CORPORATE GOVERNANCE MANUAL

2026

FAAC TECHNOLOGIES

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Introduction

The term Corporate Governance refers to a set of organizational principles, rules and procedures aimed at ensuring the proper and efficient management of the company.

The Corporate Governance structure therefore sets out the rules and processes by which decisions are made, the manner in which corporate goals are determined, as well as the means for achieving them.

This document uses abbreviations, the meanings of which are set out in Annex 1.

SECTION A – CORPORATE GOVERNANCE MANUAL

1. Corporate Governance Manual

1.1 Scope and content

The Corporate Governance Manual (**CGM**) constitutes the self-regulation framework of the FAAC Technologies Group (**Group**). Its purpose is to clearly define the management roles within the organization, identify the corresponding powers and responsibilities, and establish the mechanisms for oversight and control of the activities carried out.

The CGM sets out the Corporate Governance (**CG**) organizational model adopted by the Group. It complements the principal governance instruments implemented by each Group company (including the Deed of Incorporation, Articles of Association, and related corporate documents), as well as the applicable legal and regulatory framework, by defining the roles, responsibilities, and operating procedures of the governing bodies.

1.2 Function responsible for drafting and approving the Corporate Governance Manual (CGM)

The Corporate Governance Committee (**CGC**) is responsible for the drafting, periodic updating and timely verification of the functioning of the CGM.

The CGC shall provide guidance on how to address any conflict between applicable local laws and the principles and/or provisions set out in this Manual, in accordance with the decisions of the Management of the Parent Company FAAC SpA and any guidelines issued by the Risk and Control Committee, where established, which is composed of members of the Board of Directors and governed by the Regulations of the Board of Directors of the Parent Company FAAC SpA. The CGC may also seek the support of external consultants, where appropriate.

It is the responsibility of the Board of Directors of the Parent Company FAAC SpA to approve and formally adopt this CGM.

1.3 Application

The provisions contained in this manual apply to all Group companies.

All Group companies must therefore adapt their corporate governance documents, as identified above, in accordance with the provisions of this document.

2. Corporate Governance Committee (CGC)

2.1 Composition

The CGC is established within the Parent Company FAAC SpA and is composed of the Directors responsible for the following Group-level functions:

- Chief Financial Officer (**CFO**)
- Chief Legal Officer (**CLO**)
- Internal Auditing Director (**IA**)

2.2 Information flows from the CGC to Management and the Risk and Control Committee

In the event of urgent matters relating to Corporate Governance, the CGC shall ensure the timely activation of an appropriate information flow to the following members of the Executive Committee (**ExCom**):

- Executive Chairman (**ExeChair**)
- Group Managing Director (**MD**)
- Chief People Officer (**CPO**)

Periodically – in any case – the Corporate Governance Committee (CGC) reports:

- **on a quarterly basis**
  - to the Management of the Parent Company (**ExCom)**, and
  - to the Risk and Control Committee (**RCC**), composed of duly appointed members of the Board of Directors;
- **on an annual basis**

- through a meeting with the entire Board of Directors (**BoD**) and the Board of Statutory Auditors, held to review the annual report prepared by the CGC on the activities carried out during the period, together with the proposed work plan for future activities.

3. Activities of the Corporate Governance Committee (CGC)

The activities assigned to the CGC may be carried out:

- **either collectively**
- **or by delegation to one of the functions forming part of the CGC** (i.e. CFO, CLO and IA), as described in the following sections.

In performing the activities, the persons in charge of the functions forming part of the CGC shall make use of the most suitably qualified resources available within their respective departments.

Decisions regarding activities to be carried out collectively shall be adopted unanimously by the members of the CGC. In the absence of unanimity, the relevant decision shall be referred to the ExCom.

3.1 Activities assigned collectively to the CGC

The **CGC** is collectively responsible for ensuring and promoting the dissemination of a culture of governance.

The main activities assigned to the CGC to be carried out collectively include:

a) developing a sound framework of policies and operating procedures aligned with best practices and regulatory requirements, through the preparation of the CGM and the related documentation referred to therein;
b) ensuring that the CGM is kept continuously up to date and proposing to Management and the Risk and Control Committee any amendments and/or additions that may be required;
c) monitoring the correct application of the CGM;
d) receiving and assessing any requests from Group companies for exemptions from the rules established by the CGM, on the basis of specific local regulations or requirements;
e) ensuring that the required governance bodies within Group companies are duly appointed and maintained;
f) ensuring that the decision-making processes of the companies directly or indirectly controlled by FAAC SpA (the "**Subsidiaries**") are aligned with the Group rules adopted and communicated in relation to governance bodies and approval matrices, through:

