



# Report on Corporate Governance and ownership structure at 31 december 2022

 **amplifon**



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# **Report on Corporate Governance**

**and ownership structure  
at 31 december 2022**

(in accordance with art.  
123-bis TUF)

 **amplifon**

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# REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE AT 31 DECEMBER 2022

(IN ACCORDANCE WITH ART. 123-BIS TUF)

## GLOSSARY

**Code/CG Code/Corporate Governance Code:** the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee.

**Cod. civ./ c.c.:** the Italian Civil Code.

**Corporate Governance Committee:** the Italian Committee of Corporate Governance for listed companies promoted, in addition to Borsa Italiana S.p.A., by ABI, Ania, Assogestioni, Assonime and Confindustria.

**Board/Board of Directors:** the Company's Board of Directors.

**Issuer/Company:** the issuer of securities to which the Report refers.

**Fiscal year:** the fiscal year to which the Report refers.

**Regulations for Issuers/CONSOB's Regulations for Issuers:** the regulations issued by CONSOB in Resolution n. 11971 of 1999 (as amended) relating to issuers.

**CONSOB's Regulations for Related Party Transactions:** the regulations issued by CONSOB in Resolution n. 17221 of 12 March 2010 (as amended) relating to related party transactions.

**Report:** the report on corporate governance and ownership structure that companies are obligated to draw up and publish pursuant to art. 123-*bis* TUF.

**Remuneration Report:** the report on the remuneration policy and the compensation paid that companies are obligated to draw up and publish pursuant to art. 123-*ter* TUF and 84-*quater* of CONSOB's Regulations for Issuers.

**TUF:** Testo Unico della Finanza (Uniform Finance Act) pursuant to Legislative Decree n. 58 of 24 February 1998.

Unless specified otherwise, the following are defined by reference in accordance with the CG Code: **directors, executive directors, independent directors, Chief Executive Officer (CEO), Board of Directors, control body, business plan, company with concentrated ownership, large company, sustainable success, top management.**



# I. ISSUER PROFILE

Amplifon S.p.A. (“Amplifon” or the “Company” and the “Group” if referred to the Company and the companies it controls directly or indirectly as a whole), an Italian multinational company with its registered office in Milan, is global leader in the hearing care retail market. Amplifon offers hearing products and services based on a highly personalized and innovative approach developed thanks to the expertise of its people and increasingly advanced technologies which aim to provide each customer with the best solution and an outstanding experience.

Founded in 1950, Amplifon is active in 25 Countries and 5 continents thanks to the professionalism of approximately 19,400 employees and collaborators, with a distribution network of around 9,300 points of sale which comprises directly operated stores (the so-called “corporate shops”), franchises, shop-in-shops and corners.



~19,400

PEOPLE

25

COUNTRIES

+9,300

TOTAL POINTS OF SALE

The Company’s purpose is to empower individuals with hearing disorders to rediscover all the emotions of sound through innovation, focus on the customers’ needs and thanks to the dedication of its people. Amplifon, leveraging on its global positioning and more than 70 years of experience, strives to improve the daily life of millions of people, valuing and investing in its talents, supporting the communities in which it operates and adhering to the highest legal, ethical and moral standards: these are the four areas the Company is committed to in order to create sustainable and shared value over the long-term.

Amplifon shares have been listed on the Euronext Milan market since 27 June 2001 and in 2008 the Company became part of the Euronext STAR segment (the segment dedicated to

quality SMEs) Milan, organized and managed by Borsa Italiana S.p.A. Amplifon has also been included in the FTSE MIB since 27 December 2018, the Stoxx Europe 600 since June 2019 and the MSCI Global Standard index since November 2020. On 18 October 2021 the stock was included in the new MIB ESG index launched by Euronext and Borsa Italiana, dedicated to the 40 Italian blue-chip who adhere to the best environmental, social and governance practices. The Company's market capitalization is more than €6,2 billion at 31 December 2022.

The structure of the Company's corporate governance is informed by the principles and recommendations of the Italian Corporate Governance Code, to which the Company has adhered since the first version issued in 2001 and has completed subsequent updates in a timely manner. More in detail, in 2021 the Company completed the work needed to comply with the Corporate Governance Code published on January 2020. The measures adopted by Amplifon in order to comply with this Code are described in this Report. The corporate governance rules derive directly from the standards and procedures adopted by the Company which it is committed to complying with in order to ensure that each transaction is carried out effectively and with maximum transparency.

Amplifon S.p.A. is organized based on the traditional organizational model with a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors. The corporate governance system is based on the key role played by the Board of Directors (the highest body charged with managing the Company in the interest of the shareholders), transparency of corporate decision making, an effective Internal Control and Risk Management System, careful monitoring of the potential conflicts of interest and valid standards of conduct when carrying out transactions with related parties. This system was implemented by Amplifon by preparing and adopting the codes, standards, rules and procedures that govern and regulate the activities of all the Company's organizational and operational structures.

The Board of Directors has a central role in guiding and managing the Company and the Group. It is vested with the broadest of powers for ordinary and extraordinary administration, with the exception of those powers attributed by law to the Shareholders' Meeting. In addition to those granted by law and the Articles of Association, the Board of Directors is responsible exclusively for all the most important economic and strategic decisions, as well as monitoring and guiding the business. The following Board committees have also been instituted: the Remuneration and Appointments Committee, the Risk Control and Sustainability Committee, both with advisory and guidance functions consistent with the recommendations in the Italian Corporate Governance Code, as well as the Committee for Related-Party Transactions.

The Board of Statutory Auditors is charged with supervising compliance with the law and the Deed of Incorporation, as well as with standards for correct business administration. It verifies the adequacy of the Company's organizational structure, the Internal Control and Risk Management System and the administrative-accounting system.

The Shareholders' Meeting is convened at least once a year, in ordinary session, to approve the annual financial report, appoint and remove members of the Board of Directors and the Statutory Auditors, as well as approve their remuneration, and to also resolve on other matters falling under its prerogative as provided for by law. In extraordinary session, the Shareholders' Meeting amends the Company's Articles of Incorporation and Association, as well as to resolve on other matters falling under its prerogative as provided for by law. The characteristics of these bodies are described in greater detail in other sections of this Report.

In accordance with the law, financial audit activities are assigned to a specialized auditing firm, listed in the special register kept by CONSOB, selected by shareholders.

Amplifon's Board of Directors strives to achieve sustainable success focused on creating long-term value for the shareholders while bearing in mind the Group's social involvement and the need to consider the interests of all the Company's stakeholders. The Group, therefore, promotes an approach which fosters development and results that are sustainable over time, while also paying constant attention to the needs of its clients and its people, supporting the communities in which it operates and increasing the awareness of the new generations as to the importance of hearing health. The highest ethical and moral standards are always complied with in its dealings with all the stakeholders and with respect to the environment.

With a view to sustaining and fostering sustainability, Amplifon adopts and prepares specific documents which include the Code of Ethics, the Sustainability Policy (which centers around four areas to which the Group is committed: Product & Service Stewardship, People Empowerment, Community Impact, Ethical Behavior) and the Sustainability Report, also the Consolidated Non-Financial Statement, which satisfies the obligations under Legislative Decree 254/2016.

With the Sustainability Report – approved annually by the Board of Directors and available on the Company's website in the "Sustainability" section – each year Amplifon reports on the activities performed and the progress made with respect to the four areas of commitment, gauging the performance, identifying current and future risks, making the best decisions and promoting stakeholder engagement. More in detail, in order to identify the Group's priorities in terms of sustainability, the Group conducts a materiality analysis in order to identify and assess the main ESG topics of interest to the Group's main stakeholders, incorporating the Group's business strategy and the Group's priorities. With a view to continuous improvement, beginning in 2021 this analysis was carried out in accordance with the concept of "double materiality", which entails also assessing Amplifon's contribution to each of the economic, environmental and social topics (ESG materiality), as well as how the latter and the global market trends might impact the ability to create value and the organization's financial performance (financial materiality), aware of the fact that today's immaterial topics may become material in the near future. In order to support this activity, in 2022 the Company also developed a three-year stakeholder engagement plan which calls for the involvement of the main stakeholders in the updating of the materiality analysis.

Moreover, with a view to continuous improvement, as of 2020 the Sustainability Report has been enriched with a Sustainability Plan, in which the objectives consistent with the business strategy and the United Nations 2030 Agenda for Sustainable Development are defined. For more information, please refer to the 2022 Sustainability Report and the sections 4.1. Role of the Board of Directors and 9. Internal Control and Risk Management System – Risk Control and Sustainability Committee.

The Group's Remuneration Policy is also defined in accordance with the strategy, governance model and guidelines of the Corporate Governance Code in order to align the interests of top management with the priority of creating medium/long-term value to the benefit of the shareholders, while taking the interests of the relevant stakeholders into account. As of 2020 the Group worked to further align the Remuneration Policy with its sustainability strategy by including the targets of the Sustainability Plan in the short-term MBO plan for top management (Chief Executive Officer/General Manager and Executives with Strategic Responsibilities). A new incentive tool was also introduced for the first time in 2022 which initially will benefit the Chief Executive Officer/General Manager and the Executives with

Strategic Responsibilities beginning in 2023, with a view to reinforcing the policy calling for the strong involvement of key Company resources in the achievement of goals and in the creation of value for our shareholders and stakeholders. For further information please refer to the 2023 Remuneration Report and Section 8. Remuneration of the Directors – Remunerations Committee.

Lastly, consistent with the recommendations of the Corporate Governance Code, Amplifon's Internal Control and Risk Management System constitutes the set of rules, procedures and organizational structures aimed at ensuring sound management of the Company through an appropriate process of identification and management of the main risks, including non-financial, also in order to fully exploit any opportunities that might materialize.

The Risk Control and Sustainability Committee assists the Board of Directors with topics linked to internal control and risk management and monitors the adequacy of the Internal Control and Risk Management System. The Committee also monitors sustainability issues connected to the Company's business operations and its interaction with all stakeholders.

Amplifon fits the definition of a "large company with concentrated ownership" as defined in the Corporate Governance Code.

## 2. INFORMATION ON OWNERSHIP STRUCTURE (pursuant to art. 123-bis, par. 1 TUF) AT 31 DECEMBER 2022

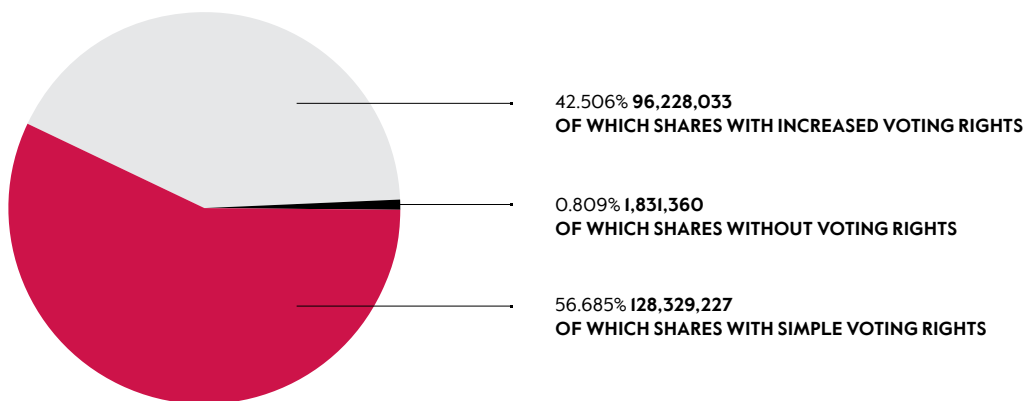
### A) STRUCTURE OF SHARE CAPITAL (PURSUANT TO ART. 123-BIS, PAR. 1, LETTER A), TUF)

The share capital at 31 December 2022 amounted to €4,527,772.40 broken down in 226,388,620 ordinary shares with a nominal value of €0.02 each, 1,831,360 of which with voting rights suspended pursuant to art. 2357-ter, par. 2 of the Italian Civil Code as they represent the Company's treasury shares and 224,557,260 of which with voting rights, including 128,329,227 with simple voting rights and 96,228,033 with increased voting rights (two votes for each share) as described in greater detail in par. d) below.

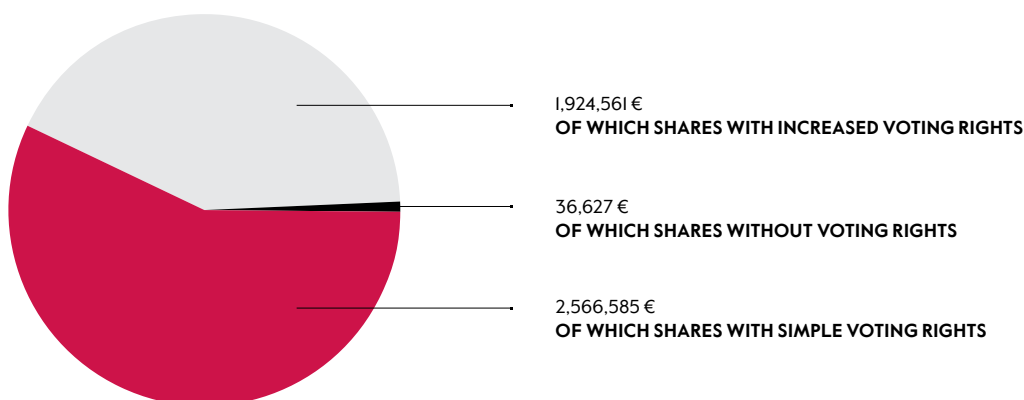
There were no shares with limited voting rights at 31 December 2022.

	n. of shares	% of share capital	Listed (indicate the markets) / non listed	Rights and obligations
Ordinary shares	226,388,620	100%	FTSE MIB	
Of which Shares with limited voting rights	-			
Of which Shares with increased voting rights	96,228,033	42.506%		Two votes per share
Of which Shares with no voting rights	1,831,360	0.809%		Treasury shares

## SHARE CAPITAL STRUCTURE



## SHARE CAPITAL STRUCTURE (EUR)



The Company, as from financial year 2001, has implemented Performance Stock Grant Plans: the description of these plans can be found in the notes to the accounts of the annual report in the section "Performance Stock Grants" (par. 35 "Performance stock grant"), in the informational document prepared in accordance with art. 84-*bis* of the Issuers' Regulations and in the Remuneration Report prepared as per art. 84-*quater* of the Issuers' Regulations (Section II, Table 3A). These documents are available on the Company's website in the sections "Investors/Financial Reports" and "Governance/ Remuneration".

There were no instruments granting subscription rights of newly issued shares in existence at 31 December 2022.

### B) SHARE TRANSFER RESTRICTIONS (PURSUANT TO ART. 123-BIS, PAR. I, LETTER B), TUF)

No share transfer restrictions were in effect at 31 December 2022.

### C) SIGNIFICANT INTERESTS IN SHARE CAPITAL (PURSUANT TO ART. 123-BIS, PAR. I, LETTER C), TUF)

Based on the declarations received under art. 120 of TUF, the following shareholders hold significant interests in the Company's share capital at 31 December 2022:

Declarant	Direct shareholder	% of ordinary capital	% of voting capital at 31.12.2022	% of voting capital excluding treasury shares at 31.12.2022
Holland Susan Carol	Ampliter S.r.l.	42.230	59.268	59.606

**D) SHARES WITH SPECIAL RIGHTS (PURSUANT TO ART. 123-BIS, PAR. I, LETTER D), TUF)**

At 31 December 2022 there were no shares granting special rights of control. On 29 January 2015 shareholders amended the Company's Articles of Association as allowed under art. 127-*quinquies* of Legislative Decree n. 58/1998 - TUF granting two votes for each share held by the same party without interruption for a period of at least 24 months as of the registration date shown in a specific register. Shareholders may request to be registered at any time. The registration will take place within the fifteenth day of the month subsequent to having received the request. At 31 December 2022 n. 96,228,033 shares or 42.506% of the share capital were registered. All the shares held by the majority shareholder Ampliter S.r.l. (n. 95,604,369 or 42.230% of the share capital) were registered and granted increased voting rights. The majority shareholder Ampliter S.r.l., therefore, holds 59.268% of the shares with voting rights at 31 December 2022 (59.606% of the shares with voting rights net the treasury shares for which the voting rights have been suspended).

**E) EMPLOYEE SHARE OWNERSHIP: EXERCISE OF VOTING RIGHTS (PURSUANT TO ART. 123-BIS, PAR. I, LETTER E), TUF)**

No specific mechanisms for the exercise of voting rights under employee share ownership are provided for.

**F) RESTRICTIONS ON VOTING RIGHTS (PURSUANT TO ART. 123-BIS, PAR. I, LETTER F), TUF)**

At 31 December 2022, the only limits on voting rights are those pursuant to art. 2357-*ter*, par. 2 of the Italian Civil Code (suspended voting rights) related to the Company's treasury shares as described in par. 2 a).

**G) SHAREHOLDERS' AGREEMENTS (PURSUANT TO ART. 123-BIS, PAR. I, LETTER G), TUF)**

No shareholders' agreements pursuant to art. 122 TUF were in place at 31 December 2022.

**H) CHANGE OF CONTROL CLAUSES (PURSUANT TO ART. 123-BIS, PAR. I, LETTER H), TUF) AND PROVISIONS RELATING TO IPO (PURSUANT TO ART. 104, PAR. I-TER, AND 104-BIS, PAR. I)**

In the course of their normal business, the Company and its subsidiaries may be part in agreements with financial partners which, as is common practice in international contracts, include clauses which grant each of the parties the right to rescind or amend said agreements in the event the direct and/or indirect control of one of the parties themselves should change.

