



## DIRECTORS' REPORT

**in accordance with Article 125 ter of Legislative Decree no. 58 of 24 February 1998 and Article 84 ter of the Consob Issuer Regulation no. 11971 of 14/5/1999 and subsequent amendments and additions**

**to point 6 on the Agenda of the Ordinary Shareholders' Meeting of IREN S.p.A.**

**on 27 June 2024 at 12:00 pm in a single call.**

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Dear Shareholders:

The Board of Directors of IREN S.p.A., in accordance with the provisions of art. 125 ter of Legislative Decree no. 58 of 24 February 1998, as well as Article 84-ter of the Consob Issuers' Regulation no. 11971 of 14/5/1999 and subsequent amendments and integrations, set out the content and proposals regarding point 6 on the agenda of the Shareholders' Meeting to be held on 27 June 2024 at 12:00 pm in a single call within this report (hereinafter the **"Meeting"**).

### REPORT ON POINT 6

**Maximum amount for the remuneration of Directors holding special offices established by the Shareholders' Meeting of 21 June 2022 - recognition of remuneration pursuant to Article 2389, paragraph 3, of the Italian Civil Code for the Chair and Executive Deputy Chair for the period between 12 June and 30 August 2023 of vacancy of the ceased CEO: related and consequent resolutions.**

Dear Shareholders,

We would like to remind you that following the resignation, effective immediately, submitted by Director and CEO, Mr Gianni Vittorio Armani on 12 June 2023, the Board of Directors, on the same date, resolved to implement the current *Contingency Plan* (approved by the Board of Directors on 12 April 2021) and, consequently, to grant - for the entire duration of the so-called "emergency" phase between 12 June 2023 and the take over by the new Chief Executive Officer and General Manager (on 30 August 2023) - management powers in accordance with the provisions of said

plan, respectively, to the Executive Chair and the Executive Deputy Chair and, more specifically, to grant

- to the Chair, essentially the powers of the outgoing CEO, in addition to a large part of those originally held by him;
- to the Executive Deputy Chair, in addition to those already held thereby since the beginning of the current term of office, also the powers relating to External Relations and Communication originally reporting to the Chair.

Since the aforesaid *Contingency Plan* did not provide for remuneration methods for the greater responsibilities and activities required during the vacancy period, on 13 July 2023, the Board of Directors of IREN S.p.A., after preliminary investigation by the Remuneration and Appointments Committee (hereinafter also the "**Committee**"), agreed on the advisability of awarding an additional allowance pursuant to Article 2389, paragraph 3, of the Italian Civil Code, (to be paid in a lump sum) to the Delegated Bodies involved (i.e. The Chair and the Executive Deputy Chair) and therefore established the "criterion" for its determination. The criterion laid down that the above allowances were to be commensurate with the fixed monthly salary of Mr Armani as General Manager and the remuneration as Chief Executive Officer for each month (total monthly amount of approximately 38,000 euro plus the company differential cost in the approximate amount of 10,300 euro), to be divided pro-rata based on the delegated powers and responsibilities assigned.

Subsequently, the Board of Directors met on 28 March 2024:

- after noting how the Chair and Executive Deputy Chair's acceptance of the leading position within the Company through the "extraordinary" division of powers, in the terms illustrated above, has, on the other hand, allowed the Group to pursue its strategic objectives pending the selection of a new Chief Executive Officer, appointed by co-optation on 30 August 2023 (more than two months after the resignation of Mr Armani);
- after taking into account the preliminary investigation conducted by the Remuneration and Appointments Committee, which - also in the exercise of its functions in the matter of transactions with related parties with reference to the positions pertinent thereto - shared (i) how, also with regard to the amounts, it is correct to refer to the remuneration of Mr Armani as the basis for calculating the pro-rata; (ii) as for the proposed allocation of powers to the Chair (6/7) and to the Executive Deputy Chair (1/7), the correctness of the criterion in the light of the division of powers during the CEO's vacancy, given that the Chair was assigned essentially all the powers of the former CEO and the Executive Deputy Chair the powers relating to External Relations and Communications originally reporting to the Chair;
- in execution of the aforesaid criteria, having regard to the date of the vacancy period (79 days, from 12 June to 30 August 2023), again after preliminary investigation by the Remuneration and Appointments Committee - also in the exercise of its functions in the matter of transactions with related parties -, resolved to quantify the amounts to be recognised as follows: (i) to the Chair, a remuneration pursuant to Article 2389, section 3, of the Italian Civil Code for the exercise of delegated powers during the vacancy period - in

the terms set forth above - in the amount of 107,640 euro; (ii) to the Executive Deputy Chairman, a remuneration pursuant to Article 2389, paragraph 3, of the Italian Civil Code for the exercise of delegated powers during the vacancy period - in the terms set forth above - amounting to 17,940 euro;

