i. central Group control functions to strengthen the governance of the Group control environment as they are responsible for managing: (a) the definition of reference frameworks and (b) reporting flows to Nexi's management and control bodies;
- ii. "Regional" roles with functional reporting to Group control structures; this role aims to ensure the adequacy of information flows from subsidiaries to top management;
- iii. Local control functions responsible for managing the control aspects under the responsibility of the legal entity of reference

## **Main features of risk management and control systems**

### **Enterprise Risk Management System**

Risk Management performs the function of identifying, managing and monitoring risks. The department has an Enterprise Risk Management ("ERM") Framework, which, in line with the vision of top management and the recommendations of the Corporate Governance Code on risk management and control, focuses on the identification and management of risks relevant to the creation and protection of value through the integration of risk management culture and practices into strategy-setting and performance management processes.

The Group's Enterprise Risk Management Policy, adopted both centrally and locally, outlines:

- the guiding principles by which the Enterprise Risk Management model is inspired;
- the roles and responsibilities of the corporate bodies and departments involved within the ERM model;
- the risk management framework adopted: activities, actors involved and methodologies.

The mission of the ERM model is, therefore, to promote informed decision-making based not only on expected returns but also on the underlying risk profile, ensuring its appropriate management consistent with the company's risk appetite. To this end, Nexi Group's ERM model has the following objectives:

- identify, prioritize and periodically monitor key business risks in order to direct investments and resources toward the most critical and relevant exposures to the Group's business;
- assign roles and responsibilities related to corporate risk management in a clear and shared manner;
- enhance existing risk management controls, coordinating and, where possible, strengthening them;
- disseminate risk culture and the "risk-based approach" in the Group's decision-making processes, increasing management's awareness of the main risks to which the company is exposed.

The risk management process is structured into the following phases:

- Risk Identification: this phase is aimed at identifying the main risks on the strategic plan horizon that could jeopardize the ability to implement strategies and achieve expected objectives. In order to facilitate the identification of risks, Nexi has constructed its own Risk Model that considers all types of risks that could be applicable to the Group, including risks in the Environment, Social & Governance area;
- Risk Evaluation: the process of determining the level of risk according to scales of impact, probability and maturity of the risk management system;
- Risk Response: for each risk assessed, the risk owner evaluates the adequacy of the management systems in place and identifies the appropriate management strategy (e.g. mitigation/ or monitoring) accordingly;
- Risk Monitoring: continuous monitoring of the company's risk profile and periodic mitigation plans in order to keep risk exposure below thresholds deemed acceptable;
- Risk Reporting: Group companies, in line with their organizational structure, are required to report the results of the risk management process to the Group Risk Management function, which is responsible for aggregating and consolidating risks in order to produce a holistic view of the Group's risks.

### **Internal control and risk management system in relation to the financial reporting process**

With reference to the analysis of the Group's areas of risk, significant importance is assumed by the internal control and risk management system implemented in relation to the financial reporting process, which involves the CFO area and its internal articulations dedicated to administrative and financial aspects, as well as the main business managers, as they represent the business areas where the data useful for the preparation of the disclosure are collected and processed.

Said system consists of the set of internal procedures and tools adopted in order to enable the achievement of the following objectives:

- reliability: the disclosure has the characteristics of correctness and complies with accounting principles and the requirements of applied national and international laws and regulations;
- accuracy: the disclosure has the characteristics of neutrality and precision and it is free from preconceived bias intended to influence the decision-making process by its users in order to obtain a predetermined result;
- reliability: disclosure has the characteristics of clarity and completeness in order to enable investors to make informed and consistent investment decisions;
- timeliness: disclosure meets the deadlines set for its publication.

To this end, the Nexi Group has implemented an Administrative-Accounting Control Model (hereinafter also referred to as "Control Model 262"), consisting of the set of corporate procedures and internal tools aimed at

ensuring the achievement of the objectives indicated above, and has entrusted the Financial Reporting Officer with the task of verifying its correct application.

Control Model 262 is characterized by the following closely related elements:

- administrative - accounting risk assessment;
- administrative-accounting manuals and procedures.

In particular, administrative-accounting risk assessment is a process, carried out on an ongoing basis, of identifying and assessing risks related to accounting and financial reporting and is carried out by the Financial Reporting Officer. This process finds annual formalization in:

- identification of financial statement items and financial information that may be highly sensitive and material or involve risks of error or omission, with reference to Nexi's financial statements and the Group's consolidated financial statements;
- identification, for each item of financial statements and relevant financial information, of the related processes and accounting flows that feed them and the related controls to guard against the identified risks.

In addition to the administrative-accounting procedures, the following documents are of particular importance in this regard:

- the internal attestation system of which are in charge the heads of the Group's functions and the heads of administration of the subsidiaries regarding the accuracy, reliability and completeness of the accounting information flows and their compliance with the Group's accounting principles and local regulations, aimed, among other things, at supporting the signing of the attestations and declarations required by law to the Financial Reporting Officer and the Chief Executive Officer;
- the matrices of administrative-accounting controls, which describe the control activities implemented in each relevant administrative-accounting process in correlation with the identified risks and related control objectives. These controls must be subject to periodic updating and testing, carried out also with the support of the Internal Audit function, aimed at assessing the adequacy of the design, proper implementation and operational effectiveness.

The Financial Reporting Officer certifies, jointly with the Chief Executive Officer, by means of an appropriate attestation on the annual financial statements, the consolidated financial statements and the consolidated half-year financial report:

- the adequacy and effective application of administrative and accounting procedures;
- the compliance with the applicable international accounting standards recognized in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2012;
- the correspondence with the results in the books and accounting records;
- the suitability to provide a true and fair view of the financial position, results of operations, and cash flows of Nexi and the entities of the group included in the consolidation;
- the inclusion in the management report of a reliable analysis of the performance and results of operations, as well as the situation of Nexi and the companies of the Group included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed.

