

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING  
(pursuant to Art. 2429, paragraph 2 of the Italian Civil Code and Art. 153 of Italian Legislative Decree  
no. 58/1998)**

**Dear Shareholders,**

Pursuant to Art. 153 of Italian Legislative Decree no. 58/1998 (hereinafter also referred to as "TUF") and to Art. 2429, paragraph 2 of the Italian Civil Code, the Board of Statutory Auditors of Rai Way S.p.A. is required to report to the Shareholders' Meeting called to approve the financial statements on supervisory activities performed during the year and on any omissions and irregularities discovered. The Board of Statutory Auditors is also required to make any necessary proposals regarding the financial statements and their approval, as well as other matters for which the Board is responsible. During the year ended 31 December 2019, the Board of Statutory Auditors carried out its institutional duties in compliance with the Italian Civil Code and the instructions provided by Consob with Communications DAC/RM/97001574 of 20 February 1997 and DEM 1025564 of 6 April 2001, later supplemented with Communication DEM 3021582 of 4 April 2003, Communication DEM 6031329 of 7 April 2006 and Communication DEM/0031948 of 10 March 2017, issued in continuity with the previous DEM/0007780 of 28 January 2016 and DEM/0003907 of 19 January 2015.

The supervisory activity envisaged by the law was also conducted in accordance with the provisions of the Corporate Governance Code for listed companies approved by the Corporate Governance Committee, in the July 2018 version (hereinafter the "Corporate Governance Code"), to which Rai Way S.p.A. adheres, and to the rules of conduct provided by the National Council of Chartered Accountants and Accounting Experts ("CNDCEC"). With reference to the provisions of Italian Legislative Decree 39 of 27 January 2010, with particular regard to Art. 19, the Board of Statutory Auditors also performs the function of Internal Control and Audit Committee ("CCIRC").

The statutory audit of the accounts is conducted by the independent auditing firm PricewaterHouseCoopers S.p.A. (hereinafter also "PwC") for the 2014 – 2022 period, in accordance with the Shareholders' resolution of 4 September 2014.

The Board of Statutory Auditors has received and verified the information illustrated below by taking part in Shareholders' Meetings, meetings of the Board of Directors and of the Board's sub-committees, as well as through a continuous flow of information with the independent auditing firm, with the various corporate

functions (including Finance, Legal, Audit, and Enterprise Risk Management) and through an information flow with the Supervisory Body pursuant to Italian Legislative Decree 231/2001 (hereinafter also "SB").

### **Appointment and activities of the Board of Statutory Auditors**

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 23 April 2018 for the 2018-2020 financial years and is composed as follows: Ms. Silvia Muzi (Chairman), Ms. Maria Giovanna Basile (Standing Auditor) and Mr. Massimo Porfiri (Standing Auditor); Substitute Auditors: Ms. Nicoletta Mazzitelli and Mr. Paolo Siniscalco. The Board of Statutory Auditors has verified, with a positive result, that the independence requirements of its members were satisfied and that there were no reasons for ineligibility or forfeiture of its members pursuant to Art. 2399 of the Italian Civil Code and Art. 148, paragraph 3, of the TUF as well as in accordance with the Corporate Governance Code. It also verified that the members comply with the limits to the accumulation of offices pursuant to Art. 144-*terdecies* of the Issuers' Regulation. The Board of Statutory Auditors has also carried out the self-assessment of its members, including verifying the adequacy of its composition and the effectiveness of its functioning, supplementing this assessment with the Q.1.1 Rule of Conduct for the Board of Statutory Auditors of listed companies, issued in May 2019 by the National Council of Chartered Accountants and Accounting Experts. The results of this self-assessment process were also communicated to the Board of Directors.

The Board of Statutory Auditors' activities during 2019 were carried out through regular periodic meetings, whose results were duly reported in the specific minutes.

