

**ASSEMBLEA  
DEGLI AZIONISTI  
SHAREHOLDERS'  
MEETING**

**2026**



**23 April 2026**

**Guidance of the outgoing  
Board of Statutory Auditors  
on the composition of the audit body**





# Guidance of the outgoing Board of Statutory Auditors on the composition of the audit body

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## 1. Foreword – purpose of this document

The mandate of the current Board of Statutory Auditors of Assicurazioni Generali S.p.A. (“Generali” or the “Company”) will expire on the date of the general meeting convened to approve the financial statements of the Company as at and for the year ended 31 December 2025. On that occasion the shareholders will be asked to appoint a new board.

The “AG Fit&Proper Policy”, last updated in October 2025, in accordance with art. 11 Ministerial Decree 88/2022, states: “the AG Board of Statutory Auditors identifies in advance its optimal qualitative-quantitative composition to achieve the objectives set out in article 10 of Decree 88/2022 [...] in the document on the optimal qualitative-quantitative composition drafted prior to each renewal of the Board of Statutory Auditors”.

In addition to the above, the *Rules of Conduct for the Boards of Statutory Auditors of Listed Companies of the CNDCEC* of December 2024 (hereinafter the “Rules of Conduct”) state “based on its experience and the results of its self-assessment, it is good practice for the outgoing board to provide the share-holders, prior to its renewal, with guidance on the professional profiles and expertise that would appropriately complement the qualitative composition of the board, as well as the time commitment re-quired to perform the engagement and the appropriate remuneration to attract persons of suitable standing” (Rule Q.1.5.).

With particular reference to the profile of professionalism and expertise, the provisions of art. 10 of Ministerial Decree 88/2022 (referenced by the Fit&Proper Policy) emphasise that the composition of the audit body should be adequately diversified in terms of expertise (as well as gender and age), so as to, among other aspects, foster discussion and debate within the body and encourage a plurality of approaches and perspectives in the analysis of issues.

Furthermore, art. 19.3 of Lgs.Decree no. 39/2010 states “the members of the internal control and audit committee, as a whole, are competent in the sector in which the entity under audit operates”<sup>1</sup>.

<sup>1</sup> The requirements of professionalism and expertise that Statutory Auditors must possess are set out in Delegated Regulation (EU) no. 35/2015 of 10 October 2014 (supplementing Directive 2009/138/EC, known as Solvency II), in Lgs.Decree 58/1998, Ministerial Decree 88/2022, Ministerial Decree 162/2000, the Articles of Association and the Fit&Proper Policy.

With regard to remuneration, the Rules of Conduct (see Rule Q.1.5) state “the adequacy of the proposed remuneration shall be assessed by taking into consideration:

- the breadth and complexity of the engagement in relation to the nature, size, including the economic size (for example, the volume of positive income components and of activities), complexity, sector of activity, organisational structure, number and size of the companies included in the consolidation, the condition and other characteristics of the company, also with reference to comparable international experiences;
- any document produced by the outgoing board of statutory auditors, assessing with attention the time commitment required to perform the engagement and the professional competences and experience required;
- the remuneration of the non-executive directors, as well as the remuneration criteria for attendance at meetings of the board committees;
- with reference to the remuneration of the chair of the board of statutory auditors, the time commitment required to perform the role, and the remuneration of the chair of the control and risks committee;
- current laws and regulations.”

Similar indications on remuneration can also be found in the Corporate Governance Code (art. 5 - Recommendation 30), effective as from 1 January 2021.

This guidance has therefore been drawn up by the current Board of Statutory Auditors in compliance with the above indications for the purpose of providing the general meeting and the candidates for the position of statutory auditor with an overall picture of the activities that the audit body of the Company is called upon to perform. All of the above, also in order to enable a considered assessment of the professional expertise re-quired to perform the office of Statutory Auditor of the Company, and of the adequacy of the pro-posed remuneration.

Before being made available to the shareholders, this document was sent to the Chair of the Board of Directors.