On March 6, 2024, the Board of Directors assessed that the adequacy of the organisational, administrative and accounting structure of the company and its strategically relevant subsidiaries, with specific reference to the internal control and risk management system, considering that, in continuity with the previous year, the management has directed its activities in a manner consistent with the evolution of the Internal Control and

Risk Management System, including with respect to the areas of improvement identified, which are directed towards progressive strengthening.

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 as director in charge of the internal control and risk management system (the "**Director in Charge**"), 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 Director in charge during the 2023 financial year:

- ensured that major corporate risks are identified, taking into account the nature of the business conducted by the Issuer and its subsidiaries, and regularly reported such risks to the Board of Directors;
- implemented the guidelines issued by the Board of Directors, overseeing the design, development and implementation of the internal control and risk management system and ensured its constant evaluation in terms of adequacy and effectiveness;
- ensured that said system was updated to reflect changes in the operating, legal and regulatory environments;
- at his or her discretion, requested 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, provided 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, reported 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 CONTROL, RISK AND SUSTAINABILITY COMMITTEE**

### **Composition**

As of the date of this Report (and as of 31 December 2023), the Risk, Control and Sustainability Committee is composed of Ernesto Albanese (Chairman), Michaela Castelli and Marina Natale, all non-executive directors in possession of the independence requirements. It should be noted that as on 18 October 2023, following the resignation of Mrs. Marinella Soldi (Chair of the aforementioned Committee), Mrs. Marina Natale was appointed as members of the Committee and Ernesto Albanese as Chairman.

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.

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 2023 the Committee did enlist external advisors.

### **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:

- defining the guidelines of the internal control and risk management system consistently with the Company’s strategies and assessing the adequacy and effectiveness of the internal control and risk management system with respect to the Issuer’s characteristics and its risk profile, as well as its effectiveness;
- appointing and dismissing the head of the internal audit function, defining his or her remuneration which is consistent with the company policies. The board ensures that he or she has adequate resources to carry out his or her duties. If the internal audit function is entrusted, as a whole or by operating segments, to an external entity, the board ensures that it meets the adequate requirements of professionalism, independence and organisation, providing adequate reasons for this choice in the corporate governance report;
- approving, at least yearly, 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;
- assessing, after consulting the Board of Statutory Auditors, the findings of the statutory auditor (or independent audit firm) in its letter of suggestions, if any, and in its report on the key findings of its statutory audit;

### **Committee Activities**

In 2023 the Committee met 7 times. The average duration of each meeting was approximately 2 hours. The meetings scheduled for 2024 are normally held at least bimonthly; 3 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 meetings, regular sessions were also held to discuss issues falling within the Committee's remit and supported, with preliminary activities, the Board of Directors' evaluations and resolutions instrumental to the Internal Control and Risk Management System, the approval of periodic financial reports, and the approval of activities related to ESG issues.

The 2023 fiscal year was marked by significant transformations of the Group related to the implementation of the new Target Operating Model (i.e. TOM). With reference to this, the Committee focused its attention on monitoring the implementation as well as the strengthening of the Group's governance and internal control and risk management system. Specifically, on the one hand, on the adequate management of project activities, in terms of accountability and compliance with deadlines; on the other hand, on the strengthening of the Group's Management and Coordination guidelines and, in particular, on the correct balance between the management autonomy of subsidiaries, albeit within the strategic direction expressed by Nexi S.p.A..

The Head of Group Risk management, the Head of Group Audit, the Head of Group Corporate Governance and the Chief Executive Officer, in the role of Director in charge, joined the meetings of the Committee on a regular basis, along with the Board of Statutory Auditors.

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

At various stages throughout 2023, the meetings of the Control, Risk and Sustainability Committee were:

- always attended by the Board of Statutory Auditors, to discuss matters of common interest. Some of the meetings were carried out jointly;
- attended by the Financial Reporting Officer and the manager in charge of Rules and Accounting Standards, to discuss matters relevant to accounting and related issues;
- attended by the Heads of the functions in charge of control (inter alia, the Business Process Audit Managers, the Group Compliance Manager of the Group C&EA area);
- attended by the representatives of the independent audit firm, to discuss the topics covered by the mandate.

The Committee had access to the information and functions necessary for the performance of its tasks, had access to financial resources and had recourse to external consultants within the limits set by the Board.

### **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 defined in line with company policies, and the Board ensured that he was provided with adequate resources to carry out his tasks.

The Head of the Internal Audit Function acts in support of Nexi's internal control and risk management system, and was 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.

On February 7, 2024, having heard the opinion of the Board of Statutory Auditors and the CEO, the Board of Directors approved the work plan prepared by the Internal Audit function.

In 2023, 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;
- 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.

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.

#### **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 7 February 2024.

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 – Disclosures & Reporting. Document summarising the main Disclosure and Reporting channels 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 permitted 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.

The Board of Directors, with the cooperation of the members of the Supervisory Body, has considered how to supplement and/or amend the 231 Model in light of the integration of the Nets Scope and the implementation of the new Target Operating Model, and how to coordinate it with similar possible models and policies adopted by its foreign subsidiaries.

## **9.5 INDEPENDENT AUDITORS**

The Company has appointed as their independent auditors PricewaterhouseCoopers S.p.A. (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 S.p.A. (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. The Board of the Directors, during the financial Year, after consulting the Board of Statutory Auditors, evaluated the results presented by the external auditors in the suggestions letter and in the additional report addressed to the Board of the Statutory Auditors.

## **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 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, 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;
- together with the Chief Executive Officer, 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 154b-*ter* TUF.

