



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
pursuant to Article 123-*bis* of Legislative Decree no. 58 of 24 February 1998

FINANCIAL YEAR 2021

(Report approved by the Board of Directors on 17 March 2022)

Rai Way S.p.A.

Registered office in Rome, Via Teulada, no. 66

Tax ID and VAT number and Rome Companies' Register no.: 05820021003

Share capital €70,176,000.00 fully paid-up

www.raiway.it

Company subject to management and coordination

by RAI - Radiotelevisione Italiana S.p.A.

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SPECIFIC DEFINITIONS

Appointed Director	The director appointed to establish and maintain an effective internal control and risk management system (ICRMS), as referred to in Section 10.3.2 of the Report and who coincides with the Company's Chief Executive Officer.
Shareholders' Meeting	The Shareholders' Meeting of Rai Way.
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari no. 6.
Code/Corporate Governance Code	The Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee.
Code of Ethics	The corporate Code of Ethics is an integral part of the Model 231, described in more detail in Section 10.6 of this Report.
Inside Information Code	The Code on processing Inside Information approved by the Board of Directors, as described in more detail in Paragraph 10.9 of this Report.
Board of Statutory Auditors	The Board of Statutory Auditors of Rai Way.
Board of Directors/Board	The Board of Directors of Rai Way.
First Trading Day	The first day Rai Way's shares were traded on the Electronic Stock Market (MTA), i.e. 19 November 2014.
Financial Reporting Manager	The manager in charge of the drafting of the company's financial reports, pursuant to Art. 154- <i>bis</i> TUF [Consolidated Law on Financial Intermediation], referred to in Section 10.3.6 of this Report.
EXM	Euronext Milan - formerly known as the "Mercato Telematico Azionario" (in short, the "MTA" - the Electronic Stock Market) - organised and managed by Borsa Italiana S.p.A.
Rai Group or the Group	The group of companies led by Rai (as better defined below), which includes its controlled companies pursuant to Art. 2359 of the Italian Civil Code.
Model 231 or Model	The organizational model pursuant to Legislative Decree. no. 231 of 08 June 2001, as amended.

Monte Titoli	Monte Titoli S.p.A., with registered office at Piazza Affari, no. 6, Milan (Italy).
New Service Agreement	The service agreement signed on 31 July 2014 (effective from 1 July 2014 as subsequently amended) between Rai Way, as supplier, and Rai, as principal, for the provision of “turnkey” services.
New Passive Service Agreement	The service agreement signed on 31 July 2014 (effective from 1 July 2014 as subsequently amended) between Rai, as supplier, and Rai Way, as principal.
Global Sales Offering or Global Offering	The public global sales offering made by RAI for the admission to the listing of its shares on MTA, concluded on 19 November 2014.
Supervisory Board	The supervisory board pursuant to Legislative Decree. no. 231 of 08 June 2001, as amended.
Related Party Procedure	The procedure concerning related party transactions, adopted by the Company in accordance with the provisions of Art. 2391- <i>bis</i> of the Italian Civil Code and the Regulation on Related Party Transactions (as defined below).
Rai or Parent Company	RAI - Radiotelevisione Italiana S.p.A., with registered office at Viale Giuseppe Mazzini no. 14, Rome (Italy).
Rai Way or the Issuer or the Company	Rai Way S.p.A., with registered office at Via Teulada no. 66 Rome (Italy).
Shareholders’ Meeting Regulations	The Shareholders' Meeting Regulation aimed at enabling the orderly and functional conduct of the shareholders’ meetings.
Board Regulations	The rules and regulations of the Board of Directors, approved by the same, in accordance with Art. 23.1 of the Bylaws and consistently with Recommendation 11 of the Corporate Governance Code, which governs the functioning and powers of the Board, in compliance with the provisions of law and the Bylaws.
Management and Coordination Regulations	This regulation covers the management and coordination activities exercised by Rai on Rai Way, approved by the Board of Directors of the Issuer and the Parent Company on 4 September 2014 and effective as of the First Trading Day.

Issuers' Regulation	The CONSOB regulation adopted with resolution 11971 of 14 May 1999, as amended.
Market Regulations	The regulations approved by CONSOB with resolution 20249 of 28 December 2017, as amended.
Regulations on Related Party	Regulations containing provisions relating to transactions with related parties, adopted by CONSOB with resolution no. 17221 on 12 March 2010, as amended.
Report	This Corporate Governance and Ownership Structure Report
Manager of the Audit Department	The subject responsible for the Audit department, pursuant to Section 10.3.4 of this Report.
ICRMS	Acronym of "Internal Control and Risk Management System", as described in Section 10 of this Report.
Independent Auditors	PricewaterhouseCoopers S.p.A., engaged to perform the statutory auditing of the Issuer's accounts.
Articles of Association	The Bylaws of Rai Way.
CFA	Legislative Decree no. 58 of 24 February 1998, as amended.

1. ISSUER PROFILE

1.1. *Corporate governance profile*

The term “corporate governance” means the set of rules and, more generally, the corporate governance system for the management and control of corporations.

Rai Way is a company with shares listed on the Borsa Italiana Electronic Stock Exchange (MTA - now the Euronext Milan) since 19 November 2014 (i.e. the date of completion of the Global Offering promoted by Rai shareholders).

In view of and for the purposes of the process of listing its shares, the Board of Directors resolved to adhere to the edition in force at the time of the Self-Conduct Code for Listed Companies approved by the Corporate Governance Committee, and the Company has therefore gradually adopted a number of resolutions aimed at bringing its own corporate governance into line with the provisions of that Code, also with regard to its subsequent editions, and therefore up to the adoption of the recommendations contained in the edition approved in January 2020 (therein having taken on the name of the Corporate Governance Code), which were progressively applied by the Company, with the details indicated in this Report, during Financial Year 2021.

Rai Way has adopted a system of corporate governance in line with the provisions of law and regulations applicable to it and consistent with the principles recognised by relevant best practices. The central role of the Board of Directors and the objectives of correct management of any situations of conflict of interest, efficiency of the internal control system and transparency towards the market are highlighted.

Unless otherwise indicated, the information in this Report relates to the financial year ended 31 December 2021 and therefore, among other things, to the practices carried out, as specified above, in application of the Corporate Governance Code. With regard to the categories defined in the latter, the Company - depending on its market capitalisation (being higher than one billion euros at the end of the three financial years prior to the adoption of the Code, as well as at 31 December 2021) and its ownership structure - is classified as a "large company" and as a "concentrated ownership" company, respectively. By virtue of this double qualification, among the simplification options recognised by the Corporate Governance Code in application of the principle of proportionality introduced by the same, the Company has availed itself solely of the possibility of carrying out the self-assessment process of the Board of Directors and the Board Committees at least every three years (and not annually, as envisaged, on the other hand, for large companies other than those with concentrated ownership), not carrying out this process with reference to Financial Year 2021, as specified in Paragraph 7.1 below of this Report.

1.2. *Information on the management system and corporate bodies*

The Company has adopted a so-called traditional management system, which highlights the role of the Board of Directors as the management body, while the Board of Statutory Auditors is responsible for the control function. The governance structure and the overall organizational structure are also in line with the objective of maximizing management efficiency to create greater value for all shareholders.

The corporate bodies are the Shareholders Assembly, the Board of Directors and the Board of Statutory Auditors. The powers and operating procedures of the corporate bodies are governed by the law, the Articles of Association, and the resolutions passed by the competent bodies, depending on the case.

Shareholders' Meeting

The Shareholders' Meeting is the sovereign body that expresses the Company's will through its resolutions.

The Shareholders' Meeting passes resolutions, in ordinary and extraordinary sessions, on matters assigned to it in accordance with the law and the Articles of Association. In particular, the ordinary Shareholders' Meeting must be called at least once a year, within one hundred and twenty days from the end of the financial year, or within one hundred and eighty days, in the cases permitted by law and in the manner prescribed by law. In any event, the Shareholders' Meeting is convened, in ordinary or extraordinary sessions, any time the Board of Directors considers it appropriate and in other cases provided by current laws and regulations.

Shareholders' Meetings are convened through a notice to be published in accordance with the procedures and time limits, which include the content set out in applicable laws and regulations. Shareholders' Meetings of Rai Way are held in a single call, unless the Board of Directors, for a certain session, resolves to provide a date for the second call and, if necessary, the third call, giving notice thereof in the notice of call.

See Section 14 of this Report for more information.

Board of Directors

The Board of Directors shall be solely responsible for managing the company and shall work with the diligence required in accordance with the nature of the duty and on the basis of the specific skills of each of its members.

The Board of Directors shall have all powers of management of the Company and the right to carry out all actions considered necessary or advisable to implement the corporate purpose, with the sole exception of those actions which the Articles of Association reserve to the Shareholders' Meeting. The operating procedures and duties of the administrative body are governed, in particular, by the specific Board Regulation, adopted by the Board in compliance with applicable laws, regulations and the Bylaws as well as in compliance with Recommendation 11 of the Corporate Governance Code.

Members of the Board of Directors shall be elected by means of the so-called list voting system, i.e. on the basis of lists submitted by Shareholders who, alone or together with others, own at least 2.5% of Rai Way's share capital with voting rights, or any lower amount established by inviolable legal or regulatory provisions in force from time to time.

For more information, reference should be made to the indications and references in the Chapter 4 of this Report.

Board of Statutory Auditors

The Board of Auditors is the Supervisory Board of Rai Way, comprising three standing

auditors and two substitute auditors, Auditors are elected using the so-called slate vote system, i.e. based on lists submitted by shareholders who, on their own or together with other shareholders, hold shares with voting rights representing at least the percentage of share capital established by applicable law or regulations.

See Parts 12 and 13 of this Report for additional information.

1.3. Qualification as “SME” for the purpose of TUF provisions

It should be noted that, as at the date of this Report, also for the purposes of the application of certain regulations on corporate governance and ownership structures provided for by the Consolidated Law on Finance, Rai Way falls within the definition of "SME" pursuant to Art. 1, paragraph 1, letter *w-quater*.1) of the Consolidated Law on Finance and Art. 2-ter of the Issuers' Regulation, specifying that this qualification derives from the application of the transitional regime provided for by Art. 44-bis, paragraph 2, of Law Decree no. 76/2020 converted into Law no. 120/2020 and that on 31 December 2021 the value of the stock market capitalisation of the Company was equal to € 1,419,840,000.00, while the turnover recorded for Financial Year 2021 was equal to € 229,937,070.00.

1.4. Powers of the Italian government (so-called golden powers)

The assumption of certain corporate resolutions by the Issuer or the acquisition of certain shareholdings relevant to the control of the Issuer by parties outside the European Union could be subject to the special powers of the State (so-called *golden powers*) provided by Legislative Decree. no. 21 of 15 March 2012 (converted with amendments by Law no. 56 of 11 May 2012), as subsequently amended by Legislative Decree no. 148 of 16 October 2017 (converted with amendments by Law 172 of 4 December 2017) and Legislative Decree no. 105 of 21 September 2019 (converted with amendments by Law no. 133 of 18 November 2019), which regulates the special powers of the State inherent, *inter alia*, to strategic assets in the communications sector, and by Legislative Decree no. 23 of 8 April 2020 (so-called Liquidity Decree,) converted with amendments by Law 40 of 5 June 2020) on the subject of foreign direct investment control instruments (the provisions by art. 4 of EU Regulation 2019/452 are also recalled) and by Decree Law no. 228 of 30 December 2021 (so-called Decreto Milleproroghe), which extends the instrument of the "Enhanced Golden Power" through to 31 December 2022. Specifically, this tool, already introduced by the Liquidity Decree, extended the notification requirements to also include intra-EU transactions and acquisitions of minority shareholdings by non-EU parties in relation to the sectors and strategic assets indicated by Article 4 of EU Regulation 2019/452, such as, *inter alia*, (i) critical infrastructure, whether physical or virtual, including energy, transportation, water, health, communications, media, data processing or storage, aerospace, defence, electoral or financial infrastructure, and sensitive facilities, as well as investments in land and buildings critical to the use of such infrastructure; (ii) critical technologies and dual-use items; (iii) security of supply of critical inputs, including energy and raw materials, as well as food security; and (iv) access to sensitive information, including personal data, or the ability to control such information.

The “strategic assets” in the communications sector were identified by Art. 3 of Presidential Decree no. 85 of 25 March 2014, then replaced by Art. 3 of Prime Ministerial Decree 180 of

23 December 2020, as follows: (i) dedicated networks and public access network to end users in connection with metropolitan networks, service routers and long distance networks; (ii) the facilities used for the provision of access to end users of services covered by the universal service obligations and broadband and ultra-wideband services, and the related contractual relationships; (iii) dedicated elements, even if not for exclusive use, for connectivity (voice, data and video), security, control and management relating to fixed location telecommunications access networks.

In particular, art. 2 of Legislative Decree 21/2012 establishes that, in reference to companies holding one or more of these strategic assets, the Government may:

- (a) veto any resolution, action or transaction which - involving a change in the ownership, control or availability of the assets or change their usage - give rise to an exceptional circumstance, not governed by national and European law, that present a material threat to the public interest of safety and operation of the networks and plants, as well as the continuity of supply (paragraph 3);
- (b) make the validity of the purchase for any reason, by non-EU parties, of any shareholding that would determine the stable control by the purchaser, of the company - the investment in which is the purpose of the purchase, pursuant to Art. 2359 of the Italian Civil Code and Art. 93 of TUF, if the aforesaid purchase represents a material threat to the public interest of safety and operation of the networks and installations, as well as to the continuity of supply, or a danger for the public safety - conditional to the purchaser's undertaking of commitments aimed at ensuring the protection of the aforesaid interests (paragraph 6);
- (c) object to the purchase referred to in letter (b) if it entails exceptional risk for the protection of the aforesaid interests, which may not be eliminated by the purchaser by undertaking specific commitments to ensure the protection of the aforesaid interests (paragraph 6).

Article 4 of Prime Ministerial Decree 180/2020, in any case:

- establishes that the special powers shall apply insofar as to ensure the protection of the basic interest of the Italian Government, including those connected to the development of adequate infrastructure, not sufficiently guaranteed by the existence of an industry-specific regulation, also of a contractual nature connected to a specific concessionary agreement;
- excludes from the scope of special powers "*types of acts and transactions implemented within the same group [...] related to mergers, divisions or disposals, also of equity investments when the relevant assembly of shareholders or administrative bodies' resolutions do not involve the transfer of the company or business units thereof or of subsidiaries, or transfer of the registered office, amendment of the company purpose, the dissolution of the company or amendment of any provision of the articles of association adopted by the company pursuant to Article 2351, paragraph 3 of the Italian Civil Code, or introduced pursuant to Article 3, paragraph 1 of Law Decree 332 of 30 July 1994, converted with amendments by Law 474 of 30 July 1994, as amended, or, lastly, the establishment or transfer of ownership rights or rights of use related to tangible or intangible assets or acceptance of constraints on their use*". This exclusion does not apply where there are sources of information on the threat of serious damage to public interests related to the safety and operation of networks and plants, as well as the continuity of supply.

The procedures for exercising special powers in the communication sector are established by Presidential Decree no. 86 of 25 March 2014.

Power of veto in connection with the adoption of certain corporate resolutions

For the purpose of exercising the powers set out in letter (a) above, the company holding the strategic assets must notify the Presidency of the Council of Ministers of the Italian Republic of the resolution with a complete report on the resolution within ten days and, in any case, before implementation of the resolution. The Presidency of the Council of Ministers of the Italian Republic communicates his/her intention to exercise veto power within forty-five days following notification. The veto power may also be exercised in the form of imposition of specific requirements or conditions sufficient to safeguard public interests concerning the safety and operation of the networks and plants, as well as the continuity of supplies. If no measure is imposed within the deadline, the transaction shall be considered clear.

Resolutions, actions or transactions adopted or implemented in breach of a veto are null and void. The Presidency of the Council of Ministers of the Italian Republic may also order the company and the counterparty, if any, to reinstate the prior situation at their own cost and expense. Unless the act constitutes an offence, any person who does not comply with the provisions on exercising veto power shall be subject to a fine of up to twice the value of the transaction, however no less than 1% of the enterprises' cumulative turnover in the most recent financial year for which financial statements have been approved.

Power to impose conditions or oppose the purchase of shareholdings

To exercise the powers listed in letter (b) and (c) above, the non-EU party who acquires a significant holding must provide notification of the acquisition, within ten days after its execution, to the Presidency of the Council of Ministers of the Italian Republic, together with any other information useful for providing a general description of the proposed acquisition, the purchaser and area of operations. The Presidency of the Council of Ministers of the Italian Republic provides notice of any imposition of conditions or the exercise of the power of opposition, within forty-five days of the notification. Until the expiry of the deadline for the imposition of conditions, or for the exercise of the power of opposition, voting rights and rights unrelated to economic rights associated with the shares representing the relevant shareholding are suspended.

If the Presidency of the Council of Ministers of the Italian Republic exercises the power to impose conditions and if the conditions imposed upon the purchaser are infringed (and for as long as any such infringement continues), then voting rights and rights unrelated to economic rights associated with the shares representing the relevant shareholding are suspended. Any resolutions adopted with the decisive vote of such shares or quotas, as well as resolutions, agreements or actions adopted in breach of the conditions imposed, will be null and void. Unless the relevant conduct constitutes a criminal offence, a purchaser who fails to honour the conditions imposed will be subject to a fine equal to twice the value of the transaction but not lower than 1% of the cumulative turnover generated by the enterprises involved in the most recent financial year for which financial statements have been approved.

If the Presidency of the Council of Ministers of the Italian Republic exercises the power to oppose the shareholder's acquisition, the purchaser may not exercise voting rights or rights

other than economic rights, related to the shares representing the relevant shareholding, and shall be required to transfer those shares within one year. In the event of non-compliance, the court, at the request of the Government, shall order the sale of said shares in accordance with the procedures provided for in Art. 2359-ter of the Italian Civil Code. Any Shareholders' Meeting resolutions adopted with the decisive vote of these shares shall be null and void.

1.5. *Transfer of equity interests in the share capital of the Issuer by Shareholder Rai*

Rai exercises control of Rai Way pursuant to Art. 93 of the TUF.

Decree Law 66 of 24 April 2014 converted with amendments into Law no. 89 of 23 June 2014 provides, under Art. 21, paragraph 3, that *“for the purposes of streamlining, rationalisation and industrial restructuring of the equity investments held by RAI S.p.A., the Company may proceed to sell on the market, in a transparent and non-discriminatory manner, Rai Way shares, while ensuring the continuity of service provided. The methods of disposal are identified by the decree of the Council of Ministers adopted on proposal by the Ministry of Economy and Finance in agreement with the Ministry of Economic Development”*.

On 8 May 2014, Rai notified the Presidency of the Council of Ministers of the Italian Republic of its intention to launch the Global Offering. With Prime Ministerial Decree 2 September 2014, which establishes the criteria and methods to be adopted for the disposal of the investment in the share capital of Rai Way SpA held indirectly by the Ministry of the Economy and Finance (Official Journal General Series no. 229, dated 2 October 2014) and thereby officially authorised the disposal of the equity investment as part of the Global Offering¹.

Rai notified the Presidency of the Council of Ministers of the Italian Republic of the Global Offering as required. Following this notification, no communications of any kind concerning the possible exercise of *golden powers* were received within the terms provided for by the implementing decrees explained in Section 1.4 (*see* Section 1.4 above) by the Presidency of the Council of Ministers with regard to Rai. On 23 October 2014, the following statement was published on the official website of the Presidency of the Council of Ministers of the Italian Republic *“the Council of Ministers has accepted the proposal of the Minister of the Economy and Finance not to exercise the power of veto in relation to [...] the authorisation of the sale of minority shareholding in Rai Way S.p.A. aimed at obtaining a market listing”*.

1.6. *Equity investments in other companies*

During 2021 the Company only held the entire share capital of Sogepotel S.r.l., a non-operating company that was resolved to be wound up during the year; following the conclusion of the liquidation phase, this company was dissolved and has ceased trading as of the date of this Report.

¹ A Decree of the President of the Council of Ministers concerning Rai's stake in Rai Way is currently being issued.

2. INFORMATION ON THE OWNERSHIP STRUCTURE (PURSUANT TO EX ART. 123-BIS, PARAGRAPH 1 OF THE TUF) AT 31 DECEMBER 2021

2.1. *Capital structure*

The share capital of Rai Way amounts to €70,176,000.00, fully paid-in, divided into 272,000,000 ordinary shares with no par value. There are no categories other than ordinary shares.

All shares, which are registered, have the same characteristics and confer the same rights on the holder. Specifically, each share gives the right to one vote in the ordinary and extraordinary Shareholders' Meetings, as well as the administrative rights provided by applicable provisions of law and the Bylaws.

2.2. *Restrictions on transferability of shares*

The shares are registered and freely transferable in accordance with the law and the Articles of Association.

The purchase of some equity investments that are relevant for the control of the Issuer by non-EU subjects could be limited by the special powers of the State (the so-called “golden powers”) provided for by Legislative Decree no. 21 of 15 March 2012, converted with amendments into Law no. 56 of 11 May 2012, as subsequently amended by Legislative Decree no. 148 of 16 October 2017, and by Legislative Decree no. 105 of 21 September 2019 (converted with amendments by Law no. 133 of 18 November 2019). Further information is provided in previous Section 1.4 of this Report.

For information on the methods of transferring equity investments in the Issuer's share capital by the shareholder Rai, see Paragraph 1.5 of this Report.

2.3. *Significant equity investments in share capital*

According to the Shareholders' Register, the notices received in compliance with the law and other information available as of today, the shareholders holding more than 5% ⁽²⁾ of voting capital, as of the date of this Report, as well as at 31 December 2021, are those indicated in TABLE 1, attached to this Report.

2.4. *Securities that grant special rights*

No securities have been issued that grant special rights of control.

(2) Given the fact that the Issuer is an “SME” pursuant to Art. 1, paragraph 1, letter w-*quater*.1) of the TUF, the applicable percentage for the purposes of disclosure obligations pursuant to Art. 120, paragraph 2 of the TUF is equal to 5%.

2.5. *Employee shareholding: mechanism for exercising voting rights*

There is no mechanism in place to exclude or limit the direct exercise of voting rights by the beneficiaries of the long-term share-based plan, known as the "2021-2023 Stock Option Plan", approved by the shareholders on 27 April 2021 (the "2021-2023 Stock Option Plan").

