

## GIGLIO GROUP S.P.A.

### ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

TO BE HELD ON 21 JUNE 2021 AT 11:00 IN SINGLE CALL

#### **BOARD OF DIRECTORS' REPORT ON ITEMS OF THE AGENDA PURSUANT TO ART. 125-TER OF LEGISLATIVE DECREE NO. 58/1998 AND ART. 72, 73 AND 84-TER OF THE REGULATION ADOPTED WITH CONSOB RESOLUTION NO. 11971/99**

Dear Shareholders,

pursuant to 125-ter of Legislative Decree no. 58 of 24 February 1998, as amended and integrated (the "**CFA**"), as well as with Art. 72, 73 and 84-ter of the Regulation adopted with Consob resolution no. 11971/99, as amended and integrated (the "**Issuers' Regulation**"), the Board of Directors of Giglio Group S.p.A. (the "**Company**") provides you with the explanatory report regarding the item on the agenda of the ordinary and extraordinary Shareholders' Meeting called for 21 June 2021 at 11:00 in a single call, with notice of call published on 12 May 2021, to discuss and resolve upon the following:

#### **Agenda**

##### **Extraordinary Meeting**

1. Amendment to Art. 15.2 and 29.3 of the By-laws in order to comply with Art. 147-ter, par. 1-ter and Art. 148, par. 1-bis of the Legislative Decree no. 58/1998.

##### **Ordinary Meeting**

2. Financial Statements as of 31 December 2020; presentation of Consolidated Financial Statements as of 31 December 2020; Directors' Report on Operations, Board of Statutory Auditors' Report and Auditing Company's Report.
  - 2.1. Approval of the Financial Statements also pursuant to Art. 2446 of the Italian Civil Code.
  - 2.2. Resolutions regarding the allocation of the result for the year.
  - 2.3. Resolutions pursuant to Art.2446 of the Italian Civil Code on the relevant provision and in particular with acknowledgement of the intention of the Board of Directors to exercise the residual part of the proxy for the share capital increase already vested to it by the Shareholders' Meeting on 12 November 2020, pursuant to Art. 2441, par. 4 of the Italian Civil Code.
3. Appointment of the Board of Directors. Resolutions pertaining thereto and resulting therefrom.
  - 3.1. Identification of number of members of the Board of Directors.
  - 3.2. Identification of the duration of the assignment of the Board of Directors.
  - 3.3. Appointment of the members of the Board of Directors.
  - 3.4. Appointment of the Chairman of the Board of Directors.
  - 3.5. Identification of the remuneration of the members of the Board of Directors.
4. Appointment of the Board of Statutory Auditors.
  - 4.1. Appointment of the members of the Board of Statutory Auditors and of its Chairman
  - 4.2. Identification of their remuneration

5. Report on the Remuneration Policy and on the remunerations paid at 31 December 2020 pursuant to Art. 123-ter of the Legislative Decree no. 58/1998 and to Art. 84-quater of the Regulation adopted with Consob resolution no. 11971 on 14 May 1999.
  - 5.1. Binding resolution on the first section of the Report on the Remuneration Policy, drafted pursuant to Art. 123-ter, par. 3 of the Legislative Decree no. 58/1998.
  - 5.2. Non-binding resolution on the second section of the Report on remunerations paid, drafted pursuant to Art. 123-ter, par. 4 of the Legislative Decree no. 58/1998.
6. Authorisation to purchase and place own shares.
7. Approval of the Stock Option Plan called "Stock Option Plan 2021 - 2028", regarding Giglio Group S.p.A.'s ordinary shares and reserved only to executive directors and/or managers with strategic responsibilities of both the Company and/or its subsidiaries.

### **Extraordinary Meeting**

8. Proposal to delegate to the Board of Directors, for a period of five years from the Meeting's resolution, the authority to increase Giglio Group S.p.A. share capital against payment, pursuant to Art. 2443 of the Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 8 and as far as applicable - par. 5 of the Civil Code, for a maximum amount of € 180,000 through the issue, also in more tranches, of a maximum of no. 900,000 ordinary shares without nominal value, to be used only within the scope of the "Stock Option Plan 2021-2028"
9. Amendments to Art. 6 of the Company's By-laws in view of the resolutions resulting from items 7 and 8 of the agenda.

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

1. **Amendment to Art. 15.2 and 29.3 of the By-laws in order to comply with Art. 147-ter, par. 1-ter and Art. 148, par. 1-bis of the Legislative Decree no. 58/1998.**

Law no. 160 of 27 December 2019 has raised the minimum presence of the under-represented gender in the Board of Directors and the Board of Statutory Auditors from one-third to two-fifths, thus amending both Art. 147-ter, par. 1-ter and Art. 148, par. 1-bis of the Legislative Decree no. 58/1998 ("CFA").

In addition, Art- 144-undecies, par. 3 of the Issuers Regulation provides that: should the gender division criterion not result in a whole number of components of the administrative and control bodies belonging to the under-represented gender, said number shall be rounded up to the higher number, with the exception of the corporate bodies composed of three members, for which said number shall be rounded down. More specifically, the provision can be applied to the Board of Statutory Auditors of the Company, which, as provided for by the By-laws (Art. 29.1), is composed of 3 members.

### **The following Table shows the draft By-laws amendment.**

<p>15.2 The directors are appointed by the shareholders' meeting on the basis of slates presented by shareholders in which the candidates are listed, by means of progressive number. Each candidate can be presented only on one slate at the risk of being declared ineligible. Each slate must contain, individually identified, a number of</p>	<p>15.2 The directors are appointed by the shareholders' meeting on the basis of slates presented by shareholders in which the candidates are listed, by means of progressive number. Each candidate can be presented only on one slate at the risk of being declared ineligible. Each slate must contain, individually identified, a number of</p>
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<p><u>independent candidates pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 at least equal to the minimum number required by these By-Laws. The slates presenting a number of candidates of three or above should be composed of candidates belonging to both genders (male and female), so that the under-represented gender comprises at least one-third of the candidates (rounded up). Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment of directors at shareholders' meeting, equal to at least 2.5%, or the amount necessary in accordance with law or regulations where this latter is different from the holding previously required. The Shareholders' Meeting notice called to appoint the members of the Board of Directors indicates the shareholding required for the presentation of the slate of candidates.</u></p>	<p><u>independent candidates pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 at least equal to the minimum number required by these By-Laws. The slates presenting a number of candidates of three or above should be composed of candidates belonging to both genders (male and female), <b>so that the under-represented gender comprises at least two-fifths of the candidates (rounded up, with the exception of the corporate bodies composed of three members, for which said number shall be rounded down).</b> Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment of directors at shareholders' meeting, equal to at least 2.5%, or the amount necessary in accordance with law or regulations where this latter is different from the holding previously required. The Shareholders' Meeting notice called to appoint the members of the Board of Directors indicates the shareholding required for the presentation of the slate of candidates.</u></p>
<p><u>29.3 The Board of Statutory Auditors are appointed, in accordance with the procedure illustrated in the following paragraphs, in compliance with applicable law and regulations on gender equality, based on slates presented by shareholders. Statutory Auditors are appointed by the shareholders' meeting on the basis of slates, in accordance with the procedures illustrated below. Each slate is composed of two sections: one for the candidates for the office of Standing Auditor and the other for the candidates for the office of Alternate Auditor, in which the candidates are listed in progressive number. The slates containing three or more candidates must contain candidates belonging to both genders, in order than the under-represented gender is represented by one third (rounded up) of the standing auditor candidates, as well as one third (rounded up) of the candidates for alternate auditor. Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment at the shareholders' meeting equal to that for the appointment of the Board of Directors, as determined by these By-Laws.</u></p>	<p><u>29.3 The Board of Statutory Auditors are appointed, in accordance with the procedure illustrated in the following paragraphs, in compliance with applicable law and regulations on gender equality, based on slates presented by shareholders. Statutory Auditors are appointed by the shareholders' meeting on the basis of slates, in accordance with the procedures illustrated below. Each slate is composed of two sections: one for the candidates for the office of Standing Auditor and the other for the candidates for the office of Alternate Auditor, in which the candidates are listed in progressive number. The slates containing three or more candidates must contain candidates belonging to both genders, <b>so that the under-represented gender is represented by two-fifths (rounded down) among the standing auditor candidates.</b> Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment at the shareholders' meeting equal to that for the appointment of the Board of Directors, as determined by these By-Laws.</u></p>

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

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

**draft resolution**

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

resolves

1. to amend the current By-laws, amending Art. 15.2 as follows:

*"15.2 The directors are appointed by the shareholders' meeting on the basis of slates presented by shareholders in which the candidates are listed, by means of progressive number. Each candidate can be presented only on one slate at the risk of being declared ineligible. Each slate must contain, individually identified, a number of independent candidates pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998 at least equal to the minimum number required by these By-Laws. The slates presenting a number of candidates of three or above should be composed of candidates belonging to both genders (male and female), so that the under-represented gender comprises at least two-fifths of the candidates (rounded up, with the exception of the corporate bodies composed of three members, for which said number shall be rounded down). Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment of directors at shareholders' meeting, equal to at least 2.5%, or the amount necessary in accordance with law or regulations where this latter is different from the holding previously required. The Shareholders' Meeting notice called to appoint the members of the Board of Directors indicates the shareholding required for the presentation of the slate of candidates";*

1. to amend the current By-laws, amending Art. 29.3 as follows:

"29.3 The Board of Statutory Auditors are appointed, in accordance with the procedure illustrated in the following paragraphs, in compliance with applicable law and regulations on gender equality, based on slates presented by shareholders. Statutory Auditors are appointed by the shareholders' meeting on the basis of slates, in accordance with the procedures illustrated below. Each slate is composed of two sections: one for the candidates for the office of Standing Auditor and the other for the candidates for the office of Alternate Auditor, in which the candidates are listed in progressive number. The slates containing three or more candidates must contain candidates belonging to both genders, so that the under-represented gender is represented by two-fifths (rounded down) among the standing auditor candidates. Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital, at the presentation date of the slate, with voting rights for the appointment at the shareholders' meeting equal to that for the appointment of the Board of Directors, as determined by these By-Laws";

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

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**Item no. 2 on the Ordinary Meeting's Agenda**

**2. Financial Statements as of 31 December 2020; presentation of Consolidated Financial Statements as of 31 December 2020; Directors' Report on Operations, Board of Statutory Auditors' Report and Auditing Company's Report.**

- 2.1. Approval of the Financial Statements also pursuant to Art. 2446 of the Italian Civil Code.**
- 2.2. Resolutions regarding the allocation of the result for the year.**
- 2.3. Resolutions pursuant to Art.2446 of the Italian Civil Code, with acknowledgement of the intention of the Board of Directors to exercise the residual part of the proxy for the share capital increase already vested to it by the Shareholders' Meeting on 12 November 2020, pursuant to Art. 2441, par. 4 of the Italian Civil Code.**

Dear Shareholders,

**1. Approval of the Financial Statements and allocation of the result for the year**

We hereby submit for your approval the draft Financial Statements as of 31 December 2020, as assessed and approved by the Board of Directors in their meeting of 10 May 2021, which shows a loss of € 8,419,120, which we propose to carry forward.

Furthermore, we submit to your attention Giglio Group's Consolidated Financial Statement as of 31 December 2020, which, albeit not dependent on the Meeting's approval, is an additional information provided with Giglio Group S.p.A. Financial Statements.

To this purpose, we inform you that the Financial Statements and the Consolidated Financial Statements as of 31 December 2020 - including the Financial Statements as of 31 December 2020, the Consolidated Financial Statements, Board of Statutory Auditors' Report and the Auditing Company Report, as well as the Certification pursuant to Art. 154-bis, par. 5 of the CFA - are made available in the Company's headquarters, on the authorised storage mechanism at [www.emarketstorage.com](http://www.emarketstorage.com), and on the Company's website at [www.giglio.org](http://www.giglio.org), "Corporate Governance - Shareholders' Meeting - Shareholders' Meeting 21 June 2021". For explanations on the draft Financial Statements as of 31 December 2020, please see the Directors' Report on Operations.

**2. Resolutions pursuant to Art. 2446 of the Italian Civil Code**

It is also noted that, due to the loss for the year of € 8,419,120, the Share Capital of the Company (at the Reporting date, equal to € 4,149,295), was reduced by a third, pursuant to and in accordance with Art. 2446, par. 1 of the Italian Civil Code.

With regard to the financial position of the Company as of 31 December 2020, reference is made to the financial statements deposited and made available to the public pursuant to the law; the Board of Directors points out that, following the specified date and until this report, no relevant events or circumstances that may significantly change the figures of the aforementioned documents took place, and that a further update of the financial position will be, in any case, made available to the shareholders before the meeting following the approval and publication of the Interim Directors' Report as of 31 March 2021.

To this purpose, the Board of Directors states that, pursuant to Art. 2446, par. 1 of the Italian Civil Code, there is no legal obligation to write off the losses, given that the Company is not in a situation of relevant loss as per Art. 2446, par. 2 and Art. 2447 of the Italian Civil Code, and is thus possible to carry the losses forward. It is also noted that, on the aforementioned legal

provisions (as of now, not applicable), the emergency provision set forth in Art. 6 of the Legislative Decree no. 23/2020 (so-called "Liquidity Decree" - as extended by Law 178/2020), which suspended the provisions for mandatory capital reduction for losses, postponing to the following fifth fiscal year the term in which the losses shall be reduced to less than a third (Art. 2446, par. 2 of the Italian Civil Code).

Notwithstanding the above, the Board of Directors also intends to exercise the proxy granted to it by the Shareholders' Meeting on 12 November 2020 pursuant to Art. 2443 of the Italian Civil Code in order to execute the share capital increase to paid in kind pursuant to Art. 2441,, par. 4, second sentence of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code.

The Board of Directors deemed that the exercise of the residual part of the aforementioned proxy is an "appropriate measure" pursuant to Art. 2446 of the Italian Civil Code, to be executed with the issue of a maximum of further no. 1,221,547 shares by 30 June 2021. It is noted that the aforementioned proxy was granted to the Board of Directors by the Shareholders' Meeting of 12 November 2020 and was partially executed by virtue of the Board's resolution of 21 December 2020.

It is thus useful to repeat the contents of the Meeting's resolution of 12 November 2020 with regard to the proxy, where express reference is made to the strengthening of the financial position of the Company and the Group, in line with the needs arising from the loss of more than a third of the share capital. As stated in the meeting's resolution: "the Board of Directors believes that the Increase would be useful to the Company, as it could allow, on the one hand, for the strengthening of the Company's economic and financial position and, on the other hand, for the development and growth of the Company, without burdening the financial debt and the income statement, given that the financial resources shall be introduced as share capital and at share premium".

Based on these premises, the Board of Directors intends, upon the Meeting's acknowledgement, to voluntarily adopt said initiative in order to favour the full development of the company's ability to produce revenues within the specific corporate situation that emerged from the financial statements.

With regard to the exercise of the proxy, the Company has already received the formal commitment of the majority shareholder Meridiana Holding S.r.l. to subscribe on a residual basis 50% of said share capital increase, to be paid for in kind at the "shares' market value" as per Art. 2441, par. 4 of the Italian Civil Code. Moreover, the Board of Directors has already contacted a major operator, who has been following the Company from the first months of 2021 as specialist, in order to support the Company in the preparation and fulfilment of the necessary formalities for the execution of said capital increase.

For more information on the conditions of said increase, see the explanatory report that the Board of Directors shall prepare with regard to the authorised share capital increase, to be executed following the Meeting and, in any case, by 30 June 2021; this report will be disclosed to the Auditing Company in order to receive its opinion, pursuant to Art. 4, par. 4 of the Civil Code; The explanatory report, together with the opinion of the Auditing Company, shall be deposited in the Company's headquarters and made available to the public within the terms and conditions set forth in the applicable regulation.

The Board of Directors, having taken into account the aforementioned, wishes to submit to the Shareholders' Meeting the following draft resolution.

**draft resolution**



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

- *having examined the Directors' Report, prepared pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1958;*
- *having examined the Annual and Consolidated Financial Report as of 31 December 2020 and, in particular, the Directors' Report on Operations, the Board of Statutory Auditors' Report and the Auditing Company's Report;*
- *having acknowledged that the Financial Statements of the Company as of 31 December 2020 highlighted a loss for the year of € 8,419,120.00, which produced a relevant loss of share capital (as of the reporting date, equal to € 4,149,295) of more than a third, as per Art. 2446, par. 1 of the Italian Civil Code;*

#### **resolves**

1. *To approve the Financial Statements of Giglio Group S.p.A. as of 31 December 2020, which shall be closed with a loss of € 8,419,120.00, also pursuant Art. 2446 of the Italian Civil Code;*
2. *To carry forward said loss;*
3. *To acknowledge the Consolidated Financial Statements of the Group;*
4. *To acknowledge the fact that the loss produced a reduction in the share capital of the Company (currently equal to € 4,149,295) of more than a third, and as such, relevant pursuant to and in accordance with Art. 2446, par. 1 of the Italian Civil Code;*
5. *To acknowledge the Board of Directors' intention to proceed with the exercise of the residual part of the proxy for the share capital increase, already granted, pursuant to Art. 2441, par. 4 of the Italian Civil Code, by the Shareholders' Meeting on 12 November 2020, through the issue of a maximum of further no. 1,221,547 shares before 30 June 2021, considering this to be an appropriate measure to face the losses incurred;*
6. *To grant to the Board and, in turn, to its Chairman, any power necessary and/or appropriate for the execution of this resolution.*

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#### **Item no. 3 on the Ordinary Meeting's Agenda**

- 3. Appointment of the Board of Directors. Resolutions pertaining thereto and resulting therefrom.**
  - 3.1. Identification of number of members of the Board of Directors.**
  - 3.2. Identification of the duration of the assignment of the Board of Directors.**
  - 3.3. Appointment of the members of the Board of Directors.**
  - 3.4. Appointment of the Chairman of the Board of Directors.**
  - 3.5. Identification of the remuneration of the members of the Board of Directors.**

Dear Shareholders,

with the approval of the Financial Statements as of 31 December 2021, the Board of Directors of the Company shall expire, as appointed by Ordinary Shareholders' Meeting on 30 April 2018 and subsequently reduced on 23 April 2020.

You are thus kindly requested to resolve on: (i) the identification of the number of members of the new Board of Directors; (ii) the identification of the term of office of the Board of Directors; (iii) the appointment of the members of the Board of Directors; (iv) the appointment of the Chairman of the Board of Directors and (v) the identification of the remuneration of the members of the Board of Directors.

#### **Identification of number of members of the Board of Directors.**

Pursuant to Art. 15 of the By-laws, the Company shall be governed by a Board of Directors composed of a minimum of three and a maximum of eleven members, as resolved by the Shareholders' Meeting and in compliance with the gender equality principle set forth by Art. 147-ter, par. 1-ter of Legislative Decree no. 58/1998 ("CFA").

The current Board of Directors is composed of 5 members. It is noted that the ordinary Shareholders' Meeting of 30 April 2018 had determined 7 members of the Board of Directors, which was later reduced to 5 on 23 April 2020 for the purpose of maintaining a more efficient and operational structure given the recent streamlining of the Group's organisational structure.