At 31 December 2022 the following loans contain, as is normally the practice in these kinds of financial transactions, change of control clauses in the event the controlling shareholder of Amplifon S.p.A. should change based on which the Company must advise the counterparties of same and the latter may request repayment:

- a EUR 350 million "Eurobond" maturing in 2027, reserved exclusively for institutional investors, issued by Amplifon S.p.A. in 2020;
- a private placement placed in the United States originally maturing between 2023 and 2025, whose residual debt at December 31, 2022 is equal to USD 110 million and held by the American subsidiary, which was fully repaid in advance at the end of January 2023;
- nine bank loans amounting to EUR 569 million, of which EUR 117 million expiring in 2023, EUR 225 million expiring in 2024, EUR 122 million expiring in 2025 and EUR 105 million expiring in 2026;
- eight irrevocable lines of credit with top-tier banking institutions amounting to EUR 255

million, of which EUR 15 million expiring in 2024, EUR 140 million in 2025 and EUR 100 million in 2026.

The Articles of Association do not take exception to the passivity rule provided for in art. 104, par. 1 and 1-*bis* of TUF and does not provide for application of the neutralization mechanisms contemplated in art. 104-*bis*, par. 2 and 3, of TUF.

## **I) AUTHORITY TO INCREASE SHARE CAPITAL AND AUTHORIZATIONS TO BUY BACK SHARES (PURSUANT TO ART. 123-BIS, PAR. 1, LETTER M), TUF)**

### **i.1) Authority to increase share capital**

No authorizations to increase share capital or issue other securities were in place at 31 December 2022.

### **i.2) Authorizations to buy back shares**

On 21 April 2022 the Shareholders' Meeting, after having revoked the authorization granted on 23 April 2021, authorized, pursuant to and in accordance with art. 2357 of the Italian Civil Code, the purchase, in one or more instalments, of up to a maximum of new ordinary shares which will result in the Company holding a maximum of 10% of the Company's share capital in the event the power granted is fully exercised in the timeframe indicated, as permitted by law and taking into account the treasury shares already held, in order to provide the Company with a means to:

- (i) have treasury shares available to service stock-based incentive plans, both existing and future, benefiting directors and/or employees and/or partners of the Company or its subsidiaries, as well as any free stock grant plans;
- (ii) use treasury shares as a means of payment in the acquisition of companies or the exchange of equity interests, or pursue the purposes permitted under the law, including those contemplated in EU Regulation 596/2014, as well as pursuant to any market practices allowed by CONSOB.

The shares may be purchased for a period of eighteen months from the date of the approval at a unit price which may not be 10% above or below the official stock price recorded by the stock exchange on the day prior to each single purchase and on regulated markets including through the purchase and sale of derivatives traded on regulated markets in accordance with the methods permitted under the law, including EU Regulation 596/2014 and the relative implementing regulations, as well as, market practices allowed and recognized by CONSOB, with the sole exception of public tender or exchange offers, taking into account the specific exemption provided for in the third paragraph of art. 132 of TUF.

In the same resolution, on 21 April 2022 the Shareholders' Meeting also authorized, pursuant to and in accordance with art. 2357-*ter* of the Italian Civil Code, the disposal, in one or more instalments, at any time and for an unlimited period of time, of the treasury shares purchased, in accordance with laws and regulations in effect at the time of the transaction. The sale transactions may be carried out prior to having completed all purchases, on one or more occasions on the market, including as a result of trading or block sales, and/or through transfer to directors, employees or partners of the Company and/or its subsidiaries, in implementation of incentive plans and/or other disposals involving the exchange or disposal of blocks of stock, including through swaps or transfers, or lastly as a result of capital market transactions involving the assignment or disposal of treasury shares (including, for example, mergers, spin-offs, the issue of convertible bonds or warrants serviced by treasury shares).



At the close of FY 2022 Amplifon held a total of n. 1,831,360 treasury shares, equal to 0.809% of the share capital; n. 1,407,350 shares were held at the beginning of the year, while a total of n. 1,175,990 shares (including the 37,500 shares transferred as deferred payment for the acquisition of Otohub S.r.l. in 2019) were assigned to directors, employees and/or partners as part of the stock-based incentive plans. In 2022 1,600,000 treasury shares were purchased.

#### **J) COORDINATION AND DIRECTION ACTIVITIES (PURSUANT TO ART. 2497 ET SEQ. OF THE ITALIAN CIVIL CODE)**

The Company is not subject to direction or coordination by other parties.

It is opportune to point out that Susan Carol Holland, Sole Director of the Board of Directors of the direct parent company Ampliter S.r.l. and Chairman of the Board of Directors of the indirect parent company Amplifin S.p.A., is the non-executive Chairman of Amplifon S.p.A.

It is the Company's view that the mere presence of a director serving on the boards of both the Company and its parent companies is not to be construed as exercising control or coordination given the lack of involvement in operations.

Furthermore, none of the factors commonly recognized as indicative of exercising direction and coordination activities were found to exist in Amplifon S.p.A. and its parent company.

The information requested in art. 123-bis, par. 1, letter i), *"agreements between the company and the directors and members of the Management Board and the Supervisory Board which call for indemnity in the event of resignation or dismissal without cause or termination following an initial public offering"* can be found in the section 8.1 of the Report, dedicated to remuneration with the exception of instances relating to termination following an initial public offering.

The information requested in art. 123-bis, par. 1, letter l), *"the norms governing appointment and replacement of directors and members... if different from those provided for under the applicable laws and regulations"* are illustrated in the section 4.2., dedicated to the Board of Directors, found in this report.

The information requested in art. 123-bis, par. 1, letter l), second part, *"the norms governing... amendments to the Articles of Association, if different from those provided for under the applicable laws and regulations"* are illustrated in the section 13, dedicated to the Shareholders' Meeting, found in this report.



### **3. COMPLIANCE**

## **(pursuant to art. 123-bis, par. 2, letter a), TUF)**

The Company adopted the version of the Corporate Governance Code approved by the Corporate Governance Committee in January 2020.

The Corporate Governance Code is available on the Corporate Governance Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

Neither the Company nor any of its subsidiaries with strategic relevance are subject to foreign legislation which could impact or influence the Company's corporate governance structure.

## **4. BOARD OF DIRECTORS**

### **4.1. ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors is vested with the broadest powers for the Company's ordinary and extraordinary administration and may perform all activities deemed necessary or helpful to achieve the Company's purpose, with the exception of those powers attributed by law or the Articles of Association to the Shareholders' Meeting.

The Board approves the Group's Sustainability Report which also constitutes the Consolidated Non-Financial Statement (NFS), verifying, together with the Risk Control and Sustainability Committee, that it is drawn up and, subsequently, published in compliance with Legislative Decree 254/2016.

The Board also approves the Sustainability Policy (which formalizes the four areas to which the Group is committed and is available on the website in the "Sustainability" section), as well as the strategic guidelines in this regard including in the Sustainability Plan found in the Sustainability Report and published on the Company's website in the "Sustainability" section.

The Board is also involved in the yearly review of the materiality analysis in order to identify the most relevant sustainability topics for both the Group and the internal and external stakeholders.

The Board of Directors, including with the support of the Risk Control and Sustainability Committee, lastly, receives periodic updates on the status of the different sustainability initiatives including, for example, new project specifications, updates on the ESG reporting process and on the ESG targets, as well as communication and engagement activities relating to sustainability, including with the financial community and the ESG rating company.

As part of the management of the changes in sustainability topics, in 2022 the Company undertook other activities and projects which involved Corporate divisions and the Group's top management with a view to enhancing the sustainability factors capable of generating value over the long-term.

The sustainability topics were taken into account when defining the Group's strategy thanks to the Group's Sustainability Plan (i.e., customer experience innovation program, offer of free

hearing tests to generate savings for clients and prospects and support access to hearing care, increase the sale of rechargeable hearing aids which makes it possible to reduce the use and disposal of batteries with a view to reducing waste, definition of a global supplier evaluation framework based on sustainability factors, etc.). Sustainability is also a part of the remuneration and incentive policies for the Chief Executive Officer and the two loans linked to a few ESG targets. Sustainability is also reflected in the Internal Control and Risk Management System (e.g., the Group's risk assessment also included ESG topics), as well as in the Board Regulations and the new Diversity, Equity, Inclusion and Belonging Policy (DEIB Policy) adopted in 2022.

With regard to 2022, as reported in prior sections, the Board resolved on topics relating to the Group's strategy and sustainability, validating the organizational choices and the relevant transactions concluded in the reporting period.

The Board found the current corporate governance system adopted by the Company to be adequate with respect to the size and needs of the latter. There are no changes in the corporate governance system to submit to the Shareholders' Meeting.

The Board is updated and supervises the handling and disclosure of information to the financial community. In accordance with the provisions of the Corporate Governance Code, the Company also adopted an "Investor Relations and Shareholder Engagement Policy" (for further details refer to Section 12 of this Report).

More specifically, pursuant to the Board Regulations, the Board of Directors:

- examines and approves the strategic, business and financial plans of the Company and the Group and periodically monitors implementation;
- defines the corporate governance system of the Company itself and the Group structure;
- defines the nature and level of risk compatible with the Company's strategic objectives, including with a view to sustainable success;
- evaluates the adequacy of the organizational, administrative and accounting structure of the Company and its strategically relevant subsidiaries put in place by the Chief Executive Officer, on an annual basis and particularly with regard to the adequacy, efficiency and effective functioning of the Internal Control and Risk Management System, and the management of conflicts of interest (for more information please refer to Section 9 of this Report);
- evaluates the general operating performance, paying particular attention to the information received from the executive directors, and periodically comparing the results achieved with forecasts;
- examines and approves in advance the Company's and its subsidiaries' operations, in case such operations have a significant impact on the Company's strategy, profitability, assets and liabilities or financial position, paying special attention to situations in which one or more directors have a direct or indirect interest and, more in general, transactions involving related parties; toward this end establishes the general criteria to identify relevant transactions;
- evaluates, at least once a year, the size, composition (including with regard to compliance with laws governing gender equality and diversity) and performance of the Board of Directors and its committees and may provide opinions about the profile of the professionals that should serve on the Board (for more information on this process please refer to Section 7 of this Report);

- adopts, based on the proposal prepared by the Chairman together with the Chief Executive Officer, a procedure for the internal management and public disclosure of documents and information relating to the Company, related particularly to inside information (for more information on this process please refer to Section 5 of this Report).

With regard to this year and pursuant to the Corporate Governance Code, the Board examined and approved the Group's Strategic Plan 2023-2025 and the annual budget for the first year of the Plan, as well as the Company transactions of significant strategic, economic or financial importance for the Group; the Board was also updated on topics of strategic importance or, at any rate, relevant to the development of the business in specific meetings and by comparing the results achieved with the targets.

With the support of the Risk Control and Sustainability Committee, having consulted the Chief Executive Officer and the Board of Statutory Auditors, the Board of Directors defined the guidelines for the Internal Control and Risk Management System, consistent with the Company's strategy and every six months assesses the adequacy of the same system in light of the characteristics of the business and the risk profile, as well as its efficacy.

As better described in Section 5, during the meeting held on 26 July 2018 the Board approved the updated "Procedure for the internal management and disclosure of corporate documents and information, with particular reference to relevant information and inside information", in compliance with the law.

During the year, the Board of Directors did not find it necessary to draft proposals to be submitted to the Shareholders' Meeting relative to the definition of a corporate governance system in alternative to the one currently adopted.

As already clarified, as proposed by the Chairman, the Board of Directors, together with the Chief Executive Officer and after having received the favorable opinion of the Risk Control and Sustainability Committee, adopted the Investor Relations & Shareholder Engagement Policy (for more information refer to Section 12).

## **4.2. APPOINTMENT AND REPLACEMENT (pursuant to art. 123-bis, par. 1, letter l), first part, TUF)**

According to the provisions of art. 14 of the Articles of Association, the Company is managed by a Board of Directors comprised of between three and eleven members, as resolved by the Shareholders' Meeting.

The members of the Board of Directors are elected based on lists of candidates presented by the shareholders and/or a group of shareholders who own a minimum of 1% of the share capital (as determined in the executive resolution n. 76 issued by the Director of CONSOB's corporate governance division on 30 January 2023).

The lists presented, indicating the candidates in sequential numerical order, must be filed at the Company's registered office at least 25 days prior to the date of the Shareholders' Meeting. The Company will also publish the lists on its website and in accordance with other modalities indicated in the CONSOB Regulation issued pursuant to art. 147-ter, par. 1-bis of Legislative Decree 58/1998 at least 21 days prior to the Shareholders' Meeting.

Each shareholder who presents a list or is party to a list must submit the certificate issued by the authorized intermediary proving entitlement to exercise rights as a shareholder to the Company's registered office, along with the lists, by the legal deadline set for the Company's publication of said lists.

The lists containing three or more candidates must comprise candidates of both genders in such a way that the candidates of the least represented gender comply with the current law (rounding up, according to the current law or regulation, the number of candidates belonging to the least represented gender in the event application of the quota criteria does not result in a whole number).

The Company's Articles of Association do not allow for the exiting Board of Directors to present a list.

Based on the Company's Articles of Association, for the purposes of determining the directors to be elected, lists that have not obtained a percentage of votes equal to at least half of that required for the presentation of the lists will not be taken into consideration.

Moreover, based on the Articles of Association, the Board of Directors will be appointed in compliance with the current law governing gender equality rounding up, according to the current law or regulation, the number of candidates belonging to the least represented gender in the event application of the quota criteria does not result in a whole number.

The directors will be elected based on the lists submitted, the majority of votes obtained in the sequential numerical order in which the candidates appear on said lists. One director, in possession of the requisite of independence pursuant to the law and in no way connected, even indirectly, to the shareholders who submitted or cast more votes for the list, will be elected from the minority list on the basis of sequential numerical order and the majority of votes obtained.

In the event that, after the list voting or the voting for the single list submitted, the composition of the Board of Directors does not comply with the current law relating to gender equality, the candidate belonging to the more represented gender with the least amount of votes on the list that receives the most votes will be replaced by the first non-elected candidate of the least represented gender on the same list, in sequential numerical order. This substitution procedure will continue until the composition of the Board of Directors complies with the current law governing gender equality.

The directors are appointed for a maximum term of three years and may be re-elected. If one or more of the directors should resign, for whatever reason, during their term, the Board of Directors will act in accordance with art. 2386 of the Italian Civil Code.

If one or more of the resigned directors was included in a list containing candidates who were not elected, the Board of Directors will appoint substitute directors based on the sequential numerical order of said list providing the candidates are still eligible for election and willing to accept the assignment.

In any event the Board will ensure that the total number of independent directors appointed complies with the current law, including with respect to gender quotas.

In the event an independent director leaves office during the year, for whatever reason, the Board will attempt, to the extent possible, to appoint the first of the non-elected independent directors included in the exiting director's list.

The Company's Articles of Association provide that the members of the Board of Directors must possess the requisites of professionalism, integrity and independence established by the applicable law; in particular, at least one of the members of the Board of Directors, or two if the Board is comprised of more than seven members, must meet the requisites required for the independent statutory auditors set forth in the applicable norms and regulations, as well as other requisites called for in the Board Regulations in accordance with the Code.

With regard to the information on the role of the Board of Directors and the Board Committees in the Board review, appointment and succession of the directors please refer to Section 7 of this Report.

### **4.3. COMPOSITION (PURSUANT TO ART. 123-BIS, PAR. 2, LETTER D AND D-BIS), TUF)**

The Board of Directors comprises nine members and is characterized by the presence of an adequate mix of professional profiles and expertise which spans business, finance and different professions. In fact, it includes business representative, managers from other sectors, financial profiles and professionals. Furthermore, more than two thirds of the directors qualify as independent and there is only one executive director, the Chief Executive Officer. The number and expertise of the non-executive directors ensures that they possess adequate weight in the Board's resolutions and are effective in the monitoring of management.

During the Shareholders' Meeting held on 22 April 2022 shareholders appointed the Board of Directors (which will remain in office through the Shareholders' Meeting convened to approve the financial statements at 31 December 2024), the composition of which did partially change from the previous one.

