

**APPOINTMENTS AND REMUNERATION COMMITTEE REGULATION**

**OF**

**AQUAFIL S.P.A.**

Approved by the Board of Directors of Aquafil on March 14, 2024

## 1. **Article 1**

### **SCOPE AND APPLICATION**

- 1.1. The regulation ("**Regulation**") governs the composition, duties and operation of the Appointments and Remuneration Committee of Aquafil S.p.A. ("**Company**"), established by the Company in implementation of the recommendations of the Self-Governance Code ("**Self-Governance Code**"), now replaced by the "Corporate Governance Code" ("**Corporate Governance Code**"), promoted by the Corporate Governance Committee for Listed Companies established at Borsa Italiana S.p.A. (hereinafter, the "**Appointments and Remuneration Committee**" or the "**Committee**").

## 2. **ARTICLE 2**

### **APPOINTMENT AND COMPOSITION**

- 2.1. The members of the Appointments and Remuneration Committee and its Chairperson ("**Chairperson**") are appointed and dismissed by the Board of Directors.

- 2.2. The Appointments and Remuneration Committee is composed of three Directors considered independent as per Article 147-ter, paragraph 4 of Legislative Decree 58/98 ("**CFA**"), in addition to the provisions of the Corporate Governance Code. Alternatively, the Appointments and Remuneration Committee is composed of three Non-Executive Directors, the majority of whom independent; in this case, the Chairperson is chosen from among the independent directors. The members of the Committee must have appropriate skills in relation to the duties they are called upon to perform.

At least one member of the Appointments and Remuneration Committee must have adequate knowledge and experience with regards to finance and remuneration policies in accordance with Recommendation 26 of the Corporate Governance Code, as assessed by the Board of Directors on appointment.

- 2.3. The Appointments and Remuneration Committee, on the proposal of the Chairperson, appoints a Secretary, who may also be a non-member.
- 2.4. Directors should only accept an appointment to the Appointments and Remuneration Committee when they consider that they can dedicate the necessary time to ensure a diligent undertaking of their duties.
- 2.5. Except where otherwise decided by the Board of Directors on appointment, the mandate for the Appointments and Remuneration Committee is the same as that of the Board of Directors, on which its members also sit.

## 3. **ARTICLE 3**

### **DUTIES OF THE APPOINTMENTS COMMITTEE**

- 3.1. The Committee - in its function as Appointments Committee - supports the Board of Directors with investigative, proposal and consultation duties. Specifically:

- (i) it assists the Board in defining and preparing any criteria for the designation of the parties at point (ii) below, as well as the Board of Directors of the subsidiaries;
- (ii) it draws up opinions for the Board of Directors in relation to the size and composition of the Board and expresses recommendations on the professional roles whose presence on the Board of Directors is considered beneficial, and also with regards to the following matters:

- a. maximum number of Director or Statutory Auditor positions in other companies compatible with the effective performance of the position of Director with the Company, taking account of the participation of Directors on internal Board Committees. It therefore sets out general criteria based on the commitment related to each role (Executive Director, non-executive or independent), also in relation to the nature and to the size of the companies, as well as whether belonging to the Group. The committee also carries out investigative work with regards to the relative periodic checks and assessments.
  - b. assessments upon each matter or issue handled by the Board with regards to authorisation by the Shareholders' Meeting of any exceptions to the non-competition requirement under Article 2390 (non-competition requirement);
- (iii) reports to the Board its assessment with regards to the appointment of Senior Executives and members of the Company's Boards and bodies, proposed by the Chief Executive Officer and/or by the Chairperson of the Board of Directors, appointed by the Board and oversees the relative succession plans. Where possible and appropriate, in relation to the ownership structure, proposes to the Board the Chief Executive Officer succession plan;
  - (iv) it supports the Board in drawing up, updating and implementing the succession plan, if any, for the Chief Executive Officer and Senior Executives of the Company, by examining and assessing the criteria underlying the plan;
  - (v) proposes to the Board directorship candidates where during the year one or more vacancies arises on the Board (Article 2386, first paragraph of the Civil Code), ensuring compliance with the minimum number of Independent Directors requirement and the under-represented gender quota;
  - (vi) proposes to the Board candidates for the position of Director to be submitted to the Shareholders' Meeting, taking into account any recommendation received from the shareholders, where it is not possible to obtain the required number of Directors from the slates submitted by the shareholders;
  - (vii) supervises the self-evaluation of the Board and its Committees pursuant to the Corporate Governance Code, with regard to the size, composition and functioning of the Board of Directors and its committees, undertaking the preliminary investigation for the appointment, if necessary, of an external consultant for the self-evaluation;
  - (viii) taking account of the results of the self-evaluation, draws up opinions for the Board - in view of the renewal of the Board of Directors - with regards to its size and that of its Committees, and also with regards to the managerial and professional expertise and roles which would support the Board or the Committees to express their position to the shareholders before the appointment of the new Board;
  - (ix) undertakes the investigations required for the periodic verifications upon the independence and standing requirements of Directors and on the absence of reasons for incompatibility or ineligibility;
  - (x) draws up an opinion for the Board with regards to any activities carried out by Directors in competition with those of the Company;
  - (xi) reports to the next appropriate Board meeting, through the Chairperson of the Committee, on the main issues reviewed by the Committee at its meetings; in addition, reports to the Board, on at least a half-yearly basis and not beyond the deadline for

approval of the annual and half-year financial reports, on the activities carried out, and also on the adequacy of the appointment system, at the Board meeting indicated by the Chairperson of the Board of Directors.

