



*Unieuro S.p.A. registered office in forlì, giovanni schiaparelli, no. 31  
share capital euro 4,000,000 fully paid  
tax identification number and number of  
registration in the business register of forlì-cesena 00876320409.*

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS  
ON THE PROPOSAL AT ITEM 3 OF THE AGENDA OF THE  
ORDINARY SHAREHOLDERS' MEETING OF UNIEURO  
S.P.A., CONVENED ON 17 DECEMBER 2020 IN SINGLE  
CALL**

### 3. Authorization for the purchase and disposal of treasury shares; inherent and consequent resolutions.

Dear Shareholders,

This report has been drafted pursuant to art. 125-*ter* of Legislative Decree 24 February 1998 No. 58 ("TUF") as well as art. 73 of the Regulation adopted by Consob resolution No. 11971 of 14 May 1999 ("Issuers Regulations") and in accordance with Annex 3A - Scheme 4 thereto.

The Board of Directors has convened an ordinary and an extraordinary meeting on 17 December 2020 in single call, to submit for your approval, *inter alia*, authorization, pursuant to arts. 2357 and 2357-*ter* Italian Civil Code, art. 132 TUF and art. 144-*bis* Issuers' Regulations, to purchase (or 'buy back') Company own shares (treasury shares), as well as to carry out transactions disposing of shares in Unieuro SpA ("Company" or "Unieuro" or "Issuer") in accordance with the terms and conditions set forth in this report (the "Report"), for a period of 18 months to run as of the date upon which the related resolution is passed at the Shareholders' Meeting.

This Report was approved by the Board of Directors at the meeting held on 27 October 2020 and shall be made available to the public in accordance with the laws and regulations, at the registered office, on the Company's website in the section "Unieurospa.com / Corporate Governance / Shareholders' Meetings / Shareholders' Meeting December 2020" and in any other manner envisaged by the legislation in force.

\* \* \*

With reference to item 3 on the agenda of the Shareholders' Meeting, the Board of Directors is desirous to submit for Shareholders' consideration and approval, pursuant to articles 2357 and 2357-*ter* Italian Civil Code and art 132 TUF, its proposal that authorization be granted to allow the purchase and disposal of up to a maximum of 2,000,000 ordinary shares in the Company in one or more tranches. Said number constitutes 10% of the subscribed share capital as at the date of this Report.

This Report illustrates the reasons underlying the request for authorization, as well as the terms and the manner according to which the purchase and disposal of treasury shares would be carried out.

\* \* \*

#### 1. Reasons underlying the request for the authorization to purchase and dispose of treasury shares

Authorization for the purchase and disposal of treasury shares as per this Report is required in general to avail of any opportunities that the market may offer in the future, and in particular to allow the Company to carry out the transactions listed below:

- a) disposal of and/or use of treasury shares, in line with the strategic plan that the Company is desirous to pursue in the context of extraordinary transactions, including by way of example and not by way of limitation: share swaps; exchanges; contributions; support for capital transactions; in the context of swaps or sale of share packages and/or to enter into commercial and/or strategic alliances or for any other use deemed to be of financial and/or management interest for the Company; and/or
- b) buy back of shares in the context of medium and long-term investment, or in any case to avail of market opportunities including by way of the purchase and resale of shares whenever such activity is deemed appropriate both on the market (as regards the sale) and in the 'over the counter' market or outside the market provided that the transaction is on market conditions and in compliance with the applicable laws and regulations; and/or
- c) buy back of shares to be used, where deemed appropriate, for servicing existing and future stock incentive plans, including for the long-term, for the benefit of directors and/or employees and/or collaborators of the Company or of companies controlled by Unieuro; and/or
- d) entry into of agreements with individual directors, employees and/or collaborators of the Company or its subsidiaries, which are not within the remit of incentive plans; and/or
- e) carrying out of activities to support market liquidity where necessary and in compliance with the provisions in force (including for the purposes contemplated by market practice), to favour regular trading conduct and avoid anomalous price movements, as well as regularize trading and price trends against any temporary distortionary phenomena linked to an excess of volatility or poor trading liquidity; and/or
- f) launching of share buyback programmes for the purposes set out in art. 5 of Regulation (EU) no. 596 of 16 April 2014 on market abuse ("MAR") - i.e., reduction of share capital, fulfilment of obligations deriving from debt instruments convertible into shares or from share option programmes or any other assignments of shares to employees or members of the management and control bodies of the Company or its connected companies or any other purpose contemplated by the latest version of said regulation and/or for the purposes contemplated by permitted market practices pursuant to art. 13 MAR, in accordance with the terms and in the manner as may be approved by the Board of Directors.

