

AQUAFIL S.p.A.
GENERAL SHAREHOLDERS' MEETING

June 18, 2020, at 3:00 pm, single call

(pursuant to Article 125-ter of Legislative Decree No. 58/1998, and Article 84-ter of Consob Regulation No. 11971/1999)

Director's Report illustrating the motions pertaining to item 3 on the Agenda of the General Shareholders' Meeting to be held on June 18, 2020, prepared pursuant to Article 125-ter of Legislative Decree No. 58/1998, and regarding:

"3. Remuneration Policy regarding remuneration and paid compensation:

- a. Approval of the Remuneration Policy pursuant to Article 123-ter, comma 3-bis and 3-ter of Legislative Decree No. 58 of February 24, 1998;*
- b. Resolution regarding the "second section" of the illustrative report pursuant to Article 123-ter, comma 6 of Legislative Decree No. 58 of February 24, 1998.*

This report has been prepared pursuant to Article 125-ter, paragraph 1, of Legislative Decree No. 58 dated February 24, 1998, as further amended and extended ("TUF"), as well as Article 84-ter of the Regulation No. 11971 issued by Consob on May 14, 1999, as further amended and extended ("**Rules for Issuers**"), and pertains to item 3 placed on the Agenda of the General Shareholders' Meeting of Aquafil S.p.A. ("**Aquafil**" or the "**Company**") scheduled for June 18, 2020, single call.

This Report has been made available to the public at the Company's registered offices, on the corporate website (www.aquafil.com) and in the other manners provided for by Consob regulations.

AQUAFIL S.p.A.

Remuneration Policy regarding remuneration and paid compensation: a) approval of the Remuneration Policy pursuant to Article 123-ter, comma 3-bis and 3-ter of Legislative Decree No. 58 of February 24, 1998; b) resolution regarding the “second section” of the illustrative report pursuant to Article 123-ter, comma 6 of Legislative Decree No. 58 of February 24, 1998.

Shareholders,

in accordance with Article 123-ter TUF, during the meeting of March 13, 2020, the Board of Directors has approved the Remuneration Report that, in particular:

- (a) in its first section, (i) explains the company’s policy with regard to the remuneration of members of governing bodies, general managers and key management personnel with reference at least to 2020; and (ii) explains the procedures whereby that policy is adopted and implemented; and
- (b) in its second section, (i) provides an adequate description of each of the items that make up remuneration, inclusive of severance and retirement packages, highlighting the substantive compliance of the same with the remuneration policies approved by the company during the previous financial year; and (ii) explains in detail the remuneration paid during the reporting year (i.e., 2019).

The aforementioned Remuneration Report, to which reference is made, and which has been made available to the public in full at the Company’s offices, the corporate website (www.aquafil.com), in the section “Investor Relations – Shareholders’ Meetings – 2020”, and the centralized storage mechanism eMarket STORAGE, accessible from the website www.emarketstorage.com, in the manners and within the terms established by Consob’s regulation.

In accordance with the above regulations, the General Shareholders’ Meeting is called on to approve or reject the first section of the Remuneration Report. It bears recalling that pursuant to the new wording of Article 123-ter TUF this resolution is binding.

* * *

In light of the foregoing, and specifying that two separate votes will be held on points a and b (see above) the Board of Directors invites the Shareholders to pass the following resolution:

“The General Shareholders’ Meeting of Aquafil S.p.A.

resolves

pursuant to Article 123-ter, paragraph 6, of Legislative Decree No. 58 of February 24, 1998

- a. *to approve the first section of the Remuneration Report, which explains the Company’s remuneration policy and the procedures whereby this policy is implemented;*
- b. *to approve the second section of the Remuneration Report, which provides an adequate representation of each of the items that make up the remuneration, including the treatments provided in the event of termination of office or termination of the employment relationship; and analytically illustrates the remuneration paid in the reference year (i.e. 2019).*

Arco (Trento), May 7, 2020

On behalf of the Board of Directors

The Chairman of the Board of Directors

(Giulio Bonazzi)

AQUAFIL S.p.A.

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