The expiring Board of Directors thus invites the Shareholders' Meeting to identify the number of members of the new Board of Directors.

#### **Identification of the term of office of the Board of Directors**

Pursuant to Art. 14 of the current By-laws, appointed Directors shall remain in office for a period of no more than 3 fiscal years, as determined by the Shareholders' Meeting, and their term shall expire on the date of the Meeting called for the approval of the Financial Statements related to their last year in office. Directors may be re-elected.

The expiring Board of Directors thus invites the Shareholders' Meeting to identify the term of office of the new Board of Directors.

#### **Appointment of the members of the Board of Directors**

The appointment of the Board of Directors of the Company shall be carried out on the basis of slates in which candidates must be identified by means of a progressive number, in accordance to Art. 15 of the By-laws, to which reference is made for anything not shown below.

Every slate shall include, identifying expressively, a number of candidates who meet the independence requirements set forth by Art. 148, par. 3 of the Legislative Decree no. 58/1998 at least equal to the minimum set forth by the By-laws (at least one or two if the Board of Directors is composed of more than seven members). It is noted, however, that the Company's shares are traded on the MTA-STAR Segment of the Italian Telematic Stock Exchange Market managed and organised by Borsa Italiana S.p.A. ("**MTA**") and that, for the purpose of maintaining the STAR class, the Board of Directors must include an adequate number of Independent Directors according to the provisions set forth by Art. IA.2.10.6 of the Instructions for the Regulation of the Markets managed and organised by Borsa Italiana; according to said provisions, Board of Directors with up to 8 members shall comprise at least two Independent Directors, while Board of Directors with 9 to 14 members shall comprise at least three Independent Directors.

The slates presenting a number of candidates of three or above shall be composed of candidates belonging to both genders, in compliance with the applicable legal provisions currently in force, thus having at least two-fifths of its members from the under-represented gender.

Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital of at least 2.5%, at the presentation date of the slate,



represented by shares with voting rights for the appointment of the Board of Directors and other control bodies, as determined by the By-laws and by the Consob Resolution no. 44/2021. Every shareholder may present or contribute to present only one slate.

Shareholders who belong to the same group (or, pursuant to Art. 93 of the CFA, are in a relationship of control with one another or are subject to joint control), or are party to a relevant shareholders' agreement, pursuant to Art. 122 of the CFA, regarding the shares of the Company, or are party to a shareholders' agreement and, as provided by the law, control, are controlled by or are subject to the joint control of one of the shareholders, cannot present or contribute to present more than one slate nor, as any other individual with voting rights, can they vote for different slates. Support for the filing of a slate and votes cast in violation of this prohibition shall not be attributed to any slate. The ownership of the minimum holding required to propose a slate is established considering the shares which have been registered in favour of the shareholder on the day on which the slates are filed with the Company.

The slates, together with the curriculum vitae of the candidates containing extensive professional and personal details including the list of offices held in other companies, and signed by the shareholders that presented them, or their mandate, with information on their respective identity and the total shareholding at the presentation date must be filed at the registered office at least 25 days before the date of the Shareholders' Meeting and sent via certified e-mail at [giglio@arubapec.it](mailto:giglio@arubapec.it) (i.e. by **27 May 2021**). The relative certificate or communication confirming the above-mentioned shareholding and issued by the authorised intermediary in accordance with applicable legislative or regulatory provisions may also be made subsequently, provided at least 21 days before the date of the Shareholders' Meeting in first call (i.e. by **31 May 2021**). In any case, upon filing of the slates, all information necessary to identify the individual filing the slates must be provided.

Within the deadline for the submission of the slate, statements shall be filed whereby the single candidates accept their nomination and certify, under their own responsibility, the non-existence of any reasons for ineligibility and incompatibility, set out by the applicable law, the existence of the requirements set forth by the current legislation as well as those independence requirements required by Art. 148, par. 3 of CFA and by other articles of the Corporate Governance Code. Slates presented in violation of the above rule are considered void. In conformity with the recommendation set forth in Consob communication no. DEM/9017893 of 26 February 2009, Shareholders who present a minority slate for the appointment of the Board of Directors are requested to file, along with the slate, also a declaration "*attesting to the absence of any relationship, also indirect, pursuant to Art. 147-ter, par. 3 of the CFA and Art. 144-quinquies of the Issuers' Regulation, with the shareholders who hold, also jointly, a controlling shareholding or relative majority in the share capital, where identifiable on the basis of the relevant shareholdings notifications as per Art. 120 of the CFA or of the publication of Shareholders' agreements pursuant Art. 122 of the same CFA*", specifying, where available, the relationships with said controlling shareholders or shareholders with relative majority, as well as the reasons as to why said relationships were not deemed decisive for the existence of the aforementioned relationships.

The slates and the information relevant thereof shall be made available to the public at the Company's registered office or on its website ([www.giglio.org](http://www.giglio.org) - Corporate Governance – Shareholders' Meetings - Shareholders' Meeting 21 June 2021) with the modalities set forth by the applicable laws and regulations at least 21 day before the Shareholders' Meeting (i.e. **31 May 2021**).

Notwithstanding the provisions for gender equality in accordance with applicable laws and regulations, the following shall be appointed as members of the Board of Directors: (a) the candidates indicated in sequential order in the list that receives the most votes (the "Majority Slate"), in a number equal to the total number of members of the governing body to be elected, less one; (b) the first subject on the slate different from the Majority Slate which received the largest number of votes (the "Minority Slate") and which is not related in

any manner, even indirectly, in accordance with applicable laws and regulations in force, with the shareholders that presented or voted on the Majority Slate.

In the case in which a number of slates receive the same number of votes, a fresh round of balloting takes place between these slates.

Where the composition of the Board of Directors does not ensure compliance with gender equality laws and regulations, the candidate of the over-represented gender elected listed last on the slate which has obtained the highest number of votes will be replaced by the first listed candidate of the under-represented gender elected on the same slate. Where this procedure does not ensure gender equality, the replacement will be made by a relative majority of the Shareholders' Meeting, with prior presentation of the candidature of individuals belonging to the under-represented gender.

If the candidates elected in the manner described above do not include a director - or two, if the Board is composed of more than seven members - who meets the independence requirements set forth by applicable current statutory provisions and regulations, the non-independent candidate elected last in progressive order from the slate that had the largest number of votes shall be replaced with the first unelected independent candidate, based on the numerical sequence in the same slate or, otherwise, with the first unelected independent candidate listed sequentially on other slates, chosen in accordance with the number of votes received by each slate. This replacement procedure shall be used until the Board of Directors includes a number of Directors that meet the independence requirements set forth before. Finally, should said procedure not ensure the last result indicated, the substitution shall take place by a resolution passed by a relative majority of the Meeting, subject to the presentation of candidatures of persons having the aforementioned requisites.

Where only one slate is presented or where no slate is presented, the Shareholders' Meeting votes by statutory majority. The above regulations are subject to any further amendments to the law and regulations.

### **Appointment of the Chairman of the Board of Directors**

Pursuant to Art. 18 of the current By-laws, the Board of Directors shall appoint a Chairman above its members, should the Shareholders' Meeting not see to it. The expiring Board of Directors thus invites the Shareholders' Meeting to appoint a Chairman among the Directors that will be elected following the voting set out in the previous item of the agenda, on the basis of the proposal that may be formulated.

### **Identification of the remuneration of the members of the Board of Directors.**

Pursuant to Art. 27 of the current By-laws, the Directors shall be reimbursed for any expenses incurred for the execution of office.

The provisions of Article 2389 of the Italian Civil Code apply in terms of Directors remuneration. In particular, the Shareholders' Meeting may recognise compensation and remuneration of an extraordinary or periodic nature, also in relation to the profits reported, or grant the right to subscribe at a determined price the future shares to be issued. The Shareholders' Meeting may also set aside for the directors, in the form deemed suitable, including through insurance policies, severance pay to be settled upon termination of mandate.

The Shareholders' Meeting may also determine an overall amount for the remuneration of all directors, including those vested with particular authorities.

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

### **draft resolution**

"Giglio Group S.p.A. Shareholders' Meeting is called to:

- I. Identify the number of members of the Board of Directors, to be defined, pursuant to statutory provisions, between a minimum of three and a maximum of eleven members;
- II. Identify the term of office of the Board of Directors, in accordance to the limits set forth by the Law and the By-laws;
- III. Resolve upon the appointment of the members of the Board of Directors by voting for the election of its components in accordance to the current legislation and By-laws, on the basis of the candidates thus presented;
- IV. Appoint the Chairman of the Board of Directors on the basis of the proposals thus presented;
- V. Identify the remuneration of the members of the Board of Directors on the basis of the proposals thus presented".

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#### **Item no. 4 on the Ordinary Meeting's Agenda**

#### **4. Appointment of the Board of Statutory Auditors.**

- 4.1. Appointment of the members of the Board of Statutory Auditors and of its Chairman**
- 4.2. Identification of their remuneration**

Dear Shareholders,

with the approval of the Financial Statements as of 31 December 2020, the Board of Statutory Auditors of the Company shall expire, as appointed by the Ordinary Shareholders' Meeting on 11 May 2018.

You are thus called to resolve on: (i) the appointment of the members of the Board of Statutory Auditors and of its Chairman and; (ii) the identification of their remuneration.

#### **Appointment of the members of the Board of Statutory Auditors and of its Chairman**

The appointment of the Board of Statutory Auditors shall take place in accordance with Art. 29 of the By-laws, to which reference is made for anything not shown below.

The Board of Statutory Auditors of the Company is composed of three standing auditors and two alternate auditors. The composition of the Board of Statutory Auditors shall ensure gender equality in compliance with applicable legislative and regulatory provisions.

