

**Recommendations of Rai Way S.p.A.'s Board of Statutory Auditors to
the Shareholders
on the appointment of the new Board of Statutory Auditors**



Recommendations of Rai Way S.p.A.’s Board of Statutory Auditors to the Shareholders on the appointment of the new Board of Statutory Auditors

Introduction

At the next Shareholders’ Meeting, the Shareholders will be asked to appoint the new Board of Statutory Auditors of Rai Way S.p.A. (hereinafter “Rai Way” or the “Company”). Therefore, the Board of Statutory Auditors currently in office has prepared this document specifically in accordance with point Q.1.6 of the Rules of Conduct for the Board of Statutory Auditors of listed companies, issued by the CNDCEC (the Italian Board of Chartered Accountants and Accounting Experts) in 2018.

The purpose is for the Statutory Auditors (based on their experience and the results of the self-assessment) to provide the Shareholders with a summary of the skills and professional expertise, even beyond those required by law, that most contributed to the efficient and effective performance of the Board’s duties; this is with regard to the composition and characteristics of the professionals, as well as to the functioning of the Board, also taking due account of the balancing of roles within the Board and the Chairperson’s role and, last but not least, a sense of unity and collaborative spirit in the performance of duties.

Over the past three years, the Board’s duties were expanded as a result of:

- the application of statutory audit regulations implemented throughout Europe, assigning the internal control body additional reporting and monitoring duties;
- regulations on non-financial reporting which have entailed additional supervision on compliance with these regulations and the more recent environmental, social and governance (ESG) regulations;
- the recommendations that the Corporate Governance Committee has made each year based on its

code of conduct;

- the provisions of Consob in its emphasis of matter statements concerning the COVID-19 pandemic and the improvement of information flows, as well as, more generally, the proper application of the international accounting standards (most recently no. 1/2021 of 16 February 2021).

The Board believes that it is of crucial importance to have enough time to devote to the position in order to properly perform the role.

In order to monitor that the internal control and risk management system is functioning properly and adequately plan the Board's activities, it is fundamental for the Statutory Auditors to attend the meetings of the Committees of the Board of Directors, as they make it possible to examine the matters submitted for the attention of the Board of Directors.

In order to supervise the financial and non-financial reporting, as the Board of Statutory Auditors is required to do, the selected professionals must have, overall, adequate expertise and experience in listed companies, in addition to adequate knowledge of risk management and internal control systems, accounting processes and the preparation of financial statements, and the national and international accounting standards.

Moreover, the Board of Statutory Auditors recognises the value of diversity in its composition, in terms of both gender and professional background.

The Board - expressing its hope that the new Board is appointed considering the benefits of a composition that ensures continuity in the supervisory duties required of it without overlooking the need for the Statutory Auditors to have the characteristics and skills required by the law and Rai Way's By-laws - notes that the candidates for the position of Statutory Auditor should have the following personal and professional characteristics:

- they should have a professional and/or academic background such that together their skills and

experience are complementary, while also ensuring gender diversity;

- they should have skills and experience in the economic/financial field, and specifically in the financial and non-financial reporting process;
- they should have skills and experience in auditing in order to maintain ongoing, fruitful communication with the independent auditors.

Furthermore:

- as also established in the Company's By-laws (Article 28), at least two standing Statutory Auditors and at least one alternate Statutory Auditor must, by law, be registered as Certified Auditors and have performed statutory audits of accounts for at least three years;
- Statutory Auditors who do not meet the above requirement must have at least three years' total experience in the performance of the activities and functions indicated in paragraph 2 of the aforementioned Article 28 of the By-laws;
- they must meet the additional requirements of eligibility, integrity and professionalism laid down by the law, Rai Way's By-laws and other applicable provisions, as well as the independence requirements provided for by the law and the Corporate Governance Code.

The Chairperson should:

- be a person with the necessary authority to ensure the adequate coordination of the Board's work with the activities performed by others involved in the governance of the internal control and risk management system in order to maximise the system's efficiency and reduce the overlapping of activities;
- have the necessary personal characteristics to foster a strong sense of unity among the members of the Board, so as to ensure the effective performance of its supervisory duties.

Conclusions

It is important for the Board's members to have experience in listed companies and expertise in financial reporting, the internal control and risk management system and the various aspects of sustainability.

We recommend that the candidates for the position of Statutory Auditor carefully consider the amount of time they will dedicate to the position, which should be commensurate to their commitments as Statutory Auditor, also taking into account the number of other positions they hold on management and control bodies in other companies and the complexity of such positions, as well as the commitment required of them for their professional work.

Over the course of our term of office and to date, the Board of Statutory Auditors has held a total of 25 meetings with an average length of around two hours and has participated in two Shareholders' Meetings, 31 meetings of the Board of Directors (with an average length of around three hours) and 58 meetings (with an average length of around two hours) of the Committees of the Board of Directors, i.e., the Control and Risk Committee (recently renamed the Control, Risk and Sustainability Committee) and the Remuneration and Appointments Committee. The Board of Statutory Auditors met periodically with the Supervisory Body as well.

In order to determine adequate fees for the members of the Board of Statutory Auditors, it may be useful to compare their fees with those approved for the non-executive Directors, including the fees envisaged for participation in the Committees of the Board of Directors.

Furthermore, we recommend that in the preparation of the lists of candidates for the appointment of the Board of Statutory Auditors, the Shareholders also consider the following aspects:

- Rai Way's business projections, so as to ensure adequate professional and/or academic backgrounds;
- the importance of maintaining a well-balanced combination of seniority in order to balance the need for continuity with the need for renewal;
- the importance of maintaining gender diversity;

- the importance of valid experience gained in listed companies of at least similar size to Rai Way.

The Rai Way S.p.A. Board of Statutory Auditors