

**Ordinary Shareholders' Meeting  
April 27<sup>th</sup> 2021 and May 4<sup>th</sup> 2021**

**Board of Directors' Report about the first, second, third and sixth  
issue of the Agenda**

COURTESY TRANSLATION

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[www.elengroup.com](http://www.elengroup.com)

El.En. s.p.a.  
Registered office in Calenzano (FI), via Baldanzese n. 17  
Capital underwritten and paid out 2.554.021,86 Euros  
Register of Companies (Firenze - Italy) and internal revenue code number 03137680488

EL.EN. s.p.a.  
Registered office in Calenzano (FI), via Baldanzese n. 17  
Capital underwritten and paid out 2.554.021,86 Euros divided into 19.646.322  
ordinary shares  
Register of Companies (Firenze - Italy) and internal revenue code number 03137680488  
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The shareholders are called upon to convene for an ordinary meeting at the company registered office in Calenzano, Via Baldanzese n. 17, at **10.00 am on April 27<sup>th</sup> 2021**, for the first call and at **10.00 am on May 4<sup>th</sup> 2021**, for the second call in order to vote on the following

#### AGENDA OF MEETING

- 1 – Approval of the annual financial report closed on December 31<sup>st</sup> 2020 and the manager’s report. Presentation of the consolidated financial statement and consolidated non-financial statement.**
- 2 – Report on the policy regarding remuneration and fees paid, *ex art. 123-ter* Legislative Decree no. 58 of 24 February 1998: approval of the first section of the Report pursuant to art. 123-ter, para 3-bis;**
- 3 - Report on the policy regarding remuneration and fees paid, *ex art. 123-ter* Legislative Decree no. 58 of 24 February 1998: resolution about the second section of the Report pursuant to art. 123-ter, para 6;**
- 4 – Appointment of the Board of Directors and the Chairman, subject to determination of the composition of the Board of Directors and the term of office:**
  - 4.1 determination of the composition of the Board of Directors;**
  - 4.2 determination of the term of office of the Board of Directors;**
  - 4.3 appointment of directors;**
  - 4.4 appointment of the Chairman;**
- 5. Determination of the remuneration of the Board of Directors.**
- 6. Authorization to purchase own shares and then to sell and dispose the own shares purchased.**

#### WAY OF TAKING PLACE OF THE 2021 SHAREHOLDERS’ MEETING DUE THE COVID-19 HEALTH EMERGENCY

The Shareholders’ meeting shall take place in full compliance with the requirements and instructions of the Decree Law 17 March 2020, No 18 ( "Decree 18/2020") converted with amendments by Law on 24 April 2020, n. 27 as well as the decrees and/or directives adopted by the relevant authorities (national or regional) and in force as of the date of the Shareholders’ Meeting. Therefore, intervention in the Shareholders’ Meeting by those entitled to vote will only be allowed through the representative appointed by the Company.

To this end, the Company has appointed Computershare S.p.A. – with offices in Turin, Via Nizza 262/73, 10126 – to represent Shareholders under art. 135-undecies of Legislative Decree 58/1998 (the "TUF") and the aforementioned D. L. 18/2020 (the "Appointed Representative").

The physical participation of individual shareholders and delegates other than the Appointed Representative is therefore forbidden.

Shareholders wishing to attend the Meeting will therefore have to give the Appointed Representative the proxy referred to in the following relevant paragraph.

In accordance with Article 106, paragraph 2, of D. L. 18/2020, the legitimate persons (the members of the Social Bodies, the appointed Secretary and the Appointed Representative) may intervene (or exclusively) by means of telecommunications to ensure their identification, without the President, the Secretary and the Notary being in the same place. The Company will promptly

notify any additional relevant requirements and instructions in connection with the way of taking place of the Meeting.

#### THE RIGHT TO ATTEND THE SHAREHOLDER'S MEETING AND THE RIGHT TO VOTE DURING THE HEALTH EMERGENCY DUE TO COVID-19

The legitimate attendance of shareholders' meetings and the exercise of voting rights is confirmed by a statement to the Company from the authorized intermediary, in compliance with intermediary accounting records, on behalf of the person who has the right to vote.

This communication is made on the basis of the relative evidence at the end of the accounting day of the seventh market business day prior to the date set for the first call of this meeting, i.e., April 16<sup>th</sup> 2021, also called the *record date*.

Persons who are recognized as owners of shares only after the *record date* are not legitimated to attend the meeting or to vote at the meeting.

The communication from the intermediary must reach the Company by the end of the third trading day prior to the date set for the meeting, i.e., by April 22<sup>th</sup> 2021. This is without prejudice to legitimate attendance and voting if communication has reached the Company beyond the such terms, providing it has been received before the start of the meeting works.