## 2. Evolution of the activities of the Board of Statutory Auditors envisaged by law

**2.1.** The oversight duties of the Board of Statutory Auditors of a listed insurance company such as Assicurazioni Generali S.p.A. are governed not only by the provisions of the Italian Civil Code, but also by the Consolidated Law on Financial Intermediation (TUIF), as well as by the regulations of the insurance sector.

Specifically, art. 149.1 of the TUIF is noteworthy. This article tasks the board of statutory auditors with overseeing: (a) compliance with the law and the articles of association, (b) compliance with the principles of proper governance, (c) the fitness for purpose of the company's organisational structure and, in particular, the internal control system, (c-bis) the manner in which the corporate governance rules set forth in the codes of conduct adopted by the company are actually implemented, (d) the fitness for purpose of the instructions given to the subsidiaries pursuant to art. 114 TUIF with respect to communications to the market.

With regard to the regulations of the insurance sector, the provisions of **IVASS Regulation no. 38** of 3 July 2018 are particularly relevant, requiring the board of statutory auditors to, among other things:

- verify the suitability of the definition of powers, as well as the fitness for purpose of the organisational structure, with particular attention to the separation of responsibilities in tasks and functions (art. 8.1.b);
- assess the efficiency and efficacy of the corporate governance system, specifically as regards the operation of the internal audit function, whose autonomy, independence and functionality must be verified; should this function have been outsourced, the content of the engagement is assessed on the basis of the outsourcing contract (art. 8.1.c).

Attention is also drawn to **IVASS Regulation no. 44** of 12 February 2019, issued in implementation of Lgs.Decree no. 231 of 21 November 2007, as amended following the enactment of Directive 843/2018.

Under this Regulation, the audit body “oversees compliance with the law and verifies the adequacy of the money laundering risk management and control system” (art. 12).

In exercising these powers, the Board of Statutory Auditors specifically:

- assesses the fitness for purpose of the procedures applied to verify clients, store documents, data and information, and report suspicious transactions (art. 12.2.b);
- solicits analysis of the reasons for shortcomings, anomalies and irregularities that have been found and assesses the fitness for purpose of the plan adopted by the governing board to introduce corrective measures to eliminate them (art. 12.2.c);
- informs the IVASS without delay of all the facts that come to its knowledge in the exercise of its functions that might constitute serious or repeated or systematic or multiple breaches of laws or the related enactment provisions (art. 12.3).

**2.2.** Mention should also be made of the legislation governing sustainability disclosures introduced by **Lgs.Decree 125/2024**, under which, in executing its functions, the audit body:

- oversees compliance by the directors with Lgs.Decree 125/2024 and EU Regulation 2020/852 (so-called “Taxonomy Regulation”);
- informs the general meeting of the outcome of said oversight (cf. art. 10).

Lgs.Decree 125/2024 also amended Lgs. Decree 39/2010, extending, where relevant, the tasks already assigned to the Board of Statutory Auditors in its capacity as Internal Control and Audit Committee to the area of sustainability.

In this connection, the audit body, pursuant to art. 19 Lgs.Decree 39/2010, is tasked with:

- informing the governing body of the audited entity of the outcome of the statutory audit and, where applicable, of the outcome of certification of sustainability reporting, and forwarding to the governing body the additional report referred to in art. 11 of Regulation EU 537/2014, together with any comments;
- monitoring the financial disclosure process and, where applicable, individual or consolidated sustainability reporting, and making recommendations or proposals to ensure their integrity;

- checking the efficacy of the entity's internal quality audit and risk management systems and, if applicable, of the internal audit system with regard to financial disclosure and, where present, individual or consolidated sustainability reporting;
- monitoring the statutory audit of the separate financial statements and the consolidated financial statements and, where present, certification of the compliance of individual or consolidated sustainability reporting;
- verifying and monitoring the independence of the external auditors and the sustainability auditors, in particular with regard to the fitness for purpose of non-audit services provided to the audited entity, in accordance with article 5 of EU Regulation 537/2014;
- taking charge of the procedure for the selection of the external auditors pursuant to article 16 of EU Regulation 537/2014.