2.6. *Restrictions on voting rights*

There are no restrictions on shareholder voting rights.

2.7. *Shareholders' agreements*

The Company is not aware of any shareholders' agreements pursuant to Art. 122 of the TUF.

2.8. *Change of control clauses*

Taking into account the stake held by the controlling shareholder and the regulatory framework within which it operates, the Company is currently not subject to contention.

Notwithstanding the foregoing, the Company is party to several agreements that contain change of control clauses. More specifically:

- (i) the intra-company current account agreement entered into between Rai and Rai Way on 17 November 2014, instrumental in providing Rai the funding needed to settle the mutual credit and debit balances resulting from several residual payment services provided under the New Passive Service Agreement including, but not limited to, the management of advances to employees at headquarters or regional offices and the liquidation of other items within the Group, not relating to the services rendered pursuant to the New Passive Service Agreement. These residual payment services do not include, in any case, payments resulting from the New Service Agreement. Under the new intra-company current account agreement, Rai Way has been given the option to deposit its liquid assets in favor of Rai in an additional intra-company current account. Specifically, the Issuer is required to provide information on the technical characteristics of the deposit in terms of effective date, duration and amount and, in the event of an agreement with Rai also the financial terms. The liquidity may be repaid to Rai Way on the agreed expiry date or in advance, provided that at least five days notice is given. This agreement shall automatically terminate in the event of loss of control, direct or indirect, of Rai over Rai Way;
- (ii) the agency agreement, signed between Rai and Rai Way on 17 November 2014, through which Rai was granted powers to arrange payments and receipts, respectively, of the receivables and payables arising from the settlement of several intra-group items, mainly in connection with clearing activities, through Rai, of the accounts receivable and accounts payable amongst Group companies (i.e. netting).

This activity does not include, in any case, payments resulting from the New Service Agreement, which go directly in the Company's current accounts and are managed independently. This agreement, which has a term of one year, is renewable by tacit consent unless terminated by either party, subject to at least three months' notice before its expiry, and provides for automatic termination in the event of loss of control, direct or indirect, of Rai over Rai Way;

- (iii) the loan agreement signed on 29 October 2020 by Rai Way and Mediobanca - Banca di Credito Finanziario SpA, Banca Nazionale del Lavoro SpA, Unicredit SpA and Cassa Depositi e Prestiti SpA, in their capacity as lending institutions, concerning the granting of a loan divided into two credit lines, both expiring on 27 October 2023, specifically: i) a term credit line, for a maximum amount of €120,000,000.00 and ii) a revolving credit line, for a maximum amount of €50,000,000.00. The said agreement provides for, *inter alia*, in line with market practice, an obligation to repay if there is a change in the Company's current control structure. It should be noted that, as of the date of this Report, the amount disbursed in favor of Rai Way pursuant to the aforementioned loan agreement is equal to €15,000,000.00 in relation to the so-called term credit line, while the so-called revolving credit line has not been used.

2.9. Provisions in the articles of association regarding takeover bids

The Bylaws do not contain any derogation from the provisions of the TUF concerning takeover bids, including the provisions of Art. 104, paragraphs 1 and 2 of the TUF concerning the so-called passivity rule and the further derogations and powers set out in Art. 106 of the TUF deriving from the Company's status as an SME (see Paragraph 1.3 of this Report). Moreover, the Articles of Association do not call for enforcement of the neutralisation rules provided for in Art. 104-*bis* of the TUF.

2.10. Authorisation to increase share capital and/or purchase treasury shares

At the date of this Report, there are no Shareholder Assembly resolutions giving the Board of Directors the authority to increase the share capital pursuant to Art. 2443 of the Italian Civil Code, nor are the Directors authorised to issue bonds convertible into ordinary or savings shares or bonds with warrants for the purchase of shares.

Following the withdrawal of the resolution authorising the purchase, for the outstanding portion, and disposal of treasury shares adopted by the ordinary Shareholders' Meeting of 27 April 2021, the Shareholders' Meeting of 24 June 2020, authorised the Board of Directors to purchase and dispose of treasury shares, in accordance with Articles 2357 *et seq.* of the Italian Civil Code and Art. 132 of TUF and Art. 144-*bis*, letters a), b) and d) of the Issuers' Regulations. In particular, the Shareholders' Meeting resolved to authorise, in the eighteen months from the date of the Shareholders' Meeting resolution, the purchase, on one or more occasions, of treasury shares up to a maximum number of shares not exceeding 10% of the share capital, at a price not more than 20% lower or higher than the official stock exchange price of the shares as recorded by Borsa Italiana SpA in the session preceding each individual transaction, according to any of the methods allowed by the regulations in force, excluding the right to purchase treasury shares through the purchase and sale of derivative instruments traded on regulated markets that provide for the physical delivery of the underlying shares;

purchases can also be made on the basis of applicable market practices allowed by Consob. This was done in order to provide the Company with an important flexibility tool, which can be used for the following purposes: i) investment of liquidity in the medium and long term, or for the purpose of optimizing the share capital structure or, in any case, to seize market opportunities; ii) operate, in compliance with the provisions in force, to contain abnormal price fluctuations and to regularize the trend of negotiations and prices, in the face of momentary distorting phenomena linked to excess volatility or a lack of trading liquidity; iii) creation of a portfolio of treasury shares that can then be used for purposes deemed to be of interest to the Company, including to service share incentive plans or as part of bonus issue of free shares to the shareholders. Furthermore, the Shareholders' Meeting authorised the disposal of treasury shares, for the aforementioned purposes and with no time limits, at a price or according to any method deemed appropriate to correspond to the objectives pursued, and in any case, based on criteria and conditions determined by the Board of Directors, with reference to the implementation methods used, the trend in share prices in the period prior to the transaction, and the best interests of the Company, in compliance with the provisions of governing law and regulations.

Pursuant to the authorisation of the shareholders' meeting passed on 24 June 2020, the Company carried out and completed a share buyback programme during Financial Year 2020. As a result of this programme, the Company came to hold, and maintained during Financial Year 2021 (as well as at the date of this Report), 3,625,356 treasury shares, equal to approximately 1.33% of its share capital (having neither held treasury shares nor held any through subsidiaries).

2.11. *Management and coordination activities*

Rai Way is subject to the management and coordination activities of Rai pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

On 4 September 2014, the boards of directors of Rai and Rai Way, to the extent of their competence, approved the Management and Coordination Regulations of Rai, the provisions of which pertain only to the Company, excluding, therefore, all companies in the Rai Group, except Rai Way, subject to the management and coordination of the Parent Company. This Management and Coordination Regulation, which became effective on the First Trading Day, aims, on one hand, to balance the need for an informational link and functional interaction underlying Rai's management and coordination activities and, on the other, to ensure that Rai Way's status as a listed company, leads to its operational and financial autonomy at all times.

Pursuant to the provisions of the above regulation, RAI mainly performs its management and coordination activities with respect to Rai Way in the following manner:

- (a) the drafting of certain general rules designed to coordinate, to the extent possible and in accordance with the respective needs, the main guidelines for the management of Rai and Rai Way;
- (b) the requirement for Rai Way to inform the Parent Company in advance before approving or executing, depending on the case, any operations and/or transactions, determined and drawn up independently within Rai Way, that are considered to be of particular significance and importance with respect to the strategic lines and

planning of the operations of the Rai Group;

- (c) the requirement for Rai Way to provide certain information necessary in accordance with the Management and Coordination Regulation and general operational guidelines.

With particular regard to personnel and the remuneration policies, pursuant to the Management and Coordination Regulation, Rai Way has exclusive responsibility for every decision regarding the appointment and hiring of the Issuer's personnel and executives, the management of employment relationships and the establishment of remuneration policies, including setting the career paths and implementing the appraisal and incentive systems for executives, in respect of which Rai has no power of veto. The Parent Company may adopt specific procedures, which will also be autonomously implemented by Rai Way, directed solely towards compliance with transparency and non-discriminatory criteria, which, furthermore, must be a distinct feature of the procedures for appointing and hiring personnel (for more information on remuneration, see the contents of Section 8 below of this Report).

As regards to the afore-mentioned management and coordination activities of the Company, in 2021, and as at the date of this Report, all applicable provisions set forth in Art. 16 of the Market Regulations, were complied with.

3. COMPLIANCE

With reference to Financial Year 2021, Rai Way has adopted the Corporate Governance Code (accessible to the public on the page <http://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>), applying its contents, as specified below, during the same financial year.

With regard to the recommendations reported in December 2021 by the Corporate Governance Committee, in a letter from its Chairman, Section 17 below, indicates the portions of this Report where related information is given or referred to.

Rai Way is not subject to any non-Italian laws that would affect its corporate governance structure.

4. BOARD OF DIRECTORS

4.1. *Role of the Board of Directors*

Art. 23 of the Bylaws establishes that the Board of Directors shall be solely responsible for managing the company and shall work with the diligence required in accordance with the nature of the duty and based on the specific skills of each of its members. In particular, the Board of Directors shall be vested with all powers for the ordinary and extraordinary management of the Company, and the right to carry out all actions considered necessary or appropriate to achieve the corporate purpose, except for those powers that are reserved by law and/or the Articles of Association to the Shareholders' Meetings.

Moreover, Art. 23.2 of the Articles of Association provides that, in addition to those duties and powers that cannot be delegated by law, the Board of Directors is responsible for passing resolutions, which cannot be delegated, concerning:

- general guidelines, as well as adoption and amendment of the Company's business, strategic and financial plans;
- the appointment and dismissal of the Director General and Chief Financial Officer;
- assessments on the general performance of the Company.

The Board of Directors is also vested with the power to resolve on:

- (i) opening and closing of secondary offices;
- (ii) reduction of share capital in the event of the withdrawal of one or more shareholders;
- (iii) updating the Articles of Association to meet regulatory provisions;
- (iv) mergers and de-mergers in the cases listed in Articles 2505, 2505-*bis* and 2506-*ter* of the Italian Civil Code;
- (v) indicating which of the Directors may represent the Company;
- (vi) transfer of the headquarters within Italy.

Lastly, the Board has the task of reporting to the shareholders at the Shareholders' Meeting.

During the course of Financial Year 2021, the Board of Directors acted in accordance with the provisions of the Corporate Governance Code, adopted almost at the start of the year, and in particular in the pursuit of the Company's general interests, which, according to the Code, consist of the creation of long-term value to the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company (hereinafter "**sustainable success**"). In this regard, in particular, the Board approved in the first part of the year - on the basis of what has already been established in this regard within the framework of the current multi-year Industrial Plan, approved in 2020, at strategic level and together with a formalised general policy on sustainability - a related specific corporate plan, with objectives that are also multi-year and related to different profiles of corporate activities. The attention paid to profiles relating to sustainability was also present, in particular, at governance level, with the assignment to the Control and Risk Committee - now renamed

the Control, Risks and Sustainability Committee - of certain verification and assessment tasks, even beyond those recommended by the Corporate Governance Code, as well as of the internal control and risk management system (see, respectively, Chapter 9 and Chapter 10 of this Report), as well as on the subject of remuneration, depending on the related targets related to the variable part of the remuneration of the Chief Executive Officer and General Manager and of the other Key Management Personnel who report to him (in this regard, reference is made to Chapter 8 of this Report, which in turn refers to the relevant Report on Remuneration Policy and Fees Paid). Information in relation to relevant sustainability activities, also in relation to the stakeholders considered, can be consulted in the Non-financial disclosure prepared by the Company pursuant to the provisions of Legislative Decree no. 254/2016 as amended and supplemented relating to Financial Year 2021 (published within the terms and in the manner established by the applicable laws and regulations, including publication on the Company's website www.raiway.it under the section Governance/Shareholders' Meeting/Ordinary Shareholders' Meeting 2022). Reference is also made to Chapter 13 of this Report with regard to the engagement activities carried out by the Company with investors and the Policy adopted by the Company also pursuant to Recommendation 3 of the Corporate Governance Code.

In Financial Year 2021, the Board of Directors assessed the adequacy of the Company's organisational, administrative and accounting structure, with particular reference to the internal control and risk management system, in this latter area making use of the investigative activities of the Control, Risks and Sustainability Committee.

The Board also monitored activities relating and correlated to the implementation of the above-specified multi-year Industrial Plan and assessed the general management performance, taking into consideration, in particular, the information received from the delegated bodies and comparing, on a periodic basis, at least quarterly, the results achieved with those planned.

With reference to the general criteria for identifying transactions of significant strategic, economic, equity or financial importance for the Issuer, all transactions that do not fall within the scope of the management powers assigned within the Company were considered to be of such importance.

The Shareholders' Meeting did not authorise any exception to the prohibition on competition pursuant to Art. 2390 of the Italian Civil Code.

4.2. *Appointment and replacement*

In accordance with prevailing laws and regulations applicable to listed companies, shareholders appoint the Board of Directors based on slates and following the procedures established under Art. 17 of the Bylaws as described below.

Directors are appointed by the Shareholders' Meeting by way of slates presented by eligible parties; the candidates must be listed in numerical order, with no more than 11 candidates. Each list must be made up of candidates belonging to both genders, so as to ensure

compliance with the balance between genders, at least to the minimum extent required by the legislation, including regulations, in force.⁽³⁾.

Each person entitled to vote (as well as (i) the legitimated parties belonging to the same group, i.e. the controlling party (including non-corporate) pursuant to Art. 2359 of the Italian Civil Code and any company controlled by or under the common control of the same party, or (ii) the members of the same shareholders' agreement pursuant to Art. 122 of the TUF, or (iii) the legitimated parties that are otherwise connected with each other by virtue of relevant relationships pursuant to the law and/or applicable regulations) may only submit or take part in the presentation of one list, and each candidate may be included in one list only, otherwise he/she will be considered ineligible.

Entitled to submit lists for the appointment of Directors are those persons entitled to vote who, alone or together with others, hold voting shares representing at least 2.5% of the share capital with voting rights in the ordinary shareholders' meeting, or the lower amount established by mandatory provisions of law or regulations (at least 1% of the share capital, which is envisaged both during Financial Year 2021 and at the date of this Report according to Consob Guidelines no. 44 of 29 January 2021 and no. 60 of 28 January 2022).

Ownership of the minimum number of shares required for the submission of slates is, where applicable, determined based on the shares registered for the individual shareholder or group of shareholders submitting jointly as of the date on which the slates are submitted to the Company. Ownership of the number of shares required for the submission of slates must be certified in accordance with applicable laws and regulations. Said certification may be provided to the Company after the submission of the slate so long as it is provided by the date set for publication of the slates by the Company.

In order to be valid, slates must be submitted to the Company headquarters, including by means of remote communication and in accordance with the procedures published in the notice of call, and in a manner that allows for verification of the identity of the party making the submission, at least 25 days (or within a different deadline as per applicable laws and regulations) prior to the date of the Shareholders' Meeting. Slates must be made available to the public at the Company's headquarters, published on the Company's website, or by other means as provided under applicable laws and regulations at least 21 days prior to the date of the Shareholders' Meeting (or as otherwise required by prevailing legislation).

Together with the slates, eligible parties presenting the slates must also provide any additional declarations and other documentation required by applicable laws and regulations, as well as:

- information pertaining to individuals who submitted slates, with information on the total shareholding;
- information on the personal and professional characteristics of the candidates included in the slate;

⁽³⁾ In this regard, it should be noted that - in line with the provisions contained in Art. 144-*undecies*.1, paragraph 2, letter a) of the Issuers' Regulation - compliance with the gender balance criterion is envisaged for lists that include a number of candidates equal to or higher than three.

- a statement whereby the individual candidates irrevocably accept the position (subject to their appointment) and attest, under their responsibility, that there are no grounds for their ineligibility or incompatibility to stand as candidate, and that they meet the professional competence and integrity requirements prescribed by current laws and regulations;
- a statement that the independence requirements set out in the Articles of Association have been met.

Slates for which the obligations described above are not met will be considered null and void.

Each shareholder with voting rights may only vote for one list.

The members of the Board of Directors shall be elected as follows:

- (i) a number of Directors equal to the number of board members, decreased by one, are selected - in the order in which they appear on the list - from the slate that obtained the greatest number of valid votes; (the “Majority List”). The remaining Director – in the order in which he/she appears on the list - is then selected from the slate that obtained the second highest number of votes and that is not connected in any way, directly or indirectly, with the parties eligible to vote who submitted or voted for the slate from the Majority List (the “Minority List”);
- (ii) if the Majority List does not contain a sufficient number of candidates for the election of the number of Directors to be appointed, according to the mechanism indicated in point (i) above, all the candidates from the Majority List shall be appointed and the remaining Directors shall be drawn from the Minority List receiving the highest number of votes, in the order in which they appear on the list; if necessary, directors shall also be selected from the second most voted minority list, always in the order in which they appear on the list, until the number of Directors to elect has been reached;
- (iii) if the first two slates receive the same number of votes during the Shareholders’ Meeting, an equal number of candidates shall be drawn from each of the slates, in the order in which they appear on the lists, while the remaining Directors, if any, shall be drawn from the slate that obtained the third-highest number of votes and not connected in any way, directly or indirectly, with the shareholders who filed or voted for the slate that received the highest number of votes, always in the order in which they appear on the list. If only two slates are submitted, or are voted for, and they receive the same number of votes, the same number of Director/s shall be elected from both slates and, in the event of an odd number of Directors, the oldest candidate Director not already drawn from these slates shall be elected as the Director;
- (iv) if the number of candidates in the majority as well as minority lists submitted is less than the number of the Directors to be elected, the remaining Directors shall be selected through a resolution made by the Shareholders’ Meeting by relative majority, ensuring compliance with the principles of independence and gender equality prescribed by current law and regulations. In the event of a tie in the number of votes received, the shareholders shall have a second ballot among the candidates concerned in order to break the tie;
- (v) in the event that only one slate is submitted, or no slate is submitted, the Shareholders’ Meeting shall deliberate according to the procedures set forth in point (iv) above;

- (vi) if the required minimum number of Independent Directors and/or Directors belonging to the least represented gender is not elected, the Directors from the most voted slate that have the highest consecutive number and do not meet the requirements in question, shall be replaced by the next candidates on the same slate, who meet the necessary requirements;
- (vii) if, even after application of the substitution criteria referred to in point (vi) above, suitable replacement candidates have not been found, the Shareholders' Meeting shall resolve by relative majority. In this case, the substitutions shall be effected starting from the most voted slates and from the candidates bearing the highest number in the order they are listed.

The slate voting procedure described above, applies only where the entire Board of Directors is appointed. In the event of death, resignation, withdrawal or removal from office for any other reason of a Director, or where a Director no longer meets the professional or integrity requirements, the Board of Directors will provide for their replacement, by resolution approved by the Board of Statutory Auditors, in compliance with the principles of minority representation and gender balance, provided that the Directors appointed by the Shareholders' Meeting always constitute the majority of Directors. If, in the above cases, the minimum number of Independent Directors falls below the level required by the applicable laws and regulations in force, and/or the number of Directors belonging to the least represented gender falls below the level prescribed by law, the Board of Directors shall replace them, by resolution approved by the Board of Statutory Auditors. Directors appointed in this way shall remain in office until the next Shareholders' Meeting, which will be called upon to confirm their appointment or elect new members of the Board of Directors by appointing other Directors, or to reduce the number of Directors. The Directors thus appointed by the Shareholders' Meeting shall remain in office until expiry of the term of Directors in office as of the time of their appointment. For the appointment of Directors needed to fill vacancies on the Board of Directors, the Shareholders' Meeting shall resolve by relative majority, ensuring that the principles of independence and gender balance established by current law and regulations are met.

In the event that the majority of Directors appointed by the Shareholders' Meeting should cease to hold office for any cause or reason, the entire Board shall be considered terminated and the Directors remaining in office shall be required to convene a Shareholders' Meeting to appoint the new Board of Directors according to the procedure described above.

For information on the self-assessment process of the Board of Directors and its internal Committees and in relation to succession plans, refer to Chapter 7 of this Report.

4.3. *Members*

Introduction

Pursuant to Art. 17 of the Articles of Association, the Company is managed by a Board of Directors consisting of a minimum of 5 (five) and maximum of 11 (eleven) members, who remain in office for a period of up to three years and may be re-elected. The ordinary session of the Shareholders' Meeting establishes the number of Directors and the term of office within the aforementioned limits; the term of office expires on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their appointment. During the term of office, the Shareholders' Meeting may change the number

of Board members, always within the limits set out above, by adopting the relative provisions. Any directors appointed during the term of the Board expire at the same time as the term of those in office at the time of their appointment. The members of the Board of Directors must meet the requirements of professionalism and integrity required by the laws and regulations in force at the time; furthermore, a number of Directors who are not less than the number required by the laws and regulations in force at the time must meet the independence requirements (in addition to the legal requirements) established by the Corporate Governance Code.

The composition of the Board shall be gender balanced, in accordance with applicable legal provisions and regulations.

For the sake of full disclosure, it is worth noting that pursuant to Article 16 of the Market Regulations, since the Company is subject to the management and coordination of Rai, it must have an internal control committee composed of independent directors (in the sense specified in paragraph 1-*bis* of the above Article) and any other committees, recommended by the codes of conduct regarding corporate governance issued by stock exchange companies or by trade associations, must also be composed of directors acknowledged as independent in application of such codes (thus, in the Company's case, the Corporate Governance Code).

Composition of the Board

The Board of Directors in office at the date of this Report is made up of nine directors and its composition is in line with the current legal and regulatory provisions on gender balance.

In Financial Year 2021 as at present, the Board is made up, as more fully explained later in this Report, of one Executive Director and the remainder of non-executive Directors (with a significant component of independent Directors). The Directors are endowed with professionalism and skills commensurate with the tasks entrusted to them, and the number and expertise of the non-executive Directors are such as to ensure that they have a significant influence on Board resolutions and guarantee effective monitoring of management.

The table below provides information on each member of the Board of Directors in office as at 31 December 2021.

