

# ORDINARY SHAREHOLDERS' MEETING

**APRIL 24, 2025**

## **Board of Directors' Report**

**Assignment of the audit firm mandate and of the certification of the  
conformity of the sustainability report**

*(item 2 on the agenda)*



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 62,461,355.84  
MILAN MONZA BRIANZA LODI COMPANY REGISTER AND TAX CODE 00607460201  
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.  
REGISTERED OFFICE: 20121 MILAN, VIA CIOVASSINO, 1 - PHONE 02.467501  
OFFICES: 78280 GUYANCOURT (FRANCE), IMMEUBLE RENAISSANCE – 1, AVENUE CLAUDE MONET - PHONE 0033 01 61374300 -  
WEBSITE: [WWW.SOGEFIGROUP.COM](http://WWW.SOGEFIGROUP.COM)

## **BOARD OF DIRECTORS' REPORT TO THE ORDINARY SHAREHOLDERS MEETING**

### **2. Assignment of the audit firm mandate and of the certification of conformity of sustainability report**

Dear Shareholders,

This Report has been prepared pursuant to art. 125-ter, paragraph 1, of Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and additions (the “**TUF**”) and art. 84-ter of the Regulation adopted with Consob resolution no. 11971 of 14 May 1999 and subsequent amendments and additions (the “**Issuers’ Regulation**”).

This Report has been approved by the Board of Directors of Sogefi S.p.A. (the “**Company**” or “**Sogefi**”), and is made available to the public, within the terms of the law and regulations, at the registered office, on the Company’s website (section “Investors – Shareholders’ Meeting”), as well as in the other ways provided for by current legislation.

\* \* \*

The statutory audit of Sogefi's accounts is currently carried out by KPMG S.p.A. by virtue of the assignment granted by the Company's Shareholders' Meeting on 26 April 2017, for the period 2017-2025, which will expire with the approval of the financial statements at 31 December 2025.

In light of the applicable regulatory provisions, the Board of Statutory Auditors, in its role as Internal Control and Auditing Committee pursuant to Legislative Decree 135/2016, deemed it appropriate that the Shareholders' Meeting, called to approve Sogefi’s financial statements at 31 December 2024, also resolve on the choice of the Company's new statutory auditor for the period 2026-2034. In line with a practice now widespread among many listed companies, the selection procedure for the new audit firm for the 2026-2034 financial years has been anticipated of one year with respect to the expiry of the mandate of KPMG S.p.A., as this allows for a more efficient rotation between the outgoing and incoming audit firms, and ensures compliance with the *cooling-in period* rule introduced by the art. 5 of the European Regulation to safeguard the independence of the incoming auditor.

Furthermore, Legislative Decree no. 125/2024 abrogated the legislation on the communication of non-financial information introduced into our legal system by Legislative Decree no. 254 of 30 December 2016, implementing Directive 2014/95/EU, and replaced the obligation to draft a non-financial statement with the obligation to include the sustainability report containing the information required by the Decree in a specific section of the management report.

For the current financial year, the certification of conformity of sustainability report, provided for by Article 8 of Legislative Decree 125/2024, will be carried out by the current auditor KPMG S.p.A., in compliance with the provisions of the transitional provisions pursuant to Article 18 of Legislative Decree no. 125/2024, but, for the reasons indicated above, the Board of Statutory Auditors has deemed it appropriate for the Shareholders' Meeting convened for the approval of Sogefi's financial statements as of December 31, 2024, to also resolve on the assignment of the certification of conformity of sustainability report for the period 2026-2028. In this regard, pursuant to the amended Article 13, paragraph 2-ter of Legislative Decree no. N. 39/2010, the task of certifying the conformity of the consolidated sustainability report is assigned, upon reasoned proposal of the supervisory body, by the Shareholders’ Meeting, which also determines the fee due to the sustainability auditor for the entire three-year duration of the assignment and any criteria for adjusting such fee during the assignment. It should be noted that, pursuant to the legislation in force,

the assignment may be renewed no more than twice and may be assigned again to the same auditor only after the expiry of four financial years.