The work performed by this Board in the various areas in which the supervisory activities are carried out is described below, in the order indicated by the aforementioned Rules of Conduct issued by the CNDCEC.

### **Compliance with the law and Articles of Association**

As regards governance aspects, the Company complied with the rules and regulations applicable to listed issuers, as well as with the provisions of the Corporate Governance Code. The Annual Report on Corporate Governance and Ownership Structures, drawn up pursuant to Art. 123-*bis* of the TUF, was approved by the Board of Directors on 12 March 2020. The report describes, *inter alia*, activities performed regarding the application of the recommendations of the Corporate Governance Code adopted by the Company, also

recalling, in accordance with the "comply or explain" principle, the relative reason in the event of non-application. Furthermore, the recommendations formulated by the Corporate Governance Committee of Borsa Italiana in its December 2019 letter were brought to the attention of the Board of Directors on 12 March 2020.

The Board of Statutory Auditors has supervised compliance with the provisions of the law and the Articles of Association, as well as other relevant regulations, through the participation and acquisition of the information flows relating to the Shareholders' Meeting, Board of Directors meetings, meetings of the Remuneration and Appointments Committee and the Control and Risks Committee, including in relation to the functions performed by the latter pursuant to the provisions of the Related Party Transactions Procedure adopted by the Company. As part of its controls, the Board also met with the Supervisory Body, the Director responsible for the internal control and risk management system, the Audit Manager, the Manager in charge of preparing the corporate documents, the firm assigned the statutory audit PricewaterHouseCoopers S.p.A. (hereinafter "PwC"), Directors, the Chief Executive Officer as well as the General Manager and the executives responsible for various corporate functions.

During 2019, the Board of Statutory Auditors met 7 times and attended 11 meetings of the Board of Directors and 1 Shareholders' Meeting. In addition, it took part in 9 meetings of the Remuneration and Appointments Committee and 15 meetings of the Control and Risks and Related Party Committee.

Furthermore, the Supervisory Body provided this Board with information regarding the issues referred to in Italian Legislative Decree 231/2001 and reported on the activities carried out; the flow of information with the Supervisory Body was also constantly guaranteed, in compliance with the reciprocal functions, both by the diligent presence in meetings of the Board of Statutory Auditors of the Audit Manager (who is also a member of the Supervisory Body) as well as by the fact that a member of the Board of Statutory Auditors is also a member of the Supervisory Body. Note in addition that the new version of the Organization, Management and Control Model pursuant to Italian Legislative Decree 231/2001 was approved at the Board of Directors meeting held on 30 January 2020, updated based on new regulatory interventions and reformulated according to a "by processes" structure. It should also be noted that specific procedural provisions, including operational, for whistle-blowing have been approved.

In relation to the cases covered by Law no. 190/2012, the Company has adopted supplementary measures to the Model pursuant to Italian Legislative Decree 231/2001 contained in an "Anticorruption Policy" which is intended as a continuation of the three-year Anticorruption Plan (previously adopted and updated, although not required for listed companies) and provides greater integration with other tools adopted by the company (231

Model and Code of Ethics). There was also a constant exchange of information with the Director responsible for the internal control and risk management system.

Based on the supervisory activities carried out by the Board, the Company has complied with the obligations regarding regulated information, including the provisions regarding privileged information. Moreover, based on the monitoring activities carried out, each body or organizational structure of the Company has complied with the information requirements envisaged by applicable regulations.

On the whole, the internal and external information flows described and those resulting from the continuous exchange of information and documentation, also emerging from the minutes for the Board of Statutory Auditors' meetings, appear appropriate for proving the compliance of the organizational structure, internal procedures, corporate documents and resolutions of the corporate bodies in accordance with the law, Articles of Association and applicable regulations, as well as the codes of conduct to which the Company has stated that it adheres. Therefore, there is no indication of any violation regarding compliance with the law, the Articles of Association and regulations nor are there observations worthy of note.