The statutory auditors, who may be re-elected, are selected from persons meeting the requirements established by applicable laws and regulations, including the professional standing requirements established by Ministry of Justice Decree No. 162 of March 30, 2000, whereby it is understood, in respect of Article 1, paragraph 2, letters b) and c), of that Decree, that the following are considered closely related to the company's activity: (i) subjects pertaining to commercial law, tax law, accounting, business economics, general and international economics, financial markets and corporate finance; and (ii) the sectors of the industry and trade and communication generally. With regard to the composition of the board of statutory auditors, the limits on simultaneous positions on governing and control bodies occupied by members of the board of statutory auditors are as set out in applicable laws and regulations.

Shareholders may only present slates that, alone or together with other shareholders, hold a percentage of the share capital of at least 2.5%, at the presentation date of the slate,

represented by shares with voting rights for the appointment of the Board of Directors and other control bodies, as determined by the Consob Resolution no. 44/2021.

Each slate is composed of two sections: one for the candidates for the office of Standing Auditor and the other for the candidates for the office of Alternate Auditor, in which the candidates are listed in progressive number. The slates presenting an overall number of candidates of three or above shall be composed of candidates belonging to both genders, in compliance with the applicable legal provisions currently in force, thus having at least two-fifths of its members from the under-represented gender, rounded down in the case of the Board of Statutory Auditors.

Each shareholder cannot contribute to the presentation of or present, through other persons with voting rights or trust companies, on more than one slate. Moreover, shareholders who: i) belong to the same group (or, pursuant to Art. 93 of the CFA, are in a relationship of control with one another or are subject to joint control), or ii) are party to a relevant shareholders' agreement, pursuant to Art. 122 of the CFA, regarding the shares of the Company, or iii) are party to a shareholders' agreement and, as provided by the law, control, are controlled by or are subject to the joint control of one of the shareholders, cannot present or contribute to present more than one slate nor can they vote for different slates. Support for the filing of a slate and votes cast in violation of this prohibition shall not be attributed to any slate.

The slates, together with the curriculum vitae of the candidates containing extensive professional and personal details including the list of offices held in other companies, and signed by the shareholders that presented them, or their mandate, with information on their respective identity and the total shareholding at the presentation date must be filed at the registered office at least 25 days before the date of the Shareholders' Meeting (given that said term falls on a public holiday, i.e. 4 April 2021, and that 27 May 2021 is also an holiday, the slates may be filed by **6 April 2021**) together with a declaration of the presenting shareholders, where they are different than those that hold, also jointly, a controlling shareholding or relative majority in the share capital (this latter as defined above in the present article), attesting to the absence of any relationship with these latter in accordance with current legislative and regulatory provisions, as well as by taking into account the recommendations set forth in Consob Communication no. DEM/9017893 of 26 February 2009. The relative certificate or communication confirming the above-mentioned shareholding and issued by the authorised intermediary in accordance with applicable legislative or regulatory provisions may also be made subsequently, provided at least 21 days before the date of the Shareholders' Meeting (i.e. by **31 May 2021**). The slates, together with their annexes, shall be filed via certified e-mail at [giglio@arubapec.it](mailto:giglio@arubapec.it).

Within the deadline for the submission of the slate, statements shall be filed whereby the single candidates accept their nomination and certify, under their own responsibility, the non-existence of any reasons for ineligibility and incompatibility, set out by the applicable law, as well as the existence of the independence requirements required by Art. 148, par. 3 of the CFA, as well as any requirements prescribed by the By-laws, law and regulations for the members of the Board of Statutory Auditors.

Where within twenty-five days prior to the date of the Shareholders' Meeting (given that said term falls on a public holiday, i.e. 4 April 2021, and that 27 May 2021 is also an holiday, the slates may be filed by **6 April 2021**), only one slate has been presented, or slates have been presented only by shareholders which are connected to each other in accordance with current legislative and regulatory provisions, further slates may be presented until the third day subsequent this date (i.e. by **30 May 2021**) and the minimum shareholding for the presentation of slates indicated in the call notice will be reduced by half (i.e. 1.25%). Also in the case of this presentation, the relative certificate or communication confirming the necessary shareholding and issued by the authorised intermediary in accordance with applicable legislative or regulatory provisions may also be made subsequently provided within 21 days before the date of the Shareholders' Meeting (i.e. by **31 May 2021**).

Statutory Auditors shall remain in office for three fiscal years, and more specifically until the date of the Shareholders' Meeting called for the approval of the Financial Statements of the third year of office. Statutory Auditors can be re-elected.

At least two Standing Auditors and at least one Alternate Auditor shall be chosen from the Italian Register of Auditors, with the requirement of having exercised the activity of statutory audit for no less than three years. Auditors that do not meet this requirement shall be chosen from those who gained at least three years of experience in one of the following:

- accounting and control areas or management functions with listed companies with a share capital of more than € 2 million, or;
- professional activity or activity as university teacher in legal, financial, economic and technical-scientific matters, strictly pertaining to the line of business of the Company, or;
- management functions at public institutions or administrations operating in the credit, financial and insurance sectors, or anyway in the line of business of the Company.

Statutory Auditors cannot hold positions of governance and control other than the ones established by the current applicable laws and regulations.

Notwithstanding the aforementioned legal and gender equality requirements, Shareholders are invited to propose candidates while taking into account diversity principles in the composition of the Board of Statutory Auditors as far as age, education and experience are concerned, in order to ensure the adequate skills needed to provide the correct performance of the functions appointed to them.

It is also noted that, because the Board of Statutory Auditors is identified with the "Internal Control and Financial Committee" pursuant to Art. 19 of Legislative Decree no. 39/2010 (as amended by Legislative Decree 135/2016), the members of the Board must be, overall, skilled in the sector in which the Company is engaged.

Notwithstanding the provisions for gender equality in accordance with applicable laws and regulations, the appointment of members of the Board of Statutory Auditors shall be elected as follows: a) from the slate that has obtained the highest number of votes, based on the progressive order with which they are shown on the slate, two statutory auditors and an alternate auditor are elected; b) from the slate that has obtained the second highest number of votes and that is not associated, even indirectly, with the shareholders who have presented or voted on the slate that obtained the highest number of votes, based on the progressive order with which they are shown on the slate, one statutory auditor, who is the Chairman of the Board of Statutory Auditors, and another alternate auditor are elected. For the purpose of the auditors' appointment mentioned in letter b), in the case of parity between slates, the candidate presented by the shareholder with the largest holding will prevail or, the largest number of shareholders.

Where a party connected with a shareholder which has presented or voted the slate which obtained the highest number of votes has voted for a minority slate the existence of this connected relationship is only significant where the vote contributed to the election of the statutory auditor to be taken from this minority slate.

Where following the voting by slates or voting on the only slate presented the composition of the Board of Statutory Auditors, for the standing members, does not comply with the applicable gender equality laws and regulations, the standing auditor listed last on the slate which obtained the highest number of votes or the only slate belonging to the over-represented gender is excluded and replaced by the subsequent candidate, according to the progressive numbering by which candidates are elected, belonging to the other gender.

Where two or more slates have obtained the same highest number of votes, the Shareholders' Meeting votes by relative majority.

Where only one slate is presented, the Shareholders' Meeting votes on this slate; where the slate obtains the majority required by law, three candidates shall be elected standing auditor as indicated by progressive order in the relative section and two candidates shall be elected alternate auditor as indicated by progressive order in the relative section; the Chairman of the Board of Statutory Auditors shall be the first candidate of the section for standing auditor in the slate presented. Where no slate is presented, the Shareholders' Meeting appoints the Board of Statutory Auditors by relative majority of the share capital represented at the Shareholder' Meeting, which must however comply with legislative and regulatory provisions on gender equality.

The slate that fails to observe the foregoing requirements shall be considered as non-presented.

It is noted that, pursuant to the Law and the By-laws, the Chairman of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting by picking among the Auditors elected by the minority.

The slates and the information relevant thereof shall be made available to the public at the Company's registered office or on its website ([www.giglio.org](http://www.giglio.org) - Corporate Governance – Shareholders' Meetings - Shareholders' Meeting 21 June 2021) with the modalities set forth by the applicable laws and regulations at least 21 day before the Shareholders' Meeting (i.e. **31 May 2021**).

#### **Identification of the remuneration of the members of the Board of Statutory Auditors.**

The Shareholders' Meeting is also called to resolve on the remuneration of the members of the Board of Statutory Auditors on the basis of the proposals that shall be presented.

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In view of this, the Board of Directors hereby invites you to:

- I. *Resolve upon the appointment of the Board of Statutory Auditors by voting for the election of its components in accordance to the current legislation and By-laws, on the basis of the candidates thus presented;*
- II. *Identify the remuneration of the members of the Board of Statutory Auditors.*

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#### **Item no. 5 on the Ordinary Meeting's Agenda**

##### **5. Report on the Remuneration Policy and on the remunerations paid at 31 December 2020 pursuant to Art. 123-ter of the Legislative Decree no. 58/1998 and to Art. 84-quater of the Regulation adopted with Consob resolution no. 11971 on 14 May 1999.**

- 5.1. Binding resolution on the first section of the Report on the Remuneration Policy, drafted pursuant to Art. 123-ter, par. 3 of the Legislative Decree no. 58/1998.**
- 5.2. Non-binding resolution on the second section of the Report on remunerations paid, drafted pursuant to Art. 123-ter, par. 4 of the Legislative Decree no. 58/1998.**

Dear Shareholders,

we submit to your attention the "Report on the Remuneration Policy and on the remunerations paid" (the "**Remuneration Report**"), drafted pursuant to Art. 123-ter of the CFA and Art. 84-quater of the Issuers Regulation, as approved by the Board of Directors and as made available to the public at the Company's registered office and on the website [www.giglio.org](http://www.giglio.org) ("Corporate Governance - Shareholders' Meeting - Shareholders' Meeting 21



June 2021" section), as well as on the authorised storage mechanism "eMarket Storage", available on the website [www.emarketstorage.com](http://www.emarketstorage.com), within the terms set forth by the current legislation.