#### PROXY FOR ATTENDANCE AND VOTING AT THE MEETING

According to art. 135-*undecies* TUF, every person legitimated to attend the meeting has to give to the Appointed Representative a written proxy with voting instructions on all or some of the proposals on the agenda by using the proxy form, electronic too, prepared by the same Appointed Representative in accordance with the Company and available on the Company's website at [www.elengroup.com](http://www.elengroup.com) - *Investor Relations/governance/documenti assembleari/ASSEMBLEA ORDINARIA/27 APRIL 2021 – 4 MAY 2021*.

The proxy shall be valid only for proposals on which voting instructions are conferred.

The proxy shall be submitted in compliance with the instructions contained in the proxy form and within the end of the second trading day prior to the date scheduled for the Shareholders' meeting, that is within April 23<sup>rd</sup> 2021 for the first call and within April 29<sup>th</sup> 2021 for the second call.

The proxy and voting instructions may be cancelled within the time limit indicated hereinabove.

To give the proxy to the Appointed representative it is requested the communication from the authorized intermediary, attesting to the right to attend the Shareholders' Meeting and to vote: lacking such intermediary statement, the proxy shall be ineffective.

In addition, under Decree 18/2020, those who are entitled to attend the Shareholders' meeting and to vote and who do not wish to use the above mentioned mean of intervention to the meeting, may confer delegations and/or sub-delegations under art. 135-*novies* TUF. For this purpose, the delegation form model made available on the Company's website can be used.

The delegation and/or sub-delegation to the Appointed Representative contains voting instructions on all or some of the proposals relating to matters on the agenda, it is understood that the Appointed Representative will not submit any votes in the Shareholders meeting in relation to those proposals for which he has not received voting instructions. In the case of sub-delegation to the Appointed Representative, the sub-delegant must deliver to the Appointed Representative, following the instructions on the form, also a copy of the delegation received and the declaration with which it attests the compliance of the copy to the original and the identity of the delegate. In order to allow the Company and the Appointed Representative to receive and verify delegations and/or sub-delegations in advance of the start of the meeting, it is recommended that legitimate persons send their delegations and/or sub-delegations by noon on the day before the date of actual holding of the meeting.

Delegation and voting instructions can be cancelled within the same terms and in the same way expected to be sent. No vote by electronic means is permitted.

The Designated Representative will be available for clarification or information at the following telephone number: 011-0923200, or at the e-mail address [sedeto@computershare.it](mailto:sedeto@computershare.it).

Shareholders are informed that the Company reserves the right to supplement and/or modify the above instructions in view of the necessary interventions as a result of the current epidemiological emergency situation from COVID-19 and its currently unforeseeable developments.

#### VOTING BY CORRESPONDENCE

In compliance with article 17 of the company by-laws it is permissible also to vote by correspondence, in conformity with the laws now in force. Shareholders entitled to attend the meeting may pick up their ballot at Company registered office or they can download it on the internet site, [www.elengroup.com](http://www.elengroup.com) – in the section titled *Investor Relations/governance/documenti assembleari/ASSEMBLEA ORDINARIA/27 APRIL 2021 – 4 MAY 2021* and, if for technical reasons they are unable to download it electronically, the ballot may be requested in hardcopy from the Company (tel. 0558826807; fax 0558832884).

The sealed envelope containing the marked ballot with the date and signature along with the documents that prove the identity of the voter and, if necessary, the right to vote, must be received by El.En. s.p.a., Via Baldanzese n. 17, 50041 Calenzano (FI) – addressed to the attention of the President of the Board of Statutory Auditors – by 7 p.m. on April 26<sup>th</sup> 2021. Votes that arrive after that date or for which legitimation to vote from the intermediary has not been received will not be taken into consideration. Voting by correspondence will be exercised directly by the owner and expressed separately for each of the motion proposals.

#### INTEGRATION OF THE AGENDA OF THE SHAREHOLDERS' MEETING

In compliance with art. 126-*bis* of D. Lgs. n. 58 of 1998 (“T.U.F.”), the Shareholders, who individually or jointly account for one fortieth of the share capital may ask, within March 28<sup>th</sup> 2021 (ten days after the publication of this notice), for the integration of the list of items on the agenda, specifying in the request, the additional items they propose or presenting proposed resolution on items already on the agenda, and in the request they should specify the additional subjects they propose and/or the discussions proposed.

It should be recalled that the agenda cannot be supplemented with items on which, in accordance with the law, the shareholders' meeting resolved on proposal of the administrative body or on the basis of a project or report prepared by it, other than those specified under article 125-*ter*, subsection 1 T.U.F..

The request to have additional subjects included must be presented in writing and sent by registered mail addressed to the registered office of the Company or sent by e-mail to [elen@pec.uipservizi.it](mailto:elen@pec.uipservizi.it) and must be accompanied by a report giving the reason for the proposed resolutions on the new items for which it proposes discussion or the reason relating to additional proposed resolutions presented on items already on the agenda

The certificate attesting the ownership of shares and of the quota of ownership that is necessary for the right to vote in compliance with. 126-*bis* T.U.F., para 1, must be demonstrated by a specific communication with effect on the date of the request, addressed by the intermediary to [elen@pecserviziotitoli.it](mailto:elen@pecserviziotitoli.it).