NAME AND SURNAME	POSITION	PLACE AND DATE OF BIRTH	DATE OF APPOINTMENT
Giuseppe Pasciucco	Chairperson	Rome, 22 November 1965	24 June 2020
Aldo Mancino	Chief Executive Officer	Livorno, 20 October 1964	24 June 2020

Stefano Ciccotti	Director	Rome, 1 August 1960	24 June 2020
Riccardo Delleani	Independent Director	Rome, 1 January 1960	24 June 2020
Annalisa Raffaella Donesana	Independent Director	Treviglio (BG), 09 June 1966	24 June 2020
Barbara Morgante	Independent Director	Livorno, 12 September 1962	24 June 2020
Umberto Mosetti	Independent Director	Rome, 06 March 1965	24 June 2020
Donatella Sciuto	Independent Director	Varese, 05 January 1962	24 June 2020
Paola Tagliavini	Independent Director	Milan, 23 October 1968	24 June 2020

With reference to the current Board of Directors, all the Directors mentioned above, who were appointed by the Shareholders' Meeting on 24 June 2020, were taken from the "majority" list submitted by the majority shareholder Rai (which was voted by 72.75% of the ordinary shares admitted to the vote) except for Umberto Mosetti, who belonged to the "minority" list submitted by Artemis Investment Management LLP, as investment advisor and on behalf of certain investment funds, at said Shareholders' Meeting appointing the current Board of Directors, Rai held, as it does today, around 64.971% and Artemis Investment Management LLP, indirectly through investment funds, around 9.981% of the Company's ordinary capital.

The CVs of the Directors in office as of 31 December 2021, with updated statement on their professional and personal characteristics and on their skills and experience accrued by virtue of what their statement, are published on the Company's website www.rairway.it (Governance/Board of Directors section) to which reference should be made.

4.3.1. *Criteria and policies regarding diversity in the composition of the Board and corporate organisation*

With reference to the criteria and policies regarding diversity in the composition of the Board of Directors, the following should be noted.

As regards diversity in terms of gender, the Bylaws transpose the law directives that ensure a balance of genders in the composition of the Board of Directors. In actual fact, the Board

of Directors during Financial Year 2021, as at the date of this Report, is made up of four women and five men.

With reference to the Board of Directors and its internal Committees, in terms of size and members, also in relation to diversity criteria and in any case also taking into account elements such as, in particular, the professional characteristics, experience, including managerial, and gender of its members as well as their seniority in office, it has always deemed adequate a gender diversity ratio such as the present one or, in any case, similar (without prejudice to the applicable provisions of law and regulations), as well as the presence of managerial and/or professional profiles with knowledge and experience in the field of technological infrastructures (in particular, media and telecommunications) within the Board as a whole and with a view to complementarity, financial issues (especially extraordinary financial operations), risk management, governance and compliance of listed companies, as well as strategic vision abilities and, in general and with an overall view, adequate seniority (intended as proven experience in complex organisational contexts in corporate and/or professional and/or institutional contexts) and experience on the boards of directors of companies, preferably listed companies, of a size and/or complexity similar to those of the Issuer.

With regard to the internal Committees of the Board of Directors, it should be underlined that, during 2021, their composition was as indicated in the Corporate Governance Code: (i) the presence of at least one member of the Remuneration and Appointments Committee who has adequate knowledge and experience of financial matters or remuneration policies; and (ii) at least one member of the Control, Risks and Sustainability Committee who has adequate experience in accounting and finance or risk management. These characteristics are also present at the date of this Report, it should be noted that, as regards the second of these Committees, it was assessed as meeting adequate expertise in the business sector in which the Company operates, in accordance with the assessment of the respective risks.

With reference to the characteristics of the members of the Board of Directors, the requirements of integrity, professionalism and independence must be met, as well as the provisions regarding incompatibility and/or forfeiture set forth by the law and by the Bylaws shall apply, since it was not deemed necessary to set out additional guidelines in this regard.

Finally, the Board of Directors, as at the end of Financial Year 2021, is entirely made up of members aged over 50 years old, two of whom are aged over 60 years old, while, with regard to seniority in office (with respect to which reference should be made to what is indicated for each Director in TABLE 2 attached to this Report), four of the nine members were part of the Board of Directors in office during the previous term of office of the Board.

With regard to the measures aimed at promoting equal treatment and opportunities between genders within the entire corporate organisation, reference is made to what is indicated in the Non-financial disclosure prepared in accordance with the provisions of Legislative Decree no. 254/2016 as amended. - and despite the fact that the Company's parent company is in any case obliged to do so at Group level - relating to Financial Year 2021 (which is expected to be made available to the public within the terms and according to the procedures established by the applicable legal and regulatory provisions, including publication on the Company's website www.rairway.it in particular under the section Governance/Shareholders' Meeting/Ordinary Shareholders' Meeting 2022).

4.3.2. *Maximum number of offices held in other companies*

Directors shall accept and remain in office when they deem that they can devote the necessary time to the diligent performance of their duties, also in light of participation in Board Committees, taking into account the number of positions held as Director or Statutory Auditor in other companies listed on regulated markets (including foreign markets) or unlisted companies, in financial, banking, insurance companies or in large companies, as well as any other professional activities they may be involved with.

In this regard, during Financial Year 2021, as well as at the date of this Report, the policy was maintained that envisages a maximum number of no more than five (5) positions as director and statutory auditor in other companies listed on regulated markets, including foreign markets, or in large companies or financial, banking or insurance companies, compatible with the effective performance of the office of Director of the Company, specifying that as far as the Executive Director, these positions may only be of a non-executive nature and that any positions held by directors in companies belonging to the RAI Group, shall not be counted in for the purposes of calculating the number of positions. Notwithstanding the above limits and provided that they are not positions in companies with shares listed on regulated markets (including foreign markets), the Board of Directors may, exceptionally, allow a derogation from the limit so that the holding of multiple positions in other companies belonging to a single group is considered a single position, following assessment by the Board based on relevant information that must be provided - where necessary by the Chairman of the latter - by the Director concerned in order to confirm the continued availability of the time considered necessary for the diligent performance of the position at the Company. It is also specified that the Chief Executive Officer, Aldo Mancino, does not hold, on the date of this Report, nor has he previously held, the role of director in other issuers where the Chief Executive Officer is a director of the Issuer (as well as directorships and audit positions in any other company).

Following their appointment and before accepting a directorship, Directors must notify the Board about any directorship, management or audit positions held in other companies that impose a limit on the number of cumulative board mandates.

If the limit is exceeded, the Board will assess the situation in the interest of the Company, and then call upon the director to take appropriate action.

Based on information received from Directors, the Board shall disclose on an annual basis the directorships or positions as statutory auditors held by the Directors in the above-mentioned companies. The composition of the Board of Directors in office as of last December 31, (and at the date of this Report), as was the case in the 2021 financial year, is consistent with the aforementioned guidelines.

4.4. *Operation of the Board of Directors*

Pursuant to current regulations for companies with shares listed on regulated markets and in accordance with the recommendations of the Corporate Governance Code, the Board of Directors plays a central role in the Company's governance system.

The Board adopts an organisation and *modus operandi* which enables it to perform its functions in an effective manner. It meets, in accordance with the Bylaws, at the Company's registered

office or elsewhere in Italy or abroad, usually on a quarterly basis, and, at any rate, any time it is deemed necessary by the Chairman, or in the event that he/she is absent or unable to act, by the individual replacing him/her, or when a written request is made to the Chairman by the CEO or at least two Directors or the Board of Directors or Board of Statutory Auditors, to convene a meeting. The Board itself adopts the Board Regulation, specifying that during 2021 some updates and clarifications were made, and therefore remained in place (as at present), mainly to comply with the provisions of the Corporate Governance Code, and in this latter context, *inter alia*, with regard to the tasks of the Chairman of the Board of Directors and its internal Committees, as well as to the role of the Board Secretary.

Generally, the call notice is sent to all Directors and Standing Auditors at least three days before the meeting. In urgent cases, this period may be reduced to one day. The notice of call should include the items on the agenda so that the attendees can read the issues ahead of time and come prepared to the meeting. As a rule, documentation supporting the proposals at hand and any other information that may be required so the Directors are able to express an informed opinion on the issues being decided, are provided to the Directors at least 48 hours before the board meeting (with reference to business days). When, in specific cases and as an exception, it has not been possible to provide pre-meeting information within the above deadline, the Chairman ensures that the necessary time is devoted to an effective discussion on the items on the agenda during the meeting. It should be noted, however, that information flows are normally managed in such a way that confidentiality requirements do not compromise the thoroughness, usability and timeliness of the information. As regards the financial year 2021 and as at the date of this Report, the Directors and Auditors were sent and given access to support documentation, also in electronic form, in relation to the items on the agenda and, in particular, subject to approval, within the time limit indicated above, with the exception of special cases, in relation to which, barring exceptional instances, the items on the meetings agenda were duly analyzed and discussed, or dealt with, in whole or in part, at subsequent meetings. This documentation consists normally of summary notes, presentations or tables, in addition to, in some cases, especially as regards accounting documents for the period, the draft of the entire document at issue.

The Chairman of the Board of Directors, also upon request of one or more Directors, may request to the CEO that certain executives of the Issuer, in charge of the pertinent corporate management areas related to the Board agenda, attend the Board meetings in order to provide appropriate supplemental information on the items on the agenda. In 2021 and until the date of approval of this Report, the meetings of the Board of Directors were attended by certain key management personnel of the Company, such as the Chief Financial Officer and the Chief Human Resources Officer, when matters related to their respective organisational expertise were being discussed, and on some occasions, they were attended by other heads of business structures, and in particular the Chief Corporate Development Officer, the Chief Data Centre Officer and the Chief Business Development Officer. The Secretary of the Board attended Board meetings, in certain cases also as part of his/her role as Manager of the Legal and Corporate Affairs Department.

Should the Chairman of the Board of Directors deem it advisable, Board meetings - which are always minuted by the Chairman and the Secretary - may be held (and may be individually attended) using telecommunications tools, provided that each participant may be identified by all the others and that every participant is able to intervene in real time during the discussion of the matters examined and receive, transmit and view the documents.

It should also be noted that the Board of Directors held nine meetings in Financial Year 2021 - with extensive use of remote connections in view of the continuing state of health

emergencies - with an average duration of 2.21 hours.

For more information about the members of the Board of Directors in office in 2021 (or parts thereof), and in particular on the attendance at the board meetings held during the respective periods in office, see Table 2 attached to this Report (which also provides information on the attendance at the meetings of the Board of Directors Committees by its members).

Two meetings of the Board of Directors have been held in 2022 as at the date of this Report.

4.4.1. Board Briefing

Pursuant to Art. 19 of the Bylaws and the Board Regulations, a meeting of the Board of Directors is convened at intervals of not more than three months, coordinated and regulated by the Chairman of the Board of Directors, or his/her deputy, who also ensures that the Directors are provided with adequate and timely information, so as to allow the Board to express itself with due awareness on the matters submitted to its evaluation. In particular, the Board Regulations establish that the flow of information amongst and within corporate bodies is an essential condition for ensuring the achievement of the objectives of efficient management and effective control of the Company. Therefore, continuous and comprehensive reporting to and within the corporate bodies is ensured through information flows that allow the correct, timely and comprehensive flow of information, whilst respecting the responsibilities of the various bodies with supervisory and control functions. In relation to the items on the agenda, supporting documentation is provided to the Directors and Auditors containing the information necessary to allow them to knowledgeably discuss the issues to be resolved.

Art. 24 of the Articles of Association provides that the decisions made by those with delegated powers must be disclosed to the Board according to the procedures and frequency (at least quarterly) established by the Board. Furthermore, the delegated bodies must report in a timely manner and at least on a quarterly basis to the Board of Directors and the Board of Statutory Auditors on the activities carried out, the general performance of the Company, the business outlook, as well as on any transactions that have a significant impact on the results of operations and financial position or due to their specific characteristics, with particular regard to those that could potentially give rise to a conflict of interest, carried out by the Company.

During Financial Year 2021, the Board of Directors was informed, in accordance with the expected periodicity of at least quarterly intervals, in particular, during the meetings of the Board of Directors.

4.5. Chairman of the Board of Directors

Pursuant to Art. 18 of the Articles of Association, if the Shareholders' Meeting has not done so, the Board of Directors elects a Chairman from among its members and, if it wishes, a Vice Chairman to serve as deputy. The Chairman, and the Vice Chairman if appointed, remains in office throughout the term of the Board of Directors.

As better specified below, the Chairman of the Board of Directors is not principally in charge of Rai Way's management and is not the Company's controlling shareholder.

In accordance with the Articles of Association, the Chairman represents the Company and signs on its behalf, including before the courts; presides over the Shareholders' Meeting (with full powers to govern its proceedings); and calls and presides over meetings of the Board of Directors.

In addition, he/she: (i) convenes and chairs the Board of Directors, playing a coordinating role in the functions of the administrative body; (ii) ensures that adequate information, in terms of both quality and quantity, on the items on the agenda is provided to all Board members, in order to allow the Board to express an informed opinion on the matters submitted to its examination and approval; and (iii) organises and coordinates the work of the Board of Directors.

Since the General Shareholders' Meeting held on 24 June 2020 (as at the date of this Report), the role of Chairman of the Board of Directors has been held by Giuseppe Pasciucco.

On 24 June 2020, following the above-mentioned resolution of appointment by the Shareholders' Meeting adopted on the same date, and in line with the powers already granted to the outgoing Chairman, the Board of Directors resolved to assign to the Chairman of the Board of Directors, Giuseppe Pasciucco, to the extent necessary and without prejudice to the powers of corporate representation and the functions established for the office pursuant to the Articles of Association and the law, the following powers of representation:

1. to represent the Company in Italy and abroad in its dealings with national and local governments, public and private entities and natural and legal persons, in order to exercise the powers necessary to take all actions pertinent to the corporate purpose;
2. to represent the Company (as plaintiff or defendant) in all cases/disputes in Italy and abroad, before the ordinary or special legal authorities of any instance or degree and before national and international arbitration boards, including the power to delegate individual cases/disputes to attorneys-in-fact as provided for by signed powers of attorney; to file and pursue actions and legal petitions in any civil, administrative, criminal or arbitrating venue, including by taking civil or administrative proceedings for all orders and levels of administrative and legal proceedings, and actions of enforcement, voiding, Cassation and constitutionality, as either plaintiff or defendant, by intervention or third-party challenge, and in this regard to retain or dismiss counsels, litigators, expert witnesses, Company representatives, referees and arbitrators, electing domicile accordingly; to settle individual cases/disputes, sign arbitration settlements and arbitration clauses, waive and/or accept waivers of the legal action or its outcome, and respond to informal or formal questioning regarding the facts of the case or dispute; and to file petitions, rebuttals, administrative appeals and complaints with the central or local administrative authorities or independent watchdog authorities;
3. to represent the Company, also through its own designated subjects, in the establishment of companies, associations, consortia, foundations and other entities as well as at the Shareholders' Meetings of foundations, associations, consortia or other entities in which the Company holds an interest; to appoint and to revoke delegated parties and legal representatives, general or special, for the execution of specific categories of acts or single acts, within the scope of the aforementioned powers.

The Board of Directors has also assigned to its Chairman, Mr Giuseppe Pasciucco, the following:

- i) to oversee and monitor, as regards the application of the set forth provisions in the area of corporate governance of the Company and secretary activities for the Board of Directors;
- ii) to oversee, in coordination with the CEO, institutional relationships;
- iii) to hold the role as primary contact person in relationship with the Supervisory Authority under Legislative Decree no. 231/2001;
- iv) to participate, in agreement with the CEO (as Appointed Director) in the formulation of proposals regarding the appointment, revocation and remuneration of the manager in charge of internal audits and the supervision of the activities carried out by the latter.

Notwithstanding the above, which is also in force for Financial Year 2021, as at the date of this Report, the Chairman of the Board of Directors has in any case carried out the tasks envisaged for this role by the Corporate Governance Code and also implemented in the Board Regulations, as for some of them specifically reported within this Report, namely to ensure: i) that the pre-meeting information and additional information provided during the meetings are suitable to allow the Directors to act in an informed manner when carrying out their role; ii) that the activities of the Board Committees with investigative, proposition and advisory functions are coordinated with the Board's activities; iii) in agreement with the Chief Executive Officer, that the managers of the Company and those of the Group companies it may control - who are responsible for the corporate departments in charge of the relevant issues - take part in the Board's meetings, also upon request of each individual Director, in order to provide any necessary information on the items included in the agenda; iv) that the members of the Board of Directors and the Board of Statutory Auditors may take part, after their appointment and during their term of office, in initiatives aimed at providing them with an adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of the Company itself, as well as of the principles of proper risk management and of the reference regulatory and self-regulatory framework; and v) the adequacy and transparency of the self-assessment process of the Board of Directors and its Committees, as provided for by the Code, with the support of the Remuneration and Appointments Committee.

In respect of the provisions of point iv) above, in Financial Year 2021, and up to the approval date of this Report and consistent with the previous financial year, in-depth analyses were carried out also for purposes of induction. In particular, speeches and in-depth sessions were held on strategic and scenario profiles, including prospective ones, and from a regulatory and technical point of view (in particular, with respect to the evolution of the processes inherent to the structuring of networks and allocation of frequencies dedicated to the broadcasting of radio and television signals as a result of the so-called “refarming” of the latter, namely, the process of gradual release of some of these frequencies in light of the implementation of mobile telephone networks with 5G technology), and, in respect of sustainability, also in connection with the implementation of the initiatives set forth in the 2020-2023 Industrial Plan and in the Sustainability Plan, as well as regulatory and corporate governance aspects and issues relating to sustainability and control and risk management systems. These interventions and in-depth studies were generally held in the context of Board meetings or meetings, with the agreement of the latter’s Chairman, and also in some cases in sessions outside of these contexts (and in this last case, in particular, one session was specifically dedicated to the introduction to the Company's activities and programmes of the standing member of the Board of Statutory Auditors appointed for the first time by the Shareholders’

Meeting of 27 April 2021 to the Board); on several occasions, there was also the intervention and contribution of the Company's managers responsible for the subject matter.

4.6. Chief Executive Officer

Pursuant to Art. 24 of the Bylaws, the Board of Directors may appoint a Chief Executive Officer (CEO) and establish that person's powers and responsibilities.

At the date of this Report, and for all of 2021, this position was held by Aldo Mancino.

During 2021, the Board of Directors conferred to Aldo Mancino, as Chief Executive Officer, (and Mr Mancino still has said power at the date of this Report):

- all the management and representation powers pertaining to the ordinary administration of the Company, in addition to the following:
 1. to represent the Company, within the scope of his or her powers, and to sign on the Company's behalf vis-a-vis public and private entities, courts and legal authorities, tax administrations and independent authorities;
 2. to implement, within the scope of the powers conferred to him, the resolutions adopted by the Board of Directors;
 3. to execute, amend and resolve on purchases and sales acts, agreements and contracts, in all cases on those related to the purpose of the company including, but not limited to, agreements for the purchase, sale, exchange, lease of fixed and movable, tangible and intangible assets, to the establishment and acquisition of partial usage rights on these assets, of contracts related to intellectual properties, trademarks, or patents, of contracts related to the supply, marketing and provision of services, of transactions related to the aforementioned acts, agreements and contracts, with the understanding that the value of the aforementioned acts, agreements and contracts must not exceed, individually or jointly with any other agreements, €2,000,000.00 (two million);
 4. to hire and fire personnel, if it is possible to terminate the respective employment contracts, including transactions and related agreements; except for hiring, firing or terminating the employment of key management personnel, as defined by the Board of Directors; to manage personnel, including, but not limited to, authorizing promotions, transfers, changes of assignments and remunerations, with the only exclusion being the promotions of key management personnel, as defined by the Board of Directors, as well as to manage the same personnel with the express power to undertake all relevant actions required by the law, in particular with regard to trade unions, insurance, social security and taxation, and to see to the enforcement of collective employment contracts;
 5. to execute, amend and terminate contracting and independent work agreements, including those related to the assignment of advisory and/or technical/professional services to external experts, in the maximum amount of €500,000 (five-hundred thousand) per agreement or assignment, or for multiple agreements or assignments, with the same entity and within the same financial

year; to represent the Company before Trade Union associations and organizations, and before the competent bodies for matters related to labor agreements and litigation, vested with the ability to negotiate and settle conditions and disputes;

6. to conduct all short- or medium-term financial and banking transactions in which the Company acts as payer or payee, and to sign the relevant contracts with third parties (in particular with banks and credit institutions, financial institutions and post offices), including but not limited to deposits, current accounts, credit facilities, bank advances, discounts, loans and other financing; to execute transactions from the Company's accounts within the limits of existing balances and credit lines; and to grant loans to investee companies in relation to their operating or financial needs;
7. to issue, accept and endorse credit instruments; to collect on promissory notes; to issue (or have issued), on behalf of the Company or its investees, binding letters of patronage, guarantees or sureties; to establish, register and renew mortgages and liens; to allow the cancellation or limitation of mortgages on third-party property established in the Company's favor; and to forgive mortgages and subrogation, including legal mortgages, and to take all other action concerning mortgages taken out by third parties in favor of the Company; to conclude, amend or terminate mortgages provided that the total amount of the aforementioned transactions does not exceed €1,000,000.00 (one million) either individually or in combination with other transactions;
8. to represent the Company in the Shareholders' Meetings for other companies or foundations, associations, consortia, or other types of entities in which the Company has a vested interest;
9. to represent the Company in all such cases/disputes in Italy and abroad, before the ordinary or special legal authorities of any instance or degree and before national and international arbitration boards, including the power to delegate individual cases/disputes to attorneys-in-fact as provided for by signed powers of attorney; to file and pursue actions and legal petitions in any civil, administrative, criminal or arbitrating venue, including by taking civil or administrative proceedings for all orders and levels of administrative and legal proceedings, and actions of enforcement, voiding, Cassation and constitutionality, as either plaintiff or defendant, by intervention or third-party challenge, and in this regard to retain or dismiss counsel, litigators, expert witnesses, company representatives, referees and arbitrators, electing domicile; sign arbitration settlements and arbitration clauses, waive and/or accept waivers of the legal action or its outcome, and respond to informal or formal questioning regarding the facts of the case or dispute; to file petitions, rebuttals, administrative appeals and complaints with the central or local administrative authorities or independent watchdog authorities; to settle individual cases/disputes when the resources needed of the transaction are no higher than € 1,000,000.00 (one million);
10. to comply with all tax obligations set by law, including by signing all statements or returns to be filed with the tax authorities; to retain and pay in the withholding tax required of the Company in its role as withholding agent; and to represent

the Company in its dealings with the authorities for the negotiation and settlement of any tax issue whatsoever;

11. to fulfil all the obligations to which the Company must abide, as personal data controller pursuant to the applicable European (in particular EU Regulation 2016/679) and/or national provisions, exercising the widest decision-making powers on this matter, also with particular reference to the security profile of the personal data;
12. to assume the role of employer in matters pertaining to safety in the workplace and employees' health, exercising the related powers and fulfilling all of the Company's obligations in this regard;
13. to appoint and revoke general or special proxies and attorneys-in-fact, for individual acts or given categories of act, within the scope of the powers assigned;

- the following tasks and functions:

1. to design multi-annual strategic, development and business plans to submit to the approval of the Board of Directors ensuring their implementation; to propose the general direction of the business, sales policies, production and purchase of goods and/or services, as well as all initiatives that he will deem useful to the interest of the Company;
2. to draft budgets and financial statements and submit them to the Board of Directors;
3. within the scope of the corporate organization set out by the Board of Directors, define the functional structures of the Company and in general ensure that the organizational, administrative and accounting structure is adequate for the corporate nature and size of the Company, notwithstanding the powers attributed to the Manager in charge of preparing the corporate documents pursuant to the applicable provisions of the law;
4. to define the main principles of personnel policy in compliance with the guidelines and directives set forth by the Board of Directors, notwithstanding, also exercising the powers conferred in the area of personnel management, all aspects within the scope of competence of the Board of Directors itself and its internal Committees as regards the remuneration policy of key management personnel and activities that concern the latter;
5. to arrange for and implement the necessary direction and coordination activities of the subsidiaries that are subject to them, either directly or indirectly, with reference to ordinary administration activities and in all cases concerning the areas related to those powers, tasks and functions assigned with regard to the Company's activities, by informing periodically the Chairman about the activities carried out;
6. to implement, while exercising the conferred powers, financial policy directives approved by the Board of Directors, and to report, at the next meeting of the

Board of Directors, on the financing transactions carried out by virtue of the assigned powers;

7. to propose to the Board of Directors the designation of Directors, Auditors and Independent Auditors who can be appointed in companies or foundations, associations, consortia or other entities in which the Company has an interest.

