

DIRECTORS' REPORT

ON THE FOURTH ITEM ON THE AGENDA

**for the Ordinary Shareholders' Meeting
of EQUITA Group S.p.A.**

18 April 2024

(report published on 19 March 2024)



Item 4 on the Agenda

4. Filling of vacancies on the Board of Statutory Auditors:

4.1 Appointment of a Standing Auditor.

4.2 Appointment of an Alternate Auditor.

Dear Shareholders,

the Board of Directors of Equita Group S.p.A. ("**Equita**" or the "**Company**") has convened you in an ordinary session to discuss and resolve, *inter alia*, on the proposal to fill vacancies on the Board of Statutory Auditors.

Following the resignation on 28 June 2023 of Laura Acquadro from her position as Standing Auditor of Equita, the Alternate Auditor Andrea Serra assumed the position of Standing Auditor, pursuant to Article 2401 of the Italian Civil Code and Article 18.10 of the Articles of Association which states that "*in the event of the early termination, for any reason, of the office of a standing auditor, the first alternate auditor belonging to the same list as the outgoing auditor shall take over until the next Shareholders' Meeting*".

You are reminded that: (i) pursuant to Article 17.1 of the Articles of Association, the Board of Statutory Auditors is composed of 3 (three) Standing Auditors and 2 (two) Alternate Auditors; (ii) the Board of Statutory Auditors currently in office was appointed by the Ordinary Shareholders' Meeting of Equita on 20 April 2023 and will remain in office until the date of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2025; (iii) pursuant to law, the auditors replacing those who have ceased to hold office shall remain in office until the next Shareholders' Meeting, i.e. that of 18 April 2024, which is therefore called to fill vacancies on the Company's Board of Statutory Auditors, making the necessary appointments in compliance with the applicable regulatory provisions, including the principle of gender balance; (iv) in the event that the Shareholders' Meeting does not confirm Andrea Serra as Standing Auditor, she shall return to her position as Alternate Auditor.

In light of the above, the Shareholders must fill the vacancies on the Board of Statutory Auditors, through the appointment of a Standing Auditor and a possible Alternate Auditor in the event that Andrea Serra is elected as Standing Auditor. Shareholders should also take into account the legislation on gender balance and, in particular, Article 148(1-bis) of the Consolidated Law on Finance, according to which the lesser represented gender must obtain at least two-fifths of the effective members of the Board of Statutory Auditors, rounded down to the lower unit pursuant to Article 144-undecies.1(3) of the Issuers' Regulation. It follows that the Standing Auditor appointed must be of the female gender.

The term of the Statutory Auditors thus appointed will expire together with the members of the Board of Statutory Auditors currently in office.

Pursuant to Articles 18.10 and 18.12 of the Articles of Association, in the event of the replacement, as in the case at hand, of the auditors belonging to the list that obtained the highest number of votes, the appointment is made by majority vote without list constraints, in compliance with the applicable legal and regulatory provisions on gender balance, the list voting procedure being applied only in the event of the renewal of the entire Board of Statutory Auditors.

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It should be noted that persons for whom grounds for ineligibility or disqualification exist, or who do not meet the requirements of independence, integrity and professionalism established by the laws and regulations in force, cannot be elected as Statutory Auditors (and, if elected, forfeit their office).

In consideration of the foregoing and of the existence of the requisites of the same, the Board of Directors proposes that the Shareholders' Meeting confirm the appointment of **Andrea Serra to the position of Standing Auditor of Equita**. She shall remain in office until the expiration of the current Board of Statutory Auditors, i.e. until the Shareholders' Meeting called to approve the financial statements at 31 December 2025, and shall receive the same remuneration established by the Shareholders' Meeting of 20 April 2023 with reference to the current members of the Board of Statutory Auditors.

The Board of Directors also proposes to the Shareholders' Meeting the **appointment of Sabrina Galmarini to the position of Alternate Auditor of Equita**, should the Shareholders' Meeting confirm Andrea Serra to the position of Standing Auditor.

In this regard, it should be noted that the following documentation is made available to the public at the Company's registered office in Via Filippo Turati 9, and on the Company's website www.equita.eu (*Investor Relations > Corporate Governance > Shareholders' Meeting*):

- declaration of Andrea Serra and Sabrina Galmarini of acceptance of the office, who also certify, each under her respective responsibility, the non-existence of causes of ineligibility, forfeiture and incompatibility, not to mention the existence of all the requirements provided for by the laws and regulations in force as well as Equita's Articles of Association and Corporate Governance Code for the assumption of the office;
- the CVs of Andrea Serra and Sabrina Galmarini;
- valid candidates' ID documents.

If the Shareholders do not agree with the proposals of the Board of Directors outlined above, they may submit different proposals for resolutions on the filling of vacancies on the Board of Statutory Auditors.

In order to ensure adequate publicity for any further applications received, proposals submitted prior to the Shareholders' Meeting must be sent to the Company (specifically to the Board of Directors, c/o the Legal and Corporate Affairs Office, Via Filippo Turati 9, Milan (MI), 20121 - Italy, by registered letter with return receipt or by certified email equitagroupspa@legalmail.it (on the understanding that, for the purposes of the latter mode of transmission, the e-mail may originate from a non-certified mailbox), and must be accompanied by:

- (i) a certificate attesting to the Shareholder's ownership, issued by the intermediaries with whom the shares are registered;
- (ii) a declaration of acceptance of the candidate's office, also certifying, under her own responsibility, the non-existence of causes of ineligibility, disqualification and incompatibility, not to mention the possession of the requirements provided for by the laws and regulations in force as well as by Equita's Articles of Association;
- (iii) the CV of the candidate, indicating any roles of management and control held;

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(iv) a valid ID document of the candidate.

In this regard, it should be noted that, pursuant to Article 144-terdecies of the Issuers' Regulation, persons who hold the same office with five issuers, or who hold other administration and control positions in other companies that altogether exceed the limit set forth in the applicable regulations, may not be appointed as Statutory Auditors.

When submitting nominations, Shareholders are also invited to take into account the independence requirements of the Corporate Governance Code.

The proposals received before the Shareholders' Meeting and using the methods specified above will be published on the Company's website www.equita.eu (*Investor Relations > Corporate Governance > Shareholders' Meeting*), to allow the holders of voting rights to express themselves in an informed manner by considering such proposals and allow the representative appointed by the Company to collect voting instructions.

All of the above being stated, the Board of Directors invites the Shareholders to pass the following resolutions with the majorities required by law :

1. **confirm to the position of Standing Auditor** of the Company **Andrea Serra** who shall remain in office until the expiration of the current Board of Statutory Auditors and who shall receive the same remuneration established by the Shareholders' Meeting of 20 April 2023 with reference to the current members of the Board of Statutory Auditors;
2. **appoint to the office of Alternate Auditor** of the Company **Sabrina Galmarini**, who shall remain in office until the expiry of the current Board of Statutory Auditors;
3. vest the Chairman of the Board of Directors and the Chief Executive Officer, severally, with all powers, including the right to sub-delegate, to carry out the legislative and regulatory fulfilments consequent to this resolution, as well as to execute this resolution.

THE EQUITA GROUP S.P.A. BOARD OF DIRECTORS