



GIGLIO GROUP S.P.A.

ORDINARY MEETING

TO BE HELD ON 30 April 2022 AT 10:30 IN SINGLE CALL

**BOARD OF DIRECTORS' REPORT ON ITEMS OF THE AGENDA PURSUANT TO ART. 125-TER OF
LEGISLATIVE DECREE 58/1998**

Dear Shareholders,

pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1998, as amended and integrated (the "CFA"), as well as with Art. 72, 73 and 84-ter of the Regulation adopted with Consob resolution no. 11971/99, as amended and integrated (the "Issuers' Regulation"), the Board of Directors of Giglio Group S.p.A. (the "Company") provides you with the explanatory report regarding the item on the agenda of the ordinary Shareholders' Meeting called for 30 April 2022 at 10:30 in a single call, with notice of call published on 31 March 2022, to discuss and resolve upon the following:

Agenda

1. Financial Statements as of 31 December 2021; presentation of Consolidated Financial Statements as of 31 December 2021; Directors' Report on Operations, Board of Statutory Auditors' Report and Auditing Company's Report.
 - 1.1 Approval of Financial Statements.
 - 1.2 **Provisions pursuant to Art. 2446 of the Italian Civil Code.** Resolutions pertaining thereto and resulting therefrom.
2. **Appointment of one director pursuant to Art. 2386 of the Italian Civil Code.** Resolutions pertaining thereto and resulting therefrom.
3. Report on the Remuneration Policy and on the remunerations paid, pursuant to Art. 123-ter of the Legislative Decree no. 58/1998 and to Art. 84-quater of the Regulation adopted with Consob resolution no. 11971 on 14 May 1999.
 - 3.1. Binding resolution on the first section of the Report on the Remuneration Policy, drafted pursuant to Art. 123-ter, par. 3 of the Legislative Decree no. 58/1998.
 - 3.2. Non-binding resolution on the second section of the Report on remunerations paid, drafted pursuant to Art. 123-ter, par. 4 of the Legislative Decree no. 58/1998.

* * * * *

Item no. 1 on the Meeting's Agenda

1. Financial Statements as of 31 December 2021; presentation of Consolidated Financial Statements as of 31 December 2021; Directors' Report on Operations, Board of Statutory Auditors' Report and Auditing Company's Report.
 - 1.1 Approval of Financial Statements.
 - 1.2 **Provisions pursuant to Art. 2446 of the Italian Civil Code.** Resolutions pertaining thereto and resulting therefrom.



Dear Shareholders,

1. Approval of the Financial Statements and allocation of the result for the year

We hereby submit for your approval the draft Financial Statements as of 31 December 2021, as assessed and approved by the Board of Directors in their meeting started on 30 March 2022 and ended on 31 March 2022, which shows a loss of € 3,123,461, which we propose to carry forward.

Furthermore, we submit to your attention Giglio Group's Consolidated Financial Statement as of 31 December 2021, which, albeit not dependent on the Meeting's approval, is an additional information provided with Giglio Group S.p.A. Financial Statements.

To this purpose, we inform you that the Financial Statements and the Consolidated Financial Statements as of 31 December 2021 - including the Financial Statements as of 31 December 2021, the Consolidated Financial Statements, Board of Statutory Auditors' Report and the Auditing Company Report, as well as the Certification pursuant to Art. 154-bis, par. 5 of the CFA - are made available in the Company's headquarters, on the authorised storage mechanism at www.emarketstorage.com, and on the Company's website at www.giglio.org, "Corporate Governance - Shareholders' Meeting - Shareholders' Meeting 29 April 2022". For explanations on the draft Financial Statements as of 31 December 2021, please see the Directors' Report on Operations.

2. Resolutions pursuant to Art. 2446 of the Italian Civil Code

It is also noted that, due to the loss for the year of € 3,123,461, the Share Capital of the Company (at the Reporting date, equal to € 4,393,604.40), for the second consecutive year, was reduced by a third, pursuant to and in accordance with Art. 2446, par. 1 of the Italian Civil Code.

With regard to the financial position of the Company as of 31 December 2021, reference is made to the financial statements deposited and made available to the public pursuant to the law; the Board of Directors points out that, following the specified date and until this report, no relevant events or circumstances that may significantly change the figures of the aforementioned documents took place, and that a further update of the financial position will be, in any case, made available to the shareholders before the meeting following the approval and publication of the Interim Directors' Report as of 31 March 2022.

To this purpose, the Board of Directors states that, as already reported on the occasion of the loss of more than a third of the share capital which arose from the approval of previous Financial Statements as of 31 December 2020, pursuant to Art. 2446, par. 1 of the Italian Civil Code, there is no legal obligation to write off the losses, given that the Company is not in a situation of relevant loss as per Art. 2446, par. 2 and Art. 2447 of the Italian Civil Code, and is thus possible to carry the losses forward. It is also noted that, on the aforementioned legal provisions, the emergency provision set forth in Art. 6 of the Legislative Decree no. 23/2020 (so-called "Liquidity Decree" - as extended by Law 178/2020), which suspended the provisions for mandatory capital reduction for losses, postponing to the following fifth fiscal year the term in which the losses shall be reduced to



less than a third (Art. 2446, par. 2 of the Italian Civil Code), and that the validity of said provision was extended also to the losses as of 31 December 2021, upon the conversion into Law of the Legislative Decree no. 228/2021 (the so-called "Milleproroghe Decree").

