



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

Pursuant to Article 123-*bis* of the
Consolidated Law on Finance (TUF)

2022 Financial Year

Traditional administration and control model

Net Insurance S.p.A.

This Report can be found in the Section <https://www.netinsurance.it/investor-relations/corporate-governance/> of the Company's website

Approved by the Board of Directors at the meeting on 21 March 2023

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1.0 ISSUER PROFILE

Net Insurance S.p.A. (hereinafter also the 'Company' or the 'Firm' or the 'Issuer') is an issuer listed on Euronext Milan, Euronext STAR Milan segment managed by Borsa Italiana S.p.A. (hereinafter also 'Euronext STAR' or 'STAR'). The STAR segment is the market created to enhance small and medium-sized enterprises ('SMEs') with excellent characteristics and to increase their visibility with Italian and foreign investors. In this market, issuers undertake to comply with stringent requirements in terms of liquidity, transparency and corporate governance and may benefit from greater recognition by investors than other listed companies of comparable size.

Founded in 2000, the Company is an insurance company, as well as the parent company of the insurance group 'Gruppo Net Insurance' (hereinafter also the 'Group'), active both in the Non-Life insurance (through Net Insurance) and in the Life insurance sector (through the subsidiary Net Insurance Life S.p.A.).

Within the Non-Life segment, the Company is authorised to carry out insurance activities to cover insurance risks, allocated to the following risk classifications pursuant to Article 2, paragraph 3, of the Private Insurance Code:

- accident and injury (no. 1);
- illness (no. 2);
- fire and natural elements (no. 8);
- other property damage (no. 9);
- general civil liability (no. 13);
- receivable (no. 14);
- security deposit (no. 15);
- miscellaneous financial losses (no. 16);
- legal protection (no. 17);
- assistance (no. 18).

As part of the Life segment, the Group operates through the subsidiary Net Insurance Life, a company authorised to carry out insurance activities to cover insurance risks, pursuant to Article 2, paragraph 1, of the Private Insurance Code. The Subsidiary operates in:

- Life Segment I (insurance on human life length - only for 'term life insurance' policies) and in
- Segment IV (health insurance and insurance against the risk of non-self-sufficiency that are guaranteed through long-term contracts, which cannot be cancelled, for the risk of serious disability due to illness or accident or longevity).

The Net Insurance Group operates in the territory of the Italian Republic and is authorised to operate in certain Non-Life classes under the freedom to provide services in Spain.

The corporate governance structure of Net Insurance is of the 'traditional' type, which therefore provides for the presence of a Board of Directors (with administrative functions) and a Board of Statutory Auditors (with control functions on the administration), both appointed by the shareholders' meeting.

The Board of Directors, as part of its decision-making process, also operates through the support of Board Committees with advisory functions to the activities of the Administrative body.

The statutory audit of the accounts is entrusted to an Independent Auditors enrolled in the appropriate register, appointed by the Shareholders' Meeting taking into account the reasoned recommendation of the Board of Statutory Auditors.

The role and responsibilities of the aforementioned bodies are illustrated in detail later in this Report.

Within the sphere of governance and the internal control and risk management system of the Group, some internal company committees have been set up by the Board of Directors, or by the Chief Executive Officer, mainly composed of the first line of management, with functions of support to the Chief Executive Officer in the implementation and monitoring of the guidelines, coordination and operating strategy policies defined by the administrative body and set out by the Chief Executive Officer.

The Company has chosen to adhere to the provisions of the 'CCG' Corporate Governance Code as of the date of listing on the STAR (from 1 August 2022).

Net Insurance's corporate governance system complies with the Corporate Governance Code, which the Company adheres to, and is also inspired by the recommendations formulated by CONSOB on the matter and, more generally, by international best practices.

Pursuant to the provisions of the Corporate Governance Code and applicable sector regulations, the Board of Directors supplemented the document entitled 'Directives on the Corporate Governance System. Duties and responsibilities of the Corporate Bodies, Committees and Key Functions. Information Flows.'

The aforementioned Directives, which are updated annually, represent a single, organic discipline on which to base the Group's broader self-regulatory framework on the corporate governance system, organisational structure (with clear distinction of roles and responsibilities), appropriate balance of powers, effectiveness of internal control and risk management systems, and adequacy of information flows.

The Directives were drafted according to the principle of proportionality based on the specific nature of the sector in which the Group operates, and apply to the Company and the subsidiary Net Insurance Life.

For some time now, the Board of Directors and the Chief Executive Officer of the Company have paid particular attention to the issues of Environmental, social & governance, to the point that since 2022 a specific internal board committee called the 'ESG Committee' has been established, in addition to identifying some sustainability levers within the Group's 2022-2025 Business Plan.

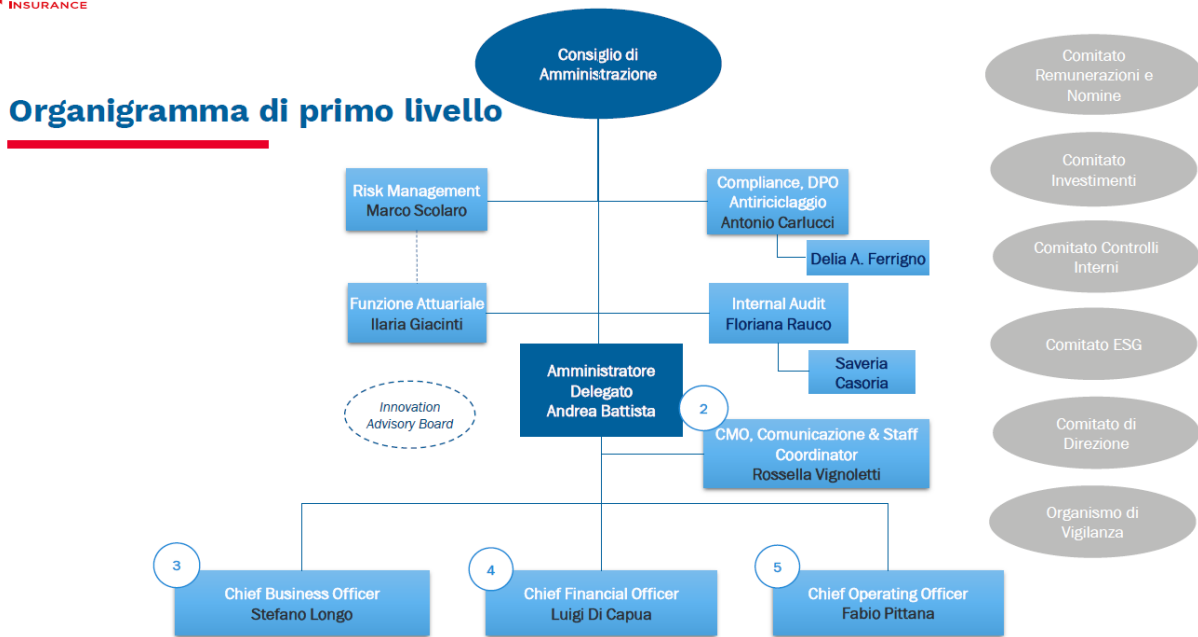
On this issue, the Group has made a commitment to evolve the business and operating model towards ESG best practices, through the continuous promotion of a sustainable business model, aimed at meeting the needs of the present without compromising the ability of future generations to meet their own requirements

Moreover, during 2022, a specific ESG project was launched aimed at establishing an internal sustainability framework that leverages two macro areas:

- (i) Risk Area
- (ii) Non-financial Reporting Area

In particular, the objective underlying the worksite referred to in point (i) is to integrate ESG risks into the Risk Management Framework of the Company and the subsidiary Net Insurance Life S.p.A. As for point (ii), the objective was to identify a reporting system aimed at communicating sustainability strategies and performance externally by quantifying the results obtained.

The Issuer’s organisational chart is shown below:



The model adopted by the Group, since 2019, is therefore based on the joint activity of the various players involved, in particular the Board of Directors, the Board of Statutory Auditors, the Board Committees, the Supervisory Body, the Senior Executives, the Manager in charge of financial reporting, the Essential Functions and Operational Governance Areas.

On the subject, however, of the corporate governance structure, it should be noted that the Issuer has taken steps starting from 2019, to gradually implement the controls characterising the ‘strengthened’ governance model, pursuant to IVASS Regulation 38/2018 and the IVASS Letter to the Market of 5 July 2018, considered the most suitable model, also taking into account the proposed listing of Net Insurance on Euronext STAR Milan.

In fact, the adoption of a strengthened governance model, envisaged by the aforementioned regulation for larger companies, better responds to the need to protect the interest and trust of national and international investors belonging to the ownership structures of the Issuer.

Furthermore, the strengthened governance model includes the controls and organisational solutions of best practices aimed at increasing the control tools available to investors and stakeholders in the company, such as the majority of independent directors, the establishment of Board Committees and the internalisation of key functions.

Finally, it should be noted, that the Net Insurance Group Companies adopt the same governance structure oriented towards sound and prudent management and aligned with the Company's strategic objectives.

2.0 INFORMATION ON THE OWNERSHIP STRUCTURE (pursuant to Article 123-bis, paragraph 1 of the Consolidated Law on Finance (TUF))

a) Share capital structure (pursuant to Article 123-bis, paragraph 1, letter a) of the Consolidated Law on Finance (TUF))

As at 31 December 2022 and of this Report, the approved share capital of Net Insurance amounts to 19,087,268 Euros, while the subscribed and paid-up capital is equal to 17,619,249 Euros, divided into 18,514,269 ordinary shares with no nominal value.

The Company holds 1.789.941 own shares in its portfolio.

All shares have the same characteristics and assign the same rights. In particular, each ordinary share gives the right to one vote in the ordinary and extraordinary shareholders' meetings of the Company, as well as the other property and administrative rights pursuant to the provisions of the law and the Articles of Association.

The composition of the share capital is summarised in the following table:

SHARE CAPITAL STRUCTURE				
	No. of shares	No. of voting rights	Listed	Rights and obligations
Ordinary shares	18,514,269	18,514,269	STAR	Pursuant to Article 5, paragraph 3, of the Articles of Association of Net Insurance S.p.A. The ordinary shares are registered, indivisible, freely transferable and grant their holders equal rights. In particular, each ordinary share gives the right to one vote in the ordinary and extraordinary shareholders' meetings of the Company as well as the other property and administrative rights pursuant to the Statute and law.

As at 31 December 2022 and at the date of preparation of this Report, there are no categories of shares that enjoy particular equity rights, as the share capital is divided exclusively into ordinary shares.

The Company has also issued 1,823,235 Net Insurance Warrants, listed on Euronext STAR Milan. These financial instruments, as set forth in the Net Insurance Warrant Rules, grant their holders the right to subscribe 1 Share for each Warrant presented, at a fixed exercise ratio of 1:1, against payment of a strike price of 4.69 Euros.

In this regard, it should be noted that during the 2022 financial year there was the partial conversion of a total of 4,199 Net Insurance warrants with consequent issue of 4,199 new ordinary shares

In fact, as a result of the aforementioned conversion, the share capital went from 17,615,050 Euros (the situation as at 31 December 2021) to 17,619,249 Euros (the situation as at 31 December 2022).

The number of shares outstanding therefore increased from 18,510,070 (as at 31 December 2021) to 18,514,269 at the end of 2022.

The number of treasury shares in the portfolio also decreased, from the original balance of 1,989,933 (as at 31 December 2021) to 1,789,941 at the end of the 2022 financial year, due to the partial conversion of the convertible subordinated loan, carried out on 16 December 2022 for a nominal amount of 1,200,000, and the consequent transfer of 199,992 treasury shares of the parent company in favour of the investors who exercised the conversion.

b) Restrictions on the transfer of securities (pursuant to Article 123-bis, paragraph 1, letter b), of the Consolidated Law on Finance (TUF))

Pursuant to the Company's current Articles of Association, there are no restrictions on the transfer of shares and limits on their possession, nor approval clauses, with the exception of the 'block' period envisaged by the MAR Code on Internal Dealing.

The ordinary shares are registered, indivisible, freely transferable and grant their holders equal rights.

c) Significant equity investments (pursuant to Article 123-bis, paragraph 1, letter c) of the Consolidated Law on Finance (TUF))

Based on the results of the Shareholders' Register, the communications received in accordance with the law and the other information available, the Shareholders who directly, indirectly, through a third party, or through trust companies, hold equity investments of more than 5% of the share capital with voting rights as at 31 December 2022 are shown in the following table.

SIGNIFICANT EQUITY INVESTMENTS			
Declarant	Direct shareholder	Share % of ordinary capital	Share % of voting capital
IBL Banca S.p.A.	IBL Banca S.p.A.	26.63%	29.48%

Algebris Investments (Ireland) Limited	Algebris Investments (Ireland) Limited	5.00%	5.54%
Net Insurance S.p.A.	Net Insurance S.p.A.	9.67%	N.A.

d) Securities that grant special rights (pursuant to Article 123-bis, paragraph 1, letter d) of the Consolidated Law on Finance (TUF))

No securities have been issued that grant special control rights.

e) Employee shareholding: mechanism for exercising voting rights (pursuant to Article 123-bis, paragraph 1, letter e) of the Consolidated Law on Finance (TUF))

There is no employee shareholding system in which the right to vote is not exercised directly by the latter.

On this matter it should be noted that following the resolution passed by the Issuer's Shareholders on 19 July 2019, the Company has adopted a '2019-2023 Performance Shares Plan'. The plan is aimed at the Chief Executive Officer of the Group and the first line management (excluding the Chief Executive Officer these are executives with permanent employment contracts). The heads of the control functions are excluded. The potential beneficiaries of the Plan are solely and exclusively the Chief Executive Officer and the management.

This Plan has a duration of 5 years (ends with the approval of the 2023 financial statements) and provides for the transfer of the shares assigned only after the end of the fifth year.

No early transfer is envisaged for any reason.

However, it is envisaged that during the duration of the Plan, the latter may terminate earlier than its final term:

- in the event of the launch of a public tender offer on 100% of the shares of Net Insurance S.p.A. or
- acquisition of its legal control by third parties.

In this regard, it should be noted that on 28 September 2022 Poste Vita, in agreement with IBL Banca and the Chief Executive Officer Andrea Battista, promoted a total voluntary public offer on the Company's shares and warrants. Once the necessary authorisations have been received from the authorities involved, as well as the publication of the Offer Document, the tender offer period began at 8:30 a.m. (Italian time) on 27 February 2023 and will end at 17:30 (Italian time) on 6 April 2023. The consideration envisaged for the ordinary shares (9.50 Euros per share) and for the warrants (4.81 Euros per warrant) will be paid to the participants in the Offers on 14 April 2023.

f) Restrictions on voting rights (pursuant to Article 123-bis, paragraph 1, letter f) of the Consolidate Law on Finance (TUF))

There are no restrictions on voting rights on the Company's shares.

g) Agreements between shareholders (pursuant to Article 123-bis, paragraph 1, letter g) of the Consolidated Law on Finance (TUF))

As far as the Company is aware, there are no shareholder agreements pursuant to Article 123-bis, paragraph 1, letter g) of Legislative Decree no. 58 of 24 February 1998 - (Consolidated Law on Financial Intermediation).

h) Change of control clauses (pursuant to Article 123-bis, paragraph 1, letter h) of the Consolidated Law on Finance (TUF)) and statutory provisions on takeover bids (pursuant to Article 104, paragraph 1-ter, and 104-bis, paragraph 1)

In pursuit of their strategic objectives, the Company and the subsidiary have also entered into some agreements with certain distribution Partners (Cassa di Risparmio di Bolzano e Banca di Piacenza) that contain clauses referring to the element of changing control over Group companies.

The Articles of Association of the Issuer do not derogate from the provisions on the passivity rule envisaged by Article 104, paragraphs 1 and 1-bis of the Consolidated Law on Finance (TUF), nor does it provide for the application of the neutralisation rules envisaged by Article 104-bis, paragraphs 2 and 3, of the TUF.

i) Powers to increase share capital and authorisations to purchase treasury shares (pursuant to Article 123-bis, paragraph 1, letter m) of the Consolidate Law on Finance (TUF))

A share capital increase of a maximum of 2,003,140 Euros was resolved by the extraordinary shareholders' meeting held on 19 November 2018, to be implemented through the issue of a maximum of 2,003,140 ordinary shares with no expressed nominal value, to service the conversion of the 'Net Insurance Warrant S.p.A.' This increase will be considered divisible and may be subscribed through the conversion of the aforementioned warrants by the end of the first Trading Day following the expiry of 5 (five) years from the date of 21 May 2018.

With regard to the authorisation to purchase treasury shares, it should be noted that the Ordinary Shareholders' Meeting resolved on 21 June 2022:

- (i) to revoke, as from the date of this Shareholders' Meeting resolution, the resolution relating to the authorisation to purchase and sell treasury shares adopted by the Shareholders' Meeting of 28 April 2021 and to authorise the purchase of a maximum of 1,000,000 treasury shares and the sale of all treasury shares held on one or more occasions;
- (ii) to authorise, pursuant to Article 2357 of the Italian Civil Code, the Board of Directors (and on its behalf the Chief Executive Officer pro tempore), with ample power to also sub-delegate to third parties outside the Board, for a period of 18 months from the date of adoption of this resolution, to purchase and dispose of treasury shares up to a maximum number of 1,000,000, in compliance with the following terms and conditions:

I. This authorisation is aimed, in the interest of the Company:

- to carry out activities to promote and manage the volatility of the stock market price of the Company's shares and to intervene, directly or through intermediaries, to regularise the performance of trading and prices and to support the liquidity of the stock on the market, without prejudice in any case to the compliance with the provisions in force and with methods that guarantee equal access to all Shareholders, giving them the equal opportunity to purchase the shares put up for sale by the Issuer in such a way as not to allow the direct combination of purchase trading proposals with predetermined trading proposals on sale (block sale) and so as to favour the regular course of trading and avoid price movements that are not in line with market trends, in accordance with the market practices in force at the time and, in any case, within the limits envisaged by the laws and regulations;
- to dispose of and/or use the treasury shares (by way of example but not limited to their disposal, exchange, contribution and/or other use) in line with the strategic guidelines that the Company intends to pursue, with the main purpose, therefore, of acquiring a portfolio of treasury shares that can be used in the context of extraordinary transactions, including, but not limited to, their exchange, swap, contribution or in the service of capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature, such as (by way of example but not limited to), acquisitions, mergers, demergers, convertible bond issues, bonds, warrants to be realised in the interest of the Company itself, and in compliance with regulations in force and the market practices identified by the Supervisory Authority at the time;
- to favour any future share-based incentive plans approved by the competent corporate bodies, pursuant to Article 5, paragraph 2, letter c) of EU Regulation 596/2014 of 16 April 2014 (the 'MAR'). Specifically, the authorisation entails the right of the Board of Directors to dispose of the shares in the portfolio as funding under the '2019-2023 Performance Shares Plan';
- to allow effective management of the Company's capital, creating a medium and long-term investment opportunity, also in relation to available liquidity.

II. Purchases of treasury shares may be carried out, in compliance with the applicable laws and regulations, or (i) at a minimum price of no less than 20% (twenty per cent) of the reference price that the security will have recorded on the day accountant prior to the completion of each individual transaction; (ii) at a maximum price not exceeding 20% (twenty per cent) with respect to the reference price that the security will have recorded on the accounting day prior to the execution of each

individual transaction or (iii) at the different consideration envisaged by the Market practices permitted from time to time in force, in compliance in any case with the terms and conditions established by the MAR, by Delegated Regulation (EU) no. 1052 of 8 March 2016 and permitted practices, where applicable. In this regard, it should be noted that the purchases must be made in compliance with the conditions relating to the negotiations established in Article 3 of Delegated Regulation (EU) 2016/1052, in implementation of the MAR, and therefore at a consideration not exceeding the higher price between the price of the last independent transaction and the price of the current independent purchase offer in the trading venue where the purchase is made. However, these price limits may not be applied to the use of treasury shares as consideration to be used in any extraordinary transactions or if the sale of shares takes place in service of share incentive plans, without prejudice to compliance with the conditions specified above pursuant to Delegated Regulation (EU) 2016/1052, implementing the MAR.

With regard to the disposal (sale) of treasury shares, the Board of Directors will establish, from time to time, in accordance with applicable regulations and/or market practices recognised from time to time, the criteria for determining the related consideration and/or methods, terms and conditions of use of treasury shares in the portfolio, having regard to the methods used, the trend in share prices in the period prior to the transaction and in the best interest of the Company. In any case, pursuant to Article 2357, paragraph 1, of the Italian Civil Code, the purchase of treasury shares may be carried out, on one or more occasions, within the limits of the distributable profits and the available reserves resulting, from time to time, from the last duly approved annual financial statements. Only fully paid-up shares are authorised

- III. to be purchased, without time limits, by the Board of Directors and, on its behalf, the pro-tempore Chief Executive Officer, with ample power of sub-delegation, also to third parties external to the Board, to execute acts of disposal of the treasury shares acquired, to be executed on one or more occasions, delegating the Board of Directors and, on its behalf, the pro-tempore Chief Executive Officer with ample power of sub-delegation, also to third parties external to the Board, to establish, from time to time, the criteria for the determination of the relevant consideration and/or the terms and conditions of use of the treasury shares in portfolio, taking into account the implementation methods used, the share price trend in the period prior to the transaction and the best interests of the Company. The provisions must, in any case, be carried out according to the methods permitted by the laws and regulations in force, at the discretion of the Board of Directors.
- IV. to grant the aforementioned agents the power to carry out, pursuant to Article 2357-ter, paragraph 3, of the Italian Civil Code, any accounting entry necessary or appropriate, in relation to transactions on treasury shares, in compliance with the provisions of the law in force and the applicable accounting standards
- V. to grant to the Board of Directors, and on its behalf the pro-tempore Chief Executive Officer, with ample power to also sub-delegate to third parties outside the Board, all the broadest powers needed to make the purchases and sales of the above treasury shares (with the power to appoint special proxies for the execution of the purchase transactions, as well as any other relative formalities), with the gradualness deemed appropriate in the interest of the Company, as permitted by current regulations, without prejudice to the respect of the equal treatment of shareholders; acknowledging that this resolution to authorise the purchase of treasury shares was also approved in accordance with the so-called 'whitewash'

procedure referred to in Article 44-bis, paragraph 2, of Consob Regulation No. 11971/1999, with the majorities provided therein, so that the treasury shares purchased by the Company pursuant to this authorisation resolution will not be excluded from the ordinary share capital (and therefore will be counted in the same) if, as a result of the purchases of treasury shares, a shareholder exceeds the relevant thresholds pursuant to Article 106 of Legislative Decree No. 58/1998

At the end of the 2022 financial year, the Company holds no. 1,789,941 treasury shares in the portfolio, representing 9.67% of the ordinary capital.

I) Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)

The Company is not subject to control by any party, either individually or jointly. The Company, as indicated above, is the parent company of the Net Insurance Group, active both in the Non-Life insurance (through Net Insurance) and in the Life insurance (through the subsidiary Net Insurance Life S.p.A.).

With particular reference to Article 2497 et seq. of the Italian Civil Code, it should be noted that the parent company Net Insurance controls 100% of Net Insurance Life and therefore exercises management and coordination over it.

3.0 COMPLIANCE (pursuant to Article 123-bis, paragraph 2, letter a), first part of the Consolidated Law on Finance (TUF))

Net Insurance S.p.A. adheres to the Corporate Governance Code and has concretely applied each standard and recommendation defined therein, as specifically illustrated in the subsequent Sections of the Report to which reference is made.