It should be noted that, 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 proxies, powers and areas of coordination assigned to him, also in compliance with the provisions of the Company's Articles of Association, in the regulation prepared by the Board of Directors on the basis of market best

practices, has defined protocols and operating rules of conduct, with particular reference to the following aspects:

- relations and information flows between the Financial Reporting Officer and the Company's management and control bodies, as well as the other corporate functions of Nexi and of the subsidiaries that, even outside the direct organisational area headed by the Financial Reporting Officer, carry out activities with an impact on the process of formation, preparation and disclosure of the financial statements, consolidated financial statements, abbreviated half-yearly financial statements, interim management reports and, more generally, of the disclosures to be certified/declared by the Financial Reporting Officer;
- relations and information flows with Group Companies for the purposes of carrying out the activities under his competence;
- the process for defining the Group's accounting and administrative control model by identifying the reference documents and describing the main activities under the responsibility of the Financial Reporting Officer;
- 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).

### **Risk Management**

At the date of this Report, the responsibility for the Risk Management structure of the Nexi Group is entrusted to Ms Alessia Carnevale, in her capacity as Group Risk Manager of Nexi.

The Risk Management function has the task of 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 relevant risks for the Nexi Group;
- monitors the Nexi Group's exposure to the main risks;
- periodically supervises/monitors the implementation and effectiveness of mitigation strategies and plans;
- participates in the discussion of the Nexi Group's main strategic projects, supporting risk analysis, with the aim of facilitating informed risk decisions;
- prepares a periodic risk report, providing Management and Top Management with a complete view of the company's risk profile, allowing comparison between different types of risks, including those already covered by dedicated Risk Management systems;
- examines 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 information from risk owners;
- manages the Nexi Group's insurance coverage.

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### **Group Compliance**

As of the date of this Report, the responsibility of the Nexi Group Compliance structure is entrusted to Vishal Oberoi, as Group Compliance Manager of Nexi.

The Group Compliance Function is responsible for issuing policies and guidelines falling within the scope of its activities, as well as collecting and consolidating information flows from the Subsidiaries in order to have an integrated view on the main compliance issues. In turn, the Compliance Functions of the Subsidiaries, reporting hierarchically to the management bodies of the subsidiaries and/or to the local Managing Directors as the case may be, are in charge of autonomously and independently managing the compliance activities required by local regulations, with reference to the regulatory perimeter assigned to them by the local board of directors (or equivalent body).

Specifically for supervised companies, the locally competent compliance function assesses the adequacy of internal procedures with respect to the objective of preventing the violation of laws, regulations and self-regulatory rules applicable to the institution; to this end: (a) identifies the rules applicable to the Company and the services it provides and measures/evaluates their impact on the company's processes and procedures; (b) proposes organizational and procedural changes aimed at ensuring adequate oversight of the risks of non-compliance with the rules; (c) prepares direct information flows to the corporate bodies and other corporate control functions; and (d) verifies the effectiveness of the organizational adjustments suggested for the prevention of the risk of non-compliance.

### **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, in order to exchange timely information relevant for performing the related tasks; (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 composed of the non-executive and independent Directors Ms Marina Natale (Chair), Ms Elena Antognazza and Ms Elisa Corghi.

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 some members 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 Group Corporate Governance 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, not only merely share positions, but enjoy the benefits of incentive plans based on financial instruments (or in any case variable remuneration) based on the results of the subsidiary or associated company with which the transaction is carried out. In any case, interests arising from the merely sharing of one or more directors or other executives with strategic responsibilities by the Company and its subsidiaries or associated companies, 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.

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It should be noted that the Board of Directors did not consider it necessary to adopt specific operational solutions aimed at facilitating the identification and adequate management of situations in which a director holds an interest on his/her own behalf and on behalf of third parties. It shall be noted that at the beginning of every board meeting, the President reminds to the presents the provisions contained in Article 2391 of the Italian Civil Code ("Interests of directors"), inviting the directors to notify the other directors and the Board of Statutory Auditors of any interest that, on his or her own behalf and on behalf of third parties, he or she has in a given transaction of the company, specifying its nature, terms, origin and scope.

## **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 compliance 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 31 January 2024, by means of Decision (Determinazione) no. 92, Consob established a minimum shareholding for the submission of a slate equal to 1% 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 Standing 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 standing 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.

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 standing 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 standing 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 standing 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.

At the end of their mandate, the members of the Board of Statutory Auditors can be re-elected pursuant to the applicable laws.

The requirements, functions, and responsibilities of the Board of Statutory Auditors are regulated by law.

## **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 5 May 2022 for a period of three financial years until the approval of the financial statements as at 31 December 2024. The election of the members of the Board of Statutory Auditors took place through the application of the slate voting mechanism. In the aforementioned Shareholders’ Meeting, 2 slates of candidates were submitted. One slate was submitted by certain members of a relevant shareholders’ agreement pursuant to Article 122 TUF<sup>5</sup> (the “**Auditors’ Majority Slate**” or “**Auditors’ Slate 2**”), while another slate was submitted by certain asset management companies and institutional investors<sup>6</sup> (the “**Auditors’ Minority Slate**” or “**Auditors’ Slate 1**”). It should be noted that all the candidates submitted were elected.

As at 31 December 2023 and at the date of this Report, the Board of Statutory Auditors is composed as follows:

Name	Surname	Role	Slate
Giacomo	Bugna	Chair of the Board of Statutory Auditors	Auditors’ Slate 1
Mariella	Tagliabue	Standing auditor	Auditors’ Slate 2
Eugenio	Pinto	Standing auditor	Auditors’ Slate 2
Serena	Gatteschi	Alternate Statutory Auditor	Auditors’ Slate 2
Sonia	Peron	Alternate Statutory Auditor	Auditors’ Slate 1

The Auditors’ Slate 2 obtained 90.451% of the votes in the shareholders’ meeting. The Auditors’ Slate 1 obtained 6.828% of the votes cast in the shareholders’ meeting.