The Board of Directors, having taken into account the aforementioned, wishes to submit to the Shareholders' Meeting the following draft resolution.

draft resolution

"Giglio Group S.p.A. Shareholders' Meeting,

- having examined the Directors' Report, prepared pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1958;*
- having examined the Annual and Consolidated Financial Report as of 31 December 2021 and, in particular, the Directors' Report on Operations, the Board of Statutory Auditors' Report and the Auditing Company's Report;*
- having acknowledged that the Financial Statements of the Company as of 31 December 2021 highlighted a loss for the year of € 3,123,461 which produced -taking into account the existing reserves- a relevant loss of share capital (as of the reporting date, the share capital equals € 4,393,604.40) of more than a third, as per Art. 2446 of the Italian Civil Code;*

resolves

- 1. To approve the Financial Statements of Giglio Group S.p.A. as of 31 December 2021, which shall be closed with a loss of € 3,123,461, also pursuant Art. 2446 of the Italian Civil Code;*
- 2. To carry forward said loss;*
- 3. To acknowledge the Consolidated Financial Statements of the Group;*
- 4. To acknowledge the fact that the loss produced a reduction in the share capital of the Company (currently equal to € 4,393,604.40) of more than a third, and as such, relevant pursuant to and in accordance with Art. 2446 of the Italian Civil Code;*
- 5. To grant to the Board and, in turn, to its Chairman, any power necessary and/or appropriate for the execution of this resolution.*

Item no. 2 on the Ordinary Meeting's Agenda

- 2. Appointment of one director pursuant to Art. 2386 of the Italian Civil Code. Resolutions pertaining thereto and resulting therefrom.**



Dear Shareholders,

It is noted that, as announced through the press releases published on the website of the Company at www.giglio.org ("Investor Relations" section) on 14 January 2022, the Company has received the resignation, effective immediately, of Marco Riccardo Belloni from the office of the Company's CEO for personal reasons.

On 26 January 2022, the Board of Directors of Giglio Group S.p.A., upon hearing the assessment of the Appointments and Remuneration Committee and upon receiving the acceptance of the Board of Statutory Auditors pursuant to Art. 2386 of the Italian Civil Code, co-opted, pursuant to Art. 20 of the standing By-laws, Carlo Micchi as new non-executive and non-independent director, who shall remain in office until the next Shareholders' Meeting. The Board of Directors, in the same call, made sure that all the requirements required by the law, the By-laws and the Corporate Governance Code for the office are respected.

Pursuant to Art. 2386 of Italian Civil Code, the co-opted directors shall remain in office until the next Shareholders' Meeting. Therefore, the Meeting called on 30 April 2022 shall appoint one director to integrate the Board of Directors until a number of five Directors is reached, as set forth in the Meeting of 21 June 2021.

The Board member thus appointed by the Meeting shall remain in office until the termination of the term of the other members of the Board of Directors given by the Meeting of 21 June 2021 for three terms, i.e. until the approval of the Financial Statement at 31 December 2023. As provided by the law and the Company's By-laws, the Meeting must appoint the Directors in order to ensure the presence of a total minimum number of independent directors, as requested by applicable laws and regulations and in order to ensure gender balance.

It is noted that, pursuant to the provisions of Art. 15.11 of the By-laws, the appointment of Directors shall take place without the application of the slate voting system, provided only in case of total renewal of the Board, but by resolution approved by the majority.

In light of the above, the Board of Directors proposes to confirm the office of the co-opted director Carlo Micchi. As far as the remuneration of the director is concerned, in line with the modalities already adopted for the determination of the remunerations of the directors appointed by the Meeting of 21 June 2021, it is proposed to refer the matter of the determination of the remuneration of the new director to the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee and of the Board of Statutory Auditors, each within the limits of its jurisdiction, within the context of the annual overall remuneration of the Board of Directors as established by the Shareholders' Meeting on 21 June 2021.

Annexed to this report are:

1. The declaration made by Carlo Micchi regarding his availability to accept the office of directors, the certification of absence of incompatibility or unelectability causes and the existence of the requirements prescribed by the regulations in force for the office;
2. The curriculum vitae of Carlo Micchi, containing comprehensive information regarding his personal and professional characteristics, with the indication of administrative and supervisory offices held in other companies.

In the light of the above, we thus submit for your approval the following draft resolution.



"Giglio Group S.p.A. Shareholders' Meeting,

- taking note of the provisions set forth in Art. 20 and Art. 15.11 of the By-laws;
- taking note of the Board of Directors' proposal,

resolves

1. to appoint and confirm Carlo Micchi as Director of Giglio Group S.p.A., born in Genoa on 21 February 1956, tax number MCCCRL56B21D9690, who shall remain in charge until the approval of 2023 financial statements;
2. to refer the matter of the determination of the remuneration of the new director - within the context of the annual overall remuneration of the Board of Directors as established by the Shareholders' Meeting - to the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee and of the Board of Statutory Auditors, each within the limits of its jurisdiction".

