



Directors' Report of Landi Renzo S.p.A. in accordance with section 125-ter of legislative decree 58/1998 and sections 84-ter and 73 of Consob regulation no. 11971 of 1999, to the ordinary Shareholders' Meeting, to be held at the registered office of the Company in Corte Tegge, Cavriago (Reggio Emilia), Via Nobel 2/4, on 29 April 2021 at 9:00 a.m. in single call.

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1. **1.1 FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020, DIRECTORS' REPORT ON OPERATIONS, BOARD OF STATUTORY AUDITORS' REPORT AND INDEPENDENT AUDITORS' REPORT; ANY RELATED RESOLUTIONS. 1.2. RESOLUTIONS REGARDING THE RESULTS OF THE FINANCIAL YEAR; ANY RELATED RESOLUTIONS.**

Dear Shareholders,

the draft financial statements for the year ended 31 December 2020, which we are submitting to your approval, report a loss for the financial year of Euro 6,283,624.66.

In the draft financial statements, the tax value of the AEB trademark has been realigned to the statutory value, pursuant to Article 110, paragraph 8, of the Italian decree law no. 104/2020, and we therefore propose to place a tax suspension restriction (*vincolo di sospensione di imposta*) equal to Euro 4,082,083.55 on the share premium reserve.

We are also submitting the consolidated financial statements of Landi Renzo for the year ended as of 31 December 2020 which, although does not need to be approved by the Shareholders' Meeting, sets out additional information provided with the Landi Renzo S.p.A. financial statements for the year (the "**Company**" or "**Landi Renzo**").

For more information, please refer to the financial statements for the year ended as of 31 December 2020 and the related Management Report, which also includes the non-financial statements pursuant to Italian legislative decree 254/2016, which you are asked to approve. We submit to your approval the following

proposed resolution

"The Shareholders' Meeting of Landi Renzo S.p.A., having acknowledged the Board of Director's management report, the Board of Statutory Auditors' report and the independent auditors' report, and having reviewed the financial statements for the year ended on 31 December 2020,

resolves

- to approve the financial statements of Landi Renzo S.p.A. for the year ended on 31 December 2020, which report a loss for the financial year of Euro 6,283,624.66 , as presented by the Board of Directors with regard to the aggregate accounts, the individual items, as well as the management report prepared by the Board of Directors;
- to approve the setting-off of the loss of the year equal to Euro 6,283,624.66 recorded by Landi Renzo S.p.A., by means of the entire amount provisioned under the extraordinary reserve, which is then reduced to zero, and of the Share Premium Reserve, which is reduced to Euro 28,945,566.50; and



- to place a tax suspension restriction (*vincolo di sospensione di imposta*) of Euro 4,082,083.55 on the share premium reserve, for the purposes of the realignment of the tax value of the AEB trademark to the statutory value, pursuant to Italian decree law no. 104/2020.

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2. **REPORT ON THE REMUNERATION POLICY AND THE COMPENSATION PAID AS AT 31 DECEMBER 2020. 2.1. ANALYSIS AND APPROVAL OF THE FIRST SECTION, PURSUANT TO ARTICLE 123-TER, SIXTH PARAGRAPH, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS SUBSEQUENTLY AMENDED AND INTEGRATED, AND ARTICLE 84-QUATER OF THE REGULATION ADOPTED BY CONSOB WITH THE RESOLUTION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND INTEGRATED. 2.2. RESOLUTIONS RELATING TO THE SECOND SECTION, PURSUANT TO ARTICLE 123-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS SUBSEQUENTLY AMENDED AND INTEGRATED, AND ARTICLE 84-QUATER OF THE REGULATION ADOPTED BY CONSOB WITH THE RESOLUTION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND INTEGRATED; ANY RELATED RESOLUTIONS.**

Dear Shareholders,

we submit to your attention the Report on the remuneration policy and compensation paid, prepared in accordance with sections 123-ter of the Consolidated Financial Act and 84-quater of the Regulations for Issuers.

We reiterate that the Report on the remuneration policy and compensation paid is set out in two sections, which respectively describe: (i) the Company's policy regarding the remuneration of members of the management body and managers with strategic duties with regard to at least the next financial year and, without prejudice to the provisions of article 2402 of the Italian civil code, the members of the auditing body, as well as the procedures employed for the adoption and implementation of this policy; and (ii) each of the items included in the remuneration of members of the management and internal audit bodies, and of the managers with strategic duties, fees paid to them for whatever reason in the relevant financial year, as well as the manner in which the Company considered the vote cast during the previous year on the second section of the report.

