



**UNIEURO S.P.A.**

*REGISTERED OFFICE IN FORLÌ, VIA SCHIAPARELLI No. 31*

*SHARE CAPITAL EURO 4,000,000.00 FULLY PAID-UP*

*REGISTRATION NUMBER WITH THE COMPANIES' REGISTER OF FORLÌ-CESENA AND TAX CODE NO.  
00876320409*

***BOARD OF DIRECTORS' EXPLANATORY REPORT ON THE PROPOSAL AT ITEM NO. 1 OF THE AGENDA OF  
THE EXTRAORDINARY SHAREHOLDERS' MEETING OF UNIEURO S.P.A. CONVENED ON JUNE 12 2020 IN  
SINGLE CALL.***

## **Amendment of Articles 13 and 21 of the Articles of Association to implement the new legislation providing for gender balance in the composition of the administrative and control bodies. Related resolutions.**

Dear Shareholders,

With regard to the first and only item on the agenda of the Extraordinary Shareholders' Meeting, this report - prepared pursuant to art. 125-*ter* of Legislative Decree No. 24 February 1998 No. 58 ("**TUF**"), art. 72 and Annex 3A scheme 3 of the Consob Regulation adopted by resolution No. 11971 of 14 May 1999 as subsequently amended ("**Issuers Regulation**") - illustrates the proposals that the Board of Directors of Unieuro S.p.A. ("**Unieuro**" or "**Company**") intends to submit for your approval as concerns amendments to the Articles of Association to bring them in line with the Law dated 27 December 2019 No. 160 ("**Budget Law 2020**") which provides for gender quotas in the administration and control bodies of listed companies.

### **1. Background**

Law No. 120 dated 12 July 2011 (so-called "**Golfa-Mosca Law**") sanctioned the principle that listed companies must respect a criterion which ensures gender balance in the composition of their corporate bodies. More specifically, articles 147-*ter* paragraph 1-*ter* and 148 paragraph 1-*bis* TUF previously required listed companies to comply with a composition criterion according to which the under-represented gender had to make up at least one third of the components in the bodies of administration and control respectively. This criterion applied for three consecutive terms of office as of entry into force of the above-mentioned law (i.e. starting from the date of admission to listing after the entry into force of said law).

Subsequently, by virtue of the authority provided for by the same law, Consob issued resolution No. 18098 of February 8 2012 which integrates and completes the legislation on gender distribution by introducing art. 144-*undecies*.1 into the Issuers Regulation. This article specifies that: (a) the criterion of gender distribution does not apply to lists that have fewer than three candidates on them; and (b) if application of the gender distribution criterion does not achieve the full number of required components of the administrative and control bodies belonging to the under-represented gender, this number shall be rounded up. In compliance with these provisions, the articles of association of listed companies must therefore govern: (i) the manner of formulation of the lists; (ii) the additional criteria for identifying individual members of the administration and control bodies; (iii) the manner of replacement of those members of bodies whose office ceases before expiry of the natural term and (iv) the manner of exercising nomination rights, where applicable, in order to ensure that gender balance is respected.

On January 1 2020, the provisions of Budget Law 2020 entered into force, so amending articles 147-*ter* paragraph 1-*ter* and 148 paragraph 1-*bis* TUF. In particular, with effect as of any date for renewal of the corporate bodies occurring after 1 January 2020, the law: (i) increases the percentage of members to be made up by the under-represented gender from at least one third to at least two fifths both for the

administrative body and the control body; and (ii) extends the period of validity of the two fifths minimum from three terms of office to six consecutive terms of office.

In those cases in which the corporate bodies are made up of three members and, in particular, in which the board of statutory auditors is made up of three standing members, the application of the new criterion requisite - that at least two fifths be filled by the under-represented gender- has proven to be mathematically unfeasible on grounds that, in those corporate bodies composed of three members, it is impossible to ensure that both genders make up at least two fifths. In this regard, Consob clarified by way of Communication No. 1/20 of 30 January 2020 that - pending amendment to the regulatory framework - it will consider as inapplicable the criterion of rounding up to the higher unit provided for in paragraph 3 of art. 144-*undecies*.1 of the Issuers Regulation on grounds of mathematic impossibility. Therefore, as regards three-component bodies, Consob deems that rounding down to the lower unit is in line with the new regulation.

In the meantime, Consob has commenced consultations with the market in view of possible changes to the Issuers Regulation (in particular art. 144- *undecies*.1) necessary to take into account the new regulation on gender quotas.

