

## **REPORT OF THE BOARD OF DIRECTORS ON THE FOURTH ITEM ON THE AGENDA**

### **Determination of the remuneration of the regular members of the Board of Statutory Auditors.**

Dear Shareholders,

You have been convened to discuss and resolve on the amount of the remuneration to be paid the regular members of the Board of Statutory Auditors who will be appointed by the present Shareholders' Meeting in a separate, preceding item on the agenda.

In effect, in accordance with the provisions of article 2402 of the Italian Civil Code and article 25.1 of the corporate Bylaws, when the Board of Statutory Auditors is appointed, the Shareholders' Meeting determines the annual remuneration of the regular Auditors for their entire term of office.

We remind you that the ordinary Shareholders' Meeting of 28 May 2019 set the gross annual remuneration of the Board of Statutory Auditors whose term is expiring at 80,000 euro for the Chairman and 70,000 euro for the other regular Auditors.

Regarding the remuneration of the Board of Statutory Auditors, it should be noted that Article 5, Recommendation n. 30, of the Corporate Governance Code recommends that the remuneration shall be adequate *"to the competence, professionalism and commitment required by the relevance of the office held and the dimensional and sectoral characteristics of the company and its situation"*.

The Board of Directors refrains from formulating specific proposals on this item on the agenda and therefore invites the Shareholders' Meeting to determine – on the basis of proposals presented by Shareholders (in accordance with terms and modalities indicated with this purpose in the notice of the present Meeting, and in any case suitable in advance of the date of the Shareholders' Meeting) – the remuneration due to the regular members of the Board of Statutory Auditors.