The figure of a 'Lead Independent Director' ('LID') has not been established as the conditions envisaged by the Corporate Governance Code (recommendation no. 13) that require the presence of the same are not met in Net Insurance.

The Code is accessible to the public on the website of the Corporate Governance Committee at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

During the year, the corporate governance structure of Net Insurance S.p.A. was not influenced by non-national legal provisions.

4.0 BOARD OF DIRECTORS

4.1 ROLE OF THE BOARD OF DIRECTORS

The Board of Directors guides the company in pursuing its sustainable success, defines strategies and monitors their implementation.

The Board of Directors defines the most functional corporate governance system for the performance of business activities and the pursuit of its strategies, taking into account the spaces of autonomy offered by the legal system, it promotes dialogue with the shareholders of the Net Group.

The Board promotes a high level of integrity and a culture of internal control and risk management – also covering outsourced activities – so as to raise the awareness of employees on the importance and necessity of internal controls and risk management; it

also defines and formalises the interactions among the various functions that are responsible for controls and risk management.

Taking on the role of Director is in any event subject to the absence of causes for ineligibility and forfeiture set forth in art. 2382 of the Italian Civil Code and meeting the requirements of integrity, professionalism and independence - the continuing satisfaction of which is checked at least once per year - set forth by sector regulations and established in the "Policy for evaluating requirements of integrity, professionalism and independence". The Directors accept the office when they believe they can dedicate the necessary time to the diligent performance of their duties at the Company, also taking into account the other offices held.

The Board of Directors has full powers in the pursuit of the corporate objectives within the limits set forth by the law, and is the body par excellence responsible for ensuring that the resolutions of the Shareholders' Meeting are properly and promptly executed.

Pursuant to Article 13 of the Company By-Laws of the NET Group, the Board of Directors is therefore vested with the broadest and unlimited powers for the ordinary and extraordinary management of the Company and more specifically, the Board is granted all the powers that are necessary or even only appropriate for the achievement of the corporate objectives, which are not expressly reserved by law to the Shareholders' Meeting, as well as general representation for all deeds carried out in the name of the Company.

The Board cannot delegate the powers provided for in Articles 2420-ter (Delegation from directors), 2423 (Preparation of the financial statements), 2443 (Delegation to directors), 2446 (Reduction of share capital due to losses), 2447 (Reduction of share capital below the legal limit), 2501-ter (Merger plan) and 2506-bis (Demerger plan) of the Italian Civil Code.

The Board, also through the Chairman, the Chief Executive Officer, reports promptly to the Board of Statutory Auditors, during the meetings held at least quarterly, on the activities carried out by the Company and by the Subsidiary and on the most significant economic, financial and equity transactions, with particular regard, if any, to transactions in potential conflict of interest. In particular, the Directors must comply with the provisions of Article 2391 of the Italian Civil Code

Disclosure of actual or potential conflicts of interest is normally provided during meetings. The Board of Directors of the Company Net Insurance S.p.A., in its capacity as parent company of the Net Insurance Group, is exclusively responsible for decisions concerning the determination of the criteria for coordinating and managing the companies in the Net Insurance insurance group and for the implementation of the instructions set forth by IVASS.

The Board of Directors is responsible for updating the assessment of risks, and appropriately taking into account new or previously unassessed and uncontrolled risks, and must therefore be periodically informed of the effectiveness and adequacy of the internal control and risk management system, and must be promptly made aware of any significant critical issues, by whomever it may have identified them.

On the basis of the information received, the Board:

- assesses the adequacy of the organisational, administrative and accounting structure of the company in relation to the nature and size of the company itself, also based on the timely recognition of the business crisis and the loss of business continuity;
- when drawn up, examines and approves the strategic, business and financial plans of the company;
- periodically monitors the implementation of the aforementioned plans and assesses, on the basis of the reports of the delegated bodies, the general performance of operations, periodically comparing the results achieved with those planned.

- defines the nature and level of risk compatible with the strategic objectives of the NET Group, including in its assessments all the elements that may be important for the sustainable success of the NET Group.

The Board of Directors also ascertains that the corporate governance system is consistent with the strategic policies and risk appetite established and that is capable of identifying the evolution of corporate risks and their interrelations.

The Board of Directors resolves on the transactions of the company and its subsidiary that have a significant strategic, economic, equity and financial importance and to this end establishes the general criteria for identifying significant transactions. In addition, in order to ensure the correct management of corporate information, it adopts a procedure for the internal management and external communication of documents and information relating to the company, with specific reference to inside information.

The Company's Board of Directors of the Group is responsible for:

1. defining the general directives for the company's policies and structures and for the circulation, comprehensiveness, timeliness and constant verification of information flows within the organisational structure;
2. approving and monitoring the organisational structure and the assignment of duties, powers and responsibilities to the operating units, ensuring an adequate separation of powers and duties and avoiding the excessive concentration of powers with an individual party;
3. approving and reviewing at least once per year the global operating strategies and relevant policies, being familiar with the main risks assumed by the Group, establishing the acceptable levels of such risks, including forward-looking, and ensuring that the Senior Staff adopts the measures required to identify, measure, monitor and control such risks;
4. verifying the effectiveness of the corporate governance system and ensuring that the Senior Staff properly implements that system;
5. ensuring continuous professional education, also extended to the members of the body itself, moreover preparing adequate training plans to ensure that they have the set of technical skills necessary to knowledgeably perform their roles in keeping with the nature, size and complexity of the duties assigned and maintain their knowledge over time;
6. performing, at least once per year, an assessment on the size, composition and functioning of the Board of Directors as a whole, as well as its committees, expressing guidelines on the professional figures whose presence on the Board of Directors is deemed appropriate and proposing any corrective actions;
7. informing the Supervisory Authority without delay if significant changes are made to the Group's organisational structure, illustrating the internal or external causes which made those interventions necessary;
8. actively participating in the risk and solvency assessment process so that internal controls take into due account new risks or risks not previously subject to assessment and control;
9. approving the policies pursuant to sector regulations.

Furthermore, for the purposes of carrying out the tasks assigned by IVASS Regulation no. 38/2018, the Board of Directors of the Company:

- a) assigns proxies and powers to the Chairman of the Board of Directors, the Chief Executive Officer, the Financial Reporting Officer and other persons identified for this purpose;
- b) is informed at least quarterly by the Chief Executive Officer on the performance of corporate affairs, including but not limited to: the progress of production, accounting and management, commercial, financial and intra-group transactions;
- c) is informed annually by the Heads of the Key Functions on the activity carried out during the year with regard to the effectiveness and adequacy of the internal control and risk management system;

- d) on the occasion of the approval of the annual audit plans of the Key Functions, requests that the most significant critical issues be promptly reported to it in order to issue directives for the adoption of corrective measures;
- e) approves and periodically reviews the Risk Appetite level; reviews, at least annually, the risk tolerance levels resulting from the processes of identification and assessment of the most significant risks to which the Company is exposed, carried out by the Risk Management function; approves the related Contingency plans;
- f) approves the guidance and control procedures of the Companies of the NET Group as part of the management and coordination activities;
- g) adopts procedures that ensure the transparency and substantial and procedural correctness of transactions with related parties;
- h) ensures, also with the support of the Key Functions and the coordination of the HR Development and HR Administration Service, a professional update (of a technical nature linked to insurance operations), as well as regarding the regulatory changes that took place during the year, aimed at ensuring the expansion of the set of technical skills necessary for the correct and conscious performance of one's role;
- i) ensures compliance of the company's activities with current legislation and company directives;
- j) ensures the efficiency and effectiveness of company processes and compliance with the related company procedures.

For detailed information on the composition, functioning, appointment and self-assessment of the administrative body, the Remuneration policies and the internal control and risk management system, please refer to the relevant Sections of the Report.

In order to carry out its duties, the Board availed itself of the activities of the Board Committees, such as: Internal Control, Risk and Related Parties Committee, Appointments and Remuneration Committee, Investments Committee and ESG Committee. For the specific activities of the Board Committees, please refer to the relevant Sections of the Report.

The Board examined the adequacy of the organisational, administrative and accounting structure and, in particular, of the internal control and risk management system of the Company and its Subsidiary, on the basis of the annual report on the Corporate Governance System prepared by the Committee Internal Control, Risks and Related Parties and the periodic reports of the Key Functions, as specified later in the Report.

At the Board meetings held in the financial year, the Chief Executive Officer reported to the Board and the Board of Statutory Auditors on the general performance of operations and its foreseeable evolution, as well as on transactions that, due to their size or characteristics, had a significant strategic, economic, equity or financial significance for the Company and its Subsidiary.

In particular, the Chief Executive Officer reported periodically to the Board on the performance of the individual business sectors of the Group, on the related objectives and activities undertaken, also in comparison with the business plan.

During the Financial Year, the Board of Directors approved the 2022-2025 Business Plan. The drafting of the Business Plan, in addition to the Top Management and the operating structures of the Group, also actively involved the Boards of Directors of the Group Companies and the Board of Statutory Auditors, which continuously provided strategic indications in the context of specific so-called Board Inductions. The Business Plan was drawn up as part of the broader project for the admission to listing of the ordinary shares and warrants of the Company Net Insurance S.p.A. on Euronext STAR Milan.

In 2022, the Board of Directors updated the 'Market Abuse Code' procedure for the internal management and external communication of documents and information concerning the Issuer, with particular reference to price sensitive information and internal dealing

regulations, in order to bring its contents into line with the regulations applicable to Euronext STAR Milan.

During the 2022 financial year, in consideration of recommendation no. 3 of the *Corporate Governance Code*, the policy for managing dialogue with the generality of shareholders was approved. This Policy represents the functional tool to promote the creation of value in the long term, also taking into account the standards which Net Insurance has adhered to as a company listed on the STAR segment of Euronext Milan.

4.2 APPOINTMENT AND REPLACEMENT (pursuant to Article 123-bis, paragraph 1, letter I), first part of the Consolidated Law on Finance (TUF))

Pursuant to the Articles of Association, Net Insurance S.p.A. is managed by a Board of Directors composed of no less than 5 (five) members and no more than 11 (eleven) Directors, appointed by the Ordinary Shareholders' Meeting, which also determines the number.

The composition of the Board of Directors complies with the gender balance criteria envisaged by current legislation. The assumption of the office of Director is subject to the fulfilment of the requirements envisaged by the legislation, including regulations, in force and applicable from time to time and by these Articles of Association.

The Board of Directors must be composed of at least 4 (four) Directors meeting the independence requirements pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance (TUF) and any Policy for assessing the Requirements of Professionalism, Integrity and Independence adopted by the Company.

The failure of a Director to meet these independence requirements does not result in their termination of office if they remain with the minimum number of Directors indicated above.

The Board of Directors is appointed by the Shareholders' Meeting on the basis of lists submitted (i) by the outgoing Board of Directors and/or (ii) by the shareholders, according to the procedure set out in the following provisions, unless otherwise provided for or otherwise provided by mandatory legal or regulatory provisions.

In addition to the outgoing Board, a list for the appointment of directors may also be submitted by shareholders who, at the time of submission of the list, hold (alone or together with other presenting shareholders) a shareholding not lower than that envisaged for the Company by the regulations in force.

At the date of the appointment of the Board of Directors in office by the Shareholders' Meeting of 27 April 2022, Net Insurance S.p.A. was listed on the Euronext Growth Milan multilateral trading system.

Ownership of the minimum shareholding is determined with regard to the shares that are registered in favour of the shareholder on the day on which the lists are filed with the issuer; the relative certification can also be produced after the filing, provided that it is within the deadline set for the publication of the lists. All this is mentioned in the notice of call.

The lists submitted must be filed at the Company's registered office, also by means of remote communication as indicated in the notice of call, and made available to the public within the terms and in the manner prescribed by law, including regulations, pro tempore in force.

Following the publication by the outgoing Board of Directors of the qualitative and

quantitative composition well in advance, the list of the Board of Directors, if submitted, must be filed at the registered office of the Company or sent to the Company itself through a medium of remote communication and made public within the regulatory term of convocation of the Shareholders' Meeting.

The lists name the candidates, each associated with a sequential number, and must meet the requirements envisaged by law.

The lists containing a number of candidates equal to or greater than 4 (four) must contain at least 2 (two) candidates who meet the independence requirements pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance (TUF) and any Policy for assessing the Requirements of Professionalism, Integrity and Independence adopted by the Company pursuant to IVASS Regulation no. 38/2018.

Each list that presents a number of candidates equal to or greater than 3 (three) must include at least a number of candidates belonging to the less represented gender that ensures compliance with the balance between genders, at least to the minimum extent required by legislation and regulations pro tempore in force. This is so as to ensure that the composition of the Board of Directors complies with the legal and regulatory provisions in force from time to time, as expressly referred to and applied by the Company, also through the Articles of Association, on gender balance (male and female), without prejudice to the fact that if the application of the gender allocation criterion does not result in a whole number, this must be rounded up to the next higher unit.

The following must be attached to each list: (i) curriculum vitae of the candidates; (ii) declarations with which each of the candidates accepts their candidacy and certifies, under their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements prescribed by current legislation to hold the office of director of the Company including the declaration regarding the possession of the independence and competence requirements; (iii) an indication of the identity of the shareholders who have submitted the lists and the percentage of the total shareholding held, with the certification of the intermediary proving ownership of the shareholding (iv) the indication in the curriculum vitae of the main professional competence held of each candidate (v) any other additional or different declaration, information and/or document required by law and applicable regulations.

Each shareholder belonging to the same corporate group, as well as shareholders adhering to a significant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance (TUF), may not submit or contribute to the presentation, not even through a third party or trust company, of more than one list, nor can they vote for different lists; in addition, each candidate may be present on only one list, under penalty of ineligibility.

Lists submitted without complying with the provisions set forth in the preceding paragraphs are considered not to have been submitted.

The lists submitted by the Board of Directors and/or by the shareholders for the purpose of electing the majority of the members of the Board of Directors must be accompanied by a resolution proposal concerning the determination of the total number of members to be elected, their term in office and remuneration, without prejudice to the provisions of Article 2389 of the Italian Civil Code.

The election of the Board of Directors is carried out as follows:

(a) from the list that obtained the highest number of votes (the 'Majority List'), based on the progressive order in which they were listed, all the directors to be elected minus two are taken; (b) the remaining members of the Board of Directors are taken from lists

that are not connected in any way, even indirectly, with the shareholders who submitted or voted for the Majority List (the 'Minority List').

The votes obtained by each of the Minority Lists are divided by progressive whole numbers from one up to the number of directors to be elected. The quotients thus obtained are assigned progressively to the candidates of each Minority List, according to the order respectively envisaged by the same. The quotients assigned to the candidates of the various Minority Lists are arranged in a decreasing order. Those who have obtained the highest ratios are elected as Directors, up to the number necessary to complete the composition of the Board of Directors.

In the event that several candidates from the Minority Lists have obtained the same quotient, the candidate from the list from which no director has yet been elected or the smallest number of directors has been elected is then elected.

If none of these lists has yet elected a director or all have elected the same number of directors, the candidate who obtained the highest number of votes from those lists is elected.

In the event of an equal number of votes obtained from the lists and always with the same quotient, a second ballot is held by the entire Shareholders' Meeting, and the candidate who obtains the simple majority of votes is elected.

If the composition of the Board of Directors deriving from the application of the previous paragraphs does not allow the respect of the balance between genders pursuant to these Articles of Association, taking into account their list order, the last elected of the Majority List of the most gender represented shall forfeit the number necessary to ensure compliance with the requirement, and are replaced by the first unelected candidates of the same list of the less represented gender. In the absence of candidates of the less represented gender on the Majority List in a sufficient number to proceed with the replacement, the Shareholders' Meeting supplements the body with the legal majorities, ensuring that the requirement is met. The replacement of elected representatives belonging to the most represented gender who meet the independence requirements prescribed by the pro tempore laws in force and by these Articles of Association must in any case take place with names who similarly meet these requirements.

The same procedure referred to in paragraph 24 above shall apply mutatis mutandis if the number of independent directors required by the pro tempore laws in force and by these Articles of Association has not been elected.

In the event that it is not possible to implement this replacement procedure, in order to ensure compliance with the legal and regulatory provisions and the Articles of Association in force from time to time on the distribution between genders (male and female), the missing directors will be elected by the shareholders' meeting with the ordinary methods and majorities, without applying the list voting mechanism for these candidates.

If only one list has been submitted, the shareholders' meeting will cast its vote on it and, if it obtains the relative majority of votes, all members of the Board of Directors will be taken from that list in compliance with legal and regulatory provisions and Articles of Association, in force from time to time and applicable to the Company, also with regard to professional competence and/or balance between genders (male and female) and/or independence.

In the absence of lists, or if only one list is submitted and it does not obtain the relative majority of votes, or if the number of directors elected on the basis of the lists submitted is lower than the number of members to be elected, or if it does not need to be renewed the entire Board of Directors, or if it is not possible for any reason to appoint the Board of Directors in the manner provided for in this article, the members of the Board of Directors shall be appointed by the Shareholders' Meeting with the ordinary methods

and majorities, without application of the list voting mechanism, without prejudice to the obligation to maintain the number of directors in compliance with legal and/or regulatory and/or statutory provisions, or professional competence and/or gender balance (male and female) and/or independence, applicable to the Company.

If, during the year, one or more Directors appointed by the Shareholders' Meeting leave office, the others shall replace them by co-optation, with a resolution approved by the Board of Statutory Auditors, provided that the majority is still made up of Directors appointed by the Shareholders' Meeting and that the minimum number of Directors meeting the independence requirements and the minimum gender balance requirements required by the law, including regulations, in force at the time, are met. The Directors thus appointed remain in office until the first Shareholders' Meeting following the co-optation.

If, for any reason, the majority of the Directors appointed by the Shareholders' Meeting leave office, the Directors remaining in office shall automatically forfeit their role according to the principle "aut simul stabilunt aut simul cadent", with effect from the date of the Shareholders' Meeting that appoints the new Board of Directors. The Directors remaining in office or in office, the Chairman of the Board of Statutory Auditors, must urgently call the Shareholders' Meeting to appoint the new Board of Directors.

4.3 BREAKDOWN (pursuant to Article 123-bis, paragraph 2, letters d) and d-bis) of the Consolidated Law on Finance (TUF))

The Ordinary Shareholders' Meeting of 27 April 2022 appointed the Board of Directors of the Company, consisting of 11 members, granting it a mandate lasting three years and therefore, until the Shareholders' Meeting, to approve the financial statements for the year 2024.

In compliance with the Articles of Association and in compliance with current laws and regulations, the appointment of the members of the Board of Directors took place on the basis of the lists presented, in accordance with the law and the Articles of Association:

- by the outgoing Board, supported by the Appointments and Remuneration Committee, which proposed the list of 9 candidates, which confirmed the members of the outgoing Board of Directors
- by the minority shareholders who represented 5.538% of the share capital, who submitted 2 candidates to the list

These lists were accompanied, inter alia, by the declarations with which the individual candidates certified that there were no causes of ineligibility and incompatibility; the existence of the requirements prescribed for the assumption of the respective offices; independence pursuant to Article 147-ter of the Consolidated Law on Finance (TUF), the Articles of Association and the Policy for assessing the requirements of professionalism, integrity and independence. The lists were also accompanied by a curriculum vitae regarding personal and professional characteristics. The lists with the above information are still available on the Company's website in the Section <https://www.netinsurance.it/investor-relations/documenti/assemblee/>

The 11 proposed candidates were elected.

The curricula vitae of the Directors currently in office, showing the main skills and professional characteristics, are available for consultation on the Company's website, in the Section <https://www.netinsurance.it/il-gruppo/net-insurance/organi-sociali/>

For the purposes of the aforementioned appointment, the outgoing Board of Directors and the Shareholders were able to consider the 'Guidance on the qualitative-quantitative composition of the Board', expressed in view of said Shareholders' Meeting by the outgoing

administrative body, with the support of the Appointments and Remuneration Committee and an independent external company, taking into account the results of the self-assessment of the Board of Directors and its Committees for the year 2021.

After its appointment, the Board of Directors duly fulfilled the obligations that the regulations in force place on the same with regard to the verification of the possession of the legal and regulatory requirements (in terms of integrity, professionalism and independence, as well as the non-existence of situational impediments, causes of suspension and situations of incompatibility) by its members. This audit was carried out (with a positive outcome) in the BoD of 27 April 2022 pursuant to the Policy for the assessment of the requirements of professionalism, integrity and independence.

As at today's date, the Board of Directors is composed of the same 11 members appointed on 27 April 2022.

The structure, composition and additional information required regarding the Board of Directors are shown in Table no. 2 attached to the Report.

Diversity criteria and policies in the composition of the Board and in the company organisation

The Board of Directors currently in office was appointed by the Shareholders' Meeting of 27 April 2022, taking into account the Guidance on the qualitative and quantitative composition of the Board of Directors.

The Orientation shows, among other things, that the average age and the generational mix of the Directors in office at the date of drafting the Orientation are adequate; and that they have, on the whole, all the skills and experience necessary to manage an insurance company of the size and complexity of Net Insurance. The new and current BoD consists of the same 9 directors previously in office and 2 Directors elected by minorities.

The latter also declared, as part of the self-declaration pursuant to Articles 46 and 47 of Presidential Decree no. 445, to possess certain skills and experience reported in the Guidance on the qualitative and quantitative composition of the Board of Directors.

The current BoD complies with the gender balance criteria envisaged by current legislation and the Articles of Association.

At the date of appointment of the current Board of Directors, the Issuer was listed on Euronext Growth Milan and did not adhere to the Corporate Governance Code.

Given the above, and given the takeover bid process in progress at the date of preparation of this Report, the Issuer has not yet formally adopted diversity policies in relation to the composition of the Board of Directors in relation to aspects such as age, gender and the training and professional path.

Maximum number of offices held in other companies

From 15 December 2021, the Board of Directors approved (on a voluntary basis) the 'Regulation on the Limits to the Accumulation of Offices Covered by Directors'.

In fact, it should be noted that Net Insurance has formally adhered to the Corporate Governance Code with effect from 1 August 2022 and that Ministerial Decree no. 88/2022 also introduced for insurance companies the rules on the accumulation of offices for Directors and Statutory Auditors applicable to appointments after 1 November 2022.

The Board of Directors, on the proposal of the Nomination and Remuneration Committee, expressed its opinion on the maximum number of administration, management or control positions (or other positions of the alternative administration and control systems) that can be considered compatible with an effective performance of the office of the director of Net.

If, through the application of the established criteria, it is ascertained that the limits to the accumulation of offices have been exceeded, the Board of Directors has, in any case, the right to examine the concrete situation, to assess whether there is (in the specific case) an

effective incompatibility of the offices held in other companies with the effective performance of the functions of the director of Net.

The Regulations define executive, non-executive and exempt positions.

Different limits have also been defined for the role of Chairman, executive director, non-executive director or independent director

The Regulations also define the obligations for directors already appointed and for candidates for the office of director and the procedure to be followed in the event of appointment and/or exceeding the limit on the number of offices and disclosure obligations. The Regulation on the limits to the accumulation of offices takes into account the prohibitions introduced by Article 36 of Law Decree no. 201, converted, with amendments, by Law no. 214 (the so-called 'interlocking prohibition').

Verification of the number of offices held by the Directors is carried out by the Board of Directors, with the support of the Appointments and Remuneration Committee, at the time of appointment and subsequently, upon event.

