

REASONED PROPOSAL FOR THE APPOINTMENT OF THE INDEPENDENT AUDITORS PURSUANT TO ART. 13 OF LEGISLATIVE DECREE NO. 39/2010 FOR THE FINANCIAL YEARS 2023 - 2031 AND DETERMINATION OF THE REMUNERATION

Dear Shareholders, With the approval of the Financial Statements of Fiera Milano S.p.A. as at 31 December 2022 by the Shareholders' Meeting of Fiera Milano S.p.A. to be convened on 27 April 2023, the appointment of the independent auditors conferred on 29 April 2014 by the same Shareholders' Meeting to EY SpA (EY) for the nine-year period 2014-2022 will expire. On the basis of the regulations in force (European Regulation No. 537/2014, Legislative Decree No. 39/2010 supplemented by Legislative Decree No. 135/2016 which transposed Directive 2014/56/EU), this mandate is not renewable and the new appointment of the independent auditors must be entrusted by the Shareholders' Meeting upon the reasoned proposal of the Board of Statutory Auditors, in its capacity as the Audit Committee pursuant to Art. 19 of Legislative Decree No. 135/2016, following a specific selection procedure in accordance with the criteria and procedures set forth in Art. 16 of European Regulation No. 537/2014 (hereinafter European Regulation).

The Shareholders' Meeting is also called upon to decide on the remuneration of the Independent Auditors as well as on any criteria for adjusting the fees, again subject to the reasoned proposal of the Board of Statutory Auditors. Pursuant to the provisions of the aforementioned Art. 16 of the European Regulation, since it is a matter of appointment of the Independent auditors for a Public Interest Entity (PIE), the proposal formulated by the Board of Statutory Auditors, submitted for approval, must include at least two possible alternatives for the appointment and a reasoned preference for one of the two.

Subject matter of the tender

The selection process and the call for tenders for the services were carried out in accordance with the applicable rules, in particular the criteria set out in the European Regulation.

In continuity with the approach already adopted for some time, the Parent Company has chosen the figure of the Group's sole auditor, also to increase the efficiency of the Group's auditing process, since the independent auditor in charge of auditing the consolidated financial statements is fully responsible for expressing the relative opinion (European Directive 2006/43/EC and, for Italy, Legislative Decree 39/2010). However, the procedure ensured the decision-making autonomy of the competent bodies of the Group companies.

In line with this approach, the call for tenders was submitted by Fiera Milano S.p.A., also on behalf of the other Italian and foreign Group companies.

At the same time as appointing the independent auditor for the Parent Company, the latter will sign a Framework Agreement with the appointed auditor containing the economic terms and conditions applicable

to all Group companies, binding for the entire duration of the nine-year period. Consequently, if a Group company decides to assign its mandate to the Auditor, or to a company in its network, it may do so under the conditions set out in this Framework Agreement.

These offers are binding on the tendering auditing firms, but must ultimately be transformed into specific proposals to be approved by the competent bodies of each company in accordance with the applicable laws.

The auditor selection process was launched in July 2022 and coordinated by the Financial Reporting Officer, supported by a special Working Group, called the "Appointment Assessment Committee", provided for in Art. 6.4 of the procedure on the appointment of Independent Auditors. The Committee, set up to manage the assessment procedure for the new appointment of the Independent Auditors, invited the Chairperson of the Board of Statutory Auditors to participate in its work.

This Committee is made up of the Chief Financial Officer, the Head of Finance and Administration, the Head of Legal and Corporate Affairs and the Head of Corporate Secretariat, Governance and Compliance. The Board of Statutory Auditors, as ultimately responsible for the selection process, interacted on a regular basis with the Working Group to constantly monitor the progress of the entire process.

The Committee prepared a regulation for the competitive process and submitted it for the verification of the Board of Statutory Auditors; this Regulation provided for the:

- *Definition of selection criteria and offer assessment models;*
- *Preparation of the list of auditing firms to be invited to tender: invited PWC, Deloitte & Touche, KPMG (Tier 1);*
- *Guaranteed invitation to other auditing firms (Tier 2) through the publication of the selection notice on the Fiera Milano website.*

The Regulation defined clusters based on qualitative-quantitative elements, determined that scoring is based on a range from 1 to 10 awarded on a 100 basis, that technical clusters weigh 70% and economic clusters 30%, and that they are in turn divided into sub-categories.

The call for tenders included:

- the terms and conditions of the offer, with particular reference to the legal and economic aspects;
- the list of information requested with reference to the governance of the auditing firms, the related coordination mechanisms, independence and incompatibilities, the team's technical expertise and the economic offer;

- In particular, the auditing firms were asked to prepare a summary statement containing the main quantitative information (such as turnover, presence in the countries of establishment, number of professionals, main bank customers, and for each company, fees and hours);
- the description of the audit services or services of a voluntary nature to be included in the offer;
- the tender perimeter.

