



SPAFID  
CONNECT

Informazione Regolamentata n. 20076-57-2020	Data/Ora Ricezione 05 Novembre 2020 20:09:12	MTA
---	--	-----

Societa' : Giglio Group S.p.A.  
Identificativo : 138877  
Informazione  
Regolamentata  
Nome utilizzatore : GIGLION04 - Schranz  
Tipologia : REGEM; 3.1  
Data/Ora Ricezione : 05 Novembre 2020 20:09:12  
Data/Ora Inizio : 05 Novembre 2020 20:09:13  
Diffusione presunta  
Oggetto : GG\_Shareholders' Meeting  
12.11.2020\_Board Report Extraordinary  
meeting with modifications (5.11.2020)

*Testo del comunicato*

Vedi allegato.

## GIGLIO GROUP S.P.A.

### ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

(12 NOVEMBER 2020 IN A SINGLE CALL)

#### BOARD OF DIRECTORS' REPORT ON THE ITEMS OF THE AGENDA OF THE EXTRAORDINARY MEETING PURSUANT TO ART. 125-TER OF LEGISLATIVE DECREE NO. 58/1998 AND ART. 70 AND 72 OF THE REGULATION ADOPTED WITH CONSOB RESOLUTION NO. 11971/99

Dear Shareholders,

in compliance with Art. 125-ter of the Legislative Decree no. 58 of 24 February 1998, as amended and integrated (the "**CFA**"), as well as with Art. 70 and 72 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" or the "Issuer") provides you with this explanatory report (the "**Explanatory Report**") regarding the item on the agenda of the Extraordinary part of the Shareholders' Meeting called for **12 November 2020** at **10.30** in the registered office in Milan, Piazza Armando Diaz 6, 20123, in a single call, to discuss and resolve upon the following:

#### Agenda

##### Ordinary Meeting

1. [omissis]

##### Extraordinary Meeting

1. Authorisation for the Board of Directors, until 30 June 2021 to increase the share capital of Giglio Group S.p.A. upon payment, pursuant to Art. 2443 of the Italian Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, within the limits of 20% of the existing share capital -as set forth in Art. 44, par. 3 of the Law Decree 76/2020 later converted into Law 120/2020 - through the issue, also in more tranches, of ordinary shares without nominal value, to be offered in subscription to the individuals identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - on the condition that the issue price of the new shares corresponds to the market value of those already issued and that this is confirmed by a specific report from a statutory auditor or an auditing company. Resolutions pertaining thereto and resulting therefrom.
2. Authorisation for the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, for a period of five years starting from the date of the meeting's resolution, to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code, for an amount of € 366,133.70 in principal, to be settled through contributions in kind, with the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to

determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code. Resolutions pertaining thereto and resulting therefrom.

3. Amendments to Art. 6 of the Company's By-laws in view of the resolutions resulting from items 1 and 2 of the agenda for the Extraordinary Meeting. Resolutions pertaining thereto and resulting therefrom.

\* \* \* \* \*

This Explanatory Report - created pursuant to Scheme no. 2 of Annex 3A of the Issuers' Regulation to the extent consistent with the transaction at hand - has been approved by the Board of Directors of the Company on 12 October 2020 and must be read jointly with the Director's Explanatory Report of the Items on the agenda of the Ordinary Shareholders' Meeting of 12 November 2020, created pursuant to Art. 125-ter of the CFA and made available to the public through the authorised eMarket storage mechanism [www.emarketstorage.it](http://www.emarketstorage.it), as well as through the Company's website at [www.giglio.org](http://www.giglio.org) ("Corporate Governance" - "Shareholders' Meetings" section).

Using the aforementioned procedures, this Explanatory Report too shall be filed and published by the Company within the legal deadline provided (i.e. 21 days before the date of the Meeting).

\* \* \* \* \*

## **Item no. 1 on the Extraordinary Meeting's Agenda**

**Authorisation for the Board of Directors, until 30 June 2021 to increase the share capital of Giglio Group S.p.A. upon payment, pursuant to Art. 2443 of the Italian Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, within the limits of 20% of the existing share capital -as set forth in Art. 44, par. 3 of the Law Decree 76/2020 later converted into Law 120/2020 - through the issue, also in more tranches, of ordinary shares without nominal value, to be offered in subscription to the individuals identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - on the condition that the issue price of the new shares corresponds to the market value of those already issued and that this is confirmed by a specific report from a statutory auditor or an auditing company. Resolutions pertaining thereto and resulting therefrom.**

Dear Shareholders,

The Board of Directors has hereby called you, with this Extraordinary Meeting, in order to submit for your approval the draft resolution regarding the grant to the Board of Directors (the "Reserved Authorisation"), pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the Company's By-laws, of an authorisation valid until 30 June 2021 (the "**First Authorisation**") to increase the share capital of Giglio Group S.p.A. upon payment, in separate issues, excluding option rights, pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, within the limits of 20% of the existing share capital -as set forth in Art. 44, par. 3 of the "Simplification Decree" (Decree Law no. 76 of 16 July 2020, converted into Law no. 120/2020 on 11 September 2020).

