

RACING FORCE GROUP



POLICY ON QUANTITATIVE AND QUALITATIVE CRITERIA
FOR THE ASSESSMENT OF INDEPENDENCE REQUIREMENTS
PURSUANT TO ARTICLE 6-BIS OF EURONEXT GROWTH MILAN ISSUERS REGULATIONS

Approved by the Board of Directors of Racing Force S.p.A. on April 29, 2024

INTRODUCTION

The management of Racing Force S.p.A. (the "**Company**") is entrusted to a Board of Directors composed by a number of members determined from time to time by the ordinary Shareholders' Meeting within the requirements set by the bylaws, of which at least one, or two if the Board includes more than 7 members, must meet the independence requirements as provided by Article 147-ter, paragraph 4, of Legislative Decree no. 58 of February 24, 1998, as subsequently amended and supplemented.

In accordance with Article 6-bis of the Euronext Growth Milan Issuers Regulation (the "**EGM Issuers Regulation**"), the Company's Board of Directors:

- after the appointment of an independent director and at least once annually thereafter, evaluates - based on information provided by the individual concerned or available to the Company - relationships that could compromise the independence of such director's judgment;
- in anticipation of this assessment, predefines, at the beginning of its mandate, the quantitative and qualitative criteria for the significance of potentially relevant relationships for the independence evaluation and discloses them through communication.

This document outlines the quantitative and qualitative criteria approved by the Company's Board of Directors to assess the significance of relationships, including economic ones, that could compromise directors' independence (the "**Quantitative and Qualitative Criteria**" or the "**Criteria**").

In defining these Criteria, the Board of Directors considered, among others, Article 2, recommendation 7, of the Corporate Governance Code for listed companies adopted by the Corporate Governance Committee in January 2020 (the "**Code**") and the clarifications provided in the "Q&A functional to the application of the Corporate Governance Code - 2020 edition" published on the Corporate Governance Committee's website (the "**Q&A**").

It should be noted that the Quantitative and Qualitative Criteria below will apply starting with the annual evaluation of the independence of the Company's directors for 2024.

1. QUANTITATIVE CRITERIA

1.1. Significance of commercial, financial, or professional relationships

Regarding quantitative criteria, the relationships subject to evaluation are those of commercial, financial, or professional nature, that the director ("**Representative**") - whose independence is being evaluated - has established or maintained during the financial year in which the independence declaration is made or in the three preceding financial years from the date of the declaration (the "**Reference Period**") with the following parties (collectively, the "**Relevant Parties**"):

- i. the Company or its controlled companies, or with their executive directors¹ or top management²;
- ii. the entity that, either alone or together with others through a shareholders' agreement, controls the Company; or, if the controlling entity is a company or entity, with its executive directors or top management.

Such commercial, financial, or professional relationships with Relevant Parties are generally considered significant – and thus capable of compromising the director's independence – if they exceed the following thresholds:

- commercial or financial relationships: (i) 5% of the annual turnover of the company or entity controlled by the Representative or of which they are an executive director; and/or (ii) 5% of the annual costs incurred by the Group to which it belongs (the "**Group**") attributable to the same type of contractual relationships;
- professional services: (i) 10% of the Representative's annual income as a natural person or (ii) 10% of the annual turnover of the company or entity of which the Representative is an executive director or of the professional practice or consulting firm where they are a partner; and/or (ii) 5% of the annual costs incurred by the Group attributable to similar assignments.

Also deemed significant – regardless of meeting the aforementioned thresholds – are commercial or financial relationships or professional services with Relevant Parties that, during the Reference Period, individually or cumulatively, are of value equal to or greater than the following amounts:

- Euro 100,000 if the payment is made directly to the individual Representative or to a

¹ "Executive directors" means (see Code definition):

- the chairman of the Company or of a subsidiary with strategic importance, when he/she is granted delegated powers in the management or development of corporate strategies;
- directors who are delegated with management powers and/or hold management positions in the Company or in a subsidiary with strategic importance, or in the parent company when the position also concerns the Company;
- directors who are members of the Company's executive committee (where constituted).