4.7. *Executive Committee and other Executive Directors*

In Financial Year 2021 (and at the date of this Report), in addition to the Chief Executive Officer in office, no other Executive Directors were in office in compliance with the Corporate Governance Code nor had any Executive Committee been established.

4.8. *Independent Directors and Lead Independent Director*

With respect to Financial Year 2021, as at the date of this Report, the Board of Directors has always consisted of a majority of Independent Directors, numbering six. The number and competences of these Directors are deemed adequate for the needs of the business and the functioning of the Board, as well as for the setting up of its internal Committees (with regard to the presence of Independent Directors, as also mentioned in Chapters 6, 7 and 9 below, by virtue of the provisions of Art. 16 of the Market Regulation, the Board Committees set up within the Board of Directors pursuant to the Corporate Governance Code must only be composed of Directors who are recognised as Independent pursuant to the Code).

The above-mentioned six Directors qualified, based on the requirements set out by law - i.e. pursuant to Art. 148, paragraph 3 of the Consolidated Law on Finance as referred to in Art. 147-ter, paragraph 4 of the same law - as well as pursuant to the Corporate Governance Code (as in the previous edition of the latter), as Independent Directors are Riccardo Delleani, Annalisa Raffaella Donesana, Barbara Morgante, Donatella Sciuto, Paola Tagliavini and Umberto Mosetti. It should be underlined that, except for the latter, they were taken from the "majority" list submitted by the majority shareholder Rai according to the appointment of the Board in office that took place during the Shareholders' Meeting held on 24 June 2020, whereas Umberto Mosetti was taken from the "minority" list submitted by Artemis Investment Management LLP, as investment advisor and on behalf of some investment funds.

During the Board meeting held on 18 March 2021, the independence assessment was carried out both pursuant to the Corporate Governance Code, taking into account the relevant circumstances indicated therein and with the clarifications adopted by the Company as reported below, and pursuant to Art. 148, paragraph 3 of the Consolidated Law on Finance, with regard to the said non-executive members of the Board of Directors, in the presence of the Board of Statutory Auditors (which did not make any comment) on the basis of all available information and the written statements made by the Independent Directors themselves, as well as of the information provided to the Company. In this regard, it should be noted that, with reference to the independence criteria set forth in Recommendation 7 of the Corporate Governance Code for Directors, and whose compliance is also required for Statutory Auditors in accordance with Recommendation 9 thereof, it was provided as follows: (i) any additional relationship/remuneration indicated therein that entails annual

income greater than or equal to the annual fee paid by the Company in the previous year for the duties of non-executive Director (currently €44,100.00) is generally considered material for the purposes of letters c) and d) of the aforesaid Recommendation 7; and (ii) parents, children, spouses from which one is not legally separated and cohabitants are considered “close family members” for the purposes of letter h) of the aforesaid Recommendation 7.

The Independent Directors have undertaken to promptly notify the Board of Directors of any changes that occur, including with regard to the satisfying the independence requirements.

It should be noted that on 17 March 2022 a further assessment of the independence of the above-mentioned Directors was carried out, with a positive outcome and always on the basis of the information provided by the persons concerned and as known to the Company, both pursuant to the law and to the Corporate Governance Code.

The Independent Directors met once in 2021, without the presence of the other Directors, and, in any case, separately and independently from Board meetings. This meeting, which was reported to the following Board meeting, focused in particular on issues relating to aspects concerning the work of the Board of Directors, noting the constructive approach taken by the Chairman and the Chief Executive Officer, as well as by the managers who attend the meetings, and dwelling on the organisation of the meetings, as well as those of the Board's internal committees, evaluating it positively, albeit with considered elements of development in the methods of making the related documentation available.

In Financial Year 2021, a lead independent director has not been provided for, as is currently the case, since the conditions for appointment pursuant to the Corporate Governance Code are not met.

4.9. Secretary of the Board of Directors

During Financial Year 2021, as at present, the role of Board's Secretary was carried out by Giorgio Cogliati, who was already appointed, upon proposal of the Chairman and in continuity with previous mandates, during the first Board's meeting following the appointment of the current Board. According to the Board's Regulation, the Board's Secretary has general knowledge of the Company's activities and organisation, as well as adequate expertise in corporate law and corporate governance, especially with regard to Italian listed companies, and several years of experience in this role within these issuers, and provides support to the Chairman of the Board of Directors in those activities for which he is responsible under the Corporate Governance Code, as well as - with a role of first reference and impartial judgement - providing assistance and advice on the functioning of the corporate governance system, by taking care of the general organisation of the Board's activities.

5. MANAGEMENT OF CORPORATE INFORMATION

The Board of Directors has adopted guidelines and procedures for setting up the necessary organisational control bodies in charge of handling confidential and inside information, as well as for keeping the Register of the subjects who have access to inside information (“Inside Information Policy”), in effect in 2021 and as at the date of this Report.

The Inside Information Policy aims to ensure that inside information is handled promptly, completely and appropriately, without causing information asymmetries among the public. More specifically, the disclosure of inside information according to the rules laid down in the Policy helps protect the market and investors by making sure they have sufficient knowledge of the Issuer’s affairs to make informed investment decisions. The Inside Information Policy also aims to prevent any person or category of persons from using information not known to the public in order to conduct speculative trades, to the detriment of investors who are not privy to such information.

The Inside Information Policy applies in particular to Directors, Statutory Auditors, executives and employees of Rai Way (and any of its subsidiaries), and more generally, to all persons who, due to their jobs, professions or functions performed on Rai Way’s behalf, have regular or occasional access to inside information relating, directly or indirectly, to Rai Way.

The Inside Information Policy highlights the role of the following persons and bodies:

- (a) the “Information Officer”, appointed by the Board of Directors (along with his/her Deputy Officer), is the person in charge of implementing the various provisions of the Inside Information Policy, in particular:
 - (i) with input and assistance from the relevant units, ensures compliance with market disclosure obligations by releasing statements approved, depending on the case, by either the Chief Executive Officer and the Chairman of the Board of Directors, or by the Board of Directors, the latter case with the authorisation for release by the Chief Executive Officer and the Chairman of the Board of Directors;
 - (ii) with input from the relevant units, maintains the registry pursuant to Art. 18 of EU Regulation no. 596/2014 and ensures that the data contained therein is up-to-date and safely stored;
- (b) a specially formed “Inside Information Committee”, now including the Chief Executive Officer-Director General and Chief Financial Officer of Rai Way, which, after consultation with the Chairman of the Board of Directors and the relevant business structures:
 - (i) assesses the relevance of any set of circumstances or events directly or indirectly related to Rai Way, any of its subsidiaries, or any financial instruments issued by Rai Way, for purposes of determining if information qualifies as “inside”; and
 - (ii) decides whether to alert the market or else delay disclosure of the information, in compliance with the conditions established in the applicable regulations and the Inside Information Policy.

If the relevant events are in relation to resolutions of the Board of Directors, it is the Board that makes the above decisions.

6. BOARD COMMITTEES (EX ART. 123-BIS, PARAGRAPH 2, LETTER D) OF TUF)

In compliance with the Corporate Governance Code, which recommends that listed companies should set up committees within the Board of Directors with responsibility for specific matters, Art. 24 of the Bylaws empowers the Board of Directors to set up internal committees made up of members of the Board itself, with advisory and/or proposal-making functions, determining the number of members of such committees and the functions assigned to them.

In the interests of simplification and efficient governance, the Company has decided to form a single committee to oversee appointments and remuneration, as allowed by the Corporate Governance Code under certain conditions. See Paragraph 7.3 for further information.

The Board Committees shall have access to all information and departments necessary for them to perform their respective tasks. The members may also hire external consultants at the Company's expense, without exceeding the budget approved by the Board of Directors. The Committees set up within the Board of Directors, as existing during Financial Year 2021 in compliance with the Board's Regulation (which contains provisions concerning their composition, responsibilities and functioning, also with regard to the convening and holding of meetings, their related minutes and prior information, in accordance with the terms already provided for board meetings, which have usually been complied with) and following the adoption of the said Code, are described below.

These Committees were, as at present, the Control, Risks and Sustainability Committee and the Remuneration and Appointments Committee. The first of these Committees has acted and continues to act as the Committee for Related Party Transactions pursuant to Consob Regulation 17221 of 12 March 2010 as subsequently amended and supplement and, therefore, also the Procedure for Related Party Transactions adopted by the Company, which thus contains provisions on the activities carried out by the Committee in fulfilling these duties.

These Committees were composed, at the date of this Report and in compliance with the provisions of Art. 16 of the Market Regulation, of three non-executive and independent directors, including a Chairman appointed by the Board of Directors. At least one of the members of each committee has adequate experience in accounting and finance or risk management and/or, with regard to the Remuneration and Appointments Committee, in remuneration policies, assessed as such by the Board of Directors at the time of appointment. Moreover, the Control, Risks and Sustainability Committee was assessed, at the time of the adoption of the Corporate Governance Code, as having adequate expertise in the business sector in which the Company operates, functional to assessing the related risks.

The Committees, *inter alia*, appoint a respective secretary, usually in the person of the Secretary of the Board of Directors (also in view of the duties generally entrusted to the latter and to facilitate coordination with Board activities) in order to record minutes of the meetings and take care of the general organisation of the work, and the Secretary of the Board has performed this function during Financial Year 2021, as at the date of this Report. The Committees meet at established intervals and whenever special circumstances so require;

meetings are valid if a majority of the Committee's members are present. The Chairman of each Committee may decide to hold meetings by audio/video conference, provided that each of the participants can be identified by all others and that each of them can participate in real time in the deliberations and receive, view and transmit documents.

During Committee meetings, a Secretary (who need not be a member of the Committee) is appointed to draw up minutes of the meeting, being sure to explain any dissenting positions by those present. The Secretary will archive the minutes so they can be consulted by any Committee members and/or by the Directors or Statutory Auditors. The Committees have budgets which can be increased for specific needs.

7. SELF-ASSESSMENT AND SUCCESSION PLANS

7.1. *Self-assessment of the Board of Directors*

The Board of Directors decided not to carry out, with reference to Financial Year 2021 - having taken into account the provisions set out in the Corporate Governance Code, insofar as applicable to "large companies" and "concentrated ownership" companies as defined therein - the self-assessment process with regard to the size, composition and functioning of the Board itself and of the Committees set up within it. This process - in line with the provisions contained in the Corporate Governance Code - will be carried out in view of the Board's renewal, which is expected to take place on the occasion of the Shareholders' Meeting held for the approval of the financial statements for Financial Year 2022, by assessing the opportunity to make use of an independent consultant. In the first part of the Financial Year 2021, the self-assessment process related to Financial Year 2020 was carried out, on which and the related results were reported in the Report on Corporate Governance and Ownership Structure related to Financial Year 2020 (published, among other things, on the Company's website www.rairway.it Governance/Shareholders' Meeting/Extraordinary and Ordinary Shareholders' Meeting 2021 section). Moreover, in view of the Shareholders' Meeting held on 24 June 2020 to appoint the Board of Directors currently in office, the Board previously in office had drawn up - following a process previously supervised by the Remuneration and Appointments Committee then in office - its own guidelines for the Shareholders on the qualitative and quantitative composition of the Board itself (published, within the same term of office as the Board's Report on the relevant item on the Meeting's agenda, *inter alia*, on the Company's website www.rairway.it governance/Shareholders' Meeting/Ordinary Shareholders' Meeting 2020 section).

7.2. *Succession plans*

The Contingency Plan adopted by the Board in 2018, following a preliminary inquiry and proposal by the Remuneration and Appointments Committee in office at the time, remained in force in 2021 (as at the date of this Report). The purpose of this plan is to regulate the actions to be taken in case of early termination of the office of the Chief Executive Officer (the only Executive Director and also Director General) with respect to the ordinary term of office, or in case of imponderable and unforeseeable events that prevent the Chief Executive Officer from carrying out his/her duties, with the aim of ensuring continuity in the regular management of the Company, even in a transitory period, by temporarily entrusting the same powers assigned to the latter to the Chairman of the Board of Directors. With reference to the more general topic of the profiles and characteristics deemed relevant with respect to the position of the company Top Management, also in relation to the related internal assessments, reference has continued to be made to the assessments already carried out.

In the second part of Financial Year 2021, analyses were also carried out aimed at formalising appropriate updated procedures relating to the succession of the Company's Top Management, as defined in the Corporate Governance Code, intended to include for the Company the Key Management Personnel reporting to the Chief Executive Officer and General Manager. Accordingly, in the early part of Financial Year 2022, the Board of Directors determined that these procedural provisions were in place, subject to review by the Remuneration and Appointments Committee.

7.3. Remuneration and Appointments Committee

The Remuneration and Appointments Committee (for the purposes of this Chapter, also referred to simply as the "**Committee**"), existing for the entire 2021 financial year as at the date of this Report, brings together - availing the Company of the option provided for by the Corporate Governance Code (as also in the previous edition of the latter) - the investigation and proposal functions of the Appointments Committee and the Remuneration Committee as envisaged by the Corporate Governance Code, with the provision of certain related details. Specifically, the Committee has:

- 1) with regard to appointments, the task of assisting the Board - in coordination with the Chairman of the Board of Directors (without prejudice to the functions assigned to the latter) with regard to the provisions contained in points c) and d) - in the activities of
 - a) self-evaluation of the size, composition and functioning of the Board itself and of the Committees;
 - b) definition - for the purpose of expressing, if necessary in view of the Board's renewal, a related orientation - of the quantitative and qualitative composition of the Board and its Committees considered optimal, taking into account the results of the above-mentioned self-assessment;
 - c) assessment for the purpose of identifying the candidates for the office of Director in case of co-option (taking into account any recommendation received from shareholders who submitted the list from which the Director to be replaced was taken);
 - d) preparation, updating and implementation of a plan for the succession of the Chief Executive Officer, which at least identifies the procedures to be followed in the event of early termination of office;
- 2) with regard to remuneration, the following tasks:
 - a) to support the Board in drawing up the remuneration policy required by law, with regard to the related provisions of the Code (and also with specific reference to possible long-term incentive plans);
 - b) to present proposals or express opinions on the remuneration of the Chief Executive Officer and General Manager and of the other Directors who hold particular positions, as well as on the setting of performance objectives related to the possible variable component of such remuneration;
 - c) to monitor the actual application of the Remuneration Policy and verify, in particular, the actual achievement of the performance objectives;
 - d) to periodically evaluate the adequacy and overall consistency of the policy for the remuneration of Directors and Top Management.

With regard to the activities mentioned in point 2), letter c), in particular, the Committee carries out verification and monitoring activities with reference to the performance targets related to the short-term variable component of remuneration set, in compliance with the provisions of the remuneration policy adopted by the Company, by the Board of Directors, for the Chief Executive Officer (and General Manager), and by the latter, for the Top Management.

Composition, activities and functioning of the Committee

The members of the Remuneration and Appointments Committee, in office during Financial Year 2021, as at the date of this Report, are Riccardo Delleani, as Chairman, Annalisa Raffaella Donesana and Umberto Mosetti.

As noted and consistent with Art. 16 of the Market Regulation, since Rai Way is under the management and coordination of Rai, this Committee always comprised Independent Directors recognised as such in accordance with the Corporate Governance Code, as also the previous edition thereof (as envisaged by Art. 148, paragraph 3 of the TUF).

All members of the Remuneration and Appointments Committee were assessed as having sufficient knowledge and expertise in accounting and finance and/or in remuneration policies.

Unless a shorter term is decided at the time of appointment, the members serve for as long as they hold seats on the Board of Directors. They may resign from the Committee, without necessarily resigning from the Board of Directors. If a member leaves office for any reason, the Board of Directors appoints a replacement. The new member's term is the same as that of the person replaced. If the Chair of the Committee leaves office, when appointing that person's replacement, the Board of Directors will also designate the new Chair.

In performing its duties, the Committee may be assisted by other units or hire external consultants, at the Company's expense, without exceeding the budget set annually by the Board of Directors. If it plans to hire a consultant to obtain information on retribution policies in the market, the Committee must ascertain beforehand that there are no circumstances compromising the consultant's independence of judgement.

Committee meetings are called by the Chair, whenever he or she sees fit, or at the request of another member. As a rule, the notice of call is sent at least three days prior to the scheduled date. In urgent cases, as determined by the Committee Chair, meetings may be called one day in advance. Committee meetings are also valid without prior notice, if all members are present. The meeting is deemed to be held in the place where the Chairman and the Secretary are present or, if the Chairman and the Secretary of the Committee are not in the same place, without prejudice to the powers and responsibilities of the Chairman, in the place where the Secretary and at least one other member of the Committee, who takes the chair of the meeting, are present or, in the absence of the latter, where only the Secretary is present, in which case the Chairman of the Committee takes the chair of the meeting. Documentation relating to Committee meetings shall be made available in the same terms and manner as for meetings of the Board of Directors.

The Secretary will archive the minutes so they can be consulted by any Committee members who were absent, and/or by the Directors or Statutory Auditors. The secretary will archive the minutes so they can be consulted by any Committee members who were absent, and/or by the Directors or Statutory Auditors.

The Chairman of the Board of Directors and the Chief Executive Officer of the Company are informed in advance of the meetings for the purpose of their possible participation. The Chairman of the Board of Statutory Auditors is also invited to the meetings, as are the other regular members of the Board. At its discretion, the Committee may invite to a given meeting any other individuals or managers from within the Company, in relation to the units and departments affected by the issues discussed (including the members of other Board committees), or from outside the company when their presence is considered helpful to the Committee's work. In particular, during Financial Year 2021 the Chief Human Resources

Officer and the Chief Executive Officer always attended the Committee's meetings and were always informed.

No Director shall attend any Committee meeting (or any part thereof) at which proposals are reviewed and made to the Board of Directors relating to his or her specific compensation (except for any proposals affecting the generality of members of committees within the Board of Directors).

The Chair of the Committee reports on Committee meetings at the first subsequent Board of Directors' meeting, and where appropriate, also reports periodically to the Board on the Committee's work.

In 2021, the Committee met seven times, for an average of 1.24 hours.

One or more members of the Board of Statutory Auditors (in most cases, the entire Board or, in any case, the majority of its members) have always taken part in these meetings, which were mainly held in 2021 with the use of remote connection means in view of the Covid-19 health emergency. In addition to the Secretary, and always with the agreement of the Committee Chairman, the Chief Human Resources Officer also took part in the meetings, and the Chief Executive Officer and General Manager were always informed of his participation.

With reference to the functions relating to remuneration and without prejudice to what is indicated and referred to in Chapter 8 below, the Committee has, in particular, after the relevant analyses, defined the proposals to the Board on the remuneration policy and, after their approval by the Board, monitored the implementation of the same by carrying out checks and in-depth analyses in this respect and in particular on the achievement of the performance objectives set with regard to the variable part of the remuneration of the Chief Executive Officer and Director General and the Top Management. In particular, in the first part of Financial Year 2021, the Committee finalised the specific preliminary investigations already carried out in the second part of the previous financial year in relation to the structuring of the proposal for the 2021-2023 Stock Option Plan, a proposal that was finalised and submitted in its final version to the Board of Directors at the Board meeting to approve the related proposal to the Shareholders' Meeting on 27 April 2021, which then approved it. With regard to the subsequent implementation of the 2021-2023 Stock Option Plan, the Committee also carried out additional preliminary activities concerning the preparation of the draft of the related regulations, as well as examined in advance the provisions concerning the assignment of the related rights in favour of the Chief Executive Officer, the General Manager and the members of the Top Management, in view of the related submission to the Board of Directors.

During Financial Year 2021 and with reference to the functions concerning appointments, the Committee, in view of the permanent existence of the above-mentioned Contingency Plan concerning the hypothesis of early termination of the office of Chief Executive Officer and General Manager, carried out preliminary activities with regard to the update and related formalisation of the procedural provisions of the Company concerning the succession of the Top Management, as mentioned in Paragraph 7.2 above.

With regard to the percentage of attendance at meetings by individual members of the Committee, reference is made, as already indicated, to TABLE 2 attached to this Report.