The aforementioned capital increase shall be realised through the issue, of ordinary Giglio Group shares without nominal value, to be offered in subscription to the individuals identified by the Board of Directors - including qualified industrial and financial Italian and international investors, and/or current shareholders and collaborators of the Company - on the condition that the issue price of the new shares corresponds to the market value of those already issued and that this is confirmed by a specific report from a statutory auditor or an auditing company (the "**First Reserved Increase**").

### **1. Justifications for the First Authorisation and the First Reserved Increase and destination thereof**

Art. 2441, par. 4, second sentence of the Italian Civil Code regulates the possibility - reserved to companies with shares listed in regulated markets - to include in their by-laws the exclusion of option rights for share capital increases within the limits of 10% of the existing share capital, on the condition that the issue price of the new shares corresponds to the market value of those already issued and that this is confirmed by a specific report from a statutory auditor or an auditing company.

Art. 44, par. 3 of Decree Law 76/2020, enacted during the "State of Emergency" arising from the COVID-19 pandemic, provides that, in derogation from Art. 2441 until 30 June 2021, the companies with shares listed in regulated markets or traded in multilateral trading systems may resolve on a share capital increase by new contributions, without option rights, pursuant to Art. 2441, par. 4,

second sentence of the Italian Civil Code, also without express statutory provision, within the limits of 20% of the existing share capital.

The exercise of the First Authorisation and, therefore, the resolution of the first Reserved Increase, could allow, on the one hand, for the strengthening of the Company's economic and financial position and, on the other hand, for the development and growth of the Company, without burdening the financial debt and the income statement, given that the financial resources shall be introduced as share capital and at share premium, possibly also through the conversion of loan payables into risk capital by the shareholders.

As a matter of fact, the First Reserved Increase could be destined for the improvement of the financial structure of the Company and to the strengthening of its equity, as well as for the support and development of the Industrial Plan. Moreover, the First Reserved Increase could be used for the procurement of financial resources aimed at supporting growth strategies, that is strategies aimed at improving existing investments and, more generally, at meeting the financial needs that may come to the fore over the period of validity of the authorisation.

Granting the First Authorisation to the Board of Directors shall allow for the achievement of advantages in terms of flexibility and timeliness of implementation for each capital increase transaction. The First Authorisation would allow the Board of Directors to operate with the necessary speed, seizing the most favourable conditions for gathering equity, which requires for decisions to be taken in a timely manner. The need to act with swiftness is even more paramount in the given uncertain and volatile context characterising the financial markets, especially over the last months due to the change in market trends following the global pandemic of COVID-19.

Moreover, the First Authorisation could allow for a more realistic assessment of the economic conditions in which the same would be exercised, allowing for a reduction of the period of time between the decision of the transaction to be taken and the execution of said transaction.

Lastly, the width of the First Authorisation would allow the Board of Directors to assess, on a case-by-case basis, the better way to execute the authorisation itself, so as to swiftly make the most appropriate arrangements for the execution of the First Reserved Increase.

In the event that the First Authorisation is granted, the Board of Directors shall have to identify the operators to which the capital increase shall be reserved to, choosing the most advantageous solution - as far as the result is concerned - both for the Company and its shareholders and stakeholders. For this purpose, it is noted that the Board of Directors shall be able to assess whether a given operator can access the First Reserved Increase or not, on a case-by-case basis; the Increase shall be reserved also to major Italian and international investors and/or to the current shareholders and collaborators of the Company, in the event that these subjects possess the characteristics outlined by the Board of Directors.

In conclusion, the Board of Directors believes that the First Authorisation for a capital increase is the most appropriate tool for ensuring that both the Company's and its Shareholders' needs are met, by allowing the Board to define: i) the amount of the First Reserved Increase; ii) the final countervalue and the issue price of the new shares, also taking into account the Company's needs; iii) the most appropriate technical standards for seizing the opportunities that may come up in the market.

