

Aquafil S.p.A.
Via Linfano 9 – Arco (TN)
Tax Code and Trento Companies' Register No. 09652170961

**GUIDANCE ON THE NEW BOARD OF STATUTORY AUDITORS OF AQUAFIL SPA TO BE ELECTED AT
THE FORTHCOMING GENERAL SHAREHOLDERS' MEETING**

Document approved by the outgoing Board of Statutory Auditors in the meeting held on March 5, 2021 based on the Rules of Conduct for the Boards of Statutory Auditors of Listed Companies issued by the National Council of Accountants and Accounting Experts on April 26, 2018

Dear Shareholders,

The term of office of the current Board of Statutory Auditors will come to an end with the approval of the financial statements at December 31, 2020 and the forthcoming General Shareholders' Meeting will have to appoint the new Board of Statutory Auditors of AQUAFIL S.p.A. for the three-year period 2021-2023.

1. INTRODUCTION AND REFERENCE CONTEXT

The "Rules of Conduct for the Boards of Statutory Auditors of Listed Companies" issued by the National Council of Accountants and Accounting Experts on April 26, 2018 recommend, *inter alia*, that the Statutory Auditors send the Issuer, in view of the renewal of the Board of Statutory Auditors, a document summarizing the activities carried out, indicating the number of meetings and the commitment required, so that the Shareholders and the candidates to the position of Statutory Auditor can assess the appropriate characteristics, skills and professionalism, commitment and time required and the adequacy of the related remuneration for carrying out the task. (Rule Q.1.6.)

The current Board of Statutory Auditors of AQUAFIL S.p.A, based on its own experience and to conclude the self-assessment process carried out, is therefore making available to the Shareholders and candidates to the position of Statutory Auditor this document entitled "Guidance for the new Board of Statutory Auditors of AQUAFIL S.p.A" containing a summary of the skills and professional profiles, additional to those required by law, which can help with the efficient and effective operation of the Board of Statutory Auditors, as well as a brief indication of the activities carried out and the commitment required.

2. COMPOSITION OF THE BOARD OF STATUTORY AUDITORS – RELEVANT CHARACTERISTICS

The first element that the current Board of Statutory Auditors has drawn from the experience of this first three-year period following the Company's listing on the Stock Exchange is the fundamental importance of having sufficient time to dedicate to the office so that the role can be carried out effectively.

In order to monitor the practical operation of the internal control and risk management system, in addition to suitable planning of the Board of Statutory Auditors' own activity and the regular meetings (singly or jointly with the Audit and Risks Committee, now the Audit, Risks and Sustainability Committee), both the induction activity and attendance to the Board Committees are essential as they

allow the issues and matters under discussion, presented thereafter to the Board of Directors, to be analyzed in depth.

In addition, the credentials regarding the skills, professionalism and experience of members of the Board of Statutory Auditors are important. In this regard, over recent years, the functions required from the Board of Statutory Auditors have also been expanded:

- by the entry into force of the reform of statutory audit regulations, implemented at European level, which has assigned further reporting and monitoring tasks to the Control Body;
- by the introduction of legislation on non-financial reporting that has introduced additional activities overseeing compliance of the provisions in question and by the more recent environmental social governance (ESG) regulations.

The supervision of financial and non-financial reporting required from the Board of Statutory Auditors also in its capacity as Internal Control and Audit Committee, requires the professionals selected to have suitable experience of the corporate governance of listed companies and, preferably, a sensitivity to the important issues related both to sustainability and the developments taking place at global level and in the sector in which the AQUAFIL group operates.

Moreover, the current Board of Statutory Auditors recognizes the value of diversity in its own composition, both as regards gender as laid down in legislation, and with reference to the professional composition, also maintaining a balanced combination of seniority in terms of office and physical age, to achieve an adequate balance between the need for continuity and the need for renewal.

The Board of Statutory Auditors would like to point out that, for purposes of the requisites regarding the professionalism and good standing of members of the Board of Statutory Auditors of AQUAFIL S.p.A., the provisions set out in Ministerial Decree No. 162 of 30 March 2000 apply.

Finally, the Board of Statutory Auditors has identified, for its own efficient and effective operation, a further essential requisite as being the ability to work as a team and to manage the complexities, including those relating to the pandemic situation still underway, in a constructive and balanced manner.

In this regard, it is essential that the President provide constant and authoritative coordination both to create a spirit of cohesion and collaboration amongst the members of the Board of Statutory Auditors and in the interaction with the other Corporate Bodies and with company officers in general and, in particular, those responsible for managing the internal control and risk management system.