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 said Ministry of Justice Decree’s Article 1(2)(b) and (c) 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.

Key information on each statutory auditor is given in Table 4 at the end of this report.

<sup>5</sup>CDP Equity S.p.A., FSIA Inversiones S.r.l., Mercury UK Holdco LTD, AB Europe (Luxembourg) Investment S.à r.l, Eagle (AIBC) & CY SCA, together holding 33.1% of Nexi’s share capital at the time of submission of the slates, submitted a slate for the appointment of the Board of Statutory Auditors (Auditors’ Majority Slate), in compliance with the provisions of the shareholders’ agreement.

<sup>6</sup> Amundi Asset Management SGR S.p.A., Anima SGR S.p.A., Arca Fondi SGR S.p.A., BancoPosta Fondi SGR S.p.A., Eurizon Capital S.A., Eurizon Capital SGR S.p.A., Fidelity Funds – Italy/Fidelity Funds – European Dynamic Growth/FAST – Europe Fund, Fideuram Asset Management Ireland, Fideuram Intesa Sanpaolo Private Banking Asset Management SGR S.p.A., Generali Investments Luxembourg SA, Interfund Equity Italy, Kairos Partner SGR S.p.A., Legal & General Assurance (Pensions Management) Limited, Mediobanca SGR S.p.A., Mediolanum International Funds Limited - Challenge Funds - Challenge Italian Equity and Mediolanum Gestione Fondi SGR S.p.A., together holding 1.52% of Nexi’s share capital, submitted a slate for the appointment of the Board of Directors (Minority Slate) and a slate for the appointment of the Board of Statutory Auditors (Auditors’ Minority Slate), in compliance with the provisions of the shareholders’ agreement.

A summary of the auditors' CVs is given below.

**Giacomo Bugna (Chair)** - Born in Bari in 1953, he graduated in Political Economics from the Bocconi University in Milan. He developed his career at Ernst & Young, becoming a partner in 1986, with a focus on the financial institutions sector both in terms of auditing and advisory activities. Specifically, between 1997 and 1998 he was responsible for the introduction of the financial statement certification in the Bank of Italy, while in 2000 he was appointed Managing Partner of the FSO Transaction Advisory Services Division for Italy (FSO – Financial Service Organization – operating only in the financial institutions sector). From 2011 until April 2014 he was a member of the Board of the Fédération des Experts-comptables Européens, which gathers the professional associations of the 27 EU Member States. From 2013 to 2022 he was Chair of the Board of Statutory Auditors of Banca Ifis S.p.A.. From 2019 to 2021 he was a standing member of the Board of Statutory Auditors of Ifis NPL Servicing S.p.A. (Banca IFIS group), from 2018 to 2021 he was Chair of the Board of Statutory Auditors of IFIS NPL S.p.A. (Banca IFIS group), and from 2018 to 2021 he was Chair of the Board of Statutory Auditors of Capitalfin S.p.A. (Banca IFIS group). From January 2024 he is an independent non-executive director of Cherry Bank Spa.

**Mariella Tagliabue (Standing Auditor)** – born in Monza (MB) on 31 August 1970, she graduated with laude in Economics and Business from the Università Cattolica del Sacro Cuore of Milan. She is a Chartered Accountant, registered in the Order of Milan, Auditor, enrolled in the relevant register held by the Ministry of Economy and Finance and Expert Witness for the Court registered in the Register of Expert Witnesses at the Court of Milan. From 2001 she was a Manager at KPMG S.p.A. and Senior Manager of Audit Financial Services at KPMG S.p.A.. until 2004, subsequently she worked as freelance. She held various positions as a Member of the Supervisory Body in listed financial groups (Intesa Sanpaolo, Cassa Depositi e Prestiti, Mittel) and non-financial listed company (Fiera Milano). 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. In addition, she currently holds the position of Chair of the Board of Statutory Auditors of Anima Holding S.p.A. (listed company) and Chair of the Supervisory Board of Fondazione Anima ETS (established in July 2023). She is member of the Control Body of Fondazione Telethon ETS and of Associazione Cancro Primo Aiuto ETS. In addition to her role in Nexi S.p.A. as Statutory Auditor, she is member of the Board of Statutory Auditors of the Italian subsidiaries: Nexi Payments S.p.A., Mercury Payment Services S.p.A., SIAPAY S.r.l.

**Eugenio Pinto (Standing 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. Currently, he is a tenured professor in Business Economics in the Faculty of Economics at Luiss-Guido Carli University, and teaches undergraduate and postgraduate courses. He is a past member of the Executive Committee of the OIC – Italian Accounting Body. He is Chair of the Board of Statutory 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, both 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., member of the Board of Directors of Snam Rete Gas S.p.A., as well as an 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. She has been a member of the Supervisory Body (SB) of Poste Assicura S.p.A., Poste Italiane Group, and she held the same role in companies part of Autostrade per l’Italia Group. At the moment, she is Statutory Auditor of Poste Italiane S.p.A., Aboca S.p.A. and IAR S.p.A..

**Sonia Peron (Alternate Auditor)** – born in Padua, Italy, on December 26, 1970, graduated in economics and business administration from the University of Bologna and in law from the University of Parma. She is registered in the Register of Chartered Accountants, Padua and in the list of Legal Auditors. She has been teaching for many years in universities and currently holds the position of contract professor of Economics and Business Organization at the University of Bologna, Department of Management Engineering. She is Chairman of the Board of Statutory Auditors of Garofalo Health Care, ANRA (National Association of Risk Managers - Milan) and FORMEDIL (National Body for Education and Professional Training in Construction - Rome). She is the author of publications on real estate finance.