The justifications and criteria specified therein shall constitute the principles to which the Board of Directors shall abide by during the execution of the First Authorisation, without prejudice to the obligation to disclose every time through a special report the justifications for the execution of said

authorisation and the criteria by which the issue price shall be determined, as specified below (see par. 5).

## **2. 2019 final results and general information on the operating performance of 2020**

The Financial Statements as at 31 December 2019, including Giglio Group S.p.A. Annual Financial Report, have been approved by the Shareholders' Meeting on 23 April 2020 and is available, together with the Consolidated Financial Statements, at the Company's headquarters, on the Company's website [www.giglio.org](http://www.giglio.org) and on the authorised storage mechanism eMarket Storage.

With regards to the results of the last financial year, see the Financial Statements and the accompanying documentation.

With regards to the general information on the operating performance and the foreseeable outcome of the ongoing fiscal year, see the Interim Condensed Consolidated Financial Statement as at 30 June 2020, approved by the Board of Directors on 10 September 2020 and made available at the Company's headquarters, on the Company's website [www.giglio.org](http://www.giglio.org) and on the authorised storage mechanism eMarket Storage.

## **3. Procedures Governing the First Reserved Increase**

Upon the exercise of the First Authorisation, the Board of Directors shall assess the most efficient technical modality for carrying out the First Reserved Increase, taking into account the market performance and always operating in the best interest of the Company and its shareholders.

In line with market practice, the possibility to allow one of the Company's creditors to subscribe the First Reserved Increase by converting existing loans is one of the possible technical modalities for carrying out the increase that may be chosen by the Board of Directors.

It is stated that, as at the date of this Report, the Board of Directors is assessing, with the involvement of the Internal Control, Risk and Related-Parties Committee, the possibility to convert into share capital some of the loans disbursed to Giglio Group by the Group's companies headed by Meridiana Holding S.r.l., the Company's majority shareholder (whose share capital, it is to be noted, is held for the 99% by Alessandro Giglio, Chairman of the Company, and for the 1% by his wife Yue Zhao), against a manifested provisional availability of the latter. For more information regarding the aforementioned loans, see the Interim Condensed Consolidated Financial Statements as at 30 June 2020.

It is noted that, in the currently ongoing dialogue with some potential subscribers of the First Reserved Increase (Meridiana Holding S.r.l. being one of them), the Internal Control, Risk and Related-Parties Committee is being kept up to date and in line with the state of the negotiations. Should a negotiation involving the majority shareholder, Meridiana Holding S.r.l. be implemented, the Internal Control, Risk and Related-Parties Committee shall participate in said negotiation, carrying out its activities and duties, in compliance with the provisions of the Procedure governing transactions with Related Parties adopted by the Company, as well as with the Regulation adopted with Consob resolution no. 17221 on 12 March 2010.

The information regarding the economic/balance-sheet/financial effects most appropriate to represent the consequences of the capital increase on the economic and financial position of the Company, as well as the effect of an eventual dilution of the unit value of the shares, shall be

reported with regard to each and every capital increase, upon execution of the First Authorisation, with a special explanatory report to be made available to the public.

#### **4. Placement and/or underwriting syndicate**

As at the date of this Report, no placement and/or underwriting syndicate are foreseen, nor any other form of placement.

#### **5. Shares' issue price**

The issue price of the shares arising from the First Reserved Increase shall be determined by the Board of Directors upon the exercise of the First Authorisation, being understood that said issue price shall correspond to the market value of said shares, and that the determination of the issue price shall also take into account the general context and the price at which the institutional investors would eventually be interested in purchasing said shares.

The correspondence between the issue price of the shares issued through the First Reserved Increase and the market value of said shares shall be confirmed by a specific report from a statutory auditor or an auditing company.

Upon the exercise of the First Authorisation, the Board of Directors shall determine the portion of issue price to be ascribed at share capital and the one to be ascribed at share premium, without prejudice to the fact that the nominal value of the increase cannot be greater than 20% of the existing share capital.

#### **6. Period set for the execution of the First Authorisation and of the First Reserved Increase**

It is proposed to establish that the duration of the First Authorisation shall be until 30 June 2021, in accordance with Art. 44, par. 3 of Decree Law no. 76/2020, converted by Law no. 120/2020, and that it may be exercised by the Board of Directors, whenever deemed suitable - coherently with the Company's interests -, by issuing a market disclosure on the terms and modalities of each capital increase tranche, as soon as these are determined by the Board of Directors.