Pursuant to article 123-ter, paragraph 3-bis and paragraph 3-ter, of the Consolidated Financial Act, the first section of the report is subject to a binding vote by the Shareholders' Meeting. If the Shareholders' Meeting will not approve the remuneration policy, the Company will continue to pay remuneration in accordance with the most recent remuneration policy approved by the Shareholders' Meeting; in this event, the Company is required to submit a new remuneration policy to the vote of the



Shareholders' Meeting at the latest in the context of the next Shareholders' Meeting provided for in Article 2364, paragraph 2, of the Italian civil code.

With regard to the second section of the abovementioned report, pursuant to the sixth paragraph of article 123-ter of the Consolidated Financial Act, the Shareholders' Meeting shall vote in favour or against it with a non-binding resolution.

Having stated the above and making reference for more information in this regard to the information set out in the Report on the remuneration policy and compensation paid, we submit, in accordance with the provisions of section 123-ter, paragraph 3-bis and 6, of the Consolidated Financial Act, to your approval the following

proposed resolution

"The Shareholders' Meeting of Landi Renzo S.p.A.,

- having acknowledged the Report on the remuneration policy and compensation paid prepared by the Board of Directors and drawn up in accordance with section 123-ter of the Consolidated Financial Act and section 84-quater of the Regulations for Issuers,
- having specifically reviewed the "*first section*" regarding the policy of the Company on the remuneration of members of the management body and of the managers with strategic duties and, without prejudice to the provisions of article 2402 of the Italian civil code, of the members of the auditing bodies and the procedures used for the adoption and implementation of this policy,
- having examined the "*second section*", which illustrates by name each of the items of the remuneration of the members of the management bodies, the auditing bodies and the managers with strategic duties, as well as the remuneration paid to them, for any reason, in the financial year ended on 31 December 2020,
- having regard to the Self-Regulatory Code, which the Company has adopted,

resolves

1. to approve, pursuant to and for the purposes of article 123-ter, paragraph 3-bis, of the Consolidated Financial Act, the first section of the report on the remuneration policy and compensation paid, prepared in accordance with articles 123-ter of the Consolidated Financial Act and 84-quater of the Issuers' Regulation; and
2. in favour of the second section of the report on the remuneration in accordance with article 123-ter, sixth paragraph, of the Consolidated Financial Act."

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3. **AUTHORISATION TO PURCHASE AND DISPOSE OF TREASURY SHARES;
ANY RELATED RESOLUTIONS.**

(report in accordance with section 73 of the Regulations for Issuers)

Dear Shareholders,

the Shareholders' Meeting of 29 April 2019 authorised the Company to purchase treasury shares during the 18 months following the date of that resolution, as well as to sell any treasury shares without any time limit.

Subsequently, the Board of Directors' Meeting of 13 March 2020 resolved to propose to the Shareholders' Meeting the renewal of the authorisation to purchase and dispose of treasury shares, under the same terms and conditions set out in the previous resolution adopted by the Shareholders' Meeting, after revocation of the previous authorisation, to the extent not implemented.

The proposal was submitted to the Shareholders' Meeting of 8 May 2020, which, however, resolved not to approve the proposal. In this regard, it should be noted that, as announced to the public by means of a press release on 28 April 2020, the majority shareholders, Girefin S.p.A. and Gireimm S.r.l., had communicated their intention to vote against the proposal to authorise the purchase and disposal of treasury shares. Such a dissenting vote was motivated by the desire not to preclude the Company from a possible access to measures to support business liquidity, which had been introduced by decree law no. 23 of 8 April 2020 (so-called "*Decreto Liquidità*").

The term of validity of the authorisation approved by the Shareholders' Meeting of 29 April 2019 has therefore expired on 29 October 2020.

In the 2020 financial year and until now, the Company did not purchase any treasury shares. The Company, therefore, has no treasury shares in its portfolio as of the date hereof.

Since the term of validity of the above authorisation has expired on 29 October 2020, given that this proposal is in line with the practice followed by the majority of listed companies, we believe it would be useful to propose that you provide a new authorisation to purchase and to sell treasury shares in accordance with sections 2357 and following of the Italian Civil Code.

Below we set out the reasons and terms and conditions for the purchase and sale of treasury shares which we ask you to authorise.

(A) Reasons for the request to have the Shareholders' Meeting to authorise the purchase and sale of treasury shares



The authorisation is requested, in accordance with the purposes provided under section 5, paragraph 2, of the Regulation (UE) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, to sell treasury shares to be used in the context of remuneration plans based on the allocation of financial instruments pursuant to section 114-*bis* of the Consolidated Financial Act (including, without limitation, the Performance Shares Plan 2019-2021 approved by the Shareholders' Meeting on 29 April 2019) for executive directors and/or employees, including managers and other contractors of the Company and its subsidiaries, or to service issues of debt securities convertible into shares of the Company.

