



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 points 7 and 8 on the Agenda of the Ordinary Shareholders' Meeting of IREN S.p.A.

of 27 June 2024 at 12:00 pm in a single call

Dear Shareholders:

The Board of Directors of IREN S.p.A., in accordance with the provisions of Article 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 points 7 and 8 on the agenda of the Shareholders' Meeting to be held, in ordinary session, on 27 June 2024 at 12:00 pm in a single call.

REPORT ON POINTS 7 and 8

- 7) Appointment of the Board of Statutory Auditors and its Chair for the three-year period 2024-2025-2026 (deadline: date of approval of the financial statements for 2026): related and consequent resolutions;
- 8) **Determination of remuneration for the Board of Statutory Auditors: related and consequent resolutions.**

Dear Shareholders:

We remind you that with the meeting for approving the Financial Statements on 31 December 2023, the term of office of this Board of Statutory Auditors expired and as such, in inviting you to make the relevant appointments, we summarise the Bylaw provisions governing the composition and appointment of the Board of Statutory Auditors.

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

Article 27 of the Bylaws states that the Shareholders' Meeting shall appoint a Board of Statutory Auditors comprising five Standing Auditors and two Alternates Auditors, in accordance with the

provisions of Article 28 below, and designate its Chair. The provisions on gender equality apply, therefore the composition of the Board of Statutory Auditors must comply with the criteria set out in the current relevant legislations and regulations.

The statutory auditors remain in office for three financial years and their term of office expires on the date of the shareholders' meeting called for approving the financial statements for the last year of their term. Candidates must meet the requirements of integrity and professionalism established by the current legislation. Article 27.3 of the Bylaws states that or the purposes of ascertaining the professionalism required of the members of the Board of Statutory Auditors of listed companies, the matters and areas of activity strictly related to the business carried on by the Company are intended to mean the matters and areas of activity related or inherent to the business carried on by the Company and referred to in Article 4 of the Bylaws.

In situations of ineligibility and limits on the number of positions of administration and control that may be held by members of the Board of Statutory Auditors, the provisions of current laws and regulations apply.

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

Article 28, paragraph 1, of the Bylaws states that the members of the Board of Statutory Auditors are to be elected on the basis of lists consisting of two sections: one for candidates for the position of Standing Auditor and one for candidates for the position of Alternate Auditor. The candidates will be listed in progressive numbered order and there will be no more candidates than there are members to be elected. Each section must contain male and female candidates placed on the list alternately by gender.

Where the list obtaining the highest number of votes is submitted and voted for by shareholders who hold a percentage of the voting rights in Shareholders' Meetings with increased voting rights of at least 40%: (i) three standing auditors and one alternate auditor shall be taken from this list in their listed order within their respective sections; (ii) the fourth and fifth standing auditors and the remaining alternate auditor, the latter of a different gender to the candidate drawn from the list obtaining the highest number of votes, shall be drawn in their listed order within the respective list sections from the list with the second highest quotient among the lists submitted and voted for by shareholders that have no connection to shareholders who submitted or voted for the list that obtained the highest number of votes, in accordance with the current legislation. The chairmanship of the Board of Statutory Auditors is assigned to the aforesaid statutory auditor who has the number 1 on the aforesaid list (i.e. from the list with the second highest quotient among the lists submitted and voted by shareholders who, according to the pro-tempore regulations in force, are not connected with the Shareholders who have submitted or voted for the list that has obtained the highest number of votes).

Where the list obtaining the highest number of votes is submitted by shareholders who hold a percentage of voting rights in the Shareholders' Meetings with increased voting rights less than 40%, the members of the Board of Statutory Auditors will be appointed in accordance with the following provisions:

- 1) three standing auditors and one alternate auditor are taken from the list obtaining the highest number of votes, in their listed order within the respective sections of the list;
- 2) from the list with the second highest number of votes (which has not been submitted or voted for by shareholders associated with the shareholders who submitted or voted for the lists that had the most or third most number of votes) the first candidate of a different gender to the majority of the candidates taken from the list referred to in point 1) shall be drawn as standing auditor, following the candidates listed order;
- 3) From the list with the third highest number of votes (which has not been submitted or voted for by shareholders associated with the shareholders who submitted or voted for the lists that had the most or second most number of votes), one statutory auditor and one alternate auditor shall be drawn from the list following their listed order in the relevant sections, the latter of a different gender from the candidate drawn from the list referred to in point 1). The Chair of the Board of Statutory Auditors shall be the aforementioned standing auditor referred to in this paragraph.