- the definition and approval of the standard powers of attorney (PoA) to be granted to members of the Boards of Directors (BoDs) or senior management of the Subsidiaries, together with the related implementing provisions;
- the definition and approval of:
  - the Corporate Signature Authorization Matrix (CSAM),
  - the rules governing the implementation of the Matrix at local level through the Local Signature Authorisation Matrix (LSAM),
  - the relative operating manual and the FAQs relating to the CSAM and the LSAM;

g) approving an effective Internal Control System (ICS) designed to:
- continuously monitor compliance with the guidelines established for the protection of company assets;
- minimise the risks of fraud and errors in corporate transactions;
- ensure an adequate level of protection of company assets (e.g. cash, receivables, inventories, fixed assets);
- ensure an appropriate Segregation of Duties (SOD);
- assess cases of conflict of interest, together with the Group Chief People Officer (CPO);

h) approving each year the areas to be audited and the audit plan to be implemented across the Subsidiaries;

i) minimising the risks of fraud and errors in corporate transactions through the establishment of a Risk Assessment system for the Parent Company and the Subsidiaries, structured around:
- identification of the main risks
- mapping of the main risks against the relevant business macro-processes
- definition of the risk matrix (impact and likelihood)
- assignment of intervention priorities
- performance of a gap analysis through a comparison between the current state (*as is*) and the target state (*nice to have)*
- definition of the relevant KPIs together with the process owners
- monitoring of the progress of risk mitigation activities carried out by the process owners
- periodic updating of the Risk Assessment, at least every two years.

3.2 Specific activities assigned by the CGC to the Chief Financial Officer

a) Measuring, managing and communicating the Group's economic and financial performance;

b) developing medium/long-term financial plans that align available resources with the strategic goals of the organization;

c) ensuring that resources are managed:
- *efficiently*, in order to prevent waste, mitigate risks and ensure that corporate objectives are achieved effectively
- *transparently*, ensuring that financial decisions are documented and easily accessible to stakeholders
- *responsibly*, by defining clear responsibilities for those making decisions relating to budgeting and resource management

d) defining and communicating procedures and operating instructions in the areas of Administration, Finance, Control, Treasury and Tax;
e) introducing the measurement and communication of sustainability performance and preparing the Sustainability Report;
f) reviewing and approving local signature authorization matrices (LSAM), jointly with the Internal Auditing Director;
g) defining and updating the Internal Control System (ICS) and its related control framework, jointly with the Internal Auditing Director;
h) maintaining the Group shareholding structure chart up to date.

3.3 Specific activities assigned by the CGC to the Chief Legal Officer

a) Maintaining an up-to-date register of the Board members of the Parent Company and of the Subsidiaries;
b) maintaining an up-to-date register of the authorized representatives of the Parent Company and the Subsidiaries;
c) verifying that signing powers (PoA or Power of Attorney) are properly assigned in accordance with the rules defined by the CGC;
d) verifying that the procedures for convening, conducting and recording the minutes of meetings of the Board of Directors and Shareholders' Meetings are properly carried out, and reporting any irregularities in the management of such procedures to senior management;
e) organizing and maintaining an electronic database of the corporate documentation of the Parent Company and the Subsidiaries, which shall include Articles of Incorporation, Articles of Association, Shareholders' Meeting documentation, BoD minutes, filings and notifications submitted to the Companies Register, etc.;
f) organizing and updating the LSAM database, together with Internal Auditing;
g) where necessary, supporting foreign Subsidiaries in the identification and engagement of external legal advisers that can provide local legal assistance in relation to the fulfilment of legal and corporate obligations;
h) verifying the adequacy of the Group's insurance coverage under the international insurance programme implemented by FAAC S.p.A.

3.4 Specific activities assigned by the CGC to the Internal Auditing Director

a) Defining the areas and processes to be audited (Audit Agenda), on the basis of the Risk Assessment;
b) planning the annual schedule of internal audits (Audit Calendar), based on the Risk Assessment;
c) based on the checks carried out during Internal Audits:
    - defining corrective actions and assigning them to local department managers
    - monitoring progress (Audit Follow-up)

d) defining and updating the Internal Control System (ICS) and its related control framework, jointly with the CFO;
e) reviewing the internal control reports submitted periodically by the Group Companies;
f) reviewing and approving local signature authorization matrices (LSAM), jointly with the CFO;
g) organizing and updating the LSAM database, together with the CLO;
h) carrying out Privacy compliance checks, in collaboration with the Group Data Protection Officer (DPO);
i) conducting investigations in relation to Whistleblowing reports, in collaboration with the Internal Reporting Office;
j) verifying compliance with the Group Code of Ethics.

SECTION B – GOVERNANCE SYSTEM OF THE GROUP SUBSIDIARIES

4. General Provisions

The Governance system, as set out in the following sections, is defined by the CGC and submitted for approval to the Board of Directors of the Parent Company FAAC SpA.