The aforementioned Remuneration Report - drafted also by taking into account the new regulations adopted by Consob with the amended resolution of the Issuers' Regulation no. 21623 on 10 December 2020 - is composed of two sections:

- (i) the first section shows the Company's policy regarding the remuneration of the members of the Board of Directors, of its general managers and of other managers with strategic responsibilities, notwithstanding the provisions of Art. 2402 of the Italian Civil Code, and of the members of the Board of Statutory Auditors, with reference to 2021, as well as the procedures followed for the adoption and implementation of said policy;
- (ii) the second section, namely with regards to the members of the Boards of Directors and of Statutory Auditors, but also to general managers and in aggregate form, for the managers with strategic responsibilities, provides an adequate representation of the single items that comprise the remuneration of the aforementioned offices - highlighting the coherence with the remuneration policy of the Company for 2020 - and shows the remunerations paid to said offices in 2020, for any reason and in any form, by the Company and its subsidiaries, as well as by its associates.

Referring to the Remuneration Report for an extensive information on the matter, pursuant to Art. 123-ter, par- 3-ter and 6 of the CFA, you are called to resolve with binding vote on the first section of the Report and with non-binding vote on the second section of the Report.

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In light of the above, with regard to the first section of the Remuneration Report, we hereby submit for your approval the following:

#### **draft resolution**

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

- *having examined the Report on the Remuneration Policy and on the remunerations paid drafted by the Board of Directors pursuant to Art. 123-ter of the Legislative Decree no. 58 of 24 February 1998, of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999, as well as the procedures used for the adoption and implementation of said policy and, in particular, the first section of the Report, containing the explanation of the remuneration policy for the members of the Board of Directors, of general managers and of other managers with strategic responsibilities and, notwithstanding the provisions set forth in Art. 2402 of the Italian Civil Code, of the members of the Board of Statutory Auditors, adopted by the Company for 2021;*
- *considering that, pursuant to Art. 123-quinquies, par. 3, of Legislative Decree no. 58 of 24 February 1998, the Shareholders' Meeting is called to express a binding vote on the first section of the Report;*

#### **resolves**

*to approve the first section of the Report on the Remuneration Policy and on the remunerations paid drafted pursuant to Art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999".*

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With regard to the second section of the Remuneration Report, we hereby submit for your approval the following

**draft resolution**

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

- *having examined the Report on the Remuneration Policy and on the remunerations paid drafted by the Board of Directors pursuant to Art. 123-ter of the Legislative Decree no. 58 of 24 February 1998, of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999 and, in particular, the second section of the Report, which, namely with regards to the members of the Boards of Directors and of Statutory Auditors, but also to general managers and in aggregate form, for the managers with strategic responsibilities, provides an adequate representation (pursuant to Art. 123-ter, par. 4 of the CFA) of the single items that comprise the remuneration of the aforementioned offices - highlighting the coherence with the remuneration policy of the Company for 2020 - and shows the remunerations paid to said offices in 2020, for any reason and in any form, by the Company and its subsidiaries, as well as by its associates;*
- *considering that, pursuant to Art. 123-ter, par. 6, of Legislative Decree no. 58 of 24 February 1998, the Shareholders' Meeting is called to express a non-binding vote on the second section of the Report;*

**resolves**

*to approve the second section of the Report on the Remuneration Policy and on the remunerations paid drafted pursuant to Art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and of Art. 84-quater of the Regulation adopted by Consob with Resolution no. 11971 on 14 May 1999".*

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**Item no. 6 on the Ordinary Meeting's Agenda**

**Authorisation to purchase and place own shares.**

Dear Shareholders,

in line with the good practices followed by most listed companies, we believe it is useful to submit to your approval the authorisation of the purchase and place of own shares pursuant to (i) Art. 2357 et seq. of the Italian Civil Code, (ii) Art. 132 of CFA and (iii) Art. 144-bis of the Issuers' Regulation for the purposes, in the terms and with the conditions showed below.

**A. Reasons for requesting authorisation to purchase and place own shares**

The authorisation to purchase and place own shares is requested to be used in compensation plans based on the grant of financial instruments pursuant to Art. 114-bis of the CFA (including the Stock Option Plan 2021-2028), in line with the purposes provided for in Art. 5, par. 2 of the Regulation (EU) no. 596/2014 of the European Parliament and Council of 16 April 2014 (the "**MAR Regulation**"), for executive directors and managers with strategic responsibilities of the Company and its subsidiaries, or to support the issue of any debenture bond convertible into Company's shares.

The authorisation is also functional to enable stabilising transferable securities with regard to contingent market circumstances and always pursuant to Art. 5, par. 4 of the MAR

Regulation. Furthermore, the purchase of own shares can be used for an efficient use of the liquidity within the Company, or as payment for acquisition or public exchange offers.

It is also proposed to authorise the Board of Directors to dispose, in full or in part, of the shares that will eventually be purchased, seeing this as an important tool of management and strategic flexibility.

#### **B. Maximum number and nominal value of shares related to the authorisation**

The purchase for which the authorisation is requested refers to the Company's ordinary shares whose maximum number, pursuant to the limits set forth in Art. 2357, par. 3 of the Italian Civil Code and taking into account the shares held from time to time by the Company and its subsidiaries, cannot have an overall nominal value exceeding the fifth part of the whole share capital or the eventual different maximum amount provided for by the current applicable law.

To Giglio Group's subsidiaries, provisions shall be given for the prompt notification of any share purchase in order to ensure the respect of the aforementioned limit.

#### **C. Duration of Authorisation**

The proposal provides for a purchase period of 18 months from the date of the resolution on the authorisation.

Within the term of the authorisation eventually granted, the Board of Directors shall have the power to carry out the purchases on one or more occasions and at any moment, to a freely determined extent and time, in compliance with applicable regulations, with the gradual approach deemed fit for the Company's interests.

The authorisation to place is requested without time limits.

#### **D. Minimum and maximum payment for purchase and placement of own shares**

Own shares should be purchased at a unit price that is not less and not higher than 20% of the reference price registered for the share in the stock exchange market in the session prior to every purchase transaction, and, in any case, at a unit price not higher than the price of the last independent transaction and the price of the current higher independent purchase in the trading venue where the purchase is carried out, even when shares are negotiated in different trading venues.

Shares should be placed for a unit price that is not less and not higher than 20% of the reference price registered for the share in the stock exchange market in the season prior to every purchase transaction. These price limits shall not be applied if the placement or free allocation of own shares are carried out for employees, managers included, executive directors and collaborators of Giglio Group and its subsidiaries in the context of compensation plans based on the grant of financial instruments pursuant to Art. 114-bis of the CFA aimed at providing incentives to the formers.

#### **E. Procedures for purchase and placement**

The purchase of own shares shall be carried out in compliance with existing regulations for listed companies, that is in conformity with provisions set forth in Art. 144-bis of the Issuers' Regulation and of Art. 132 of the CFA.

Own shares in portfolio may be transferred, eventually even before finishing the amount of own shares that can be purchased.

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

### **draft resolution**

"Giglio Group S.p.A. Shareholders' Meeting, having taken into account the proposal of the Board of Directors as well as the provisions set forth in Art. 2357 et seq. of the Italian Civil Code, Art. 132 of the CFA and Art. 144-bis of the Regulation adopted with Consob Resolution no. 11971 on 14 May 1999

### **resolves**

1. *to authorise the Board of Directors to purchase the Company's own shares, for the amount, price and terms and conditions illustrated below:*
  - *the purchase may be carried out on one or more occasions, within 18 months from the date of the Meeting's resolution;*
  - *the unit price of each share shall not be less nor higher than 20% of the reference price registered for the share in the stock exchange market in the session prior to every transaction, and, in any case, at a unit price not higher than the price of the last independent transaction and the price of the current higher independent purchase in the trading venue where the purchase is carried out, even when shares are negotiated in different trading venues;*
  - *the maximum number of shares to be purchased shall be equal to the maximum allowed by the Law;*
  - *the purchase of own shares shall be carried out in compliance with existing regulations for listed companies, that is in conformity with provisions set forth in Art. 144-bis of the Issuers' Regulation and of Art. 132 of the CFA;*
2. *to authorise the Board of Directors, pursuant to Art. 2357-ter, par. 1 of the Italian Civil Code, to place in full or in part, of the own shares in portfolio, without time limitations, eventually even before finishing the amount of own shares that can be purchased, to a price that cannot be lower nor higher than 20% of the reference price registered for the share in the stock-exchange market in the session prior to every transaction. These price limits shall not be applied if the placement or free allocation of own shares are carried out for employees, managers included, executive directors and collaborators of Giglio Group and its subsidiaries in the context of compensation plans based on the grant of financial instruments pursuant to Art. 114-bis of the CFA aimed at providing incentives to the formers.*
3. *to authorise the Board of Directors to carry out any necessary or appropriate accounting recording, pursuant to Art. 2357-ter, par. 3 of the Civil Code, with regard to transactions on own shares, in compliance with current regulations and applicable accounting standards;*
4. *to vest the Board of Directors and on its behalf the Chairman or Vice-chairman of the Board of Directors, also with separate signing powers and proxy powers, with any wider power needed to give actual and integral implementation to the resolutions set forth above and to provide for the relevant market disclosure, pursuant to Community legislation and to the market practices allowed by current regulations".*

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### **Item no. 7 on the Ordinary Meeting's Agenda**

**Approval of the Stock Option Plan called "Stock Option Plan 2021 - 2028", regarding Giglio Group S.p.A.'s ordinary shares and reserved only to executive directors and/or managers with strategic responsibilities of both the Company and/or its subsidiaries.**

Dear Shareholders,

The Board of Directors has called you to this Meeting in order to submit for your approval, pursuant to Art. 114-bis of the CFA, and incentive and loyalty plan aimed at representing a part of the medium/long-term remuneration of a part of the management of the Company.