On 24 March 2022 the majority shareholder, Ampliter S.r.l., owner of 42.23% of Amplifon S.p.A.'s capital share and of 59.27% of voting rights, submitted a list of the following proposed candidates ("**List 1**"):

1. Holland Susan Carol
2. Vita Enrico
3. Costa Maurizio
4. Diquattro Veronica
5. Donnini Laura
6. Grieco Maria Patrizia
7. Pozza Lorenzo
8. Tamburi Giovanni
9. Galli Gabriele

On 28 March 2022 a few minority shareholders, holding jointly 2.653% of Amplifon S.p.A.'s capital share, submitted a second list with the following proposed candidates ("List 2"):

1. Morandini Lorenza
2. Migliorato Maria

List 1 obtained 71.96% of the votes cast, while List 2 obtained 27.25% of the votes cast. As a result of this resolution, at 31 December 2022, the Board of Directors was comprised as follows:

#### BOARD OF DIRECTORS

Office held	Member	Year of birth	Date of first appointment <sup>(*)</sup>	In office since	In office through	List (presenters) <sup>(**)</sup>	List (M/m) <sup>(***)</sup>	Exec. Non-exec.	Independence Code	Independence TUF	Other appointments <sup>(****)</sup>	Attendance <sup>(*****)</sup>
<b>Chairman</b>	Holland Susan Carol	1956	19/02/2001	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X			2	7/7
<b>CEO</b>	Vita Enrico	1969	20/10/2015	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X			1	7/7
<b>Director</b>	Costa Maurizio	1948	24/04/2007	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X	X	X	1	7/7
<b>Director</b>	Di quattro Veronica	1983	22/04/2022	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X	X	X	2	6/6
<b>Director</b>	Donnini Laura	1963	18/04/2016	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X	X	X	1	7/7
<b>Director</b>	Grieco Maria Patrizia	1952	18/04/2016	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X	X	X	3	7/7
<b>Director</b>	Morandini Lorenza	1971	22/04/2022	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	m	X	X	X	2	6/6
<b>Director</b>	Pozza Lorenzo	1966	18/04/2016	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X	X	X	8	6/7
<b>Director</b>	Tamburi Giovanni	1954	17/04/2013	22/04/2022	2024 Shareholders' Meeting for Financial Statement approval	Shareholders	M	X	X	X	4	6/7

#### DIRECTORS WHO EXITED DURING THE YEAR

<b>Director</b>	Casalini Andrea
<b>Director</b>	Cortesi Alessandro

#### NOTES

The symbols below must be included in the column "Office":

• This symbol refers to the director charged with the Internal Control and Risk Management System.

° This symbol refers to the Lead Independent Director (LID).

(\*) Date of the first appointment of each director refers to the date on which the director was appointed to the Company's Board of Directors for the first time.

(\*\*) This column indicates if the list in which each director was included was presented by shareholders ("Shareholders") or the Board of Directors ("BoD").

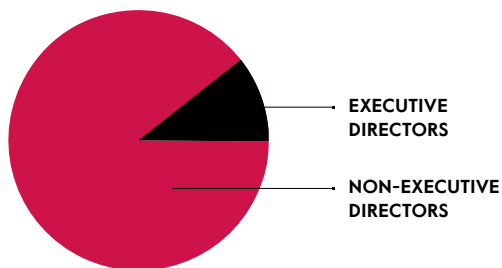
(\*\*\*) This column indicates if the list in which each director was included was presented by the majority ("M"), or the minority ("m") shareholders.

(\*\*\*\*) This column indicates the total number of directorships or statutory auditorships held in other listed or large companies. The assignments are detailed in Annex 1.

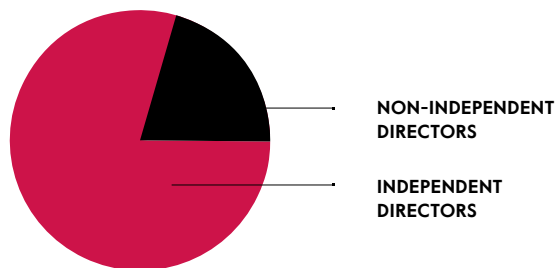
(\*\*\*\*\*) This column indicates the director's attendance record at Board meetings (expressed as the number of meetings attended out of the number of meetings held, i.e., 6/8; 8/8 etc.).

## DIRECTORS

### EXECUTIVE/NON-EXECUTIVE

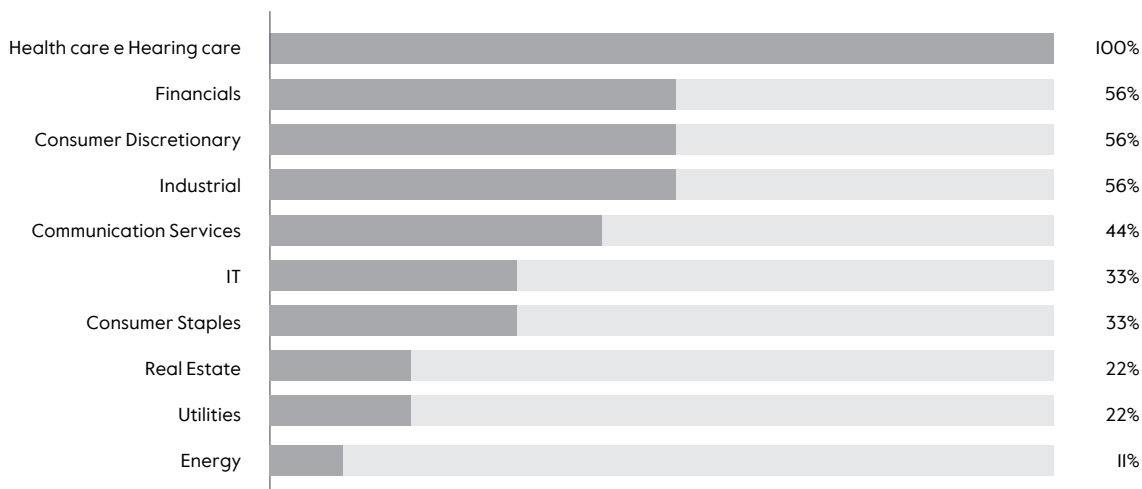


### INDEPENDENT/NON-INDEPENDENT

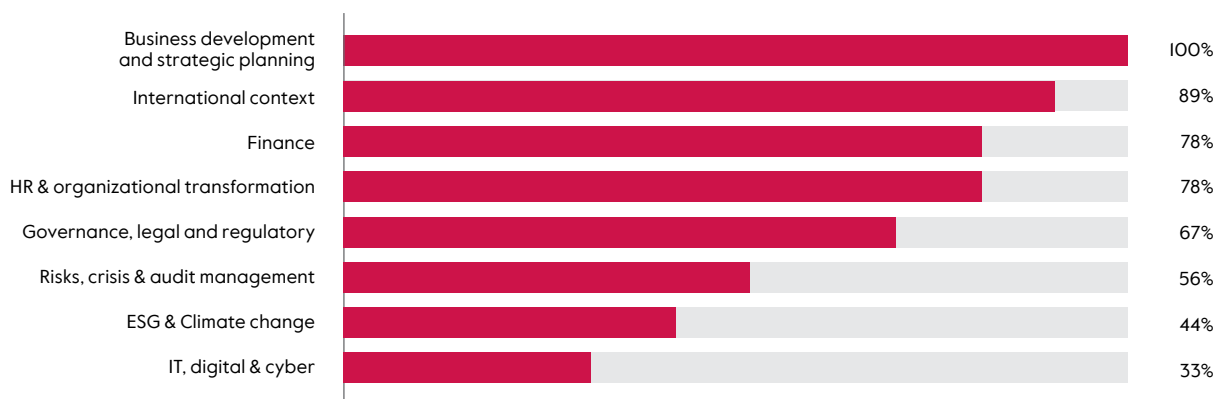


Information about the personal and professional characteristics, as well as the seniority, of each director is available on the Company's website in the "Governance" section (at <https://corporate.amplifon.com/en/governance/governance-system/board-of-directors>), as well as in the Consolidated Non-Financial Statement (in the section "A solid corporate governance"), available at the registered office and on the Company's website, in the "Sustainability/Sustainability Reporting section". The sectors of expertise and experience of the directors are summarized in the following chart.

## INDUSTRY EXPERIENCE



## EXPERTISE



Since the close of the year no changes had been made to the Board's composition.

#### **Diversity criteria and policies in the composition of the Board and Company organization**

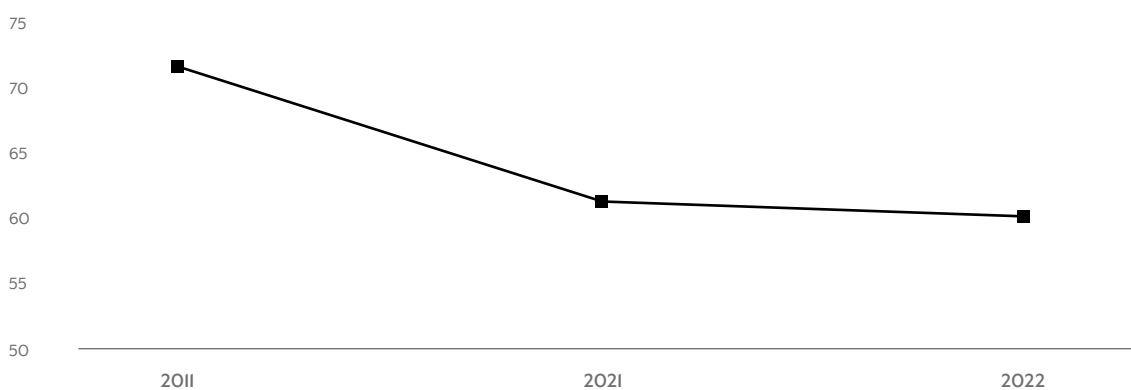
As mentioned above in section 4.2., based on the Articles of Association, the Board of Directors will be appointed in compliance with the current law governing gender equality rounding up, according to the current law or regulation, the number of candidates belonging to the least represented gender in the event application of the quota criteria does not result in a whole number. Currently the number of men, namely the least represented gender in the Board of Directors, now accounts for 44.44% of the Board.

Following the issue of the 2020 Budget Law (which took effect on 1 January 2020), the requirement that one third of the members of the Board of Directors and the Board of Statutory Auditors be of the least represented gender was raised to two fifths of the directors appointed and of the Board of Statutory Auditor's standing auditors. As this provision is applicable for six consecutive mandates as of the first renewal of the two Boards subsequent to 1 January 2020, the percentage of the least represented gender in the Board of Directors that will be appointed by the Shareholders' Meeting approving the Financial Statements of the Company at 31 December 2021, was adjusted.

As for the composition of the Board of Directors, the mix of varied and different professional experiences, as well as the gender diversity, complies with the applicable recommendations found in the Corporate Governance Code and is assessed each year during the self-assessment process.

The internal processes, therefore, tend to be focused toward this end and the average age of the Board members has dropped significantly from 72 in 2011 to 60 in the current Board and ranges from a high of 74 to a low of 39.

#### **AVERAGE AGE OF THE BOARD OF DIRECTORS**



The Group is committed to promoting equal treatment and opportunity between genders which is supported by the disclosure of the main diversity indicators called for in the reporting standards.



With regard to the protection and safeguarding of human resources, as indicated in the Group's Code of Ethics and the Sustainability Policy, in Amplifon diversity and inclusion provide an opportunity for enrichment and innovation, key to the carrying out a solid and sustainable business.

With a view to the above, in 2022 a new policy relating to Diversity, Equity, Inclusion and Belonging (DEIB Policy) was adopted which formalizes the importance that diversity, equity, inclusion and belonging have for the Group. The main goal of this policy, approved by the Chief Executive Officer and the Chief HR Officer on 4 July 2022, together with the Board of Directors, and available on the Company's website, as well as on the company intranet, is to establish what Amplifon's priorities are in terms of diversity with the stakeholders and on every organizational level.

Indeed, the Company is committed to promoting equal opportunity in all aspects of the employee relationship: beginning with the recruiting phase, ensuring that the candidates are selected solely on the basis of their expertise, conducting a clear and transparent selection process, based on evidence and without any form of discrimination.

Through its Global Learning Curriculum, the Company also promotes specific training programs which strive to enhance diversity, promote bias-free, inclusive behavior, communicate effectively with the different cultures present in the Group, incentivize inter-generational work and teams comprising different nationalities.

The Performance Development Review (PDR) is also based on goals and behavior assessed on a common, global scale, without any differences based on geography or gender. The standards of equity which lie at the foundation of the remuneration policy guarantee the integrity and ethics of the performance & compensation review.

Amplifon, lastly, does not tolerate any discriminatory practices based on political opinions, union affiliations, religion, race, nationality, age and gender, sexual orientation, health conditions and intimate personal characteristics, in general.

All the information pertaining to the measures undertaken by Amplifon to promote equal treatment and opportunities regardless of gender can be found in the Consolidated Non-Financial Statement available at the Company's headquarters and on the Company's website in the section "Sustainability/Sustainability Report".

#### **Maximum number of appointments allowed in other companies**

Pursuant to the Corporate Governance Code for listed companies issued by Borsa Italiana S.p.A. on the role of the Board of Directors and the efficient execution of its functions, art. 6 of the Board Regulations, which was last updated on 27 October 2021, establishes the maximum permitted number of directorships or statutory auditorships in other companies deemed to be compatible with holding the office of director:

- *"an executive Director may not assume:*
  - a) other executive roles in other Listed, Public Interest or Large Companies; and*
  - b) more than 3 other assignments in Listed, Public Interest or Large Companies;*
- *a non-executive Director may not assume more than a total of 8 assignments in Listed, Public Interest or Large Companies, and may have no more than 6 appointments in Listed Companies".*

The current composition of the Board complies with the above criteria defined in the Board Regulations.

#### **4.4. FUNCTIONING OF THE BOARD OF DIRECTORS (pursuant to art. 123-bis, par. 2, letter d), TUF)**

The Board of Director's role, organization and the mode of operation are described in the Board Regulations adopted and last updated by the Board on 27 October 2021 ("Board Regulations"). The Board committees' mode of operation is described in the respective regulations, adopted during the Board meeting held on 29 April 2021.

The Board Regulations contain the procedure as to how the flow of information to the Board should be handled based on which the Board meetings are called by the Chairman, or on the Chairman's behalf. The notice of call must be sent, by way of a registered letter sent to the domicile of each director at least five days prior to the meeting or via e-mail. In urgent cases, determined at the discretion of the Chairman, the notice of call may also be sent one day prior to the scheduled meeting date.

The directors receive the support documentation needed for the discussion of the items on the Agenda. It contains the information needed to guarantee that the directors have an adequate understanding and are able to make informed decisions when evaluating the resolutions that are expected to be made during the meeting.

The directors usually receive the documentation relating to the meeting together with the notice of call, and, at any rate, by the third day prior to the scheduled meeting date, as per art. 10 of the Board Regulations. The way in which the documentation is sent may vary based on the degree to which confidentiality of the information needs to be protected.

During the self-assessment process carried out at the end of FY 2022, the directors also specifically addressed the topic of providing adequate and timely information, prior to the Board meetings. The directors expressed a positive opinion about the completeness and timeliness of the documents sent before the meeting, also taking into account the Board committees' need to coordinate and share the relative pre-board meeting information.

After the meeting or, at the latest, the day after the meeting, a draft of the minutes prepared by the Board Secretary, and shared with the Chairman, is sent to all the directors and Statutory Auditors for any comments in this regard.

The definitive text of the minutes is then submitted to the Chairman for approval and recorded in a specific Company register.

The part of the minutes which relates to resolutions passed that must be executed immediately may be certified and extracted by the Chairman and the Secretary, even before the verification of the minutes has been completed.

During 2022 the Board of Directors met seven times:

- 3 March;
- 22 April;
- 3 May;
- 13 July;
- 28 July;
- 26 October;
- 15 December.

Meetings lasted an average of three hours each and have been held according to the provisions of the Board Regulations.

Five meetings have been scheduled for 2023 (one of which has already been held), with the possibility of holding other ones in order to examine specific topics related to operations and to evaluate strategic development prospects.

## 4.5. ROLE OF THE CHAIRMAN

The Chairman acts in accordance with the law and the Company's Articles of Association, without operational powers and does not have a specific role in determining Company strategies.

The Chairman monitors, with the assistance of the Board Secretary, compliance with the Board Regulations and the aspects addressed therein.

In order to guarantee the maximum efficiency in his role as liaison between executive directors and non-executive directors, the Chairman promotes dialogue during the Board meetings, finalizes the Agenda and ensures, with the support of the Secretary and the Chief Executive Officer, that the support documentation is made available to the Board of Directors in a timely manner.

During the self-assessment process, the directors expressed a positive opinion about the timeliness, thoroughness and accuracy of the items discussed and the flow of information received by the Board of Directors. Considering the activities performed during 2022, the Board hopes that information will be provided with the same frequency and detail in the future, as it is key to the ability of the Board to fulfill its role.

The Chairman, as well as in his role as a member of the Risk Control and Sustainability Committee and the Remuneration and Appointments Committee, is responsible for the coordination of the Board and committee activities; all of this is done by preparing committee notes and reports – which are then shared with the Board – as well as through discussions, updates, and information provided in preparation for and functional to the Board resolutions.

In 2022 the Chairman of the Board of Directors invited the Manager charged with preparing Company's financial reports to attend all the meetings of the Board of Directors; several members of the Executive Leadership Team and the Management Team (e.g., *Chief HR Officer, Chief Strategy & Business Development Officer*) were also invited to attend meetings in order to discuss specific topics and projects of importance to the Company and the Group.

When requested meetings of the directors, statutory auditors and management are organized during which information about the sector, Company dynamics and any changes including with a view to sustainable success, as well as the structure of the Group and the Company, the organization and the Internal Control and Risk Management System including with regard to the relevant regulatory and self-regulatory framework is discussed.

During the year and taking into account the arrival of the new Board of Directors, a specific induction plan for the first appointed directors was prepared. The induction meetings were carried out directly by members of the Executive Leadership Team who presented the organization structure and the main activities of the various Company departments they are responsible for.

The Chairman, with the support of the Remuneration and Appointments Committee, made sure that the Board self-assessment process was adequate and carried out in a transparent manner by:

- a) carrying out individual interviews of the directors in order to gather information needed to prepare for the self-assessment;
- b) compiling the results and sharing the findings and indications gathered during the self-assessment process with the Board of Directors;
- c) identifying any areas to be improved during 2023.