The First Reserved Increase consists in a share capita increase in separate issues, pursuant to Art. 2439, par. 2 of the Italian Civil Code and, therefore, it may be partially or fully executed and subscribed in more tranches, it being understood that the directors are expressly authorised to issue new shares as they are subscribed, thus giving immediate efficacy to partial subscriptions.

#### **7. Dividend entitlement of shares issued through the First Reserved Increase**

The shares issued through the First Reserved Increase shall have the same dividend entitlement than the ordinary shares of the Company outstanding on the issue date of the new shares.

#### **8. By-laws amendments**

The granting of the Authorisation regarding the First Reserved Increase, as described above, shall require for the amendment of Art. 6 of the By-laws, through the insertion of a new paragraph, par. 6.9. For more information on the statutory amendments, see item 3 of the agenda for the Extraordinary Meeting.

In the light of the above, we submit for your approval the following

**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 1998 as amended and Art. 70 and 72 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as amended and integrated;*
- *having examined Art. 44, par. 3 of Decree Law no. 76 of 16 July 2020, converted by Law no. 120 of 2020;*
- *provided that the currently subscribed share capital of € 3,661,337.00 is fully paid-up, as confirmed by the Auditors;*

resolves

1. *to vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, as well as to Art. 44, par. 3 of Decree Law no. 76/2020, converted by Law no. 120/2020, until 30 June 2021, with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code, within the limits of 20% (twenty percent) of the existing share capital, through the issue, also in more tranches, of ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to entities identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - possibly also through the conversion of loan payables into risk capital by shareholders, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would eventually be interested in purchasing said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;*
2. *to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares corresponds to the market value of said shares, also taking into account the general context and the price at which the institutional investors would eventually be interested in purchasing said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;*
3. *to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.*



## Item no. 2 on the Extraordinary Meeting's Agenda

**Authorisation for the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, for a period of five years starting from the date of the meeting's resolution, to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code, for an amount of € 366,133.70 in principal, to be settled through contributions in kind, with the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code. Resolutions pertaining thereto and resulting therefrom.**

Dear Shareholders,

*The Board of Directors has hereby called you, with this Extraordinary Meeting, in order to submit for your approval, other than the First Authorisation as per item no. 1 of the agenda of the Extraordinary part of the Meeting, the additional draft resolution regarding the authorisation for the Board of Directors, again pursuant to Art. 2443 of the Italian Civil Code and Art. 6.7 of the By-laws, for a period of five years starting from the date of the meeting's resolution, hence until 12 November 2025 (the "**Second Authorisation**"), to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence, for an amount of € 366,133.70 in principal, to be settled through contributions in kind, through the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code (the "**Second Reserved Increase**").*

### **1. Justifications for the Second Authorisation and the Second Reserved Increase and destination thereof**

Art. 2441, par. 4, first sentence of the Italian Civil Code regulates the possibility - reserved to companies with shares listed in regulated markets - to include in their by-laws the exclusion of option rights for share capital increases in kind, on the condition that the issue price of the new shares is determined on the basis of the equity value, taking into account, for those shares listed in regulated markets, also the performance of the listings over the last six-months period.

With a view to realise the development objectives set forth in the Industrial Plan, the Second Authorisation to be granted to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws for the increase of share capital against payment, without option rights, pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code, through contribution in kind, would allow the Board of Directors to act swiftly in order to better seize any eventual opportunity that may arise.

The width of the Second Authority would allow the Board of Directors to decide and execute with rapidity transfer transactions of many kinds on the basis, on the one hand, of the opportunity that may arise and, on the other hand, of the actual needs that the Company may develop. To this

effect, the Board of Directors believes that the Second Authorisation is the most appropriate legal tool for meeting, every time, the interests of the Company and of its shareholders.

Should the Second Authorisation be granted, the Board of Directors shall determine, every time it wishes to execute said authorisation, the specific justifications and the destination of the contribution, as well as of the capital increase, pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code.

The Second Reserved Increase may thus be destined, according to the need of each situation, to the achievement of the Company's interests. By way of example, it may be destined to: (i) the support and development of the Industrial Plan; (ii) the improvement of the industrial structure of the Group; (iii) the improvement of the Industrial Plan and of the Company's business lines; (iv) the creation of strategic industrial partnerships; (v) the realisation of business and development strategies.