The Company is subject to direction and coordination of CIR S.p.A. (hereinafter the “Parent Company”), and in this context the Parent Company has deemed it appropriate to assign the task of statutory auditing of accounts and the task of certification of conformity of sustainability report for all companies belonging to it, including the Company, initiating the procedure for the selection of the new auditing firm in accordance with the provisions of the applicable legislation on statutory auditing of accounts and in particular, with reference to Articles 17 and 19 of Legislative Decree no. 39 of 27 January 2010 and Article 16 of Regulation (EU) no. 537 of 16 April 2014.

The Board of Statutory Auditors, in its capacity as Internal Control Committee, has formulated, in accordance with the relevant legislation, a reasoned proposal, providing for two possible alternatives for the assignment of the statutory audit task and two alternatives for the assignment of the certification of conformity of the sustainability report, indicating, for each, the preference for one of the two candidates.

Having said that, the Shareholders' Meeting of the Company is called upon to resolve on the proposals presented, also pursuant to Article 13 of Legislative Decree No. 39/2010 and subsequent amendments, by the Board of Statutory Auditors, concerning **(i)** the assignment of the statutory audit task for the period 1 January 2026 – 31 December 2034 and determination of the related compensation and **(ii)** the assignment of the certification of conformity of the sustainability report of the Company for the period 2026-2028 and determination of the related compensation.

The aforementioned reasoned proposal of the Board of Statutory Auditors, in its capacity as Internal Control and Auditing Committee, is attached hereto.

\* \* \*

Given the above, the Board of Directors invites the Shareholders' Meeting to adopt the following resolutions:

## **Item 2.a on the agenda: assignment for the statutory audit mandate**

### **2.a.1)**

“the Shareholders' Meeting of Sogefi S.p.A.

- having acknowledged the illustrative report of the Board of Directors;
- having examined the reasoned proposal formulated by the Board of Statutory Auditors;

#### **resolves**

1. to approve the reasoned recommendation of the Board of Statutory Auditors regarding the assignment for the statutory audit of the financial statements and consolidated financial statements to the auditing firm EY S.p.A. for the financial years 2026-2034, consequently appointing the same, and to determine the annual fee in Euro 981,000;
2. to grant the Chairman of the Board of Directors all necessary and appropriate powers to implement this resolution”.

Alternatively, if the previous resolution is not approved:

**2.a.2)**

“the Shareholders’ Meeting of Sogefi S.p.A.

- having acknowledged the illustrative report of the Board of Directors;
- having examined the reasoned proposal formulated by the Board of Statutory Auditors;

**resolves**

1. to assign the task of legal auditing of the financial statements and consolidated financial statements to the auditing firm PricewaterhouseCoopers S.p.A. for the financial years 2026-2034, consequently appointing the same, and to determine the annual fee in Euros 1,381,500;
2. to grant the Chairman of the Board of Directors all necessary and appropriate powers to implement this resolution”.

**Item 2.b on the agenda: assignment of limited audit of sustainability report**

**2.b.1)**

“the Shareholders’ Meeting of Sogefi S.p.A.

- having acknowledged the illustrative report of the Board of Directors;
- having examined the reasoned proposal formulated by the Board of Statutory Auditors;

**resolves**

1. to approve the reasoned recommendation of the Board of Statutory Auditors regarding the assignment of the limited audit of the sustainability report of the Company to the auditing firm EY S.p.A. for the financial years 2026-2028, consequently appointing the same, and to determine the annual fee in Euro 119,000;
2. to grant the Chairman of the Board of Directors all necessary and appropriate powers to implement this resolution”.

Alternatively, if the previous resolution is not approved:

**2.b.2)**

“the Shareholders’ Meeting of Sogefi S.p.A.

- having acknowledged the illustrative report of the Board of Directors;
- having examined the reasoned proposal formulated by the Board of Statutory Auditors;

**resolves**

1. to assign the task of limited auditing of the sustainability report of the Company to the auditing firm PricewaterhouseCoopers S.p.A. for the financial years 2026-2028, consequently appointing the same, and to determine the annual fee in Euro 144,000;
2. to grant the Chairman of the Board of Directors all necessary and appropriate powers to implement this resolution”.