As detailed in Section 12, the Investor Relations division ensures a constant flow of information between the Company, the investors and the market, in general, and provides the Board of Directors with an update, if necessary.

On 16 December 2021, in accordance with art. 1, Recommendation 3 of the Corporate Governance Code, the Board of Directors adopted, as proposed by the Chairman, in agreement with the Chief Executive Officer, and after having received a favorable opinion from the Risk Control and Sustainability Committee, an Investor Relations & Shareholder Engagement Policy. Subsequent to the adoption of the Policy, in 2022 the Company received 11 requests for engagement from institutional investors focused mainly on topics relating to climate change, diversity, remuneration, composition of the Board of Directors and the buyback program. The Company replied to all the requests received in a timely and complete manner.

### **Board Secretary**

Amplifon appointed a Board Secretary who met the requirements and possessed the attributes defined in art. 13 of the Board Regulations.

The Board of Directors approves, as proposed by the Chairman, the appointment and dismissal of the Secretary in accordance with standards of professionalism, integrity and fairness. Furthermore, based on the Board Regulations those who possess all the qualifications called for may act as Secretary, including: (i) professionals, (ii) attorneys, (iii) chartered accountants, (iv) notaries, (v) Company employees.

In accordance with the Board Regulations, the Secretary supported the Chairman in his activities and provided the Board of Directors with impartial assistance and advice with respect to every aspect relevant to the correct functioning of the corporate governance system, insured a correct flow of information between the members of the Board of Directors and the various Board committees and supported the control bodies, contributing, in this way, to the proper functioning of the Board and the corporate governance.

## 4.6. EXECUTIVE DIRECTORS

### Chief Executive Officers

To date the Company has deemed it sufficient to appoint a single Chief Executive Officer in the person of Enrico Vita, who also serves as the General Manager, and who qualifies as the person most responsible for the management of the Company.

In the resolution dated 22 April 2022, the Board of Directors determined the powers of the Chief Executive Officer effective as of the same date and for the entire duration of his term, with the exception of early termination of the mandate but without prejudice to the Board's power to revoke these powers *ad nutum* without the obligation to pay any compensation, and specified the scope of the powers granted in accordance with the guidelines approved by the Board of Directors, as well as the forecast investments and expenses indicated in the budget approved by the Board of Directors.

Toward this end the Chief Executive Officer was granted single signatory powers for an amount of up to €10, €30 or €50 million per transaction, depending on the type of transaction, as well as for the transfer of funds, without limits, between the Company's bank accounts. The Chief Executive Officer may also represent the Company in its relationships with its subsidiaries and associates – Italian and foreign - with regard to the payment of dividends (always in accordance with the Group's policies), as well as carry out the transactions needed to manage the Group's cash pooling program.

With regard to contracts with suppliers, specifically, the Chief Executive Officer may enter into contracts worth an estimated amount of not more than €10 million per annum for each contract relating to products other than hearing aids as long as the products still relate to hearing impairment, while he may enter into framework contracts for the supply of hearing aids and related services worth an estimated amount, per supplier, which does not exceed 40% of the overall volume of annual purchases that the Group expects to make in the respective sector.

The Chief Executive Officer may also exercise powers relating to short/medium/long term bank loans and lines of credit in joint signature with the Group's Chief Financial Officer for an amount of up to €50 million per transaction, make short term investments of liquidity for up to €30 million per transaction and grant short/medium/long term loans to affiliates and associates, as well as transfer funds to the same.

The Chief Executive Officer may carry out in sole signature, including through sub-delegation, extraordinary transactions by executing the necessary deeds and contracts for an amount of up to €30 million per transaction involving, for example, acquisitions or disposals of controlling interests in companies, acquisitions or disposals of business divisions, agreements relative to joint or similar strategic ventures, in the countries in which Amplifon is already present through one or more subsidiaries.

The Chief Executive Officer was also granted single signatory powers as "Employer", "Environmental Director" and "Data Controller".

**Chairman of the Board of Directors**

As clarified in Section 4.5 above, the Chairman, Susan Carol Holland, does not have operational powers and does not have a specific role in determining Company strategies.

While the Chairman does not have an operational role nor powers, the Chairman of Amplifon is the Sole Director of Ampliter S.r.l., the legal entity that controls Amplifon.

**Reporting to the Board**

The Chief Executive Officer must report to the Board at least every three months on the most significant events which occurred within the Group and on the market conditions that could influence operations.

Furthermore, the heads of the various subsidiaries present in the markets where the Group operates provide, as deemed appropriate, the Board with information regarding each subsidiary's operation and the reference markets.

**Other executive directors**

There are no executive directors other than the Chief Executive Officer.

**4.7. INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR****Independent directors**

During the meeting held on the day of appointment, 22 April 2022, the Board of Directors verified that the directors qualified as independent. On the same date the Company also communicated these findings to the market in a press release.

The independent status of the directors is also checked each year. During the meeting held on 1 March 2023, therefore, the Board of Directors verified, for the current year, that the independent directors Costa, Diquattro, Donnini, Grieco, Morandini, Pozza and Tamburi still qualify as such.

The evaluations relative to independence are carried out in accordance with:

- a) art. 148, par. 3, of Legislative Decree n. 58 dated 24 February 1998 ("TUF") referred to in art. 147-ter, par. 4, TUF;
- b) art. 2, Recommendation 7, of the Corporate Governance Code;
- c) the Board Regulations.

More in detail, the Board expressed a positive opinion about the number and expertise of the independent directors, which was deemed adequate with respect to the functioning of the Board, as well as about the institution of the relative Board committees.

The Code recommends that in large companies with concentrated ownership the number of the Company's independent directors should not be less than 1/3 of the total number of board directors.

During the meeting held on 27 October 2021, the Board of Directors deliberated on the quantitative and qualitative criteria to be used to assess the significance of the relevant circumstances pursuant to the Code. Based on the quantitative criteria adopted, the following are considered "significant":

- a commercial, financial or professional relationship if the consideration paid represents, for more than one year (i) an amount in excess of a certain percentage of the turnover of the business, entity or professional firm of which the Company administrator has control or is an executive director or partner; or (ii) an amount in excess of a certain percentage of the Company director's income;
- the extra remuneration received by the director in the three prior years exceeds the annual compensation received by the director by a certain percentage.

Based on the qualitative criteria adopted by the Board, a commercial, financial or professional relationship, as well as any additional remuneration, will be considered "significant" when, even if the quantitative parameters have not been exceeded, the impartiality and independence of a Company director in fulfilling his/her duties may be compromised.

These criteria were applied when assessing the independence of the Board of Directors appointed during the Shareholders' Meeting which approved the financial statements at 31 December 2021. No other criteria were defined other than those called for in TUF and the Code.

Each non-executive director provided all the elements needed or useful to the Board's evaluations.

With regard specifically to director Maurizio Costa, despite having been a director in the Company for more than nine of the last twelve years, the Board, taking into account (i) the great degree of moral integrity, the high professional standing and the proven independence, including in light of the experience and important roles held in premiere listed companies over the years, (ii) the vital contribution the director has made to the Company in his role as director and Chairman of the Remuneration and Appointments Committee, (iii) the possession of all the other qualifications for independent included in Recommendation 7, (iv) director Costa's independent judgement, (v) the appreciation that the Company's management expressed for director Costa's work, as well as (vi) the information provided by this director, the Board confirmed that in the assessment of the independent status of a director substance should be valued over form and, therefore, recognized, for the year, the independence of director Costa pursuant to and in accordance with the Corporate Governance Code.

Similarly, with regard to director Giovanni Tamburi, despite having been a director in the Company for more than nine of the last twelve years, the Board, taking into account (i) the valuable contribution the director has made to the Company in his role as director, (ii) the great degree of moral integrity, the high professional standing and the proven independence, including in light of the important roles held in premiere listed companies over the years (iii) the possession of all the other qualifications for independent, and (iv) the appreciation for the Director's work expressed over time by the Company's management who has always appreciated the Director's observations and recommendations, the Board confirmed that in the assessment of the independent status of a director substance should be valued over form and, therefore, recognized the independence of director Tamburi pursuant to and in accordance with the Corporate Governance Code.



The Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members, informing the Company of the following findings which will be included in the annual report on supervisory activities:

*“The Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of the directors Costa, Diquattro, Donnini, Grieco, Morandini, Pozza and Tamburi. The assessment criteria were found to be adequate”.*

On 15 December 2022 a meeting of the independent directors (who met in the absence of the other directors) was held in order to discuss:

- a) the Board of Directors self-assessment;
- b) disclosures relative to exempt Related Party Transactions pursuant to art. 4 of the relative regulations.

The meeting was coordinated by Lorenzo Pozza as the Lead Independent Director. The Company's Chief Legal Officer, who acted as the Secretary of the Board of Directors, assisted with the taking of the minutes.

With regard to maintaining the qualifications as an independent director, based on art. 5 of the Board Regulations *“a director who has indicated to qualify as independent will maintain this independence for the entire term of office and, if it should be compromised, will resign, without prejudice to the Board of Director's power to coopt the same director as a non-independent director”.*

#### **Lead Independent Director**

Although without an active role in operations, the Chairman of the Company is a representative of the Issuer's parent company. Consequently, in accordance with the Code, on 22 April 2022 the Board, during the first meeting following the appointment by the Shareholders' Meeting (held the same day), appointed Lorenzo Pozza, a non-executive independent director, Lead Independent Director.

In an effort to enhance their contribution and the performance of the Board itself, Lorenzo Pozza acts as a point of reference for the non-executive directors (in particular the independent directors). The Lead Independent Director works with the Chief Executive Officer in order to ensure that the directors receive adequate information in a timely manner. The Lead Independent Director may also call at his own initiative or at the request of other directors, special meetings of just the independent directors to discuss issues considered of interest in relation to the operation of the Board or management of the business.

The Lead Independent Director is also Chairman of the Risk Control and Sustainability Committee and the Supervisory Body of Amplifon S.p.A. During the year the Lead Independent Director coordinated the meeting of the independent directors held on 15 December 2022, to assess topics deemed of interest including: the Board of Directors self-assessment and the disclosures relative to exempt Related-Party Transactions pursuant to art. 4 of the relative regulations.



## 5. TREATMENT OF CORPORATE INFORMATION

On 26 July 2018 the Board, as proposed by the Chairman and in agreement with the Chief Executive Officer approved the updated “Procedure for the internal management and disclosure of corporate documents and information, with particular reference to relevant information and inside information”, amended in order to comply with relative laws and regulations.

The purpose of this procedure is to govern the internal management and external disclosure of documents and information relating to Amplifon or its subsidiaries, and, in particular, the information deemed privileged under EU Regulation 596/2014 (“MAR”) which, if publicly disclosed, could have a significant impact on the prices of financial instruments issued by the Company.

The procedure can be found on the corporate website in the section “Governance/ Reports and Procedures” (at <https://corporate.amplifon.com/content/dam/amplifon/other-document/en/procedures/procedure-management-inside-information-26-07-2018.pdf>).

This procedure is connected to the creation and updating of the Register of the persons with access to inside information, as well as the Relevant Information Management Procedure and the Code of Conduct on Internal Dealing.

In accordance with art. 18 of MAR, the Company has created a Register of persons who, given the activities they carry out or the role they hold in Amplifon or its subsidiaries, have or may have access to inside information periodically or on a regular basis.

This Register is maintained and updated by the Chief Legal Officer.

## 6. BOARD COMMITTEES (pursuant to art. 123-bis, par. 2, letter d), TUF)

On 22 April 2022 the Board of Directors appointed the Risk Control and Sustainability Committee, the Remuneration and Appointments Committee, the Committee of independent directors for related-party transactions (refer to Section 10), while it was deemed unnecessary, for the moment, to appoint an Appointments Committee as the functions are attributed to the Remuneration and Appointments Committee as provided for in the comment to Recommendation 16 of the Code.

Toward this end, the Remuneration and Appointments Committee was formed in accordance with the more stringent rules applicable to the Remuneration Committee (and not those applicable to the Appointments Committee) as per Recommendation 26 of the Corporate Governance Code; it is, in fact, comprised solely of non-executive directors, the majority of which are independent and is chaired by an independent director. Furthermore, at least one of its members has adequate knowledge of and experience in finance or compensation policies.

The Risk Control and Sustainability Committee is comprised solely of non-executive directors, the majority of which are independent and is chaired by an independent director. Furthermore, at least one of its members has adequate knowledge of and experience in accounting and finance and/or risk management.

When determining the composition of the committees, the Board gave precedence to the expertise and experience of the relative members, avoiding an excessive number of assignments.

The Company did not deem it necessary to assign the functions of one or more of the committees recommended in the Code to the entire Board.

Committee members are given a supplementary fee in addition to the compensation paid directors as part of the global remuneration approved by the Shareholders' Meeting. The Board also indicated that the committees were to perform their activities in accordance with the recommendations found in the Corporate Governance Code.

When carrying out their duties, the committees may access all information and Company functions as deemed necessary and they may invite non-members to attend the meetings.

The Risk Control and Sustainability Committee prepare a budget each year which is approved by the Board of Directors. The Risk Control and Sustainability Committee and the Remuneration and Appointments Committee have the power to make expenditures as deemed necessary.

During the meeting held on 29 April 2021, the Board adopted two sets of regulations which aim to define the rules of operation for the two committees.

As defined in these regulations, the committee meetings must be convened at least 5 days in advance, with the exception of urgent cases for which advance notice of twenty-four hours is sufficient, in a notice sent by the Chairman of the Committee (including via email) to the address provided by each recipient. The notice of call contains the place, day and time of the meeting and the items included on the agenda along with the information needed for the discussion.

Minutes of the meetings are taken by the Secretary of the respective committees and the draft of the minutes is submitted to the Chairman of the Committee and to the other members for any comments during the next meeting.

The Chairman of each Committee informs the Board of Directors about the committee's activities during the meeting held immediately after the committee meeting and ensures that the flow of information to the Board of Statutory Auditors is adequate and allows for a timely exchange of the information relevant to carrying out their respective duties and the coordination of the shared areas of expertise, with a view to orderly meetings of the Board, the Board of Statutory Auditors and the committees.

Based on the respective regulations, the committee members, as well as those who attended the meeting, must maintain the maximum confidentiality with respect to any and all news or facts that they have become aware of while carrying out their duties. The Committee Chairman must invite participants, other than the committee members, to respect this obligation.

**Other committees (other than those called for in the law or recommended in the Code)**

The Board found it wasn't necessary to constitute committees in addition to the ones mentioned above.

The composition of the committees at 31 December 2022 is provided below:

B.o.D.		Committee for Related-Party Transactions		Risk Control and Sustainability Committee		Remuneration and Appointments Committee	
Office/Qualification	Members	( <sup>(*)</sup> )	( <sup>(**)</sup> )	( <sup>(*)</sup> )	( <sup>(**)</sup> )	( <sup>(*)</sup> )	( <sup>(**)</sup> )
Chairman of the B.o.D., non-executive and not independent	Holland Susan Carol			5/5	<b>M</b>	7/8	<b>M</b>
CEO	Vita Enrico						
Non-executive independent director	Costa Maurizio	1/1	<b>M</b>			8/8	<b>C</b>
Non-executive independent director	Diquattro Veronica					5/5	<b>M</b>
Non-executive independent director	Donnini Laura	1/1	<b>C</b>	5/5	<b>M</b>		
Non-executive independent director	Grieco Maria Patrizia					7/8	<b>M</b>
Non-executive independent director	Morandini Lorenza	1/1	<b>M</b>	4/4	<b>M</b>		
Non-executive independent director	Pozza Lorenzo			5/5	<b>C</b>		
Non-executive independent director	Tamburi Giovanni						
<b>DIRECTORS WHO EXITED DURING THE YEAR</b>							
Non-executive independent director	Casalini Andrea						
Non-executive independent director	Cortesi Alessandro						
<b>ANY MEMBERS WHO ARE NOT DIRECTORS</b>							
<i>All members are directors</i>							
<b>Number of meetings held in the year:</b>			<b>1</b>		<b>5</b>		<b>8</b>

**NOTE**

(<sup>(\*)</sup>) This column indicates the director's attendance record at committee meetings (expressed as the number of meetings attended out of the total number of meetings held, i.e., 6/8; 8/8 etc.).

(<sup>(\*\*)</sup>) This column indicates the director's role in the committee: "C": chairman; "M": member.

## 7. SELF-ASSESSMENT AND SUCCESSION OF THE DIRECTORS – APPOINTMENTS COMMITTEE

### 7.1. SELF-ASSESSMENT AND SUCCESSION OF THE DIRECTORS

Amplifon confirms the importance, for the purposes of correct corporate governance, of the Board of Directors' self-assessment which serves to gauge the extent to which the work done by the Board meets the expectations of the stakeholders, as well as identify areas of possible development and/or topics of interest for subsequent years with a view to continuous improvement.

The self-assessment carried out by Amplifon's Board of Directors focuses on the size, composition and functioning of the Board of Directors and its committees in accordance with Recommendation 21 of the Corporate Governance Code.

This assessment is made each year by the Board of Directors, even though it is not required by the Corporate Governance Code for companies with concentrated ownership (for which it is envisaged at least every three years), in order to ensure continuity in the Board's assessment each year.

In accordance with Recommendation 19 of the Corporate Governance Code, for year 2022 the Board of Directors charged the Remuneration and Appointments Committee with the task of supporting it during the self-assessment of the Board and the Board committees.