The Board meeting of 27 April 2022 has certified for all new Directors appointed by the Shareholders' Meeting on the same date, compliance with the Regulation limits to the accumulation of offices held, except for a single Director. In this regard, in-depth analyses were carried out by the Appointments and Remuneration Committee, the Board of Directors and the Board of Statutory Auditors and a legal opinion was requested, as a result of which the Board of Directors on 18 May 2022, resolved to depart from the Regulation limiting the number of offices and to carry out a further review following the evolution of the current rules and, in any case, by the end of the first term of office.

Following the issue of Ministerial Decree no. 88/2022, the Board meeting of 12 October 2022, with the support of the Appointments and Remuneration Committee, having acknowledged that Ministerial Decree no. 88/2022 is applicable for appointments after 1.11.22 and having acknowledged the contents of the Ministerial Decree, proposed to maintain the assessments expressed on the Director by the Board of Statutory Auditors, the Appointments and Remuneration Committee and the Board of Directors on 18 May and the additional analyses carried out by the Board of Statutory Auditors on 12 July.

As already envisaged in the Appointments and Remuneration Committee and in the Board of Directors' meeting of 18 May, a new additional check will be carried out on the limits of the Director by the end of the first year of mandate, so as to verify (also through parameters assessable ex post) the effective participation of the director in board meetings and committees.

4.4. OPERATION OF THE BOARD OF DIRECTORS (pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidate Law on Finance (TUF))

Number of meetings held during the Year: 17

Average duration of meetings:

approximately 2 hours

Number of meetings planned for 2023: 16 (of which 4 have already been held at the date of this Report).

Pursuant to the Articles of Association, the Board of Directors meets regularly, at least quarterly, in compliance with legal deadlines and according to a calendar of works and main corporate events shared annually.

For the validity of the meetings of the Board of Directors, the presence of the majority of the Directors in office must be present. Resolutions are passed by majority vote of those present. In the event of a tie, the vote of the person chairing the meeting prevails.

The vote can be given by representation.

During the 2022 financial year, the Board of Directors approved, having acknowledged the favourable opinion of the Appointments and Remuneration Committee, the update of the Regulation of the Board of Directors.

The Regulation defines the rules for the functioning of the Board of Directors of the Companies and its Committees, including the methods for taking the minutes of the meetings and the procedures for the management of the information to the directors.

The Regulation refers, to the extent of its competence, to the provisions of the Articles of Association of the Companies and the indications contained in the document drawn up pursuant to IVASS Regulation no. 38/2018 'Directives on the Corporate Governance System. Duties and responsibilities of the Corporate Bodies, Committees and Key Functions. Information flows.'

The Regulation governs the following aspects:

1. Structure of the Board. This section defines:
 - a. the composition, requirements and selection of candidates for the office of Director.
 - b. The independent requirements for the Directors of Net
 - c. the term of office
 - d. the methods for determining the remuneration of the Board
2. Operation of the Board. This section defines:
 - a. The constitutive and decision-making quorum
 - b. The organisation and management of Board meetings
 - c. The definition and dissemination of the agendas as well as the order of discussion and any external speakers to the Board
 - d. The reference to the 'Organisation of board meetings' procedure, which identifies, inter alia, the terms for the prior submission of documentation to support the information and resolutions of the Board.
 - e. the methods for taking the minutes of the meetings
3. Duties and Responsibilities. This section defines the duties and responsibilities of the Board of Directors, the Chairman and the Secretary of the Board.
4. Conduct of Directors in terms of Directors' Responsibilities; Limits to the accumulation of offices held by the Directors of Net Insurance; Conflicts of Interest. With regard to the Limits to the accumulation of offices, reference is made to the relative Regulation.
5. Endo-Board Committees in terms of appointment, revocation, composition and requirements. For further details, please refer to the Regulations of each Committee.
6. Self-Assessments at least annually pursuant to IVASS Regulation no. 38/2018
7. Procedures envisaged for the revision of the Regulation of the Board of Directors

With reference to the methods for taking the minutes of the meetings, each Board meeting is drawn up (by the Secretary and approved by the Chairman) a special report that is made available in advance to the Directors and Statutory Auditors among the documents of the next Board meeting on the dedicated digital platform, for the purpose of formal approval. Before the formal approval, which normally takes place in the following meeting, the resolutions passed may in any case be enforced.

The text of the minutes approved by the Board is transcribed in accordance with the law in the register of meetings and resolutions of the Board by Legal and Corporate Affairs and is signed by the Chairman and the Secretary.

In the presence of obligations that require an extract of the minutes before formal approval by the Board, it is envisaged that this extract is approved in advance by the Chairman.

The minutes of the meetings of the Board of Directors, together with the relative annexes, remain available for consultation by the Directors and Statutory Auditors within the digital platform.

In particular, the digital platform is equipped with high security requirements, which can be accessed through the use of nominative credentials, assigned to each Director and Statutory Auditor in order to avoid access to unauthorised parties. This IT support allows for more efficient management in terms of both time savings and high confidentiality standards.

The BoD Regulation provides that in order to allow informed participation in the meetings, the Directors are normally made available in advance within the terms defined in the procedure 'Organisation of the Board's works', except in cases of necessity and urgency, the documentation relating to the items submitted for examination and approval by the Board of Directors.

In the case of matters of an extraordinary and/or urgent nature, the documentation may be made available directly at the Board meeting, subject to the consent of all those present. Pursuant to the Articles of Association, the Board is organised and operates in such a way as to guarantee the effective performance of its functions. In this sense, it has adopted the procedure 'Organisation of the work of the Board', which identifies, inter alia, the terms for the prior sending of information and the methods for protecting the confidentiality of the data and information provided so as not to compromise the timeliness and completeness of the information itself.

The 'Organisation of board meetings' procedure provides for the sending of the board documentation within 5 calendar days before the BoD and the preparation for all documents of an executive summary containing the key information to be sent to the Board.

The topics subject to disclosure to the Board are sent 3 calendar days before the Board of Directors.

In the 2022 financial year, the deadlines for the prior submission of the Board documentation indicated above were substantially respected. The Chairman ensured adequate space for the necessary in-depth analyses during board meetings, in order to guarantee the Directors and Statutory Auditors the correct and complete information on the topic under discussion, so as to be able to always reach informed decisions and foster a constructive debate.

The matters on the agenda for which they are responsible are first brought to the attention of the Board Committees for the examination and issue of the relative opinions, if applicable. Information is provided on the activities carried out by the aforementioned Committees at the meetings of the administrative body, illustrating and commenting on the results, also through the examination of the relative reports, containing the topics covered by the Committees themselves and the assessments carried out by them.

The assessment of the adequacy of the disclosure is included, among others, in the annual Self-Assessment of the Board of Directors and its Committees carried out by the Board of Directors of the Company for the 2022 Financial Year. As a result of this assessment, a very positive picture emerged in terms of prior receipt and clarity of the Board documentation as well as in terms of secure and easy access to the documentation (also relating to previous meetings) of the Board via the digital platform.

All Directors also decided to dedicate sufficient time to the preparation and participation in the meetings of the Board of Directors and the Committees, showing the utmost satisfaction in terms of carrying out the Board's work.

4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The BoD Regulations govern, among other things, the role of the Chairman of the BoD.

In particular, the Chairman is a non-executive member of the Board of Directors.

The Chairman of the Board of Directors acts as a liaison between the executive directors and the non-executive directors.

The main duty of the Chairman of the Company is to direct and supervise the Board of Directors and, with the support of the Secretary, to ensure the effective functioning of the Board's work.

The Chairman makes use of the Secretary to convene, organise, conduct and document the meetings of the Board.

The Chairman, with the assistance of the Secretary of the body, is responsible for:

- a. the pre-board meeting information and the complementary information provided during the meetings are suitable to allow the directors to act in an informed manner in the performance of their role;
- b. the activity of the board committees is coordinated with the activities of the Board of Directors;
- c. the executives of the Company and the Subsidiary, managers of the competent corporate functions according to the matter, attend board meetings in agreement with the Chief Executive Officer, also at the request of individual directors, to provide the appropriate details on the items on the order of the day;
- d. all members of the management and control bodies that may participate, after their appointment and during their mandate, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company operates, of the business dynamics and their evolution also in terms of the perspective of its sustainable success as well as the principles of proper risk management and the reference regulatory and self-regulatory framework;
- e. the adequacy and transparency of the self-assessment process of the Board of Directors, with the support of the Appointments and Remuneration Committee.

The Shareholders' Meeting of 27 April 2022 appointed (on the recommendation of the outgoing BoD) Ms Luisa Todini, former Chairman for the previous three-year period, as Chairman of the Board of Directors for the three-year period 2022-2024.

The assessment of the adequacy of the Board disclosure is included, among others, in the annual Self-Assessment of the Board of Directors and its Committees carried out by the Board of Directors of the Company for the 2022 Financial Year. As a result of this assessment, a very positive picture emerged in terms of prior receipt and clarity of the Board documentation as well as in terms of secure and easy access to the documentation (also relating to previous meetings) of the Board via the digital platform.

The Chairman ensured the coordination of the activities of the Board Committees with the activities of the BoD. In particular, the matters on the agenda for which they are responsible were brought to the attention of the Board Committees in advance for the examination and issue of the relative opinions, where envisaged. Information on the activities carried out by the aforementioned Committees was provided during the meetings of the administrative body, illustrating and commenting on the results, also through the examination of the relative reports, containing the topics dealt with by the Committees themselves and the assessments carried out by them.

During the Financial Year, the Manager responsible for preparing the Company's accounting documents, also Secretary of the Board of Directors, regularly took part in the Board meetings, also to provide, if necessary, the appropriate in-depth analyses on the matters pertaining to them on the agenda. At the invitation of the Chairman, the Heads of the Key Functions and some Executives and Managers of the main company areas also attended, in relation to matters within their competence.

With reference to the aforementioned participation of the Board of Directors and Statutory Auditors in the initiatives, it should be noted that, during 2022 the Directors and Statutory Auditors participated in the following inductions, planned by the Board of Directors as part

of the action plan related to the Self-Assessment of the Board and of its Committees for the year 2021. In particular, Induction on the '2022-2025 Business Plan' of 04/05/2022; '2022-2025 Business Plan' of 7 June 2022; 'IVASS and Solvency II Supervisory Regulations' of 20/07/2022; 'Digital Update' of 9/11/2022; 'Induction ESG' of 14/12/2022.

The results of the Self-Assessment of the BoD and its Committee for the year 2022 showed the utmost satisfaction of the Directors with the training and induction activities carried out for the benefit of the same and the Statutory Auditors.

The Chairman ensured the adequacy and transparency of the self-assessment process of the Board of Directors, with the support of the Appointments and Remuneration Committee, through the definition in the Board of Directors and the Appointments and Remuneration Committee in the respective meetings of 14 December last year of the assessment of the process to be followed for the Self-Assessment for the year 2022.

With reference to the 2022 financial year, the Chairman of the Board ensured that the Board itself was informed every six months (in the BoD meetings of 12.10.22 and 28.02.23) on the development and significant contents of the dialogue with the shareholders.

Secretary of the Board

The BoD Regulations govern, among other things, the role of the Secretary of the BoD. In particular, the Board of Directors resolves, on the proposal of the Appointments and Remuneration Committee and the Chairman of the Board, on the appointment and revocation of the Secretary of the body and defines the professional requirements and powers.

The Board may appoint a Secretary on a permanent basis, after assessing the existence of adequate requirements of professionalism, experience and independence of judgement, upon the proposal of the Appointments and Remuneration Committee, even outside its members, if necessary fixing their remuneration.

In the event of the absence or impediment of the Secretary, the Board of Directors, again on the proposal of the Chairman, may appoint a replacement for the individual meeting.

The Secretary is assisted by the Legal and Corporate Affairs Office.

In particular, with reference to the requirements of professionalism and experience, the Secretary must:

- a. have a degree in economics and law;
- b. have served as secretary of the board of directors for at least 3 years; and/or
- c. have accrued, at least 3 years of experience, professional activities as Corporate Secretary; and/or
- d. have accrued, at least 3 years of experience, professional activities in the field of insurance corporate governance system; and/or
- e. have held, for at least 10 years, the role of insurance manager.

The Secretary supports the activities of the Chairman and provides, with impartiality of judgment, assistance and advice to the Board on all aspects relevant to the proper functioning of the corporate governance system.

The Secretary, in the performance of their duties, has an organisational structure and personnel adequate to the performance of the office, also taking into account the role that may be attributed to them as Secretary of one or more Board Committees.

The Secretary of the Board of Directors, Mr Luigi Di Capua, was confirmed in the Board of Directors on 27 April 2022 and 1 June 2022.

During the Financial Year, the Secretary carried out the aforementioned duties, providing assistance to the Chairman of the Board of Directors in relation to the aspects indicated in Recommendation 12 of the Code.

4.6 EXECUTIVE DIRECTORS

Chief Executive Officer

The BoD of 27 April 2022 on the proposal of the Nomination and Remuneration Committee, with a view to the continuity of the Companies, still in the phase of full development and considering the quality of the performance, appointed Andrea Battista, formerly Chief Executive Officer since 18 October 2018, as Chief Executive Officer for the three-year period 2022-2024 until the conclusion of the Shareholders' Meeting which will be called to approve the financial statements for the year ending 31 December 2024.

The main duties of the Chief Executive Officer are listed below:

- a. to ensure the execution of the resolutions of the Board of Directors and the Shareholders' Meeting
- b. to ensure the ordinary management of corporate affairs, as well as the governance, supervision and coordination of the entire activity
- c. to promote and implement company policies
- d. to formulate proposals relating to business plans and annual budgets to be submitted to the Board of Directors for examination and approval
- e. to ensure the adequacy of the organisational, administrative and accounting structure
- f. to issue directives for the formation of the Company's financial statements; preparing the proposals to be submitted to the Board of Directors on the draft financial statements and consolidated financial statements, as well as on the interim financial reports.

The Board of Directors has also granted the Chief Executive Officer specific executive powers, defining the methods and limits for their exercise.

Disclosure to the Board by the directors/delegated bodies

At the Board meetings held in the 2022 financial year, the Chief Executive Officer reported to the Board and the Board of Statutory Auditors on the general performance of operations and its foreseeable evolution, as well as on transactions that, due to their size or characteristics, had a significant strategic, economic, equity or financial significance for the Company and its Subsidiary.

4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTORS

Independent Directors

The Board of Directors consists of 11 Directors, of which 10 are independent (except for the Chief Executive Officer) pursuant to the Consolidated Law on Finance (TUF) and the Corporate Governance Code, as better illustrated in Table 2.

The number of Independent Directors and their skills are adequate to the needs of the Company and the functioning of the Board, as well as the establishment of the board committees.

The verification of the independence requirement was carried out (with a positive outcome) by the BoD on 27 April 2022, at the time of renewal of the BoD, and by the BoD on 22 June 2022, at the time of verification of the requirements of the directors of companies with shares admitted to trading on a regulated market.

Each non-executive director provided all the elements necessary for the Board's assessments.

The positive outcome of the checks is shown in Table no. 2 attached to the Report.

The Board of Directors of 18 May 2021, with the support of the Appointments and Remuneration Committee, established the independence requirements pursuant to the Consolidated Law on Finance (TUF) and the Corporate Governance Code as part of the

Policy for the assessment of the Requirements of Professionalism, Integrity and Independence. The Policy was updated by the Board of Directors on 12 October 2022.

In addition, the Articles of Association of the Company with reference to the requirements of Article 148, paragraph 3, of the Consolidated Law on Finance (TUF) and any Policy for assessing the Requirements of Professionalism, Integrity and Independence adopted by the Company.

As part of the Policy for the assessment of the Requirements of Professionalism, Integrity and Independence, the BoD defined the quantitative and qualitative criteria to assess the significance of the relevant circumstances pursuant to the Code for the purposes of assessing the independence of directors.

In particular, a significant shareholder of the company refers to the shareholder who owns more than 5% of the Company's shareholding structure. In this case, the Company has adopted a restrictive interpretation with respect to the provisions contained in the Code, in order to guarantee the composition of the interests of all Shareholders.

Significant relationship means a relationship that involves/has involved an economic recognition equal to or greater than 5% of the gross premiums written of the Company (from the last financial statements approved).

In the case of insurance brokerage or similar relationships, economic recognition means commissions paid in the reference year.

In the case of the director who is also a partner in a professional firm or consultancy company, the management body assesses the significance of the professional relationships that may have an effect on his position and role within the firm or the consulting firms or companies that in any case pertain to important transactions of the company and the group it heads, even regardless of the quantitative parameters.

With reference to remuneration, please refer to the Remuneration policies in favour of Corporate Bodies and Personnel, in the framework of which it is envisaged that the Directors (excluding the Chief Executive Officer) are not granted variable remuneration systems linked to results or based on financial instruments.

The Board assessed the independence of its members during the self-assessment of the Board of Statutory Auditors for the year 2022. All the Statutory Auditors signed the declaration on the requirements of integrity, professionalism, competence, experience and independence which, among other things, includes the confirmation that "there are no professional, commercial, patrimonial and financial relationships with the company or group to which the Company exists, belongs or with the relevant significant representatives and therefore they are independent to the law and the Corporate Governance Code."

A meeting of the Independent Directors was held on 9 November 2022, coordinated by the Chairman of the Board of Directors, in order to appoint the financial advisor, for the release of a Fairness Opinion, on adequacy from a financial point of view, of the consideration envisaged for the Offer, in support of the opinion of the Independent Directors of the Company pursuant to Article 39-bis of the Consob Issuers' Regulation.

Lead Independent Director

The figure of the 'Lead Independent Director' ('LID') has not been established as the conditions envisaged by the Corporate Governance Code (recommendation no. 13) that require the presence of the same are not met in Net Insurance.

5.0 MANAGEMENT OF CORPORATE INFORMATION

In 2022, the Board of Directors updated the 'Market Abuse Code' procedure for the internal management and external communication of documents and information concerning the Issuer,

with particular reference to price sensitive information and internal dealing regulations, in order to bring its contents into line with the regulations applicable to Euronext STAR Milan. The Market Abuse Code is available on the Company's website in the Section <https://www.netinsurance.it/investor-relations/corporate-governance/>

6.0 INTERNAL BOARD COMMITTEES (pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance (TUF))

In order to increase the efficiency and effectiveness of its action, the Board of Directors has established specific Endo-Board Committees at Group level with propositional, advisory and support functions, defining their respective tasks for the purposes of specific Regulations, also taking into account the provisions of the Corporate Governance Code.

In particular, the following Committees have been established within the Board of Directors:

- Appointments and Remuneration Committee, for details please refer to section 7.3;
- Internal Control, Risk and Related Parties Committee, for details please refer to section 9.2;
- Investments Committee, for details please refer to section 6.1;
- ESG Committee, for details please refer to section 6.2

The members of each Committee are appointed by the Board of Directors and chosen from among its members. These Committees are composed of at least a majority of independent Directors as specified in the following paragraphs.

The administrative body determined the composition of the Committees by favouring the expertise and experience of the relative members and avoiding an excessive concentration of offices in this area. The Committees expire upon the end of the mandate of the entire Board of Directors; if one or more members are missing for any reason, the administrative body will replace them.

Each Committee is coordinated by a chairman and the Board of Directors is informed of the activities carried out by the Committees at each useful meeting. The Committees have the right to request from the Organisational Units and Fundamental Functions of the Group Companies all the information, including documentary evidence, necessary to allow them to perform their duties correctly, to dispose of financial resources and to avail themselves of external consultants, within the terms established by the administrative body and the Regulation. In carrying out their duties, the Committees ensure suitable functional and operational links with the competent Group structures.

Information on the composition and functioning of the aforementioned Board Committees is described in detail in the subsequent paragraphs of the Report, which deal with the respective matters falling within the competence of the Committees themselves, to which reference is made, in compliance with the provisions of the Borsa Italiana format. In particular:

- the Nomination and Remuneration Committee is described in Section 7;
- the Internal Control and Risk Committee is discussed in Section 9 relating to the internal control system;
- the Committee for Transactions with Related Parties is incorporated in the Internal Control and Risk Committee since, according to the specific Regulation, the Committee is assigned investigative, propositional and advisory duties, including (among other things) the activities of issuing opinions to the Board also with regard to transactions with related parties, as indicated in the 'Procedure for Related Party Transactions' approved by the Board of Directors in force from time to time. In this context, the Committee supports the Board in determining the guidelines for transactions with related parties, in line with the Group's strategies, and assesses their adequacy at least once a year.

In order to implement the principles and recommendations of the Corporate Governance Code and in view of the Uplisting to the Main Market, the Board of Directors has proceeded to update,

organically and in a structured manner, the regulations of the Committees envisaged by current sector regulations or recommended or suggested by the Code in the following sessions:

- Appointment and Remuneration Committee: 1st June 2022;
- Internal control, risk and related parties committee: 31 May 2022;
- ESG Committee: 17 May 2022.

The aforementioned regulations define, amongst other things, the methods for recording the minutes of the meetings, the procedures and terms for the prior sending of information useful for their discussion to the members of the Committees themselves, the methods for protecting the confidentiality of data and information, as well as those aimed at ensuring, through the secretaries of the respective bodies, the coordination of the activities of the Committees with those of the administrative body of the Company.

Additional committees (other than those envisaged by the regulations or recommended by the Code)

6.1 INVESTMENT COMMITTEE

Composition and operation

Number of meetings held during the 2022 Financial Year: 4

Average duration of meetings: approximately 1 hour and 22 minutes.

Number of meetings scheduled for 2023: 3 (of which 1 has already been held at the date of this Report) additional meetings to be scheduled.

From 1 January 2022 to 26 April 2022, the Investment Committee was composed of a total of three members: the Chief Executive Officer, Mr. Andrea Battista, as Chairman; the Independent Director Mr Roberto Romanin Jacur and the independent Director Monica Regazzi.

From 27 April 2022, the composition of the Investment Committee has changed: the Chairman of the Board of Directors and Independent Director, Ms Todini, was appointed as Chairman of the Committee; the other members of the Committee are the Chief Executive Officer, Mr Andrea Battista and the Independent Director, Mr Roberto Romanin Jacur.

The Committee is composed primarily of Independent Directors.

The minutes are prepared by the Secretary and approved by the Committee at the next meeting, and are also made available to the Board.

The Chairman of the Committee informs the Board of the activities carried out by the Committee itself at the first possible meeting and expresses the relative recommendations to the same.

The meetings of the Investment Committee were attended, at the invitation of the Chairman, by the CFO and the representatives of the relevant company functions, in order to support the discussion of the items on the agenda, as well as the members of the Board of Statutory Auditors, which are notified in advance within the terms envisaged for the convening of the Committee.

Functions of the committee

The Investment Committee is assigned the following tasks and, in particular, the task of reviewing and making recommendations to the Board and Top Management on the following issues:

- a) Expressing an opinion on the adequacy of the guidelines in the area of investments and hedging assets of the Group in relation to the complexity of the activity carried out, the risk tolerance and the level of capitalisation held
- b) Expressing an opinion on the consistency between the investment objectives of the investment policy of the Group, in line with the prudent person principle, and the strategic vision of the Group itself;
- c) Expressing an opinion on the consistency between the individual investment policies of the Group Companies and the Group investment policy;
- d) Expressing an opinion on the strategic allocation of the Group Companies, taking into account the overall activities carried out, the risk appetite and the level of capitalisation;
- e) Monitor the investment policy, including for:
 - market risk (market benchmark);
 - credit risk (quality of investments);
 - interest rate risk (portfolio maturity); and
 - liquidity risk;
- f) to oversee policy implementation and investment guidelines;
- g) to monitor the performance of external subjects entrusted with financial management;
- h) to evaluate and monitor the risk at the time of its occurrence from the investment process, including exceptions to the investments;
- i) to monitor compliance with the applicable laws and regulations.