3. ACTIVITY CARRIED OUT AND COMMITMENT REQUIRED

The Board of Statutory Auditors in office is formed by the President and 2 Statutory Auditors, who have served for the entire three-year period 2018-2020.

As provided for by the *“Rules of Conduct for the Boards of Statutory Auditors of Listed Companies”* issued by the National Council of Accountants and Accounting Experts, the Board of Statutory Auditors also believes it appropriate to provide the guidance set out below so that the Shareholders and candidates to the position of Statutory Auditor can assess the adequacy of the remuneration for the office of Statutory Auditor, also in relation to the time commitment required to perform the office and the professional skills and experience required.

Looking at financial year 2019 — which should be considered to be the most significant year as an “ordinary” parameter for the Control Body’s activities (in 2020, also due to the current situation resulting from the Covid-19 pandemic, the total number of meetings was far greater than in 2019) — AQUAFIL’s Board of Statutory Auditors held the following number of meetings:

- 14 minuted meetings (6 of which held jointly with the Control and Risks Committee), during which the Head of the Internal Audit function, the Supervisory Body and the independent auditors were also met frequently.

The average duration of the Board of Statutory Auditors’ meetings was about 2 hours 10 minutes.

The level of meeting attendance of the Statutory Auditors was 100% and no assistants were used in performing their duties.

Moreover, the President of the Board of Statutory Auditors (100% attendance) and the other members of the Board of Statutory Auditors (with 98% attendance) attended, during 2019, all Board of Directors’ meetings and the meetings of the Board Committees set up by AQUAFIL S.p.A., as well as the General Shareholders’ Meeting, as follows:

- Board of Directors: 6 meetings
- Appointment and Remuneration Committee: 3 meetings
- General Shareholders’ Meeting: 1 ordinary meeting
- Audit and Risk Committee: 7 meetings (both singly and jointly with the Board of Statutory Auditors), including 1 meeting serving as a Related Party Transactions Committee.

Consideration should also be given to the time spent on preparing for meetings, which requires the prior analysis of extensive documentation, the subsequent review of various reports and frequent informal meetings.

The number of meetings and consequent time commitment required from the Statutory Auditors may be far higher in years marked by extraordinary situations, such as for example in the case of AQUAFIL, 2020, the year just ended, due to the health emergency arising from the COVID-19 pandemic which has impacted, albeit at times and in ways that have partially differed, the countries in which the AQUAFIL Group operates with its own plants or offices.

In line with the provisions of the Corporate Governance Code, the Rules of Conduct for the Board of Statutory Auditors of listed companies indicate that the remuneration of the members of the Board of Statutory Auditor must be adequate and in any case determined having regard to the skills, professionalism and time commitment required for the office, taking account of its complexity, also in relation to the size of and the activity carried out by the Issuer, as well as the extent and organization of the Issuer’s organizational structure.

When determining an adequate remuneration, particular attention should be paid to the commitment constantly given by the Statutory Auditors in their activity and active attendance at Board Committee’s meetings.

As suggested by best practices, the comparison with the remuneration paid to the Non-executive Directors may be a useful guide for assessing the adequacy of the all-inclusive remuneration payable to the Statutory Auditors. With reference to the President of the Board of Statutory Auditors, as well as the time commitment required to perform the role, a useful term for comparison may be the

remuneration paid to the Non-executive director who holds the roles of President of the Control & Risks Committee and Lead Independent Director.

Also in view of the recent regulations that have significantly expanded the Board of Statutory Auditors' duties and consequent responsibilities, including the role of Internal Control and Audit Committee, as well as the commitment required from AQUAFIL's Control Body, in relation to the number, duration and agenda items of the meetings the Board of Statutory Auditors is asked to attend regularly and constantly, it would be desirable if account were also taken of these factors when assessing the adequacy of the remuneration of the members Board of Statutory Auditors.

This is in line with the findings of the assessment of the size of the remuneration of the Non-executive Directors and members of the Control Body, carried out by AQUAFIL's Appointment and Remuneration Committee also in light of a comparative analysis, taking account of the recommendation of the President of the Corporate Governance Committee dated December 22, 2020.

Milan – Padua – Verona, March 5, 2021

The Board of Statutory Auditors of AQUAFIL S.p.A

Stefano Poggi Longostrevi – President

Fabio Buttignon – Statutory Auditor

Bettina Solimando – Statutory Auditor