

**Aquafil S.p.A.**

Via Linfano 9 – Arco (TN)

Authorized share capital €50,522,417.28, subscribed and paid-in share capital €49,722,417.28

Tax Code and Trento Companies' Register No. 09652170961

**GUIDANCE ON THE NEW BOARD OF STATUTORY AUDITORS OF AQUAFIL S.P.A. TO BE ELECTED AT THE FORTHCOMING GENERAL SHAREHOLDERS' MEETING**

Document approved by the outgoing Board of Statutory Auditors in the meeting held on March 6, 2024 based on the *Rules of Conduct for the Boards of Statutory Auditors of Listed Companies issued by the National Council of Accountants and Accounting Experts on December 21, 2023*

Dear Shareholders,

The term of office of the current Board of Statutory Auditors will come to an end with the approval of the Financial Statements at December 31, 2023 and the forthcoming General Shareholders' Meeting will have to appoint the new Board of Statutory Auditors of AQUAFIL S.p.A. for the three-year period 2024-2026.

**1. INTRODUCTION AND REFERENCE CONTEXT**

The “*Rules of Conduct for the Boards of Statutory Auditors of Listed Companies*” issued by the National Council of Accountants and Accounting Experts on December 21, 2023 recommend, *inter alia*, that the Board of Statutory Auditors send the Issuer, in view of the appointment of the new Board of Statutory Auditors, a document illustrating to the shareholders “*its guidelines on the professional profiles and skills that duly integrate the qualitative composition of the Board of Statutory Auditors, also specifying the time commitment required to perform the auditorship and the appropriate remuneration to attract individual with an adequate standing*”.

This document aims to allow the Shareholders and the candidates to the position of Statutory Auditor to assess the appropriate characteristics, skills and professional profiles, commitment and time commitment required and the adequacy of the remuneration for carrying out the task. It must be published on the Company's website, suitably in advance compared to the publication of the notice of calling of the Shareholders' Meeting that will appoint the new Board of Statutory Auditors.

The current Board of Statutory Auditors of AQUAFIL S.p.A, based on its own experience and to conclude the self-assessment process carried out, is therefore making available to the Shareholders and candidates to the position of Statutory Auditor this document entitled “Guidance on the new Board of Statutory Auditors of AQUAFIL S.p.A” containing a summary of the skills and professional profiles, additional to those required by law, which can help with the efficient and effective functioning of the Board of Statutory Auditors, as well as a brief indication of the activities carried out and the commitment required.

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Beatrice Bonipieri



## 2. COMPOSITION OF THE BOARD OF STATUTORY AUDITORS – RELEVANT CHARACTERISTICS

The first element that the current Board of Statutory Auditors has drawn from the experience of this three-year period is the fundamental importance of having sufficient time to dedicate to the office so that the role can be carried out effectively.

In order to monitor the practical functioning of the internal control and risk management system, in addition to suitable planning of the Board of Statutory Auditors' own activity and the regular meetings (separately or jointly with the Audit, Risks and Sustainability Committee), both the induction activity and attendance to the Board Committees are essential, as they allow the issues and matters under discussion, presented thereafter to the Board of Directors, to be analyzed in depth.

In addition, the credentials regarding the skills, professionalism and experience of members of the Board of Statutory Auditors are important. In this regard, over the years, the functions required from the Board of Statutory Auditors have also been expanded:

- through the entry into force of the reform of statutory audit regulations, implemented at European level, which has assigned further reporting and monitoring tasks to the Control Body;
- through the introduction of legislation on non-financial reporting that has introduced additional activities overseeing compliance of the provisions in question and through the more recent sustainability and environmental social governance (ESG) regulations.

The supervision of financial and non-financial reporting required from the Board of Statutory Auditors also in its capacity as Internal Control and Audit Committee, requires the professionals selected to have suitable experience of the corporate governance of listed companies and, preferably, a sensitivity to the important matters related both to sustainability and the developments taking place at global level and in the sector in which the AQUAFIL Group operates.

Moreover, the current Board of Statutory Auditors recognizes the value of diversity in its own composition, both as regards gender as laid down in legislation, and with reference to the professional composition, also maintaining a balanced combination of seniority in terms of office and physical age, to achieve an adequate balance between the need for continuity and the need for renewal.

The Board of Statutory Auditors would like to point out that, for purposes of the requisites regarding the professionalism and good standing of members of the Board of Statutory Auditors of AQUAFIL S.p.A., the provisions set out in Italian Ministerial Decree No. 162 of 30 March 2000 apply.

Finally, the Board of Statutory Auditors has identified, for its own efficient and effective functioning, a further essential requisite as being the ability to work as a team and to manage the complexities in a constructive and balanced manner.