In the event of a tie between two or more lists, the eldest candidate will be elected standing auditor, provided that the gender equality requirements are met.

In the event of a tie between two or more lists, the eldest candidate will be appointed Chairman.

If only one list is presented, the Shareholders' Meeting shall adopt resolutions with the majorities required by law, without prejudice to the provisions of Section 6.1-bis of the Bylaws and in compliance with the gender equality requirements.

To appoint Statutory Auditors who, for whatever reason, are not appointed using the list voting procedure, the Shareholders' Meeting shall adopt resolutions with the majorities required by law, without prejudice to the provisions of Article 6.1-bis of Bylaws.

Therefore, if no list is presented by the deadline, the candidates nominated and voted for by the Shareholders' Meeting will be elected, provided that the gender equality requirements are met. Similarly, the Shareholders' Meeting shall elect the Statutory Auditors and Alternate Auditors required to complete the Board's composition and ensure its members are replaced where the total number of candidates on the lists voted on by the Shareholders' Meeting is insufficient to do so. In the cases covered by these provisions, the Statutory Auditor candidates submitted to the Shareholders' Meeting must be included in one or more lists whose gender composition complies with the proportions set out in Article 28.1 of the Bylaws.

In the event of a standing auditor being replaced, the alternate auditor from the same list as the one being replaced shall take over; where this is not possible, the eldest alternate auditor shall take over or, where this would not comply with the gender equality requirements, following the order in which the candidates were listed, the first alternate auditor that meets this requirement shall take over.

The appointment of statutory auditors to complete the Board of Statutory Auditors, pursuant to

Article 2401 of the Italian Civil Code, shall be carried out by the Shareholders' Meeting with the majorities required by law, from the names on the list which the outgoing statutory auditor was on, without prejudice to compliance with the gender equality requirements; where this is not possible, the Shareholders' Meeting carry out the replacement with the majorities required by law, without prejudice to the provisions of paragraph 6.1-bis of the Bylaws.

PROCEDURES AND CRITERIA FOR SUBMITTING LISTS

Article 29, paragraph 1, of the Bylaws states that lists may be presented by shareholders representing at least 1% of the shares with voting rights at the ordinary Meeting.

The lists must be deposited at the Company's registered office, under penalty of forfeiture, at least 25 days before the date set for the Shareholders' Meeting on first or single call and will be made public through publication on the Company's website at least 21 days prior to the date set for the Shareholders' Meeting.

If, by expiry of the deadline pursuant to Article 29.2 of the Bylaws, only one list has been deposited, or only lists presented by shareholders who, on the basis of the current provisions of law are defined as associates, the lists may be presented until the third day after that date. In such a case, the threshold provided for by Article 29.1 will be reduced by half.

No Shareholder may present or vote for more than one list, not even through a third party or trust company. Shareholders from the same group, and shareholders who are party to a shareholders' agreement regarding the company's shares may not submit more than one list, not even through a third party or trust company. A candidate may only be present on one list, under penalty of ineligibility.

Acceptances and votes cast in violation of this prohibition will not be attributed to any

list. The lists must be accompanied by:

- a) information regarding the identity of the shareholders who presented the lists, with an indication of the total percentage of shareholding held, attested by a certification which may also be produced subsequently, provided that it is within the deadline set by the Company for the publication of the lists;
- b) a declaration – drawn up by the Shareholders other than those who hold, even jointly, a controlling interest or a relative majority – certifying the absence of relationships of affiliation as defined in current laws and regulations;
- c) full details of the candidates' personal and professional profiles, and by a declaration in which each candidate accepts the nomination and attests to the absence of causes of incompatibility and ineligibility and their fulfilment of the legal and statutory requirements, and if applicable, by the Corporate Governance Code of Borsa Italiana as well as the list of their directorships and auditorships at other companies. Any changes in the information provided up to the day of the meeting must be promptly notified to the Company.