## **Corporate Governance**

The Company has a governance system structured according to the "traditional" model and in line with the Corporate Governance Code. In 2019, the Board of Directors renewed, with a positive outcome, the verification that the requirements of independence are satisfied for directors defined as "independent" by the Corporate Governance Code and by law. The Board of Directors currently in office was appointed by the Shareholders' Meeting of 28 April 2017 and is composed of nine directors. The composition of the Board is consistent with applicable regulations regarding gender balance (pursuant to the provisions of Law no. 120 of 12 July 2011). Immediately following its appointment and therefore present during 2019, the Board of Directors established two Board sub-committees: the Remuneration and Appointments Committee and the Control and Risks Committee, which also performs the functions assigned to it by the Related Party Transaction Procedure adopted by the Company. This procedure is published on the Company's website and is described under the main elements in the 2019 Report on Corporate Governance. All members of the above-mentioned committees are independent.

Furthermore, the Board of Statutory Auditors verified that the Board of Directors carried out, with reference to 2019 and in fulfilment of the provisions established by the Corporate Governance Code, a self-assessment

of the size, composition and functioning of the Board itself and of the committees formed in relation to it, and that an overall positive assessment resulted from the analysis of this process, both in terms of activity and functioning, and in terms of the size and composition of the Board itself.

Since its listing, the Company has adopted a special Code on Privileged Information for the correct management of information flows and the processing of confidential or privileged information, subsequently revised and remaining in force also for the 2019 financial year.

The Board of Statutory Auditors, in compliance with the provisions of EU Regulations no. 596/2014 and of CONSOB Resolution no. 11971 of 14 May 1999, has verified that the revision to the Internal Dealing Code has been implemented, which the Company adopted effective from the year in which it was listed. In particular, the last update of this Code was approved by the Board of Directors on 21 June 2018, retaining the essential principles already included and adding some verifications and updates.

The remuneration policy for 2020, with the relative information pursuant to Art. 123-*ter* of Italian Legislative Decree no. 58/98, was verified in advance by the Remuneration and Appointments Committee and then approved by the Board of Directors on 20 April 2020. In this regard, the Board of Statutory Auditors reviewed the approval by the Board of Directors, with the required assessment in advance by the Remuneration and Appointments Committee, of the "Report on Remuneration Policy and Remuneration Paid", prepared pursuant to Art. 123-*ter* of Italian Legislative Decree 58/98 and the applicable regulatory provisions, the First Section of which, on the 2020 remuneration policy, will be subject to the binding vote of the Shareholders' Meeting, while the Second Section, on the remuneration recognized with reference to 2019, with a non-binding vote.

### **Compliance with principles of proper administration and adequacy of the organizational structure**

The Board has confirmed the implementation of the regulations of corporate governance envisaged in the Corporate Governance Code based on the provisions of Art. 149, paragraph 1, letter *c-bis* of the TUF, also carrying out the verifications in reference to compliance with Art. 16 of CONSOB Regulation no. 20249/2017 (Markets Regulation).

The Board of Statutory Auditors acquired all information necessary and functional to conducting its control and supervisory duties through: i) participation in the meetings of the Board of Directors, the Control and Risks Committee (also in relation to the functions it performs pursuant to the Related Party Transaction Procedure), and the Remuneration and Appointments Committee; ii) meetings with the Company's senior management and

the executives responsible for corporate functions, and iii) meetings with the firm assigned the statutory audit and with the Supervisory Body.