In 2022, as at the date of this Report, three Committee meetings were held on topics related to remuneration and in particular on the conclusive verifications on the level of achievement of the objectives set forth in relation to the variable portions of the remuneration for 2021 of the CEO and General Manager, and as provided regarding executives with strategic responsibilities reporting to the latter, as well as on the preliminary investigation regarding proposals for a remuneration policy for Financial Year 2022. With regard to appointments, the Committee finalised its analyses regarding the updating and formalisation of procedures for the succession of top management, which were then presented to the Board of Directors.

In the performance of their duties, the Committee has the right to access the necessary business information and functions, as well as to avail themselves of external advisers for the performance of their duties, within the limits of the budget they have been allocated.

The Board has assigned to the Remuneration and Appointments Committee a budget of € 50,000.00 for the fulfilment of the respective duties (which may be supplemented, as provided for by the Board Regulations, to meet specific needs).

8. REMUNERATION OF DIRECTORS

For information on the general remuneration of executive and non-executive directors, as well as Key Management Personnel, including the Executive in charge in Financial Year 2021, and on the indemnities of directors in the event of resignation, dismissal or termination of the relationship following a takeover bid, please refer to the first section of the Report on Rai Way's remuneration policy and remuneration paid pursuant to Art. 123-ter of the TUF, made available to the public in accordance with the terms and methods provided for by the applicable laws and regulations, including through publication on the Company's website Governance/Shareholders' Meeting/Extraordinary and Ordinary Shareholders' Meeting 2021). This policy is consistent, *inter alia*, with the Corporate Governance Code, with the details indicated in the above-mentioned Report.

It should also be noted that (i) there were no agreements between the Company and some of the Directors that provide for indemnities, also of an insurance nature, in the case of resignation or termination with no just cause or if the work relationship terminates following a takeover, and that (ii) the structure of the variable portions of the remunerations set forth for the Chief Executive Officer-Director General and the additional key management personnel, contemplates also the so-called "Claw back" clauses.

The following table indicates where information on the above aspects can be found in the aforementioned Remuneration Report in relation to the policy for 2021.

Relevant Information in accordance with the Corporate Governance Code	Relevant part(s) of the Remuneration Report
Remuneration policy (Principles XV and XVI of the Corporate Governance Code)	Section I
Remuneration of executive directors and top management (Recommendation 27 of the Corporate Governance Code)	Section I
Share-based remuneration plans (Recommendation 28 of the Corporate Governance Code)	Section I
Remuneration of non-executive directors (Recommendation 29 of the Corporate Governance Code)	Section I
Vesting and payment of remuneration (Principle XVII of the Corporate Governance Code)	Section I
Indemnities for Directors in case of resignation, dismissal, or termination due to a takeover (Recommendation 31 of the Corporate Governance Code)	N/A (<i>see</i> Section I)

* * *

Reference should also be made, for information on the application of the remuneration policy for Financial Year 2021, to the second section of the Report on the remuneration policy and the compensation paid by the Company pursuant to Art. 123-ter of the TUF (which is expected to be made available to the public within the terms and according to the procedures established by the applicable legal and regulatory provisions, including publication on the Company's website www.rairway.it under the section Governance/Shareholders' Meeting/Ordinary Shareholders' Meeting 2022). Refer to the first section of that last Report with respect to the planned remuneration policy for Financial Year 2022.

9. CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

The Board of Directors has maintained a Control and Risks Committee, which in the early part of 2021 was renamed the Control, Risks and Sustainability Committee, and has been so in existence throughout that financial year, as well as, as at of the date of this Report (for purposes of this Chapter, also merely the "**Committee**").

The Committee: i) in line with the tasks set out in the Corporate Governance Code, with some specifications and additions, generally supports the Board of Directors with regard to the assessments and decisions concerning the Internal Control and Risk Management System (ICRMS) to be carried out by the latter and, in particular, carries out the specific tasks set out in the Code, as well as supports the Board with regard to the more general analysis and assessment of the policies concerning the profiles linked to the sustainability of corporate activities; ii) carries out the tasks assigned to it by the Related Parties Procedure.

Provisions concerning the duties, composition, organisation and functioning of the Control, Risks and Sustainability Committee, without prejudice to the provisions of the Related Parties Procedure, are contained in the Board Regulations.

9.1. *Composition, activities and functioning of the Committee*

The Control, Risks and Sustainability Committee: i) operates, supporting the Board of Directors with informative, advisory, propositional and investigative functions both in the definition (based on a risk-oriented approach) of the guidelines of the overall ICRMS and in the assessment of the latter with respect to the effectiveness and efficiency of the identification, measurement, management and monitoring of the main risks, in order to contribute to the Company's sustainable success, and in the general assessment and monitoring of the Company's planned policies, plans and main sustainability initiatives as well as in the preliminary examination of their periodic reporting; ii) carries out the functions and preliminary activities envisaged by the Related Parties Procedure.

In particular, the Committee is called upon to perform the following specific activities:

- with reference to the foregoing under point i):
 - a) after consulting the Manager in charge of preparing the corporate accounting documents, the Independent Auditors and the Board of Statutory Auditors, assess the correct use of accounting standards and, if consolidated financial statements are drawn up, their uniformity with a view to drawing up the latter;
 - b) assessing the suitability of the periodic financial and non-financial information (insofar as they are respectively relevant) to correctly represent, in particular, the Company's business model as well as its activities and related impacts and performance;
 - c) examining the content of periodic non-financial information relevant to the internal control and risk management system;
 - d) expressing opinions on specific aspects concerning the identification of the main corporate risks and to support the assessments and decisions of the Board of Directors concerning the management of risks deriving from prejudicial facts of which the latter has become aware;

- e) reviewing the periodic and the other significant reports of the Audit Department;
 - f) monitoring the autonomy, adequacy, effectiveness and efficiency of the Audit Department, and may also entrust the latter with the performance of checks on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors;
 - g) reporting to the Board of Directors on the occasion of the approval of the annual and half-year financial report, on the activity carried out, as well as on the adequacy of the ICRMS;
 - h) examining and evaluating, formulating opinions or proposals as necessary, the general guidelines and objectives of the Company's policies on matters relating to sustainability in relation to their integration into the corporate strategies aimed at the pursuit of the Company's sustainable success;
 - i) periodically examining the implementation of the Company's sustainability policies with respect to major business projects and initiatives;
 - j) monitoring the Company's positioning and main initiatives, also in respect to investors, in relation to Sustainability topics;
 - k) exercising any other tasks assigned, in relation to sustainability issues and their evolution, by the Board of Directors;
- with reference to what is stated above under point ii), and without prejudice to what is more precisely indicated in the Related Parties Procedure, it:
- a) formulates preliminary opinions (binding, where appropriate) on procedures for the identification and management of transactions with related parties carried out by the Company as well as on the relevant changes thereof;
 - b) formulates preliminary, reasoned opinions, when explicitly required, also in the interest of carrying out transactions with related parties to be implemented by the Company and on the appropriateness and fairness of the relative terms and conditions;

In addition, in case of transactions of greater importance with related parties (not carried out in Financial Year 2021), the Committee is promptly involved, if deemed advisable by the Committee itself, through one or more of its delegated members, in the negotiation and the diligence phase by receiving a complete and prompt stream of information, with the option to request information and make observations to the appointed bodies and persons in charge of conducting the negotiations or diligence phases.

The Committee members, in office during Financial Year 2021, were Paola Tagliavini, Chair, Barbara Morgante and Donatella Sciuto.

Consistently with the provisions of Art. 16 of the Market Regulations - Rai Way being subject to Rai's management and coordination - the aforesaid Committee was entirely made up, as at the date of this Report, of Independent Directors recognised as such pursuant to the Corporate Governance Code, as well as the previous edition of the latter (as well as according to the criteria provided for by Art. 148, paragraph 3, of the Consolidated Law on Finance).

All members of the Committee have been assessed as having adequate knowledge and experience in accounting and finance or risk management and the Committee as a whole has

adequate expertise in the business sector in which the Company operates to assess the relevant risks.

Unless a shorter term is decided at the time of appointment, the members serve for as long as they hold seats on the Board of Directors. They may resign from the Committee, without necessarily resigning from the Board of Directors. If a member leaves office for any reason, the Board of Directors appoints a replacement. The new member's term is the same as that of the person replaced. If the Chair of the Committee leaves office, when appointing that person's replacement, the Board of Directors will also designate the new Chair.

The Committee meets with the frequency considered appropriate and whenever a meeting is requested by one of its members or the Chair of the Board of Statutory Auditors; the notice of call is sent by the Committee Chair or Committee Secretary, as a rule at least three days prior to the scheduled date. In urgent cases, as determined by the Committee Chair, meetings may be called one day in advance. The notice must contain the place, date and time of the meeting as well as the agenda. The meeting is considered to be held in the place where the Chairman and the Secretary are present the Committee or, if the Chairman and the Secretary of the Committee are not in the same place, without prejudice to the powers and responsibilities of the Chairman, in the place where the Secretary and at least one other member of the Committee, who takes the chair of the meeting, are present or, in the absence of the latter, where only the Secretary is present, in which case the Chairman of the Committee takes the chair of the meeting.

A meeting is valid if attended by the majority of members in office; motions carry with an absolute majority of those present. In case of a tie, the Chair's vote will prevail. If the Chair is absent or unable to serve, the most senior member of the Committee will take over as temporary chair. The committee chair may decide to hold meetings by audio/video conference, provided that each of the participants can be identified by all others and that each of them can participate in real time in the deliberations and receive, view and transmit documents. Documentation relating to Committee meetings shall be made available in the same terms and manner as for meetings of the Board of Directors.

The secretary will archive the minutes so they can be consulted by any Committee members who were absent, and/or by the Directors or Statutory Auditors. The secretary will archive the minutes so they can be consulted by any Committee members who were absent, and/or by the Directors or Statutory Auditors. The meetings, of which the Chairman of the Board of Directors and the Chief Executive Officer are informed in advance for the purpose of their possible participation, are attended by the Financial Reporting Manager and the Head of the Audit Department, to the extent of their respective competences in relation to the topics dealt with by the Committee, as well as by the Chairman of the Board of Statutory Auditors or another Standing Auditor designated by him, although all members of the Board are invited. Directors and managers of the Company may also be invited to attend for specific topics.

In the performance of its duties, the Committee may rely on adequate financial resources to carry out its tasks, within the limits of the budget approved annually by the Board of Directors, without prejudice to the provisions of the Related Parties Procedure.

With reference, in particular, to cases where the Committee is called to give an opinion on related party transactions, the relevant procedure states that if, in relation to a specific Related Party Transaction, there are one or more directors within the Committee who are

counterparty to the transaction or Related Parties to the counterparty, these shall be replaced with Unrelated Directors (as defined herein), including Independent Directors if that's the case pursuant to the Consob Regulation on such transactions, to be identified among those who have been members of the Company's board of directors for the longest time or, in the event of equal seniority in the position, with the older member. If the director to be replaced is also chairman of the Committee, the chairmanship shall go to the Unrelated Independent Director with the longest seniority as a member of the Committee or, failing that, as a member of the Board of Directors.

During the year ended 31 December 2021, ten meetings of the Committee were held, lasting an average of 2.16 hours in total, with minutes duly taken. In addition to the Secretary, and always with the agreement of the Chairman of the Committee and for the parts falling under their respective responsibilities in relation to the topics dealt with by the Committee, the Financial Reporting Manager and the Head of the Audit Department, as well as the Corporate Development Officer in particular, took part in these meetings, which, in 2021, was mainly carried out using remote connection means in view of the Covid-19 health emergency; such participation was always reported to the Chief Executive Officer and General Manager, who also took part on certain occasions, as did the Chairman of the Board of Directors, who took part in one meeting. In particular, one or more members of the Board of Statutory Auditors (in most cases the whole Board or the majority of its members) have also taken part in the meetings, although all the members of the Board of Statutory Auditors have been invited; some meetings have also been attended by representatives of the Independent Auditors and the Chairman of the Supervisory Board, as well as a consultant of the Company.

The Committee carried out the investigation, and, in particular, examined the proposed Internal Control and Risk Management System (ICRMS) guidelines, assessed the annual audit plan, and related updates, prepared by the Audit Manager (thus monitoring its execution and examining the Manager's Audit Reports and periodic reports), as well as the implementation of the planned corrective measures, and the remuneration of the Audit Manager and the budgets/resources of the Audit Function, examined the process of preparation of the economic-financial documents for the period (assessing the adequacy of the accounting principles used by the Company together with the Financial Reporting Manager and the auditing firm and obtaining information on the work plans of the latter) and, from the point of view of risk management, the planned corporate budget. In particular, it also carried out checks with regard to some corporate procedures concerning control and in-depth analyses with reference to the relevant corporate activities in terms of sustainability and related reporting, by monitoring the related preliminary activities - also with a view to ensuring consistency with the provisions contained in the 2020-2023 Industrial Plan approved in 2020 with regard to the main areas of intervention, i.e., environment, social governance and with regard to innovation profiles - and by examining in advance the general sustainability policy document and the related long-term Industrial Plan, which were then approved by the Board of Directors, as well as by examining before submitting the required Non-financial disclosure to the Board and by monitoring the development of the main corporate activities and initiatives on sustainability, also with regard to the related ratings assigned to the Company.

The Committee also verified the corporate management control system, in particular in relation to business risks and the related risk management activities, in addition to reviewing the structure of the organizational area under the Chief Financial Officer and the Manager in charge of preparing the corporate documents, also in reference to risk management activities. The Committee, taking into account the information provided by the Manager of

the Audit Department and the regular Report of the Supervisory Board, issued a positive opinion on the substantial overall adequacy of ICRMS. Furthermore, the Committee carried out activities inherent to the functions assigned to it by the Related Parties Procedure, as set out in Section 11 below of this Report, with reference to the prior examination of certain transactions (all qualified as “of minor importance” pursuant to the above-mentioned Procedure), issuing, on the basis of the relevant checks carried out, a prior favourable opinion, pursuant to the above-mentioned Procedure, on the interest for the Company in carrying out the transaction in question as well as on the appropriateness and substantial correctness of the conditions envisaged.

The Committee has also previously assessed, with a view to investigating and supporting the related Board decision (also taking into account the related recommendation contained in the Corporate Governance Code), what was considered in relation to the composition of the Supervisory Board, in view of the renewal of the latter on expiry of its mandate, verifying how the envisaged collective composition, indicated in Paragraph 10.5.3 below, and with the presence of the Company's Audit Manager, was consistent with a view to linking the relevant parties in the company's internal control and risk management system, and making no remarks in this regard.

With regard to the tasks assigned to the Committee by virtue of the Related Parties Procedure, in addition to having expressed its opinion on some transactions (all of "lesser importance" pursuant to the Procedure itself), during Financial Year 2021 the Committee expressed its prior opinion on the amendments to the Procedure submitted to the Board of Directors for approval, to which reference should be made to Chapter 11 of this Report.

With regard to the percentage of attendance at meetings by individual members of the Committee, reference should be made to TABLE 2 attached to this report.

One meeting of the Committee was held during 2022 and as of the date of this Report. During this meeting the Committee, for the purposes of the preliminary activity inherent to the ICRMS, received updates regarding recent audit activities and the state of implementation of the actions planned following the audits already carried out: (i) examined the proposed ICRMS guidelines (also in relation to what are considered to be the main risks inherent in the company's activities with a focus also on the risks with respect to sustainability objectives) and assessed the envisaged Annual Audit Plan for 2022 prepared by the Audit Department Manager, and (ii) examined the process for the formation of the draft Financial Statements at 31 December 2021 and the “Non-financial disclosure” - drafted in compliance with Legislative Decree 254/2016 and in accordance with the GRI Standards (“in Accordance Core” option) issued by the Global Reporting Initiative on non-financial reporting - also taking information about the respective verification process by the appointed auditing firm. With regard to the Company's activities and objectives concerning sustainability issues - both with reference to Financial Year 2021 and other information on the objectives contemplated (also with a view to the further development of some policies and initiatives already implemented by the Company) - reference should be made to the related information contained in the “Non-financial disclosure” prepared pursuant to Legislative Decree 254/2016 (which is expected to be made available to the public within the terms and in the manner set out by the applicable legal and regulatory provisions, including by means of publication on the website www.railway.it, under the section Governance/Shareholders' Meeting/Ordinary Shareholders' Meeting 2022).

In the performance of their duties, the Committee has the right to access the necessary business information and functions, as well as to avail themselves of external advisers for the performance of their duties, within the limits of the budget they have been allocated.

The Board has allocated a budget of € 50,000.00 to the Committee to carry out its duties (which may be supplemented, as provided for by the Board Regulations, to meet specific needs).

10. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

10.1. *Introduction*

With regard to Financial Year 2021, the Company has adopted, in line with the Corporate Governance Code, an Internal Control and Risk Management System (the “**ICRMS**”) - understood as a set of policies, procedures and organisational structures - which seeks to contribute to sound and proper company management, consistent with the predetermined objectives, by identifying, measuring, managing and monitoring the main risks and help contribute towards assuring the Company’s sustainable success (intended as reported above in accordance with the Corporate Governance Code).

The risk management system should not be considered separate from the internal control system in relation to the financial reporting process; both are elements of the same system.

The Internal Control and Risk Management System (ICRMS) of Rai Way consists of the tools, business rules and regulations - that the Company has adopted and is further developing - aimed at ensuring sound, fair and transparent management, consistent with the pre-set objectives defined by the Board of Directors, through a suitable process of identification, measurement, management and monitoring of the main risks, including in the valuation of all risks that may become relevant in terms of sustainability in the medium- long term of the Company’s activities, as well as through the structuring of adequate information flows designed to guarantee the circulation of information.

Rai Way’s ICRMS is integral to the organizational and corporate governance framework, as it is a key element of the entire corporate governance system and plays a central role in the organization. The planning, implementation and maintenance of the ICRMS, as well as its periodic assessment, are based on the principles of the Self-Conduct Code and best practises, complying with the CoSO Report ⁽⁴⁾, which represents the internationally accepted framework for integrated functioning, analysis and assessment of the ICRMS.

The implementation of an effective and efficient ICRMS promotes an informed decision-making process. It also contributes to ensuring the protection of corporate assets, the efficiency and effectiveness of corporate processes, the reliability of financial information, and compliance with laws and regulations, including internal rules. Therefore, the corporate compliance models, structured and organized in accordance with applicable statutory provisions, are an integral part of the ICRMS.

The Company's ICRMS consists of the following five components:

1. Control environment, which represents a key element and the core component of the ICRMS, providing ethical values and organizational principles. Rai Way has equipped itself with suitable instruments, such as the adoption of the Code of Ethics, the Model pursuant to Legislative Decree. 231/2001, of the measures regarding the prevention of corruption with regard to the cases contemplated by Law 190 of 6 November 2012 (envisaged, from the end of January 2019, in a specific Policy containing supplementary

⁽⁴⁾ CoSO - Committee of Sponsoring Organizations of the Treadway Commission (2017), Internal Control, Integrated Framework.

measures of the Model pursuant to Legislative Decree 231/2001 as indicated in Section 10.7 below), an organizational structure, a system of proxies and functional powers of attorney to a correct and transparent management and representation of the company, as well as mechanisms for the professional development of personnel.

2. Risk assessment and management, which consists of identifying and analysing factors that may jeopardise the achievement of objectives and determining how these risks are to be managed. Rai Way's risk management system is aimed at directing the achievement of corporate objectives, ensuring the reliability and integrity of financial and non-financial reporting, preserving the integrity of corporate assets and ensuring compliance with laws and regulations. The risks must be identified and managed by the heads of the various business functions, with the support of the enterprise risk management function. The risk management process is integrated with the planning, including strategic, budgeting and management control processes.
3. Control activities, which are defined in the Company's procedural framework. These controls are implemented at all organisational levels and include a set of activities aimed at the prevention, detection and correction of at-risk events, such as the segregation of duties, the approval/authorisation of transactions, audits, monitoring, analysing operational performance and the mechanisms for protecting corporate assets, (general and specific).
4. Information and communication, which must be identified, reported and disseminated in a timely and appropriate manner to allow the various corporate functions to carry out their responsibilities and mission. The business information systems process information relating to financial and operational aspects, making it possible to manage and monitor the company. Through the use of suitable information and awareness-raising tools, effective communication shall be carried out downwards, upwards and across the Rai Way's organizational structure, which helps increase the awareness of Rai Way management and personnel on the importance of an effective and efficient ICRMS and on their own role within the same.
5. Monitoring, which includes a set of activities aimed at checking that the ICRMS is properly designed and operating. This consists in continuous monitoring, periodic evaluations, or a combination of both. Continuous monitoring is carried out within the framework of current operations and includes monitoring activities carried out by Rai Way executives and officers, as well as under the initiative of staff in performing their duties. The continuous monitoring procedures are therefore incorporated in the normal operations, while the periodic evaluations are carried out based on the risk assessment and safeguarding actions. The Audit function carries out periodic monitoring through specific assessments on the adequacy and functionality of the ICRMS for the process/business area under analysis. Shortcomings in the ICRMS are assessed and reported in order to define and implement appropriate corrective actions.

The Company has adopted a management control system permitting corporate officers to obtain, regularly and promptly, a sufficiently complete picture of the profits and losses and financial situation of the Company and making it possible to:

- monitor the company's Key Performance Indicators ("KPIs") and risk factors;
- produce data and information, with special reference to financial data, at a level of

detail adequate to the type of business, the complexity of the organization and the management's specific information needs;

- prepare forward-looking financial data for the business plan and the budget and verify the achievement of the Company's objectives using gap analyses.

With reference to Financial Year 2021, the Board of Directors has expressed an assessment of the substantial adequacy and effectiveness of the ICRMS, with respect to the characteristics of the company and the risk profile assumed, following a positive indication by the Control, Risks and Sustainability Committee (hereinafter in this Chapter also referred to simply as the "**Committee**").

10.2. Description of the main characteristics of existing risk management and internal control systems used in relation to the financial reporting process

In relation to the financial reporting process, the ICRMS contains a set of administrative and accounting procedures and a system for monitoring and assessing the suitability and effective application of these procedures. These procedures are updated/supplemented for organisational changes or improvement areas that have been identified.

In relation to the financial reporting, the purpose of the ICRMS is to ensure the creditability⁽⁵⁾, accuracy⁽⁶⁾, reliability⁽⁷⁾ and timeliness⁽⁸⁾ of the financial information.