The plan, called "Stock Option Plan 2021 - 2028" (the "Plan"), shall be reserved to executive directors and managers with strategic responsibilities (both of the Company and of its subsidiaries), identified as beneficiaries by the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee (the "**Beneficiaries**").

The essential terms and conditions of the Plan submitted for the Meeting's approval are summarised below, with the clarification that the draft resolution provides for the granting of the mandate to designate the regulation of the Plan to the Board of Directors, which shall be defined upon favourable opinion of the Appointments and Remuneration Committee, having received - where requires by Art. 2389 of the Italian Civil Code - the opinion of the Board of Statutory Auditors (the "**Regulation**").

The disclosure document related to the Plan (the "**Disclosure Document**"), drafted pursuant to Art. 84-bis and Annex 3A of the Issuers' Regulation shall be attached to this Explanatory report and shall be made available on the Company's website [www.giglio.org](http://www.giglio.org) in the *Corporate Governance section*.

## **1. Reasons for the adoption of the Plan.**

The aim of the plan is to develop the loyalty of directors and of a part of the Company's management, with the purpose both of incentivising and of retaining them by aligning their interests to the achievement of the main objective of creating value for shareholders, on a medium/long-term period, and by assigning options for the purchase of Company's shares at a predetermined price, in variable number and in any case subject to the achievement of predetermined objectives and performance levels. In this context, the Plan fits well in the remuneration policy aimed at balancing the fixed component with the variable one, in accordance with the best practices of Italian listed companies.

Indeed, the Company believes that compensation plans based on shares are an efficient means to provide incentives for and retain the loyalty of persons having key roles in the Company and the Group, in order (i) to maintain high and improve the performances of the Company; (ii) to contribute to increase the growth and success of the Company and the Group and; (iii) to give recognition to key persons for the efforts they have put in the growth of the Group over the past years, which culminated with the passage from the AIM-Italia market to the MTA-STAR segment.

## **2. Object and duration of the Plan**

The Plan provides for the free grant to the Beneficiaries of a maximum number of 900,000 non-transferable options (the "**Options**"), which give entitlement, upon occurrence of the requirements provided by the Plan, to the right to subscribe ordinary shares of the Company without nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend (the "**Giglio Shares**") with a ratio of no. 1 Giglio Share or no. 1 Option exercised.

Upon occurrence of the conditions (as specified herewith), the Board of Directors, upon proposal of the CEO and after hearing the opinion of the Appointments and Remuneration

Committee, shall identify the Beneficiaries of the Plan and shall determine the number of Options to be assigned to each of them (respectively the "**Grant Date**" and the "**Assigned Options**"). The following offices are included among the Beneficiaries: a) the Chairman of the Board of Directors, Mr Alessandro Giglio; b) the Vice-chairwoman, Ms Anna Lezzi; and c) the CEO, Mr Marco Riccardo Belloni.

The number of Assigned Options to each beneficiary shall be defined by assessing the contribution to the realisation of the strategy and the achievement of the objectives of value-creation of each beneficiary, taking into account the strategic importance of the offices held and the centrality of the activities carried out within the Company and the Group.

The Options shall be appointed to the Beneficiaries on a personal basis and cannot be transferred through inter vivos acts, nor can they be used as warranty, privilege, lien or option, under penalty of forfeiture of all rights therein. Should the Beneficiary violate the prohibition to transfer, the Assigned Options shall lose any right, becoming void to all effects.

The Plan shall last until the last term in which the Options of the third tranche (as defined herewith) can still be exercised by the Beneficiaries, and in any case not after 31 May 2028 (the "**Expiration Date**"). The Shareholders' Meeting will have the power to renovate the Plan or to extend its duration by making the integrations and amendments deemed necessary or appropriate to adapt the Plan to the applicable regulations from time to time or to the changing needs of the Company and/or Group.

### 3. Options' exercise

The Options may be exercised (the "**Exercise Date**") by any Beneficiary upon termination of the vesting period, each lasting three years, during which the Beneficiaries must achieve or contribute to achieve the Objectives, as defined herewith (the "**Vesting Period**"), divided into three tranches, as better explained in the Disclosure Document and as reported below:

- **first tranche:** May 2021 - May 2024 (the "**Vesting Period 2021-2024**");
- **second tranche:** May 2022 - May 2025 (the "**Vesting Period 2022-2025**");
- **third tranche:** May 2023 - May 2026 (the "**Vesting Period 2023-2026**");

The Assigned Options included in the aforementioned tranches shall vest, in full or in part, only when the specific annual performance objectives (the "**Objectives**") related to the consolidated EBITDA of the Group and/or the annual performance objectives identified in the Disclosure Document shall be achieved. The achievement of said Objectives shall be assessed on an annual basis by the Board of Directors following the approval of the Company's Consolidated Financial Statements.

For each tranche, the Company shall disclose - through the so-called Allocation Letter - to each Beneficiary the number of Assigned Options that can be exercised pursuant to the conditions of the Plan. All Options that, on the basis of the Objectives, shall not vest, shall be deemed as expired and cannot be exercised, unless otherwise determined by the Board of Directors. Each Beneficiary may adhere to the Plan by subscribing and delivering to the Company the Allocation Letter duly filled and subscribed pursuant to the terms and conditions set forth in the Regulation, and in any case within 15 days from the receipt of the Letter, under penalty of forfeiture of participating in the Plan.

The Beneficiary that exercises the vested Assigned Options shall have the right to receive no. 1 Giglio Share per each Option, with regular dividend, upon payment of the exercise price, whose amount shall be determined upon the Grant Date on the basis of the parameter



determining the purchase price set forth in Art. 2441, par. 6 of the Italian Civil Code, and thus of the Net Equity value and of the arithmetic mean of official prices recorded by the Company's shares on the MTA segment in the months before the Grant Date, by the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee (the "**Exercise Price**").

Each Beneficiary can exercise its Appointed Options with regard to each tranche for a period of three years (the "**Exercise Period**") starting from the relevant vesting date, upon termination of which period, the rights to purchase and/or subscription shall expire; all of this, within the below terms:

- **first tranche:** May 2024 - May 2026 (the "**Exercise Period 2024-2026**");
- **second tranche:** May 2025 - May 2027 (the "**Exercise Period 2025-2027**");
- **third tranche:** May 2026 - May 2028 (the "**Exercise Period 2026-2028**");

The Board of Directors shall have the power to amend and/or establish new Exercise Periods.

According to the Plan, Beneficiaries cannot exercise their vested Options with regard to each tranche in the thirty calendar days prior to communication to the public of the periodic financial statements that the Company must make public pursuant to applicable current regulations. The Board of Directors, after hearing the Appointments and Remuneration Committee, shall be able to set further blocking periods for Options exercise, or to amend the terms laid out in the Plan's Regulation in the event of relevant regulatory or statutory amendments.

The Options vested after each Vesting Period may be exercised, in their respective Exercise Period, by the Beneficiaries, also in part, but in any case for no less than no. 2,000 Assigned Options.

#### **4. Terms and conditions for the implementation of the Plan**

The Company shall provide the Beneficiary with the Giglio Shares attributable to him/her following the exercise of the vested Options within the terms and conditions established in the Regulation of the Plan.

The Plan may be implemented by using both (i) own shares subject to purchase authorisation pursuant to Art. 2357 of the Italian Civil Code as granted each time by the Shareholders' Meeting and (ii) Shares resulting from the capital increase that the Board of Directors and the Shareholders' Meeting may resolve, to be counted on the proxy to increase the share capital pursuant to Art. 2443 of the Italian Civil Code, for a maximum amount of overall € 180,000, without option rights, pursuant to Art. 2441, par. 8 and - as far as applicable - par. 5 of the Italian Civil Code, through maximum issue of no. 900,000 Giglio Shares to be reserved in subscription to the Beneficiaries.

As ordinary condition to benefit from the Plan, the latter provides for the existence and maintenance of an administrative, collaborative and/or employment relationship between the Beneficiaries and the Company and/or its subsidiaries, as better described in the Regulation. The termination of said relationship, in the hypotheses covered in the Plan, shall impact the exercise of the Assigned Options and may determine the expiration of the Shares themselves, according to the conditions and the terms set forth in the Regulation of the Plan. The right to exercise vested Assigned Options by Beneficiaries shall be suspended starting from the eventual despatch of a letter of disciplinary action and until the end of the aforementioned disciplinary proceeding.

In the event of death of the Beneficiary, the Options that did not vest shall cease to have any effect, while the ones already vested but not yet exercised may be exercised by those individuals who have the right to it pursuant to the applicable law of succession, notwithstanding the Expiration Date and in compliance with the provisions set forth in the Regulation.

The exercise of the Options may be assisted by a temporary loan granted to the Beneficiary by the Company or its subsidiaries with the terms and conditions set forth in Art. 2358 of the Italian Civil Code.

## **5. Limits to the transfer of obtained shares**

For each tranche, the Beneficiaries who also act as executive directors (as defined in the Corporate Governance Code) shall have the obligation to continuously hold, until the end of their office term, a number of shares equal to at least 20% of Giglio Shares subscribed or purchased through the exercise of the Options; the Beneficiaries who act as managers with strategic responsibilities (as defined in the top management section of the Corporate Governance Code) shall have the obligation to continuously hold, for a period of two years from the Exercise date, a number of shares equal to at least 20% of Giglio Shares subscribed or purchased through the exercise of the Options. Notwithstanding all of the above, unless if otherwise indicated by the Board of Directors.