The Committee will also have the following duties and responsibilities:

- a) recommending the investment strategy to the Board, submitting for its approval the guidelines on investments and assets covering technical provisions pursuant to IVASS Regulation no. 24 (framework resolution);
- b) expressing an opinion on the definition of the Strategic Asset Allocation and on the changes to the investment policy, the asset and liability management policy and the liquidity risk management policy;
- c) To express an opinion on the results of the sensitivity analyses to market risks, including liquidity and ALM risk, and to draw up consequent recommendations;
- d) Expressing an opinion on the achievement of the economic results envisaged by the business plan;
- e) to analyse, also with the support of the delegated managers, the macroeconomic situation and the performance of the financial markets in order to make forecasts on their performance;
- f) To express an opinion on the transactions carried out and on the future transactions that are expected to be carried out in the short and medium term;
- g) Expressing an opinion on the tactical asset allocation aimed at achieving the return objectives within the scope of what is defined in the Strategic Asset Allocation;
- h) supervising the implementation of investments, taking into account the provisions contained in the framework resolution for investments approved by the Board, reporting to the latter on any case related to the implementation and enforcement of this framework resolution;
- i) To express an opinion, on the proposal of the CFO or Head of Planning, Capital Management and Investments, on the purchase of 'non-recurring' investments, such as:
 - a. Hedging and effective management derivatives
 - b. Structured securities, with the exception of callable/puttable securities, constant maturity swaps, securities with floors, securities from securitisations, securities with call make whole and step up and step down securities.
 - c. Subordinated securities for amounts exceeding 3 million Euros in nominal value

- d. Project bond
- j) To express an opinion, on the proposal of the CFO or Head of Planning, Capital Management and Investments, on the strategy of investments in Italian and EU AIF funds, providing indications on:
 - a. Type
 - b. Total amount and individual fund
 - c. Absolute performance
 - d. "Stand-alone" and marginal capital absorption
 - e. Correlation with public markets
 - f. Diversification, in terms of management strategy and risk/source of return
 - g. Levels of expected volatility
 - h. Costs
 - i. Experience of the manager
 - j. Duration and methods of disposal on maturity
- k) Expresses an opinion, on the proposal of the CFO or the Head of Budget and Planning, Capital Management and Investments, on the investment in individual Italian and EU AIF funds
- l) To express an opinion, on the proposal of the Top Management, on transactions concerning instruments not specifically envisaged by the limit grid of this document, but allowed by the regulations in order to submit to the approval of the Administrative Body in the event of a favourable opinion.
- m) To express an opinion on intragroup transactions not subject to prior authorisation, as defined in the 'Policy on Intragroup Transactions';
- n) To express an opinion, on the proposal of Top Management, on the purchase of equity investments that involve control or significant influence or that are significant, pursuant to IVASS Regulation no. 10 of 22 December 2015, in order to submit to the approval of the Administrative Body in the event of a favourable opinion.
- o) To express an opinion, on the proposal of Top Management, on the purchase of strategic equity investments in order to submit to the approval of the Administrative Body in the event of a favourable opinion, with the exception of the purchase of equity investments linked to distributed agreements for an amount for individual transaction not exceeding 250,0000 Euros and for a cumulative value at group level per year per administrative year not exceeding 1,000,000, Euros which fall within the decision-making autonomy of the Chief Executive Officer.

In 2022, the Investment Committee:

- (p) Has expressed an opinion on the:
 1. adequacy of guidelines in the area of investments and hedging assets of the Group;
 2. consistency between the investment objectives of the investment policy of the Group, in line with the prudent person principle, and the strategic vision of the Group itself;
 3. consistency between the individual investment policies of the Group Companies and the Group investment policy;
 4. strategic allocation of the Group Companies, taking into account the overall activities carried out, the risk appetite and the level of capitalisation;
 5. definition of the Strategic Asset Allocation and on the changes to the investment policy, the asset and liability management policy and the liquidity risk management policy to be submitted to the Board of Directors for approval;
 6. results of the sensitivity analyses to market risks, including liquidity and ALM risk;
 7. economic results expected for the year 2022 and for the 2022-2025 business plan and on the achievement of the same;

8. transactions carried out and on future transactions that are expected to be carried out in the short and medium term;
 9. tactical asset allocation aimed at achieving the return objectives within the scope defined in the Strategic Asset Allocation;
 10. strategy of investments in Italian and EU AIF funds and on investment in individual Italian and EU AIF funds;
 11. purchase of strategic equity investments.
- (q) Has supervised:
1. the implementation of investments in accordance with the provisions contained in the framework resolution for investments approved by the Board, reporting to the latter on any case related to the implementation and enforcement of this framework resolution.
- (r) Has monitored the:
1. performance of external subjects entrusted with financial management;
 2. equity and economic situation of the financial portfolio, providing consequent indications and recommendations on portfolio management and strategic choices, both with reference to the global economic context and with reference to the regulatory context of the sector;
 3. compliance with the applicable laws and regulations;
 4. risks associated with the financial portfolio, with particular reference to market risk (market benchmark), credit risk (quality of investments), interest rate risk (portfolio maturity) and liquidity risk.

For the purposes of autonomously carrying out actions and interventions in fulfilment of its duties, the Investment Committee is assigned an availability of expenditure, proposed by the Committee itself and defined by the Board at Group level.

In carrying out its functions, the committee has unrestricted access to all information. It may initiate special investigations in all areas for which it is responsible. The CEO must be aware of these investigations, which may be carried out using both internal and external services. In any event, the Group will provide the resources necessary for this purpose.

6.2 ESG COMMITTEE

Number of meetings held during the 2022 Financial Year: 3

Average duration of meetings: approximately 1 hour and fifteen minutes.

Number of meetings scheduled for 2023: at least 4 as per the ESG Committee Regulations

The ESG Committee was established by board resolution on 27 April 2022, in order to carry out the tasks assigned to it, in the environmental, social and governance areas.

Composition and operation

The ESG Committee is composed solely of independent directors pursuant to both the Consolidated Law on Finance (TUF) and the Corporate Governance Code:

- Ms Simonetta Giordani (Chairman);
- Ms Anna Doro;
- Ms Monica Regazzi.

The minutes (prepared by the Committee secretary and approved by the Committee) are made available to each individual Board meeting

The Chairman of the Committee regularly reports to the Board on the:

- activity carried out, monitoring the positioning of the Company on the financial markets with respect to sustainability issues, with particular reference to the placement in the ethical indexes;
- initiatives carried out by the Company in environmental, social and governance matters, with the aim of consolidating the company's reputation towards the entire community of stakeholders;
- observations made in the various areas of competence.

The Committee has no authority to bind the Group or the individual Companies, unless the Board has expressly delegated the powers to do so. In the absence of this delegation, the Committee is only authorised to make recommendations to the Board on matters within its competence.

In any event, all meetings of the ESG Committee are attended by the Chief Executive Officer, the CMO and the CFO, who acts as Committee secretary. On the basis of the items on the agenda, the following company functions are invited to the meetings of the Committee:

- HR Function;
- Planning, Management Control and Capital Management;
- Risk Management;
- Investor Relations and Special Projects

The ESG Committee may invite additional company functions and other persons whom it deems useful to meet as part of its functions to attend its meetings.

The invited parties described above may therefore, from time to time, be invited to participate in the meetings of the ESG Committee, as appropriate; these parties (who are not members of the Committee) are not entitled to any vote within the Committee.

The Board of Statutory Auditors may attend the meetings of the Committee, which is notified in advance within the terms envisaged for the convening of the Committee.

Functions of the committee

The Committee assists the Board in evaluations and decisions related to sustainability, understood in the broader concept of environmental, social & governance, including the definition of a sustainability strategy with the aim of generating value in the medium to long term. The sustainability strategy takes the form of: (i) the identification of sustainability issues relevant to the business of the company and its interaction dynamics with all stakeholders; (ii) in corporate social responsibility.

In the area of sustainability, the Board of Directors is entrusted with advisory, proposal and opinion-making tasks. In particular, the Committee is responsible for the following activities to be carried out over a multi-year period:

- examining the guidelines, objectives as well as the consequent sustainability processes, including the non-financial reporting submitted to the Board of Directors;

- supporting the Company in the formulation of Business Plans in the area of environmental, social and governance issues, with the aim of pursuing the creation of long-term value, taking into account the interests of all stakeholders;
- examining the Company's remuneration policies, in coordination with the Appointments and Remuneration Committee;
- examining the draft non-financial reporting and the risk management system from an ESG perspective, in coordination with the Group's Internal Control, Risk and Related Parties Committee;
- monitoring the implementation of the ESG Action Plan prepared by the Group;
- receiving and evaluating the results of the monitoring of the sustainability KPIs at least every six months;
- receiving periodic reports on the results of the monitoring carried out by Risk Management in relation to sustainability risks;
- promoting all the sustainability initiatives implemented and/or planned by the Company, overseeing the evolution of the initiatives in line with the strategy defined by the Board of Directors;
- monitoring the Group's maintenance of all sustainability requirements set forth in industry regulations;
- guaranteeing adequate information flows addressed to the Board, regarding the topics discussed and the observations, recommendations and opinions formulated;
- monitoring the evolution of legal regulations and best practices on corporate governance and sustainability, updating the Board of Directors in the presence of significant changes, formulating any proposals;
- promoting the culture of sustainability towards the various stakeholders and, in particular, proposing to the Board a training and continuous updating program on the subject.

In the 2022 financial year, the ESG Committee:

- a. has approved the ESG Committee Regulations;
- b. met several times during its meetings with the advisor appointed by the Company as part of the internal ESG projects, with the aim of knowing the progress of the project;
- c. discussed any sustainability KPIs for the preparation of the 2022 - 2025 Business Plan of the Net Insurance Group;
- d. discussed the results of stakeholder engagement and materiality analysis with the aim of identifying material issues;
- e. expressed a favourable opinion on the sustainability KPI/KRI proposal;
- f. commented on the contents and results of the questionnaire on data on climate risks and sustainability requested by the Supervisory Authority, expressing a favourable opinion on the contents of the questionnaire to be sent to the Supervisory Authority by 31 October 2022;
- g. was informed about the project for the digitisation of insurance registers already activated by the Company and the keeping and storage of the minutes of the corporate bodies (i.e. the BoD, Shareholders' Meetings, Board of Statutory Auditors, Supervisory Body and Board Committees).

The Committee has a budget, approved by the Board of Directors, adequate for the performance of its duties.

In carrying out its functions, the Committee:

- has the right to have unlimited access to all the information necessary for the performance of its duties, as well as to make use of external consultants;
- periodically reviews and assesses the adequacy of this Regulation and recommends any proposed amendments to the Board for subsequent approval.

7.0 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - APPOINTMENTS AND REMUNERATION COMMITTEE

7.1 SELF-ASSESSMENT

Pursuant to IVASS Regulation No. 38/2028, at least once a year, the Company's Board of Directors carries out an assessment of the size, composition and effective functioning of the administrative body as a whole, as well as its committees, expressing guidelines on the professional figures whose presence on the administrative body is deemed appropriate and proposing any corrective actions.

For the Self-Assessment for the 2021 financial year, carried out during the 2022 financial year, on the occasion of the expiry of the mandate of the Board in 2022 and the consequent renewal activities, the Board of Directors, with the support of the Appointments and Remuneration Committee, appointed an independent specialist company, Mercer Italia S.r.l. The company Mercer was also appointed, in view of the renewal of the Board of Directors, for the preparation of the Guidance on the qualitative and quantitative composition of the Board of Directors.

The company Mercer Italia S.r.l. was previously appointed by the Companies to draw up their opinion on the elements characterising the short-term incentive plan of the CEO and also carried out a benchmark of the remuneration for the non-executive Chairman and for the members of the board, internal board committees and the Board of Statutory Auditors.

The following is a summary of the activities carried out by Mercer:

a) Preliminary analysis/investigation

b) Assessment

- Preparation of a personalised questionnaire and completion on-line by the Directors
- Carrying out of individual interviews with Directors, to comment together on the answers to the questionnaire
- Contextual interviews with: Board of Statutory Auditors, Secretary of the Board of Directors, CFO/Financial Reporting Manager, Internal Audit Manager, Risk Manager

c) Benchmarking of operating practices adopted by the Board of Directors

d) Reporting and action plan

e) Guidance report on the qualitative and quantitative composition of the BoD, in view of the renewal

f) Presentation to the Appointments and Remuneration Committee, to the Chairman of the BoD and to the BoD

The Self-Assessment of the Board of Directors and its Committees for the year 2021 was presented and shared, after examination by the Appointments and Remuneration Committee, at the meeting of the Board of Directors on 23 March 2022.

Overall, the Directors expressed a very positive assessment of the size, composition and

functioning of the Board of Directors and the Board Committees. In particular, the interviews show a very positive picture: the percentage of responses in accordance with the topics proposed in the questionnaire is 90%; the responses not in agreement as a whole amounted to 2% and the 'neutral' responses accounted for 8%. The latter refer in many cases to aspects on which the Directors do not yet have all the elements of assessment to express themselves, because they relate, for example, to the still incomplete limited knowledge of some of them more recently appointed.

A more detailed analysis referring only to the Committees shows the full satisfaction of both the Directors for the contribution they receive and those who are part of it for the possibility of deepening and carrying out the preliminary and proposal activities.

The company Mercer also issued, in view of the renewal of the BoD in 2022, the Guidance on the qualitative-quantitative composition of the BoD, which was published by the Company on 31.03.22 before the publication of the call of the Shareholders' Meeting for the renewal of the BoD on 4.04.22. It should be noted that in April 2022, Net Insurance was not a regulated listed company and was not a recipient of the provisions of the Corporate Governance Code.

Among other things, the Company has made available to the Shareholders' Meeting of 27 April 2022 the Guidelines for the presentation of lists of the Board of Directors, in the context of which it is indicated to take into account, for those presenting a list, the Guideline on the Qualitative and Quantitative Composition of the Board of Directors.

With regard to the financial year 2022, the Board of Directors of 15 December 2022, having consulted with the Nomination and Remuneration Committee, decided, giving adequate reasons, to carry out the self-assessment of the Board of Directors and its Committees internally.

The process to be followed was also defined, which envisages: (i) the administration of a questionnaire to the Directors (ii) the analysis of the indications and comments that emerged; (iii) the proposal of a remediation plan; (iv) discussion in the Board of Directors of the results and of the remedial plan.

The Self-Assessment for the year 2022 was presented and shared, after examination by the Appointments and Remuneration Committee, at the meeting of the Board of Directors on 28 February 2023.

For the self-assessment, as requested in the Letter from the Chairman of the Corporate Governance Committee as part of the Self-Assessment Exercise, the '2022 Report' and the 'Recommendations of the Committee for 2023' were adequately considered.

Overall, the Directors expressed (also for the 2022 financial year) a positive assessment of the size, composition and functioning of the Board of Directors and the Board Committees. In particular, the interviews show a very positive picture: the percentage of responses in accordance with the topics proposed in the questionnaire is 78%; the responses not in agreement as a whole amounted to 4% and the 'neutral' responses accounted for 16%. The replies not provided account for 2%.

The 'neutral' responses mainly refer to:

- non-applicable questions (e.g. appointment of the LID)
- work areas in which the Board of Directors has not yet operated (e.g. assessment of the contribution of the Directors, planning and management of the succession of the Chairman, assessment of misalignments between the organisational culture and the corporate strategy, remuneration of top management linked to KPI ESG, participation of Directors in training organised by external bodies, crisis management and assignment of Corporate Governance issues to a Committee)
- areas covered by previous BoDs (e.g. Succession plan of the CEO and top management, Dialogue with shareholders).

The BoD, having consulted the Appointments and Remuneration Committee, assessed the actions to be taken, reserving the right to return to certain actions pending the outcome of the public tender offer promoted by Poste Vita.

7.2 DIRECTORS' SUCCESSION

The BoD of 15 December 2021, having acknowledged the opinion of the Appointments and Remuneration Committee, approved the Succession Plan, which contains the process for monitoring the coverage of key roles (and the related pipeline of potential candidates).

The current Succession Plan considers both external and internal candidates.

On 23 March 22, the BoD, having consulted the Appointments and Remuneration Committee, acknowledged the Emergency Succession Plan of the Chief Executive Officer.

The Succession Plan of the Chief Executive Officer and of the key roles and the Emergency Succession Plan of the Chief Executive Officer are subject to revision upon event and expiry of the mandate.

7.3 APPOINTMENT AND REMUNERATION COMMITTEE

The BoD of 27 April 2022, following the renewal of the Board of Directors by the Shareholders' Meeting held on the same date, resolved to establish the Appointments and Remuneration Committee.

Composition and functioning (pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidate Law on Finance (TUF))

Number of meetings held during the 2022 Financial Year: 12

Average duration of meetings: approximately 1 hour.

Number of meetings planned for 2023: 6 (of which 3 have already been held at the date of the Report).

From 1 January 2022 to 26 April 2022, the Nominations and Remuneration Committee consisted of the Chairman of the Board of Directors and Independent Director Luisa Todini, the Independent Director Anna Doro, and the Independent Director Simonetta Giordani.

Since 27 April 2022, the Nominations and Remuneration Committee has been composed of the Independent Director Mr Roberto Romanin Jacur, as Chairman; the Independent Director Anna Doro, and the Independent Director Nicoletta Garola.

The Committee is composed entirely of Independent Directors (other than the Chairman of the Board of Directors).

The minutes are prepared by the Secretary and approved by the Committee at the next meeting, and are also made available to the Board.

The Chairman of the Committee informs the Board of the activities carried out by the Committee itself at the first possible meeting and expresses the relative recommendations to the same.

The meetings of the Nomination and Corporate Governance Committee were attended, at the invitation of the Chairman, by employees of the Company and persons outside the Committee, as well as representatives of the relevant company functions (informing the Chief Executive Officer), in order to support the discussion of topics in the agenda.

The Board of statutory auditors may attend the meetings of the Committee, which is notified in advance within the terms envisaged for the convening of the Committee.

Functions of the committee

The Committee is assigned preliminary, propositional and advisory duties, including (among other things) the activities of issuing opinions to the Board

In particular, in its capacity as nomination committee pursuant to Article 4 of the *Corporate Governance Code*, the Committee carries out the activities envisaged by recommendation no. 19 which include, amongst other things:

- p) appoints members of the Boards of Directors, including any co-opting of Directors, board committees and other committees assessing the:
 - i. quantitative composition considered optimal in relation to the relative objectives;
 - ii. adequate degree of diversification, including gender, in the composition of the Board;
- q) appointment, based on prior verification of the requirements, and revocation of the Board Secretary;
- r) in the event of the expiry of the mandate of the Board of Directors, proposal to the outgoing Board of a list of candidates to be presented to the Meeting;
- s) dissolution of a Committee where deemed appropriate;
- t) assisting the Board with the checks it is required to perform as a result of the appointment process, pursuant to the provisions of the relevant regulations and the statutory provisions;
- u) preparation, updating and implementation of the recovery plan methods, containing the indication and basic criteria for promptly identifying possible replacement candidates to cover key positions (management, executive directors, chief executive officer) of the Group and the other members of the Board;
- v) appointing, with the cooperation of the Internal Control, Risk and Related Parties Committee, the heads of the control functions, verifying the existence and permanence of the regulatory requirements;
- w) revision, at least annually, of the policies for the assessment of the Professionalism, Integrity and Independence requirements;
- x) assessment of the existence and permanence of the regulatory requirements for relevant personnel;
- y) to assist, on an annual basis, the Board in self-assessment activities relating to the size, composition and actual functioning of the Board itself and its Committees;
- z) supporting the Chairman of the Board and the Secretary in ensuring the adequacy and transparency of the Board's self-assessment process;
- aa) definition and revision of the regulation of the Board of Directors and the regulation on the accumulation of offices of Directors; and
- bb) regularly reporting to the Board on the Committee's activities.

In its capacity as remuneration committee pursuant to Article 5 of the Corporate Governance Code, the Committee carries out the activities envisaged by recommendation no. 25 which include, inter alia:

- a) assisting the Board in drawing up remuneration policies in favour of corporate bodies and Personnel, taking into account the provisions of the Corporate Governance Code and, in particular, Article 5 (*Remuneration*) (hereinafter the 'Remuneration Policies')
- b) review, at least annually, of the Remuneration Policies in line with the provisions in force, assessing:
 - i. the adequacy, also in the event of changes to the operations of the Companies or the market context in which the Group operates;
 - ii. the overall consistency, also with sound and effective risk management in order to avoid the assumption of risks that exceed the tolerance limits established by the Board as part of the risk management policy;
 - iii. the concrete application and effective functioning, also ascertaining the fulfilment of the conditions for the payment of the variable components to the relevant personnel;
 - iv. the contents of the annual report on the application of the Remuneration Policies that the Board makes available to the Shareholders' Meeting;
 - v. the outcomes of the assessments carried out on the remuneration Policies by the Internal Audit, Compliance and Risk Management Functions;
- c) ensuring the involvement of the key functions, as well as the human resources

- function in the definition of the Remuneration Policies;
- d) submitting proposals or expressing opinions on the Remuneration Policy of the Chief Executive Officer as well as on the setting of performance objectives related to the variable component of remuneration, monitoring the application of the decisions adopted by the Board itself and verifying the achievement of the aforementioned objectives;
- e) definition and monitoring of the Remuneration Policy of the directors, directors holding special offices, members of the Board and non-Board committees, of the responsible body and the Managers of the Essential Functions and on the distribution of said remuneration between the Group Companies;
- f) definition of the long-term LTI variable component, monitoring the application of the decisions taken at the Meeting and by the Board and verifying the attainment of the relevant objectives;
- g) definition of the available budgets to be attributed to the Committees and the control bodies and functions;

The Committee carries out the additional tasks attributed to it by the Board.

In 2022, the Appointments and Remuneration Committee:

- h. assisted the Board in the self-assessment activities (for the years 2021 and 2022) of the Board itself and its Committees, supporting the Chairman of the Board and the Secretary in ensuring the adequacy and transparency of the Board's self-assessment process;
- i. with regard to the expiry of the mandate of the Board of Directors in 2022: i) it acknowledged with satisfaction the Guidance on the qualitative-quantitative composition of the BoD, making its own the existences; ii) proposed to the outgoing Board a list of heads of control functions of candidates to be submitted to the Shareholders' Meeting in line with the Guidance on the qualitative-quantitative composition of the BoD; iii) supported the BoD in defining the process for the appointment of the new BoD and the new Board of Statutory Auditors; iv) proposed the preliminary opinion of the Euronext Growth Advisor to the Board of Directors
- j. provided assistance to the Board with the checks it is required to perform as a result of the appointment process, pursuant to the provisions of the relevant regulations and the statutory provisions;
- k. Supported the Board of Directors in assessing whether the limit on the number of offices of a Director has been exceeded
- l. Supported the BoD in assessing compliance with the provisions of Ministerial Decree no. 88/2022 and with regard to the limits to the accumulation of offices of a Director following Ministerial Decree no. 88/2022
- m. proposed to the Board of Directors the remuneration of directors, directors holding special offices, members of the Committees, whether or not of the Supervisory Board, and the allocation thereof among the Group Companies
- n. proposed to the BoD the availability of spending to be allocated to the Committees and the SB
- o. proposed the appointment, after verification of the requirements, of the Secretary of the Board
- p. supported the Board of Directors in assessing the continuation of the regulatory requirements for relevant personnel
- q. proposed to the BoD the Succession Plan of the Chief Executive Officer and the Executives and the Emergency Succession Plan (in the event of resignation or unexpected impediment) of the Chief Executive Officer
- r. proposed to the Board of Directors the update of the Policy for the assessment of integrity, professionalism and independence requirements
- s. supported the Board of Directors in the revision of the Regulation of the Board and of the Regulation of the Nomination and Remuneration Committee, in order to implement the provisions applicable to Euronext STAR Milan

- t. Supported the Board of Directors, as part of the preparatory activities for the transition to Euronext STAR Milan, in confirming the manager in charge of preparing the corporate accounting documents, the investor relator, the head of internal audit and in the appointment of the information contact person.
- u. assisted the Board in revising the Remuneration Policies
- v. assisted the Board in setting the performance objectives related to the variable component of the remuneration of the Chief Executive Officer, monitoring the application of the decisions adopted by the Board itself and verifying the achievement of the aforementioned objectives
- w. supported the BoD in updating the implementation of the Action Plan: i) relating to the BoD and Committees Self-Assessment for the year 2021; ii) relating to compliance with the provisions of the Corporate Governance Code.