Any list that does not comply with the above provisions, or whose gender composition does not comply with the requirements of Article 28.1 of the Bylaws will be disregarded.

If the legal requirements and the provisions of the Bylaws are not met, the member of the Board of Statutory Auditors shall be removed from office.

The lists must be deposited at the Company's registered office, under penalty of forfeiture, by 12:00 pm on 02 June 2024 and they will be published on the Company's website by 06 June 2024. The lists can also be deposited by attaching them to an e-mail sent to affarisocietari@gruppofiren.it, or irensipa@pec.gruppofiren.it, together with details identifying the person depositing them. If, by expiry of the above deadline, only one list has been deposited, or only lists presented by shareholders who, on the basis of the current provisions of law are defined as associates, in accordance with Article 29.3 of the Bylaws the lists may be submitted until 05 June 2024. In such a case, the 1% threshold will be reduced by half.

In the Meeting resolution concerning the appointment of the members of the Board of Statutory Auditors, Article 6.1-bis (iii) of the current Bylaws, which provides for an increase in voting rights for the purposes of Article 28 of the Bylaws will apply.

In accordance with the Rules of Conduct for the Board of Statutory Auditors of Listed Companies issued by the National Council of Chartered Accountants and Bookkeepers on 21 December 2023, the IREN's Board of Statutory Auditors, in view of the renewal of the control body, sent the Board of Directors a document (entitled "*Guidelines for the Board of Statutory Auditors of IREN S.p.A. to be elected at the Shareholders' Meeting on 27 June 2024*", hereinafter referred to as "*Guidelines*" for brevity) summarising the activities carried out and specifying the number of meetings and the commitment required, allowing Shareholders and candidate Auditors to gain a better understanding of the activities carried out and evaluate the characteristics, skills and professionalism appropriate, the commitment and time required, as well as the adequacy of the remuneration paid for the performance of the assignment. At its meeting of 18 April 2024, the Board of Directors took positive note of these Guidelines, providing their prompt availability to the public. These Guidelines have been published in a special section of the Company website (www.gruppofiren.it) and are also annexed to this Report.

REMUNERATION

The Shareholders' Meeting will determine the remuneration payable to the Statutory Auditors in addition to the reimbursement of the expenses incurred in the performance of their duties.

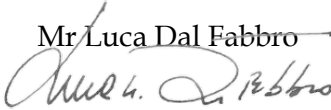
We remind you that the remuneration of the members of the Board of Statutory Auditors in office to date is 45,000 euro gross per year for the Chair and 30,000 euro gross per year for the Auditors, in addition to reimbursement of expenses incurred while performing their duties pursuant to Article 30 of the Bylaws.

The Board of Directors refrains from making specific proposals regarding the remuneration of the members of the new Board of Statutory Auditors and therefore invites the Shareholders' Meeting to resolve this matter based on the proposals that will be formulated by the Shareholders.

Reggio Emilia, 18 April 2024 On behalf of the Board of Directors

Chairperson

Mr Luca Dal Fabbro

A handwritten signature in black ink, appearing to read "Luca Dal Fabbro", written in a cursive style.

**Guidelines for the Board of Statutory Auditors of IREN S.p.A. to be
elected at the Shareholders' Meeting of 27 June 2024**

DOCUMENT APPROVED BY THE OUTGOING BOARD OF STATUTORY AUDITORS
AT ITS MEETING ON 4 APRIL 2024
CONSISTENT WITH THE RULES OF CONDUCT OF THE BOARD OF STATUTORY AUDITORS OF PUBLICLY TRADED COMPANIES
ISSUED BY THE NATIONAL COUNCIL OF ACCOUNTANTS AND BOOKKEEPERS
ON 21 DECEMBER 2023

Dear Shareholders:

With the approval of the financial statements on 31 December 2023, the term of office of this Board of Statutory Auditors expires. The next Shareholders' Meeting, called for 27 June 2024, will therefore appoint the Company's Control Body for the 2024-2026 financial years and its Chair, and determine the related remuneration.