## COURTESY TRANSLATION

**PROPOSAL OF THE BOARD OF STATUTORY AUDITORS - IN ITS CAPACITY OF INTERNAL CONTROL AND AUDIT COMMITTEE - FOR THE ATTRIBUTION OF THE STATUTORY AUDIT ASSIGNMENT FOR FISCAL YEARS 2026-2034 AND OF THE ASSIGNMENT TO ATTEST THE CONFORMITY OF THE SUSTAINABILITY REPORT FOR FISCAL YEARS 2026-2028 IN ACCORDANCE WITH ART. 13 OF LGS. DECREE No. 39 OF JANUARY 27, 2010 AND WITH ART. 16 OF EU REGULATION No. 537/2014**

To the Shareholders of the Company Sogefi S.p.A. (hereinafter also “Sogefi” or the “Company”)  
The Board of Statutory Auditors

**WHEREAS**

- the ordinary Shareholders’ Meeting of Sogefi attributed to the audit firm KPMG S.p.A. the assignment to carry out the statutory audit of the accounts for fiscal years 2017-2025 and in addition to the above, in compliance with the new duties derived from EU Directive 2022/464 (Corporate Sustainability Reporting Directive - CSRD) the assignment to attest the conformity of the sustainability report;
- the aforementioned assignments will expire on the date of the shareholders’ meeting convened to approve the financial statements as at December 31, 2025;
- according to the current rules on the statutory audit of the accounts of Entities of Public Interest (hereinafter also **“EPI”**) as defined by art. 16 of Lgs. Decree No. 39/2010:
  1. the assignment for the statutory audit of the accounts cannot be granted again to the same audit firm, unless at least four financial periods have elapsed from the date of expiration of the current assignment, in accordance with art. 17 of Lgs. Decree No. 39 of January 27, 2010;
  2. the new statutory audit assignment shall be entrusted according to a specific selection process, pursuant to art. 16 of European Regulation No. 537/2014 of the European Parliament and Council of April 16, 2014 (hereinafter also **“EU Regulation No. 537/2014”** or the **“European Regulation”**);
  3. in accordance with art. 17, paragraph 1 of Lgs. Decree No. 39/2010, the statutory audit assignment to be attributed to the audit firm shall cover nine fiscal years;
  4. in accordance with art. 13, paragraph 2-ter, of the Lgs. Decree No. 39/2010 (as amended by the Lgs. Decree no. 125/2024) the assignment to attest the conformity of the sustainability report shall cover three fiscal years and expire on the date of the shareholders’ meeting convened to approve the financial statements for the third fiscal year of the assignment, and can be renewed no more than twice;
  5. based on the provisions of art. 13 of Lgs. Decree No. 39/2010, statutory audit assignments (subparagraph 1) and assignments to attest the conformity of the sustainability report (subparagraph 2-ter) are attributed by resolution of the ordinary shareholders’ meeting, on a proposal of the Supervisory Body;
- in order to ensure an effective transition from the outgoing auditor to the newly appointed auditor, as well as to ensure compliance with the terms set to protect the auditor’s independence, the parent company CIR S.p.A., upon initiative of the Board of Statutory Auditors - through the competent corporate functions - has initiated, ahead of time with respect to the expiration of the mandate of KPMG, a selection procedure - which ended in February 2025 - for attribution of:
  1. the statutory audit assignment for the nine-year period 2026-2034 (hereinafter also the **“Audit Assignment”**), in accordance with the European Regulation and with Lgs. Decree No. 39 of January 27, 2010;
  2. the assignment to attest the conformity of the sustainability report for the three-year

## COURTESY TRANSLATION

period 2026-2028, in accordance with art. 8 of Lgs. Decree No. 125/2024, whereby the appointed auditor express its conclusions, in the report pursuant to art. 14-*bis* of Lgs. Decree No. 39/2010, on the conformity of said report to the rules of Lgs Decree No. 125/2024 - the so-called *limited assurance* (hereinafter also the **“Assignment to Attest”**);