No further unavailability obligations on appointed Giglio Shares following the exercise of accrued Options are provided.

Moreover, the plan foresees revocation and return clauses as better explained in the Regulation. More specifically, where the Board of Directors, after hearing the Appointments and Remuneration Committee, to determine, within 3 days from the Expiration Date, that the Objectives had been determined on the basis of data that were clearly erroneous or that were wilfully altered to determine the objectives' final balance, it shall reserve the right, after consulting the Appointments and Remuneration Committee, to obtain from the Beneficiaries or Beneficiary author of one of the aforementioned acts and/or facts, the revocation of the Assigned Options or the return of its Giglio shares, or, alternatively, the return of the sale value in the event that the Beneficiary's Giglio Shares have already been sold.

## **6. Potential support of the Plan from the special fund for encouraging worker participation in companies**

The Plan shall not receive any support from the special fund for encouraging worker participation in companies referred to in Art. 4, par. 112 of Law no. 350 of 24 December 2003.

## **7. Adaptations and implementation of the Plan**

In the event of extraordinary operations regarding the Company or of any other event capable of influencing the Objectives, the Options, the Giglio Shares or the Plan, the Board of Directors (after hearing the Appointments and Remuneration Committee) shall have the right to amend and integrate the Plan as seen fit in order to maintain the essential contents of the Plan as unchanged as possible, while respecting the aims and objectives of the Plan and the economic and financial rights recognized by it.

The competence for the implementation of the Plan rests on the Board of Directors, appropriately so appointed by the Shareholders' Meeting.

In the light of the above, and with reference to the Disclosure document for the analytic explanation of the Plan, we hereby submit for your approval the following:

**draft resolution**

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

- having examined the Explanatory Note of the Board of Directors drafted pursuant to Art. 114-bis and 125-ter of the CFA, as amended;
- having taken note of the Disclosure Document drafted pursuant to Art. 84-bis, of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as amended;

resolves

1. to approve, pursuant to Art. 114-bis of the CFA, the approval of the "Stock Option Plan 2021-2028" with the characteristics (hereby including all terms and conditions for its implementation) pointed out in the Explanatory Note of the Board of Directors and in the Disclosure Document on the "Stock Option Plan 2021-2028" herewith attached under Annex A;
2. to vest the Board of Directors, with proxy powers, any power needed for the implementation of the "Stock Option Plan 2021-2028", also by making use of the own shares in the portfolio of the Company as shares for the exercise of the Options and, in particular, by way of example and not limited to, to vest the Board of Directors with any power needed to designate and adopt the implementation regulation of the Plan, as well as to amend and/or integrate it, to identify the Beneficiaries and to determine the number of Options to be assigned to each one of them, to assign said Options of the beneficiaries, to determine the exercise price as well as performing any act, fulfilment, formality and communication required or appropriate for the management and/or implementation of the Plan, with the power to delegate its authorities and responsibilities regarding the implementation of the Plan to the Chairman of the Board of Directors, notwithstanding that any decision related to and/or regarding the eventual assignment of Options to the Chairman as Beneficiary (as well as any other decision related to and/or regarding the management and/or implementation of the plan against him/her) shall be of exclusive competence of the Board of Directors;
3. to vest the Chairman of the Board of Directors with any power, with proxy powers, to carry out the legal and regulatory formalities arising from the adopted resolutions".

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#### **Item no. 8 on the Extraordinary Meeting's Agenda**

**Proposal to delegate to the Board of Directors, for a period of five years from the Meeting's resolution, the authority to increase Giglio Group S.p.A. share capital against payment, pursuant to Art. 2443 of the Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 8 and as far as applicable - par. 5 of the Civil Code, for a maximum amount of € 180,000 through the issue, also in more tranches, of a maximum of no. 900,000 ordinary shares without nominal value, to be used only within the scope of the "Stock Option Plan 2021-2028"**

Dear Shareholders,

The Board of Directors has hereby called you, with this Extraordinary Meeting, in order to submit for your approval the draft resolution regarding the authorisation of the Board of Directors (hereinafter also referred to as the "**Stock-Option Authorisation**") for a period of five years from the Meeting's resolution, to increase Giglio Group S.p.A. share capital against payment, pursuant to Art. 2443 of the Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 8 and as far as applicable - par. 5 of the Civil Code, for a maximum amount of € 180,000, through the issue, also in more tranches, of a maximum of no. 900,000 ordinary shares without nominal value and with regular dividend (hereinafter also

referred to as the "**Stock-Option Capital Increase**"), to be used only within the scope of the "Stock Option Plan 2021-2028".

### 1. Reasons for the Stock-Option Capital Increase and of the exclusion of option rights

The resolution submitted for approval to the Extraordinary Meeting is functional to the implementation of the Plan reserved for Executive Directors and Managers with Strategic Responsibilities of both the Company and its subsidiaries, which shall be submitted for approval to the Ordinary Meeting as item no. 6 of the agenda of the ordinary part.

Therefore, the draft resolution concerning the Stock-Option Authorisation is subject to the approval of the Plan (as defined before) by the Ordinary Meeting.

The Plan provides for the free grant to the Beneficiaries of a maximum number of 900,000 non-transferable options (the "**Options**"), which give entitlement, upon occurrence of the requirements provided by the Plan and pursuant to the conditions set forth in the Regulation, to the right to subscribe ordinary shares of the Company without nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend (the "**Giglio Shares**") with a ratio of no. 1 Giglio Share or no. 1 Option exercised.

For the execution of the Stock-Option Capital Increase serving the Plan, we thus propose to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, for a period of **five years** from the Meeting's resolution, the authority to increase the share capital of the Company upon payment in separate issues, pursuant to Art. 2443 of the Italian Civil Code without option rights: (i) pursuant to Art. 2441, par. 8 of the Italian Civil Code for Beneficiaries who are employed by the Company and as far as applicable; (ii) pursuant to Art. 2441, par. 5 of the Italian Civil Code for Beneficiaries who are not employed by the Company, for a maximum amount of € 180,000, through the issue, also in more tranches, of a maximum of no. 900,000 ordinary shares without nominal value and with regular dividend to be used only within the scope of the "Stock Option Plan 2021-2028".

The Stock-Option Capital Increase provides for the exclusion of option rights pursuant to Art. 2441, par. 8 and - as far as applicable - par. 5 of the Italian Civil Code, given that the newly-issued shares shall be reserved to executive directors and managers with strategic responsibilities of the Company and that the aforementioned aims and objectives justify the exclusion of the option rights in favour of the shareholders.

As specified in the sixth item on the agenda of the Ordinary Meeting, the aim of the plan is to develop the loyalty of directors and of a part of the Company's management, with the purpose both of incentivising and of retaining them by aligning their interests to the achievement of the main objective of creating value for shareholders, on a medium/long-term period, and by assigning options for the purchase of Company's shares at a predetermined price, in variable number and in any case subject to the achievement of predetermined objectives and performance levels. In this context, the Plan fits well in the remuneration policy aimed at balancing the fixed component with the variable one, in accordance with the best practices of Italian listed companies.

Moreover, with regard to the remuneration of executive directors and managers with strategic responsibilities, it is noted that the adoption of remuneration plans based on financial instruments is in line with the provisions of Recommendations no. 25, 26, 27(a), 27(c) of the Corporate Governance Code, of Art. 2.2.3 of the Regulation of the Markets managed and organised by Borsa Italiana S.p.A. and of the Instructions for STAR-grade Issuers (Art. 2.10.1). In light of the above, the exclusion of option rights is justified by the Company's interest to provide incentives for and to retain the loyalty of executive directors and managers with strategic responsibilities within the Group.

This notwithstanding the Board of Directors' authority, upon favourable opinion of the Appointments and Remuneration Committee, to use, for the exercise of options, any own share of the Company purchased within the context of buy-back programmes resolved upon and executed pursuant to the applicable law.

For more information on the Plan and on the reasons underlying its adoption, please see the paragraph of this Explanatory Note within item 6 of the Ordinary Meeting's agenda and the Disclosure Document drafted pursuant to Art. 84-bis and Annex 3A of the Issuers' Regulation.

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

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

## **3. Shares' issue price**

The Plan provides for the free grant of a maximum number of 900,000 options for the subscription or purchase of Giglio Shares, with a ratio of no. 1 Share per no. 1 Option, pursuant to the terms and conditions set forth in the Plan and its Regulation.

The exercise price of the Options, equal to the issue or sale price of the shares, shall be determined upon the Grant Date on the basis of the parameter determining the purchase price set forth in Art. 2441, par. 6 of the Italian Civil Code, and thus of the Net Equity value and of the arithmetic mean of official prices recorded by the Company's shares on the MTA segment in the months before the Grant Date, by the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee (the "**Exercise Price**").

The criterion proposed for determining the shares' issue price has been assessed by the Board of Directors as representative of the market price and as corresponding to the market practices for listed companies with regard to the criterion adopted for determining the issue price of shares serving stock-option plans.

Upon the exercise of the authorisation, the Board of Directors shall determine the portion of issue price to be ascribed at share capital and the one to be ascribed at share premium, without prejudice to the fact that the nominal value of the increase cannot be greater than € 180,000.

## **4. Period set for the execution of the Stock-Option Authorisation and of the Stock-Option Capital Increase**

It is proposed to establish that the duration of the Stock-Option Authorisation shall be equal to the statutory maximum length of five years from the resolution date, and to establish that it may be exercised by the Board of Directors whenever deemed suitable, - coherently with the Plan's objectives-, by issuing a market disclosure on the terms and modalities of each capital increase tranche, as soon as these are determined by the Board of Directors.