### 3. Considerations on the composition of the Board of Statutory Auditors

**3.1.** Considering the sector in which the Company operates, the complexity of its business organisation, and the size and significant complexity of the Group parented by the Company, in line with the provisions of art. 9 of Ministerial Decree 88/2022, it is the opinion of the outgoing Board of Statutory Auditors that execution of the tasks entrusted to it requires possession of specific expertise, as identified annually by its self-assessments, in the following areas:

- Financial markets
- Regulations in the insurance, banking and finance sector
- Strategic guidance and planning
- Organisational and corporate governance structures
- Statistical and actuarial sciences
- Accounting and financial reporting
- Risk management
- Internal control systems and other operating mechanisms
- Insurance, banking and financial activities and products

- Information technology

The Board of Statutory Auditors also considers relevant the expertise and experience gained with reference to the principles and rules of operation of listed companies, sustainability reporting, statutory auditing and artificial intelligence.

The Board of Statutory Auditors also believes that the high complementarity of the qualifications and previous experience of each member of the board is an element of efficiency for the body as a whole and for its activities. In other words, it is important that the members of the audit body come from different backgrounds and together cover the areas of expertise in question. These characteristics ensure functional and complete coverage of the various issues the Board of Statutory Auditors is required to monitor, leading to constructive action and the professional enrichment of each member of the board.

In terms of numerical composition, based on its experience, and in particular on the work carried out during its term of office, the Board of Statutory Auditors considers the current composition (3 full members and 2 alternates) to be numerically adequate.

**3.2.** It is also noted that the Fit&Proper Policy provides that the Board of Statutory Auditors, in accordance with art. 15 of Ministerial Decree 88/2022, have “adequate time to devote to the task”. In this regard, the information set out in section 4 below describes the extensive space dedicated by the current Board of Statutory Auditors to the performance of its engagement.

The aforementioned requirement will therefore be taken into due consideration when identifying candidates for the role of Statutory Auditor, given the size, risk level and operational complexity of a Group like as Generali. Indeed, in addition to attending all of their own Board meetings, which, on average, were held twice a month, the Statutory Auditors also attend meetings of the Board of Directors and the board committees. Suffice it to say, for the sole purpose of providing an estimate and without claiming to be exhaustive or complete, that the number of meetings of the Board of Directors currently scheduled for the 2026 financial year is 14, while those of the committees are respectively: (i) 15 for the Risk & Control Committee, (ii) 11 for the Remuneration & Human Resources Committee, (iii) 7 for

the Nominations & Corporate Governance Committee, (iv) 10 for the Investment Committee, (v) 7 for the Innovation, Social & Environmental Sustainability Committee and (vi) 2 for the Related-Party Transactions Committee, giving a total of 66. In addition to these meetings are regular induction sessions, which the Statutory Auditors are invited to attend, and any other meetings that may be necessary for the performance of their engagement.

**3.3.** Lastly, for the sake of completeness, it should be noted that IVASS Regulation no. 38 of 3 July 2018, as recently amended and supplemented by the Insurance Authority's Order no. 142 of 5 March 2024, now states, in article 8.1-bis "*without prejudice to legal provisions, the articles of association of companies shall regulate the relevant aspects to ensure continuous compliance with the gender quota, identified by art. 10.3, of the Representative Requirements Regulation, including the procedures for the replacement of the members of the bodies, the procedures for the formation of lists, the presence among the alternate auditors of members of the less represented gender and any other suitable mechanism to ensure compliance with the gender quota envisaged therein*".

According to art. 5 of the IVASS Regulation, the above-mentioned rulings "*apply to appointments made after the date of its entry into force*", which was 23 March 2024. Consequently, as from that date, the regulatory framework for the appointment of the board of statutory auditors of an insurance entity provides (i) the obligation for the insurance company to ensure the presence of alternate auditors of different gender, as well as (ii) the need to proceed with the appropriate interventions and adjustments of its statutory organisation, to be applied to the appointments made after 23 March 2024.