FOREWORD

The "Rules of *Conduct for the Board of Statutory Auditors of Listed Companies*" (ed. December 2023 - hereinafter referred to as the "Rules of Conduct") recommend, *inter alia*, that the outgoing Statutory Auditors, in view of the renewal of the Control Body, provide the Listed Issuer with their guidance on the professional background and skills that appropriately complement the qualitative composition of the Board as well as the time commitment required to perform the task and the remuneration appropriate to attract persons of adequate standing, without disregarding the provisions of Law no. 49 of 21 April 2023, on "*Provisions on fair remuneration for professional services*" (Standard Q.1.5)

As expressly referred to in Principle VIII of the Corporate Governance Code prepared by the Italian Corporate Governance Committee of Borsa Italiana S.p.A. (ed. January 2020) to which the Company has declared to adhere (hereinafter "Corporate Governance Code") "*the Control Body has a composition suitable to ensure the independence and professionalism of its function*". Taking into account the related governance solution adopted by the Group, the outgoing Board of Statutory Auditors, on the basis of its own experience, hereby submits to your attention a number of considerations and reflections aimed at (i) framing the complexity of the assignment in terms of time commitment, study and assumption of related responsibilities; (ii) optimising the qualitative and quantitative composition of the control body to be appointed for an efficient and effective planning of the respective activities; and, on the other hand, (iii) allowing for assessments regarding the adequacy of the remuneration paid for the performance of the assignment.

COMPLEXITY OF THE ASSIGNMENT IN TERMS OF COMMITMENT OF TIME AND RESOURCES AND ASSUMPTION OF RELATED RESPONSIBILITIES

First of all, it should be noted that the Control Body of a listed Parent Company, such as your Company, is also committed in its control activities to monitoring the operations of first level subsidiaries, in which the operating activities relating to as many lines of business are carried out business lines of the Group, and coordination with the activities of the respective indirect subsidiaries.

In consideration of the size of the Group, its structure, the specific operating features of the multi-utility and the relevance and heterogeneity of the reference regulations, the Board of Statutory Auditors to be appointed will be burdened with a considerable commitment and associated responsibilities, also in relation to the duties towards the various Supervisory Authorities¹.

¹ In fact, it is worth remembering here that:

In addition, *inter alia*, the tasks assigned to the Control Body as the Internal Control and Audit Committee pursuant to Legislative Decree No. 39/2010, as amended, as well as those arising from the regulations on the Non-Financial Declaration pursuant to Legislative Decree no. 254/2016 as amended, as the most recent regulations on environmental social and governance matters, with specific regard to the provisions stated in Directive 2013/34/EU (the so-called *Corporate Sustainability Reporting Directive* - CSRD), and, also, by Legislative Decree of 10 March 2023, no. 24, on the subject of so-called *whistleblowing*, and by Legislative Decree no. 14 of 12 January 2019, on "*Corporate Crisis and Insolvency Code*" with regard, specifically, to the supervision of the adequacy of organisational, administrative and accounting structures in function of the timely detection of the "*state of crisis*" of the company, without prejudice to the Principles and Recommendations expressed by the Corporate Governance Code.

It is therefore clear that the Statutory Auditors who will be appointed must be aware that the position will take up a significant part of their time, due to the numerous meetings of the Board of Directors, the intra-board committees (in which the Chair of the Board of Statutory Auditors and/or a Statutory Auditor designated by it participates) and the Board of Statutory Auditors itself. It should also be pointed out that the commitment does not end with participation in the above-mentioned meetings; even more important is the time that must be dedicated individually to examining the copious documentation that is produced so that the Corporate Bodies/Intra-Board Committees are adequately informed, for the purposes of adopting the measures for which they are responsible, taking into account the risk profiles as well as any relations with related parties, concerning the resolutions for which they are responsible, often relating to complex extraordinary management operations. In addition to this, participation in sessions or days of induction on various topics of interest, aimed at providing updates and in-depth analysis on governance or relating to specific Group activities.