- that Sogefi is controlled by CIR S.p.A. and is subject to management and coordination by the latter pursuant to art. 2497 et seq. of the Civil Code;
- that the offers received by CIR S.p.A. and evaluated by the Board of Statutory Auditors of CIR S.p.A. also concerned auditing services relating to the subsidiaries of CIR S.p.A., including Sogefi;
- that the Board of Statutory Auditors of Sogefi attended the selection process through various interviews with the relevant corporate structures and with the Board of Statutory Auditors of the parent company CIR S.p.A.;
- with regard to the Assignment to Attest, in consideration of the provisions of art. 8, paragraph 2, Lgs. Decree No. 125/2024 which allow the assignment to attest the sustainability reporting to the same auditor in charge of the legal audit of the financial statements, or alternatively to another auditor, it was deemed appropriate to consider the same subjects who submitted the offer in the selection procedure for the assignment of the Audit Assignment, provided that at the end of the first three-year period the Assignment to Attest can be renewed under the same conditions, both from a qualitative and quantitative point of view;
- that with a communication dated 21 February 2025, the Board of Statutory Auditors of CIR S.p.A. informed Sogefi's Board of Statutory Auditors of how, in accordance with the Principles of Conduct of the Board of Statutory Auditors of listed companies and in view of the opinion to the Shareholders' Meeting that will be drawn up pursuant to art. 19 of Lgs. Decree No. 39 of 27 January 2010 and art. 16 of EU Regulation no. 537/2014, it intends to propose the assignment of the statutory audit alternatively to the companies EY S.p.A. and PWC S.p.A., expressing a preference for EY S.p.A.;
- that pursuant to art. 13, paragraph 1 of Lgs. Decree no. 39 of 27 January 2010, the Shareholders' Meeting of Sogefi, that will approve the financial statements at 31 December 2025, must assign the audit assignment upon proposal of the Board of Statutory Auditors;
- that the Board of Statutory Auditors of Sogefi has submitted to the Board of Directors of the Company, pursuant to art. 16, paragraph 2, of the European Regulation, a recommendation indicating two possible alternatives for the assignment of the Audit Assignment and expressing a duly motivated attraction for one of the two, manifested following the final assessment carried out at the end of the selection procedure;
- in accordance with art. 16, paragraph 5, of the European Regulation, as well as with art. 13 of Lgs. Decree No. 39/2010, this proposal is made to the shareholders' meeting of the Company to attribute the Audit Assignment and the Assignment to Attest, based on the contents of the Recommendation pursuant to the above section and also containing the same two alternative options for attribution of the aforementioned assignments;
- the proposal contains a duly motivated preference for one of the two audit firms - namely EY S.p.A. - for attribution of both the Audit Assignment and the Assignment to Attest.

## CONSIDERED

- that the Board of Statutory Auditors of Sogefi has received a proposal from the two auditing firms EY S.p.A. and PWC S.p.A. for the statutory audit assignment for the nine-year period 2026-2034;
- that, with regard to the subject of the assignment, said proposals provide, for each financial year, the following:
  - Legal audit of the separate financial statements, including periodic checks pursuant to Legislative Decree 39/2010 and activities aimed at signing tax returns pursuant to art. 1, c 5 of Presidential Decree 22 July 1998 no. 322 as amended by art.1 c 94 Law



## COURTESY TRANSLATION

no. 244/2007;

