



ENAV S.p.A.

**EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING OF 10 MAY 2024
IN A SINGLE CALL**

Reports of the Board of Directors on the proposals concerning the items on the agenda of the Shareholders' Meeting

ORDINARY PART

Point 5 "Appointment of the independent Audit Firm pursuant to Articles 2409-bis of the Italian Civil Code, 13 et seq. of Legislative Decree 39/2010 and 21-bis of the Articles of Association for the years 2025-2033 and determination of remuneration; related and consequent resolutions."

Shareholders,

The subject matter concerns the appointment of the statutory auditors for the nine-year period 2025-2033 and determination of the fee.

The Board of Directors therefore submits for approval of this Shareholders' Meeting, the reasoned proposal formulated by the Board of Statutory Auditors pursuant to Articles 2409-bis of the Italian Civil Code, 13 et seq. of Legislative Decree no. 39/2010 and 21-bis of the Articles of Association on the appointment of the Audit Firm for the nine-year period 2025-2033 and the determination of the fee set forth below.

"Shareholders,

With the approval of the annual financial statements of ENAV S.p.A. ("ENAV" or the "Company") on 31 December 2024 will expire the nine-year statutory audit mandate on the Company's statutory and consolidated financial statements and on the ENAV Group's condensed interim consolidated financial statements, conferred for the nine-year period 2016-2024 on 29 April 2016 by the ENAV Shareholders' Meeting to the Audit Firm EY S.p.A. ("EY"; then Reconta Ernst & Young S.p.A.). With the approval of the respective financial statements for the year 2024, will furthermore expire the audit assignment also assigned to EY for the Subsidiaries Techno Sky S.r.l. ("Techno Sky") and IDS AirNav S.r.l. ("IDS AirNav").



1. Introduction and reference regulatory framework

In order to re-appoint the statutory auditors pursuant to Art. 17 of Legislative Decree 39/2010 (the "Appointment"), the undersigned Board of Statutory Auditors ("Board"), in its capacity as the Internal Control and Audit Committee ("ICAC") pursuant to Art. 19, paragraph 1, letter *f*), of the aforementioned decree, has agreed with the proposal of the competent ENAV company structures to anticipate the selective procedure for the assignment of the legal audit appointment for the nine-year period 2025-2033, so as to allow this Meeting to resolve on the assignment of the relative appointment in time. This anticipation, in addition to being permitted under Italian law, is in line with the practices of similar or in any case relevant national and international companies and with the applicable regulations in terms of incompatibility and independence, with particular reference to the grounds of incompatibility provided for in Article 5, paragraph 1, of the EU Regulation 537/2014 (the "Regulation"), which establishes, for the future auditor, the non-provision of a number of services already as of 12 months prior to the commencement of the assignment and therefore, in the present case, already as of 1 January 2024 (so-called cooling-in period).

It should be noted that the regulations to which the Company, which is listed on the MTA market of Borsa Italiana (now EXM - Euronext Milan), is subject, require that the future appointment of a statutory auditor, even at consolidated level:

- pursuant to Art. 17 of legislative decree 39/2010,
 - o must be of nine years' duration,
 - o may not be renewed or re-appointed to the current Audit Firm EY, as at least four financial years must have elapsed since the termination of the previous appointment;
- must be assigned to a person who is not in any of the causes of incompatibility provided for in Art. 5, paragraph 1, of the Regulation, also taking into account as mentioned above regarding the cooling-in period.

In light of Art. 16, paragraph 2, of the Regulation, the Board - in its function as ICAC - submits to the Shareholders' Meeting a reasoned recommendation for the conferment of the statutory audit engagement containing at least two possible conferment alternatives, expressing a duly justified preference for one of these proposals; furthermore, in the recommendation it declares that it has not been influenced by third parties and that no clause has been applied to limit the choice of conferment of the engagement by the Shareholders' Meeting to certain categories or lists of audit firms, as provided for in paragraph 6 of Art. 16 of the Regulation.

It should also be noted that the Company is subject to the regulations on public contracts, on the basis of which, as mentioned below, the tender procedure for the award of the Assignment is carried out.



It should also be noted that the Rules of conduct of the board of statutory auditors of listed companies, issued on 21 December 2023 by the National Board of Chartered Accountants and Accounting Experts ("CNDCEC"), identify the details of the activities of the board of statutory auditors for the selection of the statutory audit firm.

This document therefore illustrates the selection procedure prepared by the Company in compliance with the regulations on public contracts and in accordance with the criteria and methods set forth in Article 16 of the Regulation, on the basis of the results of which this reasoned proposal submitted to the Shareholders' Meeting is formulated.