### 1. Reasons for the proposed amendments to the Articles of Association

It is submitted that the proposed amendments to articles 13 and 21 of the Articles of Association described below are necessary to factor in provisions rendered obligatory by the entry into force of Budget Law 2020. Said amendments would be applicable as of the next renewal of the corporate bodies which the Shareholders' Meeting of Unieuro shall determine on the date of approval of the financial statements as of February 28 2022.

### 2. Amendments to articles 13 and 21 Articles of Association

The amendments to the Articles of Association proposed below are aimed at rendering the current wording of articles 13 and 21 conformant with the provisions of the law and regulations in force from time to time regarding gender balance in the composition of the administrative and control bodies of listed companies, by eliminating references to the one third criterion which is no longer applicable.

Taking into account all of the foregoing, we set forth the proposed amendments to the Articles of Association in the below table. The current texts of articles 13 and 21 are in the left-hand column and the proposed text amendments are in the right-hand column. Should you be agreeable to the changes shown in the right-hand column, then we invite you to approve said changes.

CURRENT TEXT	PROPOSED TEXT
<b>BOARD OF DIRECTORS</b>	
<b>ARTICLE 13 (PRESENTATION OF LISTS)</b>	
1) The Board of Directors in office as well as those shareholders who individually or together with others hold the percentage of share capital	No change

established by the legislation in force from time to time, shall have the right to present lists.	
2) Each shareholder, shareholders who have entered into a shareholders' agreement pertaining to the relevant Company pursuant to article 122 TUF, the parent company, subsidiary companies and companies under common control and other parties among which an affiliation relationship exists, including indirectly, within the meaning of applicable legislation in force, may not submit or participate in the submission of more than one list, including through an intermediary or trust company, nor vote for different lists.	No change
3) Each list shall contain the number of candidates in progressive order. Such number shall not be more than the number of members to be elected.	No change
4) Each candidate may appear on only one list or the candidature shall be deemed ineligible.	No change
5) Each list shall include and identify at least 2 (two) candidates who meet the independence requirements established in accordance with the applicable legislation in force.	No change
6) Each list that contains 3 (three) or more candidates in both sections shall also include candidates of both genders, such that the number of the under-represented gender accounts for at least one-third (rounded up) of candidates. In the event that the list is not in conformance with the obligations referred to in this paragraph, then such list shall be deemed not to have been submitted	6) <i>Each list that contains 3 (three) or more candidates in both sections shall also include <b>the number of candidates belonging to the under-represented gender such as to ensure that the number of the under-represented gender accounts for at least one-third (rounded up) of candidates the minimum gender balance quota required under the legislation including pro tempore regulations in force.</b> In the event of non-fulfilment of the obligations laid down in this paragraph, the list will be deemed as not having been submitted.</i>
7) In the event that the list is not in conformance with the obligations referred to in this article, then such list shall be deemed not to have been submitted	No change
8) Together with the submission of lists, the following items must be filed, it being understood	No change

<p>that any changes that may occur up to the day the Shareholders' Meeting takes place must be promptly communicated to the Company:</p> <p>a) information relating to the shareholders who submitted the list and the percentage of capital held by them;</p> <p>b) a declaration from shareholders, other than those who hold, including jointly, a controlling or relative majority interest, certifying that there is no direct or indirect relationship with this latter pursuant to the legislation in force from time to time;</p> <p>c) candidates' curriculum vitae and a declaration by which each candidate declares under his/her own responsibility that there are no grounds of ineligibility and incompatibility and that such candidate satisfies the requirements for the respective offices;</p> <p>d) indication of administration and control positions held in other companies and of suitability (if any) to qualify as independent pursuant to current legislation and codes of conduct on corporate governance as may be adopted by the Company;</p> <p>e) declaration by which each candidate agrees to the submission of his/her candidacy;</p> <p>f) any other further declaration, information and/or document envisaged by the regulations in force from time to time.</p>	
<p>9) The lists shall be filed at the Company's registered office within the term indicated in the notice of call, such term as provided by the legislation in force. The filing may also be made by means of remote communication as indicated in said notice of call.</p>	<p>No change</p>
<p>10) In the event that, upon expiry of the deadline for filing the lists, only one list has been filed, or the only lists filed are those filed by shareholders who are connected to each other in virtue of the legislation in force, then the provisions of the legislation and regulations in force at that time shall apply.</p>	<p>No change</p>