The authorisation is also required in order to conduct a stabilising action of the courses related to short-term market situations and however in accordance with the provisions set forth under section 5, paragraph 4, of the Regulation (UE) No. 596/2014 of the European Parliament and of the Council of 16 April 2014.

The purchase of such treasury shares, moreover, can be used to manage the Company's liquidity efficiently or to be used as consideration for acquisitions or share exchange tender offers.

We ask the Shareholders' Meeting to simultaneously authorise the Board of Directors to sell any shares that might be purchased since we consider this to be an important managerial and strategic instrument.

(B) Maximum number and nominal value of shares authorised for purchase/sale

The authorisation is sought for the purchase of a maximum number of ordinary shares of the Company, whose aggregate nominal value, inclusive of the nominal value of any Company shares owned by the Company's subsidiaries, cannot exceed one fifth of the Company's share capital in compliance with the limits set forth in section 2357, paragraph 3, of the Italian Civil Code. To ensure compliance with the above aggregate limit of 20% of the Company's share capital, the Landi Renzo subsidiaries will be instructed to report promptly any purchase of Landi Renzo shares.

The compensation paid or received from the sale and purchase of treasury shares will be recorded in the accounts directly as shareholders' equity in accordance with the accounting principle "IAS 32" and, in any event, in compliance with the accounting rules and regulations applicable from time to time.

(C) Term of the Authorisation's Validity

The authorisation to purchase is being requested for 18 months from the date on which the Shareholders' Meeting approves the resolution, while the authorisation to sell is requested without a time limit.

(D) Consideration for the purchase and sale of shares

The purchase price of any share shall range from 20% less than, and up to 20% more than, the reference price recorded by the shares on the stock exchange on the trading



day before each sale transaction, and however at a price not exceeding the highest price between the price of the last independent operation and the price of the highest current independent purchase offer in the trading venue where the purchase is done, even when the shares are traded in different trading venues.

The sale price of any share shall range from 20% less than, and up to 20% more than, the reference price recorded by the shares on the stock exchange on the trading day before each sale transaction. These price limitations will not apply for sales or transfers without consideration of shares to employees, including managers, executive directors and other contractors of Landi Renzo and its subsidiaries in the context of remuneration plans based on the allocation of financial instruments pursuant to section 114-*bis* of the Consolidated Financial Act (including, without limitation, the Performance Shares Plan 2019-2021 approved by the Shareholders' Meeting on 29 April 2019), of which they benefit.

(E) Terms and Conditions for the purchase and sale of shares

The Company shares will be purchased in compliance with the regulations applicable to listed companies and therefore in compliance with section 144-*bis* of the Issuers Regulation and section 132 of the Consolidated Financial Act, the provisions of the Italian Stock Exchange Rules approved by Borsa Italiana S.p.A. and all other applicable legislation, including the provisions of Regulation (UE) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 and related Italian and EU implementing regulations, and therefore as follows:

- (i) public offer of purchase or exchange;
- (ii) on regulated markets or on multilateral trading platforms using operating modalities, in accordance with the operating rules and regulations set forth in the rules governing such markets, which do not allow direct matching of proposals to purchase with predefined proposals to sell;
- (iii) purchase and sale of derivative instruments traded on regulated markets or on multilateral trading platforms that provide for physical delivery of the underlying shares, provided that the market's rules and regulation allow terms and conditions similar to those set forth in section 144-*bis*, paragraph 1, letter c), of the Regulation.
- (iv) assignment to the shareholders, proportionally to the shares held by each, of a put option to be exercised within a pre-defined term as approved by the resolution of the Shareholders' Meeting authorising the purchase programme;
- (v) in the performance of the systematic internalisation activities using non-discriminatory modalities that provide for execution of transactions automatically and non-discretionally on the basis of pre-defined parameters;



- (vi) with the modalities established by permitted market practice pursuant to section. 13 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014;
- (vii) on the conditions set out in section 5 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014.

The treasury shares held can be sold, eventually even before all purchases are completed, where allowed by the applicable EU and national laws and regulations, in one or more transactions, on regulated markets or on non-regulated markets, as well as off the markets, by way of offering to the public or to the Shareholders, institutional placement, placement of rights to purchase (*buoni d'acquisto*) and/or warrants, or as consideration in the context of acquisitions or public offers of exchange, as well as sold or transferred without consideration to employees, including managers, executive directors and other contractors of Landi Renzo and its subsidiaries in the context of remuneration plans based on the allocation of financial instruments pursuant to section 114-*bis* of the Consolidated Financial Act (including, without limitation, the Performance Shares Plan 2019-2021 approved by the Shareholders' Meeting on 29 April 2019), of which they benefit.

