

## BOARD OF DIRECTORS ILLUSTRATIVE REPORT REGARDING ITEM 6 ON THE AGENDA OF THE SHAREHOLDERS' MEETING CALLED FOR APRIL 27, 2023

Dear Shareholders,

Pursuant to Articles 114-bis and 125-ter of Legislative Decree No. 58/98 as subsequently amended, we inform you that Elica S.p.A. (the "Company" or "Elica") proposes to resolve on the appointment of the independent auditor for the fiscal years 2024-2032 and the determination of the related compensation.

According to current regulations applicable to Italian issuers of securities traded on regulated markets in Italy and the European Union, and in particular pursuant to European Regulation No. 537/2014 and Legislative Decree No. 39/2010 (as amended by Legislative Decree No. 135/2016):

- the legally-required audit assignment granted to an independent audit firm shall last nine years, and may not be renewed if at least four years have not elapsed since the previous assignment has concluded;
- the new legally-required audit engagement must be awarded using a special selection procedure, to be carried out in accordance with the criteria and procedures set out in the aforementioned European Regulation;
- Pursuant to Article 13 of Legislative Decree No. 39/2010, which contains the recommendation under Article 16 of the aforementioned European Regulation, and on the reasoned proposal of the Board of Statutory Auditors, the Shareholders' Meeting grants the audit appointment for the duration of nine years and establishes the fee paid to the independent audit firm for the entire duration of the appointment and any amending criteria for this fee during the appointment.

In this regard, we note that the appointment of the independent audit firm KPMG S.p.A., which was granted by Shareholders' Meeting motion of April 29, 2015, will conclude with the Shareholders' Meeting called to approve the 2023 financial statements. On that date, the appointment of KPMG S.p.A. may not be renewed and it will therefore be necessary to appoint a different company to carry out the legally-required audit for the years 2024-2032.

Given the size and complexity of the Group, the Company's Board of Statutory Auditors, in agreement with the relevant corporate functions, deemed it appropriate to begin the procedure to select the new independent audit firm for the years 2024-2032 one year before the conclusion of KPMG's mandate. Beginning the procedure early, which is now common practice among listed companies, makes it possible to ensure an adequate turnover period between the outgoing and incoming independent audit firm, guaranteeing high standards of efficiency, and ensuring compliance with time limits set to safeguard the auditor's independence.

We note that the independent audit firms involved in the selection activity were invited to submit a bid for the engagement of the Elica Group's legally-required audit; the invitation to bid also covered the audit engagements for the Company's subsidiaries, in the interests of optimising the auditor's work across the entire Elica Group.

The most qualified independent audit firms took part in the selection process, and an assessment of the most significant qualitative and economic-quantitative parameters was carried out for each bid submitted.

Once the selection procedure was complete, on March 13, 2023 the Board of Statutory Auditors, taking into account the results of the procedure, submitted its reasoned proposal formulated pursuant to Article 13 of Legislative Decree No. 39/10, also containing the recommendation referred to in Article 16 of EU Regulation 537/2014, which is attached in full to this report under Annex A) and to which full reference should be made.

**Elica S.p.A.**

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AN ISO 9001 ISO 14001 ISO 45001  
CERTIFIED COMPANY



The assessment criteria considered and the methods used to carry out the selection are detailed in the recommendation mentioned above.

Specifically, taking into account the bids received and the assessments made, the Board of Statutory Auditors expressed its preference, primarily, for the bid made by the independent audit firm EY S.p.A. and, secondly, to for the bid made by the independent audit firm PricewaterhouseCoopers S.p.A, for the appointment as independent auditor for the years 2024-2032, pursuant to Articles 13, paragraph 1, and 17, paragraph 1, of Legislative Decree No. 39/2010, as amended, respectively, by Articles 16 and 18 of Legislative Decree No. 135/2016 and Article 16 of European Regulation No. 537/2014 of the European Parliament and of the Council of April 16, 2014.

Considering the above, having noted the attached Board of Statutory Auditors' recommendation and the Board of Statutory Auditors' validation of the assessment process, we invite you to approve the Board of Statutory Auditors' proposal and submit to you the following

### Proposal

*"The Shareholders' Meeting of Elica S.p.A., acknowledging that the selection procedure has met all the requirements set out in the aforementioned Legislative Decree No. 39/2010 and EU Regulation 537/2014, having examined the Board of Directors' illustrative report, considering the reasoned recommendation made by the Board of Statutory Auditors regarding the appointment of the statutory auditors of Elica S.p.A. for the years 2024-2032, and agreeing with the reasons,*

### RESOLVES

- *to approve the recommendation made by the Board of Statutory Auditors, in accordance with the terms and methods set out in the "Recommendation of the Board of Statutory Auditors, acting as the Internal Control and Audit Committee, pursuant to Article 19, paragraph 2, letter A) of Legislative Decree No. 39/2010, on the appointment of the independent audit firm for the years 2024-2032" which, based on the reasoned preference put forward, proposes:*
  - (i) in the first instance, to appoint the company EY S.p.A., which came first in the ranking based on the qualitative and economic-quantitative criteria used in the selection procedure and which, therefore, was considered most suitable for the task of carrying out the statutory audit for the nine-year period 2024-2032, under the conditions and for the fee set out in the bid made by the aforementioned independent audit firm attached as Annex 1) to the "Recommendation of the Board of Statutory Auditors, acting as the Internal Control and Audit Committee, pursuant to Article 19, paragraph 2, letter A) of Legislative Decree No. 39/2010, on the appointment of the independent audit firm for the years 2024-2032";*
  - (ii) alternatively - specifically, if the appointment referred to in point (i) above is not approved following the vote - to award the company PricewaterhouseCoopers S.p.A, which came second in the ranking, the appointment for the performance of the statutory audit activities for the nine-year period 2024-2032, under the conditions and for the fee set out in the bid made by the aforementioned independent audit firm attached as Annex 1) to the "Recommendation of the Board of Statutory Auditors, acting as the Internal Control and Audit Committee, pursuant to Article 19, paragraph 2, letter A) of Legislative Decree No. 39/2010, on the appointment of the independent audit firm for the years 2024-2032";*
- *to empower the Chairperson of the Board of Directors and the Chief Executive Officer, severally, to carry out, including through proxies, everything required, necessary or useful to execute the content of this motion, and to carry out the relevant and necessary formalities with the competent bodies and/or offices.*

*They shall also have the power to make any non-substantial amendments that may be required for this purpose, and in general to carry out whatever is necessary for the complete execution of this motion, with any and all powers necessary and appropriate, in compliance with current regulatory provisions (by way of non-exhaustive example, they are conferred the power to revise the general terms and conditions of the assignment and/or to make to the intervening motions any potential non-substantial amendments deemed necessary and/or appropriate for registration with the Registry of Companies and/or in relation to any indications of the Supervisory Authority or other competent Authority).*

*The fees referred to in point (i) or, subordinately, in point (ii) above will be adjusted annually, to the contractually defined extent, in line with the trend in the cost of living index, and may vary as a result of changes in the scope of intervention by the independent audit firm and/or as a result of exceptional events and/or those which are wholly unforeseeable at the time the contract is entered into, without prejudice to the Board of Statutory Auditors' verification and monitoring of the independent audit firm's independence and activity."*

#### **Annexes to this Report:**

Annex A: Board of Statutory Auditors' reasoned recommendation and related Annex 1;

Fabriano, March 16, 2023  
For the Board of Directors  
the Chairperson Francesco Casoli