- also taking into account the Committee's preliminary investigation, having verified that such recognition does not entail an increase in costs for the Company, in the period in question, also taking into account the need for the management of the Company and the Group it heads to continue without interruption pending the selection of the new Chief Executive Officer therefore resolved to approve the presentation to the Shareholders' Meeting of the proposal in the terms set forth above for the recognition to the Chair and the Executive Deputy Chair of a compensation in connection with the reshuffling of powers resolved upon by the Company's Board of Directors on 12 June 2023, following the resignation of Mr Armani.

Since this is an amount for the specific office of Chair and Executive Deputy Chair pursuant to Article 2389, paragraph 3, of the Italian Civil Code, to be paid for the period between 12 June and 30 August 2023 in connection with the exercise of the additional powers delegated to the Chair and Executive Deputy Chair with the related responsibilities, the competence of the relative recognition pertains to the Shareholders' Meeting and, specifically, to the Shareholders' Meeting convened to approve the financial statements as of 31 December 2023 for the resolutions pertaining thereto.

This is because, in accordance with Article 2389, paragraph 3, of the Italian Civil Code, and Article 21 of the Bylaws, the Shareholders' Meeting of IREN S.p.A., which on 21 June 2022 resolved on the appointment of the current members of the Board of Directors for the three-year period 2022-2024, established, inter alia, the maximum amount for the remuneration of the Directors holding special offices (Chair, Executive Deputy Chair and Chief Executive Officer) - hereinafter the "Maximum Amount" - in 247,000 euro, allocating them as follows (i) 150,000 euro for the office of Chair; (ii) 40,000 euro for the office of Executive Deputy Chair; (iii) Euro 57,000 for the office of Chief Executive Officer.

Therefore, the disbursement of the aforesaid remuneration for the vacancy period, entailing the exceeding of the aforesaid Shareholders' Meeting limit set on 21 June 2022, presupposes that the Shareholders' Meeting resolves to redefine the maximum amount for the period from 12 June to 30 August 2023 only, in order to allow the Board of Directors to also recognise the remuneration for the Chair and Executive Deputy Chair, in the terms set forth above, and its disbursement.

Therefore, the Board of Directors proposes that the Shareholders' Meeting approve the following resolution:

**“The Shareholders’ Meeting**

- **with reference to the resolution passed on 21 June 2022 on the point concerning the definition of a maximum total amount of remuneration for the Directors holding special offices of IREN S.p.A;**
- **having acknowledged the proposal approved by the Company's Board of Directors on 28 March 2024, which, subject to the adoption of a specific resolution by the Shareholders'**

- Meeting, provides for a remuneration pursuant to Article 2389, paragraph 3, of the Italian Civil Code for the exercise of proxies during the vacancy period (between 12 June and 30 August 2023) in favour of the Chair and the Executive Deputy Chair, respectively, in the amount of 107,640 euro, gross and gross 17,940 euro;
- citing Article 2389(3) of the Italian Civil Code and Article 21 of the current Articles of Association;

resolves

- to approve the redefinition, limited only to the period mentioned below, of the maximum amount for the remuneration of the Directors holding special offices of IREN S.p.A. established by the Shareholders' Meeting of 21 June 2022;
- to establish that the Board of Directors shall execute the aforesaid resolution in the terms set forth in the preamble and, therefore, that it shall also grant the Chair and the Executive Deputy Chair a remuneration commensurate to the exercise of the additional powers and responsibilities entrusted to them by the Board of Directors during the vacancy period of the Chief Executive Officer, between 12 June and 30 August 2023, in the terms set forth below
  - (i) to the Chair, a remuneration pursuant to Article 2389, paragraph 3, of the Italian Civil Code for the exercise of delegated powers during the period of vacancy - in the terms set forth above - in the gross amount of 107,640 euro;
  - (ii) to the Executive Deputy Chair a compensation pursuant to Article 2389, paragraph 3, of the Italian Civil Code for the exercise of proxies during the period of vacancy - in the terms set forth above - in the gross amount of 17,940 euro.

Reggio Emilia, 18 April 2024

On behalf of the Board of Directors

Chairperson

Mr Luca Dal Fabbro