#### **4. The activities of the Board of Statutory Auditors: areas of operation and commitment required**

**4.1.** The main areas of operation and the activities performed by the Board of Statutory Auditors are as follows:

(i) Oversight of compliance with the law and the articles of association

- attendance at all meetings of the Board of Directors and its various committees (cf. table below);

- attendance at all meetings of the Risk & Control Committee (RCC) and the Investment Committee (InvC);
- specific meetings with the Key Functions and with the Group General Counsel Function;
- any further analyses.

(ii) Oversight of compliance with the law, specifically with Lgs. Decree no. 125/2024

- regular meetings to monitor the drafting of sustainability reports and the related methodological approach;
- attendance, until the date of the General Meeting to approve the 2025 financial statements, at all meetings of the Innovation, Social & Environmental Sustainability Committee (ISC), which performs advisory, propositional and investigative functions in favour of the Board of Directors pertaining to sustainability issues;
- meetings with heads of functions concerned with sustainability issues;

(iii) Oversight of compliance with the principles of correct governance

- attendance at all meetings of the Board of Directors and its various committees (cf. table below);
- selective meetings with managerial functions for analysis of material transactions;
- additional analyses whenever appropriate.

(iv) Oversight of the fitness for purpose of the organisational structure

- attendance at all meetings of the Board of Directors and its various committees, with specific reference to the RCC (cf. table below);
- analyses at specific meetings with the Group Chief HR & Organisation Officer function (HRO) (at least one meeting per year);
- benchmarking analyses and meetings with HRO to analyse and assess trends in the insurance industry, in line with IVASS guidelines;
- specific meetings with the Group Chief Audit Officer, Group Chief Compliance Officer, Group Anti-Financial Crime Officer, Group Chief Risk Officer, Group Actuarial Function, Group Chief Financial Officer (GCFO) and Group General Counsel;

- meetings with the Audit Committees / audit bodies of the main subsidiaries (at least once a year for each board);
- at least one specific meeting with the Group CEO each year.

(v) Oversight of the fitness for purpose of the administrative-accounting system

- attendance at all meetings of the Board of Directors and its various committees, with specific reference to the RCC (cf. table below);
- meeting at least on an annual basis with the GCFO, also in their role as Financial Reporting Officer, and with their staff;
- regular meetings with the external auditors and examination of the additional report drawn up by them pursuant to art. 11 EU Regulation 537/2014.

(vi) Oversight of the fitness for purpose and operation of the internal control and risk management system (ICRMS), which is part of the structures and systems referred to in points (iv) and (v)

- attendance at all meetings of the Board of Directors and its various committees, with specific reference to the RCC (cf. table 1);
- meetings with the Group Chief Audit Officer at least twice a year to examine audit planning and conduct an executive session to verify independence;
- meetings at least on an annual basis with the Group Chief Compliance Officer, Group Chief Anti-Financial Crime Officer, Group Chief Risk Officer and Group Actuarial Function to examine organisational developments, resources, activities, etc. in synergy with the findings of the RCC meetings;
- specific meetings with the Group General Counsel, GCFO and HRO functions, also to examine industry trends and the orientation of the supervisory authorities;
- regular meetings with the Group Chief Compliance Officer and Group Chief Anti-Financial Crime Officer to monitor, among other things, specific legislative developments on AML and related development projects;
- meeting at least on an annual basis with the Supervisory Body (SB) pursuant to Lgs. Decree no. 231/2001 and the Group CEO;

- additional analyses whenever appropriate.

(vii) Oversight of the fitness for purpose and operation of the internal control and risk management system (ICRMS) with specific reference to sustainability reporting

- attendance at all meetings of the Board of Directors and its various committees, with specific reference to the ISC (cf. table 1);
- meetings at least once a year with the Group Chief Financial Officer, Group Integrated Data Quality and Reporting Risk and Group Chief Sustainability Officer, in order to monitor the effectiveness of the internal quality control and risk management systems with regard to sustainability reporting;
- additional analyses whenever appropriate.

