

DIRECTORS' REPORTS ON THE PROPOSALS ON THE AGENDA OF THE SHAREHOLDERS' ORDINARY GENERAL MEETING

(21ST APRIL 2023 SINGLE CALL)

Report on item 2 on the agenda and the related resolution submitted

Appointment of the Board of Statutory Auditors:

- a) appointment of the members of the Board of Statutory Auditors;**
- b) appointment of the Chair of the Board of Statutory Auditors;**
- c) determination of their remuneration.**

To Our Shareholders,

The mandate of the Board of Statutory Auditors in office – granted by the Shareholders' Meeting on 29th April 2020 - expires on the date of the Shareholders' Meeting for the approval of the Financial Statements for the year ended 31st December 2022.

The Shareholders' Meeting is therefore called upon to appoint a Board of Statutory Auditors in accordance with the terms and conditions of articles 26 of the Corporate By-Laws (available on the website of the Company www.recordati.it, in the 'Corporate Governance' section) and with the applicable laws and regulations in force. The election shall take place according to list voting procedures and members may be re-elected.

In accordance with the Corporate By-Laws, the Board of Statutory Auditors is composed of three Statutory Auditors and two Alternate Auditors, who must meet the requirements set by the applicable laws and regulations. The requirements in question include those of professionalism, integrity and independence and also those concerning the total number of positions held, without prejudice to situations of incompatibility pursuant to the law.

For the purposes of the provisions of Article 1, second paragraph, letters B) and C) of the Italian Ministry of Justice Decree No. 162 of 30th March 2000, research, production and the sale of chemical and pharmaceutical products are considered sectors of activity that are strictly connected with those of the Company. In this respect, we also report that article 19, paragraph 3 of Legislative Decree No. 39/2010, requires that members of the committee for internal control and the accounting audit – which for "public interest entities" is the Board of Statutory Auditors – are competent as a whole and also in the sector in which the Company operates.

The Board of Statutory Auditors appointed in this manner shall remain in office, in accordance with the law, for three financial years and therefore until the Shareholders' Meeting held to approve the Financial Statements for the year ending 31st December 2025.

The Shareholders' Meeting shall also pass resolutions on the remuneration of the Board of Statutory Auditors, which the Corporate Governance Code for Listed Companies in force, to which the Company adheres, recommends that it is adequate to the competence, professionalism and commitment required by the role and the Company's size, industry and current situation. The remuneration of the control body shall in any case be in accordance with the provisions of Section 1 of the Report on Remuneration Policy and the Remuneration Paid, with regard to the remuneration of the control body.

As already reported, with regard to the annual remuneration of the Board of Statutory Auditors currently in office, the Shareholders' Meeting set their annual remuneration at €62,000 gross for the Chair and at €45,000 gross for each of the other Statutory Auditors.

Also in light of a benchmarking analysis conducted by Willis Towers Watson on the remuneration practices in industrial and services companies belonging to FTSE Mib Index, the Board of Directors, following a proposal of the Remuneration and Nominations, recommends the following yearly remuneration to be paid to the Board of Statutory Auditors:

- € 70,000 gross for the Chair of the Board of Statutory Auditors;
- € 50,000 gross for each of the Statutory Auditors.

Procedures, time limits and requirements for the presentation of lists

The appointment of the Board of Statutory Auditors shall be performed on the basis of lists presented by Shareholders on which the candidates are placed in numerical order. The list must specify whether each candidate is nominated for the position of Statutory Auditor or for the position of Alternate Auditor. The election of one Statutory Auditor, who is the Chair of that Board, and one Alternate Auditor is reserved to the minority.

Only shareholders who, either singly or together with other shareholders presenting a list, own a total number of shares representing at least 1% of the share capital with voting rights shall be entitled to present lists in accordance with Consob Resolution no. 76 of 30th January 2023.

Each shareholder, including shareholders who have signed a shareholders' agreement identified in article 122 of Legislative Decree No. 58/1998, controlling entities, subsidiaries, and jointly-controlled entities are prohibited from individually or jointly submitting more than one list or voting for different lists, even through a third party or trust company. Each candidate may only run on one list on penalty of disqualification. Endorsements of lists and votes cast in violation of this prohibition shall not be attributed to any list.