Item no. 3 on the Ordinary Meeting's Agenda

3. Report on the Remuneration Policy and on the remunerations paid, pursuant to Art. 123-ter of the Legislative Decree no. 58/1998 and to Art. 84-quater of the Regulation adopted with Consob resolution no. 11971 on 14 May 1999.

- 3.1. Binding resolution on the first section of the Report on the Remuneration Policy, drafted pursuant to Art. 123-ter, par. 3 of the Legislative Decree no. 58/1998.**
- 3.2. Non-binding resolution on the second section of the Report on remunerations paid, drafted pursuant to Art. 123-ter, par. 4 of the Legislative Decree no. 58/1998.**

Dear Shareholders,

we submit to your attention the "Report on the Remuneration Policy and on the remunerations paid" (the "**Remuneration Report**"), drafted pursuant to Art. 123-ter of the CFA and Art. 84-quater of the Issuers Regulation, as approved by the Board of Directors and as made available to the public at the Company's registered office and on the website www.giglio.org ("Corporate Governance - Shareholders' Meeting - Shareholders' Meeting 30 April 2022" section), as well as on the authorised storage mechanism "eMarket Storage", available on the website www.emarketstorage.com, within the terms set forth by the current legislation.

The aforementioned Remuneration Report is composed of two sections:

- (i) the first section shows the Company's policy regarding the remuneration of the members of the Board of Directors, of its general managers and of other managers with strategic responsibilities, notwithstanding the provisions of Art. 2402 of the Italian Civil Code, and of the members of the Board of Statutory Auditors, with reference to 2022, as well as the procedures followed for the adoption and implementation of said policy;



- (ii) the second section, namely with regards to the members of the Boards of Directors and of Statutory Auditors, but also to general managers and in aggregate form, for the managers with strategic responsibilities, provides an adequate representation of the single items that comprise the remuneration of the aforementioned offices - highlighting the coherence with the remuneration policy of the Company for 2021 - and shows the remunerations paid to said offices in 2021, for any reason and in any form, by the Company and its subsidiaries, as well as by its associates.

Referring to the Remuneration Report for an extensive information on the matter, pursuant to Art. 123-ter, par- 3-ter and 6 of the CFA, you are called to resolve with binding vote on the first section of the Report and with non-binding vote on the second section of the Report.

In light of the above, we submit for your approval the following draft resolutions on the point 3.1 and 3.2 of the agenda of the ordinary Shareholders' Meeting of Giglio Group S.p.A..

Draft resolution on the first section of the Report (Point 3.1 of the agenda)

"Giglio Group S.p.A. Ordinary Shareholders' Meeting:

- *having examined the Report on the Remuneration Policy and on the remunerations paid drafted by the Board of Directors pursuant to Art. 123-ter of the Legislative Decree no. 58 of 24 February 1998, of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999, as well as the procedures used for the adoption and implementation of said policy and, in particular, the first section of the Report, containing the explanation of the remuneration policy for the members of the Board of Directors, of general managers and of other managers with strategic responsibilities and, notwithstanding the provisions set forth in Art. 2402 of the Italian Civil Code, of the members of the Board of Statutory Auditors, adopted by the Company for 2022;*
- *considering that, pursuant to Art. 123-quinquies, par. 3, of Legislative Decree no. 58 of 24 February 1998, the Shareholders' Meeting is called to express a binding vote on the first section of the Report;*

resolves

to approve the first section of the Report on the Remuneration Policy and on the remunerations paid drafted pursuant to Art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999".

With regard to the second section of the Remuneration Report, we hereby submit for your approval the following

Draft resolution on the second section of the Report (Point 3.2 of the agenda)

"Giglio Group S.p.A. Ordinary Shareholders' Meeting:

- having examined the Report on the Remuneration Policy and on the remunerations paid drafted by the Board of Directors pursuant to Art. 123-ter of the Legislative Decree no. 58 of 24 February 1998, of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999 and, in particular, the second section of the Report, which, namely with regards to the members of the Boards of Directors and of Statutory Auditors, but also to general managers and in aggregate form, for the managers with strategic responsibilities, provides an adequate representation (pursuant to Art. 123-ter, par. 4 of the CFA) of the single items that comprise the remuneration of the aforementioned offices - highlighting the coherence with the remuneration policy of the Company for 2021 - and shows the remunerations paid to said offices in 2021, for any reason and in any form, by the Company and its subsidiaries, as well as by its associates;*

- considering that, pursuant to Art. 123-ter, par. 6, of Legislative Decree no. 58 of 24 February 1998, the Shareholders' Meeting is called to express a non-binding vote on the second section of the Report;*

resolves

to express its favourable opinion on the second section of the Report on the Remuneration Policy and on the remunerations paid drafted pursuant to Art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999".

Milan, 31 March 2022

For the Board of Directors

The Chairman

Alessandro Giglio