11. Each shareholder shall vote on the list filed and thus in relation to the candidates stated therein, with no option to make any variation thereto or exclusion therefrom.	No change
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CURRENT TEXT	PROPOSED TEXT
<b>BOARD OF AUDITORS</b>  <b>ARTICLE 21 (COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AND THE SUBMISSION OF LISTS)</b>	
1) The board of statutory auditors is made up of 3 (three) standing auditors and 2 (two) alternate auditors.	No change
2) The members of the board of statutory auditors shall remain in office for 3 (three) financial periods, such office to expire on the date the meeting takes place for approval of the financial statements relating to the third financial year of the office. Such members shall be eligible for re-election.	No change
3) The members of the Board of Statutory Auditors shall possess the requisites of integrity, professionalism, independence and comply with the limits concerning accumulation of offices provided for under legislation and regulations from time to time in force. For the purposes of article 1 paragraph 2 letters b) and c) of the decree of the Minister of Justice 30 March 2000, No. 162, the areas of commercial law, company law, tax law, business administration, corporate finance, and other areas having a similar or comparable subject matter, as well as the subjects and sectors relating to the Company's sector of activity, are all matters deemed as strictly linked to Company activity.	No change
4) In addition to reimbursement of expenses incurred in the performance of their office, the members of the board of statutory auditors shall be entitled to compensation determined for the entire term of office at the shareholders' meeting upon their appointment.	No change

5) Auditors activities, functions, duties and powers shall be those established by law.	No change
6) For as long as the Company's shares are listed on a regulated market, whether in Italy or in any other member state of the European Union, the board of statutory auditors shall be elected at the ordinary shareholders' meeting. Their candidacies shall be taken from the lists submitted by the shareholders as provided for below, ensuring the balance between genders according to the provisions of the law and regulations in force.	No change
7) The submission of lists shall be governed by the laws and regulations in force and by these Articles of Association.	No change
8) Shareholders who, individually or jointly with others hold the percentage of capital established by laws and regulations in force at the time of submission of the list, shall be entitled to submit lists.	No change
9) Each shareholder, shareholders who have entered into a shareholders' agreement pertaining to the relevant Company pursuant to article 122 TUF, the parent company, subsidiary companies and companies under common control and other parties among which an affiliation relationship exists, including indirectly, within the meaning of applicable legislation in force, shall not submit or participate in the submission of more than one list, including through an intermediary or trust company, nor vote for different lists.	No change
10) Each candidate may appear on only one list or the candidature shall be deemed ineligible.	No change
11) Each list shall contain the number of candidates in progressive order. Such number shall not be more that the number of members to be elected.	No change
12) The lists are divided into two sections: One section for candidates for the office of standing auditor, the other for candidates for the office of alternate auditor. The first of the candidates in each	No change

<p>section must be duly registered on the register of statutory auditors and must have practised the statutory auditing of accounts for a period of not less than 3 (three) years. The other candidates, if not in possession of said requisites in the immediately preceding period, shall have the other professional requisites required by the legislation in force. In the event that the list is not in conformance with the obligations referred to in this paragraph, then such list shall be deemed not to have been submitted.</p>	
<p>13) Each list which - taking into account both sections shall contain a number of candidates equal to or greater than 3 (three), shall also include candidates belonging to both genders, so that at least one third of candidates for the office of standing auditor (rounded up) and at least one candidate proposed for the office of alternate auditor (should the list also includes candidates for the office of alternate auditor), belongs to the under-represented gender. In the event that the list is not in conformance with the obligations referred to in this paragraph, then such list shall be deemed not to have been submitted</p>	<p><del>13) Each list which - taking in to account both sections shall contain a number of candidates equal to or greater than 3 (three), shall also include candidates belonging to both genders, so that at least one third of candidates for the office of standing auditor (rounded up) and at least one candidate proposed for the office of alternate auditor (should the list also includes candidates for the office of alternate auditor)</del></p> <p><b><i>Each list of candidates for the offices of standing auditor and alternate auditor shall include the number of candidates belonging to the under-represented gender such as to ensure that the list provides for the minimum gender balance quota required under the legislation including pro tempore regulations in force. In the event that the list is not in conformance with the obligations referred to in this paragraph, then such list shall be deemed not to have been submitted.</i></b></p>
<p>14) Together with the submission of lists, the following items must be filed:</p> <p>a) information relating to the shareholders who submitted the list and the percentage of capital held by them;</p> <p>b) a declaration from shareholders, other than those who hold, including jointly, a controlling or relative majority interest, certifying that there is no direct or indirect relationship with this latter pursuant to the legislation in force from time to time;</p>	<p>No change</p>