During the year, the Board received periodic information from the Chief Executive Officer, at least every quarter, on the general management performance and its outlook. During several Board of Directors' meetings, the status of the activities to develop the Company's Business Plan for the years 2020-2023 and the annual budget, as well as the significant transactions carried out by the Company were analyzed. As is evident from the Annual Financial Report, the most important events that affected the Company during 2019 were:

- 18 April 2019: approval by the Shareholders' Meeting of the financial statements for the year ended 31 December 2018 and of the resolution relating to the distribution of a dividend as proposed by the Board of Directors;
- 18 April 2019: approval by the Shareholders' Meeting of the proposal submitted by the Board of Directors for a new authorization for the purchase and disposal of treasury shares, after withdrawing the authorization granted on 23 April 2018;
- 18 April 2019: non-binding vote by the Shareholders' Meeting in favor of the First Section of the Remuneration Report prepared by the Board of Directors pursuant to Art. 123-ter, paragraph 6 of Italian Legislative Decree 58/1998 (as in effect on that date);
- 18 April 2019: appointment by the Shareholders' Meeting, with term of office until the expiration of the current Board (i.e., until the Shareholders' Meeting called to approve the Financial Statements at 31 December 2019), of Mario Orfeo as non-independent Director as well as Chairman of the Board of Directors, replacing the departing Raffaele Agrusti;
- 10 December 2019: signing of an agreement with Rai Way S.p.A. regarding the amendment of some terms and conditions of the Service Contract, for which the parties waived their right to cancel the second seven-year period previously envisaged, effectively renewing it until 30 June 2028, without prejudice to the possibility of continuing for a further seven-year period that was already planned, except in the case of termination.

The actions resolved and implemented during 2019 comply with the principles of proper administration and are not manifestly imprudent, risky or in conflict with the resolutions passed by the Shareholders' Meeting or such as to compromise the integrity of the corporate assets, nor have there been atypical or unusual transactions, carried out with third parties or with related parties or in conflict of interest.

The Company also has a solid organizational structure. In this regard, the Board of Statutory Auditors has received information and supervised, to the extent of its competence, the adequacy of the Company's organizational structure, compliance with the principles of proper administration, and the suitability of provisions issued by the Company.

Based on the information acquired, the Board of Statutory Auditors has performed, with a successful outcome, supervisory activities on the adequacy of the organizational structure, in terms of structure, procedures, skills and responsibilities, in relation to the Company's size, nature and the methods of pursuing the corporate purpose.

### **Related party transactions**

In the Report on Operations and the Notes to the 2019 Financial Statements, the Directors provided an exhaustive description of the most important transactions performed with related parties, in accordance with the provisions of IAS 24 and CONSOB Communication no. 17221 of 12 March 2010. Reference should be made to these documents in relation to identifying the type of transactions in question and the associated economic and financial effects, as well as on the procedural methods adopted to ensure that said transactions are performed in compliance with criteria of transparency, as well as procedural and substantive correctness. In the light of the verifications carried out, the Board can confirm that the related party transactions reported in the Company's Notes to the 2019 Financial Statements fall under the Company's business activities and are regulated at market conditions. It is specified that the transactions indicated above were put in place in compliance with the procedures required by the specific Procedure, which is compliant with the provisions of the Italian Civil Code and Consob's implementing regulations.

### **Adequacy of internal control and risk management. Activities carried out by Audit and Enterprise Risk Management**

The Board of Statutory Auditors also supervised the adequacy of the Internal Control and Risk Management System by:

a) reviewing the assessment of the Board of Directors, which formulated a positive evaluation on the adequacy and effective functioning of the Internal Control and Risk Management System;

- b) reviewing the report of the Manager in charge of preparing the corporate documents;
- c) reviewing the report of the Audit Manager, as well as periodic information on the status of audits and the results of monitoring activities on the implementation of the corrective actions identified following the audit activities;
- d) reviewing the reports of the Control and Risks Committee, including with regard to the functions it performs pursuant to the Related Party Transaction Procedure;
- e) reviewing the half-yearly and annual financial reports as well as the reports prepared regarding risk management activities, aimed at describing the main risks and related management plans.