#### RIGHT TO SUBMIT PROPOSAL PURSUANT TO ART. 126-*bis* T.U.F., LAST SENTENCE

In addition, given the manner in which the meeting will take place due to the epidemic emergency, and that the intervention is allowed exclusively through the Appointed Representative, thus legitimate Shareholders who individually wish to make proposals for deliberation and voting on the topics on the agenda will have to submit them in writing by means of a registered letter addressed to the Company's headquarters or by e-mail to the [elen@pec.uipservizi.it](mailto:elen@pec.uipservizi.it) within April 12<sup>th</sup> 2021. The legitimacy to formulate proposals must be attested by the communication provided for in art. 83-*sexies* TUF carried out by the intermediary for the purpose of intervention in the Shareholders' Meeting and the exercise of the right to vote. These proposals, where relevant, will be published without delay on the Company's website, in order to enable those entitled to vote to express themselves knowingly even taking into account these new proposals and to allow the Appointed Representative to collect voting instructions also on such new ones.

## RIGHT TO SUBMIT QUESTIONS PRIOR TO THE SHAREHOLDERS' MEETING

In compliance with art. 127-ter T.U.F., all those with voting rights may submit questions on the items on the agenda even prior to the shareholders' meeting by sending a registered letter to the Company Registered office or by certified e-mail to [elen@pec.uipservizi.it](mailto:elen@pec.uipservizi.it). All persons who can prove ownership of shares on April 16<sup>th</sup> 2021 (*the record date*) have the right to receive an answer. For this purpose, the intermediary must send to [elen@pecserviziolitoli.it](mailto:elen@pecserviziolitoli.it) a specific communication stating the ownership of shares by the person making the request with effect on the date of the request. If the person who has the right to vote has requested from the intermediary the communication in order to attend the meeting, it will be necessary only to refer to this communication in the document containing the questions. Given the extraordinary way of taking place of the 2021 Shareholders' Annual Meeting, the questions related to the agenda and presented by legitimated persons must be received by April 16<sup>th</sup> 2021 and will be answered within April 23<sup>rd</sup> 2021. The Company can provide a unified answer to questions with the same content.

## APPOINTMENT OF THE BOARD OF DIRECTORS

The appointment of the Board of Directors is made by voting lists submitted by shareholders and is regulated by both laws and regulations as well as by art. 19 of the Company articles of associations, to which reference is made in an unabridged form and the contents of which are available on the internet site [www.elengroup.com](http://www.elengroup.com) in the section "*Investor relations/governance/statuto*" and it is also available upon request at Company registered office.

Lists submitted shall contain the names of the candidates for the position of board member numbered progressively and the indication of which ones have the requisites for independence in compliance with art. 147-ter, sub-section 4, T.U.F. and with art. 2 of the Corporate Governance Code prepared by the Committee for Corporate Governance of the companies quoted on the stock market promoted by Borsa Italiana s.p.a..

Together with each list the shareholders must deposit: a complete and detailed description of the professional *curriculum* of the candidates being presented with a complete *curriculum vitae* from which it will be possible to see the positions held in administrative boards or controlling commissions in other companies; a declaration in which each candidate accepts their candidacy and declares under their own responsibility that no causes exist for ineligibility or incompatibility, and that all the prerequisites established by the applicable regulations and by the company by-laws for their respective positions exist.

The creation of the lists submitted must take place observing law and regulatory provisions as per art. 147-ter, sub-section 1-ter, T.U.F. and those pertaining the appointment of a proper due number of member satisfying the independence requirements established by art. 147-ter, sub-section 4, T.U.F. and by the mentioned Corporate Governance Code.

In relation to respect for gender balance, since this is the first term of office of the Board of Directors after 1 January 2020, each list containing a number of candidates equal to or greater than three must therefore be composed in such a way that the least represented gender obtains a share equal to at least two fifths of the elected directors.

Where the application of the gender distribution criterion does not result in a whole number of members of the Board of Directors belonging to the least represented gender, that number shall be rounded up to the higher unit.

In addition, in determining the number of members of the Board of Directors and in submitting the lists, the shareholders, provided that they will have the right to express, justifying them, different assessments in this regard, are required to take into account the "Orientation for shareholders on the qualitative-quantitative composition of the board of directors" published on 5 March 2021 on the company's website [www.elengroup.com](http://www.elengroup.com) *Investor relations/governance/shareholders' documents/2021/ORDINARY SHAREHOLDERS' MEETING 27 April 2021 – 4 May 2021* and reported in the Report of the Board of Directors prepared pursuant to art. 125-ter of the TUF, to which reference is made, which is made available to the public today at the company's registered

office, on the Company's website at address [www.elengroup.com](http://www.elengroup.com) and on the storage mechanism authorized [www.emarketstorage.com](http://www.emarketstorage.com).

The lists must be submitted, together with documents required by laws, regulation and Company articles of association at the legal registered office of the Company by April 2<sup>nd</sup> 2021, the twenty-fifth day before the meeting.