In this regard, it is essential that the Chair provide constant and authoritative coordination both to create a spirit of cohesion and collaboration amongst the members of the Board of Statutory Auditors and in the interaction with the other Corporate Bodies and with company officers in general and, in particular, those responsible for managing the internal control and risk management system.

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Beatrice Barzanti

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### **3. ACTIVITY CARRIED OUT AND COMMITMENT REQUIRED**

The Board of Statutory Auditors in office is formed by the Chairman of the Board of Statutory Auditors and 2 Statutory Auditors, who have served for the entire three-year period 2021-2023.

As provided for by the “Rules of Conduct for the Boards of Statutory Auditors of Listed Companies”, the Board of Statutory Auditors believes it appropriate to provide the guidance set out below so that the Shareholders and candidates to the position of Statutory Auditor can assess the commitment and time commitment required, as well as the adequacy of the remuneration for the office of Statutory Auditor, also in relation to the professional skills and experience required.

Looking at financial year 2023 just ended, AQUAFIL’s Board of Statutory Auditors held the following number of meetings:

- 16 minuted meetings (7 of which held jointly with the Audit, Risks and Sustainability Committee), during which the Head of the Internal Audit function, the Supervisory Body and the independent auditors were also met frequently.

The average duration of the Board of Statutory Auditors’ meetings was about 2 hours.

The level of meeting attendance of the Statutory Auditors was 100% and no assistants were used in performing their duties.

Moreover, the Chairman of the Board of Statutory Auditors (100% attendance) and the other members of the Board of Statutory Auditors (with 99% attendance) attended, during 2023, all Board of Directors’ meetings and the meetings of the Board Committees set up by AQUAFIL S.p.A., as well as the General Shareholders’ Meeting, as follows:

- Board of Directors: 6 meetings
- Appointment and Remuneration Committee: 6 meetings
- General Shareholders’ Meeting: 1 ordinary meeting
- Audit, Risks and Sustainability Committee: 7 meetings (both separately and jointly with the Board of Statutory Auditors), in addition to 1 meeting serving as a Related Party Transactions Committee.

Consideration should also be given to the time spent on preparing for meetings, which requires the prior analysis of extensive documentation, the subsequent review of various reports and frequent informal meetings.

The number of meetings and consequent time commitment required from the Statutory Auditors may be far higher in years marked by extraordinary situations regarding the Company or the market in general.

In line with the provisions of the Corporate Governance Code, the Rules of Conduct for the Board of Statutory Auditors of listed companies indicate that the remuneration of the members of the Board of Statutory Auditor must be adequate and in any case determined having regard to the skills, professionalism and time commitment required for the office, taking also into account the nature and size — including in economic terms — of the Issuer’s activity, as well



Beatrice Bompieri

as the dimension and composition of organizational structure of the Company and the companies included in its consolidation scope.

When determining the adequate remuneration, particular attention should be paid to the commitment constantly given by the Statutory Auditors in their activity and active attendance at Board Committee's meetings.

Also in view of the recent regulations that have significantly expanded the Board of Statutory Auditors' duties and consequent responsibilities, including the role of Internal Control and Audit Committee, as well as the commitment required from AQUAFIL's Control Body in relation to the number, duration and agenda items of the meetings the Board of Statutory Auditors is asked to attend regularly and constantly, it would be desirable if account were also taken of these factors when assessing the adequacy of the remuneration of the members Board of Statutory Auditors, while also considering that the fixed remuneration established for the three-year period is also subject to the inflation effect.

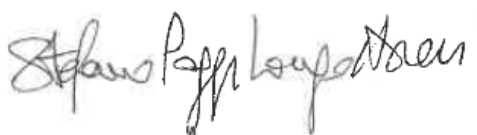
As suggested by best practices, the comparison with the remuneration paid to the Non-executive Directors may be a useful guide for assessing the adequacy of the all-inclusive remuneration payable to the Statutory Auditors. With reference to the Chair of the Board of Statutory Auditors, the time commitment required to perform the role in question and ensure the successful coordination of the Board of Statutory Auditors' activities has also to be considered, in addition to the remuneration paid to the Non-executive director and Chair of the Control and Risks Committee.

To this regard, we inform you that the remuneration currently assigned to the members of the Board of Statutory Auditors of Aquafil (Chairman and Statutory Auditors) is essentially in line with the guidelines provided for by best practices.

Milan – Verona, March 6, 2024

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

Stefano Poggi Longostrevi – Chairman

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Bettina Solimando – Statutory Auditor

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Beatrice Bompieri - Statutory Auditor

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