<p>c) candidates' curriculum vitae and a declaration by which each candidate declares under his/her own responsibility that there are no grounds of ineligibility and incompatibility and that such candidate satisfies the requirements for the respective offices;</p> <p>d) information on the candidate setting out the administration and control positions held in other companies as well as a declaration from said candidate that: he/she possesses the all requisites, including those of integrity, professionalism, independence and compliance with the limits concerning accumulation of offices provided for under legislation and regulations from time to time in force and by the Articles of Association; he/she duly accepts the office should he/she be elected;</p> <p>e) declaration by which each candidate agrees to the submission of his/her candidacy;</p> <p>f) any other further declaration, information and/or document envisaged by the regulations in force from time to time.</p>	
<p>15) The lists shall be filed at the Company's registered office within the term indicated in the notice of call such term as provided by the legislation in force, and shall be made available to the public with the term and in the manner provided for by law. The filing may also be made by means of remote communication as indicated in said notice of call. In the event that, upon expiry of the deadline for the filing of lists, only one list has been filed, or the only lists filed are those filed by shareholders who are connected to each other in virtue of the provisions of art. 144-<i>quinquies</i> of the Issuers' Regulation, then lists may be submitted up to the third day following such expiry date. In this case, the thresholds provided for by the Articles of Association are reduced by half.</p>	No change
<p>16) In case of non-fulfillment of the obligations referred to in this article, the list shall be deemed as not having been submitted.</p>	No change

Please note that the amendments in question shall take effect as of the date that the resolution, to be passed at the Extraordinary Shareholders' Meeting convened on 12 June 2020 in single call, is filed on the competent Company Register.

The Board of Directors submits that none of the above-mentioned amendments to the Articles of Association falls within the remit of art. 2437 civil code; therefore, shareholders who do not vote on the related resolutions do not have the right to withdraw all or part of their shares.

In consideration of the above, should you be in agreement with the suggestions that we have put to you, we respectfully submit the following resolution proposal for your approval:

*"The Shareholders of Unieuro S.p.A., at an extraordinary Shareholder's meeting:*

- having examined the Explanatory Report of the Board of Directors;*
- having regard to the text of the Company Articles of Association currently in force;*
- having acknowledged the changes introduced by Budget Law 2020 to arts. 147-ter paragraph 1-ter and 148 paragraph 1-bis TUF regarding gender balance;*

**resolve**

- *that they approve the proposed amendments to article 13 point 6) of the Articles of Association, the new text being that set forth below:*

*"13 6) Each list that contains 3 (three) or more candidates in both sections shall also include the number of candidates belonging to the under-represented gender such as to ensure the minimum gender balance quota required under the legislation, including pro tempore regulations in force. In the event that the list is not in conformance with the obligations referred to in this paragraph, then such list shall be deemed not to have been submitted".*

- *that they approve the proposed amendments to article 21 point 13) of the Articles of Association, the new text being that set forth below:*

*"21 13) Each list of candidates for the offices of standing auditor and alternate auditor shall include the number of candidates belonging to the under-represented gender such as to ensure that the list provides for the minimum gender balance quota required under the legislation including pro tempore regulations in force. In the event that the list is not in conformance with the obligations referred to in this paragraph, then such list shall be deemed not to have been submitted."*

- *that they duly authorise the Board of Directors, and any pro tempore representatives, whether jointly or individually (with the right of sub-delegation), to put the said resolutions into effect and fulfil the necessary formalities in relation thereto. The authorisation hereunder extends to registration of the resolutions with the Register of Companies, so that the adopted resolutions obtain the requisite legal approvals, with the right to make non-substantial modifications and additions thereto or deletions thereof as may be required for the purpose, including during the registration process, and in general to perform all acts as shall be necessary to fully implement said resolutions, to this end using, without limitation, any and all powers as shall be necessary and appropriate for this purpose, including all*



*those to carry out any formality, deed, filing of applications or other documents as required by the competent market supervision authorities and/or by applicable laws and regulations"*

THE CHAIRMAN OF THE BOARD OF DIRECTORS

STEFANO MELONI