The lists deposited in compliance with such laws and regulations shall be available to the public within twenty-one days before the first call for this shareholders' meeting, on April 6<sup>th</sup> 2021.

In compliance with art. 144-*septies*, sub-section 2, Issuers' Regulation CONSOB 11971/1999 ("Issuers' Regulation"), it should be recalled that the minimum amount of share capital required for the presentation of a list of candidates for members of the Board of Directors is 2,5%, in conformity with art. 19 of the articles of association, art. 144-*quater* Issuers' Regulation and CONSOB Det. n. 44 of January 29<sup>th</sup> 2021.

The ownership of the minimum amount necessary for the presentation of the list is determined by the number of shares that are registered in the name of the shareholder on the day in which the list is presented at the Company. The possession or co-ownership of the number of shares necessary for the presentation of the list must be demonstrated by the issue of a communication by the intermediary to the certified e-mail address [elen@pecserviziotitoli.it](mailto:elen@pecserviziotitoli.it) by April 6<sup>th</sup> 2021.

Each shareholder may submit or join in submitting only one list and each candidate may appear in just one list, on pain of ineligibility. Shareholders subscribing to a shareholders' agreement regarding the exercise of voting rights can submit only one list.

Moreover minority shareholders willing to submit list of candidates shall allege, pursuant to provisions of Com. CONSOB DEM/9017893 of February 26<sup>th</sup> 2009, a declaration which demonstrates the absence of relationships, even indirect ones, as per art. 147-*ter*, sub-section 3, T.U.F. and art. 144-*quinquies* of the Issuer's Regulation, with shareholders who detain, even jointly, a controlling holding or relative majority which can be identified on the basis of the "notification requirements for major holdings" as per art. 120 of D. Lgs. 58/1998 or of the publication of company agreements as per art. 122 of the same T.U.F.

Pursuant to and for the purposes of Art. 147-*ter*, paragraph 3, T.U.F., it should be specified that the first candidate on the minority list will be elected to replace the last candidate expressed in the list who obtained a majority of the votes. In view of the need to comply with the gender and independence requirements, where the first candidate on the minority list does not meet the requirements of the last on the majority list, the first subsequent candidate on the minority list who presents these requirements will be elected.

The lists that are not in conformity with the laws and regulations, in compliance with art. 19 of the Company Article of Association and with mentioned provisions of Corporate Governance Code will be considered as not submitted.

The lists may be deposited electronically by e-mail communication to the certified e-mail address [elen@pec.uipservizi.it](mailto:elen@pec.uipservizi.it) as long as it is signed digitally and includes the information necessary for the identification of the person who is depositing and transmitting the list.

#### DOCUMENTATION OF THE MEETING, DESCRIPTIVE REPORTS AND PROPOSALS FOR DISCUSSION

The documentation related to the discussions and the proposals in the agenda, including the report of the board of directors on each of the items on items of the agenda, the complete text of the proposals for discussion and all of the documents that will be submitted to the shareholders, is deposited and available to the shareholders at Company registered office and on the internet site [www.elengroup.com](http://www.elengroup.com) in the section *Investor Relations/governance/documenti assembleari/ASSEMBLEA ORDINARIA/27 APRIL 2021 – 4 MAY 2021* and on the authorized storage website [www.emarketstorage.com](http://www.emarketstorage.com), as follows:

a) within twenty-one days before the meeting, the annual financial report including all the documents as per art. 154-*ter*, sub-section 1, T.U.F.;

- b) within twenty-one days before the meeting, the consolidated non-financial statement provided by art. 4, D. Lgs. 254/2016;
- c) within twenty-one days before the meeting the report on remuneration *ex art. 123-ter* T.U.F. and art. 84-*quater* Issuers' Regulation;
- d) within thirty days before the meeting, the board of directors report on items 1, 2, 3, 6 on the agenda of the meeting
- e) together with this document, the board of directors report on items 4 and 5 on the agenda of the meeting.

Shareholders may obtain a hard copy version of these documents at their own expense.

#### CAPITAL STOCK – TREASURY STOCK

It should be recalled that the capital stock of El.En. s.p.a., in the amount of 2.554.021,86 Euros is divided into 19.646.322 ordinary shares, each of which gives the right to vote. At this time the Company does not possess own shares.

Calenzano, March 18<sup>th</sup> 2021

For the Board of Directors  
The President – Ing. Gabriele Clementi



Internet site: [www.elengroup.com](http://www.elengroup.com)

E-mail: [finance@elen.it](mailto:finance@elen.it)

SDIR (authorized dissemination of regulated disclosures system): [www.emarketstorage.com](http://www.emarketstorage.com)

## BOARD OF DIRECTORS' REPORT DESCRIBING THE PROPOSALS TO THE STOCKHOLDERS' MEETING

To our stockholders,  
the Board of Directors ("the Board") of El.En. s.p.a. ("the Company") in compliance with art. 125-ter, D. Lgs. February 24<sup>th</sup> 1998, n. 58 ("T.U.F") and 84-ter Issuers' Regulations issued by the Consob n. 11971/1999 ("Issuers' Regulations"), in this report intends to illustrate the proposals to be submitted for your attention in relation to the issues on the Agenda for the meeting which has been convened at the company Headquarters in Via Baldanzese 17, at 10 a.m. on April 27<sup>th</sup> 2021 in first call and for 10 a.m. on May 4<sup>th</sup> 2021 for the second call by notice published on March 18<sup>th</sup> 2021 by an abstract in the newspaper "ITALIA OGGI", and by complete document on the website of the Company.