The Committee has a budget, approved by the Board of Directors, adequate for the performance of its duties.

In carrying out its functions, the committee had the opportunity to access the information and company functions necessary for the performance of its duties, have financial resources and make use of external consultants, within the terms established by the Board.

8.0 REMUNERATION OF DIRECTORS

For the information required in relation to the remuneration of executive Directors and top management, the remuneration plans based on financial instruments, the remuneration of non-executive Directors, reference is made in full to the document "2021 Remuneration Policy Disclosure" and "2022 Remuneration Policies", Available on the Company's website in the Section <https://www.netinsurance.it/investor-relations/documenti/assemblee/> with reference to the Shareholders' Meeting of 27 April 2022.

Indemnity to directors in the event of resignation, dismissal or termination of employment following a takeover bid (pursuant to Article 123-bis, paragraph 1, letter i), of the Consolidated Law on Finance)

The terms envisaged in the individual agreement for the Chief Executive Officer of the Company, Mr Andrea Battista:

- the Company will recognise Mr Battista, in his capacity as Chief Executive Officer, an indemnity at the end of the mandate, equal to 7.4% of the Fixed Compensation received for each year of his mandate, or for the shorter period in the event that his mandate should finish before the end of the year. The indemnity calculated in this way will be paid within 30 days following the termination of the mandate, net of any deductions and withholdings due by law;
- the Termination Indemnity, together with the powers and proxies granted to Mr Battista in his capacity as Chief Executive Officer, may be revoked immediately in the following cases:
 - for just cause, i.e. the recourse of a cause that does not allow even the provisional continuation of the office conferred on Mr Battista;
 - in the event that Mr Battista should cease to meet the requirements necessary to hold the position of Chief Executive Officer for the Company;
- Mr Battista may at any time resign from his position as Chief Executive Officer, with written notice of at least 6 months;
- Mr Battista may in any case resign from the office of Chief Executive Officer with immediate effect, without the need for any notice and without the application of

- penalties, in the event of his total and permanent invalidity and/or just cause;
- in the event of mutual termination of the relationship or non-renewal, in line with market practice, Mr Battista will be granted a 24-month salary.

9.0 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM - INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE

Introduction

The internal control and risk management system (for the purposes of this Section 9, also the 'System') is a fundamental element of the overall corporate governance system; it consists of the set of rules, procedures and organisational structures that aim to ensure effective and effective identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of companies. In line with the principles of the current Corporate Governance Code, as well as with the reference models and national and international best practices, the System aims to ensure:

- the effectiveness and efficiency of business processes;
- the identification, assessment, including forward-looking, management and adequate control of risks, in line with the strategic guidelines and the risk appetite of the company, also in the medium-long term;
- the prevention of the risk that the company may be involved, even involuntarily, in illegal activities, with particular reference to those connected with money laundering, usury and terrorist financing;
- the prevention and proper management of potential conflicts of interest, including those with Related Parties and Intragroup Counterparties, as identified by the relevant regulations;
- verification of the implementation of company strategies and policies;
- safeguarding the value of company assets, also in the medium-long term, and the proper management of those held on behalf of customers;
- the reliability and integrity of the information provided to the corporate bodies and the market, with particular reference to accounting and management information, as well as the IT procedures;
- the adequacy and timeliness of the corporate information reporting system;
- the compliance of the company's activities and transactions carried out on behalf of customers with the law, supervisory regulations, self-regulation rules and internal company provisions.

The internal control and risk management system is defined in the document 'Directives on the corporate governance system' which govern, amongst others, the role and responsibilities of the parties involved, including the Policies of the Key Functions.

An adequate internal control and risk management system is based on an effective and efficient organizational and procedural system, correctly formalised and updated.

To this end, the Net Group has adopted internal regulations, which provide for policies and guidelines, as well as specific operating procedures contained in the Manual of Procedures, which is specifically published in a company intranet area and available to all personnel, which acts as a repository for all of the rules of conduct and all internal regulatory documents (i.e. organisation and management model pursuant to Italian Legislative Decree 231/2001, code of ethics and of conduct, policies, delegations, organisational chart, organisational function chart, internal procedures and documents generated in the fulfilment of legal or internal rules), relating to the entire business organisation, to allow for more effective and large-scale dissemination throughout the company.

The principles and processes of the System as a whole are governed, amongst others, by the following Group policies:

Guidelines on the Corporate Governance System;

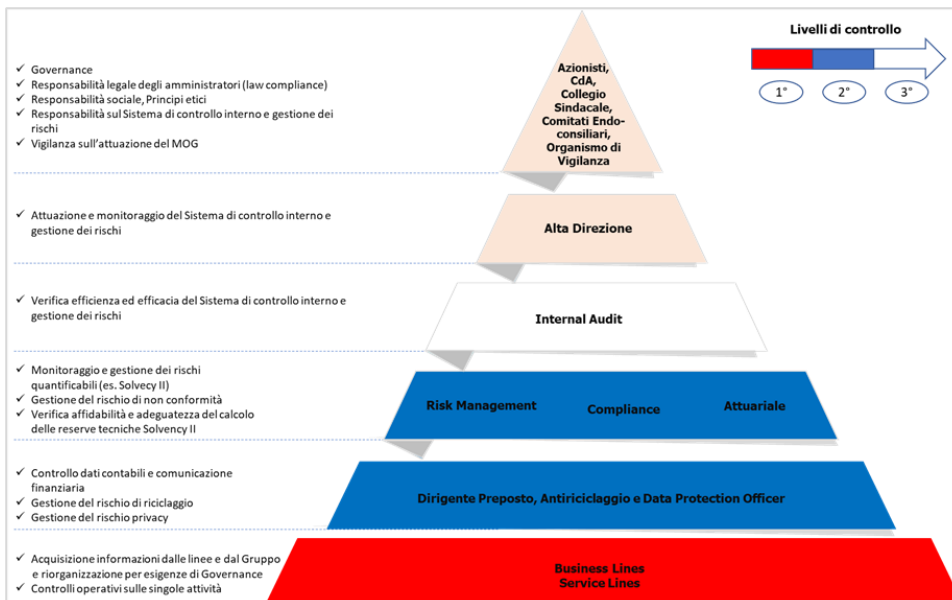
- Risk management policy;
- ORSA Policy - Current and forward-looking assessment of risks and solvency;
- Operational risk management policy;
- Group-wide risk concentration policy;
- Net Insurance Group guidance, coordination and control procedures;
- Policy on intra-group transactions;
- Guidelines and Procedure for transactions with related parties.

An integral part of the System are also the policies that outline the principles and guidelines on:

- management of specific risk factors (for example, 'Guidelines on investments and hedging assets pursuant to IVASS Regulation no. 24 of 6 June 2016' for market risk);
- management of a risk within a specific process;
- mitigation of a risk;
- and management of risk measurement models.
- The parties involved in the internal control and risk management system exchange the information flows required by current legislation and any other useful information in order to guarantee:
 - to the administrative body a complete knowledge of the relevant corporate events, including the results of the activities carried out by the Fundamental Functions, and of any malfunctions encountered, so that the necessary corrective measures can be rapidly implemented;
 - and to the other parties involved all the information necessary for the performance of their duties in this regard.

The methods of coordination and information flows between the parties involved in the internal control and risk management system (including those between the Key Functions) are represented in the aforementioned document 'Directives on the corporate governance system' as well as in the Regulations of the Internal Committees Board members.

The Corporate Governance System also includes an internal process of reporting by personnel of acts or facts that may constitute a violation of the rules governing the activity carried out, which guarantees a specific and confidential information channel, as well as the anonymity of the whistleblower. It is formalised in the Whistleblowing Policy approved by the Board of Directors of both Companies of the Net Group, most recently on 26 January 2022.



Risk management

The risk management system, in general, is the set of processes and tools used to support the risk management strategy of the Net Group and the individual Group Companies and allows an adequate understanding of the nature and significance of the risks to which the Group and the individual companies that are part of it are exposed in the performance of their activities. These processes and tools allow the Company and the Group to have a single point of view and a holistic approach to risk management, and represent an integral part of business management. Such a risk management system regards the entire business process with a view to enabling the Company to optimise its risk-return profile, by boosting profitability and maintaining an adequate level of economic/regulatory capital, while also meeting shareholder and policyholder expectations.

In view of Solvency II, it is necessary that companies and groups have an 'effective system of governance which provides for sound and prudent management of the business' and which is proportionate to the nature, extent and complexity of the current and outlook risks, establishing its main requirements.

The risk management process is divided into the following phases:

- identification of the risks considered significant, or those risks whose consequences may compromise the solvency or reputation of the Net Group or constitute a serious obstacle to the achievement of strategic objectives;
- current and forward-looking assessment of risk exposure; the current assessment of the risks identified is carried out using the methods envisaged by current regulations or, failing that, by best practices. With regard to the forward-looking assessment, it should be noted that the internal risk and solvency assessment process (so-called Own Risk and Solvency Assessment, 'ORSA') is used in order to support the strategic decisions of the company;
- monitoring of exposure to risks and reporting, a system implemented (based on the principles of completeness, timeliness and effectiveness of the disclosure) in order to ensure timely and continuous monitoring of the evolution of the Risk Profile and compliance with the defined Risk Appetite. This system ensures that the quality and quantity of the information provided are commensurate with the needs of the various recipients and the complexity of the business managed, in order to be used as a strategic and operational tool for assessing the possible impacts of decisions on the risk profile and on the solvency of the company;
- risk mitigation, which consists in identifying and proposing actions and interventions necessary and/or useful to mitigate the present or prospective risk levels that are not in line with the risk objectives defined within the company.

The processes of identification, assessment and monitoring of risks are carried out on an ongoing basis to take into account both changes in the nature and size of the business and in the market context, and the emergence of new risks or changes in existing ones and are, furthermore, pursued through an organizational structure inspired by criteria of separation and autonomy between the operating and control functions, as well as by specific processes that regulate the assumption, management and control of risks, also through the progressive implementation of adequate IT tools. This system has the objective of guaranteeing 'risk-based' decision-making processes in compliance with the national and European regulations in force and applies both to existing risks and to those that may arise on existing businesses or on new businesses.

These processes are carried out according to methods that guarantee an integrated approach at Group level; the Net Group guarantees that the Risk Management Policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company included in the scope of Group supervision as well as their mutual interdependencies, with reference to the provisions of Articles 210 and 210-ter, paragraphs 2 and 3, of the Private Insurance Code.

Risk Appetite and Risk Appetite Framework

The Solvency II Directive requires companies and groups to have an 'effective system of governance which provides for sound and prudent management of the business' and which is proportionate to the nature, extent and complexity of the current and outlook risks to which the Net Group is exposed, assessing the impact these risks may have on the achievement of strategic objectives and establishing its main requirements.

The risk management system regards the entire business process with a view to enabling the Group Companies to optimise their risk-return profile, by boosting profitability and maintaining an adequate level of economic/regulatory capital, while also meeting shareholder and policyholder expectations.

To pursue these high-level objectives, the approach adopted takes into consideration the need to reconcile multiple requests from the main stakeholders. In particular, the following are taken into consideration:

- the need to safeguard assets and reputation;
- the security and solvency requirements;
- the need to diversify risks and ensure sufficient liquidity.

The entire risk management system was also formalised and documented through the updating of the overall policy framework and aimed at ensuring the integration of risk management within the business through:

- the determination of the risk appetite and the mechanisms for controlling the consistency between it and the actual risk profile;
- the current and outlook risk profile assessment process, aligned and integrated with the main decision-making processes (particularly with the process of developing the strategic plan).

In addition, the risk management system implemented for the Net Group aims to guarantee risk-based decision-making processes in compliance with national and European regulations in force and applies both to existing risks and to those that may arise with existing businesses or on new businesses; in this context, the Risk Appetite Framework and the internal assessment of risks and solvency (ORSA Report) represent fundamental elements of the Risk Management System.

The new Risk Appetite Framework, promoted from 2019 with the proposal-making support of the Audit, Risk and Related Parties Committee and the result of joint work by the Management, of the Essential Functions and the Organisational Units of the Companies and coordinated by the Risk Management Function, was approved by the Board of Directors of both Group Companies on 13 September 2022, based on a prior favourable assessment by the Internal Control, Risk and Related Parties Committee.

The definition of Risk Appetite is based on the following general principles:

- the aim is not to eliminate risks but to manage them in such a way as to ensure sustainable and long-term growth;
- the most important components in terms of risk profile to guarantee safety and protection towards customers, employees and the market are: capital strength, sufficient liquidity, and adequate profitability;
- it is necessary to create a fair relationship with all stakeholders, balancing their needs and expectations in terms of risk management.

In line with the aforementioned principles, the Companies of the Net Group maintain adequate levels of:

- capitalisation, in order to avoid the revision of strategic decisions;
- availability of liquid funds, in order to make it possible to meet its commitments even in periods of tension caused by idiosyncratic or market events at economic conditions and within a reasonable time;
- monitoring of reputational risk, in order to minimise the risk of negative events that compromise the perception of the Group by its reference stakeholders;
- monitoring of emerging risks, in order to anticipate the emergence of risks that may compromise the capital strength or sustainability of the business model, and prepare its

- management;
- monitoring of ESG risks, in order to preserve the ability to create value over time of the Group and its stakeholders by mitigating environmental, social and governance impacts;
- monitoring of operational risk, in order to ensure, even in the event of extreme events, the continuity of company operations and the protection of company assets.

The determination of the Risk Appetite for the Companies and the Group is generally broken down, in quantitative terms, according to the following elements:

- capital adequacy
- profitability indicators;
- indicators of liquidity and exposure to operational risks.

Qualitative objectives are defined with reference to compliance risk, emerging, strategic and reputational risks, ESG risks and operational risk.

The Risk Appetite is formalised through the Risk Appetite Framework (RAF), which indicates the risks that the Group and/or the individual company intends to assume or avoid, sets the limits in quantitative terms, as well as the qualitative criteria to be taken into consideration for management of unquantified risks.

The RAF is defined in strict accordance with the business model, the Strategic Plan, the Own Risk and Solvency Assessment ('ORSA') process, the budget, the company organisation and the internal control system.

The RAF defines the Risk Appetite and the other components that allow its management, both under normal conditions and under stress conditions when combined with the Emergency Plan for the major sources of risk.

These components are:

- the Risk Capacity;
- the Risk Tolerance;
- the Risk Profile.

The definition of the RAF components is dynamic over time and reflects the risk management objectives related to the objectives of the Business Plan. An audit is carried out annually as part of the process of assigning budget objectives; further analyses for the purposes of preventive control of the Risk Appetite, and in particular of capital adequacy, are carried out on the occasion of the study of extraordinary transactions (mergers, acquisitions, disposals etc.).

The RAF is divided into different dimensions of analysis, with the aim of guaranteeing the continuous monitoring of risk dynamics. The main dimensions of the analysis are attributable to:

- business segment;
- individual company;
- group.

The RAF Group Policy aims to define the 'appetite' and 'tolerance' of quantitative macrodimensions such as solvency, profitability, asset portfolio, Best Estimate and operational risk. Some of these indicators are broken down by Companies and Group, while others are only at Group level, taking into account the specific operations and related risk profiles of each of the Group companies, so as to be integrated and consistent.

The Own Risk and Solvency Assessment (ORSA) process

As part of the risk management system, the ORSA process allows the analysis and assessment of the Group's risk profile, both on a final and forward-looking basis, based on the strategy, market scenarios and business development.

The Company Net Insurance S.p.A., in its capacity as Parent Company of the Net Insurance Group, has relied on the right provided by IVASS to draft a single report (at group level) on the current and outlook own risk and solvency assessment (according to ORSA principles) of both Companies.

To that end, the Companies have defined the ORSA process at group level, which concludes with the drafting of the specific required Report. The current and outlook own risk assessment by the Company, on the basis of the ORSA principle, is linked to the key defined elements of the risk

governance system, such as the risk strategy, the risk management processes and the models and methodologies used for quantitative and qualitative assessments. The outlook assessment of the capital requirement requires the "stand-alone" quantification of each risk set forth in the Standard Formula. These risks are evaluated individually for the entire time horizon and then aggregated by means of the correlation matrices, defined within the Standard Formula, thus obtaining the diversified SCR.

The results of the ORSA process support the strategic decision-making process, making it possible to keep the company within the level of risk tolerance established by the Board of Directors, while considering the risk and capital profile and the "risk sensitivity" in stress conditions. The ORSA report is presented to the Senior Staff and the Board of Directors for approval and/or to incorporate any additions. Subsequently, the ORSA report is sent to the Supervisory Authority, in accordance with the requirements of regulations in force over time. The own risk and solvency assessment is performed at least once per year, but naturally any significant changes in the risk profile, deriving from internal decisions or external factors, will entail the implementation of an extraordinary ORSA Report.

Breakdown of control levels

The internal control and risk management system is multi-layered:

- line controls (so-called 'first-level controls'), carried out by the Organisational Units (e.g. through hierarchical, systematic and sample controls), and aimed at ensuring the correct performance of transactions and managing all risks deriving from the performance of the activities under its responsibility, as the Organisational Units are primarily responsible for the risk management process and must ensure compliance with the procedures adopted for the implementation of the process and compliance with the established risk tolerance level;
- risk and compliance controls (so-called 'second-level controls'), which aim to ensure, amongst others:
 - the correct implementation of the risk management process;
 - the performance of the activities assigned to them by the risk management process;
 - compliance with the operating limits assigned to the various functions;
 - compliance with regulations, including self-regulation, of company operations;
 - the reliability and adequacy of the calculation of the Solvency II technical provisions.

The functions responsible for these controls are separate from the operational functions; they contribute to the definition of risk governance policies and the risk management process;

- internal audit (so-called 'third-level controls'), verification of the completeness, functionality, adequacy and reliability of the internal control and risk management system (including first and second level controls) as well as the consistency of operations company with respect to it.

Corporate bodies

Also referring to what has already been said above, as far as the specific interest of this Section is concerned, the following should be noted:

BOARD OF DIRECTORS

The Board of Directors is ultimately responsible for the internal control and risk management system, for which it must ensure the constant completeness, functionality and effectiveness. In this context, the administrative body approves the guidelines of the internal control and risk management system, assessing at least once a year its current and future adequacy and functioning, as well as the effectiveness and ability to capture the evolution of corporate risks, including those of the Group, and the interaction between them.

At its meeting of 28 February 2023, the Board of Directors, with the support of the Internal Control, Risk and Related Parties Committee, deemed the corporate governance system adopted by the Net Group and the related organisational controls in 2022 to be adequate and effective.

INTERNAL CONTROL, RISK AND RELATED PARTIES COMMITTEE

For an analytical description of the composition, functioning and powers of the Internal Control, Risk and Related Parties Committee, please refer to Section 9.2 below.

BOARD OF STATUTORY AUDITORS

For an analytical description of the appointment process and for information on the composition, functioning and powers of the Board of Statutory Auditors, please refer to Section 11 below.

CHIEF EXECUTIVE OFFICER

For an analytical description of the information concerning the functioning and powers of the Chief Executive Officer, please refer to Section 9.1 below.

KEY FUNCTIONS (Internal Audit, Risk Management, Compliance and Actuarial Function)

The Company's organisational structure envisages, pursuant to applicable sector regulations, the establishment of Fundamental Functions that are separate from an organisational point of view, which operate in accordance with the directives of the Board of Directors and the Committee for Internal Control, Risks and Related Parties and cooperate closely with each other and with Top Management, including the Board of Statutory Auditors and the Supervisory Board, basing their behaviour on autonomy and independence criteria.

In the organisational model adopted by the Net Group, the Fundamental Functions set up at the Parent Company perform the tasks assigned to them both at the level of individual Net Group Companies and at Group level, in a manner proportionate to the nature, extent and complexity of the risks inherent in the latter's business. The Fundamental Functions also carry out verification activities on the subsidiary through the institution of partial secondment, so that the activity programmes and specific verification actions approved by the respective Boards of Directors are coordinated within the Group, as well as the control procedures and methods for identifying, classifying, measuring and managing risks.

The establishment of each Fundamental Function is formalised in a specific resolution of the Board of Directors and with regard to the responsibilities, tasks, operating methods, nature and frequency of reporting to the corporate bodies, reference should be made to the document "Guidelines on the Corporate Governance System".

The Heads of the aforementioned Functions:

- are placed in an appropriate hierarchical-functional position;
- are appointed and revoked by the Board of Directors, in accordance with the procedures and in compliance with the requirements of suitability for office in terms of honourableness and professionalism set forth in the Policy for the Evaluation of the Requirements of Professionalism, Honourableness and Independence and in the regulations, including self-regulatory ones, applicable in relation to the sector they belong to, ensuring that they are provided with the resources adequate to fulfil their responsibilities;
- have the necessary authority to guarantee the independence of the Function;
- do not have direct responsibility for operational areas subject to control;
- periodically report to the Board of Directors, also through the Internal Control Risks and Related Parties Committee, to the Board of Statutory Auditors, to the Supervisory Board and to the Chief Executive Officer on the findings arising in the course of the performance of their duties and on their progress.

In order to enable the respective checks to be carried out, the staff of the Core Functions:

- has free access to all Net Group activities and to all company and external information necessary to properly perform its tasks;
- is adequate in number, technical-professional skills and updating, also through inclusion

- in continuous training programmes.
- it must comply with objectivity and professional principles, basing their behaviour on autonomy and independence criteria , abstaining from initiating any activity and/or behaviour that may generate a conflict of interest or that may compromise the possibility of carrying out their tasks with impartiality, and must also operate in compliance with the principles and the provisions contained in the applicable supervisory regulations and with the policies and regulations adopted by the NET Group.

The criteria for the remuneration of the Functions' personnel, in line with the adopted remuneration policies, do not compromise their objectivity, and contribute to creating an incentive system consistent with the purposes of the activity performed.

9.1 CHIEF EXECUTIVE OFFICER

At the board meeting of 27.04.22, the Board of Directors of both Group companies granted, with the power to sub-delegate, the Managing Director - Andrea Battista - any power to implement resolutions and management delegations on corporate governance and internal control with the ultimate aim of ensuring effectiveness and efficiency in the management of the Company's economic and financial processes.