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 also acts as 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.

In 2023 the Board of Statutory Auditors met 20 times. The meetings were recorded in the minutes and were attended by all the standing auditors who carried out the relevant audits, through videoconference or in presence, depending on the issues dealt with.

The Board of Statutory Auditors in the execution of its activities maintains relations 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 3 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.

For 2024, 8 meetings have already been held at the date of this Report.



In financial year 2023, the Board of Statutory Auditors attended the Shareholders' Meeting, the Board of Directors' meetings, and the meetings of the Control, Risk and Sustainability, of the Related Parties Committee and of the Remuneration and Appointment Committee

The composition of the current Board of Statutory Auditors is adequate to ensure, in compliance with the principles of the Code, the independence and professionalism of its function. Indeed, with regard to independence, as better specified in the following paragraph on "Independence", all the members of the Board of Statutory Auditors fulfil the independence requirements provided for by Recommendation 7 of the Corporate Governance Code, as also verified during the financial year by the same Board in compliance with Recommendation 9 of the Corporate Governance Code. With regard to professionalism, the Articles of Association provide that auditors are chosen from among those who meet the legislative and regulatory requirements, including those of professionalism, as defined pursuant to Ministerial Decree no. 162 of 20 March 2000. Compliance with the professionalism requirements is shown by the CVs of the candidates submitted by the shareholders with the slate for appointing the members of the Board of Statutory Auditors.

### **Diversity criteria and policies**

To the Board of Statutory Auditors will apply the Diversity Policy. 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 standing 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 2023, at least one third of the members belong to the under-represented gender. Moreover, the composition of the Board of Statutory Auditors is adequately diversified by age, training and professional path, as well as origin, as can be seen from the CVs of the statutory auditors.

### **Independence**

The provisions of the Independence Policy also apply to the Board of Statutory Auditors. For more information on the contents of the Independence Policy, please see Section 4.7 of this Report. At least once a year, the Board of Directors assesses whether the Statutory Auditors meet the independence requirements.

On 5 May 2022, 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 circumstance was disclosed to the market pursuant to Article 144-novies(1-bis) of the Issuers Regulation, with a press release issued on the same date.

In making the above assessments, the Board of Directors and the Board of Statutory Auditors 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 implemented by the Independence Policy.

At its first meeting of 31 May 2022, pursuant to Standard Q.1.5. "Independence, causes for ineligibility and disqualification from office" of the Rules of Conduct of the Board of Statutory Auditors of listed companies, in compliance with the provisions of the TUF and the Corporate Governance Code, the Board of Statutory Auditors therefore verified the independence requirements of each Auditor. All the members of the Board of Statutory Auditors met the independence requirements set forth in Article 148(3) TUF and in the Corporate Governance Code. The Board of Statutory Auditors repeated this assessment again on 15 February 2024 and the Board of Directors proceeded with the above mentioned assessment on March 6, 2024, applying the above principles, confirming the possession of independence requirements.

The requirement not to hold directorships and audit positions to an extent equal to or greater than that established by the current regulations and/or by the Articles of Association and/or by the policies of the Company was also verified.

The self-assessment was carried out in accordance with the provisions of i) the Rules of Conduct of the Board of Statutory Auditors of Listed Companies of 21 December 2023 (Standard Q.1.7.) and ii) the CNDCEC Document "The Self-Assessment of the Board of Statutory Auditors" of 20 May 2019 (and therefore taking into account the indications provided by Standard Q.1.1. "Self-Assessment of the Board of Statutory Auditors" included in the document "Norme di comportamento del collegio sindacale di società quotate" edited by the *Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili* - April 2018).

The self-assessment of the Board of Statutory Auditors showed that:

- the Board of Statutory Auditors ensures the diversity of its members particularly in terms of gender, experience and professional background; there is a plurality of expertise and experience in complex, supervised or not groups;
- each Statutory Auditor presents good knowledge and experience in the areas of competence of the assessment. The level of competence in the tax and sustainability areas indicated is mostly sufficient;
- the size of the Board is sufficient to carry out its functions, thanks to the intense individual commitment constantly made, among other things, in attending meetings of the Board of Directors and the committees;
- each member of the Board of Statutory Auditors has declared that he or she has appropriate time available for the performance of his or her duties;
- the functioning of the Board of Statutory Auditors appears adequate to Nexi's current needs;
- the information flow between the Board of Statutory Auditors and the other corporate bodies is adequate overall; although, with a view to continuous improvement, the timing of the provision of documentation could be improved;
- the Board of Statutory Auditors considers as central to acting and implementing the debate with fluidity and proactivity;
- the role played by the Chairman of the Board is adequate.

The Board considers the periodicity of information exchange with the auditing firm, the Financial Reporting Officer and with the internal control (internal audit and compliance) and risk management functions to be sufficient.

The Board also considers adequate the time devoted to meetings and the effectiveness of the work performed by the Board itself, also in relation to the knowledge its members have acquired of the company and its risk profile. In this regard, the Board of Statutory Auditors consider useful the induction activities in which they participated during the year and which covered the following areas of activity (i) Risk Appetite Framework;

(ii) new organisational structure; (iii) strategic operations. The Board also emphasised the increased importance of sustainability, cybersecurity and investments in the information and IT system.

### **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 part of the self-evaluation process, it was suggested that a different balance between the number of college members and their compensation was to be considered in light of the significant time absorption involved in the function.