Specific tasks relating to financial reporting are assigned to the Financial Reporting Manager, for which reference should be made to Section 10.3.6 of this Report.

The ICRMS is characterised by:

- formation of separate control bodies and functions (Board of Directors, Control and Risks Committee, Appointed Director, Board of Statutory Auditors, Financial Reporting Manager, Manager of the Audit Function) assigning to each of them specific tasks within the ICRMS, as fully described in Section 10.3 of the Report;
- the definition of adequate information flows between the various parties involved, as well as the identification of operating procedures that ensure coordination amongst them;

⁽⁵⁾ Creditability (of the information): information that has the characteristics of fairness and conformity with generally accepted accounting principles and meets the requirements of the laws and regulations applied.

⁽⁶⁾ Accuracy (of the information): information which has the characteristics of neutrality and accuracy. Information is deemed objective if it is free from misrepresentations aimed at influencing the decision-making process of its users in order to achieve a predetermined result.

⁽⁷⁾ Reliability (of the information): information which is clear and complete, so that it leads to informed investment decisions by investors. Information is deemed clear if it facilitates the understanding of complex aspects of business, without being excessive and redundant.

⁽⁸⁾ Timeliness (of the information): information which complies with deadlines established for its disclosure.

- holding all Rai Way management accountable, to ensure the adequacy and effectiveness of the ICRMS for the activities that fall under their competence.

The ICRMS must allow corporate officers to obtain, regularly and promptly, a sufficiently complete picture of the Company's profits and losses and financial situation and make it possible to: (i) monitor the Company's Key Performance Indicators and risk factors; (ii) produce data and information, with special reference to financial data, based on adequate analysis of the type of business, the complexity of the organization and the management's specific information needs; (iii) prepare forward-looking financial data for the business plan and the budget and verify the achievement of the business objectives through gap analyses.

(A) Stages of the existing Risk Management and Internal Control System in relation to the financial reporting process

Identification and assessment of financial reporting risks

The ICRMS for the financial reporting process was designed after a preliminary activity involving the recognition and assessment of the main risks (inaccuracy, incompleteness, lack of integrity, unreliability) relating to transactions generated by those business processes considered significant, which feed into the Company's accounting data and financial reporting.

The identification and assessment of risks is updated any time events occur, inside or outside of the organisation, which affect the effectiveness of the analysis performed or, in any case, require integration.

Definition and evaluation of administrative and accounting procedures and the related controls

Administrative and accounting procedures have been defined within which the key controls were identified in order to ensure the objectives of accuracy, completeness, authorisation and traceability of transactions, as well as the integrity of data and financial information and the IT systems used.

The administrative and accounting procedures and the related controls are monitored and updated through a process supervised by the Financial Reporting Manager, who collaborates on an ongoing basis with process owners to ensure that the procedures are updated or supplemented or to facilitate improvement actions.

The administrative and accounting procedures are subject to independent audits by the Company's Audit Department to ensure the adequacy of the design and effectiveness of the controls identified.

(B) Roles and Functions within the ICRMS

The ICRMS must include a clear identification of the roles which are attributed to the different stages of design, implementation, monitoring and continuous updating of the ICRMS.

The components of the ICRMS described in Section 10.1 above of the Report are coordinated and interdependent and the system, as a whole, involves the administrative bodies, control bodies, management and all internal and external staff at Rai Way, with different roles and based on collaboration and coordination procedures.

The ICRMS is divided into the following three levels of internal control, each characterised by a different degree of operational involvement in risk management:

- (i) First level control: identification, assessment, management and monitoring of risks under their authority to then identify and implement specific actions to deal with them (in terms of mitigation and prevention);
- (ii) Second level control: monitoring the effective management of risks by the first level control to ensure the effectiveness and efficiency of how they are handled, as well as monitoring the adequacy and operational efficiency of the controls put in place to monitor the main risks. Provides support to the first level in the definition and implementation of appropriate management systems for the main risks and related controls.
- (iii) Third control level: provides independent and objective assurance on the adequacy and operational effectiveness of first and second control levels and the entire ICRMS as a whole.

The First and Second-level controls structure is consistent with the size, complexity, specific risk profile and the regulatory framework within which Rai Way operates. First-level control is represented by the Company's management, while second-level control is represented by management with monitoring functions, such as management controls and Enterprise Risk Management.

The third control level is guaranteed by the Company's Audit department, which performs audits applying a risk-based approach of the ICRMS as a whole.

With reference to the Second Level of Control, in Financial Year 2021, the organisational function, reporting to the Chief Financial Officer, which is responsible for implementing, managing and maintaining the Company's integrated Enterprise Risk Management model, aimed at supporting the corporate structures in identifying and assessing risks and defining possible response actions, always performed. In this context, a general monitoring and updating of risk mapping and related assessment was carried out, with particular attention to those inherent to the Company's current 2020-2023 Industrial Plan as well as to sustainability-related issues.

10.3. *Bodies and Functions within the ICRMS*

10.3.1. Board of Directors and Control, Risks and Sustainability Committee

The Board of Directors shall be responsible for the ICRMS, providing strategic guidance and evaluation on the overall adequacy of the system. With reference to Financial Year 2021, the System was presided by the following, in line with the provisions of the Corporate Governance Code:

- the Appointed Director, responsible for establishing and maintaining an effective ICRMS;
- a Control, Risks and Sustainability Committee, made up, as indicated, exclusively of Independent Directors, with the task of supporting, by means of an adequate

preliminary activity, the assessments and decisions of the Board of Directors relating to the ICRMS, as well as those relating to the approval of periodic financial reports (see Chapters 6 and 9 above in the Report);

The Board of Directors, in fulfilling the aforementioned role of providing guidance and assessing the adequacy of the ICRMS and with the support of the Control, Risks and Sustainability Committee, performs the activities set forth in the Corporate Governance Code, namely, *inter alia*:

- a. defines the ICRMS guidelines, consistently with the Company's strategies, evaluating, at least annually, its adequacy in respect to the characteristics of the business and its risk profile, as well as its effectiveness; the Appointed Director is entrusted with the task of establishing and maintaining an effective ICRMS;
- b. appoints and revokes the head of the Audit Department (the "**Head of Audit**") - in charge of verifying that the ICRMS is functioning, adequate and consistent with the guidelines defined by the Board - defining his/her remuneration in line with corporate policies, and ensuring that the Head of Audit is provided with adequate resources to carry out his/her duties; the related resolutions are taken on the proposal of the Director in charge, together with and in agreement with the Chairman of the Board of Directors, after hearing the opinion of the Control, Risks and Sustainability Committee and after having consulted the Board of Statutory Auditors;
- c. approves, at least annually, the work plan prepared by the Head of Audit, having received the opinion of the Control, Risks and Sustainability Committee with input from the Board of Statutory Auditors and the Appointed Director;
- d. evaluate, with input from the Board of Statutory Auditors, the findings of the independent auditors in any comment letters and in the report on fundamental issues that emerged during the audit;
- e. describes, in the Corporate Governance and Ownership Structure Report, the essential elements of the ICRMS and the methods of coordination between the subjects involved in it, indicating the reference models and best practices, expressing its overall assessment of its adequacy and giving an account of the choices made regarding the composition of the Supervisory Board pursuant to Legislative Decree no. 231/2001.

During Financial Year 2021, the aforementioned powers and functions assigned to the Board of Directors remained in place, and the Board carried out the activities contemplated therein, including the definition of the guidelines of the ICRMS and the approval of the work plan prepared by the Head of the Audit Department, as well as the assessment of the overall suitability, in relation to the recommendations of the Corporate Governance Code, of the ICRMS based on the Reports of the Control, Risks and Sustainability Committee, referring also to those of the Head of the Audit Department, and of the Supervisory Board.

Also in compliance with the provisions contained in the Corporate Governance Code, as specified and supplemented upon its adoption by the Company, the Control, Risks and Sustainability Committee, in assisting the Board of Directors and supporting it with an adequate preliminary activity (also with regard to the management of the risks deriving from prejudicial facts of which the Board has become aware), is expected to carry out the tasks set out in Paragraph 9.1 above.

10.3.2. Appointed Director responsible for the Internal Control and Risk Management System

The Chief Executive Officer is, as noted above, responsible for establishing and maintaining the ICRMS and, in the performance of such duties, performs the activities set forth in the Corporate Governance Code, namely, *inter alia*:

- a. identifies the main business risks, taking into account the characteristics of the activities carried out by the Company and any subsidiaries, and submits them periodically to the review of the Board of Directors;
- b. implements the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the ICRMS and constantly verifying its adequacy and effectiveness, as well as taking care of its adaptation to the dynamics of the operating conditions and the legislative and regulatory scene;
- c. reports promptly to the Control, Risk and Sustainability Committee on problems and critical issues that have emerged in the course of its activities or of which he/she has become aware, so that the Control, Risk and Sustainability Committee can take the appropriate initiatives, and supervises the implementation of any interventions on the ICRMS that become necessary as a result of the verification activities carried out; he/she can also task the Audit Department with the carrying out of checks on specific operational areas and on compliance with internal rules and procedures in the execution of company operations, notifying the Chairman of the Board of Directors, the Chairman of the Control, Risk and Sustainability Committee and the Chairman of the Board of Statutory Auditors at the same time.

The Chief Executive Officer, Aldo Mancino, in office also for the entire Financial Year 2021, as at the date of this Report, carried out the activities included in the above-mentioned tasks.

10.3.3. Board of Statutory Auditors

In line with the mission established by law to this body, the Board of Statutory Auditors monitors compliance with the law and Articles of Association, compliance with the principles of proper administration and the adequacy of the organizational, administrative and accounting system adopted by the Company and its proper implementation. The tasks of the Board of Statutory Auditors also include audits on the efficiency, completeness, adequacy, functioning and reliability of the ICRMS, carried out also through the participation of the Chairman of the Board of Statutory Auditors and/or other Auditors appointed at Control, Risks and Sustainability Committee meetings.

To perform its duties, the Board of Statutory Auditors has adequate sources of information from the other corporate bodies and control functions.

10.3.4. Manager of the Audit Department

During Financial Year 2021, the role of Head of the Audit Department was carried out by Angela Pace until 28 February 2021 and, subsequently and until the end of the financial year (as well as at the date of this Report) by Maria Cristina Brotzu following her appointment by

Rai Way's Board of Directors, upon proposal of the Director in charge (in agreement with the Chairman of the Board of Directors) and subject to the favourable opinion of the Control and Risk and Sustainability Committee, having consulted the Board of Statutory Auditors.

The appointment as Manager of the Audit Department is granted for an indefinite period of time, unless otherwise resolved by the Board.

In accordance with the Corporate Governance Code, the Head of the Audit Department:

- a. verifies, both on a continuous basis and in relation to special needs, in conformity with international standards, the adequacy and effective functioning of the ICRMS, through an audit plan, to be approved by the Board of Directors. This plan must be based on a structured analysis and ranking of the main risks;
- b. not be responsible for any operational area;
- c. has direct access to all useful information for the performance of his/her duties;
- d. drafts periodic reports containing adequate information on his/her activities, the risk management process, as well as compliance with the management plans defined for risk mitigation, with such reports containing an assessment of the overall suitability of the ICRMS;
- e. prepares timely reports on particularly significant events;
- f. submits the reports indicated under items d. and e. above to the Chairman of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the Board of Directors, as well as to the Appointed Director (save for cases where the subject of such reports relates specifically to the matters under their responsibility);
- g. verifies the reliability of information systems, within the scope of the Audit Plan, including the financial reporting system;

The Head of the Audit Department is hierarchically subordinate to the Board of Directors and, on its behalf, to the Chairman, without prejudice to the functional dependence on the Control, Risks and Sustainability Committee and on the Appointed Director, in the terms indicated above.

The Board of Directors determines the structure and definition of the remuneration of the Head of the Audit Department, in line with corporate policies, following a proposal by the Chief Executive Officer in conjunction and in agreement with the Chairman of the Board of Directors, subject to the favourable opinion of the Control, Risks and Sustainability Committee, and after consulting the Board of Statutory Auditors.

The Board of Directors, on the Chief Executive Officer's proposal in his capacity as Appointed Director, subject to a positive assessment by the Control, Risks and Sustainability Committee and after consulting the Board of Statutory Auditors, approves the Audit budget as part of the corporate budgeting process, ensuring that the Audit Department Manager has adequate resources to fulfil the assigned duties.

For 2021, the Board has assigned a budget of € 50,000.00 to the Head of the Audit Department to carry out the relevant activities.

As mentioned above, the Head of the Audit Department, in addition to not performing any operational activities, is not authorised to

- (i) initiate or approve operations, transactions or accounting records, except for those pertaining to the Audit function;
- (ii) perform, on behalf of other bodies or functions, internal control and risk management activities which, due to their nature, extent and tasks to be performed, could undermine the independence of the Audit function.

10.3.5. *Audit Department*

In line with the “Standards for the Professional Practice of Internal Audit”, issued by the Institute of Internal Auditors, the Audit Department (hereinafter in this Paragraph also simply referred to as “**Audit**”) is entrusted with the task of providing an independent and objective “assurance” activity aimed at promoting actions to improve the efficiency and effectiveness of the internal control and risk management system and company organisation. The Audit helps the organization achieve its objectives through a systematic professional approach, which generates added value as it is aimed at evaluating and improving the control, risk management and corporate governance processes ⁽⁹⁾.

The following are considered the main Audit tasks:

- a. to assess, within the limits of the assessment tools available, the performance and adequacy of the ICRMS and to provide evaluations and recommendations to promote its effectiveness and efficiency;
- b. provide specialist support to management in ICRMS issues, in order to enhance efficiency, effectiveness, and integration of controls in business processes and promote the continuous improvement of corporate governance and risk management processes.

Finally, Audit is expected to report to the Chairman of the Board of Directors and to the Chief Executive Officer as Appointed Director, to the Control, Risks and Sustainability Committee, to the Board of Statutory Auditors, for any relevant risk areas pursuant to Legislative Decree 231/2001, and to the Supervisory Board on the activity carried out and its results.

With reference to the prevention and identification of any irregularities, the Audit’s responsibilities consist in conducting audits, identifying and assessing the ICRMS adopted for the process/activity under review, and analysing the results obtained in a professional manner.

Responsibility for the proper design and effective operation of the ICRMS over time, for

⁽⁹⁾ Definition approved by the Board of Directors of the Institute of Internal Auditors on 26 June 1999 and implemented by the current International Standards of Internal Auditing.

defining business and process objectives, for preventing and detecting irregularities, and for ensuring that risk management methods correspond to the defined control plans falls to management.

Furthermore, the Audit function:

- (i) based on the principles and criteria defined, organizes and supervises the systematic collection of data, information and the assessments required for creating and updating the Audit Plan proposal;
- (ii) for Audit operations purposes and where applicable, verifies compliance with the conduct and control protocols set forth in Model 231, reporting to the Supervisory Board on audit results;
- (iii) monitors the implementation of corrective actions by obtaining statements and evidence from management (documentary follow-up) and/or through operational audits of their effective implementation (on-site follow-up) in case of critical problem areas (ratings).

The actions carried out by Audit are planned on the basis of an annual Audit Plan, approved by the Board of Directors, subject to the favourable opinion of the Control, Risks and Sustainability Committee, after consulting the Board of Statutory Auditors and following the proposal of the Appointed Director.

The Plan is drawn up according to a “top-down/risk-based” procedure.

In addition to these interventions, Audit also carries out interventions (so-called (“spot-check” audits) not provided in the Audit Plan based on requests received from the Company’s Chairman of the Board of Directors, the Chief Executive Officer and Appointed Director, the Control, Risks and Sustainability Committee, the Board of Statutory Auditors, or the Supervisory Board.

In 2021, the Audit Department Manager - as indicated above, first Angela Pace and then Maria Cristina Brotzu, performed her duties in implementation of these assigned functions, which were not amended during the year, in particular based on the implementation of the work scheduled in the Audit Plan for the year.

10.3.6. Manager in charge of preparing the corporate accounting documents

Article 32 of the Articles of Association provides that the Board of Directors, subject to the obligatory opinion of the Board of Statutory Auditors, appoints - for a maximum period of three years, renewable at expiration - a Manager in charge of preparing the corporate documents, to whom it grants the powers provided in Art. 154-*bis* of the TUF.

The Financial Reporting Manager is chosen by the Board of Directors from among the Company executives who meet the professional competence requirements, characterized by specific expertise in administration and accounting related issues. Such expertise, to be ascertained by the Board of Directors, must be acquired through work experience in positions of adequate responsibility for a reasonable period of time and in businesses comparable to that of the Company. The Financial Reporting Manager must also meet the

integrity requirements provided by prevailing legislation for a statutory office. If the Manager in charge of preparing the corporate accounting documents no longer meets the integrity requirements, he/she shall be removed from office.

Consistent with the provisions of Art. 154-*bis* of the TUF, the Manager in charge of preparing the corporate documents is responsible for: (i) prepare adequate administrative and accounting procedures for the preparation of the financial statements for the year and, where provided, the consolidated financial statements as well as all other financial communications; (ii) prepare the documents and notices released to the market, and relating to the accounting information, including interim, of the Company, with a written declaration certifying correspondence to the documented results, books and accounting records; (iii) ensure the preparation of the financial statements and, where provided, the consolidated financial statements and quarterly and half-yearly reports; and (iv) within the corresponding areas of authority, represent the Company and, if applicable, its lead group, with respect to the international financial community.

Over the course of Financial Year 2021, the role of Financial Reporting Manager was filled by the Company's Chief Financial Officer, Adalberto Pellegrino. This appointment was assigned to him by the Board of Directors of the Company on 24 June 2020, renewing the appointment itself, with the attribution of the same powers and functions previously assigned. The Chief Financial Officer, also acting as Financial Reporting Manager, is granted the following powers and functions:

- (i) definition of financial and administrative strategies and policies, preparation of the periodic financial reporting and overseeing their implementation;
- (ii) supervising the preparation of the Company's financial statements, as well as any other interim accounting document and related public disclosure, the optimisation of financial and industrial risk management, taxation and shareholding structures, financial planning and control, the acquisition of financial resources, the development and management of financial services to support industrial and commercial activities, the selection of financial advisors, as well as capital market transactions and compliance with regulations on corporate reporting;
- (iii) responsibility for supervision of the administrative and financial operations (general accounting, customers and suppliers accounting, short and medium/long-term planning (Industrial Plan), treasury management and tax compliance - VAT and income taxes);
- (iv) supervising the drafting and consolidation of plans, budgets and forecasts and is responsible for monitoring the objectives set by them, preparing administrative/financial reports (analysis of variances, preparation of forecasts, management of receipts and payments);
- (v) responsibility for administrative management of general corporate contracts, above all with reference to the payments and collections terms and guarantees provided;
- (vi) oversight of relationships with the national and international financial community;
- (vii) oversight of the management of the functional areas under his/her responsibility relating to the preparation of internal procedures and the optimization of operational processes;

- (viii) management of tax-related litigation and pre-litigation (and all connected activities), subject to agreement with the Chief Executive Officer for disputes of a value up to €1,000,000.00 and subject to informing the Chairman for disputes of a value exceeding €1,000,000.00;
- (ix) regarding transactions concerning investment of the cash and cash equivalents and loan transactions, the completion of all activities listed below, within the value limit, per individual transaction or jointly considering other related negotiations, of €500,000.00, including:
- applying for and taking out loans, credit facilities and similar, with a term of less than 18 months, and negotiation of the respective settlement conditions;
 - investing the company's cash through the following types of financial instruments: current account and bank deposits at sight and at maturity; repurchase agreements and similar instruments with banking and financial counterparties; bonds;
 - subject to agreement with the Chief Executive Officer, entering into contracts for assignment of receivables, factoring and similar contracts, including with the granting of guarantees;
- (x) in addition to the activities described above, executing the following financial transactions for various matters and within the value limit, per individual transaction or considered jointly with other connected transactions, of €500,000.00;
- entering into contracts with banks, financial institutions and companies for hedging transactions for exchange and interest rate risk in accordance with the guidelines indicated by the Board of Directors;
 - entering into contracts with banks, financial institutions and companies for services connected with financial expenses, including payment authorisations;
 - arranging guarantees, security deposits and other guarantees relative to contracts and orders, arranging deeds of administration and restitution;
 - arranging the connected and consequent compliances for the access, administration and repayment of loans, including bonds and medium/long-term mortgages, with liens on real estate or corporate operating assets also, permitting their recording and arranging cancellation;
 - subject to agreement with the Chief Executive Officer, concluding payables/receivables set-off agreements and accepting assignments of receivables, factoring and irrevocable payment instructions from suppliers;
 - opening current accounts and overdrafts with Rai and related administration, fixing the settlement conditions;
 - executing power of claiming sums and credit instruments with both private parties and companies, public and private administrations, issuing discharge receipts;

- opening, administrating, managing, and repaying current accounts and overdrafts in any currency, with banks, post offices and financial institutions; drawing down and paying overdrafts and negotiating the relative settlement conditions;
- effecting the compliance provided by Art. 3 of Law 136/2010;
- granting powers of attorney in connection with the powers granted.

The Financial Reporting Manager carries out the certifications and declarations prescribed for the latter by regulations in effect, where requested, including jointly with delegated bodies. In particular, the company's deeds and notices distributed to the market, and relating accounting information including interim thereof, which are accompanied by the Financial Reporting Manager's written declaration, which attest to the correspondence with documented results, books and accounting records.

Furthermore, the delegated management bodies and the Financial Reporting Manager attest, with an appropriate report, the annual report, the condensed, half-yearly financial report and, where prepared, the consolidated financial statements (not prepared by the Company as it does not hold equity investments in other companies):

- (a) the adequacy and effective application of internal administrative and accounting procedures for the formation of the financial statements for the period to which the documents refer;
- (b) that the documents are prepared in conformity with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and Council of 19 July 2002;
- (c) the correspondence of the documents to the results of the books and accounting records;
- (d) the suitability of the documents to give a true and fair view of the Company's assets and liabilities, profit and loss and financial situation;
- (e) for the financial statements, that the report on operations includes a reliable analysis of the trend and result of operations, as well as the situation of the Issuer and of the set of companies included in the consolidation, if any, together with a description of the main risks and uncertainties;
- (f) for the condensed interim financial statements, that the interim management report contains a reliable analysis of the information referred to in paragraph 4 of Art. 154-*ter* of the TUF.