2. Statutory audit services to be procured and their valuation

Considering that, as reported, with the financial year ending on 31 December 2024, the period of validity of the engagement for the legal audit of the accounts of ENAV, Techno Sky and IDS AirNav will end, the competent corporate structures have represented that, for the purpose of greater efficiency and quality in the performance of audit activities, as well as with a view to rationalising the related expense, it has been ordered to procure, for the nine-year financial period 2025-2033, the following services:

- a. ENAV statutory audit service, pursuant to Article 14 of Legislative Decree 39/2010 and art. 10 of the Regulation, including the legal audit of the annual consolidated financial statements, the annual financial statements and the limited audit of the ENAV Group's consolidated half-year report, as well as the annual audit of the accounting separation schedules prepared by ENAV pursuant to art.11-*sexies*, paragraph 7-*bis*, of Decree Law 203/2005, as converted by l. 248/2005;
- b. statutory audit of the accounts of the subsidiaries Techno Sky and IDS AirNav, pursuant to Article 14 of Legislative Decree 39/2010, including the legal audit of the separate annual accounts and the reporting package prepared for the preparation of the consolidated half-year accounts of the parent company ENAV;
- c. ENAV consolidated Sustainability Report (formerly Non-Financial Statement) in the version that will be made mandatory by the new European Sustainability Directive (EU Directive No. 2022/2464 on Corporate Sustainability Reporting, so-called CSRD);
- d. additional *plafond* assurance services strictly related to ENAV statutory audit activities, such as, for example: attestations or opinions that by law fall within the remit of the statutory auditor (interim dividends), audit services aimed at



issuing attestations or comfort letters (Sesar and Connecting European Facility financed projects, bond issues) and audit services aimed at issuing attestations on tax matters required by law (compliance visas).

3. Selection process of the external auditor for the legal audit service for the nine-year period 2025-2033 of ENAV, Techno Sky and IDS Air-NAV

a. Tender strategy

ENAV, within the scope of its own negotiation activities, is bound by the mandatory application of the regulations on public contracts and, as a result, the procurement of the overall statutory audit activities must also be subject to the specific constraints provided for by those regulations.

In this context, it appears that the competent company structures have defined a targeted and precise tender strategy following a balanced trade-off between the following main elements:

- high quality of service in a context of Group-wide cost efficiency;
- absolute transparency in tender operations;
- maximum openness to the market also aimed at an incisive competitive dynamic;
- requirement to have, during the nine-year period in question, a statutory audit firm with a high profile and that, since the year prior to the time of the conferment of the relevant mandate, is not in any of the causes of incompatibility provided for by the reference legislation.

That being said, also in light of the type of activities indicated in paragraph 2 above, it was decided to procure them through a single tender procedure that cannot be divided into performance lots, considering that:

- with regard to the statutory audit activities, in line with the practice widely used within the main groups to which both Public Interest Entities and listed companies belong, the tender in question was carried out not only for ENAV, but also for the subsidiaries Techno Sky and IDS AirNav, with the aim of identifying a single group auditor;
- pursuant to Article 10-*quinquies* of Legislative Decree 39/2010, the Audit Firm of ENAV, and, therefore, of the Group, being called upon, among other things, to assess and examine the work carried out by any other statutory auditors appointed by the subsidiaries, is collectively responsible for the so-called audit of the entire consolidation;



- the approach to the figure of the single auditor also responds to the need to ensure greater uniformity in the application of the rules on independence provided for by the aforementioned reference legislation;
- the additional so-called *plafond* services related to ENAV statutory audit activities must be performed by the auditor appointed by virtue of identified regulatory provisions.

At the operational level, in order to procure the activities in question, the company structures deemed it appropriate to use a restricted tender procedure of Community relevance, consisting of the following two phases, to be awarded through the criterion of the economically most advantageous offer:

- i. pre-qualification phase, in which - following the publication of a call for tenders - interested economic operators sent the applications to participate and the concomitant documentation necessary to prove that they met the participation requirements defined by ENAV;
- ii. tender phase, in which the pre-qualified operators actually submitted bids.

b. Procurement Procedure

In light of the aforementioned determination by the competent corporate structures, shared by the Board of Governors, to proceed with the awarding of the assignment one year in advance of the natural expiry date of the existing assignment, on 27 June, a call for tenders was published for the restricted tender procedure of Community relevance, with awarding on the basis of the most economically advantageous offer, concerning the services referred to in paragraph 2 above. This is in compliance with current legislation, having regard to the regulations on public contracts and, in particular, Legislative Decree 50/2016 applicable in the meantime.

By the submission deadline of 3 August 2023 (12 noon), applications were received from three candidates.

After appointing the appropriate Pre-qualification Commission, composed of three individuals from within the Company and with significant expertise in their fields of competence, it successfully verified for all candidate companies that they met the participation requirements set forth in the call for tenders and the absence, even then, of causes and situations of incompatibility and conflict, as set forth in the reference legislation.