## **2. Maximum number, class and nominal value of the shares subject of the authorization**

The Company's share capital is Euro 4,000,000 divided into 20,000,000 ordinary shares with no indication of par value.

The Board of Directors requests authorization for the purchase and disposal of ordinary shares of the Company, including in one or more tranches, to an extent that the Board of Directors shall be free to determine, up to a maximum number of 2,000,000 ordinary shares, with no indication of par value and equal to 10% of the shares currently in circulation.

## **3. Information for the purpose of a complete assessment of compliance with the provisions of Article 2357 paragraph 3 Italian Civil Code**

The maximum number of shares subject of the authorization under discussion is 2,000,000 ordinary shares representing 10% of the Company's share capital. Therefore, the authorization to buy back shares covered by this proposal complies with the provisions of the third paragraph of art. 2357 Italian Civil Code, which we remind you provides that the nominal value of the buy back shares may in no circumstance exceed 20% of the Company's share capital.

The aforementioned limit refers to all the treasury shares that the Company holds in its portfolio, as well as Company shares held by any of its controlled companies.

Please note that, as at the date of this Report:

- (i) the Company does not possess treasury shares, and
- (ii) no company controlled by Unieuro holds shares in the Company.

You are reminded that pursuant to Article 2357 first paragraph Italian Civil Code, the buy back of shares is permitted within the limits of distributable profits and available reserves reported in the most recent duly approved financial statements.

Furthermore, we underline that the Board of Directors is required to verify compliance with the conditions required by the first and third paragraphs of art. 2357 Italian Civil Code concerning buy back of shares prior to completion of each authorized purchase, thus checking the sufficiency of the available reserves from time to time. In the event of share: purchase; sale, swap; contribution; devaluation, the appropriate accounting entries must be made in compliance with the provisions of law and applicable accounting principles.

#### **4. Requested authorization duration**

The authorization for the buy back of treasury shares is requested for the maximum duration allowed by art. 2357 second paragraph Italian Civil Code and therefore for a period of 18 (eighteen) months from the date of approval of this proposal at the Shareholders' Meeting.

During such period, the Company may carry out the transactions envisaged herein in relation to treasury shares in one or more tranches.

The authorization for the sale, disposal and/or use of any treasury shares as may be purchased is requested without any time limits, mindful that there are no regulatory constraints in this regard and in order to allow maximum flexibility, also in terms of timing, for any share disposal.

The authorization request includes the right to subsequently dispose of shares in the portfolio in whole or in part, including in one or more tranches, even if the maximum number of shares that may be purchased has not yet been exhausted.

We underline that purchases will cease once the limit of 2,000,000 Unieuro ordinary shares has been reached. This number is the absolute maximum cap on purchases, and for that reason shall remain unchanged even in the event of the sale or use of treasury shares in the portfolio.

#### **5. Minimum and maximum economic consideration and the market valuations upon which they were determined**

The Board of Directors proposes that the purchases of treasury shares be made, mindful of the manner chosen for the carrying out of the transaction, in compliance with the terms and conditions established by applicable legislation (also taking into account the conditions provided for by art. 3 of the Delegated Regulation (EU) 2016/n. 1052 of 8 March 2016 ("**Delegated Regulation**") implementing the MAR) and the accepted market practices from time to time, if and to the extent applicable for the purposes referred to in Paragraph 1 above. The Company shall also comply, where applicable, with the limitations and requirements concerning purchase price provided for by the accepted applicable market practices from time to time where the conditions therefor subsist and it is deemed opportune to make use of them.