In order to carry out this activity the Remuneration and Appointments Committee availed itself of the Head of Internal Audit given the role held and the relative competencies. The results were presented to the Remuneration and Appointments Committee, to the independent directors and to the Board of Directors in December 2022. All the appropriate clarifications and details requested were provided.

In 2022 the self-assessment focused mainly on:

- size and composition (including with regard to gender equality) of the Board, as well as the professional characteristics and experience of the directors;
- the directors' relationship with management, knowledge of Company facts/events, participation in Company decisions, role and number of non-executive directors and of independent directors in particular;
- role of the Board in the definition and choices made relating to strategic topics, matters related to the Internal Control and Risk Management System, sustainability topics and organizational structure of the Company;
- functioning of the Board, with regard, in particular, to the frequency and duration of the meetings, timeliness and completeness of the documentation provided, in-depth analysis of the discussions, accuracy of the minutes;
- market disclosure and dialogue with the shareholders and the stakeholders;
- composition and functioning of the Board committees, as well as the relationship with the control bodies;
- any other topics and/or expectations presented by the directors during the self-assessment.

The Board's self-assessment process involved:

- the update of the self-assessment questionnaire, in line with the guidelines of the Corporate Governance Code, as well as the recommendations included in the letter of the Chairman to the Corporate Governance Committee of 3 December 2021;
- individual interviews of the directors in order to gather information in preparation for the self-assessment activities;
- a summary of the results and the comments gathered during the interviews;
- sharing the findings and comments gathered during the self-assessment process with the Board of Directors;
- definition of any areas that could be improved in 2023.

In general, with reference to 2022, the directors shared the results of the self-assessment and found the characteristics and the functioning of the Board of Directors and its committees to be adequate with respect to the size and needs of the Company.

The directors expressed an overall positive opinion of the self-assessment and also had a positive view of the work done on the topics relevant to the Group's sustainable success.

The Board expressed a positive opinion of the size, composition and role of the Board of Directors, as well as of the board committees, also taking into account the expertise, professional characteristics, experience and gender of its members, as well as their length of service (including of the independent directors). The directors expressed a positive opinion of the new Board appointed in 2022 and reiterated the adequacy of the expertise and diversification of the new Board.

The directors also had a positive view of the role and functioning of the Board of Directors and found the method of operation to be adequate (e.g., information provided before the Board of Directors' meeting, documentation provided, in-depth analysis of the discussions, accuracy of the minutes), along with the timeliness, thoroughness and accuracy of the information provided and the topics discussed. The directors also expressed their appreciation for the involvement and updates received on strategic topics, as well as the effective path undertaken by the Company in 2022 to manage important sustainability issues (with additional activities and projects which involved corporate divisions and the Group's Top Management).

With regard to updates on the Covid-19 health emergency, no specific comments were made by the Board and the meaningful appreciation for the attention paid by the company to the issue is confirmed.

Based on art. 2 letter m) of the Board Regulations an outgoing Board of Directors may provide insights as to the professionals whose presence in the Board of Directors is deemed opportune and prepare any proposals in this regard to be submitted to the Shareholders' Meeting. Furthermore, the self-assessment process provides the Board of Directors with an opportunity to express a positive or negative opinion of the composition (as well as the role and functioning) of the Board itself.

Toward this end and with regard to the renewal of the Board of Directors, which occurred in 2022, the Board did not deem it necessary to express an opinion about the Board's composition during the year including in light of the outcome of the self-assessment, but expressed an opinion as to the duration of the assignment and the number of Board members.

The Company adopted a detailed succession plan for the executive director (Chief Executive Officer and General Manager) and the Group Executives with Strategic Responsibilities which was presented and discussed during 2022 by both the Remuneration and Appointments Committee and the Board of Directors. More specifically, the plan takes into account names, level of readiness, any preparation needed in terms of development or career transitions. Based on the Company policy the plan is subject to revision each year in order to ensure that it is updated constantly.

## 7.2. APPOINTMENTS COMMITTEE

The Board deemed that, for the moment, it was unnecessary to form a Nominations Committee, including in light of the outcome of the self-assessment process relating to the balanced composition of the Board itself and to its professional profile, attributing the functions to the Remuneration and Appointments Committee, as provided for in Recommendation 16 of art. 3 of the Corporate Governance Code.

### COMPOSITION AND FUNCTIONING OF THE REMUNERATION AND APPOINTMENTS COMMITTEE (PURSUANT TO ART. 123-BIS, PAR. 2, LETTER D), TUF)

The Board of Directors appointed the Remuneration and Appointments Committee during the meeting held on 22 April 2022. The Remuneration and Appointments Committee comprises, in addition to the Chairman of the Board of Directors, three independent non-executive directors with adequate understanding of and experience in multinational companies:

- Maurizio Costa, Chairman: independent non-executive Director;
- Susan Carol Holland: non-executive Chairman of the Board of Directors;
- Veronica Diquattro: independent non-executive Director;
- Maria Patrizia Grieco: independent non-executive Director.

In 2022 the Remuneration and Appointments Committee met eight times:

- 10 February;
- 23 February;
- 7 April;
- 26 April;
- 20 July;
- 19 October;
- 28 November;
- 12 December.

Minutes were taken regularly during the meetings which lasted on average around one hour and thirty minutes.

The Chairman of the Board of Statutory Auditors was always invited and participated in the meetings of the Remuneration and Appointments Committee as did, when necessary and at invitation from the Committee Chairman, after informing the Chief Executive Officer, the Secretary of the Board of Directors (Chief Legal Officer) and the Chief Financial Officer. Moreover, the Committee Chairman invited to attend the meetings, for topics within her area of expertise, the Chief HR Officer, who also acted as the Committee secretary.

The Chairman of the Remuneration and Appointments Committee invited the Chief Executive Officer and General Manager to attend, in order to discuss specific items. He left the meeting when proposals relative to his remuneration were being discussed.

During one of the eight meetings topics relating to changes in the organizational structure, Talent Development and Succession Planning were discussed. In 2022 the list of Executives with Strategic Responsibilities was confirmed and each committee received an update on the main changes/appointments relating to strategic roles in Italy and abroad, as well as possible future organizational changes.

The Remuneration and Appointments Committee is expected to meet at least five times in 2023 (one meeting has already been held).

For additional information on the meetings, the composition and the role of the Committee refer to par. "Governance Model" of the Remuneration Report, Section I, published in accordance with art. 123-ter of TUF.

### **FUNCTIONS OF THE APPOINTMENTS COMMITTEE**

The Remuneration and Appointments Committee, acting as the Appointments Committee, formed in accordance with the requirements for the composition of both committees, has the duties described in art. 4 and art. 5 of the Corporate Governance Code. More in detail:

- a) provide the Board of Directors with opinions about the size and composition of the Board of Directors and recommendations as to the professional profile of the Board members, as well as the maximum number of assignments as director and statutory auditor deemed compatible with serving on the Company's Board of Directors and relating to any exercise of the powers granted to the shareholders, in general, as well as any allowable exceptions to the non-compete clauses provided for in art. 2390 of the Italian Civil Code;
- b) assist the Board of Directors with the presentation of a list by the Board itself, using methods that ensure transparency in the formation and presentation of the list;
- c) propose candidates to act as directors in the event it is necessary for the Board to co-opt a director to substitute an independent director;
- d) provide the Board of Directors with opinions regarding the definition, updating and implementation of succession plans for the Chief Executive Officer and General Manager, as well as Group Executives with Strategic Responsibilities.

In 2022 the Remuneration and Appointments Committee focused on, among other things, the renewal of the Board of Directors.

During the meeting held on 22 February, the Committee acknowledged the results of the competitive compensation analysis carried out with respect to the compensation received by the members of the Company's Board of Directors in order to prepare recommendations to submit to the Shareholders' Meeting on 22 April.

During the meeting of the Remuneration and Appointments Committee held on 7 April 2022, the topic of the appointment and, specifically, the assessment of the candidates proposed for the renewal of the Board of Directors was discussed, in light of the vote to be taken during the Shareholders' Meeting on 22 April. The purpose of the meeting was to verify, pursuant to paragraphs 12 et seq. of art. 15 of the Articles of Incorporation, that the lists presented by the shareholders for the renewal of the Board of Directors comply with the law, the Articles of Incorporation and regulations.

At the same time, the Committee worked together with the Director of Group HR in order to periodically monitor the annual Talent Review and Succession Planning processes in accordance with the internal policies. The succession plans are updated continuously for two reasons; to continue to build a solid talent pipeline capable of sustaining the Company's

growth and define a clear plan for development and training which anticipates future needs. As part of the yearly review process, the succession plan for the sole executive director and all the Executives that report to him was discussed in great detail which involved looking at names, level of readiness, any preparation needed in terms of development or career transitions.

With regard, specifically, to the Executive Leadership Team and the General Managers of the subsidiaries, the succession plans were also prepared and completed based on individual evaluations.

The Remuneration and Appointments Committee did not avail itself of external consultants in order to carry out its appointment functions.

The Remuneration and Appointments Committee was also responsible for organizing the annual self-assessment of the Board of Directors and its committees, relating also to their size and composition, pursuant to Standard XIV of the Corporate Governance Code. During one of the eight meetings held, the results of the Board's self-assessment for 2022 were shared in which, in continuity with the evidences that emerged during the previous year, a positive view of the functioning of the Board of Directors and the Board committees was expressed.

## 8. REMUNERATION OF THE DIRECTORS – REMUNERATION COMMITTEE

### 8.1. REMUNERATION OF THE DIRECTORS

For all information on this section, please refer to the **Remuneration Report** available at the corporate headquarters and on the Company's website in the section "Governance/ Remuneration (at <https://corporate.amplifon.com/en/governance/remuneration/remuneration-documents/remuneration-report-2023>).

#### **Remuneration Policy**

Please refer to the Remuneration Report, Section I, Chapter "Characteristics of the Remuneration Policy".

#### **Remuneration of the executive directors and top management**

Please refer to the Remuneration Report, Section I, Chapter "Remuneration Policy for 2023".

#### **Share-based incentive plans**

Please refer to the Remuneration Report, Section I, Chapter "Remuneration Policy for 2023".

#### **Remuneration of the non-executive directors**

Please refer to the Remuneration Report, Section I, Chapter "Remuneration Policy for 2023".

#### **Vesting and payment of the remuneration**

Please refer to the Remuneration Report, Section II, Chapter "Remuneration paid in 2022 and other information".



**Indemnities of the directors in the event of resignation, dismissal or termination of the employment as a result of a takeover bid (pursuant to art. 123-bis, par. 1, letter i), TUF)**

Please refer to the Remuneration Report, Section I, Chapter "Remuneration Policy for 2023".

## 8.2. REMUNERATION COMMITTEE

For all information on this Section refer to the **Remuneration Report**, available at the corporate headquarters and on the Company's website in the section "Governance/ Remuneration" (at: <https://corporate.amplifon.com/en/governance/remuneration/remuneration-documents/remuneration-report-2023>).

**Composition and role of the Remuneration Committee (pursuant to art. 123-bis, par. 2, letter d) TUF)**

Please refer to the Remuneration Report, Section I, Chapter "Governance Model".

**Functions of the Remuneration Committee**

Please refer to the Remuneration Report, Section I, Chapter "Governance Model".

## 9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – RISK CONTROL AND SUSTAINABILITY COMMITTEE

The Internal Control and Risk Management System consists of the set of rules, procedures and organizational structures designed to ensure an effective and efficient identification, assessment, managing and monitoring of the main risks in order to contribute to the Group's sustainable success, in line with the strategic guidelines defined.

Amplifon's Internal Control and Risk Management System, informed by domestic and international reference best practices and the CoSO Framework (Committee of Sponsoring Organizations of the Treadway Commission) aims to achieve, with reasonable certainty, the following goals:

- adequate oversight of Company risks;
- effective and efficient Company operating processes;
- safeguard the Company's assets;
- complete, reliable and timely accounting and operational information;
- behavioral compliance with the law, regulations, directives and Company procedures.

In particular, the building blocks of the Internal Control and Risk Management System are based on:

- the organization of the Internal Control and Risk Management System which comprises the group of individuals involved in the processes and activities of the Company, who are assigned different roles and responsibilities;
- the periodic identification, measurement and monitoring of the Group's main risks;

- the concrete implementation of the standards of control, reflected in the documentation that is produced constantly and updated by the Company in order to define the rules of conduct, breakdown of duties and delegations of responsibility;
- the verification and monitoring processes carried out at various levels, via both Company processes and independent structures.

The Board of Directors is responsible for the Internal Control and Risk Management System. The Board of Directors defines the guidelines for the Internal Control and Risk Management System in a specific document entitled “Linee di indirizzo del Sistema di Controllo Interno e di Gestione dei Rischi” (Guidelines of the Internal Control and Risk Management System) in which the individuals involved, the different components and the mode of operation along with the criteria to be used to assess the system as a whole are described. Any changes to the document are subject to Board approval.

The Board is given the role of guiding and evaluating the adequacy of the system of the Internal Control and Risk Management System. The Board is also responsible for the appointment and dismissal of the Head of Internal Audit and defines her tasks and remuneration.

The responsibilities of the Board of Directors with respect to the Internal Control and Risk Management System are governed by the regulation entitled “Consiglio di Amministrazione - Ruolo, Organizzazione e Modalità di funzionamento” (Board of Directors – Role, Organization and Mode of Operation), updated on 27 October 2021.

When carrying out its duties, the Board of Directors avails itself of the Risk Control and Sustainability Committee which supports the Board, after adequate instruction, with the Board of Directors’ assessments and decisions relating to the Internal Control and Risk Management System, as well as those relating to the approval of the periodic financial and non-financial reports, and has advisory and guidance functions relating to sustainability.

The responsibilities of the Risk Control and Sustainability Committee with respect to the Internal Control and Risk Management System are governed by the Committee’s regulation, properly updated.

The other structures/parties involved in Amplifon’s Internal Control and Risk Management System include:

- the Chief Executive Officer, responsible for the institution and maintenance of the Internal Control and Risk Management System, who oversees the design and functioning of the System;
- the Board of Statutory Auditors which supervises compliance with the law, the Articles of Association and the standards of fair administration, the adequacy of the organizational structure, the financial and non-financial disclosure process and on the effectiveness of the Internal Control and Risk Management System;
- the Head of Internal Audit provides an independent assurance of the Internal Control and Risk Management System including through internal audit projects;
- the Supervisory Body which supervises the functioning and compliance of the 231 Model, as well the updates;
- the Manager charged with preparing the Company’s financial reports, who has a proactive role in the continuous implementation and ongoing maintenance of the Risk Management

and Internal Control System with respect to the financial reporting process, verifying periodically the status of ongoing activities and the results of testing;

- the external audit company which audits the statutory and consolidated financial statements;
- the Company functions charged with identifying, assessing, managing and monitoring the risks specific to their areas of expertise, as well as the Company control functions charged with ensuring the correct implementation of a structured risk assessment and management process.

In 2022 the Board of Directors, pursuant to the Corporate Governance Code, availed itself of the support of the Risk Control and Sustainability Committee (including through the reports received periodically) and used the information received from internal audit, from other control functions and company management, the feedback received from the Board of Statutory Auditors and the independent auditors, as well as the reports of the Legislative Decree 231/2001 Supervisory Body, to formulate a positive opinion as to the adequacy, efficiency and actual functioning of the Internal Control and Risk Management System in light of the characteristics of the business and the risk profile.

In particular, the Risk Control and Sustainability Committee reported periodically to the Board of Directors through the notes of the Chairman on the activities carried out and the results achieved, as well as, every six months, on the results of the assessments made through the Internal Control and Risk Management System.

With regards to the analysis of the Group's risk profile, Amplifon promotes an adequate risk management process as part of its business management.

In 2022 the Company continued to periodically review the Group's risks, based on a method developed in 2021 which is aligned with international best practice and the recommendations of the Corporate Governance Code. It also calls for integration of the Enterprise Risk Management model with the Company's sustainability principles. More in detail:

- during the meeting held on 28 July 2022, the Board received a note from the Chair of the Risk Control and Sustainability Committee which contained an updated assessment of the Group's risks for the first half of 2022 with a view to the continuous monitoring of risk management, in light, also, of the possible effects of the global market conditions and the Covid-19 pandemic;
- during the meeting held on 15 December 2022, the Board acknowledged and assessed the Group's risk map on the basis of a report entitled " Risk Report 2022", examined previously by the Risk Control and Sustainability Committee.

The main elements of the existing Internal Control and Risk Management System used to monitor the financial reporting process, pursuant to art. 123-*bis*, par.2, letter b), TUF, are part of the overall risk management apparatus which, as such, is continuously updated in order to guarantee an effective system that reflects the Group's organizational evolution and operational changes.

The Amplifon Group, through the work done by the Manager charged with preparing the Company's financial reports, has set up a system of administrative and accounting procedures for the preparation of the separate and consolidated financial statements and of the interim financial reports.

The system was designed and implemented with the help of a leading consulting firm and is based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (CoSO). According to that framework, the internal control system, in relation to the process of financial disclosure, is viewed as a process involving all business functions and, therefore, provides reasonable assurance as to:

- the reliability, accuracy and timeliness of financial information (reporting);
- the effectiveness and efficiency in conducting Company business (operations);
- accordance with laws and regulations (compliance).

The implementation of the system of administrative and accounting procedures covers the entire scope of consolidation, namely Amplifon S.p.A and the subsidiaries.