- Legal audit of the consolidated financial statements of the Sogefi Group in the Italian and English versions (including the issuing of the audit report in the Italian and English versions to be attached to the Annual Report);
  - Expression of opinion on the consistency and compliance with the law of the management report and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2 letter b) of art. 123-bis of Lgs Decree 58/98, presented in the corporate governance report;
  - Verification of the preparation of the Remuneration Report;
  - Preparation of the additional Report required by art. 11 of EU Regulation 537/2014;
  - Review of the entire consolidated financial report in ESEF format (I-XBRL);
  - Limited review of the half-yearly consolidated financial statements of the Sogefi Group pursuant to Consob communication no. 97001574 of 20/2/1997 in the Italian and English versions (including the issuance of the limited audit report in the Italian and English versions to be attached to the Half-yearly Financial Report);
- that, exclusively with regard to the Assignment to Attest, for the three-year period 2026-2028, a limited assurance engagement is envisaged for the consolidated sustainability declaration pursuant to Lgs. Decree no. 125 of 6 September 2024.
  - that for the activities indicated above, the quantification of the time deemed necessary to carry out the assignment and the related quantification of the fees, for each financial year and divided by bidder, is as follows:
    - with regard to EY S.p.A.: Legal audit Effort/hours: 13,947 – Fees in Euro: 981,000 (see EY proposal summary) and for the Limited audit of the Consolidated Sustainability Reporting Effort/hours: 1,686 – Fees in Euro: 119,000 (see EY proposal summary)
    - with regard to PWC S.p.A.: Legal audit Effort/hours: 16,051 – Fees in Euro: 1,381,500 (see PWC proposal summary) and for the Limited audit of the Consolidated Sustainability Reporting Effort/hours: 1,593 – Fees in Euro: 144,000 (see PWC proposal summary)
  - in addition to the fees indicated above, which exclusively concern professional services for the assignment covered by this letter, the following will be charged:
    - i) out-of-pocket expenses incurred in carrying out the work (such as travel, overnight stays, etc.) to the same extent as they are incurred;
    - ii) any supervisory contribution, which will be established by provision by the competent authorities, where applicable, in an amount equal to the defined percentage in force at the time of issuing the relevant invoice, and VAT.

The amounts of the fees indicated above are based on the current hourly rates which may increase within the limits of the increase in ISTAT index relating to the cost of living compared to the previous year;

For PWC, the fees may be revised after having previously discussed them with the Company in the event that circumstances arise that lead to an increase in time, a change in the mix of resources or the intervention of specialist resources in addition to what was estimated.

### VERIFIED

- that the commitment indicated in the proposals in terms of number of hours and professional resources envisaged is adequate in relation to the scope and complexity of the assignment;
- that the proposing audit firms have declared, with respect to the entire CIR Group, that they possess the independence requirements set forth by current legislation and that therefore at present there are no situations of incompatibility;
- that the statutory audit firms in question declare that they have an organisation and technical-

## COURTESY TRANSLATION

professional suitability adequate to the scope and complexity of the assignment;

## CONSIDERED

- that the assignment of the statutory audit task to a single entity promotes the unity of the audit process within the corporate group to which it belongs, and in particular allows for greater effectiveness and efficiency of the intra-group accounting audit and a corresponding reduction in the related costs and bureaucratic obligations;
- that the Board of Statutory Auditors of CIR has expressed its preference for the audit firm EY S.p.A. for the reasons given below:

*“1. during the scheduled meetings, the EY work team appeared more “rounded”, i.e. more solid and prepared especially with regard to the Partner responsible for the ESG activity and the Partner responsible for Healthcare.*

*2. The Fees quoted by EY are significantly lower (by approximately 500k) than those quoted by PwC. This difference is mostly attributable to the application of a lower hourly cost rate for the resources, not justified by their competence. Indeed, the EY team appeared particularly mature and prepared.*

*3. The third element is given by the circumstance that EY estimated the working hours on the subsidiary Sogefi to an adequate extent and in any case to a greater extent than those carried out by the current auditor KPMG.”*

The Board of Statutory Auditors, in its capacity as Supervisory Body and Committee for internal control and auditing, in relation to the Audit Assignment for the nine-year period 2026-2034 and the Assignment to Attest for the three-year period 2026-2028

## PROPOSES

to the ordinary Shareholders' Meeting of the Company, in accordance with art. 13 of Lgs. Decree No. 39/2010, to attribute, with a formal resolution:

- the Audit Assignment for fiscal years 2026-2034;
- the Assignment to Attest the conformity of the sustainability report for fiscal years 2026-2028, in this case with right of renewal no more than twice, and provided it can be renewed at the same qualitative and quantitative conditions upon the expiration of the first three-year period;

to the firm EY S.p.A. or, alternatively, to the firm PwC S.p.A., and expresses its preference for attributing both assignments to the audit firm EY.

Milan, February 26, 2025

For the Board of Statutory Auditors

Ms. Daniela Delfrate