



Guidelines of the Board of Statutory Auditors of AVIO S.p.A. on the composition and remuneration of the new Board of Statutory Auditors to be appointed by the Shareholders' Meeting of 28 April 2026

DOCUMENT APPROVED BY THE BOARD OF STATUTORY AUDITORS AT ITS MEETING OF 23 FEBRUARY 2026 IN LINE WITH THE RULES OF CONDUCT OF THE BOARD OF STATUTORY AUDITORS OF LISTED COMPANIES ISSUED BY THE NATIONAL COUNCIL OF CHARTERED ACCOUNTANTS AND ACCOUNTING EXPERTS IN DECEMBER 2024

Foreword

Dear Shareholders,

with the approval of the financial statements as of 31 December 2025, the mandate of this Board of Statutory Auditors will expire.

The next Shareholders' Meeting of Avio S.p.A. ("**Avio**" or the "**Company**"), convened for 28 April 2026, in single call, will therefore be called upon to appoint the Company's supervisory body for the financial years 2026 to 2028 and determine its remuneration.

In this regard, it should be noted that:

- a) Standard Q.1.5. of the "*Rules of conduct of the Board of Statutory Auditors of listed companies*" (December 2024 edition – "Rules of Conduct"), concerning remuneration, recommends, *inter alia*, that the outgoing Board of Statutory Auditors issue, for Shareholders' benefit, ahead of the renewal of the Board of Statutory Auditors – taking into consideration the Board's experience and the outcome of the self-assessment – guidelines on:
 - candidates and competencies to adequately enhance the qualitative composition of the Board of Statutory Auditors;
 - the amount of time to devote to the assignment;
 - adequate remuneration to attract candidates of adequate standing, taking into consideration the provisions of law no. 40 of April 21, 2023 (Provisions on adequate remuneration of professional services).
- b) Principle VIII of the Corporate Governance Code, issued by the Italian Corporate Governance Committee of Borsa Italiana S.p.A. (January 2020 edition), to which Avio adheres, provides that "*the supervisory body shall have an adequate composition to ensure the independence and professionalism of its function*".

Accordingly, this Board of Statutory Auditors, based on its experience, and the positive results of the self-assessment evaluations conducted by an independent international firm for each financial year of the mandate (2023, 2024 and 2025), intends to submit to the Shareholders of Avio:

- a brief representation of skills and professional qualifications, additional to those provided for by law, which can ensure an efficient and effective functioning of the Board of Statutory Auditors to be appointed by the Shareholders' Meeting called to approve the 2025 financial statements;
- considerations aimed at: (i) outlining the complexity of the assignment in terms of time commitment required to the members of the Board of Statutory Auditors, (ii) optimizing the qualitative and quantitative composition of the incoming Board of Statutory Auditors, and (iii) enabling specific assessments regarding the adequacy of remuneration recognized for the performance of the assignment.

Complexity of the assignment in terms of time commitment

It should be considered that the next Board of Statutory Auditors will face a significant commitment, together with consequent responsibilities, also in relation to obligations towards the various Supervisory Authorities, given the operational specificities of the Group, its expanded structure, its international reach, its growth prospects, and the relevance and complexity of the applicable legislation.

The Board of Statutory Auditors of a listed parent company, such as Avio, is in fact required, as part of its control activities, to monitor also the dynamics of management and coordination activities with regard to subsidiaries. This involves careful supervision of the overall internal regulatory system and adequate information exchanges with the Boards of Statutory Auditors of the subsidiaries.

Of particular importance are the tasks of the Board of Statutory Auditor related to:

- a) the rules governing statutory audit, implemented at European level, which assigned specific responsibilities to the Board of Statutory Auditors with regard to the exchange of information flows with the external Auditor;
- b) the amendments to the provisions regarding non-financial information, following the adoption of EU Directive 2022/2464, known as Corporate Sustainability Reporting Directive (CSRD);
- c) the provisions of Legislative Decree no. 138 of September 4, 2024, implementing EU Directive 2022/2555 (so called NIS2), introducing prescriptions to prevent and manage cybersecurity

risks.

Furthermore, it should be noted that, also in the next three years, the Board will continue, on an ongoing basis, monitoring (i) the progressive improvement of the structural components of the Internal Control and Risk Management System and (ii) their integration into the organizational and corporate governance structures.

Therefore, the members of the Board of Statutory Auditors who will be appointed must be aware that the office will require a substantial part of their time, due to their participation in the meetings of the Board of Statutory Auditors, the Board of Directors, and the Committees, in which, as a general rule, all members of the Board of Statutory Auditors participate. Furthermore, in the opinion of the Board of Statutory Auditors, constant and timely attendance at these meetings is essential for the overall supervisory function of the control body.

In this regard, it should also be emphasized that the commitment does not end with attending the above-mentioned meetings; even more important is the time that must be devoted individually to reviewing the documentation provided in advance, so that the corporate bodies/internal committees are adequately informed to take measures within their respective areas of responsibility.

Consideration should also be given to participation in induction sessions covering various topics of interest, aimed at providing updates and in-depth analysis on governance issues and matters related to the specific activities of the Group.

To facilitate an assessment of the commitment deemed necessary for effective participation in the meetings of Avio's corporate bodies, the following table summarizes the participation frequency of this Board of Statutory Auditors in the meetings during the three-year period 2023–2025.