It is the responsibility of the shareholders' meeting and the directors of each Subsidiary to ensure that the company's Articles of Association clearly reflect the governance system described in the following sections, unless this would conflict with applicable local laws. In such cases, the directors of the Subsidiary shall promptly inform the CGC and provide all relevant supporting documentation, in order to enable the CGC to assess the matter and take any appropriate decisions.

5. General Shareholders' Meeting (GSM) of the Subsidiaries

5.1 Definition of GSM

The General Shareholders' Meeting is a governance body composed exclusively of the shareholders, through which the shareholders express their collective will.

5.2 Powers of the GSM

The General Shareholders' Meeting is responsible for deciding on the following matters:

- appointment and removal of the members of the Board of Directors (BoD);
- approval of the annual financial statements prepared by the BoD;
- distribution of dividends on the basis of a proposal by the BoD;
- amendments to the Articles of Association;
- purchase and/or sale of equity interests and/or businesses and/or business units, after obtaining prior authorization and approval from the BoD of the Parent Company FAAC SpA;
- real estate transactions, after obtaining prior authorization and approval from the BoD of FAAC SpA;
- changes to the capital structure (increase or reduction of share capital), after obtaining prior authorization and approval from the BoD of FAAC SpA;
- mergers and spin-offs, after obtaining prior authorization and approval from the BoD of FAAC SpA;
- dissolution and liquidation;
- any other transaction requiring approval by the Shareholders' Meeting pursuant to law or the Articles of Association.

5.3 Functioning of the GSM

To facilitate the organization of shareholders' meetings, the Articles of Association should permit the use of tools such as videoconferencing, the convening of meetings at short notice, and the adoption of concise written resolutions through expedited procedures.

Depending on the matters submitted for resolution, the Shareholders' Meeting may sit as an:

- Ordinary General Shareholders' Meeting (**OGSM**), or an

- Extraordinary General Shareholders' Meeting (**EGSM**)

It is the responsibility of the Chairman of the Board of Directors to convene the OGSM or the EGSM when required.

Unless otherwise provided by local laws, the OGSM must be held at least once a year for the approval of the annual financial statements.

The Secretary of the BoD also acts as secretary of the Shareholders' Meeting and is responsible for:

- sending notices convening the meeting and the agenda, unless this duty falls to the Chairman under local law or the Articles of Association;
- preparing the minutes of the Meetings and arranging for their filing in the official records of the Company;
- sending a scanned copy of the **minutes of each Shareholders' Meeting** to the Legal Department of the Parent Company (FAAC S.p.A.) or alternatively filing the minutes in the shared electronic folders, in accordance with the procedures and instructions provided by the Legal Department of FAAC SpA.

5.4 Fees

No additional remuneration shall be paid to employees of the FAAC Group representing the Shareholder at meetings, as such activities are covered by the remuneration package provided for under the relevant employment contract. The same shall apply to the Secretary of the Shareholders' Meeting.

6. Subsidiary Board of Directors (BoD)

6.1 Definition

The Board of Directors (BoD) in each Subsidiary is the body responsible for the management and direction of the Company, within the limits of and in compliance with the corporate purpose set out in the Articles of Association.

In the performance of its functions, the governing body is required to comply with a number of limits, obligations, duties and prohibitions, any breach of which may result in the application of sanctions and the incurrence of specific liabilities towards both the Company and third parties.

6.2 Composition of the Subsidiary BoD

The BoD must consist of 3 (three) members:

- The first member, in the role of **Chairman of the Board of Directors**, shall be the Corporate Representative (CR), in other words the Regional/BU Director or the Cluster Director
- The second member shall be the **Local General Manager (GM) or Local Managing Director**
- The third member, in the role of **member of the BoD** shall be the Corporate Representative (CR), namely the Group CFO or the Regional/BU Controller (Group CFO in cases where turnover exceeds EUR 10 million)

Where a Subsidiary has external shareholders outside the Group in its share capital, reference shall be made, where applicable, to any existing shareholders' agreements.

6.3 Appointment of the members of the Subsidiary BoD and allocation of powers

The BoD appoints the Chairman and the Chief Executive Officer and is responsible for assigning delegated powers to the members of the Board and to authorized representatives through the granting of Powers of Attorney (PoA).

6.4 Powers of the Subsidiary BoD

The BoD is responsible for managing the company and, in particular, for deciding on the following matters:

- preparation of the draft annual financial statements;
- approval of the Annual Operating Plans (AOP);

- approval of the three-year operating plans (3-year plan);
- implementation of the powers delegated by the Shareholders' Meeting;
- any other transaction requiring approval by the BoD pursuant to law or the Articles of Association.