During the year, the following was paid:

- a fixed fee in the amount approved by the Company's Shareholders' Meeting at the time of their appointment, of € 85,000.00 gross per year for the Chair and € 70,000.00 gross per year for the other members of the Board of Statutory Auditors, plus the reimbursement of the expenses incurred for the performance of the office;
- an additional fee for the role assigned to the Board of Statutory Auditors of Supervisory Body pursuant to Decree 231, of € 45,000 gross per year for the Chair and € 30,000 gross per year for the members of the Supervisory Body, approved by the Board of Directors of the Company on 22 December 2022.

### **Conflict of interests**

An auditor who, on his own behalf or on behalf of third parties, has an interest in a certain transaction of the Issuer, must promptly and fully inform the other auditors and the Chairman of the Board of Directors of the nature, terms, origin and extent of his 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 Control, Risk 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.

the Board of Directors delegated the management of direct dialogue in compliance with the Policy to the Chief Executive Officer (the “**Director in charge of Dialogue**”), with the support of the Investor Relator and possibly the other functions having competence from time to time.

Pursuant to the Dialogue Policy, dialogue may be initiated:

- (i) upon the written request of an investor who – taking into account the information provided by the Company through the ordinary channels – deems it necessary to initiate dialogue with the Board of Directors. The request must be addressed to the Investor Relations Function, using the references and contact methods indicated in the “Investors” section of the Company’s website. The request shall specify the following: (a) the topic or topics proposed for discussion in the dialogue; (b) the reasons why the Investor intends to establish the dialogue; (c) the way (One-Way or Two-Way) in which the Investor intends to establish the direct dialogue; (d) for One-Way direct dialogue cases only, the Directors other than the Director in Charge with whom the Investor intends to establish the dialogue; (e) the representatives of the Investor who intend to participate in the direct dialogue, specifying the roles held by them within the investor’s organisation and the related contacts, in any case without prejudice to: (i) the non-binding nature of the suggestions contained in the request on the methods and timing of the direct dialogue and the directors to be involved in it, as all decisions in this regard shall be made by the Director in Charge of Dialogue pursuant to the procedure and (ii) the Company’s right

to ask the requesting investor – through the Investor Relator – to provide any further information deemed necessary or useful to fully assess the dialogue request;

- (ii) on the Company's initiative, through the organisation of meetings, in One-Way or Two-Way mode, bilaterally (i.e. with the participation, each time, of a single Investor) or collectively (i.e. with the simultaneous participation of several investors), which may also be attended by one or more Company Directors and/or managers in the cases and in the manner established by the Policy, with the support of the competent company functions. The requests for direct dialogue initiated by the Company will be sent by the Investor Relator to the competent structures of the investor to whom the request is addressed. If a Director other than the Director in charge of Dialogue should receive a request for Direct Dialogue, he or she is required to promptly inform the Investor Relations Function, which will inform the Director in Charge so that the provisions of the policy may apply.

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

In this regard, it should be noted that on 21 December 2023 the Chair of the Board of Directors reported on the initiatives taken during the financial year.

### 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 subsequently extended), issued in light of the COVID-19 epidemic and in order to minimise movement and gatherings, during the 2023 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 this occasion, 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, 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.

During 2023, a meeting was held concerning (i) the approval of the financial statements for the 2022 financial statement, (ii) the appointment of a member of the Board of Directors following the resignation of a Director and subsequent co-optation; (iii) the report on the remuneration policy; (iv) the proposal for authorisation to purchase and cancel treasury shares.

The documents relating to the Shareholders' Meetings are made available in accordance with the applicable laws and regulations.

The Shareholders' Meeting was attended by 5 directors for the Board of Directors and by all the members in office for the Board of Statutory Auditors<sup>7</sup>. At the Shareholders' Meeting, also through the information made available prior to the meeting, 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 Chairs to report on how the committees' 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.

#### **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 14 DECEMBER 2023

At the meeting held on March 6, 2024, at the invitation of the Chairman, Nexi's Board of Directors reviewed the letter dated 14 December, 2023 from the Chairman of the Corporate Governance Committee. In particular, the following should be noted.

**Business plan.** In the preparation of the Business plan (of which the ESG strategy is one of the pillars) the Company has adequately considered long-term value generation issues that were consistent with the Group's commercial activities and in line with stakeholders' expectations. In particular, the management focused on the following areas: (i) social progress, digitalization and inclusion (e.g. providing SMEs and micro-enterprises with simple and accessible solutions for accepting digital payments as well as training activities on digital transformation and payments to merchants in the areas relevant for Nexi); (ii) security and trust (e.g. ensuring continuity of service and improving constantly customer satisfaction); (iii) sustainable products and supply chain (e.g. development of the dematerialisation and promotion of Nexi sustainability standards throughout the supply chain), (iv) decarbonisation (e.g. achieving a zero net on direct and indirect emissions), (v) diversity, talent inclusion and development (e.g. ensuring proper gender/minority representation and promoting an inclusive culture) and (vi) governance (e.g. disseminating Group-wide policies on the most important ESG topics including board diversity, sustainability, human rights, anti-corruption, personal data processing). For further information, please refer to the DNF available on the Nexi website at the following link: <https://www.nexigroup.com/en/esg/documents/>.