- 3.2. The Chairperson of the Committee - in its function as Appointments Committee - reports to the Board of Directors with regard to the activities of the Committee.

**4. ARTICLE 4  
DUTIES OF THE REMUNERATION COMMITTEE**

- 4.1. The Committee - in its function as Remuneration Committee - assists the Board of Directors through investigative, proposal and consultation duties, for the evaluations and decisions concerning the remuneration policy of Directors and Senior Executives. Specifically:

- (i) it periodically assesses the suitability, overall consistency and real application of the remuneration policy for Directors and Senior Executives. In the latter regard, it makes use of information provided by the Chief Executive Officers; formulates proposals to the Board of Directors on this matter, also with reference to the Board of Directors of the subsidiaries;
- (ii) it presents proposals or expresses opinions to the Board of Directors on the remuneration of Executive Directors and other Senior Directors, as well as establishing the performance objectives related to the variable component of this remuneration; assesses the possibility of establishing long-term incentive plans for Executive Directors and Senior Executives; monitors the application of the decisions adopted by the Board verifying, in particular, the achievement of the performance objectives;
- (iii) it reviews in advance the annual remuneration report to be made available to the public at the Shareholders' Meeting for approval of the Annual Financial Statements;
- (iv) carries out additional duties assigned by the Board of Directors.

- 4.2. The Appointments and Remuneration Committee may access all information and departments necessary for the undertaking of their duties, as well as utilising external consultants, within the budget approved by the Board of Directors. In this latter regard, where wishing to utilise the services of a consultant for information on remuneration policy market practice, the Committee in advance verifies that such consultants are not in a position whereby their independence of judgement may be affected.

- 4.3. The Chairperson of the Committee - in its function as Remuneration Committee - reports to the Board of Directors with regard to the activities of the Committee.

**5. ARTICLE 5  
CALL, EXECUTION AND MINUTE-TAKING OF MEETINGS**

- 5.1. The Appointments and Remuneration Committee meets when considered appropriate by its Chairperson, although at least on a half-yearly basis, or upon request from two of its members, the Chairperson of the Board of Statutory Auditors or the Chairperson of the Board of Directors.

- 5.2. The call notice, with the date, time and place of the meeting, in addition to the Agenda, accompanied by the necessary information to facilitate discussion, is sent by the Secretary, on the indication of the Chairperson, at least five days before the date established for the meeting. In cases of urgency, this period may be shorter, while however requiring minimum notice of 24 hours.

- 5.3. The meetings of the Appointments and Remuneration Committee are chaired by the Chairperson or, in the case of his/her absence or impediment, by a member chosen by attendees.
- 5.4. The Chairperson of the Board of Statutory Auditors (or another Statutory Auditor nominated by him/her) attends the Appointment and Remuneration Committee meetings, and the other Statutory Auditors may also attend. The Chairperson, on a case by case basis, may invite to meetings of the Appointments and Remuneration Committee other members of the Board of Directors and of the Board of Statutory Auditors, the independent auditors, the heads of the various departments within the Company and the subsidiaries, or other parties whose presence may assist the functions of the Appointments and Remuneration Committee. The heads of corporate functions of the Company and its subsidiaries are expected to attend Committee meetings when invited. They will be given at least five days' notice of the Committee meeting. If they are unable to attend in person, they will participate in the meeting by video conference. If they are justifiably unable to attend, including by videoconference, these individuals must attend the next meeting of the Committee.
- 5.5. Directors do not take part in meetings of the Appointments and Remuneration Committee in which proposals upon their remuneration to the Board of Directors are drawn up, except where concerning proposals concerning the generality of Committee members.
- 5.6. The meetings of the Appointments and Remuneration Committee may be held also through telecommunications, provided that all the participants can be identified and such identification is acknowledged in the minutes of the meeting and that they are allowed to follow and participate in real time in the discussion of the matters considered and exchange document where required.
- 5.7. Any documentation concerning the matters on the Agenda is made available to members by the Secretary, at least three days before the meeting, except in exceptional cases.
- 5.8. Meetings of the Appointments and Remuneration Committee are minuted. The Chairperson and the Secretary sign the minutes of the meetings which are archived by the Secretary in chronological order.
- 5.9. Appointments and Remuneration Committee meetings shall be validly constituted when the majority of its members in office are present.
- 5.10. Motions of the Appointments and Remuneration Committee are passed by absolute majority.

**6. ARTICLE 6  
AMENDMENTS TO THE REGULATION**

- 6.1. The Appointments and Remuneration Committee periodically verifies, although at least on an annual basis, the adequacy of the present Regulation and submits any amendments or supplements to the Board of Directors for approval.