With regard to the subsidiaries, the model was implemented gradually for operational reasons, beginning with certain cycles, to eventually reach full coverage of the relevant processes. A simplified procedure was defined for non-relevant companies in which the Company has held an interest for at least two years, based on the implementation of a set of key controls. In the case of new acquisition, in case of relevance of the acquired subsidiary, the set of key controls is also used, followed by the gradual implementation of a full set of administrative-accounting procedures.

The model adopted, after preliminary activities and initial implementation, calls for a set of recurring activities which ensure it is kept up to date, in good working order and applied correctly.

Toward this end, in 2022 the maintenance and updating of the administrative-accounting procedures begun in 2020, following implementation of the new ERP system (Oracle Fusion Cloud platform) as part of the Group's "One Amplifon Transformation" program, continued. More in detail, the administrative-accounting procedures of Amplifon S.p.A. and the subsidiaries were gradually prepared as work continued on the implementation and roll-out of the new system, the new system modules, the subsequent changes in the organization and responsibilities of the back-office, as well as the relative administrative-accounting procedures.

Furthermore, as a result of the reorganization of Amplifon S.p.A.'s structure, carried out through the contribution of kind of the business branch pertaining to the Italian retail business to a newly formed company (i.e., Amplifon Italia S.p.A.), a wholly owned subsidiary of Amplifon S.p.A., activities focused on updating the administrative accounting procedures were begun, while new administrative accounting departments were created and responsibilities were shifted.

## MAIN FEATURES OF THE EXISTING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

### PHASES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM PROCESSES IN RELATION TO THE FINANCIAL REPORTING PROCESS

#### Scoping

Scoping is carried out each year in order to identify accounts deemed qualitatively and quantitatively relevant and significant, the underlying processes and the specific Group companies for which the model should be developed and implemented including with a view to the continuous changes in the scope of consolidation and the business.

#### Preparing and updating the procedures

The following activities are carried out for each Company and process defined as “in-scope”:

- initial narrative mapping and updating of the process, followed by the definition of the procedure to be used to identify risks and establish key controls in order to ensure:
  - completeness, i.e., that all transactions and data are entered and processed within the systems so that they are duly reflected in the financial statements;
  - accuracy, i.e., that the transactions and data are entered and processed correctly and neutrally so that the financial statements provide precise, objective information;
  - cut-off, i.e., that all transactions and data are entered for the period to which they pertain so that the financial statements represent the Company’s and the Group’s real economic and financial situation with respect to the period under review;
  - promptness, i.e., that all transactions and data are promptly processed so that the financial statements can be prepared according to the requirements and deadlines provided by the law;
  - reliability, i.e., that the information managed is fair, consistent with the accounting standards used and in line with the legal and regulatory standards.
- assessment of controls’ design with respect to each objective listed above and identification of the main gaps;
- identification of actions and remediation processes in order to implement any compensating controls, or process modifications, ensuring proper control of the areas in question;
- the procedures include Risk Control Matrices which summarize:
  - the sub-process;
  - the risk;
  - the objective of the control;
  - the description of the control;
  - the type of control (preventive, detective, manual, automatic);
  - the possibility of fraud risk, if any;
  - IT support for the control;
  - the frequency (daily, monthly, quarterly, yearly);
  - the person in charge of the control;
  - the gap identified in the control, if any;
  - the documentation used to support the controls made.
- on the basis of the Risk Control Matrices, several times during the year and under the coordination and supervision of the Manager charged with preparing the Company’s financial reports, regular checks are performed by headquarter personnel, the external consultant or internal audit to make sure the tests are being carried;

- the results of the tests, kept on file on the Group intranet website and with the Group's Finance & Accounting, and the progress reports of activities underway at individual Group companies, are shared at least every six months with the Board of Statutory Auditors and the Risk Control and Sustainability Committee.

When data is submitted for the periodic financial reports (quarterly, half-yearly and yearly), regardless of the relevance of the country or company, the General Managers and the CFOs of each subsidiary/country send the parent company a letter confirming that the data submitted is complete, accurate, consistent with the accounting records, as well as compliant with the accounting standards used and with all laws and regulations, and that they are responsible for implementing an adequate internal control system to prevent or identify any fraudulent or erroneous reporting.

### **Bodies and positions involved**

The roles responsible for the different phases of the planning, implementation, monitoring and updating over time of the Internal Control and Risk Management System in relation to the financial reporting process are clearly defined. More in detail:

- *Board of Directors*: issued the Rules for the Manager charged with preparing the Company's financial reports and is periodically updated by the Risk Control and Sustainability Committee on the activities carried out by the Manager charged with preparing the Company's financial reports;
- *Manager charged with preparing the Company's financial reports*: through a specially appointed team, plays a proactive role in the ongoing implementation and progressive maintenance of the Internal Control and Risk Management Systems in relation to the financial reporting process, and periodically checks the status of operations and tests results. The Manager charged with preparing the Company's financial reports, with the support of the Head of Internal Audit and the Global Accounting & Finance Senior Director, evaluates possible critical situations in order to define any necessary actions;
- *Head of Internal Audit*: as part of the audit activities carried out, checks the status of operations and the results of tests. Evaluates possible critical situations together with the Manager charged with preparing the Company's financial reports and the Global Accounting & Finance Senior Director;
- *Global Accounting & Finance Senior Director*: coordinates the implementation and ongoing maintenance of the Internal Control and Risk Management Systems in relation to the financial reporting process, oversees testing at foreign affiliates (remote and on site) both directly and through consultants. Evaluates possible critical situations together with the Manager charged with preparing the Company's financial reports and the Head of Internal Audit and defines any actions that need to be taken.
- *General Managers and Administration, Finance and Control Directors of the subsidiaries*: oversee proper implementation of the administrative and accounting procedures defined in the model and submission of data for the periodic financial reports (quarterly, half-yearly and yearly). As mentioned above, regardless of the relevance of the Country or the company, they will send the parent company a letter confirming that the submitted data is complete, accurate, consistent with the accounting records and compliant with the accounting standards used and with all laws and regulations, and confirming that they are responsible for implementing an adequate internal control system to prevent or identify any fraudulent or erroneous reporting;

- *Manager in charge of compliance with Law 262/2005*: a manager has been appointed, at each relevant subsidiary, to serve as the focal point for the implementation and ongoing maintenance of the model and its effective application.
- *Process Owner*: for each procedure, a process owner is appointed to oversee its ongoing maintenance and application.

## 9.1. CHIEF EXECUTIVE OFFICER

The Board of Directors has charged the Chief Executive Officer with the institution and maintenance of the Internal Control and Risk Management System.

The responsibilities of the Chief Executive Officer with respect to the Internal Control and Risk Management System are governed by the regulation entitled "Consiglio di Amministrazione - Ruolo, Organizzazione e Modalità di funzionamento" (Board of Directors - Role, Organization, Mode of Operation) and reflect the provisions of the Corporate Governance Code (art. 6 Recommendation 34).

With the assistance of the Head of Internal Audit and in collaboration with the competent Company structures, in 2022 the Chief Executive Officer:

- monitored the identification and assessment of the Group's main risks, taking into account the activities carried out by the Company and its subsidiaries, presenting the results to the Risk Control and Sustainability Committee every six months and directly to the Board of Directors once a year;
- implemented the guidelines defined by the Board of Directors for the Internal Control and Risk Management System, monitoring the planning, development and verifying the adequacy and effectiveness constantly, taking into account any legislative/regulatory updates and organizational/operational changes, including by availing himself of the internal audit activities called for in the Plan approved by the Board of Directors. When carrying out these activities, the Chief Executive Officer ensured that the Board of Directors, also by way of the Chair, the Risk Control and Sustainability Committee and the Board of Statutory Auditors, including by way of their respective chairs, were constantly updated.

In 2022 no issues or critical areas emerged in relation to the Internal Control and Risk Management System of which the Risk Control and Sustainability Committee needed to be apprised; the Chief Executive Officer established the channels of communication with the Board of Directors, the Risk Control and Sustainability Committee and the Board of Statutory Auditors deemed opportune.

## 9.2. RISK CONTROL AND SUSTAINABILITY COMMITTEE

The Board of Directors appointed the Risk Control and Sustainability Committee, which will remain in office through the approval of the financial statements at 31 December 2024, during the meeting held on 22 April 2022.



### **9.2.1. COMPOSITION AND FUNCTIONING OF THE RISK CONTROL AND SUSTAINABILITY COMMITTEE (PURSUANT TO ART. 123-BIS, PAR. 2, LETTER D), TUF)**

At 31 December 2022, the Risk Control and Sustainability Committee was comprised of:

- Lorenzo Pozza, Chairman: non-executive independent Director;
- Susan Carol Holland: non-executive Chairman of the Board of Directors;
- Laura Donnini: non-executive independent Director;
- Lorenza Morandini: non-executive independent Director.

The Risk Control and Sustainability Committee is comprised solely of non-executive directors, the majority of which are independent and is chaired by an independent director in accordance with the Corporate Governance Code.

The Committee possesses, as a whole, the expertise needed to assess the Company's risks; at least one member of the Committee possesses adequate knowledge of and experience in accounting and finance and/or risk management.

The functioning of the Committee is defined in the Regulation for the Risk Control and Sustainability Committee, updated on 29 April 2021.

In order to ensure the systematic and constant monitoring of internal control and risk management topics, in 2022 the Risk Control and Sustainability Committee met on five occasions:

- 24 February;
- 27 April;
- 25 July;
- 21 October;
- 12 December.

The meetings, coordinated by the Committee's Chairman, were held regularly, lasted an average of two hours, were preceded, where necessary, by preparatory meetings and minutes were taken regularly; the minutes were filed with the office of the Head of Internal Audit.

All the members of the Risk Control and Sustainability Committee attended the meetings, as did the Head of Internal Audit and the Board of Statutory Auditors. More in detail, given the similarity of the topics addressed, the meetings of the Risk Control and Sustainability Committee were held jointly with those of the Board of Statutory Auditors to the extent allowed by the specific responsibilities and assignments, as well as the respective agendas.

There was also a regular exchange of information with the independent auditors, KPMG S.p.A.

In order to encourage a reciprocal exchange of information and in light of discussions involving certain issues, the Committee's Chair invited the Group's Chief Executive Officer and, after informing the Chief Executive Officer, the Chief Financial Officer, as well as the Manager charged with preparing the company's financial reports, to attend the meetings, and moreover, in order to receive a constant update on sustainability issues and projects, the Global Investor Relations & Sustainability Sr Director attended all the meetings. The Chair of the Risk Control and Sustainability Committee, after informing the Chief Executive Officer, also invited a few Company Managers (e.g., Legal & Compliance, Finance, Procurement &



Supply Chain) so that they could provide information and updates on specific topics and Company transactions. The Risk Control and Sustainability Committee also availed itself of the Head of Internal Audit to manage the meetings. The latter also provided information and updates on specific topics and company transactions.

At the end of each meeting, the Chair of the Committee drafted a memorandum which included the summary of the items discussed which was, subsequently, presented to the Board during the next meeting.

The Risk Control and Sustainability Committee is expected to meet at least five times in 2023 (one meeting has already been held).

Since the end of the year no changes had occurred in the composition of the Risk Control and Sustainability Committee.

### **9.2.2. FUNCTIONS OF THE RISK CONTROL AND SUSTAINABILITY COMMITTEE**

The Committee assists, after adequate instruction, the Board of Directors with the assessments and decisions relating to the Internal Control and Risk Management System, as well as those relating to the approval of the periodic financial and non-financial reports, and has advisory and guidance functions relating to sustainability.

When carrying out its duties, the Committee may access all information and Company functions as deemed necessary, including financial resources and external consultants. More in detail, the Risk Control and Sustainability Committee prepares a budget which is presented to the Board of Directors and, at any rate, has the power to make expenditures as deemed necessary.

Based on the provisions of the Corporate Governance Code, and in light of the Regulations for the Risk Control and Sustainability Committee, updated as at 29 April 2021, the Committee supports the Board of Directors with the following activities:

- defining, based on feedback from the Chief Executive Officer and the Board of Statutory Auditors, the guidelines for the Internal Control and Risk Management System consistent with the strategies of Amplifon and the Group, in such a way that the Company's main risks are identified, assessed, managed and monitored effectively;
- the assessment, at least once a year, of the adequacy of the Internal Control and Risk Management System with respect to the characteristics of the business and the risk profile, as well as its effectiveness;
- the appointment and dismissal of the Head of Internal Audit, defining the duties during the term in office, as well as the variable and fixed compensation (in accordance with company policies), and assuring that the Head of Internal Audit has access to the resources needed to carry out the duties assigned;
- in the event the Internal Audit function is outsourced, entirely or for certain segments, ensures that the latter possesses the requisite professionalism, independence and organization and provides adequate motivation in the Report on Corporate Governance;
- the approval, at least once a year, of the work program prepared by the Head of Internal Audit, after having consulted with the Board of Statutory Auditors and the Chief Executive Officer;
- the assessment as to the need to adopt measures to ensure the effectiveness and impartiality of the other Company divisions with control functions, in light of the size,

sector, complexity and risk profile of the business, verifying that the latter possess adequate professionalism and resources;

- the attribution of the supervisory functions called for in art. 6, paragraph 1, lett. b) of Legislative Decree 231/2001 to a specific body (the "Supervisory Body") and the assessment as to the need to appoint at least one non-executive director and/or member of the control body and/or a head of the Company's legal or control functions as a member of the Supervisory Body, in order to ensure the coordination of the different parties involved in the Internal Control and Risk Management System;
- the assessment, after having consulted with the Board of Statutory Auditors, of the findings in the independent auditors' report, any letters of opinion and additional reports addressed to the control body;
- the description, included in the Corporate Governance Report, of the main characteristics of the Internal Control and Risk Management System and the methods used to organize the parties involved, indicating the models and company, as well as international, best practice to be used as a reference, as well as the overall assessment of the system's adequacy, taking into account the choices made relative to the composition of the Supervisory Body.

Using the Corporate Governance Code as a reference, when supporting the Board of Directors, the Risk Control and Sustainability Committee also:

- assesses, after having consulted with the Manager charged with preparing Company's financial reports, the independent auditors and the Board of Statutory Auditors, that the accounting standards are being used correctly and are appropriate for the purposes of preparing the consolidated financial statements;
- assesses whether or not the periodic financial and non-financial information provides a correct representation of the business model, the Company's strategies, the impact of its activities and the results achieved;
- examines the content of the periodic financial and non-financial information relating to the Internal Control and Risk Management System;
- expresses opinions about specific aspects relating to the identification of the main business risks and assists with the assessments and decisions made by the Board relative to the management of risks inherent in prejudicial situations that the Board has been made aware of;
- examines the audit outcomes, the periodic reports, as well as any important reports, prepared by Internal Audit;
- monitors the independence, adequacy, efficacy and efficiency of Internal Audit;
- may request that Internal Audit perform audits of specific areas of operation, while notifying the Chair of the Board of Statutory Auditors accordingly;
- reports to the Board of Directors, at least when the half-yearly and annual reports are approved, on its activity and on the adequacy of the Internal Control and Risk Management System;
- supervises issues relating to sustainability connected to business operations and the relative interaction with all the stakeholders;
- carries out any other tasks assigned by the Board of Directors and examines, as directed by the Chair of the Board of Directors and/or the Chief Executive Officer, the topics they deem fall within the scope of the Committee's expertise.

Consistent with the above, in 2022 the Risk Control and Sustainability Committee was engaged mainly in the following activities:

- guidance and supervision of the internal audit activities focused on verifying the adequacy, as well as improving, the Group's Internal Control and Risk Management System;

- supervision of the identification and assessment of the Group's main risks, as well as the integration of this process with corporate sustainability issues;
- updating of the Internal Control and Risk Management System guidelines;
- preparation of the half-yearly assessment report of the Internal Control and Risk Management System submitted to the Board of Directors;
- examination and approval of the updated version of the Internal Audit charter and the internal audit risk-based plan;
- examination of the reports prepared by the Head of Internal Audit;
- examination of the economic-financial information and management of any accounting-administrative, as well as tax, issues;
- supervision of the Group's activities related to the anti-corruption program and the Group's Whistleblowing process;
- supervision of the compliance activities carried out by the company divisions involved;
- monitoring the functioning of the Company's governance in light of the Corporate Governance Code;
- supervision of topics relating to sustainability connected to the Company's operations;
- examination of the consolidated Non-Financial Statement prepared pursuant to Legislative Decree 254/2016;
- other supervisory activities which, directly and indirectly, are aimed at obtaining information relating to the Internal Control and Risk Management System (e.g., meetings with Company management in order to obtain information/updates relating to specific topics and Company transactions).

### 9.3. HEAD OF INTERNAL AUDIT

The Board of Directors appointed Laura Ferrara to act as the Head of Internal Audit, starting from 1 February 2021, who is responsible for verifying that the Internal Control and Risk Management System is functional, adequate and consistent with the guidelines defined by the Board.

The Head of Internal Audit was appointed by the Board of Directors, as per the Chief Executive Officer's recommendation, after having received an opinion from the Risk Control and Sustainability Committee and consulted with the Board of Statutory Auditors, and the related remuneration is defined by the Board of Directors consistently with the remuneration policy. The Board, with the support of the Risk Control and Sustainability Committee, ensures that the Head of Internal Audit possesses the resources needed to fulfill her duties. In order to carry out her assignment, the Head may avail herself of internal resources and engage leading consulting firms in order to complete individual projects, has direct access to all useful information and the resources and means needed as per the relative budget.