(viii) Checks and monitoring in relation to statutory auditing

- approval of the non-audit services (NAS) allowed under the Group Procedure drawn up to safeguard the independence of the external auditors and amended most recently in August 2025. During the three-year period, approximately 80% of the meetings of the audit body covered, among other things, approval of NAS services;
- multiple meetings with the audit team during the year to examine the work plan, execution of the various stages, decisions on the audit approach based on control and/or substantive systems, team progress, hours envisaged, geographical control, etc.;
- monitoring of the situation of the fee cap referred to in art. 4 EU Regulation 537/2014.
- examination and discussion with the external auditors on independence declarations.

(ix) Checks and monitoring on certification of the sustainability report

- discussions with the audit company engaged to certify the sustainability report, with regard to the work plan, checks carried out and their outcomes.

**4.2.** The table below shows the number of meetings attended by the Board of Statutory Auditors in 2023, 2024, and 2025 and the average duration of those meetings expressed in hours.

Table 1

Body or Board Committee	2023		2024		2025	
	No. of Meetings	Average duration	No. of Meetings	Average duration	No. of Meetings	Average duration
Board of Auditors (as from appointment)	18	2.2	29	2.4	31	2.4
Board of Directors	18	3.48	15	4.15	19	4
Risk & Control Committee	18	3.4	18	3.1	17	3.45
Nominations & Corporate Governance Committee	11	1.2	12	0.55	12	0.37
Related-Party Transactions Committee	3	0.2	4	0.35	9	1.25
Remuneration & Human Resources Committee	16	2	12	1.4	12	1.4
Innovation, Social & Environmental Sustainability Committee	6	2.2	8	2.3	7	1.5
Investment Committee	10	1.4	10	1.35	11	1.5
<b>Total No. Meetings</b>	<b><u>100</u></b>		<b><u>108</u></b>		<b><u>118</u></b>	

In accordance with the Regulation of the Board of Directors and board committees (as amended most recently on 31 July 2024), the Statutory Auditors are currently required to attend, in addition to the meetings of the Board of Directors, those of the Risk & Control Committee, the Related-Party Transactions Committee, the Remuneration & Human Resources Committee, the Investment Committee, the Innovation, Social & Environmental Sustainability Committee, and the Nominations and Corporate Governance Committee<sup>2</sup>.

During the three-year period 2023-2025, the Chair or at least one of the Statutory Auditors always attended all meetings of the Board of Directors and the above-mentioned committees. At collegiate level, during the three-year period 2023-2025, the average attendance of the members of the Board of Statutory Auditors was more than 90%.

The commitment required of the Statutory Auditors is not limited to attendance of meetings; it also involves preparatory analysis of the often extensive documentation made available prior to each meeting of the Board of Statutory Auditors, the Board of Directors, the committees, informal strategic discussions, as well as training and induction sessions.

The activities of the Board of Statutory Auditors are supported by the Corporate Affairs function, particularly with regard to preparing documentation for meetings, providing secretarial support during

<sup>2</sup> Respectively sections 30.3, 32.5, 35.5, 36.7, 40 and 43 of the Regulation of the Board of Directors and board committees.

meetings, taking minutes, and maintaining the minute book. On certain specific issues, the Board of Statutory Auditors was also able to take advice from external experts of its choice.

The Chair of the Board of Statutory Auditors also devotes time to planning board meetings, reviewing meeting minutes, drafting the reports of the audit body, corresponding and talking with management, the chairs of the boards of statutory auditors of the subsidiaries, the chairs of the committees and the Supervisory Body, in order to optimise coordination of the activities of the Board of Statutory Auditors.

Indicatively, the annual average commitment of each member of the Board of Statutory Auditors during the three-year period 2023-2025 was approximately 600 hours (about 750 hours for the Chair of the Board of Statutory Auditors).