Based on the above, we submit to your approval the following

proposed resolution

"The Shareholders' Meeting of Landi Renzo S.p.A., having acknowledged the proposal of the Board of Directors and having regard to the provisions of sections 2357 and following of the Italian Civil Code,

resolves

1. to authorise the Board of Directors, pursuant to and for the effects of section 2357 of the Italian Civil Code, the purchase of treasury shares of the Company, up to the number, at the price and at the terms and conditions set out below:
 - in one or more purchase transactions, within 18 months from the date of the resolutions, subject to the available reserves and profits available for distributions as shown on the most recently approved financial statements, with the purchases being recorded in the accounts in compliance with the law and the applicable accounting principles;
 - the purchase price of any share shall range exclusively from 20% less than, and up to 20% more than, the reference price recorded by the shares on the stock exchange on the trading day before each sale transaction and however at a price not exceeding the highest price between the price of the last independent operation and the price of the highest current independent purchase offer in the trading venue where the purchase is done, even when the shares are traded in different trading venues;

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- the maximum number of shares purchased shall be such so that their aggregate nominal value, inclusive of the nominal value of any shares owned by the subsidiaries, does not exceed one fifth of the share capital taking into account for this purpose also the shares owned by the subsidiaries;
- the purchase of treasury shares will be effected in compliance with the regulations applicable to listed companies and therefore in compliance with section 144-*bis* of the Regulations for the Issuers and section 132 of the Consolidated Financial Act, the Italian Stock Exchange Rules approved by Borsa Italiana S.p.A. and all other applicable legislation, including the provisions of Regulation (UE) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 and related Italian and EU implementing regulations, and therefore as follows:
 - (i) public offer of purchase or exchange;
 - (ii) on regulated markets or on multilateral trading platforms using operating modalities, in accordance with the operating rules and regulations set forth in the rules governing such markets, which do not allow direct matching of proposals to purchase with predefined proposals to sell;
 - (iii) purchase and sale of derivative instruments traded on regulated markets or on multilateral trading platforms that provide for physical delivery of the underlying shares, provided that the market's rules and regulation allow terms and conditions similar to those set forth in section 144-*bis*, paragraph 1, letter c), of the Regulations for Issuers;
 - (iv) assignment to the shareholders, proportionally to the shares held by each, of a put option to be exercised within a pre-defined term as approved by the resolution of the Shareholders' Meeting authorising the purchase programme;
 - (v) in the performance of the systematic internalisation activities using non-discriminatory modalities that provide for execution of transactions automatically and non-discretionally on the basis of pre-defined parameters;
 - (vi) with the modalities established by permitted market practice pursuant to Art. 13 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014;
 - (vii) on the conditions set out in Art. 5 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014;



2. to authorise the Board of Directors, pursuant to Article 2357-ter, first paragraph, of the Italian Civil Code, to sell all or part, at one or more times without any time limit, the treasury shares held, eventually even before completing all purchases, where allowed by the applicable EU and national law provisions, including on regulated markets or on non-regulated markets, as well as off the markets, by way of offering to the public or to the shareholders, institutional placement, placement of rights to purchase (*buoni d'acquisto*) and/or warrants, or as consideration in the context of acquisitions or public offers of exchange, at a price that shall range from 20% less than, and up to 20% more than, the reference price recorded by the shares on the stock exchange on the trading day before each sale transaction. These price limitations will not apply for sales or transfers without consideration of shares to employees, including managers, executive directors and other contractors of Landi Renzo and its subsidiaries in the context of remuneration plans based on the allocation of financial instruments pursuant to section 114-bis of the Consolidated Financial Act, of which they benefit;
3. to authorise the Board of Directors, pursuant to section 2357-ter, third paragraph, of the Italian Civil Code, to make any suitable or necessary accounting record or entry in relation to treasury shares transactions, in compliance with the applicable legislation and accounting principles;
4. to grant to the Board of Directors, and on its behalf to the Chairman or the Managing Director, severally, all authority and powers to allow the purchases and sales and to implement all the foregoing resolutions, including through especially appointed attorneys in fact, and complying with all formalities required by the authorities involved."

