

F.I.L.A. – FABBRICA ITALIANA LAPIS ED AFFINI S.P.A.



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON POINT 2 OF THE AGENDA OF
THE ORDINARY SHAREHOLDERS' MEETING OF F.I.L.A. - FABBRICA ITALIANA LAPIS ED
AFFINI S.P.A., CALLED FOR JANUARY 22, 2024 IN SINGLE CALL.**

(drawn up in accordance with Article 125-*ter* of Legislative Decree No. 58 of February 24,
1998, and Article 84-*ter* of the Regulation adopted with Consob Resolution No. 11971 of
May 14, 1999)

Report approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini
S.p.A. at the meeting of December 14, 2023 and available on the website www.filagroup.it

Point 2 on the Agenda of the Ordinary Shareholders' Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A., called for January 21, 2024 in single call:

“Appointment of the independent audit firm for the period 2024-2032 pursuant to Legislative Decree No. 39/2010 and Regulation (EU) No. 537/2014 and determination of the relative remuneration; resolutions thereon”.

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Dear Shareholders,

this Report has been prepared pursuant to Article 125-*ter*, paragraph 1 of Legislative Decree No. 58 of February 24, 1998 (the “**CFA**”) and Article 84-*ter* of the Regulation adopted with Consob Resolution No. 11971 of May 14, 1999 (the “**Issuers’ Regulation**”).

This Report was approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. (the “**Company**” or “**Fila**”) at the meeting of December [14], 2023 and is made available to the public, in accordance with applicable law and regulations, at the registered office, on the company website (www.filagroup.it) and also by the other means established by the applicable regulation.

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The approval of the financial statements for the year ended December 31, 2023 concludes the audit assignment conferred to the company KPMG S.p.A. by the Ordinary Shareholders' Meeting of February 20, 2015 for the 2015-2023 period. Therefore, the Board of Statutory Auditors, in its capacity as the "internal control and audit committee" has initiated and completed, in agreement with the relevant corporate functions, the selection procedure for the awarding of the legally-required audit assignment for the 2024-2032 period, so as to enable the Shareholders' Meeting to resolve on the allocation of the new audit assignment before the formal conclusion of KPMG S.p.A.'s assignment, so as to facilitate the handover between the outgoing auditor and the new auditor.

Therefore, the proposal regarding the assignment pursuant to Legislative Decree No. 39/2010 and Regulation (EU) No. 537/2014 of the engagement of an independent audit firm for the 2024-2032 period, in addition to the determination of the corresponding remuneration, is submitted for your consideration. Article 17 of Legislative Decree No. 39/2010 provides in fact that for Italian companies issuing securities admitted to trading on regulated markets in Italy and the European Union, the legally-required audit assignment awarded to an independent audit firm shall last nine years, and may not be renewed if at least four years have not elapsed since the conclusion of the previous assignment. For these purposes, the Company has carried out the selection procedure set out in Article 16 of Regulation (EU) No. 537/2014, as a result of which the Board of Statutory Auditors has prepared and submitted to the Board of Directors its reasoned recommendation, containing at least two possible award alternatives and a duly justified preference for one of them. In particular, the Board of Statutory Auditors, taking into account the bids received, recommended that the independent audit firm Deloitte & Touche S.p.A. or Ernst & Young S.p.A. be appointed, expressing its preference for Deloitte & Touche S.p.A. It should be noted that the Shareholders' Meeting, upon the reasoned proposal of the Board of

Statutory Auditors pursuant to Article 13 of Legislative Decree No. 39/2010, which also contains the recommendation set out in Article 16 of Regulation (EU) No. 537/2014, awards the legally-required audit engagement and determines the remuneration payable to the independent audit firm for the entire mandate and any criteria for adjusting such during this term. In light of the above, the Board of Directors, having taken note of the proposal of the Board of Statutory Auditors (attached to this report) and the recommendation contained therein, invites you to consider the following resolution:

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Dear Shareholders,

in consideration of the above, we invite you to adopt the following resolution concerning Section I of the Remuneration Report:

"The Shareholders' Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A., meeting in ordinary session, having noted that with the approval of the financial statements at December 31, 2023 the engagement of the independent audit firm KPMG S.p.A. for the years 2015 - 2023 will conclude, and having examined the proposal drawn up by the Board of Statutory Auditors containing the recommendation as the internal control and audit committee,

resolves

- *To appoint the independent audit firm [●] to audit the accounts of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A. for the fiscal years 2024-2032, subject to causes of early termination, for the performance of the activities, as well as under the conditions, including the remuneration payable to the independent audit firm, set out in the offer made by the aforementioned independent audit firm, the financial terms of which are summarised in the proposal made by the Board of Statutory Auditors;*
- *to empower the Chairperson of the Board of Directors, in addition to the Chief Executive Officer, severally, to carry out, including through proxies, everything required, necessary or useful to execute the content of this resolution, and to carry out the relevant and necessary formalities with the competent bodies and/or offices. They shall also have the power to introduce any non-substantial amendments that may be required for this purpose, and in general whatever is necessary for the complete execution of this resolution, with any and all powers necessary and appropriate, in compliance with current regulatory provisions".*

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Pero, December 14, 2023

The Chairperson of the Board of Directors

(Giovanni Gorno Tempini)