**4.3.** In addition to the above, the following factors should also be considered when assessing the commitment required of the Board of Statutory Auditors:

- the Generali Group is subject to the oversight by IVASS and Consob. Therefore, both the Company and the Board of Statutory Auditors are involved, to the extent of their respective competences, in discussions with these Authorities;
- the perimeter of the Group is constantly evolving and gradually expanding. This leads to a consequent and progressive increase in the complexity of the oversight activities attributed to the Board of Statutory Auditors in the exercise of its functions;
- in its capacity as Internal Control and Audit Committee, the Board of Statutory Auditors is required pursuant to art. 16 of EU Regulation 537/2014 to draw up a recommendation for the general meeting regarding the appointment of the external auditors. Considering that the mandate of the current external auditors of the Generali Group will end with the approval of the financial statements as at and for the year ending 31 December 2029, the selection procedure for the appointment of the new external auditors for the nine-year period 2030-2039 will begin in the next three years. It is likely that the selection procedure will require an additional and not insignificant commitment from the Board of Statutory Auditors.

## 5. Considerations on the remuneration of the Board of Statutory Auditors

The annual remuneration of each statutory auditor for the activities described above, as approved by the General Meeting on 28 April 2023, is EUR 130,000; the annual remuneration of the Chair of the Board of Statutory Auditors is EUR 180,000. Each Statutory Auditor is also entitled to an attendance fee of EUR 500 for each meeting of the Board of Directors and the Board Committees.

In this regard, attention is drawn to the fact that recent market analyses have also found the remuneration of the members of audit bodies to be generally inadequate with respect to the growing effort required by current regulations. Specifically, the *“Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code”* (Assonime 6/2024) states *“Statutory auditors’ average pay is significantly (about 23%) lower than that of independent directors. This casts some doubt on its appropriateness, once both the relevant role and the increasing responsibilities of statutory auditors are considered.”*

In this connection, as suggested by the Rules of Conduct<sup>3</sup>, the remuneration of the members of the Board of Statutory Auditors was compared with that of the non-executive directors. Specifically, reference was made to the remuneration of the directors who sit on the RCC, who, in accordance with Company practice, are also members of at least one other board committee. The analysis revealed that the directors receive fixed remuneration both as directors and as committee members, and an attendance fee for attending Board and committee meetings of EUR 4,000 and EUR 2,000, respectively.<sup>4</sup>

Further consideration should be given to the issue in light of art. 16.1 of Ministerial Decree 88/2022, which introduced new limits on the total number of positions held by officers of larger or more operationally complex entities, providing, in particular, that: *“each officer of larger or more operationally complex entities may not hold a total number of positions in entities or other*

<sup>3</sup> As already mentioned above in section 1, the new Rules of Conduct provide that when the appropriateness of the remuneration of the board of statutory auditors is assessed, the remuneration paid to non-executive directors should also be taken into account.

<sup>4</sup> Source: Section II, 2025 Report on Remuneration Policy and Payments.

commercial companies exceeding one of the following alternative combinations:

- a) 1 executive position and 2 non-executive positions;
- b) 4 non-executive positions”

and clarifying, in art. 16.2, that “for the purposes of calculation of the limits referred to in paragraph 1, the position held in the enterprise is included”<sup>5</sup>.

Attention is also drawn to the fact that in the present case:

- the competences of the Board of Statutory Auditors were further extended in connection with the enactment of Lgs.Decree 125/2024 and the role envisaged therein for the Board of Statutory Auditors;
- for the next three-year period, it is reasonable to expect that a not insignificant effort will be required from the Board of Statutory Auditors in connection with the selection procedure for the appointment of the new external auditors for the nine-year period 2030-2039.

## 6. Conclusions

In conclusion, based on the experience acquired during the three-year period, the outgoing Board of Statutory Auditors sets out the following considerations.