On 15 December 2023, invitation letters were sent to the pre-qualified bidders, setting 22 January 2024 (12:00 noon) as the deadline for submitting bids.



The call for tenders provided that the award criterion chosen for the European contest in question was the economically most advantageous tender, with the following weighting weights as a reference:

- Technical Element: 70 points out of 100, distributed among the following transparent and non-discriminatory criteria:
 - Organisational Structure Working Group/Team ENAV;
 - Hourly effort per Professional Profile and distribution of effort among the different Professional Profiles regarding the different activities to be performed (ENAV);
 - Organisational Structure Working Group/Team Techno Sky;
 - Hourly effort per Professional Profile and distribution of effort among the different Professional Profiles regarding the different activities to be performed (Techno Sky);
 - Organisational Structure Working Group/Team IDS Air-NAV;
 - Hourly effort per Professional Profile and distribution of effort among the different Professional Profiles regarding the different activities to be performed (IDS Air-NAV);
 - Quality of the Partner;
 - Quality of Managers;
 - Quality of Expert Auditors;
 - Preparatory work prior to the start of implementation of fee-based activities only;
 - ENAV review methodology;
 - Techno Sky review methodology;
 - IDS Air-Nav review methodology;
 - Managing critical issues in the execution of fee-based activities;
 - Team stability;
 - Possession of ISO 9001 certification;
 - Possession of ISO 30415 certification;
- Economic Element: 30 points out of 100, broken down as follows:
 - fee-based services;
 - plafond* assurance services.

Once the bids of the bidders were received in the prescribed form, on 31 January 2024, a special Selection Committee was appointed, consisting of internal members with high seniority in auditing and procurement, to evaluate them on the basis of the aforementioned evaluation criteria set out in the letter of invitation.

This Commission, after examining the administrative documentation produced by the players, began the evaluation of the technical offers submitted at a public



session held on 22 February; the technical analysis operations conducted by the aforementioned Commission on the aforementioned offers were concluded on 26 February. The Commission, after also opening the economic offer in public session, completed its evaluation activities on 6 March.

c. Summary of the results of the procurement procedure

Taking into account that, as mentioned, the Regulation requires the ICAC to provide in its recommendation two possible alternatives as to the persons to be appointed, below is the tender ranking drawn up by the Commission with reference to the first two operators in the ranking list in order for which, for the relevant offers, it did not find any anomaly profiles:

Competitor		Technical Offer Score	Economic Offer Score	Overall Score
1st	PWC	66.00	28.30	94.30
2nd	KPMG	55.00	30.00	85.00

The results of the procurement procedure carried out by the competent structures showed that the bids of the two aforementioned economic operators were of high technical merit in light of the scores obtained.

For the nine-year auditing service of ENAV alone, against an estimated cost estimate for the nine-year period of €4,794,000.00, the value offered was €2,977,569.00 by PricewaterhouseCoopers S.p.A. (“PWC”)¹ and €3,020,220.00 by KPMG S.p.A. (“KPMG”)².

Below is the table by individual audit activity and referring to the nine-year period 2025-2033:

¹ Out of a fixed total of 5,512 hours on an annual basis offered by PWC.

² Out of a fixed total of 4,609 hours on an annual basis offered by KPMG.



Services	PricewaterhouseCoopers S.p.A		KPMG S.p.A.	
	Effort (hours)	Fees (euro)	Effort (hours)	Fees (euro)
	2025-2033	2025-2033	2025-2033	2025-2033
Statutory audit of the financial statements of ENAV S.p.A.	20.826	1.249.794	23.472	1.715.580
Statutory audit of the consolidated financial statements of the Enav Group	10.908	654.795	4.383	321.525
Limited audit of the condensed consolidated half-year financial report	6.453	387.234	5.985	438.660
Periodic verification of the regularity of the company accounts	1.494	89.820	1.476	99.315
Auditing of accounting separation activities	2.484	148.896	2.250	158.130
Consolidated sustainability reporting	7.443	447.030	3.915	287.010
Total ENAV S.p.A.	49.608	2.977.569	41.481	3.020.220

4. Summary of the Board's activities as ICAC in the selection procedure

The Board of Auditors, also in its role as ICAC, carried out all the activities required by the regulations in force as part of the procedure for the selection of the audit firm. In addition, as reported, it took into account the relevant provisions incorporated in the new Rules of Conduct for the Board of Statutory Auditors of Listed Companies issued by the CNDCEC in December 2023. The Board, therefore, in the planning phase of the selection process, monitored:

- the provision of a written procedure for the selection of audit firms, using transparent and non-discriminatory criteria;
- the identification of objective evaluation criteria within this procedure, including for the pre-qualification phase;
- the preparation of documents and information that enable an understanding of the work performed by the audit firm and the scope and type of statutory audit services to be performed;
- the absence of any preclusion - within the framework of the organisation of the selection procedure - to the participation of companies that received less than 15% of their total audit fees from public interest entities in the previous calendar year and complies with the provisions of the sector.