The Financial Reporting Manager, for the purpose of performing the duties established by Art. 154-*bis* of the TUF and other applicable provisions, exercises the following powers:

- (i) free access to all information considered relevant for discharging his/her duties within the Company;
- (ii) attendance at the Board of Directors meetings that provide for discussion on matters falling within his/her authority;

- (iii) to speak to the Board of Directors and Board of Statutory Auditors of the Company;
- (iv) to approve the corporate procedures when they have an impact on the financial statements, consolidated financial statements or on the other documents subject to certification;
- (v) participation in the design of information systems that have an impact on the Company's equity and financial position;
- (vi) to use the external audit firm for the mapping and analysis of processes under his/her authority and in the execution phase of specific controls;
- (vii) possibility to use information systems.

Therefore, the Financial Reporting Manager was given the power to prepare, including with help from external consultants, a series of procedures relative (a) to the standardisation of the information flow to the Financial Reporting Manager and (b) formation of financial statements and any other financial communications.

During the 2021 financial year, the powers and functions mentioned above granted to the Chief Financial Officer and Manager in charge of preparing the corporate documents, Adalberto Pellegrino, who arranged to carry out the activities contemplated therein, remained.

Within the corporate structure that oversees legal affairs, a functional competence is foreseen for support activities with regard to compliance issues.

10.4. *Coordination methods between parties involved in the internal control and risk management system*

To allow the bodies described in Section 10.3 above to perform their duties within the ICRMS, specific information flows have been defined, and will be in place in Financial Year 2021, between the aforementioned three levels of control and the competent bodies, coordinated and adequate in terms of content and timing. All the flows supporting the Board of Directors' assessments of the ICRMS have been channelled to the Control, Risks and Sustainability Committee, which has carried out adequate preliminary investigations, the results of which it reports directly to the Board of Directors in its periodic reports and/or by issuing specific opinions. These flows were also addressed to the Board of Statutory Auditors for the exercise of the tasks attributed to it by the law on ICRMS.

The methodologies of interaction between the corporate functions and bodies involved in ICRMS were designed with the objective of avoiding overlaps or gaps to the extent possible, as well as avoiding modifications, including in substance, to the primary responsibilities of the corporate bodies involved in ICRMS.

As for the inter-relationships between the second and third (Audit) control level functions, they are part of the more general framework of active and constant collaboration, achieving:

- participation, within the scope of the respective roles and following the independence requirement that characterises the third level control function, in the process of adjusting and strengthening the ICRMS;
- exchange of information, document or data flows as well as access to any corporate or information resource in line with the control requirements of the functions;
- systematic participation in Board committees or on request;
- participation in work groups, constituted from time to time on subjects related to risk and control issues.

The improvement of the interaction between control functions and the constant updating to the corporate bodies by the same in relation to the activities carried out have the ultimate purpose of establishing a corporate governance that guarantees sound and prudent management also through a more effective risk control at all corporate levels.

With reference to Financial Year 2021, and up to the date of this Report, constant information flows took place both through the information provided by the Control, Risks and Sustainability Committee to the Board of Directors, and through the constant participation of one or more members of the Board of Statutory Auditors in the Committee's meetings or Board meetings, as well as through the Supervisory Board's Reports referred to in Model 231 addressed in particular to the Board and the Board of Statutory Auditors and of which the Control, Risks and Sustainability Committee was also informed. During Financial Year 2021, both the Control, Risks and Sustainability Committee and the Board of Statutory Auditors also met the Chairman of the Supervisory Board to provide additional information on the activities carried out and planned. Similarly, the Head of the Audit Department (who is also a member of the Supervisory Board) and the Financial Reporting Manager have, in particular and to the extent of their responsibility, constantly attended the meetings of the Control, Risks and Sustainability Committee and reported to it, as well as, in particular, the latter directly to meetings of the Board of Directors, as well as to union audits, and also the Head of the Corporate Structure responsible also for legal affairs has always attended the meetings of the Board of Directors, the Control, Risks and Sustainability Committee, also acting as secretary, as well as almost all the meetings of the Board of Statutory Auditors. During Financial Year 2022, as of the date of this Report, among other things, the Chairman of the Supervisory Board attended a meeting of the Committee, also attended by the Board of Statutory Auditors, in particular on the occasion of the examination of the most recent periodic Report of the Board itself.

10.5. *Model according to Legislative Decree no. 231/2001*

The Organisation, Management and Control Model adopted by the Company pursuant to Legislative Decree 231/2001 ("**Model 231**") was originally approved by the Board of Directors in December 2006 and subsequently updated, most recently in February 2021, following an update and review project held in the second half of Financial Year 2020.

10.5.1. Basic principles

Rai Way's Model 231 conforms to:

- the indications in Legislative Decree 231/2001;
- The Confindustria "*Guidelines for the Construction of Organization, Management and Control Models pursuant to Legislative Decree 231/2001*" and, in particular, the components of a preventive control system;
- the Code of Ethics as adopted by the Company;
- the corporate governance model contained therein, as well as principles deriving from belonging to the Rai Group, which the Company has also decided to adopt.

Recipients of Model 231 are identified as people who:

- hold functions of representation, administration or management of the Company or of one of its organizational units or staff areas, or which, although not formally appointed, exercise, even *de facto*, the management and control of the same;
- are subject to the direction or supervision of one of the persons referred to in the previous point (all other employees of the Company working in organizational units and staff areas).

The compliance with Model 231 shall also be imposed on all those who, although not part of the Company, work to achieve Rai Way's aims and objectives (external collaborators, clients/suppliers, partners, etc.).

10.5.2. Structure of the Model 231

Model 231 in force from January 2021 was structured as follows:

a General Part, mainly bearing:

- the core principles formulated by Legislative Decree no. 231/2001;
- wording of the purposes and scope carried out with adoption of Model 231;
- confirmation of the functions and structure of the Supervisory Board;
- communications toward the Supervisory Board;
- methods for communicating and managing whistle-blowing reports;
- staff training and communication;
- the disciplinary system.

a Special Part bearing:

- the risk assessment approach used and the mapping of corporate areas and processes at risk of commission of the relevant offences pursuant to Legislative Decree

231/2001;

- the Internal Control System adopted by the Company to prevent offenses;
- the general/transversal prevention protocols, applicable to all at-risk business processes;
- for each business area and process at risk:
 - the individual offenses that could be committed with an indication of the possible ways in which they might be committed;
 - the behavioral and organisational controls specific to the prevention and management of risk.

This structure was adopted in 2020 is the result of an analysis project for Model revision purposes - following a resolution of the Board of Directors, after examination by the Supervisory Board and the Control and Risks Committee (now the Control, Risks and Sustainability Committee), in January 2020 - as well as in relation to an update with respect to relevant regulatory provisions and to the organisational structure of the Company, based on the assumption of a structuring and representation of the envisaged provisions for individual corporate processes at risk (thus indicating, in particular, with respect to each of them, elements and control measures functional to the prevention of relevant offences). As mentioned above, after a further update of the Model which also took place in 2020 with the same approval process, following the analysis and assessments started in the second part of that year regarding a further update in relation to both the introduction of new relevant offences and the provision of a specific protocol related to epidemiological emergencies in February 2021 the Board of Directors, after examination by the Supervisory Board and the Control, Risks and Sustainability Committee, approved the current edition of the Model (an edition that has also been updated with respect to the textual references to the change in the name of the Self-Conduct Code into the Corporate Governance Code and of the Control and Risk Committee, as indicated above, into the Control, Risks and Sustainability Committee.

During Financial Year 2021, save for some updates, protocols and procedures designed to prevent unlawful conduct and aimed at preventing the commission of the offences covered by Legislative Decree 231/2001 remained in force, as an expression of the principle of “effectiveness” of Model 231.

10.5.3. Supervisory Board

In 2021, the Supervisory Board, in the composition that has existed since July 2018, namely:

- (i) Alberto de Nigro, acting as Chair (an external member who meets the requirements of independence and professional qualifications);
- (ii) Maria Giovanna Basile (Standing Auditor of the Company until 27 April 2021, and thereafter external member with adequate independence and professionalism);
- (iii) Angela Pace, Head of the Company's Audit Department, until 28 February after which

Maria Cristina Brotzu took on this role.

remained in office until 30 July 2021.

On that date, the new Supervisory Board took office in the composition established by resolution of the Board of Directors of 28 July 2021, namely:

- (i) Alberto de Nigro, acting as Chair (an external member who meets the requirements of independence and professional qualifications);
- (ii) Enrico Mezzetti (an external member who meets the requirements of independence and professional qualifications);
- (iii) Maria Cristina Brotzu, Manager of the Company's Audit Department.

It should be noted that during Financial Year 2021, the Supervisory Board held seven meetings during which - in addition to having generally monitored regulatory changes, for the purposes of the relevant updates to the Model - it reviewed, prior to submission for Board approval, the above-mentioned revisions of the Model which were then submitted to the Board of Directors. Also during the year, the Supervisory Board examined the information flows provided for under the relevant corporate procedure, analysing them also with the help of the Company's Audit Department, and carrying out some related in-depth analyses. In 2022, the Supervisory Board held one meeting, dedicated, in particular, to the drafting of the Supervisory Board's Report relating to the second half of Financial Year 2021.

10.5.4. In-House Appointees

Model 231 in force for the whole of 2021 provided for the role of "In-House Appointee", in particular, some of their most significant responsibilities are as follows:

- for transactions related to risk activities, prepare and archive the relevant documents and summarize their content for the Supervisory Board in specific "evidence reports";
- report to the Supervisory Board concerning any anomalies in or violations of Model 231 and any other facts deemed to be relevant;
- help to update the risk prevention system within the scope of their responsibilities.

This role has also been provided for in the latest edition of the Model approved in February 2021, as previously indicated, with tasks equally related, in particular: to the supervision of the performance of the activities falling within its competence, to inform the Supervisory Board with regard to relevant situations concerning the effectiveness and adequacy of the prevention measures provided for in the Model, to support the analysis and updating of possible risks in its area of activity.

10.6. Code of Ethics

The Company has also adopted the Code of Ethics, which is an integral part of Model 231

(the Code of Ethics and Model 231, General Part, are published on the Company's website www.rairway.it in the Governance/Business Ethics Section).

The purpose of the Code of Ethics is to define the set of values that the Issuer recognizes, accepts and shares, as well as the responsibilities that it undertakes. The Code of Ethics contains the principles of ethics and conduct that are to underlie the work of those who operate or otherwise interact with Rai Way on an ongoing or temporary basis, taking account of their respective roles, the complexity of their functions, and the responsibilities assigned in order to pursue the goals of the Company. The principles contained in the Code of Ethics supplement the rules that the Company and those who work within the Company or its organizations, are required to follow as defined by applicable laws and regulations. The Code of Ethics remained in force for all of 2021 and, as mentioned above, was subject in February 2021 - following the related Board of Directors' resolution (after examination by the Control, Risks and Sustainability Committee and the Supervisory Board) - to some updates with the inclusion of some provisions with respect to the indications relating to the duty to refrain from disclosing to the media information connected to the performance of activities at the Company, specifying and extending its application and value, also with regard to the use of the so-called "digital media" (such as blogs, social networks, etc.).

10.7. *Anti-corruption Measures*

Taking into account the provisions of Law no. 190/2012, in its original formulation, in January 2015, the Rai Way Board of Directors had adopted a three-year plan for the prevention of corruption, inspired by the principles of the National Anti-corruption Plan, as far as applicable. As a result of regulatory changes and the guidelines issued by A.N.A.C. (in particular with reference to public listed companies), Rai Way has updated the plan annually even in the absence of a legal obligation, that is, on a voluntary basis (the plan was last updated in January 2018). During the 2021 financial year, as at today's date, the Anti-Corruption Policy containing supplementary measures to its Organization, Management and Control Model pursuant to ex Legislative Decree 231/2001 in relation to the cases covered by Law 190/2012 remained in force. It was adopted in 2019 on a voluntary basis by the Company in view of its status as a listed public control company ⁽¹⁰⁾. This Policy, which is published on the Company's website, is in line with the corruption prevention plan adopted previously and is increasingly integrated with the other instruments adopted by the Company (Model pursuant to Legislative Decree 231/2001, Code of Ethics), providing, in particular, for the direct involvement of the Supervisory Board, while maintaining internal organisational supervision through the figure of a Contact Person. The anti-corruption measures Contact Person, with the coordination of the Supervisory Board, verifies the

⁽¹⁰⁾ In regard to the application to the Company of the anti-corruption provisions specified by Law 190/2012 and subsequent implementing provisions, we note that the Italian National Anti-corruption Authority ("A.N.A.C.") Guidelines for the implementation of legislation on transparency and prevention of corruption in public companies, issued in November 2017 and in force at the date of this Report, rule out the application of the provisions therein to publicly listed companies. In fact, also based on the opinion of the Council of State, the A.N.A.C. has considered that a further in-depth study be carried out with the Ministry for the Economy and CONSOB. In any case, the applicability of the Guidelines for implementation of legislation concerning transparency and the prevention of corruption for companies and other private-sector entities controlled and held by government and other public-sector bodies, as issued by A.N.A.C. was suspended for listed companies on 17 June 2015.

suitability and actual implementation of the anti-corruption measures taken. During 2021, the above-mentioned role was held, until 28 February 2021, by the Head of the Audit Department in office until that date, Angela Pace, and, with effect from the following 1 March, by the Head of the Audit Management area, operating within the Company's Audit Department.

10.8. *Internal Dealing Code of Conduct*

During the 2021 financial year, the Code of Conduct on Internal Dealing already approved by the Board of Directors and most recently updated during the 2018 financial year remained in force.

This procedure, aimed at ensuring the prescribed transparency of information towards the market, establishes, in particular, the disclosure and notification obligations incumbent, by virtue of the aforementioned reference legislation, on the so-called “Relevant persons” (*i.e.*, members of management and control bodies and managers with strategic importance) as well as on “persons closely associated” with them, in relation to the possible performance of transactions involving financial instruments issued by the Company or related to them, as well as obligations to abstain, as provided for by the above-mentioned European reference legislation, from performing such transactions in the thirty days preceding the Board's approval of the economic and financial data for the period. Moreover, it is worth mentioning, for the sake of completeness, the internal dealing obligations established by Italian law for shareholders holding a stake of at least 10% of the Company's share capital and on any other party controlling the Company, as well as on persons closely associated with them.

10.9. *Inside Information Code*

See Section 5 of this Report.

10.10. *Independent Auditors*

The Independent Auditing firm responsible for auditing the Issuer's accounts is PricewaterhouseCoopers S.p.A., enrolment no. 43 in the special register of independent auditors of the Ministry for the Economy and Finance in accordance with Art. 161 of the Consolidated Law on Finance (TUF) and no. 119644 in the register of statutory auditors.

By resolution of 4 September 2014, the Shareholders' Meeting, subject to the filing with Borsa Italiana of the application for admission of the Company's shares to trading on the MTA, resolved to amend the independent auditing mandate in place as of that date, transforming it into an appointment pursuant to Articles 14 and 17 of Legislative Decree 39 of 27 January 2010, and extending it to the financial year ending 31 December 2022. Furthermore, the Independent Auditors have been engaged to perform a limited audit of the condensed individual half-yearly financial statements for the six months ending 30 June of the 2015 - 2022 financial years.

It should be noted that during Financial Year 2021, the Control, Risk and Sustainability Committee examined, after consulting the Board of Statutory Auditors, the reports issued by

the independent auditors on the activities carried out in relation to the Company's financial statements for that year, and then informed the Board of Directors, which took note of them.

11. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

On 4 September 2014, in accordance with Art. 2391-*bis* of the Italian Civil Code and with Articles 113-*ter*, 114, 115 and 154-*ter* of the TUF, as well as with the applicable provisions of the Issuers' Regulation and Regulation on Related Party Transactions and considering the indications and clarifications provided by CONSOB in communication DEM/10078683 of 24 September 2010, the Company's Board of Directors voted to adopt the Related Party Procedure, which became effective on the First Trading Day and has been examined and approved by the Control and Risks Committee in office. On 22 June 2021, the Board of Directors resolved to update, subject to the favourable opinion of the Control, Risks and Sustainability Committee, the aforementioned Related Parties Procedure, with effect from the following 1 July, in order, in particular, to reflect the amendments made to the Related Parties Regulation by Consob Resolution No. 21624 of 10 December 2020 in implementation of Directive (EU) 2017/828 (Shareholder Rights Directive II). The Board of Statutory Auditors was in attendance for the deliberations of both the Control, Risks and Sustainability Committee and the Board of Directors, not formulating any observations.

The purpose of the Related Parties Procedure is to establish the principles of conduct that Rai Way is required to adopt in order to guarantee the proper management of transactions with related parties, as defined by the international accounting standards adopted according to the procedure set forth in Article 6 of Regulation (EC) No. 1606/2002 in force from time to time, in compliance with the Related Parties Regulation. To this end, the Related Party Procedure:

- establishes the procedures and parameters for identifying and mapping the Company's related parties (as defined therein), establishing the criteria and timing for updates to the list of related parties and the organisational units responsible for maintaining said list;
- determines the principles for identifying transactions with Related Parties prior to their conclusion;
- governs the procedures that the Company, including through subsidiaries or other intermediaries, is to follow in carrying out related party transactions and establishes the rules of conduct aimed at ensuring the transparency and the correctness, both in substance and in form, of such transactions; and
- establishes the procedures for meeting related disclosure obligations.

For further information, please note that the Related Parties Procedure is published on the Company's website www.rairway.it (in the Governance/Bylaws and other documentation section).

12. BOARD OF STATUTORY AUDITORS

12.1. *Appointment and replacement of Statutory Auditors*

In compliance with the legal and regulatory provisions applicable to listed companies, the Board of Statutory Auditors is appointed by the Shareholders' Meeting on the basis of lists, in accordance with the procedure described below, contained in Art. 28 of the Bylaws and with industry-specific regulations not being applicable.

Appointment of standing and substitute Auditors is done by way of slates presented by eligible parties, on which candidates are to be listed in numerical order. The slates are to be divided into two lists, one with up to three candidates for the position of standing Auditor and up to two candidates for the position of substitute Auditor. At least the first two candidates for the position of standing Auditor and at least the first candidate for the position of substitute Auditor as shown in their respective lists must be registered statutory auditors and must have experience in providing account auditing services for no fewer than three years. Candidates who are not enrolled in the Register of Auditors and have not carried out auditing activities for at least three years must have gained at least three years' overall experience in the exercise of the activities and functions indicated in Art. 28, paragraph 2 of the Bylaws. Each list for the appointment of standing and substitute Auditors must include a number of candidates of the least represented gender that ensures observance, on the list itself, of gender balance at least to the minimum extent required by applicable laws and regulations. No candidate may appear in more than one list; should this occur, the candidature is forfeited.

In order to be valid, slates must be submitted to the Company headquarters, also by means of remote submission, in accordance with the procedures published in the notice of call for the Shareholders' Meeting to appoint the statutory auditors and in a manner that allows for verification of the identity of the party making the submission at least twenty-five days prior to the date of the Shareholders' Meeting (or within the deadline as provided by prevailing legislation). Slates are then to be made available for viewing at the Company's headquarters and published on the Company's website or by other means envisaged by applicable regulations at least twenty-one days prior to the date of the Shareholders' Meeting (or within the deadline as provided by prevailing legislation). Minority shareholders who do not have ties to the shareholders concerned, shall be entitled to extend the deadline for submitting slates as allowed by applicable laws and regulations.

Each person eligible to vote (as well as (i) the eligible persons belonging to the same group, meaning the person, even if not a company, who controls the company pursuant to Art. 2359 of the Italian Civil Code and each subsidiary or joint venture over which said party exercises control; or (ii) the participants in a shareholder agreement as defined by Art. 122 of the Consolidated Law on Finance or (iii) eligible parties who are connected by way of other relevant means as defined by applicable laws and regulations), may submit or be involved in the submission of only one list in the same way that each candidate may appear on only one list. Failure to comply will result in ineligibility.

Candidacy lists may be submitted by those persons entitled to vote who, alone or together with others, hold shares with voting rights, representing at least the percentage of share capital established by the law and regulations in force from time to time (currently 1%, as established by Consob with executive resolution no. 60 of 28 January 2022). Ownership of the minimum number of shares required for the submission of slates is, where applicable, determined based on the shares registered for the individual shareholder or group of shareholders submitting

jointly as of the date on which the slates are submitted to the Company. Ownership of the number of shares required for the submission of slates must be certified in accordance with applicable laws and regulations. Said certification may be provided to the Company after the submission of the slate so long as it is provided by the date set for publication of the slates by the Company.

Together with the slates, eligible parties submitting the slates must also provide any additional documentation and declarations as required by applicable laws and regulations. Slates for which the obligations described above are not met will be considered null and void.

Each shareholder with voting rights may only vote for one list.

The members of the Board of Statutory Auditors shall be elected as follows:

- a) a) two (2) standing Auditors and one (1) substitute Auditor are selected, in the order in which they are listed, from the slate that obtained the greatest number of valid votes;
- b) the remaining standing Auditor and the remaining substitute Auditor (i.e. the “Minority Standing Auditor” and the “Minority Substitute Auditor”, respectively) are then selected, in the order in which they are listed, from the slate that obtained the highest number of votes after the slate specified under letter a) above and that is not connected in any way, directly or indirectly, with the parties eligible to vote who submitted the slate from letter a).

The Minority Standing Auditor then acts as the Chairman of the Board of Statutory Auditors.

In the event that only one slate is submitted, no slate is submitted, or there is an insufficient number of candidates on the slates submitted compared to the number to be elected, the ordinary Shareholders’ Meeting shall appoint the members of the board or select the additional members by majority vote. In the event of a tie in the number of votes received, a second ballot for the candidates concerned is to be held by the Shareholders’ Meeting in order to break the tie. The Shareholders’ Meeting must, in any event, ensure gender balance as required by applicable laws and regulations.