In this regard, it is proposed that the unit price for share purchase be established from time to time for each individual transaction, it being understood that:

- shares' purchase may be carried out for consideration not lower than a minimum of 10% and not higher than a maximum of 10% of the share reference price recorded in the trading session of the day preceding each individual transaction;
- shares' purchase price shall comply with the provisions of art. 3 paragraph 2 Delegated Regulation which, as at the date of this report, means a price not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out or in conformity with the regulations in force from time to time.

The assignment or other disposal transaction or use of treasury shares acquired in virtue of the authorization proposed herein shall be:

- where executed in cash, then at a price per share to be established on the basis of the criteria set forth in the applicable legislation and/or pursuant to acceptable market practices from time to time and in any case at a price not lower than 10% of the price reported on the Electronic Stock Market organized and managed by Borsa Italiana SpA in the trading session preceding each individual transaction; that this price limit may be waived in the event of the sale of shares in execution of stock incentive plans and, in any case, plans pursuant to Article 114-*bis* of the TUF;
- where carried out in the context of any extraordinary transaction, by way of example but not limited to, share swap, exchange, contribution or to service capital transactions or other corporate and/or financial transactions and/or other transactions of an extraordinary nature or in any case any other non-cash disposition, then according to the economic terms that shall be decided by the Board of Directors taking into account the nature and characteristics of the transaction and the market trend of Unieuro stock;
- as regards shares required to serve stock incentive plans, then according to the terms and conditions indicated by the regulations of the said plans. For information on the Company's incentive and loyalty plan entitled "2020-2025 Performance Share Plan", please refer to the information document prepared pursuant to art. 114-*bis* TUF and art. 84- *bis* Issuers' Regulations, which shall be made available within the timelines and in the manner provided for by the legislation currently in force;

and in any case in compliance with the terms, conditions and requirements established by current legislation and, where applicable, by market practices accepted from time to time.

## 6. Manner in which the purchases and disposals will be made

Share buy back shall be made in the manner as shall be determined from time to time by the Board of Directors, who shall ensure equal treatment among the shareholders and respect of the operating procedures established by the organization and management regulations of markets and who shall also ensure compliance with art. 132 TUF and art. 144-*bis* Issuers' Regulation, within the remit and operating limits of the MAR, including permitted market practices pursuant to art 13 MAR, of Delegated Regulation and of the applicable legislation generally applicable to the sector (including the provisions under Regulation (EU) 2019/2115 or published by CONSOB or ESMA).

The issuer may delegate the task of coordinating and executing treasury share transactions to a specialized intermediary.

The above-mentioned operating procedures are exempted by Article 132 paragraph 3 TUF as concerns the purchase of treasury shares held by employees of the Company or of companies controlled by Company and assigned or subscribed pursuant to of articles 2349 and 2441 paragraph 8 Italian Civil Code or deriving from compensation plans approved pursuant to art. 114-*bis* TUF. Shares serving stock incentive plans shall be allocated in the manner and within the term provided for by the relative plan regulations.

Mindful of the various purposes that may be pursued through treasury share transactions, the Board proposes that the authorization be granted to allow purchases in any manner allowed by the legislation, including regulations, in force from time to time as the board shall identify at its discretion, which at the date of this Report may be:

- (i) through public bids or exchange tender offerings;
- (ii) by purchases made on regulated markets, in accordance with the procedures established by Borsa Italiana S.p.A., which do not allow the direct matching of buy orders with predetermined sell orders;
- (iii) through the purchase and sale of derivative instruments traded on those regulated markets or multilateral trading systems that provide for the physical delivery of the shares under the conditions established by art. 144-*bis* letter c) Issuers' Regulations<sup>1</sup>;
- (iv) through the grant to shareholders of put options proportionate to number of shares held;
- (v) in carrying out the systematic internalization activity in a non-discriminatory manner and which provides for the automatic and non-discretionary execution of transactions based on pre-set parameters;
- (vi) the methods established by market practices accepted by Consob pursuant to Article 13 of Delegated Regulation;
- (vii) under the conditions indicated in Article 5 MAR;
- (viii) in the manner prescribed by market practices accepted by Consob or ESMA.