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### **Concerning the first subject in the Agenda – Approval of the annual financial report closed on December 31<sup>st</sup> 2020 and the manager's report. Presentation of the consolidated financial statement and consolidated non-financial statement.**

The Shareholders' meeting has been convened for an ordinary meeting in order to approve the financial reports for the year ending on December 31<sup>st</sup> 2020, the preliminary version of which was approved by the Board of Directors in the March 15<sup>th</sup> 2021 meeting and will be published in compliance with the regulations stated in art. 154-ter T.U.F. on March 31<sup>st</sup> 2021.

In particular, in when submitting the preliminary version of the separate financial report of El.En. SpA dated December 31<sup>st</sup> 2020 which shows a profit for the year equal to 238.265,00 (two hundred and thirty-eight thousand, two hundred sixty-five point zero zero) Euros for the approval of the shareholders we propose the following:

- to allocate all of the net profits for 2020 to an extraordinary reserve;
- to distribute to all of the shares in circulation on the date that coupon 5 comes due on May 24<sup>th</sup> 2021, in compliance with art. 2357-ter, second sub-section of the Civil Code, a dividend of the amount of 0,40 Euros (zero point forty) gross for each share in circulation;
- to use for the distribution of the dividend the profits which had not been distributed in the years before December 31<sup>st</sup> 2017 and accrued in a voluntary reserve for an overall sum which at this time amounts to 7.858.528,80 Euros, while it is understood that this amount, if needed, may be increased by further amounts which may become necessary for the distribution of the dividend to the shares in circulation on the due date for the coupon deriving from the stock options that have been exercised in the period between today and the record date (May 25<sup>th</sup> 2021).
- to accrue when possible, in a special reserve of the profits carried forward, the residual dividends allocated for treasury stock which may be held by the Company when the coupon comes due.

In compliance with art. 83-terdecies T.U.F., the legitimization of the payment of the dividend is determined with reference to the evidence in the accounts registered on May 25<sup>th</sup> 2021 and the payment will take place on May 26<sup>th</sup> 2021.

On the basis of the above premises, we submit for your approval the following proposed resolution:

*"The Shareholders' meeting of El.En. S.p.A. a corporation with headquarters in Calenzano, via Baldanzese 17,*

*approves*

*1) the management report of the Board of Directors for the financial year ending on December 31<sup>st</sup> (thirty-first) 2020 (two-thousand twenty) as well as the separate financial statement both in its*



*entirety and the single affirmations and entries and the proposed allocations and uses which show a net profit of 238.265,00 (two-hundred and thirty-eight two hundred and sixty-five point zero zero) Euros;*

*2) to allocate the entire amount of profits for the year to an extraordinary reserve;*

*3) to distribute to the shares in circulation on the date that coupon no. 5 on the 24<sup>th</sup> (twenty-fourth) of May 2021 (two-thousand-twenty-one) – in compliance with art. 2357-ter, second sub-section of the Civil Code, a dividend for the amount of 0,40 (zero point forty) Euros gross for every share in circulation for an overall amount as of today's date of 7.858.528,80 (seven million, eight-hundred fifty-eight thousand, five-hundred twenty-eight point eighty), using all of the profits which were not distributed in the years preceding December 31<sup>st</sup> 2017 and accrued in the voluntary reserve called "extraordinary reserve" while it is understood that this amount, where necessary, may be increased by ulterior amounts which may become necessary for the distribution of the dividend for the shares in circulation on the due date for the coupon deriving from the stock options that have been picked up in the period between today's date and the record date (May 25<sup>th</sup> 2021) and also establishing to accrue in a special reserve of the profits carried forward the residual dividend allocated to any treasury stock which may be held by the Company on the date that the coupon comes due;*

*3) to pay the above mentioned dividend on the 26<sup>th</sup> (twenty-sixth) of May 2021 (two-thousand twenty-one) when coupon 5 comes due on the 24<sup>th</sup> (twenty-fourth) of May 2021 (two-thousand twenty-one) for the ordinary shares, bearing in mind as far as the legitimization of the payment is concerned, the evidence of the accounts related to the date of May 25<sup>th</sup> (twenty-fifth) 2021 (two-thousand twenty-one)."*

\* \* \*

**Concerning the second point of the Agenda – Report on the policy regarding remuneration and fee paid, ex art. 123-ter Legislative Decree no. n. 58 of February 1998: approval of the first section of the Report pursuant to art. 123-ter, para 3-bis.**

The Shareholders' Assembly is called to express its opinion of the Remuneration Report drawn up in compliance with art. 123-ter T.U.F. and elaborated in compliance with art. 84-*quater* of the Consob Issuers' Regulations pursuant to Attachment 3A, Scheme 7-*bis* as modified by the Del. Consob on December 10<sup>th</sup> 2020, n. 21623.