From the point of view of the professional competences of the members of the Board of Statutory Auditors, considering: (i) the sector in which the Company operates, (ii) the complexity of its corporate organisation, as well as (iii) the size and high complexity of

the Group, it is considered desirable, and even appropriate, that the new audit body possess complementary expertise and experience in the significant disciplines mentioned in § 3 above. It is particularly important that the mix of competences be well balanced and distributed among the members of the audit body and accompanied by appropriate knowledge of the insurance, banking and financial sector and the principles and operating rules of listed companies.

As regards remuneration adequacy, the Board, considering (i) the comparison between the remuneration of the members of the Board of Statutory Auditors and the Directors who are members of the RCC, (ii) the points raised with regard to the remuneration of statutory auditors in industry analyses, (iii) the constant expansion of the tasks and effort required of the board of statutory auditors, also in light of the developments in sustainability legislation of recent years, and (iv) the upcoming commencement of the selection of the procedure for the assignment of the new statutory audit engagement for the nine-years 2030-2039, considers desirable that the Company review its assessment of the adequacy of the attendance fee accorded to the members of the Board of Statutory Auditors for attending meetings of the Board of Directors and Committees, subject to approval by the General Meeting.

For the sake of completeness, the texts of Rules Q.1.1. and Q.1.5. of the Rules of Conduct for the Boards of Statutory Auditors of Listed Companies of the CNDCEC of December 2024, are reproduced below.

<sup>5</sup> Art. 16 Decree 88/2022.

**Rule Q.1.1. – Composition of the board of statutory auditors****Principles**

*The number of members of the board of statutory auditors and the gender quota criterion are established by law and the certificate of incorporation.*

*The statutory auditors shall be selected among persons who meet the respectability and professionalism requirements established by law and by the articles of association.*

**References**

*Arts. 114, 148 Lgs.Decree no. 58 of 24 February 1998, Consolidated Law on Financial Intermediation (hereinafter TUF); arts. 144-quinquies - 144-quinquiesdecies Issuers' Regulations referred to in Consob resolution no. 11971 of 14.5.1999 as amended and supplemented (hereinafter: Issuers' Regulation); decree of the Ministry of Justice, no. 162, 30 March 2000. Regulation setting out rules for determination of the requirements of professionalism and respectability of the members of the board of statutory auditors of listed companies to be issued pursuant to art. 148, Lgs.Decree no. 58 of 24 February 1998; art. 19.3, Lgs.Decree no. 39/2010: Corporate Governance Committee, Corporate and Governance Code, 2020, art. 2, Recommendation 8; Consob, Communication no. 1/20 of 30 January 2020; Consob, Resolution no. 21359 of 13 May 2020.*

**Application criteria**

*The board of statutory auditors shall consist of not fewer than three statutory auditors and two alternates.*

*The composition of the board of statutory auditors shall comply with the gender quota criterion whereby at least two fifths of the statutory auditors shall be of the less represented gender. If the application of the gender quota criterion does not result in a whole number of members belonging to the less represented gender, this number shall be rounded up to the next higher unit, except in the case of corporate bodies consisting of three members, where rounding shall be down to the next lower unit.*

*With regard solely to newly listed companies, it is stipulated "for the first renewal following the date of commencement of trading" that the percentage to be reserved for the less represented gender shall be equal to "at least one-fifth" of the members.*

*One statutory auditor and one alternate shall be elected, with list voting and in accordance with the procedures established by the Issuers' Regulation, by the minority shareholders who are not connected, directly or indirectly, with the shareholders who submitted or voted for the list obtaining the highest number of votes. The articles of association may establish that more than one minority auditor be elected, envisaging that the places be assigned proportionately in compliance with the criteria set out by the articles of association.*

*The chair of the board of statutory auditors shall be appointed by the general meeting from the members elected by the minority shareholders, if appointed.*

*The statutory auditors shall meet the respectability and professionalism requirements envisaged by law (cf. Ministerial Decree no. 162/2000) and by the articles of association, as well as the independence requirements established by law and by the codes of conduct, for companies that have declared adherence to such codes (Rule Q.1.4).*