The Audit function has constantly supported the activities of this Board. The Audit Manager is always invited to the meetings of the Board of Statutory Auditors and attends regularly, ensuring an ongoing exchange of information and alignment of the respective supervisory and control activities, also in conjunction with the Control and Risks Committee. Overall, the activities carried out by the manager proved to be effective and appropriate, in this regard the latter prepared, as indicated above, a 2019 Report on Audit Activities. In addition to this Report, the Board has reviewed the 2020 Business Plan, which did not reveal any significant risks or violations not addressed by corrective actions. The Board of Statutory Auditors also monitored the organization of the Audit function, obtaining organizational and procedural information. This review did not reveal evidence of events and/or situations that would need to be mentioned in this Report.

In view of the above, we can state that overall the Internal Control and Risk Management System and the information and communication procedures and mechanisms are adequate.

### **Adequacy and reliability of the administrative system to represent operational transactions**

With reference to this activity, the Board of Statutory Auditors has supervised the process of financial reporting and the adequacy of the administrative and accounting system. Following the verifications carried out, this was deemed to be adequate and able to correctly represent both operational transactions and the preparation of the financial statements and report on operations.

The Chief Executive Officer and the Manager in charge of preparing the corporate documents certified, in reference to the Company's 2019 Financial Statements, that (i) they are adequate in terms of the characteristics of the business and the effective application of the administrative and accounting procedures for the preparation



of the 2019 Financial Statements; (ii) the contents of said Financial Statements conform with the applicable international accounting standards recognized by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council, established on 19 July 2002; (iii) these Financial Statements are consistent with the records and accounting entries and provide a true and accurate representation of the Company's capital, economic and financial position; and (iv) the Report on Operations includes a reliable analysis of the performance and the operating result, as well as of the Company's situation, together with a description of the main risks and uncertainties to which it is exposed. The above-mentioned certification also highlighted the adequacy of the administrative and accounting procedures for the preparation of the 2019 Financial Statements.

The Company confirmed that it prepared the 2019 Financial Statements in accordance with IAS/IFRS international accounting standards recognized by the European Union pursuant to Regulation (EC) no. 1606/2002, in force as at the end of 2019. Furthermore, the Company's 2019 Financial Statements were drafted on a going concern basis and using the conventional historical cost criterion, except for the valuation of financial assets and liabilities for which application of the fair value criterion is mandatory. The Company's Notes to the Financial Statements provide an analytical description of the accounting standards and valuation criteria adopted. With reference to recently issued accounting standards, the Notes to the Financial Statements refer to (i) the accounting standards approved by the European Union that are not yet applicable and (ii) accounting standards not yet approved by the European Union.

The Board of Statutory Auditors of Rai Way S.p.A. has also:

- a. verified that the Directors' Report on Operations for the 2019 financial year complies with current regulations, as well as being coherent with the resolutions adopted by the Board of Directors and with the facts represented in the Financial Statements;
- b. checked the adequacy, from the perspective of the method, of the sensitivity analysis process used to verify the absence of impairment on assets in the balance sheet;
- c. acknowledged the content of the Half-yearly Report at 30 June 2019, without needing to make any observations, as well as ascertained that the latter had been made public in accordance with the procedures set out by the regulations;

- d. verified that the Company has fulfilled the obligations of Italian Legislative Decree 254/2016 and has arranged to draw up a Declaration of non-financial nature in compliance with the provisions of the above-mentioned Decree;
- e. noted that the Company has continued to publish, on a voluntary basis, interim management reports on 31 March and 30 September within the deadlines set by current legislation;
- f. in its role of Internal Control and Audit Committee (CCIRC), pursuant to Art. 19, paragraph 1 of Italian Legislative Decree 39/2010, as modified by Italian Legislative Decree no. 135/2016, carried out the expected specific functions of information, monitoring, control and verification, fulfilling the obligations and tasks indicated in the above-mentioned regulation. For such purpose, the Board worked with the Control and Risks Committee to coordinate their respective responsibilities and to avoid overlapping of activities. The Board's participation in the Committee's activities facilitates coordination and information exchange between the two bodies;
- g. reported that Rai Way S.p.A. is managed and coordinated by the parent company RAI-Radiotelevisione italiana SpA in accordance with legal obligations and in particular with the observance of the conditions set out under Art. 16 of the CONSOB Markets Regulation. Reference is made to a specific Regulation regarding the management and coordination role exercised by the parent company RAI in relation to the Company (approved by the Board of Directors at its meeting on 4 September 2014 and effective as of the date on which the Company's shares were listed on Borsa Italiana's MTA market), which is also mentioned in the aforementioned Report on Corporate Governance and Ownership Structures.