The lists, signed by those who present them, must be deposited at the Company's registered office or by sending of an email from a certified email address to the address recordati@pec.recordati.it, at least 25 days prior to the date set for the Shareholders' Meeting *i.e.*, not later than 6:00 p.m. on Monday, 27th March 2023, for hand delivery. If lists are submitted by certified e-mail, a copy of a valid identity document of the persons submitting them must also be transmitted.

The following documents shall be submitted together with each list by the deadline specified above:

- a. information on the identity of the shareholders who have submitted the lists, indicating the total percentage of capital stock held.
- b. a declaration by shareholders other than those who hold, including jointly, a controlling interest or relative majority, attesting to the absence of any forms of connection with such shareholders, as provided for by the laws and regulations currently in force;
- c. a thorough report of the personal characteristics of candidates and a declaration from the said candidates attesting that they meet the requirements established by law, together with their acceptance of the candidature.

Lists containing a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that a percentage equal to that required by the

legislation in force at the time concerning gender balance for the composition of the Board of Directors belongs to the least represented gender: a proportion equal to at least two-fifths of the Statutory Auditors is reserved to the least represented gender (with the figure rounded down).

The specific certification demonstrating title to the necessary number of shares for the presentation of the list, issued by a legally authorised intermediary, must also be deposited within the time limits set by the relative regulations – i.e. not later than 6:00 p.m. on Friday, 31st March 2023 – at the time when the list is deposited at the Company.

Lists which do not comply with these requirements are considered as not having been presented.

With respect to the above, Shareholders are also invited to consider the following:

- the recommendations contained in Consob communication No. DEM/9017893 of 26th February 2009 (more specifically, the recommendation to shareholders who present a minority list to deposit a declaration together with the list certifying the absence of connections, in accordance with art. 144-*quinquies* of the Issuers' Regulations, between the minority shareholders and the shareholders who hold a controlling interest);
- the provisions of the Corporate Governance Code for Listed Companies (which particularly requires that all members of the control body meet the independence requirements set out in recommendation 7 of such Code for directors);
- the provisions of the last paragraph of Article 2400 of the Italian Civil Code with reference to the list of management and supervision positions held by the candidate in other companies which must be reported to the Shareholders' Meeting at the time of nomination and first acceptance of the appointment: candidates are therefore invited to furnish a declaration in this respect in the information given on their personal and professional characteristics, with the recommendation that they maintain it up-to-date until the day on which the Shareholders' Meeting is actually held.

In the event of only one list or only lists presented by shareholders related to each other having been presented within the time limits just mentioned, the time limit for the presentation of lists shall be extended by three calendar days (*i.e.*, not later than 6:00 p.m. on Thursday, 30th March 2023 for hand delivery). In such case, the minimum percentage for the presentation of lists shall be reduced by half (*i.e.* to 0.5%).

Lastly, we invite:

- the Shareholders who submit their own lists of candidates for the appointment of the control body to ensure that such lists are accompanied by all the necessary information in order to enable the shareholders to consciously express their vote, including the indication of the candidate they intend to propose to the Shareholders' Meeting as Chair of the Board of Statutory Auditors (if drawn from that list);
- the Shareholders who submit a list containing a number of candidates exceeding half of the members to be elected to express - and to transmit to the certified email address recordati@pec.recordati.it - the proposals for the appointment process of the Board of Statutory Auditors (chair and remuneration), sufficiently in advance so that such proposals may be published by the Company simultaneously with the lists.

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In consideration of the foregoing, the Shareholders' Meeting is invited to:

First resolution:

- vote on the appointment of the Board of Statutory Auditors according to the aforementioned procedures;

Second resolution:

- vote on the appointment of the Chair of the Board of Statutory Auditors according to the aforementioned procedures;

Third resolution:

- set the remuneration of the Board of Statutory Auditors.

The Company shall disclose the lists of candidates deposited by shareholders together with the relative documentation to the public on the Recordati website (www.recordati.it) and on the authorised storage facility 1Info (www.1Info.it) at least twenty-one days prior to the date set for the Shareholders' Meeting (not later than 31st March 2023).

Milan, 10th March 2023

For the Board of Directors

The Chairman

Andrea Recordati