The services included in the scope of the tender are listed below:

the following elements form part of the mandate for the statutory auditing of the accounts of Fiera Milano SpA:

- ✓ Statutory audit of the financial statements
- ✓ Opinion on the consistency of the Management Report
- ✓ Limited audit of the half-yearly reporting package
- ✓ Audit of the annual reporting package
- ✓ Audit activities provided for in Art. 14, paragraph 1, letter B of Legislative Decree 39/2010
- ✓ Audit activities aimed at signing tax returns
- ✓ Limited audit of the consolidated interim management statements for the first and third quarters (this is an optional requirement for which a specific offer was requested and was not taken into account in the assessment of mandatory requirements)
- ✓ Limited review of the Non-Financial Statement prepared pursuant to Legislative Decree 254/2016 of Fiera Milano S.p.A. and its subsidiaries

ii) the following are part of the mandate for the statutory audit of the accounts of the other Group companies, Fiera Milano Congressi SpA, MADE eventi Srl, MiCo DMC Srl, Nolostand SpA and Ipack Ima Srl:

- ✓ Statutory audit of the financial statements
- ✓ Opinion on the consistency of the Management Report
- ✓ Limited audit of the half-yearly reporting package
- ✓ Audit of the annual reporting package
- ✓ Audit activities provided for in Art. 14, paragraph 1, letter B of Legislative Decree 39/2010
- ✓ Audit activities aimed at signing tax returns
- ✓ Limited audit of the consolidated interim management statements for the first and third quarters (this is an optional requirement for which a specific offer was requested and was not taken into account in the assessment of mandatory requirements)

For the two foreign entities Fiera Milano Brasil Publicacoes Eventos Ltda and Fiera Milano Exhibitions Africa Pty, Ltd the required activity is as follows:

- ✓ Audit of the annual reporting package
- ✓ Limited audit of the half-yearly reporting package
- ✓ Statutory audit of the financial statements

Procedure for selecting the auditing firms to be invited to tender

The selection procedure was defined and conducted in full compliance with Art. 16 of the European Regulation with the aim of guaranteeing a high quality statutory audit service, appropriate to the size and structure of the Group.

At the outset, the Board of Statutory Auditors shared with the relevant corporate structures the criteria to identify the auditing firms to be invited to tender, the structure of the request for offers, the assessment criteria of the proposals received, as well as the procedures for assigning of a relevant score.

Preparation of the list of auditing firms to be invited to tender

The auditing firms invited to participate in the competitive comparison belong to the "Big Four" category: Deloitte & Touche S.p.A., KPMG S.p.A, PWC.

To ensure a transparent and non-discriminatory process, adequate disclosure of the ongoing selection process was made by means of an invitation published in the "Investors" section on the website <https://www.fieramilano.it/investor-relations.html>

Selection and assessment criteria

The selection criteria respond to the need to define the reference criteria and their assessment and weighting logic, with the dual aim of ensuring ex ante the objectivity of the selection process.

The selection criteria are also based on the combination of aspects related to the quality of controls, the requirements of professionalism and organisation related to the specific features of the Fiera Milano Group, and the control of the economic factor.

The Regulation provides for the awarding of a maximum of 100 points, divided into a first, purely qualitative part (awarding a maximum of 70 points) and a second quantitative part concerning the economic value of the offer (awarding a maximum of 30 points). These criteria were presented in a transparent manner and were non-discriminatory.

The selection criteria identified are qualitative-quantitative ("clusters"), subdivided in turn into sub-categories.

The identified clusters are the following:

- Ability to serve global clients, with particular focus on: (i) annual worldwide revenues from audit services; (ii) the number of employees worldwide for auditing services; (iii) the number of countries served by the



audit services network, (iv) the governance and robustness of the central technical structure and in the individual countries where the Fiera Milano Group operates, and (v) ESG certifications with reference to gender equality, the environment and sustainability and the anti-corruption management system, in which regard we request evidence of the

certification in particular of the existence of: UNI/PdR 125:2022, ISO 14001 and ISO 37001.