During the financial year, the Managing Director, on the basis of the powers granted to him by the Board of Directors, in compliance with the applicable legal and regulatory provisions, has amongst others:

- attended each meeting of the Internal Control Risks and Related Parties Committee where he contributed to the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries;
- submitted the annual update of the Risk Management Policy, the Risk Appetite Framework RAF, as well as the ORSA Report for the financial year to the Board of Directors for review;
- supported the Internal Control Risks and Related Parties Committee in the design, implementation and management of the internal control and risk management system as a whole, verifying its adequacy and effectiveness on an ongoing basis;
- submitted for examination by the Board of Directors, amongst others, the annual update of the document "Guidelines on the Corporate Governance System" including the Policies of the Fundamental Functions;
- It also expressed its opinion on the activity plans prepared by the Heads of the Fundamental Functions, which were subsequently submitted to the Board of Directors for approval.

Moreover, during the year, the CEO requested the Audit Function to carry out audits on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, informing the Chairman of the Internal Control Risks and Related Parties Committee and the Board of Auditors.

During the financial year, there were no significant problems or critical issues of which the Managing Director became aware in the course of his work or of which he had information to bring to the attention of the Board of Directors.

9.2 INTERNAL CONTROL, RISK AND RELATED PARTIES COMMITTEE

Number of meetings held during the 2022 Financial Year: 15

Average duration of meetings: approximately 2 hours

Number of meetings planned for 2023: 14 (of which 3 have already been held at the date of

the Report)

Since the 2019 financial year, the Board of Directors has established an Internal Control Risks and Related Parties Committee (also the "CCIRPC") with propositional, advisory, investigative and support functions vis-à-vis the Board of Directors of the Net Group Companies regarding evaluations and decisions relating to the internal control and risk management system as well as the approval of periodic financial and non-financial reports.

The establishment of the Committee does not release the Board from its responsibilities.

The Audit, Risks and Related Parties Committee is composed from 1 January 2022 to 26 April 2022 of the independent Director Andrea Battista, as Chairman; the Independent Director Mr Nahum Mayer and the Independent Director, Mr Romanin Jacur Roberto.

In a meeting on 27 April 2022, the Board of Directors appointed the new members of the Audit, Risk and Related Parties Committee, all of whom are independent pursuant to Article 147-ter of the Consolidated Law on Finance (TUF) and the Code, as represented below: by the Independent Director Maralla Andrea, and the Independent Director, Mr Nahum Mayer and the Independent Director, Mr Guzzo Pierpaolo.

In particular, during the aforementioned board meeting of 27 April 2022, the Board of Directors appointed, as Chairman of the Internal Control Risks and Related Parties Committee, Mr Maralla Andrea, ascertaining that he possessed adequate experience in accounting, finance and risk management, and that he met the regulatory requirements and was in possession of the requisites of good standing, professionalism and independence.

The Internal Control Risks and Related Parties Committee as a whole has adequate expertise in the Company's field of activity to assess the relevant risks and has a budget approved by the Board of Directors at the time of its appointment.

The Internal Control Risks and Related Parties Committee is assigned a proactive, advisory, investigative and support role to the Board of Directors regarding the definition of the guidelines of the internal control and risk management system so that the main risks pertaining to the Company and the Group are correctly identified, as well as adequately measured, managed and monitored, in line with the Parent Company's strategies.

With particular reference to the internal control system, the Internal Control Risks and Related Parties Committee, pursuant to the Corporate Governance Code and Ivass Regulation no. 38 of 3 July 2018, supports the Board in its periodic assessment of the adequacy and functioning of the current and prospective internal control and risk management system with respect to the characteristics of the Company and the Group and the risk profile assumed, as well as the effectiveness of said system.

The Internal Control Risks and Related Parties Committee has adequate tools and information flows, ensured in particular by the Fundamental Functions of the Company in accordance with the document "Guidelines on the Corporate Governance System", such as to enable the Internal Control Risks and Related Parties Committee itself to make its own assessments.

They are invited, from time to time, by the Chairman of the Audit, Risks and Related Parties Committee, through the Secretary, as part of the work of the meetings:

on a permanent basis:

- Chief Executive Officer;
- the Chairman and the members of the Board of Statutory Auditors or another member designated by him, who is notified in advance within the time limit set for convening the

Committee;

- the Manager in charge of
- the Managers of the Essential Functions;

where necessary or appropriate for the discussion of specific topics

- the Heads of Organisational Units or Areas;
- persons external to the Internal Control, Risk and Related Parties Committee whose presence may be of assistance in the best performance of its functions.

These persons (who are not members of the Committee) are not entitled to any vote in the Committee.

Initiatives undertaken and systematic meetings with the Chief Executive Officer, Fundamental Functions, Management and Heads of Organisational Units make it possible to contribute:

- raising the structures' awareness of core processes and risks with the ultimate goal of structuring a Corporate Governance System that increasingly looks to good management rules and industry best practices.
- improving internal communication by making it more appropriate.

The Audit, Risk and Related Parties Committee has access to the corporate information and functions necessary to perform its tasks.

The Internal Control Risk and Related Parties Committee may also:

- request from the Organisational Units of the Company the information, including documentary evidence, necessary to allow them to perform their duties correctly;
- propose, promote and convene, in order to establish and maintain appropriate functional links with similar Board Committees set up within the Group companies, joint meetings with the same also to establish reciprocal information flows.

In 2022, the Audit, Risk and Related Parties Committee did not use external consultants to perform its tasks.

The Internal Control Risks and Related Parties Committee, through its Chairman, reports periodically to the Board of Directors:

- on the activity carried out as well as the adequacy of the internal control and risk management system, also with reference to the organisation of resources and skills put into place to identify, measure, manage and state the main risks to which the Companies and the Group are exposed - keeping it promptly informed about any particularly critical cases of which it becomes aware in the execution of its mandate;
- with respect to the performance of transactions with related parties, evaluating the interest of the Companies and the Group in the performance of the transactions, as well as on the cost effectiveness and substantial fairness of the relative conditions;

for the purpose of a timely exchange of information relevant to the performance of their respective tasks and the coordination of activities in areas of common competence.

For this purpose, the Committee makes available to the Board of Directors the Minutes of the Committee itself, including the recommendations made during the observation period.

The Committee also performs surveillance activities on the Essential Functions and on legal/regulatory and financial topics as well as on product governance and control matters in relation to insurance distribution.

* * *

The Chairman is also responsible for:

- directing and organising the regular conduct of Committee meetings, coordinating and moderating discussions;
- determining the items on the agenda;
- reporting to the Board and the other Bodies of the Group on the discussions and decisions adopted by the Committee.

The Chairman of the Internal Control, Risk and Related Parties Committee takes care of the minutes of the works, with the support of a Secretary (identified among the heads of the Key Functions) with the right to remove and change them at any time, and if the secretary cannot attend, they appoint the person who will replace them.

In particular, pursuant to the Code as well as the current internal policies of the Company, the main tasks entrusted to the Committee concern:

- the issuing of prior opinions concerning:
 - the determination of the guidelines of the corporate governance system and the internal control and risk management system in line with the strategies of the Group, and assesses their adequacy at least once a year, so that the main risks relating to Net Insurance S.p.A. and its subsidiary are correctly identified, as well as adequately measured, managed and monitored, expressing in this regard the opinion required by internal regulations on the matter;
 - the determination of the degree of compatibility and adequacy of the functioning of the internal control and risk management system with respect to the characteristics of the company;
 - the appointment and dismissal of the head of the Internal Audit function and the related remuneration, which must be consistent with company policies. In addition, it supports the Board in verifying the adequacy of the resources necessary for the head of the Internal Audit function to carry out their duties;
 - the assessment of the opportunity to adopt measures to ensure the effectiveness and impartiality of judgment of the key functions and in the verification of the adequacy of professionalism and resources;
 - work plans prepared by the heads of the Internal Audit function, the Compliance function, the Actuarial function, the Risk Management function, the Anti-Money Laundering function, and the DPO function;
 - the risk management structure that must be implemented, appropriate, effective and proportional to the nature, scope and complexity of risks, current and future, intrinsic to the activities;
 - the maintenance by the Group of all legal and legislative requirements in the area of internal controls and risk management, and transactions with related parties;
 - the information flows that must be addressed to the Board;
 - the assignment of supervisory functions pursuant to Article 6(1)(b) of Legislative Decree No. 231/2001 to the control body or to a specially constituted body;
 - the assessment of the results set out by the auditing firm in its letter of suggestions, if any, and in the additional report addressed to the board of auditors;
 - the description, in the corporate governance report, of the main features of the internal control and risk management system and the way it is coordinated

between the entities involved in it.

The Audit, Risk and Related Parties Committee also performs support functions for the Board:

- within the Risk Appetite Framework so that the Board can define and approve the risk objectives (i.e., risk appetite) and tolerance threshold (i.e., risk tolerance);
- for specific transactions for which there is directly or indirectly a situation of potential conflict of interests;
- on additional duties that the Board may assign it.

The Committee also assists the Board:

- evaluates, in consultation with the Financial Reporting Officer, the Independent Auditors and the Board of Statutory Auditors:
 - the correct use of accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
 - the suitability of periodic financial and non-financial information to fairly represent the company's business model, strategies, the impact of its activities and the performance achieved;
- assesses the content of periodic non-financial information relevant to the internal control and risk management system;
- expresses opinions on specific aspects relating to the identification of the main corporate risks arising from prejudicial facts of which it has become aware, supporting the assessments and decisions of the Board of Directors.

It regularly reports to the Board:

- at least on the occasion of the approval of the annual and half-yearly financial report, the activity carried out as well as the adequacy of the internal control and risk management system, also with reference to the organisation of resources and skills put into place to identify, measure, manage and state the main risks to which the Companies and the Group are exposed - keeping it promptly informed about any particularly critical cases of which it becomes aware in the execution of its mandate;
- on the recommendations formulated in the various areas of competence and collected in the action log made available to all owners involved in addition to senior management;
- with respect to the performance of transactions with related parties, evaluating the interest of the Companies and the Group in the performance of the transactions, as well as on the cost effectiveness and substantial fairness of the relative conditions.

The Committee, moreover, on the Internal Audit Function:

- expresses opinions concerning:
 1. the appointment and dismissal of the head of the Internal Audit function and the adequacy of the resources allocated;
 2. the approval, at least once a year, of the work plan prepared by the head of the Internal Audit function;
- examines and expresses its opinion on the findings of the audits carried out according to the approved plan and on the progress of management actions in response to the recommendations made;

- assesses periodic and particularly significant reports prepared by the Internal Audit Function, including the report on complaints;
- monitors the autonomy, adequacy of assigned resources, effectiveness and efficiency of the Internal Audit Function, including the application of the International Standards for the Professional Practice of Internal Auditing;
- requests, where deemed appropriate, the Internal Audit function to carry out audits on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;

The Chairman must be specifically informed by the head of the Internal Audit function of any fraud investigations revealing deficiencies within the internal control system that could encourage the repetition of fraudulent behaviour, as well as, if applicable, of any suggestions regarding corrective measures underway or to be taken.

With regard to the monitoring of the following additional topics, the Committee made the following observations:

LEGAL/REGULATORY ISSUES

The Committee monitored the Group Companies' compliance with all legal and regulatory requirements by reviewing and expressing opinions on the documentation required by general and industry regulations in force with the support of the Compliance Function.

FINANCIAL ISSUES

The Committee took note of the documentation submitted periodically by the CFO during the 2022 financial year, noting that it complied with the aforementioned Ivass Regulation No. 24 of 6 June 2016 and continued to meet the criteria of greater relevance in order to allow for the monitoring of the Investment KPIs identified by the Group.

It took note of and expressed a favourable opinion on the contents of the Investment and Asset Hedging Guidelines and the Capital Management Policy of both companies.

PRODUCT GOVERNANCE AND CONTROL ISSUES AND INSURANCE DISTRIBUTION ISSUES

During the 2022 financial year, the Committee continued to proactively support the Group in building an evolved model in the area of insurance governance, given the expansion phase that the Net Group is undergoing, by providing ongoing observations.

This process saw:

- the formalisation of an IDD and POG Framework more in line with the needs of the two Companies and with the principles contained in the Ivass Regulations no. 45/2020 and Ivass Order no. 97/2020;
- a strengthening of reporting and information flows in terms of reliability and effectiveness and useful to monitor the various Distribution Channels (Bancassurance - Broker - Digital - CQ) and related KPIs;
- an ongoing effort to improve the incisiveness of risk controls;

This Framework proves to be effective and allows the Committee to express an opinion on the adequacy of the system adopted by the Company on Product Governance and Control and Insurance Distribution.

In this context, it assessed the findings of the Audit GOVERNANCE AND PRODUCT CONTROL - POG & IDD and expressed a favourable opinion on the conclusions drawn by the I.A. Function.

The recommendations provided in this context are set out in the Action Log and brought to the attention of the Board of Directors.

CONFLICT OF INTEREST

The Committee believes that the Policy for the Management of Conflicts of Interest and Gifts and Benefits, which has provided the Group with organisational safeguards to prevent and manage conflict situations with reference also to the distributors with which the Group Companies operate, is confirmed.

RELATED PARTIES

The Committee has

- expressed a positive opinion on the adoption of the new RPT Procedure aimed at defining the rules for the identification, instruction, approval and execution of transactions with related parties concluded by the Company or through its subsidiaries;
- took note of the periodic update of the RPT Register and the periodic reporting on related party transactions carried out and prepared by the Key Manager.

In particular in the year 2022:

- took note of the following transactions falling within the cases of exclusion from the applicability of the procedure:
 1. Distribution of the dividend, resolved by the Net Shareholders' Meeting of 27 April 2022, to certain related party shareholders.
 2. Distribution of dividend in favour of the related party Net Insurance as per shareholders' resolution of the Net Life subsidiary on 27 April 2022.

The reasons are respectively:

- As to point 1, the transaction falls within the cases of exclusion insofar as it is carried out in execution of a previous shareholders' resolution where the terms and amounts have already been defined and do not involve discretionary assessments. It also falls within the cases of exclusion under Consob Communication No. DEM/10078683 of 24-09-2010 point 1.6. as it is addressed, on equal terms, both to related parties holding financial instruments and to all other holders of such instruments.
- As to point 2, the transaction falls within the cases of exclusion being a transaction with a Subsidiary

During the year 2022 and up to the date of this Report, the Audit, Risk and Related Parties Committee has, among other things:

- examined and assessed the periodic and annual reports of each Fundamental Function, including the Anti-Money Laundering Function; it also assessed the internal control and risk management system, verifying its effectiveness and adequacy in relation to the characteristics of the individual Companies and the Group as well as the risk profile assumed. In this context, it also took note of the quarterly monitoring carried out by the

Risk Management Function (Financial Risk Report, Standard Formula Control);

- examined and positively assessed the methodology adopted and the contents of the activity plans of the aforementioned functions, taking into account the main risks to which the Company and the Group are exposed and the activities to be audited as a priority;
- having acknowledged, on the basis of the assessment of the documentation received, on the information acquired by Top Management and by the Financial Reporting Officer and the related exhaustive responses provided by the same during the envisaged discussions, the correct use of the accounting standards and their consistency for the purposes of the preparation of the Condensed Interim Financial Statements as at 30 June 2022, did not find any findings and/or exceptions for the purposes of the internal control and risk management system and the governance system and therefore did not recognize the need to provide the Board of Directors with its own independent recommendations in this regard;
- having acknowledged the results presented by the Independent Auditors in the additional report, prepared in compliance with Article 11 of Regulation (EU) no. 537/2014, addressed to the control body, having consulted the latter;
- positively assessed the risk management system of the respective Companies and the Group; in particular, it considered the internal assessment of risk and solvency as well as the risk appetite defined in line with the global solvency requirements that the Group and the insurance companies that are part of it consider to assume in the pursuit of their strategic objectives, establishing consistently with the risk tolerance limits, as represented respectively in the Own Risk and Solvency Assessment - ORSA Report and in the Risk Appetite Framework;
- having ascertained the consistency of the remuneration attributed to the Managers of the Key Functions with the relevant company policies;
- having acknowledged the preparation/updating of the company policies required by the Solvency II regulations and/or in any case relating to the internal control and risk management system;
- having acknowledged the correct use of the accounting standards and their homogeneity for the purposes of preparing the final balance of the activities carried out and the outcome of the same at the time of the approval of the IAS / IFRS Consolidated Half-Year Report as at 30 June 2022.

9.3 HEAD OF THE INTERNAL AUDIT FUNCTION

The responsibility of the Internal Audit Function has been entrusted to Ms Rauco Floriana starting from 21 January 2019, the date on which the Board of Directors, having acquired the favourable opinion of the Board of Statutory Auditors and the Internal Control, Risk and Related Parties Committee, also assessed the possession by the same of the requirements of suitability for the office, in terms of integrity, professionalism and independence as indicated in the document "Policy for the evaluation of the Professionalism Requirements. Integrity and Independence".

The Internal Audit Function assists the organisation in pursuing its objectives through a professional and systematic approach, generating added value with a view to evaluating and improving the control, risk management and Corporate Governance processes.

The Internal Audit Function is also in charge of assessing and monitoring, also at Group level, the effectiveness, efficiency and adequacy of the internal control system and of the other components of the corporate governance system, in relation to the nature of the activity performed and the level of risks assumed, its consistency with the guidelines defined by the Board as well as any need for its adjustment, also through support and advisory activities to the other corporate functions and to ensure constant and systematic monitoring of the internal

control and risk management system understood as the process of identifying and validating the main corporate risks and verifying the adequacy of the controls and operations of the individual Organisational Units.

The methods for carrying out the tasks assigned to the Internal Audit Function are defined and formalized in the document "Directives on the corporate governance system", most recently approved by the Board of Directors of both Companies of the Net Group on 18 May 2022.

The Audit activity is carried out in compliance with the professional standards commonly accepted at national and international level and with the Code of Ethics of the Institute of Internal Auditors.

The Internal Audit Function verifies, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan, approved by the Board of Directors, oriented to the most critical areas and formulated on the basis of the dimensions and core processes of the NET Group from a Risk Based perspective, integrated with the Plans of the other Key Functions so as to promote synergies by reducing overlapping areas and based on a process structured analysis and prioritisation of the main risks.

This Audit Plan responds to multiple needs, including providing:

- "Assurance" to top management, independently assessing the overall adequacy of the internal control system in order to express an opinion on the adequacy of the internal control system and the additional governance components as designed and implemented by Management;
- proactive "support" that takes the form of assisting the organisation in improving the design of controls and governance and risk management processes and ensuring the validity of controls by assessing their effectiveness and efficiency as a Trusted Advisory;
- this activity aims to provide advisory support for the determination of the risk and control system and the additional governance components where the Company is engaged in designing or redesigning the same with a view to improving and streamlining the process.

The plan for the year 2022 was approved by the Board of Directors on 23 February 2022, subject to prior examination by the Internal Control, Risk and Related Parties Committee, having consulted the Board of Statutory Auditors and the Chief Executive Officer.

During the Financial Year, the Audit carried out the following types of activities:

- audits on:
 - ISO 27001 Information security management system (ISMS) - IVASS Regulation no. 38/2018;
 - Product governance and control - POG & IDD;
 - Manual Review of Procedures;
- verifications resulting from regulatory obligations, the so-called Regulatory Audits (e.g. Remuneration Policies, Outsourced Activities, Complaints, Statistical Information and Anti-Money Laundering);
- other envisaged activities, specific company projects, administrative activities (e.g. drafting of Management Control System Memorandum, Review overall Finance Management Processes, Focus Manual of Finance Area Procedures in the context of the Main Market Uplisting project;
- support the Internal Control Risks and Related Parties Committee as permanent secretary, the External Auditors, the Board of Statutory Auditors and the Supervisory Board pursuant to Legislative Decree no. 231/2001.

The Internal Audit Function reports periodically:

- to the Internal Control Risks and Related Parties Committee and through it to the Board of Directors,
- to the Board of Statutory Auditors,
- and to the Chief Executive Officer

on each activity carried out during the period under observation and the status of corrective actions proposed during the audit and related management actions adopted/identified by

Management reported in the Tableau de Bord.

No reports on events of particular significance were requested from the Internal Audit Function during the year.

Within the scope of its activities, the typical audits of the Internal Audit Function also cover:

- the correctness of management processes and the effectiveness and efficiency of organisational procedures;
- the consistency of organisational procedures with company policies/guidelines;
- the regularity and functionality of information flows between the Organisational Units and between the latter and the Corporate Bodies;
- compliance, in the various operational sectors, with the limits provided for by the delegation mechanisms, as set out in the Articulation of Powers, Powers of Attorney and Delegations Document, as well as the full and correct use of the information available in the various activities;
- the adequacy of the information systems and their reliability to ensure that the quality, correctness and timeliness of the information on which the senior staff bases their decisions is not jeopardised;
- the compliance of administrative and accounting processes with criteria of accurate and regularly updated accounting;
- effectiveness, efficiency and efficacy of the controls performed on outsourced activities.
- checks on the adequacy and proper implementation of the internal organisational structure;
- advisory support to all Group structures in the development of new processes and activities, through specific control and regulatory competence, so that the necessary safety levels and verification points are adequately foreseen and constantly monitored.

The details of the audit activities carried out during the Year, the recommendations made by the Function and the related corrective actions taken are set out in the annual report prepared by the Internal Audit Function, which also includes the results of the monitoring of the progress of the recommendations shared with management, as indicated in the 'Tableau de Bord' document, and which was submitted to the Board of Directors for examination at its meeting of 28 February 2023, after having received the opinion of the Internal Control, Risk and Related Parties Committee at its meeting of 27 February 2023.

If, following the analysis of the activity subject to control, critical issues or situations of particular relevance or seriousness emerge, the Internal Audit Function shall promptly report them to the Board of Directors, the Internal Control Risks and Related Parties Committee, the Top Management and the Board of Statutory Auditors. It should be noted that in the financial year 2022, no critical issues emerged in the verification activities carried out by the Function and, as a result, reports on events of particular significance were prepared.

The Internal Audit Function is assigned an annual expenditure budget approved by the Board of Directors.

9.4 ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001

The Company and its Subsidiary adopt their own Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 - approved by their respective Boards of Directors.

The Company's Model is available on the Company's website in Section <https://www.netinsurance.it/il-gruppo/net-insurance/mod-d-lgs-231-2001/>

the Board assigned the functions of the SB to the Board of Auditors. The Supervisory Body was established in a collegiate form and consists of members from different professional backgrounds to ensure the expertise and knowledge of the organisational structure and business processes and the effectiveness of controls. The mandate of the Supervisory Body was identified by the Board with a three-year duration with expiry coinciding with the approval of the 2024 financial statements.

The members of the Supervisory Body are as follows:

- Mr Blandini Antonio (Chairperson), currently also Chairperson of the Board of Statutory Auditors of the Companies of the Group;
- Mr Marco Gulotta, currently also a member of the Board of Statutory Auditors and the group Companies.
- Ms Sabina Ippoliti, currently also a member of the Board of Statutory Auditors of the group Companies.

9.5 AUDITING COMPANY

The Shareholders' Meeting of 30 June 2019 appointed the auditing firm KPMG S.p.A. for the financial years 2017-2025.