The Board carried out the relevant checks by obtaining information from the Chief Financial Officer's department in the Company and from the Manager in charge of preparing the corporate documents, as well as by examining business documents and the results of the work performed by the auditing firm, pursuant to the provisions in Art. 154-*bis* of the TUF.

The Board has also verified compliance with the procedures for the publication and filing of the financial statements and interim reports, supervising the preparation and transmission of press releases relating to relevant financial information.

**Relationship with the independent auditing firm pursuant to Article 150-bis, paragraph 3 of Italian Legislative Decree no. 58/98**

During the year, the Board of Statutory Auditors met regularly with the managers of the designated independent auditing firm PricewaterHouseCoopers S.p.A., for the purpose of exchanging relevant data and information pursuant to Art. 150, paragraph 3 of the TUF and Italian Legislative Decree 39/2010. In these meetings, the aforementioned independent auditing firm did not communicate any fact or anomaly of significance that would require reporting to the Board of Directors or to be included in this report.

With regard to the results of the financial statements for the year ended as at 31 December 2019, appropriate technical analysis of the most significant items in the document were carried out in constant cooperation with the independent auditing firm, in compliance with the respective competencies and responsibilities. In application of the provisions pursuant to Art. 150, paragraph 3 of Italian Legislative Decree no. 58/98, these meetings had the objective of exchanging information and opinions, verifying the correct use of accounting standards and their uniformity for the purposes of the financial statements.

During the year, representatives from the independent auditing firm advised the Board about the audit plan they had prepared, its execution and the subsequent results; from these meetings, there emerged no events or situations, regarding either the audit or any failings of the internal control system, that need to be noted in this report.

On 29 April 2020, pursuant to Articles 14 of Italian Legislative Decree 39/2010 and 10 of Regulation (EU) no. 537/2014, the independent auditing firm issued its Report in which it was stated that:

a) the financial statements provide a true and accurate representation of the Company's capital and financial position as at 31 December 2019, its economic result and cash flows for the year ending on that date in compliance with International Financial Reporting Standards adopted by the European Union, as well as the provision implementing Art. 9 of Italian Legislative Decree no. 38/05;

b) **the** Report on Operations and certain specific information included in the Report on Corporate Governance and Ownership Structures as specified in Art. 123-*bis*, paragraph 4 of Italian Legislative Decree no. 58/1998 are consistent with the financial statements as at 31 December 2019 and were drawn up in compliance with current regulations;

c) the opinion on the financial statements expressed in the above-mentioned Report is in line with the supplementary Report prepared pursuant to Art. 11 of Regulation (EU) no. 537/2014, addressed to the Board of Statutory Auditors.

On 29 April 2020, pursuant to Art. 3 of Italian Legislative Decree 254/2016 and Art. 5 of CONSOB Regulation no. 20267, the independent auditing firm PwC issued the Report including their compliance statement. In their report, the auditing firm declared that no elements were brought to their attention to indicate that the 2019 Declaration of non-financial nature had not been drawn up, in all its significant aspects, in compliance with the requirements of the above-mentioned Decree and the selected GRI Standards.

The auditing firm has also sent to the Board of Statutory Auditors, in its role of Internal Control and Audit Committee, the supplementary Report as set out by Art. 11 of Regulation (EU) no. 537/2014, which highlighted:

- the most significant aspects in the context of the audit of the 2019 financial statements;
- the audit methodology, the identification of significant risks and the significance applied;
- the failure to identify any shortcomings in the internal control system in relation to the process of financial reporting.