² "Top management" is defined as "senior managers who are not members of the board of directors and have the power and responsibility for planning, directing, and controlling the activities of the company and its parent group" (see Code definition).

professional firm/consulting company with annual revenues less than Euro 10 million;

- Euro 500,000 if the payment is made to professional firms or consulting companies where the Representative is a partner and which have annual revenues equal to or greater than Euro 10 million.

It is clarified that, for the purposes above, relationships maintained with Relevant Parties by a close family member of the Representative also matter, defined as: (i) parents, (ii) children, (iii) legally unseparated spouse, and (iv) cohabitants (each, the "**Close Family Member**").

1.2. Significance of additional remuneration

The "*additional remuneration*" considered in assessing the practical independence of a Representative includes any additional remuneration recognized by the Company, its controlled companies, or the controlling entity, even indirectly, compared to the "*fixed compensation for the role*"³ and "*compensation for participation in committees recommended by the Code or required by current regulations*"⁴ (the "**Additional Remuneration**").

Also relevant is the remuneration received by the Representative through participation in incentive plans linked to Company performance.

Additional remuneration is generally considered significant – and thus capable of compromising the independence of the concerned Representative – if the total annual consideration for such relationships exceeds 50% of the total amount of fixed annual compensation received by the Representative for the role or for committee participation.

It is specified that being a Close Family Member of a person in the situations described in this section 1.2 is also a circumstance that can compromise the independence of the Representative.

2. QUALITATIVE CRITERIA

Even in cases where the quantitative parameters in the previous section 1 are not met, a commercial, financial, or professional relationship is considered "*significant*" for the purposes of Recommendation 7, first paragraph, letter c) of the Code if deemed by the Company's Board of Directors to be capable of influencing the independent judgment and independence of a Representative in performing their duties.

Therefore, for example, if the Representative is also a partner in a professional firm or consulting

³ For "*fixed compensation for the role*" (See "The Q&A Functional to the Application of the Corporate Governance Code - 2020 Edition" - Q. Rec. 7(1)):

- the remuneration determined by the shareholders' meeting for all directors or set by the board of directors for all nonexecutive directors within the total amount approved by the shareholders' meeting for the entire board of directors;
- any compensation awarded because of the particular role held by the individual nonexecutive director on the board (chairman, vice chairman, ...), defined in accordance with the best practices set forth in Recommendation 25 (i.e., taking into account the remuneration practices prevalent in the relevant industries and for companies of similar size, also considering comparable experiences).

In contrast, compensation received by the Company's director for positions in the parent company or subsidiary company is considered as "*Additional Remuneration*" and it is therefore assessed in its "materiality" for the purposes of Recommendation 7(d).

⁴ "*Compensation for participation in committees recommended by the Code*" means the compensation that an individual director receives by reason of his or her participation in internal committees with functional responsibilities for the application of the Code, including any committee established pursuant to Recommendation 1(a), provided that it is not an executive committee. As stipulated in the Code, compensation for participation in committees (or bodies) provided for by the regulations in force, excluding the executive committee, if any, is also assimilated to compensation from "committees recommended by the Code".

company, the Company's Board of Directors – regardless of the quantitative parameters outlined in section 1 above – may consider "*significant*" the professional relationships of the firm and/or consulting company with Relevant Parties that:

- i. could affect the Representative's position and/or role within the professional firm or consulting company; and/or
- ii. relate to significant operations of the Company and the Group it belongs to.

The significance of the aforementioned relationships is evaluated considering the Representative's overall professional activity, the assignments typically entrusted to them, and the relevance of these relationships for the Representative's reputation within their organization.

3. OTHER QUALITATIVE CRITERIA

In any case, all circumstances listed in Article 2, recommendation 7, of the Code are relevant.