The contribution/s in kind for the payment of the Second Reserved Increase may involve: company's branches, businesses or plants that are functionally organised for carrying out the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and non-listed financial instruments and/or other assets instrumental to the pursue of the Company's object or deemed as such by the Board o Directors.

It is however understood that, should the Second Authorisation be granted pursuant to the aforementioned terms, the eventual decision of the Board of Directors to carry out capital increases aimed at third parties, with the complete or partial exclusion of option rights pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code against an equity dilution, could be taken only if justified by specific corporate needs.

The justifications and criteria specified therein shall constitute the principles to which the Board of Directors shall abide by during the execution of the Second Authorisation, without prejudice to the obligation to disclose every time through a special report the justifications for the execution of said authorisation and the criteria by which the issue price shall be determined, as specified below (see par. 5).

It is noted that the Directors' Report, envisaged by Art. 2441, par. 6 of the Italian Civil Code, shall state explicitly the justifications of the contribution in kind with regard to the Company's interest.

## **2. 2019 final results and general information on the operating performance of 2020**

The Financial Statements as at 31 December 2019, including Giglio Group S.p.A. Annual Financial Report, have been approved by the Shareholders' Meeting on 23 April 2020 and is available, together with the Consolidated Financial Statements, at the Company's headquarters, on the Company's website [www.giglio.org](http://www.giglio.org) and on the authorised storage mechanism eMarket Storage.

With regard to the results of the last financial year, see the Financial Statements and the accompanying documentation.

With regard to the general information on the operating performance and the foreseeable outcome of the ongoing fiscal year, see the Interim Condensed Consolidated Financial Statement as at 30 June 2020, approved by the Board of Directors on 10 September 2020 and made available

at the Company's headquarters, on the Company's website [www.giglio.org](http://www.giglio.org) and on the authorised storage mechanism eMarket Storage.

### **3. Procedures Governing the Second Reserved Increase**

Upon the exercise of the Second Authorisation, the Board of Directors shall assess the most efficient technical modality for carrying out the Second Reserved Increase, taking into account the market performance and always operating in the best interest of the Company and its shareholders.

In line with market practice, the possibility to allow for the purchase of companies and branches through their transfer is one of the possible technical modalities for carrying out the Second Reserved Increase that may be chosen by the Board of Directors.

The Board of Directors shall be able to choose each time the modality for the Second Authorisations' execution, considering that the capital increase may be used through the contribution in kind of various assets, without any limitation, notwithstanding any different assessment, as set forth in Art. 2343 and 2343-ter of the Italian Civil Code. By way of example, company's branches, businesses or plants organised for the performance of the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and not listed financial instruments and/or other assets considered as instrumental by the Board of Directors for the achievement of the Company's object may be object of a contribution on behalf of third parties.

All further information required by par. 4 of Annex 3A of the Issuers' Regulation regarding each single capital increase that, upon execution of the Second Authorisation, the Board of Directors may carry out, shall be disclosed upon execution of the same authorisation with a special explanatory report to be made available to the public.

### **4. Placement and/or underwriting syndicate**

As at the date of this Report, no placement and/or underwriting syndicate are foreseen, nor any other form of placement.

### **5. Shares' issue price**

The issue price of the shares arising from the Second Reserved Capital Increase shall be determined by the Board of Directors upon the exercise of the Second Authorisation, being understood that said issue price shall be determined on the basis of the equity value, taking into account also the performance of the listings over the last six-months period, as per Art. 2441, par. 6 of the Italian Civil Code.

The Explanatory Report of the Board of Directors, envisaged by Art. 2441, par. 6 of the Italian Civil Code, shall mention the criteria adopted each time for determining the issue price and shall be made available to the public.

Upon the exercise of the Second Authorisation, the Board of Directors shall determine the portion of price to be ascribed at share capital and the one to ascribed at share premium.

## **6. Period set for the execution of the Second Authorisation and of the Second Reserved Increase**

It is proposed to establish that the duration of the Second Authorisation shall last five years, starting from the date of the adoption of the resolution (and, hence, until 12 November 2025), and that it may be exercised by the Board of Directors, whenever deemed suitable - coherently with the Company's interests -, by issuing a market disclosure on the terms and modalities of each capital increase tranche, as soon as these are determined by the Board of Directors.

## **7. Dividend entitlement of shares issued through the Second Reserved Increase**

The shares issued through the Second Reserved Increase shall have the same dividend entitlement than the ordinary shares of the Company outstanding on the issue date of the new shares.