Those shares serving stock incentive plans shall be allocated in the manner and within the term indicated by the regulations of said plans in force from time to time.

<sup>1</sup> In any case, authorised financial intermediaries will be appointed to carry out the purchase and sale of derivative instruments. The amount of shares that may be purchased shall be a maximum of 600,000 ordinary shares, with no par value, equal to 3% of the shares currently outstanding.

With regard to disposals, the Board of Directors proposes that the authorization allow that any process be adopted as may be deemed opportune to achieve the pursued objectives - including the use of treasury shares to service share incentive plans and/or the assignment of rights *in rem* or personal rights or securities lending - whether carried out directly or through intermediaries, in adherence with the provisions of the law and regulations in force on the subject.

Notice will be given of any transaction for purchase and disposal of treasury shares in conformance with the applicable disclosure obligations provided for under domestic and EU provisions.

We remind you that for as long as they remain the property of the Company, treasury shares shall not carry voting rights, dividend rights or option rights in proportion to number of other shares held.

### **7. Further information should the purchase transaction be instrumental to a reduction of share capital by cancellation of the shares subject of the buyback.**

We confirm that the buy back of shares is not deemed instrumental to a reduction of the share capital of the Company. This is without prejudice to the Company's right to execute any share reduction as may be approved at a future Shareholders' Meeting, by cancelling treasury shares in the portfolio as well as cancelling treasury shares without a reduction in capital, as likewise may be approved at a future Shareholders' Meeting.

\* \* \*

In consideration of all the foregoing, the Board of Directors respectfully submits the following resolution proposal for your approval:

*"The Shareholders of Unieuro S.p.A., at the ordinary Shareholder's meeting,*

- having examined the Report of the Board of Directors drawn up pursuant to Article 125-ter D. Legislative Decree no. 58 of 24 February 1998 ("TUF"), and Article 73 of Regulations adopted by Consob resolution no. 11971 of 14 May 1999 (the "Issuers' Regulation") and in accordance with Annex 3A - Scheme No. 4 thereto;*
- having noted that it would be opportune to grant authorization for the purchase and disposal of treasury shares for the purposes and in the manner set forth in the Board of Director's report;*
- acknowledging the provisions of Articles 2357 and 2357-ter civil code and art. 132 of TUF;*
- having regard to: the provisions of Articles 2357 et seq of the Civil Code; art. 132 TUF; art. 144-bis Issuers' Regulation; the provisions of Regulations (EU) No. 596 of 16 April 2014 on market abuse ("MAR"); the Delegated Regulation (EU) No. 1052 of 8 March 2016; ("Delegated Regulation") and accepted market practices from time to time;*
- acknowledging that at the date of this Explanatory Report of the Board of Directors the Company does not hold treasury shares;*