Furthermore, in the above-mentioned Report, the auditing firm confirmed, pursuant to Art. 6, paragraph 2), point 4) of the Regulation (EU) no. 537/2014, the independence of the same as well as the measures adopted by the auditing firm to limit such risks.

The auditing firm's Reports do not contain qualifications or disclosures, nor declarations pursuant to Art. 14, paragraph 2, letter e), of Italian Legislative Decree no. 39/2010.

Pursuant to Art. 17, paragraph 9, of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors has verified the independence of the auditing firm and that there were no omissions, reprehensible facts or irregularities. Similarly, during the activity of supervision, no significant facts emerged such as to require notification to supervisory bodies or mention in this report.

It is noted that, in reference to the 2019 financial year, the auditing firm PwC and its network were paid the following fees for the audit:

- Audit activities and financial statements € 58,000
- Half-yearly financial statements € 21,000
- Certifications required by law € 3,000

The Financial Report relating to the financial statements includes complete information on fees to the auditing firm pursuant to Art. 149-*duodecies* of the Consob Issuers' Regulation to which reference is made.

During the 2019 financial year, on the basis of the information received from the auditing firm, Rai Way S.p.A. assigned tasks to entities in the PwC network (in particular, the auditing firm) for services related to the limited audit of the Declaration of non-financial nature.

The Board of Statutory Auditors, in its role of Internal Control and Audit Committee, has fulfilled its duties as set out by Art. 19, paragraph 1, letter e) of Italian Legislative Decree no. 39/2010 as amended by Italian Legislative Decree no. 135/2016 and Art. 5, paragraph 4 of Regulation (EU) no. 537/2014 relating to prior approval of the above-mentioned duties, checking their compatibility with current regulations and, specifically, with the provisions of Art. 17 of Italian Legislative Decree no. 39/2010 – as amended by Italian Legislative Decree no. 135/2016 – as well as with the prohibitions pursuant to Art. 5 of Regulation (EU) no. 537/2014 thereto.

Furthermore, the Board has:

- a) verified and monitored the independence of the auditing firm, pursuant to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Italian Legislative Decree no. 39/2010 and Art. 6 of Regulation (EU) no. 537/2014, ascertaining the compliance with relevant current regulations and that the mandates for services other than the audit assigned to this firm are not such as to generate potential risks for the independence of the auditors and for the safeguards pursuant to Art. 22-*ter* of Directive 2006/43/EC;
- b) examined the transparency report and the supplementary report drawn up by the auditing firm in compliance with the criteria set out in Regulation (EU) no. 537/2014, observing that, on the basis of the information received, no critical issues in relation to the independence of the auditing firm have been identified;
- c) received written confirmation that the auditing firm has not rendered services other than the audit that are prohibited pursuant to Art. 5, paragraph 1, of Regulation (EU) no. 537/2014, confirming that the independence of the firm was maintained in executing the statutory audit.

## **The financial statements**

The Board of Statutory Auditors reviewed the draft financial statements for the year ended 31 December 2019, which recorded a profit for the year of € 63.4 million, and do not present any derogations to legal provisions.

As the function of the statutory audit was not assigned to this Board, it supervised the general approach of the financial statements and its compliance with the law as regards its formation and structure, without identifying aspects to report. In addition, this Board verified compliance with the legal provisions relating to the preparation of the Report on Operations, also in this case without observations to be presented. The Directors described the items that contributed to the economic result and the events that generated those items in the Notes and the Report on Operations.

The Financial Statements of Rai Way S.p.A. at 31 December 2019 have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations (IFRIC and SIC), adopted by the European Union with European Regulation (EC) no. 1606/2002, as well as pursuant to Italian Legislative Decree no. 38 of 28 February 2005 which governed the application of IFRS within the Italian regulatory framework. The accounting standards adopted reflect the full operations of Rai Way S.p.A. in the foreseeable future, applied under the going concern assumption, and comply with those applied in preparing the 2018 financial statements.