Reiterating that this numerical figure is only partially indicative of the actual commitment required, being much more relevant the individual activity, the following are the statistics of the minuted

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- the parent company IREN, as a listed company, is subject to Consob supervision. In this regard, attention is also drawn herein to the recent regulatory changes resulting from the transposition of Directive 2017/828/EU (the Shareholder Rights Directive II (SHRD II)), which has introduced stricter sanctions with regard to transparency requirements for remuneration and related party transactions;
 - the business leader, IREN Mercato S.p.A., has obtained: (i) as from 1 June 2020, enrolment in the Register of Payment Institutions pursuant to Article 114-septies of Legislative Decree no. 385/1993, as a result of which it will be subject, in its capacity as a Payment Institution, to the control of the Bank of Italy; (ii) as of 7 June 2022, registration in section "D" of the Single Register of Insurance and Reinsurance Intermediaries ("RUI" - Registro Unico degli Intermediari assicurativi e riassicurativi) for the purpose of carrying out insurance distribution activities, subject to supervision by IVASS (the Italian Insurance Supervisory Authority);
 - the business parent companies IREN Ambiente S.p.A., Ireti S.p.A., IREN Energia S.p.A., and IREN Mercato S.p.A. itself, as well as some of their subsidiaries, considering their respective areas of activity, are subject to the supervision of the Regulatory Authority for Energy, Networks and the Environment ("ARERA") and, for some sectors, taking into account the regulations on the organisation of public network services, also to the control of the governing body of the respective area or optimal territorial catchment in which IREN Group companies operate. In this regard, within the scope of the separate sector regulations, no specific obligations to provide information to ARERA are imposed on the Parent Company's Control Body, with the exception of the powers/duties reserved to it with regard to compliance by the service operators with the detailed obligations to provide information to ARERA.

meetings attended by the outgoing members of the Board of Statutory Auditors during the three-year term of office 2021 - 2023².

CORPORATE BODIES AND INTRA-BOARD COMMITTEES	NUMBER OF MEETINGS			
	2021	2022	2023	FULL MANDATE
BOARD OF STATUTORY AUDITORS	20	9	10	39
BOARD OF DIRECTORS	25	15	19	59
COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES	8	5	6	19
AUDIT, RISK AND SUSTAINABILITY COMMITTEE	22	15	19	56
REMUNERATION AND APPOINTMENTS COMMITTEE	15	12	16	43

The outgoing Board of Statutory Auditors therefore invites the Shareholders' Meeting to pay the utmost attention to the above, in the interest of the Company and of the members of the new Control Body, who must guarantee adequate time availability for the performance of their duties, taking into account the number and complexity of the positions they may hold on the corporate bodies of other companies — also in compliance with the current regulations regarding the accumulation of positions — as well as the commitment required of them by the additional professional activities carried out.

QUALITATIVE AND QUANTITATIVE COMPOSITION OF THE CONTROL BODY FOR EFFICIENT AND EFFECTIVE PLANNING OF THE RESPECTIVE ACTIVITIES

As mentioned in the introduction, the professionalism and independence of the Statutory Auditors are a fundamental element at the top of the internal control system. Referring in full to the requirements of independence and professionalism, to the profiles inherent in respect of gender quotas, as well as to the causes of ineligibility, incompatibility and forfeiture set out in the current pro-tempore legislation, the outgoing Board of Statutory Auditors invites the Shareholders' Meeting to consider the importance of the new Control Body being made up of professionals with diversified skills in the areas of business economics, corporate finance and corporate law and with experience in companies that are listed or, in any case, operating in Iren Group's reference sectors. In this respect, the increase in the number of members of the Board of Statutory Auditors from three to five (between standing auditors and two alternate auditors) – to which the Company has resorted since the appointment of the outgoing Board of Statutory Auditors – has favoured a balanced composition

² The number of meetings of the Corporate Bodies and of the Intra-Board Committees was counted by year of office and, therefore, from the date of approval of the financial statements at the time of their establishment to the date of the approval of the next financial statements and so on until the last year of the term in office. With reference to the current last year of the mandate, the meetings held up to the date of approval of this document in view of the Shareholders' Meeting of 27 June 2024 have also been counted. Any joint meetings between intra- board Committees and/or with the Control Body were counted only once. Similarly, any meetings (of the Board of Statutory Auditors, Board of Directors and Intra-Board Committees) that continued on more than one date were counted only once.

of the Board. An important role will be played by the Chair of the Board Of the Statutory Auditors, who will have to be endowed with experience, competence and authority in order to carry out its tasks of organisation and coordination of activities.