The Head of Internal Audit reports to the Board of Directors and the Risk Control and Sustainability Committee supervises the activities, monitoring the independence, adequacy, effectiveness and efficiency of the work performed, and is not responsible of operating areas. The Head of Internal Audit also interacts with the Board of Statutory Auditors and, among other things, is a member of Amplifon S.p.A.'s Supervisory Body.

The Head of Internal Audit works on the basis of a mandate (i.e., "Internal Audit Charter"), the latest version of which was approved by the Board of Directors on 28 July 2022.

In 2022, the Head of Internal Audit verified the suitability and operation of the Internal Control and Risk Management System as part of the activities set out in the Internal Audit Plan, approved by the Risk Control and Sustainability Committee and by the Board of Directors,

after consulting the Board of Statutory Auditors and the Chief Executive Officer. The Plan focuses on the Company's strategic objectives and is based on a structured analysis and prioritization of the projects, on the basis of the Group's main risks. The audits, carried out both on an ongoing basis and in relation to specific needs, were carried out in compliance with international standards and professional practice, also assessing the reliability of the IT systems and the accounting systems, while also checking the improvements made to the Internal Control and Risk Management System as a result of the audits through follow-up and continuous monitoring.

The Head of Internal Audit supported the Risk Control and Sustainability Committee with the supervision of issues related to sustainability.

In 2022 meetings were held periodically with the Board of Statutory Auditors, as well as the external auditors, and a communication channel between the Risk Control and Sustainability Committee, the Board of Statutory Auditors and the Board of Directors was established. No events of note occurred which called for the preparation and rapid submission of reports outside of the normal sphere of operation.

The Head of Internal Audit periodically prepared and sent reports to the Risk Control and Sustainability Committee and the Board of Statutory Auditors, including through the relative Chairs, and to the Chief Executive Officer, which contained information about projects and activities carried out, risk management activities and about the adequacy of the Internal Control and Risk Management System.

The Head of Internal Audit assisted the Risk Control and Sustainability Committee with the assessment of the Internal Control and Risk Management System and the preparation of periodic reports for the Board of Directors.

#### **9.4. ORGANIZATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001**

On 14 March 2005 the Board of Directors of Amplifon S.p.A. resolved to adopt an Organizational, Management and Control Model ("231 Model" or "Model") pursuant to Legislative Decree 231/2001 which established, for the first time in Italy, the liability of the Legal Entities for certain crimes committed in the interest or to the benefit of the same, by persons who have representative or administrative or managerial positions within the Entity or an organizational unit of it, having financial and functional autonomy, as well as by persons who exercise, including de facto, its management and control and, finally, by persons managed or supervised by one of the previously indicated subjects.

Amplifon S.p.A.'s 231 Model was prepared with a view to preventing the commission of the crimes referred to in the Legislative Decree, taking into account the principles expressed in Confindustria's and other relative trade organization's guidelines for the preparation of Organizational Models. The 231 Model comprises a general and a special part. The content of the Decree, the purpose of the Model and the relative rules of governance, how the Supervisory Committee is formed and works, as well as the applicable penalties and the training of personnel are described in the general part. The special part includes the control protocols related to each of the Company's activities deemed "sensitive" pursuant to Legislative Decree 231/2001, the types of crimes, the conduct to comply with and the controls adopted by the Company to reduce the risk that the crimes contemplated under the Decree are committed (e.g., crimes against the Public Administration, corporate crimes, receiving, laundering and using money, goods and benefits of unlawful origin or self-laundering, tax crimes, offences linked to organized crime). A summary of the general part of Amplifon S.p.A.'s 231 Model is available on the corporate website at: <https://corporate.amplifon.com/it/governance/sistema-di-controllo-interno/modello-organizzativo-e-odv>.

The 231 Model was adopted in order to ensure that Company activities are carried out in accordance with the principles of fairness and transparency with a view to safeguarding the Company's image, as well as the work of its employees and partners. The 231 Model is, by definition, "dynamic": the need for updates due to regulatory and organizational changes is verified periodically, consistent with the applicable best practices and industry standards. Implementation is also subject to verification.

More specifically, in 2022, in the wake of the regulatory changes made to the predicate offences and the organizational changes that took place after the last update of the 231 Model (29 July 2021), Amplifon S.p.A.'s Model was updated and the new version was approved by the Board of Directors during the meeting held on 26 October 2022.

During the meeting held on 22 April 2022, Amplifon S.p.A.'s Board of Directors, after consulting with the Risk Control and Sustainability Committee, appointed the Supervisory Body (a body constituted specifically for this purpose) to oversee the functioning and effectiveness of, as well as compliance with, the 231 Model. The Supervisory Body comprises two non-executive independent directors and the Company's Head of Internal Audit, in order to ensure the coordination of the different parties involved in the Internal Control and Risk Management System.

At 31 December 2022, the Supervisory Body was comprised of:

- Lorenzo Pozza, Chairman: non-executive independent Director;
- Laura Donnini: non-executive independent Director;
- Laura Ferrara: Head of Internal Audit.

The Supervisory Body met five times in 2022:

- 24 February;
- 27 April;
- 20 July;
- 14 October;
- 12 December,

during which Company management was invited to attend in order to discuss specific topics.

The Supervisory Body and the Board of Statutory Auditors maintained an open channel of communication in order to facilitate a constant exchange of information, as well as the participation of the statutory auditors in periodic meetings. In 2022 there was a formalized exchange of information during two meetings of the Supervisory Body.

There was also a formalized exchange of information with the independent auditors.

Similar to the Issuer, on 23 July 2021 Amplifon Italia S.p.A. adopted its own Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 and appointed its own Supervisory Body charged with overseeing the functioning, compliance and updates of this Model. In order to ensure the coordination of the different parties involved in the Internal Control and Risk Management System of Amplifon Italia S.p.A. a standing auditor of this company was appointed member of the Supervisory Body.

In 2022 the subsidiary Amplifon Italia S.p.A.'s 231 Model was updated in light of the most recent regulatory changes and the updated version was approved by the Board of Directors on 14 July 2022.

## 9.5. INDEPENDENT AUDITORS

The Shareholders' Meeting held on 20 April 2018 resolved to grant the assignment for the financial audit of the parent company and consolidated financial statements of Amplifon S.p.A. to the company KPMG S.p.A. for the nine-year period 2019-2027 and, therefore, through the approval of the financial statements as at 31 December 2027.

In 2022 the Board, after consulting with the Board of Statutory Auditors, examined the results of the financial audit. The results of the 2021 financial audit were communicated in the auditor's Report sent on 14 March 2022. During 2022 the independent auditors did not send any notices of findings.

## 9.6. MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS AND OTHER COMPANY ROLES AND FUNCTIONS

The Company's Articles of Association call for the Board of Directors to appoint a Manager charged with preparing company's financial reports, subject to the unbinding opinion of the Board of Statutory Auditors. The Manager charged with preparing company's financial reports must meet certain professional requirements, namely at least three years of management experience in the field of administration/finance/control with Group companies or other joint-stock companies.

The "Regolamento della funzione del Dirigente preposto alla redazione dei documenti contabili societari" (Rules for the Manager charged with preparing company's financial reports) governs the responsibilities, the activities, the relationships with other corporate divisions, the powers and means of the Manager charged with preparing company's financial reports in accordance with proven best practices.

In the meeting held on 28 February 2017 the Board, after having received a favorable opinion from the Board of Statutory Auditors, appointed the Group's Chief Financial Officer, Gabriele Galli, Manager charged with preparing company's financial reports effective 1 March 2017.

There are also other corporate functions involved in the controls, including risk management, legal, compliance, which periodically report the results of the activities relevant for the purposes of the Internal Control and Risk Management System to the Risk Control and Sustainability Committee. During the year the Board, including as part of the assessment made of the Internal Control and Risk Management System, carried out with the help of the Risk Control and Sustainability Committee, did not identify situations such as to require that specific measures be taken to ensure the effectiveness and impartiality of the other corporate functions involved in the controls.

## 9.7. COORDINATION OF THE PERSONNEL INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Board of Directors prepares and approves the document "Linee di indirizzo del Sistema di Controllo Interno e di Gestione dei Rischi" (Guidelines for the Internal Control and Risk Management System) which, in addition to indicating the objectives of the Internal Control and Risk Management System, also describes the personnel and bodies involved, inside and outside of the Company, and describes the responsibilities and procedures for interaction.



The Chief Executive Officer, pursuant to his assignment to institute and maintain the Internal Control and Risk Management System, is responsible for the implementation of the Board of Directors' guidelines.

Given the similarity of the topics addressed, and also in order to maximize the efficiency of the system itself, reduce any duplication of the activities and ensure that the tasks of the Board of Statutory Auditors are carried out effectively, the meetings of the Risk Control and Sustainability Committee are held jointly with those of the Board of Statutory Auditors, to the extent allowed by the specific responsibilities and assignments, as well as the respective agendas.

## **10. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS**

During the meeting held on 29 April 2021, the Board of Directors approved the new "Regulation on Related-Party Transactions" ("the Regulation") issued pursuant to and in accordance with CONSOB Regulation n. 17221 of 12 March 2010, as amended. The regulations, which substitute the regulations adopted in 2018, define the rules and procedures relating to the identification, communication, approval and execution of related-party transactions entered into by the Company or its wholly owned Italian and foreign direct and indirect subsidiaries.

The Regulations adopted by the Board of Directors are designed to ensure the real transparency, as well as the substantive and procedural fairness, of all related-party transactions in accordance with current norms and regulations and, in particular, with CONSOB Related-Party Regulations.

The regulations are published on the Company's website in the section "Governance/ Reports and Procedures" at: <https://corporate.amplifon.com/en/governance/reports-and-procedures/corporate-documents/related-party-transactions-regulation-2021>).

During the meeting held on 22 April 2022, the Board of Directors appointed a Committee of independent directors for related-party transactions which meets as needed to assist the Board in the event the Company carries out transactions with related parties. This Committee comprises three directors, all of whom are independent and, at 31 December 2022, was composed of:

- Laura Donnini, Chairman: non-executive independent Director;
- Maurizio Costa: non-executive independent Director;
- Lorenza Morandini: non-executive independent Director.

More in detail, the Committee for Related-Party Transactions must:

- provide an unbinding motivated opinion relative to Amplifon's interest in carrying out any Transaction of Minor Importance (as defined in the regulations), as well as the appropriateness and fairness of the relative conditions;
- be involved in the negotiations and the preliminary phases of a Transaction of Significant Importance (as defined in the regulations). Once these phases are over, the Committee must express a binding motivated opinion about the Company's interest in carrying out the Transaction, as well as the appropriateness and fairness of the relative conditions.

The work of the Committee for Related-Party Transactions is coordinated by a Chairman, who provides an update on the Committee's activities during the first appropriate Board of Directors' meeting. Regular minutes are taken at the meetings which last an average of one hour.

During the year, the Related Parties Committee met on one occasion, on 12 December 2022, to discuss a topic inherent to a unilateral initiative by Ampliter S.r.l., recognizing however - following in-depth analysis - that the transaction did not constitute a transaction with related parties, and that therefore no formal opinion from the Committee was required.

At present, no meetings have been scheduled for the current year.

Pursuant to the regulations, the Company adopted the operational procedures needed to select and manage the related-party transactions and, similarly, the Board of Directors defined its own internal regulations governing the approval and execution of the transactions in which a director holds an interest, either directly or indirectly (through third parties).

## **II. BOARD OF STATUTORY AUDITORS**

### **II.1. APPOINTMENT**

As per art. 24 of the Company's Articles of Association, the Board of Statutory Auditors consists of three standing auditors and two alternate auditors, who fulfill the requirements (including with respect to professional standing and integrity, as well as those relative to cumulative appointments and those relative to current laws governing gender equality).

When forming the Board of Statutory Auditors, if application of the gender equality quota criteria does not result in a whole number, the number of candidates belonging to the least represented gender shall be rounded up based on the laws and regulations in effect at the time.

More in detail, with regard to the professional requisites, pursuant to art. 1, par. 3 of Ministerial Decree n. 162 dated 30 March 2000, in reference to par. 2, letters b) and c) of the same art. 1, strictly related to the Company's activities is to be construed as related to commercial and corporate law, corporate finance, finance, statistics, the fields of medicine and electronic engineering, as well as like or analogous disciplines, while sectors in which the Company operates are to be construed as wholesale and retail production and commercialization of the instruments, devices and products referred to in art. 2 of the Articles of Association.

The ordinary Shareholders' Meeting appoints the Board of Statutory Auditors and determines its remuneration. The minority is entitled to elect one standing statutory auditor and one alternate statutory auditor. The Board of Statutory Auditors is appointed, with the exception of what is specified in the second-last paragraph of art. 24 of the Articles of Association, on the basis of lists submitted by the shareholders or groups of shareholders who own at least 1% of the shares with voting rights (percentage determined yearly and defined in the executive resolution n. 76 issued by the Director of CONSOB's corporate governance division on 30 January 2023).

The lists must contain the names of the candidates listed in sequential order and not include a number that is higher than the number of members of the Board of Statutory Auditors to be elected.



The lists must include candidates for the office of standing statutory auditor and the office of alternate statutory auditor of both genders, in a way that guarantees equal gender representation in accordance with the law in effect.

The candidates in first and second place on the list that obtained the most votes and the candidate on the minority lists that received the most votes will be appointed standing statutory auditors.

The candidate for alternate statutory auditor on the list that obtained the most votes and the candidate for alternate statutory auditor on the minority lists that received the most votes will be appointed alternate statutory auditors.

In the event that after the above procedures the composition of the Board of Statutory Auditors does not comply with the current law relating to gender equality, the necessary substitutions will be made from among the candidates for the office of standing statutory auditor included on the list that obtained the highest number of votes, based on the sequential numerical order in which the candidates are listed.

Each shareholder who presents a list, or is party to a list, must present to the Company's registered office the certification issued by a licensed intermediary entitling the shareholder to present the list, along with the list, within the timeframe in which the Company must publish the lists under the law.

The lists must be submitted along with the candidates' curriculum, information on the personal characteristics and professional experience of the candidates, the statements in which the candidates accept the candidacy and certifies, under their responsibility, that there are no reasons for ineligibility and/or disqualification and that they meet the requirements set by law or the Articles of Association.

The lists with a total number of candidates equal to or higher than three must comprise candidates of both genders so that the quota for candidates of the least represented gender called for in the laws currently in effect is complied with (rounding up in the event application of the quota criteria does not result in a whole number based on the laws and regulations in effect at the time).

The lists must be filed at the Company's registered office by the twenty-fifth day before the date set for the Shareholders' Meeting. The Company will publish the lists on its website, as well as in accordance with the other modalities indicated by CONSOB in the regulation issued pursuant to art. 147-ter, par. 1-bis of Legislative Decree 58/1998 at least twenty-one days before the Shareholders' Meeting.

With regard to the election of a minority statutory auditor, if several lists have obtained the same number of votes, the list presented by the shareholders with the largest percentage of shares or, in a subordinate position, by the largest number of shareholders, shall prevail.

In the event two or more lists which are not connected, including indirectly, with the shareholders who presented or voted for the other, obtain the same number of votes, a run-off election is held between these lists with the participation of all the shareholders present at the Shareholders' Meeting. The candidates on the list that obtains the simple majority of votes will be elected.

If a standing auditor needs to be replaced due to death, resignation or expiration of the term, the alternate auditor belonging to the same list as the previous auditor takes over, without prejudice to the laws in effect governing gender equality.

## II.2. COMPOSITION AND FUNCTIONING (pursuant to art. 123-bis, par. 2, letter d and d-bis), TUF)

As per the Articles of Association, the Board of Statutory Auditors is comprised of three standing statutory auditors and two alternate statutory auditors who remain in office for three financial years and may be re-elected.

The Board of Statutory Auditors, appointed during the Shareholders' Meeting held on 23 April 2021 and in office through the Shareholders' Meeting to approve the 2023 annual report, comprises the following members:

### BOARD OF STATUTORY AUDITORS

Office held	Name and date of birth	Date of first appointment	In office since	In office through	List (M/m) (*)	Ind. Code	Attendance (**)	N. other appointments (***)
Chairman	Pagani Raffaella 21/06/1971	21/04/2015	23/04/2021	Approval of the financial statements as at 31/12/2023	m	X	14/14	19 <sup>1</sup>
Standing Statutory Auditor	Arienti Patrizia 07/06/1960	23/04/2021	23/04/2021	Approval of the financial statements as at 31/12/2023	M	X	14/14	4 <sup>2</sup>
Standing Statutory Auditor	Righetti Dario 03/07/1957	23/04/2021	23/04/2021	Approval of the financial statements as at 31/12/2023	M	X	14/14	9 <sup>3</sup>
Alternate Statutory Auditor	Grange Alessandro 11/09/1950	21/04/2015	23/04/2021	Approval of the financial statements as at 31/12/2023	m	X	---	1
Alternate Statutory Auditor	Venturini Maria 19/08/1954	23/04/2021	23/04/2021	Approval of the financial statements as at 31/12/2023	M	X	---	1

### STATUTORY AUDITORS WHO EXITED DURING THE YEAR

No statutory auditors exited during the year

#### NOTES

(\*) Date of the first appointment of each statutory auditor refers to the date on which the statutory auditor was appointed to the Company's Board of Statutory Auditors for the first time.

(\*\*) This column shows whether the statutory auditor was on the "majority" ("M") or the "minority" ("m") list.