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4. **APPOINTMENT OF A NEW DIRECTOR PURSUANT TO ARTICLE 2386, FIRST PARAGRAPH, OF THE ITALIAN CIVIL CODE, AND ARTICLE 14 OF THE BYLAWS; ANY RELATED RESOLUTIONS.**

Dear Shareholders,

as announced to the public by means of a press release on 19 October 2020, during the past financial year Mr. Anton Karl – who was appointed by the shareholders' meeting on 29 April 2019 – resigned from the office of Director of Landi Renzo because of work responsibilities which were incompatible with the commitments required for the performance of his duties. On the date of the resignation, Mr. Anton Karl was a non-executive and independent member of the Board of Directors, and he did not hold any office within the internal committees of Landi Renzo.

On 13 November 2020, following the resignation of the independent Director Mr. Anton Karl, the Board of Directors, with a resolution approved by the Board of Statutory Auditors, appointed Mr. Dario Patrizio Melpignano as non-executive and independent director of the Company, via co-optation (*cooptazione*) pursuant to article 2386 of the Italian civil code and article 14 of the Company's bylaws. Mr. Dario Patrizio



Melpignano's *curriculum vitae* is available on the Company's website at www.landirenzogroup.com/it/, [section Investors – Governance – Shareholders' Meeting Documentation 2021](#).

With regard to the replacement of Directors, it should be noted that article 14 of the Company's bylaws provides that *"if, during the course of the financial year, one or more directors leave office, provided that the majority is still made up of directors appointed by the Shareholders' Meeting, the procedure set forth in article 2386 of the Italian civil code shall apply, in accordance with the following provisions: (a) the Board of Directors shall replace the director from the same list to which the director who ceased to hold office belonged, and the Shareholders' Meeting shall resolve, with the majorities required by law, in accordance with the same criterion; (b) should there be no previously non-elected candidates or no candidates with the required qualifications on the aforementioned list, or should it not be possible for any reason to comply with the provisions of letter a), the Board of Directors shall replace the director, and the Shareholders' Meeting shall subsequently resolve, with the majorities required by law without list voting"*.

In this regard, we would like to point out that the appointment via co-optation (*cooptazione*) of Mr. Dario Patrizio Melpignano was approved by the management body in light of the fact that the Director leaving office, Mr. Anton Karl, was elected from the minority list submitted by Aerius Holding AG, which only included one additional candidate, who was not willing to accept the office of Director of Landi Renzo.

The appointment took place in compliance with legal, regulatory and statutory provisions concerning minimum requirements for the number of independent directors and gender balance. Upon his appointment, Mr. Dario Patrizio Melpignano declared and attested, under his own responsibility, that no circumstances giving rise to his ineligibility or incompatibility existed, that he met all requirements under applicable law to accept the office, including good standing requirements (*requisiti di onorabilità*) set forth in article 148, paragraph 4, of the Consolidated Financial Act, referred to in article 147-*quinquies* of the Consolidated Financial Act, as well as the independence requirements called for in the case of statutory auditors by the law in force at the time and by the provisions of the Self-Regulatory Code. During the same meeting, the Board of Directors verified the possession by the co-opted Director, Dario Patrizio Melpignano, of the independence requirements, also on the basis of the declarations the Director himself made to this end. In such a context, the Board of Statutory Auditors confirmed that it had performed all necessary checks as to the proper application by the Board of Directors of the criteria and the procedures adopted to assess the independence of the co-opted Director.

It should be noted that, as provided by article 2386 of the Italian civil code, the Director appointed via cooptation (*cooptazione*) remains in office until the following Shareholders' Meeting, which is therefore required to resolve on the subject.



In this regard, please note that the Shareholders' Meeting will resolve with the majorities required by law in order to appoint the Director, without the application of the list voting procedure provided in the bylaws, in light of article 14 of the Company's bylaws ("*the Shareholders' Meeting shall resolve with the majorities required by law [...] without list voting*").

In light of the above, we invite you to resolve the appointment of a new Director, who shall remain in office until the expiry of the current Board of Directors, which will occur upon the approval of the financial statements as at 31 December 2021.

Based on the above, we submit to your approval the following

proposed resolution

"The Shareholders' Meeting of Landi Renzo S.p.A., having acknowledged the proposal of the Board of Directors and the termination of one Director, as well as the provisions of the bylaws and article 2386 of the Italian civil code,

resolves

1. to appoint a new Director of the Company, Mr. Dario Patrizio Melpignano, born in Milan on 15 January 1968, who shall remain in office until the expiry of the other members of the Board of Directors, which will occur upon the approval of the financial statements as at 31 December 2021."

Cavriago, 30 March 2021

The Chairman of the Board of Directors

Stefano Landi