

ALKEMY S.p.A.

EXPLANATORY REPORT BY THE BOARD OF DIRECTORS OF ALKEMY S.P.A. ON ITEM 4 OF THE AGENDA OF THE
ORDINARY SHAREHOLDERS' MEETING OF 26 APRIL 2022

Approved by the Board of Directors on 04 March 2022.

Item 4. Appointment of the Board of Directors:

4.1. Determination of the number of members of the Board of Directors;

4.2. Determination of the term of office of the Board of Directors;

4.3. Appointment of the members of the Board of Directors;

4.4. Appointment of the Chairman of the Board of Directors;

4.5. Determination of the fees due to the Board of Directors. Shareholders,

The approval of the financial statements at 31 December 2021 marks the end of the mandate assigned to the Board of Directors (hereinafter the “**Board**”) of Alkemy S.p.A. (“**Alkemy**” or the “**Company**”), appointed by the ordinary shareholders’ meeting of 25 June 2019.

We would therefore now ask you to resolve – in compliance with the law and regulations as well as with all current applicable statutory provisions – after determining the number of members and term of office, on the appointment of the Board and its Chairman.

We would also ask you to resolve on the fees to be assigned to the Board.

In this respect, we would remind you that:

- a) the company is managed by a Board of Directors numbering from 5 (five) to 9 (nine) members, who shall remain in office for a period, established by the Shareholders' Meeting, of no more than three financial years and who may be re-elected. They shall cease office on the date of the shareholders' meeting convened to approve the financial statements relating to the last year of their office;
- b) before appointing the new Board, the Shareholders' Meeting shall determine the number of members and their term of office;
- c) in view of the renewal of the administrative body and taking into account:
 - market best practices in respect of the size and business of the Company;
 - the results of the Board Evaluation relative to FY 2021, carried out in accordance with Principle XIV and Recommendations 19–21 of the Corporate Governance Code for companies with listed shares, approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria in January 2020 (the “**CG Code**”), to which the Company adheres;
 - the Diversity Policy approved by the Board on 4 March 2022 (the “**Diversity Policy**”);
 - the focus of the work of the forthcoming Board, whose mandate will be important to the development of the Company’s strategy, in a sector and market context that is evolving and changing considerably;

on 4 March 2022, in accordance with Recommendation 23 of the CG Code, the Board approved its guidance to Shareholders on the quantitative and qualitative composition of the Board held to be optimal (the “**Guidelines**”), made available to the public in the specific section of the Company’s website and annexed to this report.

In its Guidelines, the Board, *inter alia*:

- a) suggested reducing the number of directors from the current 9 (nine) to 7 (seven);
- b) considered a three-year term of office for the Board to be appropriate (expiring on the date of the Shareholders' Meeting to be called to approve the financial statements at 31 December 2024);
- c) recommended that in addition to that envisaged by the law and Alkemy’s Articles of Association (the “**Articles of Association**”) on gender balance, a varied composition be assured for the Board in terms of competences, professional characteristics and age, so as to foster the creation of a good balance of experience, continuity, tendency towards innovation and risk appetite;
- d) expressed its opinion on the training and competences of the directors and significant representatives.
- e) recommended that at least one Independent Director should have sufficient knowledge and experience in financial matters or remuneration policies and at least one other Independent Director must have suitable experience in accounting and financial matters or risk management.
- f) as regards the maximum number of engagements, it has not chosen to define any general criteria for appointments of administration and control in other companies that could be considered compatible with the effective performance of the role of Company Director, without prejudice to the duty of each Director to assess the compatibility of the positions of director and auditor held in other companies listed on regulated markets, in financial companies, banks, insurance firms or large companies, with the diligent pursuit of the duties accepted as Company Director;
- g) appreciated the qualitative profile of the current administrative body and, therefore, considered it reasonable to assure a certain degree of continuity in the Board members, so as to preserve the Company and Group knowledge acquired over time, at the same time trusting that, in view of the future challenges to be addressed, professionals would be present with experience in complex contexts of strategic change, including on an international scale, supporting the future appointed bodies in the relevant implementation. In view of the body renewal, the Board also notified Shareholders of numerous characteristics that should be seen in the candidates to the role of director, including:
 1. experience and specific operative management skills;
 2. technological skills (cyber, AI, IOT and new platform services);