## **Declaration of a non-financial nature**

The Company has prepared the Declaration of non-financial nature pursuant to Italian Legislative Decree 254/2016 (Sustainability Report), in which, in addition to providing the information required by law and, in general, with regard to activities conducted in the area of sustainability, indications were given regarding the most important areas of activity and objectives relating to the sustainability issues set out in the Business Plan for the 2020-2023 period approved by the Board of Directors on 12 March 2020 and also aimed at an integrated and strategic approach to these issues.

Pursuant to Art. 3, paragraph 10 of Italian Legislative Decree no. 254/2016, the Declaration of non-financial nature has been subject to assurance activities by PwC, the firm assigned the statutory audit.

Pursuant to Art. 3, paragraph 7 of Italian Legislative Decree no. 254/2016, the Board of Statutory Auditors supervised compliance with the provisions contained in that decree relative to the Declaration of non-financial nature and, in this regard, notes that the Company has fulfilled the obligations envisaged therein for purposes of its preparation, in accordance with the Arts. 3 and 4 of the Decree, as well as Art. 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018, and drafted in accordance with the standards and methodologies of the Core GRI standards selected by the Company.

The 2019 Declaration of non-financial nature, approved by the Board of Directors on 12 March 2020, is accompanied by the limited assurance issued by PwC on 29 April 2020.

### **Formal accusations pursuant to Art. 2408 of the Italian Civil Code and submission of complaints**

In the financial year for which you are asked to approve financial statements, this Board did not receive any formal accusations pursuant to Art. 2408 of the Italian Civil Code, with the exception of a verbal intervention during the Shareholders' Meeting of 18 April 2019, noted as such, and which was not followed up by the shareholder who intervened. In any case, the Board of Statutory Auditors, as a result of the verifications carried out with regard to what has been reported, did not find any irregularities for the purposes referred to in Art. 2408 of the Italian Civil Code.

In 2019, the Board issued opinions, without formulating observations, with specific regard to:

- the variable remuneration of the CEO;
- the remuneration of the Audit Manager, as well as the budget assigned to the function itself;
- the Audit Plan;
- the proposal regarding the purchase and disposal of treasury shares resolved by the Shareholders' Meeting of 18 April 2019.

## **Effects of the COVID-19 pandemic - Verification of the safeguards against the spread of COVID-19**

During the initial months of 2020, the COVID-19 virus spread throughout Italy. This event generated a series of limitations in daily activities starting in March and prompted the Company to adopt measures aimed at preserving and safeguarding the health of employees, while guaranteeing the performance of business activities, as they fall under those listed in the Prime Minister's Decree of 22 March 2020 for which the continuation of activities is permitted. In this regard, the Board requested and obtained, together with the Supervisory Body, reassurances from the various function managers and the Board of Directors of conditions ensuring health and safety in the workplace and, in general, rules adopted in compliance with provisions to fight the spread of the virus.

The Board of Statutory Auditors found that the COVID-19 epidemic had no impact on the financial statements submitted for the approval of the Shareholders' Meeting.

The Board of Statutory Auditors and the auditing firm maintained continuous information exchanges, including in reference to the objective operational difficulties that arose during the final stages of audit activities, as a result of the worsening of the COVID-19 health emergency.

### **Conclusions**

Based on the aforementioned activities and taking into account the considerations reported above, the Board of Statutory Auditors expresses a favorable opinion on the proposal to approve the financial statements for the year ended 31 December 2019 and to allocate the related profit for the year as formulated by the Board of Directors.

Rome, 29 April 2020

On behalf of the Board of Statutory Auditors

The Chairman

Ms. Silvia Muzi \_\_\_\_\_