- Audit team of the parent company and audit strategy, with regard to: (i) the experience of the partner in charge of the audit with Comparable Groups in the last five years; (ii) the senior manager's experience with comparable Groups in the last five years; and (iii) the audit approach and strategy.
- Knowledge of the business and experience with the Fiera Milano Group, to be weighted in relation to: (i) proven knowledge of the Group, with specific reference to the related accounting and interpretation issues; (ii) experience gained with other customers in comparable sectors in Italy with an indication of the projects carried out.
- Total number of hours and professional mix proposed, subject to assessment with reference to: (i) the reasonableness of the hours estimated for the performance of the Assignment (having regard to the number of hours recorded over time by EY during the course of the existing assignment with Fiera Milano); (ii) the mix of professional hours proposed.
- Quantitative elements, which include: (i) the difference between the fees indicated in the proposal and those paid to the current independent auditor; (ii) a comparison between the various proposals based on the total number of hours and on the assumed professional mix and on the hourly rates indicated for each professional category; (iii) a comparison between the various proposals based on the payment terms granted, on any annual adjustments to the fees, on the unpaid activities included in the service offered, on the conditions that may apply to extraordinary activities.

Conduct of the tender

The tender process was officially launched on 29/07/2022, requesting the three auditing firms that had accepted the invitation (KPMG S.p.A., PricewaterhouseCoopers S.p.A., Deloitte S.p.A.) to provide their proposals and supporting documentation no later than 30 September 2022. It should be noted that no other auditing firms, in addition to the three directly "invited", presented an offer.

The three invited auditing firms produced the required documentation in line with the requirements of the tender specifications.

In September, a joint Q&A session was organised with the auditing firms to ensure that all were provided with the same information, and on 30 September, offers were received, and during October, interactions with the auditing firms took place to supplement unclear or partially missing information.

Assessment of offers

The offers submitted were analysed by the Working Group on the basis of the selection and assessment criteria contained in the specifications and the results were then illustrated and discussed with the Board of Auditors and the Financial Reporting Officer.

In light of the outcome of the selection, the Appointments Assessment Committee prepared a report on the conclusions of the selection procedure, which it forwarded to the Board of Statutory Auditors for assessment and the preparation of a reasoned recommendation “of the two best offers” and the reasons “that led to the selection, from among the two, of the auditing firm to be proposed to the Shareholders' Meeting for appointment”.

The Board also proceeded to independently review the documentation and the assessments reached.

The Board of Statutory Auditors, together with the CFO, on the basis of the Working Group's analyses, then analysed the offers received from PWC, KPMG and Deloitte and discussed the relevant assessments (which involved an analysis of the technical competence of the team members, also accrued within the Group, to arrive at an overall qualitative assessment of the teams as a result of the experience of the individuals).

The documentation collected, the meetings held and the analyses conducted revealed the high quality of the three offers received and the professionalism of the audit teams presented.

Below is a table summarising the qualitative and quantitative characteristics extrapolated from the various offers received from the invited auditing firms:

WEIGHT		QUALITATIVE- QUANTITATIVE CLUSTER	Deloitte	PWC	KPMG
70%	15%	Ability to serve global clients	9,77	9,45	7,46
	20%	Audit team of the parent company and audit strategy	14,00	14,00	14,00
	35%	Knowledge of the business and experience with the Fiera Milano Group	24,50	24,50	14,70
	10%	Quantitative elements	5,60	6,16	5,88
	20%	Total number of hours and professional mix proposed	14,00	14,00	11,48
Total	100%		67,87	68,11	53,52

The table below shows the main economic components in terms of cost and quantification of dedicated hours, referring to: i) activities covered by the statutory audit mandate of Fiera Milano S.p.A., ii) additional

activities related to the statutory audit of Fiera Milano S.p.A., as well as iii) fees quantifying the hours spent in relation to the entire Group.

Values in '000 euros.

Difference in the fees indicated in the proposal compared to the outgoing independent auditor	EY	Deloitte	PWC	KPMG
Total services related to the statutory audit of Fiera Milano	256	229	224	261
Total Audit Fiera Milano Group	156	151	158	174
Discount	-	-80	-	-
Total Audit Fiera Milano Group (without expenses)	411	300	382	435
Expenses quantification driver	Documented expenses	2%	Documented expenses	8%
Expenses amount	na	6	na	35
Difference between the fees indicated in the proposal (without expenses) and those paid to the current independent auditor	na	-27%	-7%	6%

As regards further aspects of the economic component of the offers, it should be noted that:

Difference between the fees (weighting 30% out of 30%)

- difference between the fees indicated in the proposal and those paid to the current independent auditor (weight 100%);

Factors for assessment:

- 4=difference below -50% and above +50%;
- 5=difference included in the range between +30% and +50%;
- 6= difference included in the range between -30% and -50%;
- 7= difference included in the range between +10% and +30%;
- 8= difference included in the range between -10% and -30%;
- 9= difference between +0% and +10%;
- 10=difference between 0% and -10%

The economic driver score led to the following result

WEIGHT		ECONOMIC CLUSTER	Deloitte	PWC	KPMG
30%	100%	Fee difference compared to the outgoing auditor	24,00	30,00	27,00
Total	100%		24,00	30,00	27,00