Also on the assumption that the selection procedure must be set up with non-discriminatory criteria, giving all auditing companies, including smaller ones, an equal chance to obtain the appointment, the Board ensured at the selection stage that:

- proposals from audit firms received following the invitation were examined;
- the predetermined criteria for the evaluation were met;
- a final report on the outcome of the procedure was prepared.

In light of what has already been reported, the Board of Statutory Auditors also verified, based on the exchange of information with the competent corporate



structures, that the audit firm or other members of its network did not provide any non-audit services prohibited pursuant to the aforementioned Article 5 of the Regulation in the financial year prior to the start of the new mandate, and in any case do not provide any prohibited non-audit services in the time between the start of the period under audit and the issuance of the audit report.

Among other things, the Board has addressed this issue by regularly monitoring its updates and developments at the meetings of the Board held from June 2023 until the date of this report, for a total of at least 11 meetings. The activity saw the constant and direct contact of the Board of Auditors with both the competent corporate structures and the boards of auditors of the subsidiaries, through their involvement in the same meetings of the Board and with adequate and regular information flows.

Within the framework of the aforementioned information flow, the competent corporate structures finally provided the Board of Auditors with a final report on the selection of the audit firm. Consistent with the Company's reasoned assessments, the Board, in validating this judgement, verified that the regulations in force were complied with throughout the selection procedure.

In light of the foregoing, the Board of Statutory Auditors of ENAV S.p.A,

- in relation to the reported services of:
 - ENAV statutory audit, pursuant to Article 14 of Legislative Decree 39/2010 and art. 10 of the Regulation, including the legal audit of the annual consolidated financial statements, the annual financial statements and the limited audit of the ENAV Group's consolidated half-year report, as well as the annual audit of the accounting separation schedules prepared by ENAV pursuant to art.11-*sexies*, paragraph 7-*bis*, of Decree Law 203/2005, converted by law 248/2005;
 - ENAV consolidated sustainability reporting in the version that will be made mandatory by the new European sustainability directive;
 - additional *plafond* assurance services closely related to ENAV statutory audit activities;
- considering the results of the procedure for the selection of the Group's single auditor, resulting from the comparative and overall analysis of the proposals received, with particular attention to the requirement of independence, as well as the technical-qualitative and economic aspects;
- in view of the fact that Art. 16, paragraph 2, of the Regulation stipulates that the reasoned recommendation of the Board of Auditors must contain at least two possible alternatives and



- considering that the same aforementioned Article 16, paragraph 2, of Regulation requires the Board of Auditors to express a duly justified preference for one of the two alternatives,

RECOMMENDS

that the two alternatives for the awarding of the Assignment be identified in the audit firms PricewaterhouseCoopers S.p.A. and KPMG S.p.A., whose proposals are summarised in this document; this for the reasons set forth above and in light of what has been agreed upon regarding the conduct and outcome of the selection procedure;

ACCORDS

its preference, primarily to PricewaterhouseCoopers S.p.A., again for the reasons stated above and having regard in particular to the scores obtained in the tender evaluation procedure;

SUBMITS TO THE SHAREHOLDERS' MEETING

the proposal to confer, pursuant to Art. 16, paragraph 5 of EU Regulation 537/2014, as well as Articles 13, paragraphs 1 and 17, paragraph 1 of Legislative Decree 39/2010, in respect of each year of the nine-year period 2025-2033 and in accordance with the economic terms and conditions relating to the aforementioned audit firms referred to above, the Assignment of ENAV for the financial years 2025-2033, as specified in this document:

- as preference, to PricewaterhouseCoopers S.p.A.;
- as alternative (in the event that the proposal to appoint PricewaterhouseCoopers S.p.A. is not approved), to KPMG S.p.A.;

DECLARES

pursuant to paragraph 2 of Art. 16 of EU Regulation 537/2014, that this Recommendation has not been influenced by third parties and none of the type clauses of paragraph 6 of the aforementioned Art. 16 have been applied, the selection having been carried out in accordance with paragraph 3 of the same article.

In relation to the manner in which the Shareholders' Meeting proceedings will be conducted, Shareholders are informed that the overall proposal of the Board of Statutory Auditors as set forth above entails that the proposal to entrust the legal audit mandate to PricewaterhouseCoopers S.p.A. will be put to the vote first, and if



this proposal does not reach the votes required for its approval, the proposal to award the same mandate to KPMG S.p.A. will then be put to the vote.

Chair of the Board of Directors
Lawyer Alessandra Bruni