



**QUANTITATIVE AND QUALITATIVE CRITERIA OF SIGNIFICANCE OF RELATIONSHIPS
POTENTIALLY RELEVANT FOR THE ASSESSMENT
OF INDEPENDENT DIRECTORS**

Defined by the Board of Directors of ILPRA S.p.A. pursuant to Article 6-bis of the Euronext Growth Milan Issuers' Regulation on 28 March 2024



Premise

On 4 December 2023, the amendments to the Euronext Growth Milan Issuers' Regulations came into force, which also concerned provisions relating to independent directors. With these amendments, the burden on the Euronext Growth Advisor ("**EGA**") in the phase following admission to trading to express its own assessment of the identification of at least one independent director has been eliminated, and the provision has been introduced that the assessment of the existence of the independence requirements for directors must be carried out by the Board of Directors at the time of appointment and then annually pre-defining, at least at the beginning of its mandate, the quantitative and qualitative criteria of significance of the relationships potentially relevant for the purposes of assessing independence, making them known to the public.

The Board of Directors of ILPRA S.p.A. ("**ILPRA**" or "**Company**") in its meeting of 28 March 2024 approved the quantitative and qualitative criteria to assess the significance of any relationships relevant for the purposes of the qualification of independent directors ("**Quantitative Criteria**" and "**Qualitative Criteria**" or even just "**Criteria**"), in accordance with the provisions of art. 6-bis of the Euronext Growth Milan Issuers' Regulation.

In this regard, it should be noted that according to the combined provisions of art. 147-ter, paragraph 4, and 148, paragraph 3, of the TUF (as referred to in Article 21 of the Articles of Association) the following are not independent:

- a) those who meet the conditions provided for in Article 2382 of the Civil Code;
- b) the spouse, relatives, and in-laws up to the fourth degree of the directors of the Company, the directors, the spouse, relatives and in-laws up to the fourth degree of the directors of the companies controlled by it, of the companies that control it and of those subject to common control;
- c) those who are linked to the Company or its subsidiaries or to the companies that control it or to those under common control or to the directors of the Company and to the persons referred to in letter b) above (the "**Relevant Persons**") by self-employment or subordinate employment relationships or by other relationships of a financial or professional nature that compromise their independence.

At its meeting on 28 March 2024, the Board of Directors therefore defined the following Criteria, applicable to the requirement under letter c), to assess whether any "financial or professional relationships" maintained by the director with the Relevant Persons are such as to compromise their independence.

1. Quantitative criteria

In accordance with the provisions of ILPRA's Board of Directors, the "financial or professional relationships" maintained by the director with the Relevant Persons compromise the independence of the director if, alternatively:

- (i) entail, individually or cumulatively, for the director an annual economic recognition at least equal to 100% of the fixed remuneration received annually by the director for the office and for any participation in internal board committees;
- (ii) the total value of these reports, individually or cumulatively, exceeds 10% of the director's annual income.
- (iii) If the relationships with the Relevant Persons are maintained by the director indirectly – for example, through subsidiaries or as a partner of a professional firm or a consulting firm – relationships that involve,



individually or cumulatively, an annual economic recognition of more than 10% of the annual turnover of the legal person are normally to be considered significant, organization or professional firm, of which the administrator has control or is a partner.

2. Quality Criteria

Even if the Quantitative Criteria are not met, a financial or professional relationship is to be considered "significant" if it is deemed by the Board of Directors to be suitable for influencing the independence of judgment and independence of a director of the Company in the performance of his or her duties.

Therefore, by way of example, the professional relationship with the Relevant Persons relating to important transactions of the Company and any group headed by it may be considered "significant".

The significance of the relationships must be assessed taking into account the overall professional activity normally carried out by the director, the tasks normally entrusted to him, as well as the importance that these relationships may assume for the director in terms of reputation.

In addition to the above, the Board of Directors has the right to consider as relevant, for the purposes of assessing the independence of the director, any further element deemed useful and/or appropriate in relation to the specific situations concerning the same (e.g., position, individual characteristics and overall professional activity), adopting additional criteria and/or partially different from the Qualitative Criteria described, that in any case privilege substance over form.

In particular, the Board of Directors may, among other things, give adequate justification at the time of resolution:

- (i) also take into consideration relationships which, although devoid of content and economic character or economically insignificant, are particularly relevant for the prestige of the director concerned or likely to have a concrete impact on his independence and autonomy of judgment;
- (ii) evaluate, on the basis of concrete circumstances, the existence and/or maintenance of the independence requirements for a director even in the presence of one of the Criteria adopted.