(\*\*\*) This column shows the statutory auditor's attendance record at meetings of the Board of Statutory Auditors (expressed as the number of meetings attended out of the number of meetings held, i.e., 6/8; 8/8 etc.).

(\*\*\*\*) This column shows the total number of directorships or statutory auditorships held pursuant to art. 148-bis TUF and the relative implementing provisions in CONSOB's Regulations for Issuers.

The complete list of the assignments is published by CONSOB on its website pursuant to art. 144-quinquiesdecies CONSOB's Regulations for Issuers.

<sup>1</sup> Degree in Business Economics from Università Commerciale Luigi Bocconi, and registered in Milan's Role of Chartered Accountants since 1996, the Register of Financial Auditors since 1999, the Register of Professional Consultants for Milan court judges, the Register of Bankruptcy Trustees for the Court of Milan and the Register of Auditors of Local Authorities. Carries out her profession at her studio in Milan (Studio Associato Pagani). Currently also Chairman of the Board of Statutory Auditors of Brembo S.p.A., of Sanofi S.r.l., of Chiesi farmaceutici S.p.A., of Ferrovie Nord S.p.A., of Dufritel S.p.A. and of Dufry Shop Finance Ltd, of La Linea S.p.A., of Fiera Parking S.p.A., member of the Board of Statutory Auditors of Enel Italia S.r.l., of Servizio Elettrico Nazionale S.p.A., of SIB Società Italiana Bricolage S.p.A., Autostrade Lombarde S.p.A., Enelpower S.p.A., of Bracco Imaging S.p.A., of Leroy Merlin S.p.A., as well as Chair of the Supervisory Body of Conad Centro Nord.

<sup>2</sup> Degree in Business Economics from Università Cattolica in Milan, registered in Milan's Role of Chartered Accountants since 1988 and the Register of Financial Auditors since 1995. She attended specialization courses at Kellogg Graduate School of Management and SDA Bocconi. She joined Deloitte in 1985 where she matured her professional experience in the financial audit department until she was appointed Italian Consumer Industry leader and became part of Deloitte's North South Europe Leadership Team in the same sector in 2017. She exited Deloitte in 2021. Currently she is also Chairman of the Board of Statutory Auditors of Yoox-Net-à-Porter S.p.A., as well as Standing Auditor of Hermès Italia S.p.A. and Lousiane S.p.A. As of 1 January 2022 she is also Chairman of the Board of Statutory Auditors of Unikeris Ltd (Gruppo Chiesi Farmaceutici S.p.A.). Lastly, she is an Independent Director, Chair of the Risk Control and Sustainability Committee and of the Committee for Related Party Transactions of Sogefi S.p.A.

<sup>3</sup> Degree in Business Economics from Università Commerciale Luigi Bocconi, registered in Milan's Role of Chartered Accountants and Accounting Experts since 1993, the Register of Financial Auditors since 1995. He attended specialization courses at IMD in Lausanne. He began working at Andersen in 1981, where he matured his professional career: manager in 1987 and partner in 1994. Following the merger of Andersen and Deloitte, in 2003 he became Head of Deloitte Italia's Consumer & Industrial Products sector and subsequently became a member of Deloitte's EMEA Leadership Team in the same sector. Currently he is also Chairman of the Board of Statutory Auditors of ENAV S.p.A., as well as a member of the Board of Statutory Auditors of Luxottica Group S.p.A., Luxottica S.r.l., Luxottica Italia S.r.l., Salmoiraghi & Viganò S.p.A., Barberini S.p.A., Polinelli S.p.A., Fondazione One Sight. He is Chairman of the Internal Control Committee of SDF Group S.p.A., and a director of the holding company Madreperla Holding S.p.A. Lastly, he is a member of the SB of Ferrero Commerciale Italia S.p.A.

On 26 March 2021 the majority shareholder, Ampliter S.r.l., owner of 42.23% of Amplifon S.p.A.'s share capital and 59.27% of the voting rights ordinary shares, submitted a list, along with the information about the personal and professional characteristics of the candidates and the other documentation called for under the law, identified for the purposes of voting with the number 1 which contained the following proposed candidates:

**Standing statutory auditors:**

1. Arienti Patrizia
2. Righetti Dario
3. Sorci Roberto

**Alternate statutory auditors:**

1. Venturini Maria
2. Ferrazzano Giuseppe

On 29 March 2021 a few minority shareholders, holding jointly 1.52% of the share capital, submitted a second list along with the information about the personal and professional characteristics of the candidates and the other documentation called for under the law, identified for the purposes of voting with the number 2 which contained the following proposed candidates:

**Standing statutory auditors:**

1. Pagani Raffaella Annamaria

**Alternate statutory auditors:**

1. Grange Alessandro

List 1 obtained 74.02% of the votes cast, while List 2 obtained 25.35% of the votes cast.

As a result of the votes cast, having applied the procedure envisaged in art. 24 of the current Articles of Association, the following candidates were appointed:

a) Standing statutory auditors:

From List Number 1:

1. Arienti Patrizia
2. Righetti Dario

From List Number 2:

1. Pagani Raffaella Annamaria

b) Alternate statutory auditors:

1. Venturini Maria (from List Number 1)
2. Grange Alessandro (from List Number 2)

Information about the main competencies and professional characteristics of each statutory auditor is available on the Company's website in the "Governance" section (at <https://corporate.amplifon.com/en/governance/governance-system/board-of-statutory-auditors>).

Since the end of the year no changes had been made to the Board of Statutory Auditors's composition.

The meetings of the Board of Statutory Auditors lasted an average of three hours and nine meetings have been scheduled for this year, four of which was already held.

The statutory auditors meet all the requirements of integrity, professionalism and independence called for in the law, the Articles of Association and the Corporate Governance Code.

### **DIVERSITY CRITERIA AND POLICIES**

Pursuant to the Articles of Association, the Board of Statutory Auditors will be appointed in compliance with the current law governing gender equality rounding up, according to the current law or regulation, the number of candidates belonging to the least represented gender in the event application of the quota criteria does not result in a whole number. As mentioned above, two out of the three standing statutory auditors are women.

As referred to above, the requisite integrity and professionalism are assessed in accordance with the law, the Articles of Association and the Corporate Governance Code. As can also be deduced from the self-assessment of the Board of Statutory Auditors, the control body comprises individuals with adequate professional experience, with widespread and diversified skills, with good experience in the sector to which the Company belongs, is aware of its powers and obligations, able to dedicate time and resources commensurate with the complexity of their assignment and are committed to pursuing the overall interest of the Company.

Finally, the internal processes are shaped by the respect for principles of diversity, with regard to age, gender, level of education and professional experience.

### **INDEPENDENCE**

The quantitative and qualitative criteria to be used to assess the significance of the relevant circumstances pursuant to the Code for the purposes of evaluating independence were approved by the Board of Directors during the meeting held on 27 October 2021.

These criteria were included in the Company's Board Regulations and will also be applied when the Board of Statutory Auditors is renewed, subject to any future amendments of the same.

The Board of Statutory Auditors:

- verified that the statutory auditors qualified as independent after they were appointed and communicated the results in a press release issued by the Company on 23 April 2021;
- verified that the statutory auditors still qualified as independent during the year and communicated the results to the Board of Directors;
- when carrying out these verifications, the Board of Statutory Auditors took into account the information provided by each member of the Board of Statutory Auditors, weighing all the circumstances that could potentially compromise independence identified by the TUF and the Code, applying all the criteria envisaged therein for assessing independence of the statutory auditors.

The activity was carried out using a questionnaire that was given to each of the standing statutory auditors in office in order to gather all the information deemed necessary and opportune for the self-assessment.

The Board of Statutory Auditors examined the questionnaires and after the verifications were completed, the statutory auditors, under their own responsibility, declared that they had not found any shortcomings regarding the suitability of its members or the adequate composition of the Board and its functioning.

### **REMUNERATION**

The remuneration of the statutory auditors, in accordance with art. 2402 of the Italian Civil Code, was set during the Shareholders' Meeting at the time of the appointment and is commensurate with the commitment required, the role held, as well as the Company's size and sector.

It is clear from the Board of Statutory Auditors self-assessment that the remuneration set for the Board of Statutory Auditors is deemed adequate considering the activities carried out, the way in which the work is done and the support provided by the different Company divisions, including in light of the Board of Statutory Auditors' commitment to attend the meetings of the Board committees.

### **MANAGEMENT OF INTERESTS**

The Company, by virtue of its adherence to the Code, requires that the statutory auditor who, on his own behalf or on behalf of third parties, has an interest in a specific Company transaction, inform the other statutory auditors and the Chairman of the Board of Directors of the nature, terms, origin and extent of the interest in a timely and thorough manner.

## **12. RELATIONS WITH SHAREHOLDERS**

### **ACCESS TO INFORMATION**

It is in Amplifon's best interest - as well as a duty towards the market - to ensure a constant and open relationship with shareholders, institutional investors and the financial community in order to increase the level of understanding about the activities carried out by the Company and the Group in compliance with the law and the internal procedures governing the disclosure of inside information. Toward this end, the Board of Directors endeavors to provide a systematic distribution of accurate, thorough and timely information about the Group to shareholders, investors, and all the stakeholders, in general, who are interested in Amplifon and the Group, including in light of CONSOB's recommendations, the principles included in the Corporate Governance Code and international best practice.

Francesca Rambaudi, responsible for Investor Relations & Sustainability, manages the flow of information provided to shareholders, financial analysts and institutional, as well as retail, investors in full compliance with the standards of transparency and equal treatment of all parties established in the rules for corporate disclosures. The Investor Relator is supported by five internal resources, three of which are dedicated to sustainability and managing the relations with ESG/SRI investors, and an external company specialized in media relations. Shareholders and investors may contact Investor Relations directly via e-mail at [ir@amplifon.com](mailto:ir@amplifon.com).

Amplifon is also committed to cultivating long-term relationships with the stakeholders and to developing two-way communication with the financial community through several contact points, including individual meetings, group meetings, teleconferences, attending conferences, going on roadshows, organizing conference calls to present the economic-

financial results and Capital Markets Days. In 2022 the relations with the financial market were intense. Meetings were organized with more than 500 institutional investors, during conferences, roadshows, company visits, or through video or conference calls.

Lastly, the Company pays particular attention to its website, constantly updated and enhanced and which includes a Governance section, as well as an ample Investors section. There is also a Sustainability section where topics relating to Sustainability are addressed. All the sections are easily reached from the corporate website's home page. On the website the stakeholders can find updated information relating to the structure and composition of the corporate bodies, the Shareholders' Meeting, the shareholder base and dividends, as well as the stock performance, the periodic financial reports and the presentations of results. The press releases issued by the Company, the annual calendar of corporate events, information about important and/or extraordinary transactions, as well as information relating to sustainability, including the Consolidated Non-Financial Statement, are also made available on the website.

### **SHAREHOLDER ENGAGEMENT**

On 16 December 2021, in accordance with art. 1, Recommendation 3 of the new Corporate Governance Code, Amplifon's Board of Directors, as proposed by the Chairman, in agreement with the Chief Executive Officer, and after having received a favorable opinion from the Risk Control and Sustainability Committee, approved an Investor Relations & Shareholder Engagement Policy. This policy, which is available on the Company's website in the Governance section (at: <https://corporate.amplifon.com/en/governance/reports-and-procedures/corporate-documents/engagement-policy>), describes the ongoing relationship between the Company and the shareholders, potential investors and the other stakeholders within the scope of the division's competencies and governs the engagement activities developed to promote a dialogue between the Company and the shareholder, defining the topics, regulating the procedures and identifying who will be responsible for the engagement activities and the others potentially involved.

Subsequent to the adoption of the Policy, in 2022 the Company received 11 requests for engagement from institutional investors focused mainly on topics relating to climate change, diversity, remuneration, composition of the Board of Directors and the buyback program. The Company replied to all the requests received in a timely and complete manner.

## **13. SHAREHOLDERS' MEETINGS (pursuant to art. 123-bis, par. 1, letter l) and par. 2, letter c), TUF)**

The Shareholders' Meetings are governed by, in addition to the Company's Articles of Association, a specific set of regulations which was approved by the Shareholders' Meeting and which can be found on the Company's website in the section "Governance/Shareholders' Meeting" (at: <https://corporate.amplifon.com/content/dam/amplifon/other-document/it/procedure/regolamento-assembleare-24-04-2007.pdf>). The Articles of Association and the Shareholders' Meeting Regulations govern all aspects of the Shareholders' meetings in accordance with current norms and regulations.

With the exception of those powers attributed exclusively to shareholders and unless resolved otherwise by shareholders upon appointment, the Board of Directors is vested with the broadest powers for the Company's ordinary and extraordinary administration, as well as of provision without limitation.

The regulations referred to guarantee that each shareholder has the right to take the floor and participate in the discussions.

The Shareholders' Meeting of 22 April 2022, as a consequence of the health emergency situation dictated by the spread of Covid-19 and in compliance with the provisions of art. 106 of the Decree-Law of 17 March 2020 n. 18, so-called "Cura Italia" converted, with amendments, by law 24 April 2020, n. 27 (and as lastly extended by virtue of article 3, paragraph 1, of Law 25 February 2022 n. 15 which converted the "Milleproroghe" Decree Law 2022), was held behind closed doors. The directors Donnini, Pozza, Casalini and the statutory auditors Pagani, Arienti and Righetti participated via teleconference call. The Chief Executive Officer, Enrico Vita, was physically present at the Company headquarters together with Costa, Grieco, Tamburi and the Chairman of the Board of Directors Holland, the only one to intervene.

The Board endeavored to provide the shareholders with adequate information, publishing the documents to be examined and approved by the Shareholders Meeting on its website by the legal deadline, so that shareholders would be in a position to make informed decisions.

During the year the Board did not deem it necessary to prepare proposals to be submitted to the shareholders relating to its composition (but expressed an opinion with regard to the term of office and the number of its members), the selection and characteristics of the business model (as the current one is deemed adequate), nor with regard to topics relating to the administrative and property rights of the shares and the percentages needed to exercise the faculties granted in order to protect minority shareholders.

In light of the results of the self-assessment, shared with both the independent directors and the Remuneration and Appointments Committee, the Board proposed to set the number of directors at 9 for a term of three years, 2022 - 2024.

Following the adoption of Law 116/2014, which introduced the concept of increased voting rights, Amplifon introduced in its Articles of Association the faculty which grants shareholders the right to request two votes for each share held without interruption for at least 24 months after the date of registration in a specific registry maintained by the Company.

As argued by the Board of Directors in the relative illustrative report presented at the time to the shareholders, the increased voting rights promote stability and loyalty of the shareholder base.

The Company adopted a specific procedure to govern the increased voting rights which is published on the website in the section "Governance/Shareholders' Meeting".

## **14. OTHER CORPORATE GOVERNANCE PRACTICES**

**(pursuant to art. 123-bis, par. 2, letter a), second part, TUF)**

No other Corporate Governance practices have been adhered to other than those described above.

## **15. CHANGES SINCE YEAR END**

There have been no changes in corporate governance after the end of the year under review.

## **16. COMMENTS ON THE LETTER OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE**

On 1 March 2023 the Board of Directors, subsequent to the preliminary examination of the Risk Control and Sustainability Committee and the Remuneration and Appointments Committee, assessed the content of the letter received from the Chairman of the Corporate Governance Committee dated 25 January 2023 and the recommendations found therein.

The Board acknowledged that the Company's Corporate Governance system is basically in line and consistent with all the recommendations made by the Corporate Governance Committee.

The recommendations in the letter were also brought to the attention of the Board of Statutory Auditors during the meeting held jointly with the Risk Control and Sustainability Committee on 23 February 2023.



# ANNEX I

## LIST OF AMPLIFON S.P.A'S DIRECTORS' APPOINTMENTS IN LISTED OR LARGE COMPANIES AT 31 DECEMBER 2022<sup>1</sup>

Name	Office held in Amplifon S.p.A.	Other companies	Office held
Holland Susan Carol	Chairman	Ampliter S.r.l. Amplifin S.p.A.	Sole Director Chairman
Vita Enrico	Chief Executive Officer	Ariston Thermo S.p.A.	Independent Director
Costa Maurizio	Independent non-executive Director	Mediobanca S.p.A.	Director
Diquattro Veronica	Independent non-executive Director	Il Sole24Ore S.p.A. Fondazione per l'infanzia Ronald McDonald	Independent Director Independent Director
Donnini Laura	Independent non-executive Director	Fastweb S.p.A.	Independent Director
Grieco Maria Patrizia	Independent non-executive Director	Assonime Ferrari N.V. Monte dei paschi di Siena	Chairman Independent Director Chairman
Morandini Lorenza	Independent non-executive Director	Sit S.p.A. Esprinet S.p.A.	Independent Director Independent Director
Pozza Lorenzo	Independent non-executive Director	Ariston Thermo Holding N.V. Angel Capital Management S.p.A. Assicurazioni Generali S.p.A. Bracco Imaging S.p.A. Edison S.p.A. Houlihan Lokey S.p.A. Rudra S.p.A. Transalpina di Energia S.p.A.	Director Director Statutory Auditor Statutory Auditor Statutory Auditor Statutory Auditor Director Statutory Auditor
Tamburi Giovanni	Independent non-executive Director	Tamburi Investment Partners S.p.A. OVS S.p.A. Interpump Group S.p.A. Roche Bobois Group	Chairman Vice President Vice President Member of the Supervisory Board

<sup>1</sup> The offices held are based on the information provided by the directors.



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