In April 2022, the Board of Statutory Auditors, as the Internal Control and Audit Committee, transmitted - pursuant to Article 19 of Legislative Decree No. 39 of 27 January 2010, as amended by Legislative Decree No. 135 of 17 July 2016 (the "Legislative Decree. 39/2010") - to the Board of Directors of the Company the report provided for in Article 11 (the "Additional Report") of Regulation (EU) No. 537/2014, which sets out the results of the audit activities conducted on the financial statements and the consolidated financial statements for the year ended 31 December 2021 by KPMG S.p.A. No matters worthy of mention emerged from the Additional Report.

9.6 MANAGER IN CHARGE OF PREPARING CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS

The Board of Directors, most recently at the Board meeting of 1 June 2022, confirmed Mr Luigi Di Capua, Chief Financial Officer, also granting him all the powers and responsibility necessary for the performance of the task entrusted to him.

The Executive in Charge is appointed by resolution of the Board of Directors, upon proposal of the Chairman of the Board of Directors, if the Shareholders' Meeting has not already done so, subject to the mandatory opinion of the Supervisory Board.

The manager in charge must be chosen in accordance with criteria of professionalism and competence from among managers who have at least three years' overall experience in professional activities in matters pertaining to the insurance, credit or financial sector.

The manager in charge performs the tasks assigned by law, regulations and the Articles of Association, observing the utmost professional diligence and referring to the general principles commonly accepted as best practice in internal control.

In carrying out these tasks, the Responsible Manager is supported by Testing Unit 262 (hereinafter referred to as "Unit 262")

The manager in charge performs his duties in compliance with the powers of representation and signature conferred on him by the Board of Directors.

The manager in charge is responsible for the coordination necessary for the collection of the information required for the preparation of the financial statements and periodic economic or financial reporting.

The Executive in Charge also has the following management powers conferred by the Board of Directors:

1. direct access to all information necessary for the preparation of corporate accounting documents without the need for authorisation;
2. participation in internal flows relevant for accounting purposes;
3. approval of all company procedures having an impact on the economic and financial situation of the Company and the Group;
4. participation in the design of information systems.

In the exercise of the tasks assigned, the manager in charge must, in any case, comply with the policies adopted by the company, the internal rules and procedures, as well as the structure of

the responsibilities assigned to the various corporate organisational units.

The powers and means of the manager in charge essentially take the form of the possibility of

- effectively carry out the assigned tasks, mainly with the assistance of Unit 262 and the other corporate organisational units and, if deemed necessary, of qualified external consulting companies;
- to obtain within the Company any information or data of an administrative and accounting nature useful for the preparation of the annual and consolidated financial statements as well as periodic reporting, or any information or data that may have an impact on the true and fair representation of the equity, economic and financial situation of the Company and the Group;
- carry out controls on any business process that has an impact on the formation of the financial statements. In the case of business processes falling under the responsibility of corporate organisational units that are not hierarchically subordinate to the Manager in charge, the controls may be carried out with the support of the Company's Internal Audit Function;
- carry out, in concert with the other corporate organisational units in charge, risk assessment activities and mapping of corporate processes, in order to define the programme of controls to be carried out and identify the administrative-accounting procedures to be put in place;
- require changes to the internal accounting control system, understood as the whole of people, tools, information, rules, for the mitigation of business risks;
- requesting professional opinions on specific issues concerning their activities;
- have financial autonomy, to be exercised in accordance with the Company's general guidelines and in compliance with existing procedures, programme plans and approved budgets. For the purposes of exercising his powers and means, the Executive in Charge is supported by Unit 262, in line with Policy 262.

With regard to means, the Executive in charge operates with specific resources approved within the framework of the annual Budget approved by the Company's Board of Directors. The approved Budget, in cases of necessity and urgency, may be exceeded by the Manager in charge (with immediate communication to the Executive Directors).

The Internal Audit Function annually defines an audit plan based on the risk assessment, also taking into account the input of the Manager in charge, in order to determine the priorities of the audit activity in line with the organisation's objectives and the standards of the trade association.

Therefore, in cooperation with the Manager in charge, taking into account the principle of proportionality, he identifies the administrative-accounting processes or procedures to be audited.

The Manager in charge collaborates with the Risk Management function in the definition of risk measurement methodologies and operational exposure limits to be assigned to the operational structures, with regard to areas that have an impact on administrative-accounting processes. The Risk Manager, Mr Marco Scolaro, was appointed by the BoD on 25 November 2019. The Company's Compliance Function supports the Executive in Charge in his assigned responsibilities through a permanent advisory function on the analysis of applicable regulations. The Compliance Manager, Mr Antonio Carlucci, was appointed by the BoD on 25 November 2019.

9.7 COORDINATION BETWEEN THOSE INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Within the framework of the internal control and risk management system, it is essential to ensure interaction between the parties involved in it, as well as a regular flow of information between these parties and the corporate bodies.

The Internal Control Risks and Related Parties Committee, the Board of Statutory Auditors, the Chief Executive Officer, the Independent Auditors, the Fundamental Functions, the Supervisory

Board pursuant to Legislative Decree No. 231/2001 and any other body and function to which a specific control responsibility is attributed shall cooperate with each other, exchanging any information useful for the performance of the tasks entrusted to them.

The methods of coordination and information flows between the parties involved in the internal control and risk management system - including those between the Fundamental Functions - are set out in the "Guidelines on the Corporate Governance System" as well as in the Regulations of the Intra-Board Committees.

The Fundamental Functions guarantee the Internal Control, Risk and Related Parties Committee and the Board of Directors adequate reporting on the activities carried out, the results achieved and the risk situation, as well as timely information in the event that any dysfunctions emerge from the verification activities, so that the necessary corrective measures can be taken rapidly.

In particular, the Managers of the Essential Functions;

- annually submit their respective plans of planned activities for the year of reference to the Board of Directors for approval, and also inform the administrative body on a half-yearly basis on the activities carried out, the main critical elements encountered and any proposed action, as well as promptly in the presence of significant violations that may entail a high risk of sanctions, losses or damage to image.
- are invited to every meeting of the Control and Risk Committee and the Supervisory Board;
- share with each other the annual planning of their activities and the results of their audits and risk assessment of the internal control and risk management system;
- use a shared approach for mapping and analysing processes, risks and related controls.

The Fundamental Functions have activated mutual and periodic links aimed at ensuring effective coordination action useful for

- preventively sharing action plans, also with a view to ensuring the effectiveness and efficiency of performance of the respective actions;
- promoting an understanding and the correct assessment of corporate risks;
- developing risk management methodologies consistent with the company strategies and operations;
- sharing the outcomes of the analyses conducted, with a special focus on the respective risks monitored or for the assessment of the control system;
- exchanging any useful information for a constant assessment of the adequacy, effectiveness and efficiency of the internal control and risk management system.

This approach contributes to improving the process of analysing and understanding the Group's critical areas by maximising existing synergies and facilitating knowledge of the organisation and its risk profile.

These information flows must be balanced and clear, and must give priority to synthesis and comprehensibility for all addressees, and must be oriented towards creating a relationship of greater collaboration and trust between the Fundamental Functions themselves, the process owners and the corporate bodies.

10 DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

The Net Insurance S.p.A. Related Party Transaction Procedure is available on the Company's website in Section <https://www.netinsurance.it/investor-relations/corporate-governance/> Activities related to transactions with related parties are carried out, to the extent of its competence, by the Internal Control Risks and Related Parties Committee. For more details, please refer to Section 9.2.

11 BOARD OF STATUTORY AUDITORS

11.1 APPOINTMENT AND SUBSTITUTION

Pursuant to the Law and the Articles of Association, shareholders who, at the time of submitting the list, own - either alone or together with other submitting shareholders - a shareholding of no less than the shareholding required by the regulations in force for the submission of lists of candidates for the election of the Company's Board of Statutory Auditors, may submit a list for the appointment of the Statutory Auditors.

Ownership of the minimum shareholding is determined with regard to the shares that are registered in favour of the shareholder on the day on which the lists are filed with the issuer; the relative certification can also be produced after the filing, provided that it is within the deadline set for the publication of the lists. All this is mentioned in the notice of call.

The lists submitted must be filed at the Company's registered office, also by means of remote communication as indicated in the notice of call, and made available to the public within the terms and in the manner prescribed by law, including regulations, pro tempore in force.

The lists must bear the names of one or more candidates for the office of Statutory Auditor and one or more candidates for the office of Alternate Auditor, and must meet the requirements provided for by law.

The names of the candidates are marked in each section (section "standing auditors", section "alternate auditors") by a sequential number and are in any case no more than the number of members of the body to be elected. If the lists contain, considering both sections, a number of candidates equal to or greater than 3 (three), they must contain, in both sections, a number of candidates such as to ensure that the composition of the Board of Statutory Auditors, both in its effective and alternate members, complies with the legal and regulatory provisions in force from time to time on gender balance (male and female), it being understood that if the application of the gender distribution criterion does not result in a whole number, this shall be rounded down to the nearest whole number.

The following documents must be attached to each list, under penalty of inadmissibility (i) information on the identity of the shareholders submitting them, with an indication of the total percentage of shareholding held and the intermediary's attestation proving ownership of the shareholding; (ii) a declaration by the shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of connection with the latter pursuant to the laws and regulations in force at the time (iii) exhaustive information on the personal and professional characteristics of the candidates, as well as a declaration by the same candidates certifying that they meet the requirements set forth by law, and acceptance of the candidature, accompanied by the list of directorships and auditing positions held by them in other companies; (iv) any other or different declaration, information and/or document required by law and applicable regulations.

Each shareholder belonging to the same corporate group, as well as shareholders adhering to a significant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance (TUF), may not submit or contribute to the presentation, not even through a third party or trust company, of more than one list, nor can they vote for different lists; in addition, each candidate may be present on only one list, under penalty of ineligibility.

In the event that only one list has been filed by the deadline for submitting lists, or only lists submitted by shareholders who are affiliated with each other pursuant to the applicable provisions, lists may be submitted up to the next deadline established by the regulations in force. In that case, the above thresholds for submitting lists will be reduced by half.

Lists submitted without complying with the provisions set forth in the preceding paragraphs are considered not to have been submitted.

Lists submitted for the purpose of electing a majority of the members of the Board of Statutory Auditors must be accompanied by a proposal for a resolution concerning the determination of remuneration.

The election of the Statutory Auditors shall be conducted as follows: (i) from the list that obtained

the highest number of votes ("Majority List") two statutory auditors and one alternate auditor are taken, based on the progressive order in which they are listed in the list (ii) the third standing auditor ("Minority Auditor"), who shall be entitled to the chairmanship of the Board of Statutory Auditors, and the second alternate auditor ("Minority Alternate Auditor") shall be taken from the second list that obtained the highest number of votes and that is not connected, even indirectly, with the shareholders who submitted or voted for the Majority List pursuant to the applicable provisions, according to the progressive order in which they are listed in the list.

In the event of a tie between lists, a new vote shall be held by the shareholders' meeting and the candidates obtaining a simple majority of votes without application of the list voting mechanism shall be elected.

If, at the end of the vote, the legal and regulatory provisions, as in force from time to time, on the subject of gender balance (male and female) pursuant to these Articles of Association are not complied with (including the rounding down to the nearest whole number if the application of the gender distribution criterion does not result in a whole number) the candidate for the office of Standing or Alternate Auditor of the most represented gender elected as last in numerical order from the Majority List shall be excluded and shall be replaced by the next candidate for the office of Standing or Alternate Auditor, taken from the same list, belonging to the other gender.

If only one list is submitted, the Shareholders' Meeting shall vote on it, and if it obtains the majority of votes, three standing auditors and two alternate auditors indicated in the list as candidates for such offices shall be elected, in accordance with the laws and regulations in force from time to time, including with regard to gender balance (male and female) pursuant to these Articles of Association, (including rounding down to the nearest whole number in the event that the application of the gender distribution criterion does not result in a whole number). In such a case, the Chairmanship of the Board of Statutory Auditors shall fall to the candidate indicated in first place on the only list presented.

11.2 COMPOSITION AND FUNCTIONING (pursuant to Article 123-bis, paragraph 2, letter d) and d-bis) OF THE CONSOLIDATE LAW ON FINANCE (TUF))

Number of meetings held during the 2022 Financial Year: 14

Average duration of meetings: approximately 45 minutes

Number of meetings scheduled for 2023: 3 have already been held at the date of this Report (additional meetings to be scheduled)

The Shareholders' Meeting held on 27 April 2022 - with a favourable vote corresponding to 66.24% (on the tot. of ordinary shares net of treasury shares) - resolved to appoint for the three-year period 2022-2024 until the Shareholders' Meeting to be convened to approve the financial statements for the year ending 31 December 2024: i) as members of the Board of Statutory Auditors the Standing Auditors Blandini Antonio, Gulotta Marco and Ippoliti Sabina and the Alternate Auditors Padula Carmen and Guarini Ettore; ii) as Chairman of the Board of Statutory Auditors the Standing Auditor Blandini Antonio.

Only one list was deposited by the shareholder IBL S.p.A for a total number of shares 4,930,542, equal to 26.6371% of the share capital, which is made up as follows:

Statutory Auditors

1. Blandini Antonio (Chairman)
2. Gulotta Marco
3. Ippoliti Sabina

Alternate Auditors

1. Padula Carmen

2. Guarini Ettore

The personal and professional characteristics of each Statutory Auditor are set out in their curriculum vitae published on the Company's website <https://www.netinsurance.it/il-gruppo/net-insurance/organi-sociali/h>

All Statutory Auditors meet the requirements prescribed by the law and the Articles of Association. The audit is conducted by the Board of Directors when appointing the Board of Auditors, in accordance with the Honour, Professionalism and Independence Requirements Assessment Policy.

Table 4 in the appendix shows the composition of the Board of Statutory Auditors in office as of 31 December 2022 and additional information on the characteristics of the Statutory Auditors and their attendance at meetings of the Board of Statutory Auditors.

The Board of Statutory Auditors attended all meetings of the Board of Directors held in 2022. As part of its verification and monitoring activities of the organisational structure and internal control system, the Board of Statutory Auditors participated, as an invitee, in all the meetings of the Board Committees envisaged by corporate governance.

The activities of the Board of Statutory Auditors, in compliance with Article 2403 of the Italian Civil Code, consist of monitoring of observance of the Law and of the Articles of Association, of the principles of correct administration and verification of the adequacy and concrete functioning of the organisational, administrative and accounting structure of the Group; on a general assessment of the efficiency and effectiveness of the internal control system while ensuring that the internal auditing, in particular, is carried out with the necessary autonomy, independence and professionalism, without duplicating the work of the other subjects involved, unless identifying the inefficiencies of the system and, if applicable, suggesting any corrective actions to the BoD.

Below are the tasks arising from the IVASS Regulations that have an impact on the NET Insurance Group's Board of Statutory Auditors:

- acquires, at the beginning of the term of office, knowledge of the company's organisational set-up and examines the results of the auditors' work in assessing the internal control system and the administrative accounting system;
- verifies the suitability of the definition of proxies and powers of attorney and the adequacy of the organisation of the company, implementing a specific control in relation to the separation of responsibilities in tasks and functions;
- assesses the efficiency and effectiveness of the internal control system, with particular regard to the work of the Internal Audit Function, whose autonomy, independence and functionality it must verify;
- maintains an appropriate liaison with the Internal Audit Function;
- ensures the timely exchange with the auditing firm of data and information relevant to the performance of its duties, also reviewing the firm's periodic reports;
- notifies the administrative body of any anomalies or weaknesses in the organisational structure and internal control system, indicating and urging suitable corrective measures; during the term of office, it plans and carries out, also in coordination with the independent auditors, periodic supervisory interventions aimed at ascertaining whether the reported deficiencies or anomalies have been overcome and whether, compared to what was verified at the beginning of the term of office, significant changes have occurred in the company's operations that require adjustments to the organisational structure and internal control system;
- in the case of companies belonging to the same insurance group, ensures functional and information links with the supervisory bodies of the other companies;
- keeps adequate records of the observations and proposals made and the subsequent follow-up of the implementation of any corrective measures

With regard to the links with the Auditing Company, Legislative Decree No. 58/1998 (Consolidated Finance Act) and Legislative Decree No. 39/2010 provide for an exchange of data

and information between the Board of Statutory Auditors and the Auditing Company for the performance of their respective tasks. In fact, the Board of Statutory Auditors, as part of its duties to supervise the adequacy of the internal control system, considers the results of the work carried out by the auditing firm during its audits and meets with the relevant managers.

Always within the scope of its activities, aiming at a general assessment of the actual appropriateness of the internal control system to the performance of its tasks, the Board of Statutory Auditors maintains constant and continuous contacts with the Manager of the Internal Audit Function through a review of the periodical reports drawn up thereby, and through specific meetings.

The Board of Statutory Auditors may derive significant information for the monitoring of its internal control system also from the work of the Risk Manager, Head of the Actuarial Function, the Compliance Officer and the Management Control Officer as well as the Manager in charge of financial reporting.

In this case too, the Board of Statutory Auditors can and must ask to see the reports produced by the latter during the year and request meetings to exchange information.

The Board of Statutory Auditors also receives from the Manager in charge information on the activities carried out and the information necessary for the control and supervision by the same Board on the adequacy and functioning of the administrative and accounting procedures.

The Board of Statutory Auditors informs the Executive in Charge of Financial Reporting of any critical issues that have come to light in the course of the audit activities performed, with regard to matters falling within the Executive's tasks/responsibilities.

Diversity criteria and policies

The current composition of the Board of Statutory Auditors fully complies with the gender equality rules set out in the applicable laws and regulations.

The Articles of Association refer, with regard to the composition of the Board of Statutory Auditors, to the legal and regulatory provisions in force from time to time concerning gender balance (male and female).

The Honourability Professionalism and Independence Requirements Assessment Policy (the latest update of which was approved by the Board of Directors on 12 October 2022, in consultation with the Appointments and Remuneration Committee) establishes, amongst other things, the professionalism requirements of the Board of Statutory Auditors.

Independence

All auditors must meet the requirements of the laws and regulations in force at the time.

On 22 June 2022, the Board of Directors assessed (with a positive outcome) whether the Statutory Auditors met, amongst others, the independence requirements set forth in Article 148, paragraph 3, of the Consolidated Law on Finance (TUF).

Please note that Net Insurance has been listed on Euronext STAR Milan since 1 August 2022.

In January 2023, with the support of Mercer Italia S.r.l., the self-assessment of the Board of Statutory Auditors for the financial year 2022 was started.

The methodology followed by Mercer to support the self-assessment consisted of the following activities:

- Meeting with the Board of Statutory Auditors to define the project's implementation modalities and specific areas of focus;
- Definition of the data and information to be collected and the timeframe for obtaining it from Auditors;
- Individual interviews with the three statutory auditors;
- Preparation of the draft report;
- Presentation of the draft report to the Board of Statutory Auditors;
- Finalisation of this report.

The final report on the self-assessment was presented at the meeting of the Board of Statutory

Auditors, the Nomination and Remuneration Committee and the Board of Directors meeting in February 2023.

Overall, the self-assessment provided an extremely positive picture of the size, composition and functioning of the Board of Auditors.

The answers of the Statutory Auditors in agreement ("Strongly Agree" and "Agree") amounted to 99%, with a strong concentration on the highest level of satisfaction, while the "Neutral" indications ("Neither Agree" or "Disagree") stood at 1%; the latter, in particular, mainly refer to non-applicable questions, i.e. areas of work in which the Board has not yet operated (e.g. the latter mainly refer to non-applicable questions, i.e. areas of work in which the Board has not yet worked (e.g. the preparation of the Regulations for the functioning of the Board of Statutory Auditors) or which are not applicable (as in the case of meetings with the Boards of Statutory Auditors of subsidiaries, since the Board of Statutory Auditors of the subsidiary NetInsurance Life is composed of the same people).

In conclusion, no critical issues were found, either related to the individual member or to the functioning of the Board, which require corrective measures.

All values are very positive, confirming that Net Insurance's Control Board has worked effectively, with the right balance of competent and experienced professionals.

The qualitative analysis confirmed the positive assessment.

The Board carried out the assessment of independence in the course of the self-assessment; as is known, each of them has a duty to inform colleagues if the essential requirement of independence is no longer met during the course of the year; no such communication was received by the Board. All the Statutory Auditors signed the declaration on the requirements of integrity, professionalism, competence, experience and independence which, among other things, includes the confirmation that "there are no professional, commercial, patrimonial and financial relationships with the company or group to which the Company exists, belongs or with the relevant significant representatives and therefore they are independent to the law and the Corporate Governance Code."

Remuneration

The Shareholders' Meeting of 27 April 2022 determined the remuneration due to the Statutory Auditors, taking into account the proposal of the Board of Directors.

In particular, the Board, with the support of the Appointments and Remuneration Committee and the independent external consultancy firm Mercer Italia S.r.l., carried out in 2021:

- a. A substantial alignment to the logic of the work carried out by the independent external consulting company. In particular, the consultancy firm supported the Net Insurance Group companies in order to investigate market practices regarding the remuneration of the Board of Statutory Auditors.
- b. A 360-degree intervention
- c. The verification of the overall coherence of the different treatments, always to be assessed in an all-inclusive manner
- d. The verification of the appropriate economic impact on Net Insurance Group companies
- e. an adjustment for the participation of the Board of Statutory Auditors in Board Committees

In light of the above, the Shareholders' Meeting held on 28 April 2021, upon the proposal of the Board of Directors, supported by the Appointments and Remuneration Committee, resolved, amongst things, to revise the remuneration of the Board of Statutory Auditors in the following terms, with respect to the resolution passed by the same on 21 January 2019.

The Board of Directors, considering the above assessments still valid, considered that the above-mentioned fees could be maintained for the new Board of Statutory Auditors.

Interest Management

Statutory Auditors who, on their own behalf or on behalf of third parties, have an interest in a certain transaction of the Company shall promptly and fully inform the other Statutory Auditors and the Chairman of the Board of Directors of the nature, terms, origin and extent of their interest.

12 RELATIONS WITH SHAREHOLDERS

Access to information

The Company supports an open and transparent process aimed at ensuring that shareholders have contact with the Company, the Board and management not only at the Shareholders' Meeting, but also on an ongoing basis throughout the year.

Shareholders of the Company may indeed request information and communicate their views to the Board and management by contacting the Investor Relations function.

The Investor Relations and Special Projects Function, which is part of the CFO Area, is headed by Mr Ottavio Pennisi (Telephone +39 06 893261; Fax: +39 06 89326300; email: investor.relations@netinsurance.it). Contact details are available on the website at [https://www.netinsurance.it/ Sezione Investors > Contatti](https://www.netinsurance.it/SezioneInvestors%20Contatti)).

Dialogue with shareholders

In compliance with the recommendations of the Corporate Governance Code, the Board of Directors, on the proposal of the Chairman, formulated in agreement with the Chief Executive Officer, adopted a policy for managing dialogue with shareholders in general, also taking into account the engagement policies adopted by institutional investors and asset managers.

In fact, the Policy for the Management of Dialogue with the General Shareholders of Net Insurance was approved by the Board of Directors at its meeting held on 1 June 2022 and is effective as of 1 August 2022, the date on which the Company's ordinary shares and warrants begin trading on Euronext STAR Milan.

The document was prepared in accordance with Recommendation No. 3 of the Corporate Governance Code approved by the Corporate Governance Committee in January 2020 and effective as of 1 January 2021.

This Policy is published on the Issuer's website ("Investor Relations" section). Information concerning the Issuer that is relevant to its shareholders is made available in the same section, so that shareholders can exercise their rights in an informed manner.

The Chairman ensures that the Board of Directors is in any case informed, by the first useful meeting, on the development and significant contents of the dialogue that has taken place with the Shareholders, in line with what is suggested by Recommendation No. 3 of the Corporate Governance Code.

