



Digital Bros
digital entertainment



Digital Bros S.p.A.

Guidelines for the appointment of the Board of Statutory Auditors



Digital Bros S.p.A.

Registered office: Via Tortona 37, 20144 Milan - Italy

Tax code and VAT No. 09554160151

Authorised share capital: Euro 6,024,334.80

Subscribed share capital: Euro 5,706,014.80

Reg. Soc. Trib di Milano 290680-Vol. 7394 C.C.I.A.A. 1302132
- Court of Milan

The document is available on the website www.digitalbros.com in the
Governance/Shareholders' Meeting section

PREMISE

The office of the current Board of Statutory Auditors expires with the approval of the financial statements at 30 June 2023. The coming Shareholders' Meeting, which will be convened to approve the financial statements for the year ended 30 June 2023, will have to appoint the Board of Statutory Auditors for the financial years 2024-2026 and set its remuneration.

This document, approved by the Board of Directors of Digital Bros S.p.A. (“The Issuer” or “The Company”) on 3 July 2023, is made available on the 1info storage mechanism and on the website www.digitalbros.com in the Governance/Shareholders' Meeting section.

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 (the “Rules of Conduct”) recommend, together with other items, that the Auditors make available to the Issuer, in view of a new appointment of the Board of Statutory Auditors, a summary of the activities carried out, with the evidence of the number of meetings and the commitment required, so as to allow Shareholders and candidates for Statutory Auditors to assess the appropriate characteristics, skills and professionalism, the commitment and time required and the corresponding remuneration for the performance of the office (Rule Q.1.6).

In that respect, the current Board of Statutory Auditors of the Company, on the basis of its experience and as a summary of the self-assessment process carried out, makes available to Shareholders and candidates for Statutory Auditors this document (Guidelines for the appointment of the Board of Statutory Auditors) which reports a summary of the skills and professionalism, which can contribute to the efficient and effective work of the Board of Statutory Auditors, as well as an evidence of the activities performed and the commitment required.

1. COMPOSITION OF THE BOARD OF STATUTORY AUDITORS – RELEVANT CHARACTERISTICS

Size and composition

The Board of Statutory Auditors of the Company is composed of three auditors and two alternate auditors elected in accordance with the procedures provided for by art. 25 of the By-laws.

The Board of Statutory Auditors recognizes the value and importance in its composition of diversity in all its forms of gender, age, skills and experience. The Board of Statutory Auditors is appointed in compliance with the pro tempore regulations in force concerning gender balance. In accordance with the By-laws, the list which presents a total number of candidates equal to or greater than three must be composed of candidates of both genders, so that a number (rounded to excess) of candidates for the office of auditor and a number (rounded up) for the office of alternate auditor at least equal to the percentage indicated in the regulations applicable pro tempore belong to the least represented gender on the list.

The Board of Statutory Auditors also suggests, in order to enhance the experience acquired in terms of understanding of the business and the business trends of Digital Bros, to also consider the opportunity to ensure an appropriate balance between continuity and innovation in the composition of the new board. With reference to the qualitative composition of the board, as experienced during the last office, the Board of Statutory Auditors assesses that:

- the complexity of the Digital Bros Group requires a significant commitment from the members of the board in terms of availability of time;
- the performance of the tasks assigned to the Board of Statutory Auditors requires:
 - to have a proven experience in other boards of statutory auditors of companies, preferably listed, of similar size and operational complexity to those of Digital Bros and the related Group;
 - the availability of specific skills, in particular in the following areas: i) internal control systems; ii) Internal audit; iii) accounting processes and preparation of the financial statements and consolidated financial statements; iv) organizational and corporate governance structures; v) risk management; (vi) regulation of listed companies; (vii) sustainability, data protection and cyber security.

Independence

The members of the Board of Statutory Auditors must also meet the requirements of integrity, professionalism pursuant to art. 148 of the T.U.F., and not to exceed the limit of offices held pursuant to art. 148-bis of the T.U.F. and Article 144 duodecies et seq. of the Issuers' Regulation, as well as the review of the independence requirements provided for in Article 148, paragraph 3, of the T.U.F., the criteria required by the Corporate Governance Code, integrated

by the Board of Directors assessment about the level of the relationships between the Auditors and the Company that may compromise their independence. For further details, please refer to paragraph 11.2 – "Composition and functioning (pursuant to art.123-bis, paragraph, letters d) and d-bis), T.U.F." of the Report on Corporate Governance and Ownership Structure, available at www.digitalbros.com in the Governance / Corporate Governance Reports section.

Availability of time and number of offices

As required by the Rules of Conduct, the Board of Statutory Auditors provides some indications below in order to allow Shareholders and candidates for Statutory Auditors to assess the the remuneration for the office of Statutory Auditor, also in relation to the time commitment for the performance of the office and the professional skills and experience required.

In order to facilitate the evaluation by the candidates for Auditors of the adequate availability of time, the following information is reported, for information purposes only, regarding the commitment of the last Board of Statutory Auditors during the three-year period ended:

- the Board of Statutory Auditors met an average of 7 times per year, with an average duration of meetings of about 2 hours;
- the Chairman of the Board of Statutory Auditors and the Auditors also participated in the meetings of the Board of Directors, in meetings of the Board of Directors Committees and in the Shareholders' Meetings ¹.

It should also be considered the time dedicated to the preparation of the meetings, which includes the preliminary analysis of the documentation, the following review of the minutes and frequent informal meetings.

The Rules of Conduct indicate that the remuneration of the members of the Board of Statutory Auditors must be adequate and determined having regard to the competence, professionalism and the time commitment required for the assignment, considering its complexity, also in relation to the size and activity carried out by the Issuer and its organizational structure, and taking into account remuneration practices used in the sectors and by companies of similar size, also considering comparable foreign experiences, ex. Recommendation 25 of the Corporate Governance Code.

¹ The average number and lengths of the Board of Directors is available in the "Guidelines for the appointment of the Board of Directors" available in the Company Website

In this regard, the actual Board of Statutory Auditors believes that all the above criteria have been duly considered in the remuneration level. The next Shareholders' Meeting, which will be convened to approve the financial statements relating to the financial year ended 30 June 2023, it will then be called upon to establish the remuneration of the members of the new Board of Statutory Auditors as provided by the Legislative Decree 49/2023 as applicable.