6.5 Duration of the Subsidiary BoD

The term of office of the elected BoD depends on the applicable local requirements and shall normally be three (3) financial years.
The term of office shall expire upon the Shareholders' Meeting convened to approve the financial statements for the final financial year of the Board of Directors' term.

6.6 Fees for members of the Subsidiary BoD

No additional remuneration shall be paid to employees of the FAAC Group appointed as members of the Board of Directors, as such activities are covered by the remuneration package provided for under the relevant employment contract. The same shall apply to any Group employee acting as Secretary to the Board.
Where the local legislation of the State in which the Subsidiary has its registered office provides for mandatory remuneration for members of the BoD, the amount of such remuneration must be approved in advance by the ExCom.

6.7 Secretary of the Subsidiary BoD

The Local Finance Manager (FM) of the subsidiary shall act as Secretary of the BoD, except where a Local Legal Counsel is present, in which case the latter shall hold the office of Secretary of the BoD.

The Secretary of the BoD is responsible for:

- sending notices convening the meeting and the agenda, unless this duty falls to the Chairman under local law or the Articles of Association;
- preparing the minutes of the BoD meetings and arranging for their filing in the official records of the Company;
- sending a scanned copy of the **minutes of each Board of Directors Meeting** to the Legal Department of the Parent Company (FAAC SpA) or, alternatively, filing the minutes in the shared electronic folders, in accordance with the procedures and instructions provided by the Legal Department of FAAC SpA.

6.8 Functioning of the Subsidiary BoD

The Board of Directors shall meet in all cases required by local law or by the company's Articles of Association and, in any event, whenever its approval is required to complete specific transactions which, by reason of their value and/or nature, fall outside the scope of the Powers of Attorney (PoAs).

To facilitate the organization of the Board Meetings, the Articles of Association should permit the use of tools such as videoconferencing, the convening of meetings at short notice, and the adoption of concise written resolutions through expedited procedures.

7. Power of Attorney (PoA)

The formal system of Powers of Attorney (PoA) shall reflect only those powers strictly necessary for the **management of ordinary business activities vis-à-vis third parties** and shall at all times comply with the provisions of the CSAM and any applicable LSAM.

It is expressly understood that the PoAs (or any other powers vested in members of the BoD under applicable local law) confer broad powers of representation, which shall nevertheless remain subject to strict compliance with the limitations and internal authorization procedures established by the CSAM and the LSAM.
Each holder of a PoA or legal representative of the company must therefore formally undertake to comply with the CSAM by signing the document attached hereto as Annex 4.

It is the responsibility of the Secretary of the BoD to coordinate the process for the appointment of authorized representatives in compliance with applicable local laws, ensuring the proper management and maintenance of the delegated powers granted.

The appointment and removal of authorized representatives shall be carried out in coordination with the Legal Department of the Parent Company (FAAC SpA).

8. Group (CSAM) and local (LSAM) authorization matrices

8.1 CSAM (Corporate Signature Authorization Matrix)

The CSAM constitutes one of the key components of the Corporate Governance model. It is an operational tool designed to define the internal approval limits (expressed in EUR) applicable to the main corporate transactions and serves as a key reference document for determining the relevant approval authority for day-to-day operations.

The operational limits set out in the CSAM for the General Manager (GM) and the Finance Manager (FM) of a subsidiary are defined by the Parent Company and may not be amended.

The updated version of the CSAM is available in the Group Accounting Manual (GAM) within the "Corporate Governance" section.

8.2 LSAM (Local Signature Authorization Matrix)

Local entities are permitted to create a local authorization matrix (LSAM).

This will reflect the manner in which the local GM and local FM choose to delegate powers to colleagues, with a view to streamlining the management of approval processes and avoiding bottlenecks in the approval workflow.

The delegation of powers by the local GM and local FM is an option, not an obligation. The delegation must be duly justified and documented.

Where the CSAM requires the joint signature of the FM and the GM, such authority may NOT be delegated under the LSAM to a single internal function acting individually (single signature).

The FM may not delegate his/her powers to the GM, nor may the GM delegate his/her powers to the FM. Furthermore, neither may fully delegate their respective authorization limits to other colleagues.

The LSAM must be approved by the Group CFO + IA.

The LSAM database currently in force shall be maintained on a network drive jointly managed by the Chief Legal Officer and Internal Auditing and shall be accessible to the CFO, CLO and IA functions, including their respective staff.

Corporate Governance Committee:

- ✓ Group Chief Financial Officer (CFO) Katia Marinangeli
- ✓ Group Chief Legal Officer (CLO) Stefano Tamba
- ✓ Group Internal Auditing Director (IA) Andrea Lanzoni

Zola Predosa (BOLOGNA) , 1 June 2026