

**Guidance for shareholders and candidate auditors  
for the renewal of the Board of Statutory Auditors of De' Longhi S.p.A.**

This document has been approved by the outgoing board of statutory auditors at the meeting held on 22 February 2022, in accordance with the rules of conduct of the board of statutory auditors of listed companies issued by the National Council of Chartered Accountants and Accounting Experts on 26 April 2018.

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Dear Shareholders,

With the approval of the financial statements at 31 December 2021, the term of office of the current board of statutory auditors expires. The next Annual General Meeting, convened for 20 April 2022, will therefore appoint the Company's control body for the financial years 2022-2024 and shall determine the relative remuneration.

Rule Q.1.6 on the conduct of the board of statutory auditors of listed companies recommends that the outgoing Statutory Auditors send to the listed Issuer a document summarising the work carried out, specifying the number of meetings and the commitment required, so that the Shareholders and the candidate Statutory Auditors can assess the professional characteristics and commitment required for the office and the adequacy of the remuneration. This document gives the information required under the aforementioned rule.

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It is understood that the control body of a listed parent company is engaged in various oversight and control activities that also concern the subsidiaries. These activities presuppose, primarily, the following basic skills: accounting processes and the preparation of separate and consolidated financial statements; national and international accounting standards; financial planning; economic and financial valuations; valuations for the purpose of impairment testing; risk management and internal control systems; internal audit; compliance; statutory audit.

However, over the last few years, the functions required of the board of statutory auditors have expanded, mainly as a result of the entry into force of: 1) the reform of the statutory audit regulations implemented at European level, which has attributed additional information and monitoring activities to the control body, with specific reference to the responsibility of the procedure for selecting the statutory auditor, as well as the verification of the auditor's independence and the authorisation of engagements other than audits; 2) the legislation on non-financial reporting, which has entailed additional supervisory activities on compliance with the provision on the subject; 3) the recent changes deriving from the implementation of Directive 2017/828/EU (so-called Shareholder Rights Directive II - SHRD II), which introduced a more stringent system of sanctions with reference to the transparency requirements on remuneration, as well as transactions with related parties.

At the same time, the areas falling within the board's oversight are gradually widening, including, for example, sustainability (ESG), corporate governance, enterprise risk management (ERM), product and process innovation, information technology, data protection, cyber security, and procedures to contain actual and/or potential risks related to the spread of pandemics.

Added to this is the ever-increasing organisational complexity of the De' Longhi Group, which in recent years has recorded exceptional growth rates, especially as a result of acquisitions, new production investments and the gradual development of e-commerce. To date, the De' Longhi Group is a multinational company and world leader in several segments of the small household appliances industry.

This has resulted in a further expansion of the expertise required of board members, including corporate finance, extraordinary financial transactions, company valuation, knowledge of new distribution strategies, domestic and international taxation and company law.

As a result of all of the above, there has been a gradual increase in the amount of time devoted by the board both to the usual audits and to participation in meetings of the Board of Directors and of the Board Committees.

The following table shows the number of meetings of the board of statutory auditors, of the Board of Directors and its committees, as well as induction initiatives and annual general meetings. This table shows an initial indication of the commitment required of the members of the control body who participated collectively in the above meetings. On average, in the last three years, members of the board of statutory auditors participated in around 40 meetings a year, lasting around 3 hours each.

Meetings	2019	2020	2021	2019 -2021
Board of Statutory Auditors	12	11	12	35
Board of Directors	7	13	8	28
Risk and Corporate Governance Committee	5	7	6	18
Remuneration and Appointments Committee	7	9	10	26
Independent Committee	1	1	2	4
Induction	1	1	1	3
AGMs	1	2	1	4
Total	34	44	40	118

In addition to the time spent at meetings, there is also the time spent preparing for the meetings, or reading the relevant documents, and also the time needed to prepare the specific reports required of the board, such as the report on the separate financial statements, comments of the board on the additional report of the statutory auditors, drafting/review of the minutes of the board meetings, preparation of the documents to send to Consob, authorisations of non-audit activities, oversight of the process for selecting statutory auditors, the board of statutory auditors' self-assessment, participation in the preparation/updating of the Company's policies and regulations, informal meetings between the members of the board, specific opinions requested of the board, independent examination of aspects peculiar to the fulfillment of the office, so as to continuously update members' preparation.

The Statutory Auditors that will be appointed must therefore be aware that the office will take up a significant part of their time.

In addition to the above-mentioned appropriate combination of skills, compliance with gender requirements and availability of time to devote to the group, the members of the board should also preferably possess the personal requirements necessary to work in a team and to manage complexities

in a constructive and balanced way, hopefully well coordinated by an authoritative Chairman who also interacts actively with the company's management and members of the board of directors. Lastly, reference should be made to the further indications on composition of the board of statutory auditors contained in the "Diversity policies for the members of the corporate bodies of De' Longhi S.p.A." in force at De' Longhi S.p.A., available on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section "Governance" – "Company Documents").

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Following a specific recommendation by the Chairman of the Corporate Governance Committee, the outgoing board of statutory auditors promoted a benchmarking analysis on the remuneration of the boards of statutory auditors of comparable companies. This analysis was carried out by the consulting firm Mercer.

This analysis showed that the annual remuneration currently paid to the chairman and to the members of the board of statutory auditors, respectively €61,900 and €41,300 is aligned with the median of the sample considered, which consists of thirteen varied companies in terms of sector, size and organisational complexity: for example, the sample includes Campari and Brembo as well as Safilo and Technogym. This variety is reflected in the variability of the related remunerations, ranging from a maximum of €90,000/60,000 and a minimum of €30,000/20,000 for the chairman and the members of the board of statutory auditors respectively. The values of the first and third quartiles of the sample are €52,500/75,000 for the chairman and €33,750/49,500 for the board members, respectively.

The board of statutory auditors also observes that the adequacy of the remuneration of the chairman and the members of the board of statutory auditors should also be verified in relative terms with respect to the remuneration paid to non-executive directors of the same company who hold positions of comparable responsibilities and commitments. From this perspective, the remuneration of the board of statutory auditors should more appropriately reflect the greater commitment required of the board of auditors than that devoted by non-executive directors, including where engaged in the committees of the board of directors.

Lastly, the members of the outgoing board of statutory auditors note that the remuneration currently paid to the chairman and members of the board is the same as that approved by the annual general meeting in 2016, even though the size and complexity of the De' Longhi Group's organisation have increased significantly over the last six years.

The Board of Statutory Auditors of De' Longhi S.p.A.