## **8. By-laws amendments**

The granting of the Authorisation regarding the Second Reserved Increase, as described above, shall require for the amendment of Art. 6 of the By-laws, through the insertion of a new paragraph, par. 6.10. For more information on the statutory amendments, see item 3 of the agenda for the Extraordinary Meeting.

In the light of the above, we submit for your approval the following

### **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 1998 as amended and Art. 70 and 72 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as amended and integrated;*
- *provided that the currently subscribed share capital of € 3,661,337.00 is fully paid-up, as confirmed by the Auditors;*

*resolves*

1. *to give authorisation for the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, for a period of five years starting from the date of the meeting's resolution (and, hence, until 12 November 2025), to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence, for an amount of € 366,133.70 in principal, to be settled through contributions in kind (more specifically, company's branches, businesses or plants organised for the performance of the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and not listed financial instruments and/or other assets considered as instrumental by the Board of Directors for the achievement of the Company's object may be object of a contribution on behalf of third parties.), through the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code.*
2. *to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors,*

*provided that the issue price of the shares is based to the equity value, taking into account also the performance of the listings over the last six-months period;*

3. *to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.*

**Item no. 3 on the Extraordinary Meeting's Agenda**

**Amendments to Art. 6 of the Company's By-laws in view of the resolutions resulting from items 1 and 2 of the agenda. Resolutions pertaining thereto and resulting therefrom.**

Dear Shareholders,

The Board of Directors has hereby called you, with this Extraordinary Meeting, in order to submit for your approval the draft resolution to amend Art. 6 of the By-laws in view of the resolutions resulting from items 1 and 2 of the agenda of the Extraordinary Meeting called for 12 November 2020.

As reported above, items 1 and 2 of the agenda provide for the granting of the authorisation to increase the Company's share capital pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws on behalf of the Board of Directors.

In light of the above, the following table shows, on the left, the current text of Art. 6 of Giglio Group S.p.A. By-laws and, on the right, the amendments proposed with the introduction of par. 6.9 and 6.10.

<b>ARTICLE 6 - CAPITAL AND SHARES</b>	
<b>CURRENT TEST</b>	<b>AMENDMENTS PROPOSAL</b>
<p><b>6.1</b> The Share Capital amounts to € 3,661,337 (threemillionsixhundredsixtyonethousandthree hundredandthirtyseven/00) and is divided into no. 18,306,685 (sixteenmillionsevenhundredninetysventhousandtwohundredandfifty) without express nominal value.</p>	
<p><b>6.2</b> Each share gives the right to one vote and may not be divided, except as provided for in the following paragraphs 6.2.1 and 6.2.4; the case of joint ownership is regulated by Art. 2347 of the Civil Code.</p>	
<p><b>6.2.1</b> In derogation from the previous paragraph, each share gives the right to two votes if the share was held by the same entity by virtue of a real right legitimising the exercise of the voting right for a continuous period of at least 24 months. The recurrence of this precondition shall also be attested by: (i) the continuous inclusion for a period of at least 24 months in the special list (hereinafter also referred to as the "<b>List</b>"); (ii) a specific notice attesting the continuous holding for a period of 24 months, released by the financial intermediary, with whom</p>	

<b>ARTICLE 6 - CAPITAL AND SHARES</b>	
<b>CURRENT TEST</b>	<b>AMENDMENTS PROPOSAL</b>
<p>the shares are deposited pursuant to the current Law.</p> <p>The acquisition of the increased voting rights shall be obtained after three trading days of the month following the date of the beginning of the continuous period of 24 months, upon inclusion in the special list.</p> <p>The definition of share ownership shall be understood with reference to those shares whose voting right was held by the same entity on the basis of a real legitimising right, such as: (i) the full ownership of the share with voting rights, (ii) the bare ownership of the share with voting rights; o (iii) usufruct of the share with voting rights.</p> <p>For this purpose, the Company shall establish and keep in its registered office, in the form and content foreseen by the applicable law, the List, where the shareholders who wish to benefit from shares with increased voting rights shall be included. For the purpose of being included in the Special List, the entity empowered pursuant to this article shall submit the appropriate application, attaching a notice attesting its shares' ownership - that can concern also only part of the shares owned by the shareholder - issued by the intermediary with whom the shares are deposited pursuant to the current Law. Increased voting rights can be requested also for only part of the shares owned by the shareholder. In the event of entities other than natural persons, the application shall specify whether the entity is under direct or indirect third-party control or not, and shall provide identification data for the eventual controlling party.</p> <p>The Company shall remove a shareholder from the Special List in the following cases: (i) waiver by the interested party; (ii) notice of the interested party or of the intermediary attesting the absence of the preconditions</p>	