**Pre-Board Disclosure.** The Board of Directors Regulation requires that the documentation shall be made available to the Directors and Auditors well in advance of the date of the Board meeting, as a rule no later than the third day prior to the date of the meeting, except in cases of urgency or extraordinary transactions, in which the documentation is made available as soon as possible. It should be noted that the Committee Regulations also incorporate the same principles. The company complies with the Recommendation since, as indicated in Section 4.2 of this Report, during 2023 this deadline was generally respected and, in case of delay, the Chairman nevertheless ensured that adequate and punctual in-depth studies were carried out during extra-consiliar meetings preparatory to the meeting.. In addition, it should be noted that the role played by the BoD Committees considering that: i) they are composed exclusively of independent Directors (to exception of the Strategic Committee); (ii) the members of the Board of Statutory Auditors take part in the meetings; (iii) they carry out a specific investigation (and pre-assessments) on most of the subjects (and documentation) covered by the subsequent meetings of the Board of Directors; (iv) the Chairs inform the members of the Board at the first useful meeting of in relation to the activities carried out, encouraging the understanding of the topics covered by discussion. In this sense, it should be noted that in the context of the self-assessment the directors have confirmed the adequacy of the support provided by the committees to the activity of the Board of Directors. It is considered that there are no specific issues related to timeliness of the pre-board disclosure.

**Optimal composition of the Board of Directors.** It should be noted that in anticipation of the renewal of corporate bodies by the General Meeting of Shareholders on May 5, 2022, the outgoing Board of Directors developed its own Guidelines on the composition of the new administrative body aimed at taking into account, among other things, diversity criteria, including those contained in the Diversity Policy. These Guidelines were made available prior to the publication of the notice of the shareholders' meeting regarding the renewal of the Board. As already indicated in Section 4.3 of this Report it is noted that the composition of the Board of Directors as of the date of this Report is in line with the aforementioned Guidelines and the Diversity Policy.

## ANNEXES

**TABLE 1: INFORMATION ON OWNERSHIP STRUCTURES AS AT 31/12/2023**

SHARE CAPITAL STRUCTURE				
	No. of shares	No. of voting rights	Listed (indicate markets) / not listed	Rights and obligations
Ordinary shares	1,312,350,527	1,312,350,527	Euronext Milan	There is no provision for increased voting rights.
Preferred Shares	N/A	N/A	N/A	N/A
Multiple-vote 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> (carrying the right to subscribe for newly issued shares)				
	Listed (indicate markets) / not listed	No. of instruments issued	Category of shares servicing the conversion/exercise	No. of shares servicing the conversion/exercise
Convertible bonds	“€500,000,000 1.75 percent. Equity-Linked Bonds due 2027”, listed on the Vienna Stock Exchange’s multilateral trading facility “Vienna MTF”	-	Ordinary shares	Shares up to a maximum value of € 500,000,000
	“€1,000,000,000 Zero Coupon Equity Linked Bonds due 2028” listed on the Vienna Stock Exchange’s multilateral trading facility “Vienna MTF”	-	Ordinary shares	Shares up to a maximum value of € 1,000,000,000
Warrants	N/A	N/A	N/A	N/A

<b>MAJOR CAPITAL SHAREHOLDINGS</b>				
Declarant	Direct shareholder	Share % in ordinary capital	Share % in voting capital	
<b>CASSA DEPOSITI E PRESTITI S.P.A.</b>	<b>CDP EQUITY INVERSIONES S.P.A.</b>	8.276	8,276	
	<b>CDP EQUITY S.P.A.</b>	5.291	5.291	
<b>POSTE ITALIANE S.P.A.</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>EAGLE (AIBC) &amp; CY SCA</b>	<b>EAGLE (AIBC) &amp; CY SCA</b>	6.085	6.085	

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

Board of Directors													
Office	Members	Year of Birth	Date of first appointment (*)	In office since	In office up to	Slate (submitting parties) (**)	Slate (M/m) (***)	Exec.	Non-exec.	Indep. Code	Indep. TUF	No. of other offices (****)	Participation (*****)
Chair	Castelli, Michaela	1970	3 July 2018	5 May 2022	Approval Financial statements 31.12.2024	Shareholders	M		X	X	X	3	11/11
Chief Executive Officer	Bertoluzzo Paolo •	1965	3 July 2018	5 May 2022	Approval Financial statements 31.12.2024	Shareholders	M	X				0	11/11
Director	Bassi Luca	1970	21 April 2016	5 May 2022	Approval Financial statements 31.12.2024	Shareholders	M		X			0	9/11
Director	Corghi Elisa	1972	26 September 2019	5 May 2022	Approval Financial statements 31.12.2024	Shareholders	M		X	X	X	2	11/11
Director	Francesco Casiraghi	1978	21 April 2016	31 July 2023	Approval Financial statements 31.12.2023	-	-		X			0	3/4
Director	Soldi Marinella	1966	13 February 2019	5 May 2022	Approval Financial statements 31.12.2024	Shareholders	M		X	X	X	2	10/11
Director	Nilsson Bo	1965	1 July 2021	5 May 2022	Approval Financial statements 31.12.2024	Shareholders	M		X			0	9/11
Director	Johannes Korp	1984	26 January 2023	26 January 2023	Approval Financial statements 31.12.2024	-	-		X			1	9/11
Director	Pettenati Francesco	1977	31 December 2021	5 May 2022	Approval Financial	Shareholders	M		X			0	11/11

					statements 31.12.2024									
<b>Director</b>	Natale Marina	1962	31 December 2021	5 May 2022	Approval Financial statements 31.12.2024	<b>Shareholders</b>	<b>M</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>1</b>	11/11
<b>Director</b>	Cereda Maurizio	1964	31 December 2021	5 May 2022	Approval Financial statements 31.12.2024	<b>Shareholders</b>	<b>M</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>3</b>	11/11
<b>Director</b>	Antognazza Elena	1970	5 May 2022	5 May 2022	Approval Financial statements 31.12.2024	<b>Shareholders</b>	<b>m</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>0</b>	11/11
<b>Director</b> ○	Albanese Ernesto	1964	5 May 2022	5 May 2022	Approval Financial statements 31.12.2024	<b>Shareholders</b>	<b>m</b>			<b>X</b>	<b>X</b>	<b>X</b>	<b>0</b>	10/11
<b>-----DIRECTORS THAT LEFT OFFICE (DURING THE FINANCIAL YEAR) -----</b>														
<b>Director</b>	Goetz Stefan	1970	1 July 2021	5 May 2022	26 January 2023	<b>Shareholders</b>	<b>M</b>			<b>X</b>			<b>-</b>	0/0
<b>Director</b>	Paduch Jeffrey David	1978	3 July 2018	5 May 2022	31 July 2023	<b>Shareholders</b>	<b>M</b>			<b>X</b>			<b>-</b>	2/7

Indicate the number of meetings held during the Financial Year: **11**

Indicate the *quorum* required for the submission of the minority slates for the election of one or more members (pursuant to Article 147-ter TUF): **1%**

**NOTES**

The following symbols must be inserted in the “Office” column:

• This symbol indicates the Director in charge of the internal control and risk management system.