It should be noted that, during 2022, numerous meetings were held with Shareholders and the dialogue with them covered topics related to the Net Insurance Group's business, strategies and performance.

13 MEETINGS

For the convocation, constitution and resolutions of the Ordinary and Extraordinary Shareholders' Meetings, the legal and regulatory provisions in force at the time shall be observed.

Shareholders' Meetings are held in a single call pursuant to Article 2369(1) of the Italian Civil Code.

Shareholders' Meetings are convened by the Board of Directors, whenever the Board of Directors deems it appropriate or when required by law.

The Shareholders' Meeting may also be convened by the Board of Statutory Auditors or by at least two auditors, subject to prior notification to the Chairman of the Board of Directors.

Intervention and representation at the Shareholders' Meeting shall be governed by the laws and regulations in force at the time.

The Shareholders' Meeting may be attended by shareholders who are entitled to vote and for whom the Company has received (in compliance with the law and regulations in force at the time) the communication made by the intermediary authorised to keep accounts on which financial instruments are registered pursuant to the law, in accordance with its accounting records, within the term provided for by the law and regulations in force at the time. Credit and debit entries made in the records after that date will be of no relevance for the purpose of entitlement to exercise the right to vote in the shareholders' meeting.

Those entitled to vote may be represented by proxy in accordance with the law.

If provided for in the notice of call, the meetings may also be held by audio- or video-conference, provided that the identity of the Shareholders attending in person or represented by proxy can be ascertained and that the possibility of following the discussion and participating in a timely manner in the discussion of the items on the agenda, of transmitting, receiving and viewing documents, as well as of duly exercising voting rights is effectively guaranteed.

Voting may also be expressed by correspondence or electronically, where indicated in the notice of call and in the manner set forth therein and such as to guarantee the confidentiality of the vote until the beginning of the ballot, pursuant to the laws, including regulations, in force at the time.

If these prerequisites are met, the Meeting is deemed to be held in the place where the President and Secretary are located, or, if the President and Secretary are not in the same place, the Meeting is deemed to be held in the place where the Secretary is located.

The Company shall designate for each meeting a person to whom shareholders may grant a proxy to represent them at the meeting in accordance with Article 135-undecies of the Consolidated Law on Finance (TUF), giving notice in the notice of the meeting.

The Shareholders' Meeting represents the universality of the Shareholders, and its resolutions, passed in accordance with the law and the Articles of Incorporation, are binding on all Shareholders, even if not attending or dissenting.

The ordinary meeting has jurisdiction over:

- resolutions on the annual budget;
- resolutions on the allocation of profits;
- the appointment and dismissal of board members;
- the appointment of members of the board of auditors;
- the approval of remuneration policies for members of corporate bodies appointed by the shareholders' meeting and personnel relevant to the rules applicable to insurance companies, including remuneration plans based on financial instruments;
- the determination of the remuneration of auditors;
- the determination of the remuneration due to members of the Board of Directors; to this end, variable remuneration systems linked to economic results and/or other indicators of management performance or non-economic and/or financial indicators may be adopted;
- the conferment of audit appointments as well as the determination of their fees after obtaining the reasoned opinion of the Board of Statutory Auditors;

- any other resolution provided for by the rules, including regulations, pro tempore in force or submitted to the meeting by the Board of Directors.

The extraordinary shareholders' meeting has jurisdiction over items involving amendments to the articles of incorporation, the appointment and powers of liquidators in the event of the dissolution of the Company, and in any other case established by the pro tempore regulations in force.

The Meeting deliberates on matters reserved for it by law and regulations according to the majorities stipulated by them.

Ascertaining the regularity of proxies and the right to participate in the meeting as well as directing the proceedings of the meeting, including the choice of the voting system, however open, and ascertaining the results of voting, are the responsibility of the chairman of the meeting.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors; in his absence, in that order, if appointed, by the Vice Chairman, by the eldest Director present at the Meeting and willing to serve in that capacity, or by a person designated by the Meeting. The Meeting, upon the President's proposal, appoints a Secretary and, if necessary, two tellers identified by the President also from within the corporate structures.

The validity of the constitution of the Meeting and its resolutions shall be determined in accordance with the law.

The Shareholders' Meeting Regulations, approved by the Shareholders' Meeting at the proposal of the Board of Directors, are available on the Company's Website in Section <https://www.netinsurance.it/investor-relations/corporate-governance/>

Board members are consistently present at the meetings. The Board of Directors shall ensure adequate information to the Shareholders by making available to the public, within the time limits and in the manner prescribed by law, the illustrative Reports on the proposed resolutions of the Shareholders' Meeting.

14 FURTHER CORPORATE GOVERNANCE PRACTICES (ex Article 123-bis, paragraph 2(a), second part, of the Consolidated Law on Finance (TUF))

The Code of Ethics and Conduct is a tool that guides the commitment of the individual Group Companies towards their stakeholders; it is made available to all recipients through internal and external communication tools, without prejudice, however, to the important proactive role with respect to its contents and purposes played by the Supervisory Board.

The Code of Ethics and Conduct is available on the Company's website.

15 CONSIDERATIONS ON THE LETTER FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

On February 28, 2023, the Board of Directors, with the support of the Nominating and Compensation Committee, reviewed the Letter from the Chairman of the Corporate Governance Committee, sent in late January this year to listed companies that adhere to the Corporate Governance Code, containing the "Committee's Recommendations for 2023" and the "2022 Report."

The recommendations formulated in the letter were also submitted to the Issuer's Board of Statutory Auditors to the extent of its competence.

The following are the Board's assessments, with the support of the Nominating and Compensation Committee, of the company's position with respect to the 2023

Recommendations.

In evaluating the actions to be taken, the Board of Directors, with the support of the Appointments and Compensation Committee, took into account the takeover bid initiated by Poste Vita and the purpose of the Net Insurance delisting.

1. Recommendation: adopt a shareholder dialogue policy that also includes the possibility of this being initiated at the initiative of investors, defining graduated modalities and procedures, based on the principle of proportionality, according to the company's characteristics in terms of size and ownership structure

SAL: the Policy adopted by Net Insurance governs the possibility of contact with the Company, its Board, and management not only at the Shareholders' Meeting, but also on an ongoing basis during the course of the year, and describes the manner in which information can be requested and communicated. Feedback to inquiries must be provided in accordance with the general principles set forth in the Policy, the company's provisions on market abuse, and relevant regulations in force for listed companies.

Proposal: The BoD, with the support of the Nomination and Remuneration Committee considered whether, given the takeover bid being promoted, to make the "proportionality principle" explicit in policy. This proposal will be re-evaluated and implemented only in case of non-Delisting.

2. Consider providing information, in its corporate governance report, on the most relevant issues that were the subject of the dialogue with shareholders and on any initiatives taken to take account of the indications that emerged

Proposal: The BoD, with the support of the Appointments and Remuneration Committee, proposed to specify in the Corporate Governance Report that the most relevant issues covered Net Insurance Group's business, strategies and performance.

3. Provide adequate information in its Corporate Governance Report on the criteria and methods by which the governing body has promoted dialogue with other relevant stakeholders

Please refer to Section 12 ("Relations with Shareholders") for this aspect.

4. Provide in the Corporate Governance Report, for companies in which the chairman is granted significant management authority, adequate reasons for this choice, even if the chairman does not qualify as CEO

N/A

5. Provide procedures for the handling of pre-consultation disclosure that do not include generic exemptions to the timeliness of disclosure for reasons of confidentiality of data and information and to provide, in the corporate governance report, detailed information on any failure to comply with the notice period specified in the procedures for sending board documents, giving reasons and explaining how adequate insights were ensured at the board meeting

SAL: The Organisation of board meetings' procedure and the BoD Regulations do not provide generic exemptions to the timeliness of disclosure for reasons of confidentiality of data and information to be provided.

The "Organisation of board meetings" procedure:

- h) provides for board documentation to be sent within 5 days before the BoD
- i) does not provide for sending - as is the practice - the documentation subject to disclosure within 3 days
- j) provides for the preparation for all documents of an executive summary containing key information to be forwarded to the Board.

The BoD Regulations: provide as follows *"In order to allow informed participation in the meetings, the Directors are normally made available in advance within the terms defined in the "Organisation of the Board meetings" procedure, except in cases of necessity and urgency, the documentation relating to the items submitted for examination and approval by the Board of Directors. In the case of matters of an extraordinary and/or urgent nature, the documentation may be made available directly at the Board meeting, subject to the consent of all those present."*

It does not stipulate, however applied in corporate practice, that *"Where, in specific cases, it is not possible to provide the necessary information well in advance, the chairman shall ensure that appropriate insights are made during the board sessions."*

Proposal:

- (i) adjust the timing of sending the disclosure documents to corporate practice;
- (ii) insert, in order to bring it in line with corporate practice, the following specification in the BoD Regulations *"Where, in specific cases, it is not possible to provide the necessary information well in advance, the chairman shall ensure that appropriate insights are made during the board sessions."*;
- (iii) with reference to the request to provide in the Corporate Governance Report "detailed information on any failure to comply with the notice period, giving reasons and explaining how adequate insights were ensured at the board meeting" provide that "The deadlines for the prior transmission of board documentation were substantially met. The Chairman ensured adequate space for the necessary in-depth analyses during board meetings, in order to guarantee the Directors and Statutory Auditors the correct and complete information on the topic under discussion, so as to be able to always reach informed decisions and foster a constructive debate."

6. Define, in the regulations adopted for the operation of the board of directors and its committees, the manner in which these bodies may access the relevant corporate functions according to the subject matter, under the coordination of the chairman of the board of directors or committee, respectively, in agreement with or informing the CEO.

SAL: The Rules of the Board of Directors already stipulate that *"The Chairman, with the assistance of the Secretary, shall see to it, in agreement with the CEO, that the executives of the Company and the Subsidiary, who are responsible for the relevant corporate functions according to the subject matter, attend board meetings, including at the request of individual directors, to provide appropriate insights into the items on the agenda."*

Proposal: this specification, in the practice already implemented, will also be included in the Regulations of Board Committees

7. Provide information in the corporate governance report on the effective participation of managers in board and committee meetings, indicating the functions involved and the frequency of involvement

In this regard, please refer to section 4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS.

8. the board of directors, at least in companies other than those with concentrated ownership, expresses, with a view to its renewal, guidance on the optimal composition of the board, and calls on companies to publish such guidance sufficiently in advance to enable those submitting lists of candidates to be able to take it into account for the purposes of list composition

SAL: In April 2022 Net Insurance was not a regulated listed company. However, in view of the renewal of the Board of Directors, this Guideline was nevertheless established, which was published on 31.03.22 before the convocation was published on 04/04/22.

9. Define ex-ante and disclose in the corporate governance report the quantitative parameters and qualitative criteria for assessing the significance of any commercial, financial or professional relationships and any additional remuneration for the purposes of a director's independence

SAL: These parameters have already been incorporated into the Professionalism Honourability and Independence Requirements Assessment Policy.

In this regard, please refer to section 4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTORS - Independent Directors.

10. Consider the appropriateness of providing quantitative parameters, including those defined in monetary terms or as a percentage of the remuneration awarded for the office and for participation in committees recommended by the Code

SAL: The Shareholders' Meeting of April 27, 2022, determined, amongst other things, that upon the proposal of the Board of Directors, the total remuneration of the Board of Directors, including the remuneration of the Chairman, members and each Chairman of the Board Committees.

The proposal of the Board of Directors, with the support of the Appointments and Remuneration Committee, took into account the outcomes of the benchmark analysis (carried out by the independent external consulting firm Mercer Italia S.r.l. during 2021) regarding the expected compensation for the Chairman of the BoD, non-executive directors as members of the board and Board Committees, and members of the Board of Statutory Auditors.

On 6 April 2022, the Board of Directors, with the advice of the Nomination and Remuneration Committee, considered the above assessments still valid.

The Board of Directors' proposal was in line with the one approved by the Shareholders' Meeting on April 28, 2021, as part of the revision, compared to the resolution passed by the Shareholders' Meeting on 21 January 2019, of the compensation of the Board of Directors and the Board Committees.

Actions: fixed remuneration for 2022 for committee membership will be reported in the "Disclosure on the

Remuneration Policies 2022", which will be presented to the NRC and BoD in March this year and to the Shareholders' Meeting in April this year.

11. Include in the remuneration policy of the CEO and the other executive directors an executive summary, in tabular form, showing the composition of the remuneration package, with an indication of the characteristics and weighting of the fixed, short-term variable and long-term variable components with respect to

the total remuneration, at least with reference to the achievement of the target objective of the variable components

SAL and actions: The mirror containing the remuneration package of the Chief Executive Officer in the terms indicated in the recommendation was included in the document "Disclosure on Remuneration Policies 2022" presented to the Appointments and Remuneration Committee and BoD in March and will be presented to the Shareholders 'Meeting of April

12. Provide in the remuneration policies for a variable component with a multi-year horizon, consistent with the company's strategic objectives and the pursuit of sustainable success

SAL: The component with a multi-year horizon consistent with strategic objectives is already present in the remuneration policies of top management, and is named "LTIP" Long Term Incentive Plan

13. For companies with incentive mechanisms for the CEO and other executive directors linked to sustainability targets, provide a clear indication of the specific performance targets to be achieved

SAL: Corporate sustainability targets were stated in the 22-25 business plan presented in June 2022. The Chief Executive Officer and the CFO have among their 2022 objectives the ESG project as part of strategic projects.

Actions to be implemented: The same will therefore appear in the objectives of the Chief Executive Officer starting from 2023.

Board of Directors

Luisa Todini (Chairperson)

TABLES

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AS AT 31/12/2022

SHARE CAPITAL STRUCTURE				
	No. of shares	No. of voting rights	Listed (please indicate markets)/unlisted	Rights and obligations
Ordinary shares	18,514,269	18,514,269	STAR	Pursuant to Article 5, paragraph 3, of the Articles of Association of Net Insurance S.p.A. The ordinary shares are registered, indivisible, freely transferable and grant their holders equal rights. In particular, each ordinary share gives the right to one vote in the ordinary and extraordinary shareholders' meetings of the Company as well as the other property and administrative rights pursuant to the Statute and law.
Other				

OTHER FINANCIAL INSTRUMENTS (granting the right to subscribe for newly issued shares)				
	Listed (please indicate markets)/unlisted	No. of instruments in circulation	Category of shares serving the conversion/exercise	No. of shares for conversion/ financial year
Convertible bonds	Vienna MTF	34 (each with a denomination of 100,000 Euros), with a nominal value of 3,400,000 Euros	Ordinary shares ¹	566,677 ²
Warrant	STAR	1,823,235		

¹ Servicing the bond conversion

² The figure represents the maximum number of shares that could be allotted to holders of the Convertible Bonds, who exercise their conversion right

SIGNIFICANT EQUITY INVESTMENTS			
Declarant	Direct shareholder	Share % of ordinary capital	Share % of voting capital
IBL Banca S.p.A.	IBL Banca S.p.A.	26.63%	29.48%
Algebris Investments (Ireland) Limited	Algebris Investments (Ireland) Limited	5.00%	5.54%
Net Insurance S.p.A.	Net Insurance S.p.A.	9.67%	N.A.

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

Board of Directors													
Office	Components	Date of birth	Date of first appointment (*)	In office since	In office until	List (presenter) (**)	List (M/m) (***)	Exec	Non-exec	Indep. Code	Indep. Consolidated Law on Finance (TUF)	No. other appointments (** **)	Equity investments (*****)
Chairperson	Todini Luisa	22/10/1966	21/01/2019	27/04/2022	30/04/2025	BoD	M		x	x	x	N/A	17/17
CEO Chief Executive Officer	Battista Andrea	26/06/1969	21/01/2019	27/04/2022	30/04/2025	BoD	M	x				N/A	17/17
Director	Romanin Jacur Roberto	03/10/1952	21/01/2019	27/04/2022	30/04/2025	BoD	M		x	x	x	N/A	17/17
Director	Nahum Mayer	16/11/1949	21/01/2019	27/04/2022	30/04/2025	BoD	M		x	x	x	N/A	16/17
Director	Carbone Matteo Federico	02/07/1979	21/01/2019	27/04/2022	30/04/2025	BoD	M		x	x	x	N/A	16/17
Director	Maralla Andrea	01/04/1965	21/01/2019	27/04/2022	30/04/2025	BoD	M		x	x	x	N/A	17/17
Director	Doro Anna	05/09/1965	24/03/2020 co-opted by the BoD 23/04/2020 appointed by the Meeting	27/04/2022	30/04/2025	BoD	M		x	x	x	1	16/17
Director	Monica Regazzi	03/07/1969	23/02/2021 co-opted by the BoD	27/04/2022	30/04/2025	BoD	M		x	x	x	N/A	17/17

			27/04/2021 appointed by the Meeting										
Director	Simonetta Giordani	06/07/1964	25/06/2021 co-opted by the BoD	27/04/2022	30/04/2025	BoD	M		x	x	x	1	16/17
Director	Garola Nicoletta	30/01/1963	27/04/2022	27/04/2022	30/04/2025	eholders	m		x	x	x	N/A	12/12
Director	Guzzo Pierpaolo	04/03/1968	27/04/2022	27/04/2022	30/04/2025	eholders	m		x	x	x	1	12/12

Indicate the number of meetings held during the financial year: 17 meetings

Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (pursuant to Article 147-ter of the Consolidated Law on Finance (TUF)):

In the Articles of Association in force as at April 2022, the quorum required for the submission of lists by minorities (single or multiple presenting shareholders) for the election of one or more members is 5% of the share capital represented by Ordinary Shares.

It should be noted that the Company has been listed on the regulated market Euronext STAR Milan since 1 August 2022.

NOTES

The following symbols must be entered 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 appointed (ever) to the Issuer's Board of Directors.

(**) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board of Directors").

(***) This column indicates whether the list from which each director was drawn is "majority" (indicating "M") or "minority" (indicating "m").

(****) This column shows the number of directorships or auditor appointments held by the person concerned in other listed or large companies. In the Corporate Governance Report, appointments are indicated in full.

(*****) This column shows the directors' attendance at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

TABLE No. 2.A - **List of relevant offices held by Directors**

Evidence of offices held by Directors in companies listed on regulated markets (including foreign markets), or of significant size, as at the close of the 2022 financial year is provided.

Components	Position held in Net Insurance	Positions held in other companies listed on regulated markets (including foreign markets), or of significant size
Doro Anna	Director	Sindaco TIM S.p.A.
Simonetta Giordani	Director	Board of Directors of Italia Trasporto Aereo S.p.A.
Guzzo Pierpaolo	Director	Chairman of the Statutory Auditors of SECO S.p.A.

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

Table from 1st January 2022 to 26 April 2022

B.o.D.		Control, Risk and Related Parties Committee		Appointment and Remuneration Committee		Investment Committee	
Office/Qualification	Components	Equity investments (*)	Chairman "C" Member "M" (**)	Equity investments (*)	Chairman "C" Member "M" (**)	Equity investments (*)	Chairman "C" Member "M" (**)
Chairman of the B.o.D. non-executive - independent of the Consolidated Law on Finance (TUF) and the Code	Todini Luisa			4/4	C		
CEO - Non-independent Executive Director	Battista Andrea					1/1	C
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Romanin Jacur Roberto	5/5	M			1/1	M
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Nahum Mayer	5/5	M				
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Carbone Matteo Federico						
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Maralla Andrea	5/5	C				
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Doro Anna			4/4	M		

Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Monica Regazzi					1/1	M
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Simonetta Giordani			4/4	M		
No. of meetings held from 1/1/22 to 26/4/22:		5		4		1	

NOTES

(*) This column shows the directors' attendance at committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).
(**) This column shows the qualification of the director within the committee: "C": Chairman; "M": Member

Table from 27 April 2022 to 31 December 2022

B.o.D.		Control, Risk and Related Parties Committee		Appointment and Remuneration Committee		Investment Committee		ESG Committee	
Office/Qualification	Components	Equity investments (*)	Chairman "C" Member "M" (**)	Equity investments (*)	Chairman "C" Member "M" (**)	Equity investments (*)	Chairman "C" Member "M" (**)	Equity investments (*)	Chairman "C" Member "M" (**)
Chairman of the B.o.D. - non-executive - independent of the Consolidated Law on Finance (TUF) and the Code	Todini Luisa					3/3	C		
CEO - Non-independent Executive Director	Battista Andrea					3/3	M		
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Romanin Jacur Roberto			8/8	C	3/3	M		
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Nahum Mayer	9/10	M						
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Carbone Matteo Federico								
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Maralla Andrea	10/10	C						
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Doro Anna			8/8	M			3/3	C
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Monica Regazzi							3/3	M

Code									
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Simonetta Giordani							3/3	M
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Garola Nicoletta			8/8	M				
Non-executive Director - independent of the Consolidated Law on Finance (TUF) and the Code	Guzzo Pierpaolo	10/10	M						
No. of meetings held from 27/4/22 to 31/12/22:		10		8		3		3	

NOTES

(*) This column shows the directors' attendance at committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(**) This column shows the qualification of the director within the committee: "C": Chairman; "M": Member

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

Board of Statutory Auditors									
Office	Components	Date of birth	Date of first appointment (*)	In office since	In office until	List (M/m) (**)	Indep. Code	Attendance in Board meetings (***)	No. other appointments (****)°
Chairperson	Blandini Antonio	17/11/1969	21/01/2019	27/04/2022	30/04/2025	M	X	14/14	2
Statutory auditor	Gulotta Marco	20/10/1977	30/01/2020	27/04/2022	30/04/2025	M	X	14/14	1
Statutory auditor	Ippoliti Sabina	17/05/1965	27/04/2022	27/04/2022	30/04/2025	M	X	14/14	3
Alternate Auditor	Guarini Ettore	05/07/1969	27/04/2022	27/04/2022	30/04/2025	M			
Alternate Auditor	Padula Carmen	21/07/1968	30/01/2020	27/04/2022	30/04/2025	M			
-----AUDITORS WHO CEASED OFFICE DURING THE YEAR -----									
Statutory Auditor	Sanguigni Vincenzo	13/01/1967	21/01/2019	21/01/2019	27/04/2022				
Alternate Auditor	Mezzetti Carlo	17/08/1963	21/01/2019	21/01/2019	27/04/2022				

Indicate the number of meetings held during the financial year: 14 meetings

Indicate the *quorum* required for the submission of lists by minorities for the election of one or more members (*pursuant to Article 148-ter of the Consolidated Law on Finance (TUF)*):

In the Articles of Association in force as at April 2022, the quorum required for the submission of lists by minorities (single or multiple presenting shareholders) for the election of one or more members is 5% of the share capital represented by Ordinary Shares.

It should be noted that the Company has been listed on the regulated market Euronext STAR Milan since 1 August 2022.

° The other positions held by the statutory auditors of Net Insurance S.p.A. (ref. "No. of other positions") concern unlisted companies. The three Standing Auditors also hold the same office in the Subsidiary Net Insurance Life S.p.A., the latter being included in the number reported.

NOTES

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

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

(***) This column shows the auditors' attendance at board meetings (indicate the number of meetings attended out of the total number of meetings they could have attended; e.g. 6/8; 8/8 etc.).

(****) This column shows the number of directorships or auditor appointments held by the person concerned pursuant to Article 148-bis of the Consolidated Law on Finance (TUF) and its implementing provisions contained in the Consob Issuers' Regulations. The complete list of appointments is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Consob Issuers' Regulations.