3. strategic guidance;
 4. commercial experience;
 5. sustainability;
- h) recalled that Article 147-*ter*, paragraph 4 of Italian Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”) ruled that at least one of the Board members, or two if the board of directors numbers more than seven members, must meet the independence requirements established for auditors by Article 148, paragraph 3 (also pointing out that the CG Code states that the administrative body shall include at least two independent directors meeting the requirements laid down by Recommendation 7).
- i) recalled that the members of the Board must assure gender balance in compliance with applicable provisions of law and regulations in force *pro tempore* . In this regard, current legislation (Art. 147-*ter*, paragraph 1-*ter* of the Consolidated Law on Finance) states that the members of the Board of Directors shall be such whereby the least represented gender shall make up at least two fifths of the standing members of the administrative body, without prejudice to the fact that if the application of the criterion of allocation to genders should not result in a whole number of members of the administrative body belonging to the less represented gender, such number shall be rounded up to the next whole number. Notwithstanding, paragraph 304 of Art. 1 of Italian Law no. 160 of 27.12.2019, in the text republished in OJ no. 13 on 17.1.2020, states that: “*The criterion of allocation of at least two fifths envisaged by paragraphs 302 and 303 shall apply as from the first renewal of the administrative and auditing bodies of companies listed on regulated markets after the date on which this law comes into force, without prejudice to the criterion of allocation of at least one fifth envisaged by Article 2 of Italian Law*” . *no. 120 of 12 July 2011 for the first renewal after the trading start date*”. Given that the Shareholders’ Meeting convened for 26 April 2022 will be called to resolve on the first renewal of the Board of Directors after the trading start date of the Company’s shares on the Euronext Milan market (formerly the MTA market), the criterion of allocation of at least two fifths does not apply to the Board of Directors to be appointed, but rather that of one fifth.

Milan, 04 March 2022

For the Board of Directors The
Chairman
Alessandro Mattiacci

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Item 4 on the agenda of the ordinary shareholders' meeting: Appointment of the new Board of Directors, related and consequent resolutions

4.1 determination of the number of members of the Board of Directors

In order to proceed with the appointment of the new Board of Directors, the number of members must first be determined.

It is recalled that in accordance with Art. 19 of the Articles of Association, the Company is managed by a Board of Directors numbering between 5 (five) and 9 (nine) members, as determined by the Shareholders' Meeting.

At the last renewal, the number of Board members was determined as 9 (nine).

Thus said, the Board, also in consideration of the indications given in the Guidelines, believes that:

- a Board made up of 7 (seven) Directors is appropriate;
- this size enables the correct formation of the board committees, with the necessary number of independent members, and the possibility of properly investigating the subjects discussed and resolutions to be passed, adequately involving all members.

In accordance with Recommendation 2, Art. 1 of the CG Code, the Board therefore proposes establishing the number of directors to be elected as 7 (seven).

4.2 determination of the term of office of the Board of Directors

In accordance with Art. 19 of the Articles of Association, directors remain in office for a period of time established by the shareholders' meeting of no more than three financial years, standing down from office on the date of the shareholders' meeting convened to approve the financial statements relating to the previous year of their office; they may be re-elected.

Given that in its Guidelines, the Board believed it appropriate for the term of office of the directors to be appointed to be three financial years (2022, 2023 and 2024) and in any case standing down on the date of the Shareholders' Meeting to be convened to approve the financial statements at 31 December 2024, we would therefore ask you to determine the term of office of the Board of Directors as three financial years.

4.3 appointment of the members of the Board of Directors

In accordance with Art. 19.4 of the Articles of Association, the Board of Directors is appointed by the ordinary shareholders' meeting based on the lists submitted by the shareholders, according to the procedure set forth in the Articles of Association and summarised over the next few paragraphs.

The following can present a list for the appointment of directors: (i) shareholders that, at the time of submitting the list, individually or jointly hold a sufficient number of shares as

to account for at least 4.5% of the share capital – on the basis of Consob determination no. 62/2022 – and (ii) the Board.

Lists are deposited at the Company's offices, including using remote communication means, by the twenty-fifth day prior to the date of the shareholders' meeting convened to resolve on the Board appointment and made available to the public in the manner envisaged by laws and regulations in force *pro tempore* at least twenty-one days prior to the meeting date.

Each list:

- a) must contain a number of candidates not exceeding 9 (nine), listed according to progressive numbering;
- b) must contain and expressly indicate at least one director who meets the Independence Requirements; if the list contains more than 7 (seven) candidates, it must contain and specify at least two directors meeting these requirements;
- c) for the period of application of legislation and regulations in force *pro tempore* on gender balance, where 3 (three) or more candidates are listed, the list must include candidates of both genders, at least in the minimum proportion called for by provisions of law and regulations in force *pro tempore*.
- d) must have the following annexes: (i) the CVs of the candidates; (ii) the declarations whereby each candidate accepts their candidature and certifies, under their own responsibility, that there are no grounds for ineligibility and incompatibility and that they meet the requirements laid down by current legislation to hold the office of Company director, including the declaration of whether or not they meet independence requirements; (iii) the indication of the shareholders submitting the lists and the percentage shareholding held in total (without prejudice to the fact that the certification showing the ownership of such shareholding may be produced after depositing the lists, as long as before the deadline envisaged for list publication by the Company); (iv) all and any other and different declarations, information and/or documents envisaged by applicable law and regulations.