*resolve*

1. *that they authorize the Board of Directors, pursuant to and for the purposes of Article 2357 Italian Civil Code and the combined provisions of art. 132 TUF and art. 144-bis Issuers' Regulations, to buy back in one or more tranches a maximum number of ordinary shares in Unieuro not exceeding 10% of the share capital, thus currently a maximum of 2,000,000, in compliance with the provisions of art. 2357 paragraph 3 of Italian Civil Code, to facilitate pursuit of the purpose set out in the Report of the Board of Directors and on the following terms and conditions:*
  - a. *the purchase may be made in one or more tranches within 18 (eighteen) months of the date this resolution is passed, such purchase in accordance with any manner envisaged by the combined provisions of Article 132 TUF and Article 144-bis Issuers' Regulations, taking into account the specific exemption provided for by paragraph 3 of said Article 132 TUF and, in any case, in any other manner permitted by the legal and regulatory provisions in force from time to time, also considering the remit and operating limits of the MAR, including permitted market practices pursuant to art 13 MAR, of Delegated Regulation and of the applicable legislation generally applicable to the sector (including the provisions under Regulation (EU) 2019/2115 or published by CONSOB or ESMA);*
  - b. *buy back of own shares shall be made within the limits of distributable profits and available reserves reported in the latest duly approved financial statements at the time of the transaction;*
  - c. *the purchase price of each share shall not be less than a minimum of 10% and not more than a maximum of 10% of the reference price recorded for that share in the trading session of the day preceding the individual transaction. Furthermore, buy back of shares on the market will be carried out in compliance with the terms, conditions and requirements established by the applicable EU legislation and permitted market practices from time to time in force;*
  - d. *the shares' purchase price must comply with the provisions of art. 3 paragraph 2 of Delegated Regulation which, as at the date of this report, means a price not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out or in conformity with the regulations in force from time to time.*
2. *that they authorise, pursuant to and for the purposes of article 2357-ter of the Italian Civil Code, any disposal in whole or in part of the treasury shares purchased and held in the Company's portfolio in one or more tranches, in compliance with the laws and regulations in force from time to time, to facilitate pursuit of the purposes set out in the Report of the Board of Directors and on the following terms and conditions:*
  - a. *the shares may be disposed of or otherwise assigned at any time without time limits;*



- b. *in the event that the transaction, and in particular the sale of treasury shares, is executed in cash, it must be carried out at a price per share established on the basis of the criteria set out in the applicable legislation and/or permitted market practices from time to time and in any case, at a price not less than 10% under the reference price recorded on the Electronic Share Market organized and managed by Borsa Italiana SpA in the trading session prior to the individual transaction; that this price limit may be waived in the event of the sale of shares in execution of stock incentive plans and, in any case, plans pursuant to Article 114-bis of the TUF;*
- c. *in the event the shares are used in the context of any extraordinary transaction, by way of example but not limited to, share swap, exchange tender offering, contribution or to service capital transactions or other corporate and/or financial transactions and/or any other transactions of an extraordinary nature or in any case any other disposal not for cash consideration, then the economic terms shall be determined by the Board of Directors taking into account the nature and characteristics of the transaction and the market trend of Unieuro stock;*
- d. *shares to perform stock incentive plans shall be allocated to the plan recipients in the manner and within the timelines set forth in the regulations for the said plans;*

*and in all cases, in compliance with the terms, conditions and requirements established by current legislation and, where applicable, by the accepted market practices from time to time, in particular if the shares are to be used for activity to support market liquidity;*

**3.** *that they grant the Board of Directors the powers to:*

- *determine the reserves to be earmarked for the purchase of own shares;*
- *establish the manner and timelines as well executive and ancillary terms of purchases and disposal transactions concerning treasury shares, provided that such are in conformance with the conditions and limits provided in this resolution and in the regulations in force from time to time, including if such regulations differ from those currently in force;*
- *entrust to the Chairman of the Board of Directors and the Chief Executive Officer pro tempore in office, individually and with the right of each of them to sub-delegate individual items or categories of items to third parties outside the Board:*
  - *the carrying out of any necessary and/or appropriate accounting registration for transactions involving treasury shares in compliance with the provisions of the law in force and the applicable accounting principles;*
  - *the entering into of any deed or document to fulfil any and all formalities, including vis-à-vis third parties, as deemed necessary or in any case appropriate to execute this resolution and executive resolutions of the Board of Directors;*
  - *powers to enable them to carry out the purchase and disposal of treasury shares, including through authorized intermediaries and approving any and all executive provisions of the related purchase programme, and disclose*

*information to the market as permitted by current legislation and market practices from time to time".*

\* \* \* \* \*

Forlì, 27th October 2020

*On behalf of the Board of Directors  
Stefano Meloni  
Chairman of the Board of Directors of Unieuro S.p.A.*