**Professionalism requirements**

*At least one of the statutory auditors, if there are three statutory auditors, or at least two of the statutory auditors, if there are more than three statutory auditors, and, in both cases, at least one of the alternates shall be chosen from among the professionals enrolled in the register of auditors and must have exercised the profession of auditing for a period of no less than three years.*

*Auditors who do not meet the above requirement shall be chosen from those who have an overall experience of at least three years in the field of:*

- governance or auditing activities or management activities in business corporations with a share capital of not less than EUR two million;*

- professional activities or tenured university teaching in law, economics, finance and technical-science course subjects, closely related to the business of the company;
- management functions in public entities or public authorities in the credit, finance and insurance industries or in any case in industries closely related to the business sector of the company. The subjects and sectors of activity closely related to the business of the company are established by the articles of association.

As an internal control and audit committee of a Public-Interest Entity, the board of statutory auditors shall be composed of members who, as a whole, have expertise in the sector in which the audited company operates. Consequently, an individual auditor may be appointed who does not possess such expertise, on condition that they acquire such expertise during the term of office by conducting research, acquiring information (also from the company itself) and using the experience of their colleagues regarding the characteristics of the sector.

#### Respectability requirements

[...]

Further requirements of professionalism or respectability may be laid down:

- by special laws regulating specific sectors of activity;
- by the articles of association.

### **Rule Q.1.5. - Remuneration**

#### **Principles**

Before accepting the position, the statutory auditor shall assess whether the proposed remuneration is sufficient recompense for the professionalism, experience and commitment required for the position, considering the reputational importance of the function performed.

#### **References**

Art. 2402 Italian Civil Code; art. 9 Lgs. Decree no. 1 of 24 January 2012, Urgent provisions concerning competition, development of infrastructures and competitiveness, enacted into law, with amendments, by art. 1.1, law no. 27 of 24 March 2012; art. 29 Ministerial Decree no. 140 of 20 July 2012; Law no. 172 of 4 December 2017; Law no. 49 of 21 April 2023; Corporate Governance Code, 2020, art. 5, Recommendations 25 and 30.

#### **Application criteria**

The annual remuneration of the statutory auditors, if not established in the articles of association, shall be determined by the general meeting at the time of the appointment for the entire duration of their term of office. In the event of changes and developments in the business of the entity whereby the commitment of the statutory auditor is no longer consistent and aligned with the agreed remuneration, the board of statutory auditors may, during its term of office, provide in its report information about such developments and suggestions for a review of their remuneration at the first subsequent general meeting. In the event of significant changes in the organisational structure or perimeter of the entity, the remuneration of the statutory auditors may be adjusted with a specific and reasoned resolution of the general meeting.

Taking into account its own experience and the results of its self-assessment, it is good practice for the outgoing board, ahead of its renewal, to provide the shareholders with guidance on the professional profiles and expertise that will appropriately complement the qualitative composition of the board, as well as the time commitment required to perform the engagement and the appropriate remuneration to attract persons of appropriate standing, without neglecting the provisions of Law no. 49 of 21 April 2023. The guidance of the outgoing board of statutory auditors shall be published on the Company website sufficiently in advance of publication of the notice of call of the shareholders' meeting for its renewal.

On accepting the candidacy, the candidate auditor shall assess the adequacy of the proposed remuneration, taking into account:

- *the breadth and complexity of the engagement in relation to the nature, size, including the economic size (for example, the volume of positive income components and of activities), complexity, sector of activity, organisational structure, number and size of the companies included in the consolidation, the condition and other characteristics of the company, also with reference to comparable international experiences;*
- *any document produced by the outgoing board of statutory auditors, assessing with attention the time commitment required to perform the engagement and the professional competences and experience required;*
- *the remuneration of the non-executive directors, as well as the remuneration criteria for attendance at meetings of the board committees;*
- *with reference to the remuneration of the chair of the board of statutory auditors, the time commitment required to perform the role, and the remuneration of the chair of the control and risks committee;*
- *current laws and regulations.*