It is recalled that in accordance with Communication no. DEM/9017893 of 26 February 2009, Consob has recommended that shareholders submitting a "minority list" deposit, together with the list, a declaration attesting to no direct or indirect relationship pursuant to Art. 147-*ter*, paragraph 3 of the Consolidated Law on Finance and Art. 144-*quinquies* of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as subsequently amended and supplemented, with the Shareholders individually or jointly holding a controlling or relative majority share, if the latter can be identified on the basis of communications of significant shareholdings pursuant to Art. 120 of the Consolidated Law on Finance or the publication of shareholder agreements in accordance with Art. 122 of said Consolidated Law on Finance. This declaration shall also specify any relationships as may exist, if significant, with shareholders individually or jointly holding a controlling or relative majority share, where such can be identified, and the reasons why such relationships have not been considered key to establishing the existence of such relationships, or the absence of any such relationship must be indicated.

In addition, in accordance with Recommendation 23 of the CG Code, it is recommended that anyone submitting a list containing a number of candidates that is more than half the number to be elected, supply a suitable disclosure (in the documentation submitted for list deposit) on the list's compliance with these guidelines given by the outgoing Board.

Any list submitted by the Board of Directors must: (i) be deposited and published in the manner envisaged by regulations applicable to the lists submitted by shareholders, by the thirtieth day prior to the date of the Shareholders' Meeting at first or only call, without prejudice to the terms of the law for the deposit regarding calls subsequent to the first, and must be made available to the public in accordance with the provisions of law in force *pro tempore* of the shareholders' lists; and (ii) meet, *mutatis mutandis*, the requirements laid down for the submission of lists by shareholders.

Each shareholder, as well as the shareholders belonging to a same corporate group and the shareholders participating in a relevant shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance may not present or contribute to presenting, not even via proxy or a trust company, more than one list or vote for different lists. Each person with voting rights may vote for one list only. The vote of each shareholder will concern the list and hence all the candidates appearing in the list, without any provision for modifications or exclusions. Any votes expressed in violation of this prohibition will not be attributed to any of the lists.

Each candidate may be present in only one list, at risk of ineligibility.

As regards the mechanism for the appointment of the Board, if two or more lists are submitted, the procedure shall be as follows:

- a) a number of directors equal to the total number of members to be elected less one, shall be taken from the list that obtained the majority of votes, in the progressive order of presentation;
- b) from the second list that obtained the highest number of votes and that is not connected, not even indirectly, with the shareholders who submitted, or with those who voted for, the majority list, one director is taken, in the person of the candidate indicated with the first number in the same list.

For more details on the list voting appointment mechanism, refer to Art. 19 of the Articles of Association.

4.4. Appointment of the Chairman of the Board of Directors

In accordance with Art. 20 of the Articles of Association, the Board appoints the Chairman, choosing from amongst its members, if the Shareholders' Meeting has not done so.

In its Guidelines (to which express reference is made in this respect), the Board of Directors has provided indications on the characteristics that the Board believes the candidate to its Chairman must have.

In addition, in accordance with Recommendation 23 of the CG Code, it is recommended that those submitting a list containing a number of candidates that exceeds half the members to be elected, shall indicate which of its candidates is submitted for the role of

Chairman of the administrative body,

who shall be appointed in the manner specified in the articles of association. In this respect, the Articles of Association state that the candidate potentially indicated as such on the list that obtained the most votes, or on the only list submitted, shall be elected as Chairman of the Board.

4.5. Determination of the fees due to the Board of Directors.

We would remind you that Article 24 of the Articles of Association rules that directors shall be due reimbursement of expenses incurred by virtue of their office, in the manner and according to the criteria established by the Board of Directors. In addition, the ordinary shareholders' meeting may:

- (i) recognise an annual fixed fee for office indemnity, determined in total by the shareholders' meeting and thereafter divided up by the board amongst its members, also according to any participation in committees established within the board; and, moreover,
- (ii) envisage that remuneration shall entirely or partly consist of a share in profits or the attribution of the right to subscribe new-issue shares at predetermined prices, in accordance with Art. 2389, paragraph 2 of the Italian Civil Code.

We would also remind you that the shareholders' meeting held on 25 June 2019 determine Euro 1,500,000.00 (one million, five hundred thousand euros and zero cents) as the total maximum gross annual fee to be recognised to the Board for the entire term of office and consequently to be divided up amongst its members in compliance with the resolutions to be passed by the board of directors.

The outgoing Board of Directors has not made any proposal on this item of the agenda and asks the Shareholders to propose fees in line with the benchmark of comparables and to approve one of these choices.