Below are the results of the qualitative-quantitative assessment as well as the final ranking of the three offers, grouped by macro-category, determined by the application of the Regulation

WEIGHT	CLUSTER SUM		PWC	KPMG
70%	QUALITATIVE-QUANTITATIVE CLUSTER	67,87	68,11	53,52
30%	ECONOMIC CLUSTER	24,00	30,00	27,00
100%		91,87	98,11	80,52

	1st position
	2nd position
	3rd position

All of the above being stated, the Board of Statutory Auditors, in relation to the appointment of the independent auditor of Fiera Milano S.p.A. for the nine-year period 2023 - 2031, on the basis of the selection procedure, the offers received, the assessments carried out and the outcomes of the same, considering that Art. 16 of European Regulation No. 537/2014 provides that the reasoned proposal to the Shareholders' Meeting must contain at least two possible alternatives for the appointment and requires the expression of a duly justified preference for one of them, pursuant to Art. 16, paragraph 2, of European Regulation No. 537/2014 as well as articles 13 and 17 of Legislative Decree No. 39/2010, HEREBY SUBMITS the two proposals formulated by PricewaterhouseCoopers S.p.A. and by DELOITTE S.p.A. for the appointment of the Independent auditor of Fiera Milano S.p.A. for the nine-year period 2023-2031, the economic components of which are summarised above, to the Shareholders' Meeting of Fiera Milano S.p.A, the economic components of which have been summarised above, unanimously EXPRESSING its preference for PWC S.p.A., as it is gained a higher score from a qualitative point of view and from an economic point of view was more in line with the assessment parameter at Group level.

The main elements of the offer considered qualifying and justifying the preference expressed in favour of this bidder were the following:

- The auditing firm's experience in the business sector in which the Company operates, its ability to serve global clients, the characteristics of the parent company's audit team and audit strategy, together with the fact that PWC spa has an in-depth knowledge of the Group, having already been the company's independent auditor in a previous period, were the important elements in assessing the ability to perform the audit work in a company such as the Fiera Group. The analyses carried out revealed an effective system of coordination

between the companies in the network, guaranteeing homogeneity in the assessment of accounting aspects in all Group companies;

- the audit approach, characterised by low materiality thresholds and such as to provide a high level of assurance, appreciable both for individual Legal Entities and - also as a result of the presence in all the countries where the Fiera Milano Group operates, with widely organised structures with decision-making autonomy that ensure greater coverage of the consolidation perimeter - at a consolidated level;
- the provision of a high number of hours with a high-level professional mix. The Board of Statutory Auditors, in compliance with Art. 16, paragraph 2 of EU Regulation 537/2014, hereby declares that this recommendation has not been influenced by third parties and that none of the type clauses referred to in paragraph 6 of the aforementioned Art. 16 of the Regulation have been applied.

Dear Shareholders, you are therefore invited to approve the proposal relating to the assignment to PWC S.p.A. of tasks relating to the provision of "statutory auditing services", as defined above, in favour of Fiera Milano S.p.A. for the financial years 2023-2031 in compliance with the contents, terms, including the criteria for adjusting the fees, and the procedures proposed by the Board of Statutory Auditors, for an annual fee (net of ISTAT increases, out-of-pocket expenses, VAT and supervisory fee) of Euro 382,150.00 for 6,080 hours, as follows:

	HOURS	Fees
Statutory audit of the Financial Statements	1,650	108,900
Statutory audit of the consolidated financial statements of the Fiera Milano Group	900	59,400
Judgement on the consistency of the Management Report and the information presented in the Corporate Governance Report	50	3,300
Limited audit of the Fiera Milano Group's half-yearly condensed consolidated financial statements	450	29,700
Audit activities provided for in Art. 14, paragraph 1, letter B of Legislative Decree 39/2010	100	6,600
Verification of compliance of the consolidated financial statements with Delegated Regulation (EU) 2019/815 (xbrl marking verification)	80	5,280
Verification of compliance with Delegated Regulation (EU) 2019/815 of the xhtml format file of the Annual Financial Report	130	8,580
Audit activities aimed at signing off tax returns	40	2,640
total services related to the statutory audit of Fiera Milano S.p.A.	3,400	224,400
Audit activities Italian companies (subsidiaries and joint ventures)	1,910	105,500
Audit activities foreign companies (subsidiaries)	770	52,700

Total Audit Fiera Milano Group

6,080

382,150

If this proposal does not reach the votes required for its approval, the proposal to entrust the same assignment to DELOITTE S.p.A. for an annual fee of Euro 300,000.00 corresponding to 5,715 hours of work will be put to the vote.

Milan, 20 January 2023

Board of Statutory Auditors

Monica Mannino

Piero Capitini

Daniele Monarca