In the first section the Report describes the remuneration policy of the administrative body, the general manager and the executives with strategic responsibilities and, where applicable, the controlling body, adopted by El.En. s.p.a with reference to the year 2020 and that which will be adopted for the same bodies in the years 2021-2023. It also describes the procedure for the adoption and implementation of this policy; the way in which the policy for remuneration contributes to the company strategy and the pursuit of the long-term interests and sustainability of the Company.

The Report which is submitted to the shareholders for their approval is formulated in compliance with EU directive Dir. (UE) 2017/828 and the consequent local regulations which implemented it, D. Lgs. 10<sup>th</sup> May 2019, n. 49.

The remuneration Report was approved by the Board of Directors of El.En. s.p.a. during the board meeting held on March 15<sup>th</sup> 2021 and, as far as section I is concerned, in relation to the definition of the remuneration policy as well as the incentives, in compliance with art. 6 (standard 6.P.4) of the Self-disciplining Code for companies quoted on the Italian stock market (Borsa Italiana s.p.a.) – in compliance with art. 123-ter, sub-section 3-*bis*, T.U.F., and for the purposes described in art. 9.2 of the Regulations which govern operations with related parties of El.En. s.p.a., it is submitted for approval by the shareholders' assembly.

The Remuneration Report which we mentioned here is deposited in its entirety, as required by law, at the Company headquarters, at the Borsa Italiana s.p.a. and is published on the internet site of the Company: [www.elengroup.com](http://www.elengroup.com) in the section called “Investor Relations/governance/documenti assembleari/2021/ASSEMBLEA ORDINARIA 27 APRILE 2021 - 4 MAGGIO 2021”.

On the basis of these premises we submit for your approval the following proposed resolution:

*“The shareholders' assembly of the El.En, corporation with headquarters in Calenzano in via Baldanzese 17, having heard the report of the Board of Directors, having examined the Report on remuneration elaborated in compliance with art. 123-ter D. Lgs 24<sup>th</sup> February 1998, n. 58 and drawn up pursuant to Attachment 3A, Scheme 7-*bis* of the CONSOB Issuers' regulations 11971/1999, in compliance with 84-*quater* of the above mentioned Regulations*

*approves*

*the first section of the remuneration report of the Board of Directors containing the policy of the Company regarding the remuneration of the members of the administrative body and the directors with strategic responsibilities and the controlling bodies as well as the procedures used for the adoption and implementing of this policy and, in particular, the policy of incentive remuneration 2021-2023 for the board members, for the directors assigned to special tasks, for the general manager and the directors with strategic responsibilities as described in the paragraphs related to the following aspects: the objectives pursued with the remuneration policy and the principles underlying it, the description of the policy in relation to the fixed and variable components and, lastly, the description of the performance objectives on the basis of which the variable components are assigned.”*

\* \* \*

**Concerning the third point of the Agenda – Report on the policy regarding remuneration and fee paid, *ex art. 123-ter* Legislative Decree no. n. 58 of February 1998: resolution about the second section of the Report pursuant to art. 123-ter, para 6.**

The Shareholders' Assembly is called to express their opinion of the second section of the Remuneration Report drawn up in compliance with art. 123-ter T.U.F. and elaborated in conformity with Attachment 3A, Scheme 7-bis of the Issuers' Regulations, in compliance with art. 84-quater of the aforementioned Regulations bodies.

For the general manager and any other executives with strategic responsibilities, the representation of each of the items which compose the actual remuneration, including the treatment which is applied in the case of termination of the assignment or of employment, and, lastly, an analysis of the salaries paid to the above mentioned subjects during the year 2020 as compensation for any reason and in any form by the Company or by associated or subsidiary companies is included in section two.

It should be noted that the Company provides the comparative information in paragraph 1.5 of the First Part of Section II of the Scheme 7-bis of Attachment 3A of Regulation no. 11971 of May 14<sup>th</sup> 1999, as modified by the Del. Consob on December 10<sup>th</sup> 2020, n. 21623, for the years 2017-2020, making use, therefore of the derogation described in Scheme 7-bis by the temporary regulation (art. 2 Del. Consob 21623 cit.).

It should also be recalled, moreover, that following the revision by Consob of the measures disciplining the remuneration paid by companies listed on the stock market, the second part of the report contains information related to the equities held and the remuneration received by the members of the controlling and administrating bodies, the general managers and executives with strategic responsibilities which previously had to be included in the Management Report and in the Explanatory Notes drawn up at the end of the year.