Considering the importance of the role played by the parent company's Control Body, the outgoing Board of Statutory Auditors invites you to consider the benefits that may accrue to the Company from the continuity of the actions – at least of some – of the auditors currently in office (who in no case have been involved in sanction proceedings by the Supervisory Authority during their term of office), enhancing and capitalising on the commitment already made and the experience gained.

ADEQUACY OF THE REMUNERATION PAID FOR CARRYING OUT THE ASSIGNMENT

The remuneration that the Shareholders' Meeting will approve in favour of the next Board of Statutory Auditor should be commensurate with the growing commitment required of the Control Body, including the need for constant updating, as well as the tasks and responsibilities incumbent upon them. And this is not only because it constitutes a clear and unequivocal recommendation of the Code of Corporate Governance, of the Rules of Conduct and even of authoritative representatives of the Supervisory Authority. But above all, also in compliance with the express provisions of Article 30 of the current Articles of Association, so that the dutiful requests made by the Shareholders' Meeting to the new members of the Board of Statutory Auditors, selected from among the most qualified professionals, regarding the time they will have to dedicate to the Company and the Group are consistent with fair remuneration in line with market best practices.

In this regard, as reported in the previous "guidelines" submitted to the Shareholders' Meeting of 6 May 2021, the then outgoing Board of Statutory Auditors, with the support of a qualified advisor, carried out a benchmark analysis of its own remuneration position compared to the main comparables in terms of size and/or sector, the results of which were also brought to the attention of the Administrative Body of the Company in office at that time.

The analysis carried out in 2021, in particular, showed that: (i) the remuneration paid to the Chair and members of the Board of Statutory Auditors by comparable companies was significantly higher than the remuneration approved by the Shareholders' Meeting for the IREN S.p.A. Board of Statutory Auditors, despite the Company's positioning in the medium-high bracket of the sample; (ii) the remuneration set for the members of the Board of Statutory Auditors of IREN S.p.A. was lower than the lowest remuneration found for the companies in the sample, and thus below the minimums ascertained; (iii) an alignment of the remuneration, even if only with respect to the median figure, would have required an increase of 61% for the Chair and 67% for the Statutory Auditors; (iv) the remuneration set forth for the members of the Board of Statutory Auditors by comparable *multi-utility* companies was at the highest levels in the sample, much higher than the median figure.

The foregoing also applies with regard to the Board of Statutory Auditors, whose term of office ends with the Shareholders' Meeting called to approve, inter alia, the financial statements as at 31 December 2023 and the appointment of the Company' Control Body, considering also that the

remuneration approved by the Shareholders' Meeting in 2021 in favour of its members, including the Chair, remained unchanged with respect to the previous period; indeed, the corporate positions in question take on added importance due to the growing commitment required of IREN S.p.A.'s Statutory Auditors in performing the mandate conferred, and the related responsibilities, given the growing size of the Group, the ever greater structuring of its activities, the changes in the regulatory framework and the macroeconomic scenarios in which the Group operates.

On the other hand, as already noted, also with reference to the Rules of Conduct, the quantification of the remuneration due to the members of the Board of Statutory Auditors must be consistent not only with the aforesaid rules, but also with the applicable regulatory provisions on the matter, in particular with Law No. 49 of 21 April 2023 on "Provisions on fair remuneration of professional services" (Rule Q.1.5).

Therefore, also at this time, the Shareholders' Meeting, which will soon be called upon to elect the new Board of Statutory Auditors, is asked to review the remuneration of the Chair and members of the Board of Statutory Auditors of IREN S.p.A. in order to bring it into line with market levels, with a view to making the remuneration policy of the Board of Statutory Auditors more consistent with the commitment required to perform the task and with the related responsibilities.

The outgoing Board of Statutory Auditors hopes that the "guidelines" brought to the attention of the Shareholders' Meeting can be considered a concrete aid in the process of selecting candidates to fill the position of Auditor and Chair of the new Control Body of IREN S.p.A., as well as for the purpose of defining an appropriate remuneration for the performance of the office.

The Board of Statutory Auditors of IREN S.p.A.