<b>ARTICLE 6 - CAPITAL AND SHARES</b>	
<b>CURRENT TEST</b>	<b>AMENDMENTS PROPOSAL</b>
<p>for the increased voting right or the loss of ownership of the real legitimising right and/or of the relative voting right; (iii) automatically, if the Company gave notice of the occurrence of the absence of the preconditions for the increased voting right or the loss of ownership of the real legitimising right and/or of the relative voting right.</p>	
<p><b>6.2.2</b> Pursuant to Art. 127-<i>quinquies</i>, par. 3, of Legislative Decree no. 58 of 24 February 1998, as amended (the "<b>CFA</b>"), the benefit of the increased voting right shall cease: (i) in case of transfer, free of charge or not, of the share, it being understood that "transfer" also means the granting of a pledge, an usufruct or any other restriction on the share, when this entails the loss of voting right on behalf of the shareholder. In the hypotheses of free or paid transfer of only a part of shares with increased voting rights, the transferor shall maintain the increased voting rights on the remaining shares, and (ii) in case of transfer, direct or indirect, of controlling shareholdings in companies or entities that hold more shares with increased voting right than the threshold laid down in Art. 120, par. 2 of the CFA.</p>	
<p><b>6.2.3</b> Increased voting rights:</p> <ul style="list-style-type: none"> <li>a) Shall be kept in the event of inheritance due to death and in case of merger and division of the shareholder;</li> <li>b) Shall be extended to newly-issued shares in the event of capital increase pursuant to Art. 2442 of the Italian Civil Code;</li> <li>c) Shall be extended also to shares granted in exchange for shares with increased voting rights in the event of merger or division, if the related project so provides;</li> </ul>	



<b>ARTICLE 6 - CAPITAL AND SHARES</b>	
<b>CURRENT TEST</b>	<b>AMENDMENTS PROPOSAL</b>
<p>d) Shall be extended proportionally to the shares issued upon execution of capital increase through new contributions (considering otherwise less incentivising the participation in the gathering of new risk capital by the shareholder who attained, or is about to attain, shares with increased voting rights).</p>	
<p><b>6.2.4</b> The increased voting rights shall be counted after calculating the voting quorums, for constitution and passing resolutions, that refer to the share capital's rates but that do not have any effect on the rights, other than the voting one, entitled to shareholders in possess of specific share capital's rates.</p>	
<p><b>6.3</b> Shares can be freely transferred pursuant to the Law and can be subject to pledge, usufruct and seizing.</p>	
<p><b>6.4</b> Shares are nominal, indivisible and are placed in the book entry system subject to the current law and issued in the centralised management system of financial tools referred to in Art. 83-bis et seq. of the CFA.</p>	
<p><b>6.5</b> The quality of shareholder constitutes acceptance of these By-laws.</p>	
<p><b>6.6</b> The Share Capital can be increased upon resolution of the Meeting also with the issuance of shares with different rights from the ordinary ones and with different contributions other than money, to the extent permitted by the Law. In the event of a Share Capital increase, upon resolution of the Meeting, the norms and conditions related to the issuance of the new capital, the dates and the payment modalities shall be determined by the Board of Directors. In the event of a paid Share Capital increase, the option right may be excluded with a Meeting resolution or, if appointed by proxy, with a Board of Directors' resolution, within the limits and the terms and conditions</p>	

<b>ARTICLE 6 - CAPITAL AND SHARES</b>	
<b>CURRENT TEST</b>	<b>AMENDMENTS PROPOSAL</b>
foreseen by Art. 2441, par. 4, first and second sentence, par. 5 and par. 8 of the Italian Civil Code.	
<b>6.7</b> The Meeting can grant directors with the power to increase once or more times the Share Capital pursuant to Art. 2443 of the Civil Code.	
<b>6.8</b> The Meeting shall be able to resolve the Share Capital decrease with the terms and conditions established by the Law.	
	<p><b>6.9</b> On 12 November 2020, the Extraordinary Meeting resolved:</p> <p><i>1. to vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, as well as to Art. 44, par. 3 of Decree Law no. 76/2020, converted by Law no. 120/2020, until 30 June 2021, with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code, within the limits of 20% (twenty percent) of the existing share capital, through the issue, also in more tranches, of ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to entities identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - possibly also through the conversion of loan payables into risk capital by shareholders, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would eventually be</i></p>