This was also approved by the Board of Directors of El.En. s.p.a. ("the Board") during the meeting held on March 15<sup>th</sup> 2021, and will be submitted for the approval of the Shareholders Assembly ("the Assembly") which was called for the approval of the financial reports for 2020 in compliance with art. 123-ter, sub-sections 6 TUF.

The Remuneration Report which has been referred to is deposited in its entirety, as required by the law, at the Company headquarters, at the offices of the stock market, Borsa Italiana s.p.a. and is published on the internet site of the Company: [www.elengroup.com](http://www.elengroup.com) in the section called "Investor Relations/governance/documenti assembleari/2021/ASSEMBLEA ORDINARIA 27 APRILE 2021 - 4 MAGGIO 2021".

On the basis of the above premises, we submit for your approval the following proposed resolution:  
*"The shareholders' assembly of the El.En, corporation with headquarters in Calenzano in via Baldanzese 17, having heard the report of the Board of Directors, having examined the Report on Remuneration elaborated in compliance with art. 123-ter D. Lgs 24<sup>th</sup> February 1998, n. 58 and drawn up in conformity with Attachment 3A, Scheme 7-bis of the CONSOB Issuers' Regulations .11971/1999, in compliance with art. 84-quater of the above mentioned Regulations*

*approves*

*the second section of the Remuneration Report of the Board of Directors containing, for the members of the administrative and controlling bodies, the general managers and other executives having strategic responsibilities, the representation of each of the items which compose the actual remuneration, including the treatments applied in case of termination of the assignment or of employment and, lastly, analytically, the remuneration paid to the above mentioned subjects during the year 2020 for any reason and in any form by the Company or its associated and subsidiary companies."*

\* \* \*

## **Concerning the sixth point of the Agenda – Authorization to purchase own shares and then to sell and dispose the own shares purchased.**

This proposal concerns the authorization of the Board to acquire and dispose of ordinary shares of the Company in compliance with and within the limits described in articles 2357 e 2357-ter of the Civil Code.

It should be recalled that, in the past the Assembly already approved the authorization for the Board to acquire and dispose of treasury stock following the resolutions taken on March 3<sup>rd</sup> 2008, on October 28<sup>th</sup> 2010, November 14<sup>th</sup> 2012, April 28<sup>th</sup> 2015 and again on January 17<sup>th</sup> 2019.

The terms for the last authorization expired on July 16<sup>th</sup> 2020.

For this reason the Directors request that they again be authorized to acquire and dispose of one or more sets of the Company's ordinary shares in accordance with the law.

In the paragraphs below we illustrated the reasons and the essential elements of the proposal in conformity with art. 73 of the Consob Issuers' Regulations Consob 11971 and the relative attachments 3A, scheme 4, Issuers' Regulations.

\* \* \*

### 1) The reasons why a new authorization for the acquisition of treasury stock is requested.

The request for the authorization to acquire and dispose of treasury stock of the Company arises from the primary need to provide the Board with an instrument for incentive and strategic flexibility.

This authorization, in fact, would have the purpose, in the first place, of giving the Company the shares needed in order to be able proceed with the assignment or distribution to the employees and/or collaborators and/or members of the administrative organs of the Company or its subsidiaries on the basis of the incentive plan in conformity with the remuneration policy approved by the shareholders Assembly of the Company.

In the second place, the residual shares of treasury stock could turn out to be an effective instrument of exchange of equities for use in strategic operations.

The objectives described would be pursued with plans and operations involving buying, selling and/or disposing of the shares conducted in compliance with the terms set out in the current laws and, in particular, the EU Regulation 596/2014 ("MAR") and other relative regulations.

### 2) the maximum number, the category, the nominal value of the shares to which the authorization refers.

The underwritten and paid out Share Capital of the Company on February 26<sup>th</sup> 2021 amounted to 2.554.021,86 Euros, subdivided into 19.646.322 ordinary shares with a nominal value of 0,13 Euros each. The Company does not own treasury stock at this time. The only category of shares issued by the Company are ordinary shares.

On September 13<sup>th</sup> 2016 the Board of Directors of the Company exercised their authority to increase, against payment and, with the exclusion of the right of option, the Company share capital for the nominal amount of 104.000,00 Euros in order to issue a total of 800.000 ordinary shares to be used for the Stock option plan 2016-2025.

The first period in which it was possible to exercise the stock option rights for the first set of options related to the Stock Option Plan 2016-2025 began on September 14<sup>th</sup> 2019 and the period for exercising the second set of options began on September 14<sup>th</sup> 2020. As of February 26<sup>th</sup> 2021, 348.850 options were exercised out of the 800.000 available for the entire period of validity of the Plan and were therefore underwritten and the same number of new shares was issued.

The Directors request to be authorized to purchase in one or more sets a number of ordinary shares within the limits permitted by the law and which therefore:

a) may not, in any case, exceed more than one fifth of the share capital.