In the event of the death, withdrawal, or other termination of a standing Auditor, said Auditor is to be replaced by the substitute Auditor elected from the same slate as the outgoing Auditor and in the order listed on the slate while maintaining the minimum number of members registered as statutory auditors that have at least three years of experience in the field and continuing to observe the principle of gender balance. Should this not be possible, the outgoing Auditor is to be replaced by the substitute auditor with the necessary characteristics on the minority slates receiving the most votes in the order of number of votes and order of the candidates on the slates. In the event the Auditors were not appointed by way of slates, the substitute Auditor is to be selected in accordance with applicable laws and regulations. If the Chairman of the Board of Statutory Auditors needs to be replaced, the incoming substitute Auditor will then assume the role of Chairman. The Shareholders’ Meeting provided for by Article 2401, paragraph 1 of the Italian Civil Code, are required to appoint or replace Statutory Auditors in accordance with the principles of minority representation and gender balance. In the event of failure of a substitute Auditor to be confirmed by this shareholders’ meeting for the role of standing Auditor, said Auditor will return to the role of substitute Auditor.

12.2. Composition and operation of the Board of Statutory Auditors (ex Art. 123-bis, paragraph 2, letter d) of TUF)

In accordance with Art. 28 of the Articles of Association and in compliance with applicable laws and regulations, at least two standing Auditors and one substitute Auditor must have been registered for at least three years as statutory auditors and have at least three years of experience in the field. Auditors that are not registered statutory auditors must have a total of at least three years of experience in:

- (i) administration or auditing or other directional responsibilities for corporations with share capital of no less than two million euros;
- (ii) professional activity or university tenure in the fields of law, economics, finance, or other subjects which are closely related to the Company's business; or
- (iii) senior management functions within government or public organisations in the fields of finance, banking, or insurance, or in other fields closely related to the Company's business.

The Company's Board of Statutory Auditors in office as of the date of this Report was appointed by the shareholders at the meeting held on 27 April 2021 and will remain in office until the Shareholders' Meeting called to approve the Annual Report at 31 December 2023.

The table below provides information on each member of the Board of Statutory Auditors in office as of the date of this Report.

NAME AND SURNAME	POSITION	PLACE AND DATE OF BIRTH
Silvia Muzi	Chairperson	Rome, 18 July 1969
Massimo Porfiri	Standing Auditor	Rome, 18 July 1956
Barbara Zanardi	Standing Auditor	Piacenza, 03 March 1977
Paolo Siniscalco	Substitute Auditor	Naples, 19 July 1967
Cristina Chiantia	Substitute Auditor	Turin, 07 May 1975

At the Shareholders' Meeting of 27 April 2021, these Statutory Auditors in office were drawn from the list of candidates submitted by the majority shareholder Rai with a stake of approximately 64.971% in the share capital ("majority" list, which was voted by 70.81% of the ordinary shares admitted to the vote), except for the Chair of the Board of Statutory Auditors, Silvia Muzi, and the substitute Auditor, Paolo Siniscalco, who were drawn from the list submitted by some investment funds and institutional investors representing a total of 3.928% of the share capital ("minority" list).

After 31 December 2021, there has been no change in the composition of the Board of Statutory Auditors. For the sake of completeness, it is specified that the composition of the Board of Statutory Auditors is consistent with the applicable statutory and regulatory provisions on gender balance.

Further details concerning the Board of Statutory Auditors, also with regard to its

composition prior to the Shareholders' Meeting of 27 April 2021, are provided in the attached Table 3, to which reference should be made.

During 2021, the Board of Statutory Auditors convened twelve times with all members in attendance and with an average duration of just over two hours.

During 2022 and at the time of this Report, the Board of Statutory Auditors, providing to have as many meetings as deemed necessary for the proper and effective performance of its duties, has had two meetings.

The CVs of the Statutory Auditors in office at 31 December 2021 (as at the date of this Report), updated on the basis of the information provided by the persons concerned, with information on their professional and personal characteristics and on the skills and experience they have acquired up to that date (except for certain information provided at the date of this Report) are published on the Company's website www.raiway.it to which reference should be made, without prejudice to what was previously published with the lists mentioned above for the appointment of the Board of Statutory Auditors in office).

All Auditors must meet the eligibility, professional competence and integrity requirements provided for by law and any other applicable regulations. Furthermore, the aforementioned Art. 28 of the Bylaws requires that all Auditors must meet the independence requirements as provided in the Corporate Governance Code.

In application of Art. 144-*novies* of the Issuers' Regulation and the Application Criterion mentioned above, the existence of the requirements indicated above for the Board of Statutory Auditors members is assessed by the Board of Directors and the Board of Statutory Auditors:

- (i) after the appointment, the outcome of which shall be disclosed to the market through a press release;
- (ii) on an annual basis, reporting the results thereof in the annual corporate governance report.

In 2021, the Board of Statutory Auditors successfully carried out an assessment on the existence of the independence requirements (also with reference to those set out in the Corporate Governance Code with the specifications provided for by the Company), as well as of the other prescribed requirements, for its members, which will be renewed, with the same result, in the first part of 2022.

Following the appointment of the Board of Statutory Auditors, the Board of Directors had also ascertained that all the members of the Board of Statutory Auditors met the requirements of professionalism and integrity required by Art. 148 of the TUF and the Regulation adopted by Ministry of Justice Decree 162/2000, and independence, also noting compliance with the limits on the accumulation of offices under Art. 144-*terdecies* of the Issuers' Regulation.

The Auditors took part in the initiatives and activities indicated in Paragraph 4.5 above, which also had an induction value and which took place during Financial Year 2021, also on the occasion of meetings of the Board of Directors, as well as Board Committees, and a specific session dedicated to the Standing Auditor appointed by the Shareholders' Meeting of 27 April 2021 and who was not previously a member of the Board of Statutory Auditors.

It should be noted, without prejudice to the above, that, given the fact that the majority of the other members of the Board of Statutory Auditors have been in office for several years and the specific background of all the members, the Board of Statutory Auditors is deemed to have adequate knowledge of the business sector in which the Company operates, and that the dynamics of the Company and their evolution, which are also the subject of updates during Board meetings, at which the Board of Statutory Auditors has always been represented, as well as the reference regulatory framework, are in any case well known to them.

In addition to what is already provided for by the Related Parties Procedure (for a description of which see Chapter 11 of this Report), it was not considered necessary to formalise specific procedures for cases in which a member of the Board of Statutory Auditors has an interest, on his/her own behalf or on behalf of third parties, in a given transaction.

In carrying out its activities, the Board of Statutory Auditors coordinates with the Audit Department and the Control, Risks and Sustainability Committee, in particular, as indicated above, through participation in the meetings of the Committee. As previously stated, the Board of Statutory Auditors was also informed of the activities of the Company's Supervisory Board, receiving periodic reports from said Board and other information exchanges.

12.2.1 Criteria and policies regarding diversity in the composition of the Board of Statutory Auditors

As regards diversity in terms of gender, the Bylaws transpose the law directives that ensure a balance of genders in the composition of the Board of Statutory Auditors. During 2021 and at the date of this Report, the Board of Statutory Auditors is made up of two women (including the Chair) and one man (and the alternate members are one woman and one man).

With reference to the characteristics of the members of the control body, the requirements of integrity, professionalism and independence must be met, as well as the provisions regarding incompatibility and/or forfeiture set forth by the law and by the Bylaws shall apply, since it was not deemed necessary to set out additional guidelines in this regard.

It should be noted that during the renewal of the Board of Statutory Auditors, which took place as indicated with the Shareholders' Meeting held on 27 April 2021, the then outgoing supervisory body formulated guidelines on its composition. These guidelines showed that the Board has a balanced seniority of office and adequate expertise and experience in listed companies of a size at least comparable to that of the Company, as well as adequate knowledge and experience (professional and/or academic) of its members with regard to risk management and internal audit systems, accounting and financial reporting processes and related applicable principles, financial and non-financial reporting process as well as auditing, also based on the activities carried out as Internal Audit Committee pursuant to Legislative Decree no. 39/2010, as amended and supplemented, and on the checks and discussions with the Independent Auditors.

13. RELATIONS WITH SHAREHOLDERS AND ENGAGEMENT POLICY

On its website (www.rairway.it), Rai Way has created two special sections known as “Governance” and “Investors”, which can be easily identified and accessed, and in which information concerning the Issuer that is relevant to its shareholders is made available (to enable the latter to exercise their rights in an informed manner) with particular reference to documentation and information relating to Shareholders’ Meetings. Likewise, the economic and financial documents for the period are published (including a “navigable” balance sheet), the presentations used for meetings with members of the financial community and the announcements disseminated on the market.

Relations with shareholders are handled by the Investor Relations department, which operates within the Corporate Development structure, headed by Giancarlo Benucci, who reports directly to the Chief Executive Officer.

Despite the severe travel restrictions resulting from the COVID-19 epidemic, the Company has confirmed its commitment to ensuring an effective, continuous and attentive dialogue with its shareholders, institutional investors and the financial community in general (“engagement”), through its Investor Relations department, using a variety of communication tools and channels, particularly digital ones. The activity was conducted through the usual conference calls for the presentation of quarterly, half-yearly and annual results. Engagement activities were further strengthened in Italy and abroad through numerous individual and group conference calls with sell-side investors and analysts, participation (mainly in virtual mode) in conferences organized by leading institutions in the sector in Europe and the United States, and road shows. The outcomes of engagement activities, including meetings and conference calls, are monitored and feedback is analysed and assessed in order to ensure an effective dialogue with the financial community.

During the latter part of Financial Year 2021, the Board of Directors adopted a Policy on Dialogue with the General Membership and Investors also pursuant to the provisions of Recommendation 3 of the Corporate Governance Code. This Policy - published on the Company's website www.rairway.it governance/Statute section and other documentation - in addition to describing the Company's ordinary and continuous channels of communication (such as the Company's Internet site, Shareholders' Meetings, Investor Relations activities), identifies the criteria on the basis of which Rai Way evaluates the possibility of carrying out a direct dialogue, at Board level, with such subjects, as well as, in particular, the procedures for activating and carrying out such dialogue. The Board was informed by the Chairman at its first useful meeting about the development and significant content of the opportunities for such direct dialogue.

14. SHAREHOLDERS’ MEETINGS (EX ART. 123-BIS, PARAGRAPH 2, LETTER C) OF TUF)

Only one Shareholders’ Meeting was held in the 2021 financial year, on 27 April 2021, which was attended by approximately 83.45 % of the share capital. It should be borne in mind that, in view of the epidemiological emergency relating to the spread of COVID-19 and in order to allow the Shareholders' Meeting to be held under safe conditions, the Shareholders’ Meeting was held making use of the provisions and powers set out in Art. 106, paragraph 4, of Law Decree 18 of 17 March 2020, as indicated in the related notice of call published in

accordance with the law, and in particular with the possibility of participation for those with rights only through the Appointed Representative pursuant to ex Art. 135-*undecies* of the TUF, providing for all the pre-meeting publications required by law and in any case provided for in the notice of call. With reference to the Shareholders' Meeting, all the publications required by law and in any case provided for in the notice itself have been made.

In addition to the Notary drafting the meeting minutes and the Appointed Representative, the Chairman of the Board of Directors, the Chief Executive Officer (who provided and explanation on the Company's operating results in 2021), the Chairman of the Board of Statutory Auditors and the Secretary to the Board of Directors attended this Shareholders' Meeting (whose duties were to provide assistance to the overall Meeting). Three other Members of the Board of Directors in office at that time and two Statutory Auditors also attended and were identified by means of video/audio conference system.

The provisions relating to the General Meeting, in particular to its convocation, the right to attend and representation, its presidency and the constitution and validity of resolutions, are contained in Heading IV of the Articles of Association, from Articles 12 to 16.

For a description on the matters that fall within the exclusive competence of the Board of Directors, see Paragraph 4.1 of this Report.

The Articles of Association do not provide for qualified *quorums*, and therefore the provisions of the law shall be complied with for the validity of the constitution of the Meeting and the resolutions passed by it. Furthermore, the possibility to issue shares with increased voting rights pursuant to Art. 127-*quinquies* of the TUF is not provided for.

On 4 September 2014, the General Shareholders' Meeting adopted the General Shareholders' Meeting Regulations, designed to govern the orderly and functional conduct of meetings. The text of the General Shareholders' Meeting Regulations, to which reference should be made, is available to the public on the Company's website at the address www.raiway.it (Governance/Shareholders' Meeting section). The Rules of Procedure provide that the Chairman shall moderate the debate. Those who are entitled to take part, the directors and the auditors have the right to speak out on each item being discussed and to make proposals relating to those items. Those entitled to participate and who intend to take the floor must submit a written request to the Chairman, after the items on the agenda have been read out loud and before the Chairman declares the discussion on the item in question closed. The Chairman may authorise requests to take the floor by raising of hands. If requests are made in writing, the Chairman shall give the floor based on the order in which the requests to take the floor were received. If requests to take the floor are made by the raising of hands, the Chairman shall grant the floor to the person who raised his/her hand first; if it is not possible to determine who raised his/her hand first, the Chairman shall grant the floor in accordance with the order he establishes, at his sole discretion.

During the financial year ended 31 December 2021, there were no significant changes in the market capitalisation of the Issuer's shares or in the composition of its shareholding structure, in relation to which the Board, without prejudice to the maintenance of the corporate model, assessed the advisability of proposing amendments to the Bylaws in connection with the appointment, composition and size of the board, structure of the administrative and equity rights of shares, the percentage quotas for the exercise of the rights/actions undertaken to protect minorities to the Shareholders' Meeting.

15. OTHER CORPORATE GOVERNANCE PRACTICES (PURSUANT TO EX ART. 123-BIS, PARAGRAPH 2, LETTER A), SECOND PART OF THE TUF)

The Company has not adopted additional corporate governance practices, over and above any legal or regulatory obligations, other than those already indicated in the previous sections of this Report.

CHANGES AFTER THE REPORTING PERIOD

From 31 December 2021 to the date of this Report, there have been no significant changes in the Company's governance structure.

16. COMMENTS ON THE LETTER DATED 03 DECEMBER 2021 FROM THE CORPORATE GOVERNANCE COMMITTEE CHAIRMAN

As regards the recommendations referred to in the letter dated 03 December 2021 from the Chairman of the Corporate Governance Committee — the contents of which were presented to the Board Committees (and discussed during the meetings held on 15 December 2021, for the Control, Risks and Sustainability Committee, and 14 December 2021, for the Remuneration and Appointments Committee) and the Board of Directors, during the meeting held on 18 January 2022, with the further board discussion taking place at the meeting held on 17 March 2022, in all cases with members of the Board of Statutory Auditors present - reference is made to the information given in this Report on the aspects highlighted in the recommendations, insofar as referring to “large” and “concentrated ownership” companies, namely, in particular, regarding: (i) the pursuit of sustainable success by the Board of Directors and approach towards stakeholders and measures aimed at promoting equal treatment and opportunities between genders within the corporate organisation (also referring to the Non-financial disclosure pursuant to Legislative Decree no. 254/2016 and subsequent amendments and additions), (ii) pre-board information, (iii) succession plans, (iv) remuneration (in particular, referring to the "Report on Remuneration Policy and Fees Paid", (v) activities of the Control, Risks and Sustainability Committee, also in relation to the Internal Control and Risk Management System of the Company, (vi) "engagement" activities, also in relation to the adoption of a policy regarding dialogue with shareholders and investors in general.

Rome, 17 March 2022

On behalf of the Board of Directors

The Chairman

Giuseppe Pasciucco

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE

CAPITAL STRUCTURE				
	No. of shares	No. of voting rights	Listed (enter the markets) / unlisted	Rights and obligations
Ordinary shares	272,000,000	100%	EXM	Ordinary pursuant to law
Preference shares				
Shares carrying multiple voting rights	0	0	-	-
Other categories of shares with voting rights	0	0	-	-
Savings shares				
Convertible savings shares				
Other categories of non-voting Shares	0	0	-	-
Other	-	-	-	-

OTHER FINANCIAL INSTRUMENTS (attributing the right to subscribe newly issued shares)				
	Listed (enter the markets) / unlisted	Number of outstanding instruments	Class of shares for conversion/financial year purposes	Number of shares for conversion/financial year purposes
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

SIGNIFICANT EQUITY INVESTMENTS IN SHARE CAPITAL

Declarant	Direct shareholder	% of ordinary capital	% of voting capital
RAI - RADIOTELEVISIONE ITALIANA SPA (Company controlled by the Italian Ministry of Economy and Finance)	RAI - RADIOTELEVISIONE ITALIANA SPA	64.971 ⁽¹¹⁾	64.971

⁽¹¹⁾ Source: minutes from the Shareholders' Meeting of 27 April 2021.

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES IN 2021

Position	Board of Directors													Control, Risks and Sustainability Committee		Remuneration and Appointment Committee	
	Members	Date of birth	Date of first appointment*	In office since	In office until	List (presen- ters) **	List ***	Exec.	Non-exec.	Indep. Code	Indep. CFA	No. of other offices ****	(*)	(*)	(**)	(*)	(**)
Chairman	Giuseppe Pasciucco	1965	June 2020	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M		■			0	9/9				
Chief Executive Officer	Aldo Mancino ● ◇	1964	April 2017	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M	■				0	9/9				
Director	Stefano Ciccotti	1960	June 2020	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M		■			0	9/9				
Director	Riccardo Delleani	1960	June 2020	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M		■	■	■	1	9/9			7/7	P
Director	Annalisa Raffaella Donesana	1966	June 2020	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M		■	■	■	4	8/9			7/7	M
Director	Barbara Morgante	1962	June 2020	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M		■	■	■	0	9/9	10/10	M		
Director	Umberto Mosetti	1965	April 2017	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		m		■	■	■	1	8/9			6/7	M
Director	Donatella Sciuto	1962	April 2017	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M		■	■	■	3	8/9	10/10	M		
Director	Paola Tagliavini	1968	April 2017	24/06/2020	Shareholders' meeting to approve the 2022 financial statements		M		■	■	■	5	9/9	10/10	P		

No. of meetings of the Board of Directors held during the reference period: 9

No. of Control, Risks and Sustainability Committee meetings held during the reporting period: 10

No. of Remuneration and Appointments Committee meetings held during the reporting period: 7

Quorum required for the submission of minority lists for the election of one or more members (pursuant to Art. 147-ter TUF): 1 % (CONSOB executive decision no. 60 of 28 January 2022) ⁽¹²⁾

NOTES

The following symbols must be included in the column "Office":

• This symbol indicates the director in charge of the internal control and risk management system.

◇ This symbol indicates the individual with primary responsibility for operations of the Issuer (Chief Executive Officer or CEO).

o This symbol indicates the Lead Independent Director (LID), if any.

* Date of first appointment for each director means the date on which the director was appointed to the Issuer's Board of Directors for the very first time. With regard to the Director Stefano Ciccotti, it should be stressed that the date refers to his most recent appointment to the Board.

** This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "BoD").

*** This column indicates the list from which each director was taken: "M" (majority) or "m" (minority).

**** This column indicates the number of offices held by the director or statutory auditor in companies listed in regulated markets (including foreign), in financial, banking or insurance companies or in large companies. The positions held are shown in the CVs published on the Company's website and referred to in the Report.

(*). This column indicates the attendance of Directors at the meetings of the Board of Directors and Committees held in the respective office periods.

(**). Qualification of the director within the Committee: "P": president; "M": member.

"Reference Period" means the period between 1 January and 31 December 2021

⁽¹²⁾ At the time of the appointment of the Board of Directors that took place at the Shareholders' Meeting held on 24 June 2020, for the submission of lists by minorities pursuant to Consob Resolution no. 28 of 30 January 2020, the *quorum* required was 1%.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS IN 2021

Position	Members	Date of birth	Date of first appointment*	In office since	In office until	List (M/m)**	Indep. Code	Attendance at Board of Statutory Auditors' meetings ***	No. offices ****
Chairperson	Silvia Muzi	1969	April 2018	27/04/2021	Shareholders' meeting to approve the 2023 financial statements	m	■	11/12	5
Standing Auditor	Massimo Porfiri	1956	April 2015	27/04/2021	Shareholders' meeting to approve the 2023 financial statements	M	■	12/12	19
Standing Auditor	Barbara Zanardi	1977	April 2021	27/04/2021	Shareholders' meeting to approve the 2023 financial statements	M	■	7/7	16
Substitute Auditor	Cristina Chiantia	1975	April 2021	27/04/2021	Shareholders' meeting to approve the 2023 financial statements	M	N/A	N/A	N/A
Substitute Auditor	Paolo Siniscalco	1967	April 2018	23/04/2018	Shareholders' meeting to approve the 2020 financial statements	m	N/A	N/A	N/A
-----AUDITORS WHO LEFT OFFICE DURING THE FINANCIAL YEAR-----									
Position	Members	Date of birth	Date of first appointment*	In office since	In office until	List**	Indep. Code	Attendance at Board of Statutory Auditors' meetings ***	No. offices ****
Standing Auditor	Maria Giovanna Basile	1962	September 2012	23/04/2018	Shareholders' meeting to approve the 2020 financial statements	M	■	5/5	N/A
Substitute Auditor	Nicoletta Mazzitelli	1962	April 2015	23/04/2018	Shareholders' meeting to approve the 2020 financial statements	M	N/A	N/A	N/A

Number of meetings held during the Reference Period: 12

Quorum required for the submission of minority lists for the election of one or more members (pursuant to Art. 148 TUF): 1% (Consob Managerial Resolution no. 60 of 28 January 2022; the same *quorum* was also required, based on Consob Managerial Resolution no. 44 of 28 January 2021, in the case of the appointment of the Board of Statutory Auditors which took place during the Shareholders' Meeting held on 27 April 2021)

NOTES

* The date of first appointment of each Statutory Auditor means the date on which the Statutory Auditor was appointed for the first time (ever) to the Issuer's Board of Statutory Auditors.

** This column shows the list from which each auditor was drawn ("M": majority list; "m": minority list).

*** This column indicates the auditor's attendance at meetings of the Board of Statutory Auditors held while the auditor was in office.

**** This column shows the number of directorships or statutory auditor appointments (including the one with the Company) held by the person concerned pursuant to Art. 148-bis of the TUF and the relevant implementing provisions contained in the Consob Issuers' Regulations. The entire list of offices is published by CONSOB pursuant to Art. 144-*quingiesdecies* of the CONSOB Issuers' Regulations, on its website. For the Standing Auditor who has left during the year, reference is made to termination date.

"Reference Period" means the period between 1 January and 31 December 2021