Corporate Bodies and Board Committees	Meetings 2023*	Meetings 2024	Meetings 2025
Board of Statutory Auditors	19	19	20
General Meeting	1	2	2
Board of Directors	14	10	11
Control and Risk Committee	10	8	9
Control and Risk Committee (acting as Committee on Related Parties Transactions)	2	4	2
Nomination and Remuneration Committee	8	10	10
Sustainability Committee	5	7	5
Induction Sessions	-	-	1

**in this table are listed all the meeting of the financial year 2023, given that the Board of Statutory Auditors was confirmed by the General Meeting of April 28, 2023 with the same composition as the previous mandate.*

In addition, the Board of Statutory Auditors met with the Supervisory Body (“Organismo di Vigilanza”, the Internal Audit Function and the Chairmen of the Board of Statutory Auditors of the subsidiary companies.

Account should also be taken of the time required for the subsequent revision of minutes of the meetings, particular meetings of the Board of Statutory Auditors itself.

The outgoing Board of Statutory Auditors therefore invites the Shareholders’ Meeting to give adequate consideration to the foregoing, in the interest of the Company and of the members of the new Board of Statutory Auditors, who will have to ensure adequate time to carry out their duties, taking into account the number and complexity of the positions they may hold in corporate bodies of other companies, in compliance with law and statutory provisions, in force from time to time, regarding the aggregation of assignments, and the commitment required by any other professional activities they may perform.

Qualitative and quantitative composition of the supervisory body

Article 17 of Avio By-laws provides that the Board of Statutory Auditors consists of 3 standing auditors, including the Chairman, and 2 Alternate Auditors.

Professionalism and independence of the Statutory Auditors promote effective supervision of the internal control system.

With reference to the requirements of independence and professionalism, to profiles relating to compliance with gender quotas, and the causes of ineligibility, incompatibility and forfeiture, reference should be made to current legislation, the Corporate Governance Code ⁽¹⁾ and Article 17 of the By-laws.

The activities of the Board of Statutory Auditors require that professionals selected possess adequate previous experience (i) in similar roles held in companies, including listed companies, of comparable or larger size, with complex governance; (ii) acquired, given the growth perspectives, in industrial companies operating in an international environment.

The Board of Statutory Auditors also recognizes the value of diversity in its composition, not only with regard to gender and age, but also with regard to professional background.

The Board of Statutory Auditors therefore invites Shareholders to consider the importance that the new Board of Statutory Auditors be composed of professionals with diversified skills and, where possible, members with proven experience and knowledge in the fields of:

- i) corporate governance;
- ii) internal control and risk management systems;
- iii) accounting and auditing standards;
- iv) primary and secondary legislation, applicable to listed companies;
- v) regulations relating to ESG issues;
- vi) cybersecurity, innovation and corporate information systems;
- vii) management remuneration policies.

In addition to the above requirements, this Board of Statutory Auditors recommends that the characteristics and skills of the candidate (so-called “soft skills”) be considered in selecting candidates, among which the following are noteworthy:

- ability to manage conflicts constructively;

⁽¹⁾ Recommendation 9 – “All members of the supervisory body meet the independence requirements set out in Recommendation 7 for directors”.

- ability to work in a team;
- ability to interact with management;
- ability to evaluate the integration of sustainability issues into the business activities;
- good knowledge of English.

Candidate selection should therefore aim to ensure that the Board of Statutory Auditors is composed of different and complementary skills and experiences, reflecting individual professional backgrounds.

With specific reference to the role of the Chairman, the Board of Statutory Auditors recommends that the same be endowed with adequate experience, competence and authority for the performance of the tasks of organizing and coordinating the activities of the control body, thereby ensuring adequate alignment between the Board of Statutory Auditors and the activities carried out by other parties involved in the governance of the internal control and risk management system.

Finally, the Board of Statutory Auditors recommends that the renewal take into account the benefits of a structure that ensures, if possible, continuity in the performance of supervisory tasks leveraging the commitment already made and the experience gained. The presence of continuing members in the new Board of Statutory Auditors would allow them to better capitalize on their knowledge of the Group's business and dynamics, acquired during their previous mandates.

Adequacy of remuneration for the performance of the assignment

The remuneration of the current Board of Statutory Auditors was set by the Avio Shareholders' Meeting of April 28, 2023, providing for an annual remuneration of Euro 55,000.00 for the Chairman of the Board of Statutory Auditors and Euro 38,000.00 for each Standing Auditor, gross of withholding taxes.

The remuneration to be determined in favour of the new Board of Statutory Auditors should be commensurate with its tasks and responsibilities, including in terms of necessary constant professional development.

In this regard, the Board of Statutory Auditors deem opportune to highlight – in addition to the Standard Q.1.5. of the "Rules of Conduct" – also Recommendation 30 of the Corporate Governance Code, which, to attract personnel of adequate standing, provides that the remuneration of members of the Board of Statutory Auditors shall be appropriate to the competence, professionalism and commitment required by the importance of the role held and to the size and sector of the company and its situation and shall be defined taking into account remuneration practices prevalent in the relevant sectors and for companies of similar size, considering comparable foreign practices.

To assess the adequacy and fairness of the remuneration determined by the Shareholders' Meeting for members of the Board of Statutory Auditors, a comparison with the compensation awarded to non-executive directors is useful.

These compensations include remuneration for participation in internal Board Committees, for the purpose of ensuring consistent corporate bodies remuneration.

The outgoing Board of Statutory Auditors trusts that these "Guidelines" will be considered practical aid in the process of selecting candidates for offices of Chairman and Statutory Auditors on the new Board of Statutory Auditors, and for the purpose of determining remuneration for the performance of the assignment.

The Board of Statutory Auditors of Avio approved this document at its meeting held on February 23, 2026.

The Board of Statutory Auditors

Vito Di Battista

(Chair)

Mario Busso



(Standing Auditor)

Michela Zeme

(Standing Auditor)