At this time 20% of the underwritten and paid out El.En. S.p.A. share capital is equal to 3.929.264 shares for a nominal value of 510.804,32 Euros.

b) are within the limits of the reserves available and the profits which can be distributed as stated in the last duly approved financial statements. It is understood that the Board of Directors when it makes single purchases will check the entity of these limits and, consequently the relative limits of the expense.

As of the date of this Report, the last financial statements which had been duly approved are those for 2019 which show an overall amount of distributable profits and available reserves amounting to 123.900.771,00 Euros. During 2020 no profits or reserves were used. The financials approved on March 15<sup>th</sup> 2021 by the Board of Directors show an overall amount of distributable profits and available reserves of 130.859.643,00 Euros.

3) other information related to the complete evaluation in compliance with the regulations contained in art. 2357, sub-section 3, of the Civil Code.

No shares in the Company are held by the subsidiary companies.

At this time the Company does not possess treasury stock.

4) duration of the authorization which has been requested.

The Directors request that they be authorized to purchase shares of the Company for a period of not over eighteen months from the date of the resolution of the Assembly and the setting of the maximum period in which they can put into circulation the shares acquired at the conditions indicated in the following point 5).

In relation to the term for the re-entry into circulation, the Board considers that an appropriate term would be ten years from the date of purchase.

5) minimum and maximum price and market evaluation on the basis of which these prices have been set.

The Directors request that they be authorized:

a. to purchase shares of the Company at a price which is not, at the minimum, less than the nominal value of 0,13 Euros per share, and, at the maximum, not over 10% more than the official price of the transactions registered on the day preceding the purchase.

b. to dispose of shares at a price or equivalent which is not less than 95% of the average of the official prices for the transactions registered on the five days prior to the sale.

6) methods which will be used for the purchase and sale.

The purchase of the treasury stock will take place respecting the criteria of equal treatment for the shareholders in compliance with art. 132 T.U.F. and art. 144-bis of the Issuers' Regulations.

Consequently, the Directors request that they be authorized to proceed with the purchase with the following concurrent e/or alternative means, where applicable and which will be determined at the time of the single operations: by means of public offerings for purchase or exchange or on the regular stock exchange.

At this time we are not aware of any other details or methods with which the sales can be conducted, which, in any case, will take place for the objectives described in paragraph 1) which precedes and is in respect of the current legislation and any authorization from the Assembly.

Consequently, we propose that the Board and the administrators which will be involved in it, be authorized to determine all the other conditions, methods and terms for the sale and the disposal of the treasury stock which is owned.

7) other details and information

At this time, the operation for the purchase of treasury stock for which we request authorization is not instrumental for the reduction of the share capital by means of cancellation of the shares that have been purchased.

On the basis of the above premises, the Board submits for the approval of the shareholders the following

#### **Proposal for resolution**

*“The Shareholders’ Assembly of El.En. incorporated with headquarters in Calenzano (Florence) via Baldanzese 17, after hearing the report by the Board of Directors,*

**approves**

1. the authorization of the Board of Directors to purchase in one or more sets, in conformity with EU Regulation 596/2014 and the related regulations of art. 132 D. Lgs. February 24th 1998, n. 58 and the concurrent and/or alternative regulations in compliance with art. 144 bis, subsection 1, letter a), b) d-ter) and art. 144-bis, subsection 1-bis of the Consob Issuers' Regulations 11971/1999, within eighteen months from today, treasury stock representing a number of ordinary shares which in any case, considering the shares which will be held in the portfolio, does not exceed the fifth part of the share capital, in compliance with the current laws, at a unit price which is not less than the nominal value of 0,13 Euros (zero point thirteen) nor greater than more than 10% (ten percent) of the official price of transactions registered on the day preceding the purchase;
2. the authorization, with immediate effect, of the Board of Directors to place into circulation, sell or transfer the shares within 10 (ten) years after the date of acquisition in one or more sets, at a price or equivalent, which is not less than 95% (ninety-five percent) of the average price of transactions registered in the five days preceding the sale all of which must take place with the methods, terms and conditions which the Board of Directors will determine at the time of sale, exchange or transfer and in compliance with current regulations;
3. the assignment of the task to the Board of Directors and, for it, to the president and executive directors acting separately and with the possibility of authorizing third parties to implement this resolution with all of the powers and faculties needed in compliance with EU Regulation 596/2017 and art. 132 D. Lgs. 58/98 with methods suitable to guarantee in any case, the equality of treatment among shareholders respecting the regulations established by Consob.”

\* \* \*

As of this date, this document has been deposited at the Company headquarters, at Borsa Italiana s.p.a., and is published on the internet site of the Company [www.elengroup.com](http://www.elengroup.com) sez. Investor Relations/governance/documenti assembleari/2021/ASSEMBLEA ORDINARIA 27 aprile 2021 – 4 maggio 2021, and on the authorized market storage site [www.emarketstorage.com](http://www.emarketstorage.com) and is available to the shareholders who wish, at their own expense, to receive a paper copy.

Calenzano, March 26<sup>th</sup> 2021

For the Board of Directors  
The President  
Ing. Gabriele Clementi