<b>ARTICLE 6 - CAPITAL AND SHARES</b>	
<b>CURRENT TEST</b>	<b>AMENDMENTS PROPOSAL</b>
	<p><i>interested in purchasing said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;</i></p> <p><b>2. to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares corresponds to the market value of said shares, also taking into account the general context and the price at which the institutional investors would eventually be interested in purchasing said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;</b></p> <p><b>3. to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.</b></p>
	<p><b>6.10 On 12 November 2020, the Extraordinary Meeting resolved:</b></p> <p><b>1. to give authorisation for the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, for a period of five years starting from the date of the meeting's resolution (and, hence, until 12 November 2025), to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence, for an amount of € 366,133.70 in principal, to be settled through contributions in kind (more specifically, company's branches,</b></p>

<b>ARTICLE 6 - CAPITAL AND SHARES</b>	
<b>CURRENT TEST</b>	<b>AMENDMENTS PROPOSAL</b>
	<p><i>businesses or plants organised for the performance of the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and not listed financial instruments and/or other assets considered as instrumental by the Board of Directors for the achievement of the Company's object may be object of a contribution on behalf of third parties.), through the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code.</i></p> <p><b>2.</b> <i>to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares is based to the equity value, taking into account also the performance of the listings over the last six-months period;</i></p> <p><b>3.</b> <i>to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.</i></p>

The proposed By-laws amendments do not attribute to the shareholders who did not vote for the approval of the related resolution, the right to withdraw, pursuant to Art. 2437 of the Civil Code.

Therefore, upon approval of the Meeting of the resolutions mentioned in items 2 and 3 of the agenda of the Extraordinary part of the Meeting, we submit for your approval the following

**draft resolution**

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

- *having acknowledged the resolutions of today's Extraordinary Meeting, which approved to vest the Board of Directors with the power to increase the share capital of the Company pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws;*
- *having examined the Directors' Report, prepared pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1998 as amended and Art. 70 and 72 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as amended and integrated;*

resolves

A. *to amend the current By-laws:*

a. *adding, after par. 6.8 of Art. 6 of the By-laws, the following par. 6.9:*

"6.9 On 12 November 2020, the Extraordinary Meeting resolved:

1. *to vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, as well as to Art. 44, par. 3 of Decree Law no. 76/2020, converted by Law no. 120/2020, until 30 June 2021, with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 4, second sentence of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code, within the limits of 20% (twenty percent) of the existing share capital, through the issue, also in more tranches, of ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to entities identified by the Board of Directors - including qualified industrial and/or financial Italian and international investors, and/or current shareholders and collaborators of the Company - possibly also through the conversion of loan payables into risk capital by shareholders, provided that the issue price of the shares corresponds to the market value of those already issued, also taking into account the general context and the price at which the institutional investors would eventually be interested in purchasing said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;*

2. *to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares corresponds to the market value of said shares, also taking into account the general context and the price at which the institutional investors would eventually be interested in purchasing said shares, and that this is confirmed by a specific report from a statutory auditor or an auditing company;*

3. *to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.*

b. *adding, after par. 6.9 of Art. 6 of the By-laws, as reported in the previous paragraph a), the following new par. 6.10:*

6.10 "On 12 November 2020, the Extraordinary Meeting resolved:

1. *to give authorisation for the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, for a period of five years starting from the date of the meeting's resolution (and, hence, until 12 November 2025), to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code, for an amount of € 366,133.70 in principal, to be settled through contributions in kind (more specifically, company's branches, businesses or plants organised for the performance of the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and not listed financial instruments and/or other assets considered as instrumental by the Board of Directors for the achievement of the Company's object may be object of a contribution on behalf of third parties.), through the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code.*
2. *to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares is based on the equity value, taking into account, for those shares listed in regulated markets, also the performance of the listings over the last six-months period;*
3. *to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.;"*  
*without amending any other part of Art. 6 of the By-laws;*
- B. *to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - with any power in order to:*
  - a. *implement each time Art. 6 of the By-laws the amendments resulting from the resolutions, executions and completion of each single tranche of reserved capital increase as described above, taking care of all fulfilments and disclosure provided for under the current legislation;*
  - b. *execute any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions."*

\* \* \* \* \*

Milan, 12 October 2020

For the Board of Directors

The Chairman of the Board of Directors

Mr Alessandro Giglio

Fine Comunicato n.20076-57

Numero di Pagine: 23