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

(\*) The date of first appointment of each director means the date on which the director was first (absolutely) appointed to the Issuer’s Board of Directors.

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

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

(\*\*\*\*) This column shows the number of directorships or auditorships held by the individual concerned in other companies that are listed or of significant size. The offices are indicated in full in the Corporate Governance Report.

(\*\*\*\*\*) This column indicates the participation of directors in the meetings of the Board of Directors (indicate the number of meetings in which they participated with respect to the total number of meetings in which they could have participated; e.g. 6/8; 8/8 etc.).

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

<b>Board of Directors</b>	<b>Strategic Committee</b>	<b>RPT Committee</b>	<b>Remuneration and</b>	<b>Control, Risk and</b>
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Office/Position	Members					Appointment Committee		Sustainability Committee	
		(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Chair of the BoD non-executive – independent pursuant to TUF and/or Code	Castelli Michaela	18/18	M			8/8	M	7/7	M
Chief Executive Officer	Bertoluzzo, Paolo	18/18	C						
Non-Executive Director – Non-Independent	Bassi Luca	17/18	M						
Non-Executive Director – Non-Independent	Nilsson Bo	18/18	M						
Non-Executive Director – Non-Independent	Korp Johannes	18/18	M						
Non-Executive Director – Non-Independent	Casiraghi Francesco	9/9	M						
Non-executive Director – independent pursuant to TUF and/or Code	Corgi Elisa			2/2	M	8/8	C		
Non-executive Director – independent pursuant to TUF and/or Code	Soldi Marinella							5/5	
Non-Executive Director – Non-Independent	Pettenati Francesco	18/18	M						

Non-executive Director – independent pursuant to TUF and/or Code	Cereda Maurizio					8/8	M		
Non-executive Director – independent pursuant to TUF and/or Code	Antognazza Elena			2/2	M				
Non-executive Director – independent pursuant to TUF and/or Code	Albanese Ernesto							6/7	C
Non-executive Director – independent pursuant to TUF and/or Code	Natale Marina			2/2	C			2/2	M
<b>DIRECTORS THAT LEFT OFFICE DURING THE FINANCIAL YEAR</b>									
Non-executive Director – independent pursuant to TUF and/or Code	Goetz Stefan	-	M						
Non-Executive Director – Non-Independent	Paduch Jeffrey David	1/9	M						
<b>No. of meetings held during the year</b>	-	<b>18</b>	<b>2</b>	<b>8</b>	<b>7</b>				
<p><b>NOTES</b></p> <p>(*) This column indicates the participation of directors in the committee meetings (indicate the number of meetings in which they participated with respect to the total number of meetings in which they could have participated; e.g. 6/8; 8/8 etc.).</p> <p>(**) This column indicates the qualification of the director within the committee: “C”: chair; “M”: member.</p>									



It should be noted that on 18 October 2023 Mrs. Soldi resigned as a member and Chairman of the Risk and Sustainability Control Committee, as a consequence Mrs Marina Natale was appointed as member and Mr. Albanese was appointed as President.

**TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS 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 up to</b>	<b>Slate (M/m) (**)</b>	<b>Indep. Code</b>	<b>Participation (***)</b>	<b>No. of other offices (****)</b>
<b>Chair</b>	Bugna Giacomo	1953	5 May 2022	5 May 2022	Approval Financial statements 31.12.2024	<b>m</b>	<b>X</b>	<b>20/20</b>	<b>1</b>
<b>Standing auditor</b>	Tagliabue Mariella	1970	13 February 2019	5 May 2022	Approval Financial statements 31.12.2024	<b>M</b>	<b>X</b>	<b>20/20</b>	<b>7</b>
<b>Standing auditor</b>	Pinto Eugenio	1959	31 December 2021	5 May 2022	Approval Financial statements 31.12.2024	<b>M</b>	<b>X</b>	<b>20/20</b>	<b>4</b>
<b>Alternate Statutory Auditor</b>	Gatteschi Serena	1972	31 December 2021	5 May 2022	Approval Financial statements 31.12.2024	<b>M</b>	<b>X</b>	<b>-</b>	<b>-</b>
<b>Alternate Statutory Auditor</b>	Peron Sonia	1970	31 December 2021	5 May 2022	Approval Financial statements 31.12.2024	<b>m</b>	<b>X</b>	<b>-</b>	<b>-</b>
<b>Indicate the number of meetings held during the Financial Year: 20</b>									

Indicate the *quorum* required for the presentation of the minority slates for the election of one or more members (pursuant to Article 148 TUF): 1%

**NOTES**

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

(\*\*) This column indicates whether the slate from which each auditor was drawn is a "majority" (indicating "M"), or "minority" (indicating "m") slate.

(\*\*\*) This column indicates the participation of auditors in the meetings of the Board of Statutory Auditors (indicate the number of meetings in which they participated with respect to the total number of meetings in which they could have participated; e.g. 6/8; 8/8 etc.).

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