It is also noted that the Stock-Option Capital Increase consists in a share capital increase in separate issues, pursuant to Art. 2439, par. 2 of the Italian Civil Code and, therefore, it may be partially or fully executed and subscribed in more tranches within the expiration date of the exercise periods of the Assigned Options, it being understood that the directors are expressly authorised to issue new shares as they are subscribed, thus giving immediate efficacy to partial subscriptions.

## **5. Dividend entitlement of shares issued in the event of options' exercise**

The shares issued through the Stock-Option Capital Increase shall have the same dividend entitlement than the ordinary shares of the Company outstanding on the issue date of the new shares.

## **6. By-laws amendments**

The granting of the Authorisation regarding the Stock-Option Capital Increase, as described above, shall require for the amendment of Art. 6 of the By-laws. For more information on the statutory amendments, see item 9 of the agenda for the Extraordinary Meeting.

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

**draft resolution**

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

- having taken into account the resolution of today's Ordinary Meeting approving, pursuant to Art. 114-bis of the CFA as amended, the "Stock-Option Plan 2021-2028";
- having examined the Directors' Report, prepared pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1998 as amended and Art. 72 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as amended and integrated;
- provided that the currently subscribed share capital of € 4,149,295.00 is fully paid-up, as confirmed by the Auditors;

**resolves**

1. to grant the authorisation of the Board of Directors (hereinafter also referred to as the "Stock-Option Authorisation") for a period of five years from the Meeting's resolution, to increase Giglio Group S.p.A. share capital against payment, pursuant to Art. 2443 of the Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 8 and as far as applicable - par. 5 of the Civil Code, for a maximum amount of € 180,000, through the issue, also in more tranches, of a maximum of no. 900,000 ordinary shares without nominal value and with regular dividend, with the same characteristics of the ordinary shares already issued by the issue date, to be used only within the scope of the "Stock Option Plan 2021-2028", to be offered in subscription to executive directors and managers with strategic responsibilities of both the Company and its subsidiaries as identified by the Board of Directors pursuant to the provisions set forth in the Stock-Option Plan's Regulation, setting a specific term for the subscription and providing that, should the capital increase not be fully subscribed within said specific term, the capital shall be deemed increased of an amount equal to the subscriptions gathered up to that term;
2. to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors on the basis of the parameter determining the purchase price set forth in Art. 2441, par. 6 of the Italian Civil Code, and thus of the Net Equity value and of the arithmetic mean of official prices recorded by the Company's shares on the MTA segment organised and managed by Borsa Italiana S.p.A. in the six months before the Grant Date, save as otherwise amended as per regulation;
3. to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.

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**Item no. 9 on the Extraordinary Meeting's Agenda**

**Amendments to Art. 6 of the Company's By-laws in view of the resolutions resulting from items 7 and 8 of the agenda. Resolutions pertaining thereto and resulting therefrom.**

Dear Shareholders,



The Board of Directors has hereby called you, with this Extraordinary Meeting, in order to submit for your approval the draft resolution to amend Art. 6 of the By-laws in view of the resolutions resulting from items 7 and 8 of the agenda of the Meeting called for 21 June 2021.

As reported above, items 7 and 8 of the agenda provide for the granting of the authorisation to increase the Company's share capital pursuant to Art. 2443 of the Italian Civil Code on behalf of the Board of Directors. The aforementioned article allows for the granting of said authorisation also after the incorporation of the company, by amending the By-laws.

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

Current Text	Proposed Text
6.1 The Share Capital amounts to € 4,149.295 and is divided into no. 20,746,475 shares without express nominal value.	[no amendment]
6.2 Each share gives the right to one vote and may not be divided; the case of joint ownership is regulated by Art. 2347 of the Italian Civil Code.	[no amendment]
6.3 Shares can be freely transferred pursuant to the Law and can be subject to pledge, usufruct and seizing.	[no amendment]
6.4 Shares are nominal, indivisible and are placed in the book entry system subject to the current law and issued in the centralised management system of financial tools referred to in Art. 83-bis et seq. of the Legislative Decree no. 58 of 24 February 1998 (the "CFA").	[no amendment]
6.5 The quality of shareholder constitutes acceptance of these By-laws.	[no amendment]
6.6 The Share Capital can be increased upon resolution of the Meeting also with the issuance of shares with different rights from the ordinary ones and with different contributions other than money, to the extent permitted by the Law. In the event of a Share Capital increase, upon resolution of the Meeting, the norms and conditions related to the issuance of the new capital, the dates and the payment modalities shall be determined by the Board of Directors. In the event of a paid Share Capital increase, the option right may be excluded with a Meeting resolution or, if appointed by proxy, with a Board of Directors' resolution, within the limits and the terms and conditions foreseen by Art. 2441, par. 4, second sentence of the Italian Civil Code.	6.6 The Share Capital can be increased upon resolution of the Meeting also with the issuance of shares with different rights from the ordinary ones and with different contributions other than money, to the extent permitted by the Law. In the event of a Share Capital increase, upon resolution of the Meeting, the norms and conditions related to the issuance of the new capital, the dates and the payment modalities shall be determined by the Board of Directors. In the event of a paid Share Capital increase, the option right may be excluded with a Meeting resolution or, if appointed by proxy, with a Board of Directors' resolution, within the limits and the terms and conditions foreseen by Art. 2441, <b>par. 4, first and second sentence, par. 5 and par. 8 of the Italian Civil</b>

	<b>Code.</b>
6.7 The Meeting can grant directors with the power to increase once or more times the Share Capital pursuant to Art. 2443 of the Civil Code.	<i>[no amendment]</i>
6.8 The Meeting shall be able to resolve the Share Capital decrease with the terms and conditions established by the Law.	<i>[no amendment]</i>
6.9 On 29 October 2018, the extraordinary Shareholders' Meeting resolved to vest the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, for a period of five years starting from the date of the meeting's resolution, with the power to increase the share capital upon payment, without option rights pursuant to Art. 2441, par. 8 and - as far as applicable - par. 5 of the Italian Civil Code, in separate issues pursuant to Art. 2439, par. 2 of the Italian Civil Code, for a maximum amount of € 138,000.00 in nominal value, through the issue, also in more tranches, of a maximum of no. 690,000.00 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be offered in subscription to the beneficiaries of the "Stock Option Plan 2018-2021" approved by the Ordinary Shareholders Meeting on 29 October 2018. Pursuant to Art. 2439, par. 2 of the Italian Civil Code, in the event of a partial subscription of the share capital by the deadline set by the Board of Directors, the capital shall be increased by an amount equal to the subscriptions received.	<i>[no amendment]</i>
	<b>6.10</b> On 21 June 2021, the Extraordinary Meeting resolved (i) to grant the authorisation of the Board of Directors, for a period of five years from the Meeting's resolution, to increase Giglio Group S.p.A. share capital against payment, pursuant to Art. 2439, par. 2 of the Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 8 and as far as applicable - par. 5 of the Civil Code, for a maximum amount of € 180,000, through the issue, also in more tranches, of a maximum of no. 900,000 ordinary shares without nominal value and with regular dividend, with the same characteristics of the

	<p>ordinary shares already issued by the issue date, to be used only within the scope of the "Stock Option Plan 2021-2028", to be offered in subscription to executive directors and managers with strategic responsibilities of both the Company and its subsidiaries as identified by the Board of Directors pursuant to the provisions set forth in the Stock-Option Plan's Regulation, setting a specific term for the subscription and providing that, should the capital increase not be fully subscribed within said specific term, the capital shall be deemed increased of an amount equal to the subscriptions gathered up to that term; (ii) to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, on the basis of the parameter determining the purchase price set forth in Art. 2441, par. 6 of the Italian Civil Code, and thus of the Net Equity value and of the arithmetic mean of official prices recorded by the Company's shares on the MTA segment organised and managed by Borsa Italiana S.p.A. in the month before the Grant Date, save as otherwise amended as per regulation; (iii) to vest the Board of Directors - and on its behalf the legal representative pro</p>
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	<p>tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.</p>
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The proposed By-laws amendments do not attribute to the shareholders who did not vote for the approval of the related resolution, the right to withdraw, pursuant to Art. 2437 of the Civil Code.

Therefore, upon approval of the Meeting of the resolutions mentioned in items 7 and 8 of the agenda, we submit for your approval the following

**draft resolution**

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

- *having acknowledged the resolutions of today's Extraordinary Meeting, which approved to vest the Board of Directors with the power to increase the share capital of the Company pursuant to Art. 2443 of the Italian Civil Code;*
- *having examined the Directors' Report, prepared pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1998 as amended;*

resolves

1. to amend the current By-laws:

a. adding, after par. 6.9 of Art. 6 of the By-laws, the following new par. 6.10:

*On 21 June 2021, the Extraordinary Meeting of Giglio Group S.p.A. resolved to grant the authorisation of the Board of Directors (hereinafter also referred to as the "Stock-Option Authorisation") for a period of five years from the Meeting's resolution, to increase Giglio Group S.p.A. share capital against payment, pursuant to Art. 2439, par. 2 of the Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 8 and as far as applicable - par. 5 of the Civil Code, for a maximum amount of € 180,000, through the issue, also in more tranches, of a maximum of no. 900,000 ordinary shares without nominal value and with regular dividend, with the same characteristics of the ordinary shares already issued by the issue date, to be used only within the scope of the "Stock Option Plan 2021-2028", to be offered in subscription to executive directors and managers with strategic responsibilities of both the Company and its subsidiaries as identified by the Board of Directors pursuant to the provisions set forth in the Stock-Option Plan's Regulation, setting a specific term for the subscription and providing that, should the capital increase not be fully*

*subscribed within said specific term, the capital shall be deemed increased of an amount equal to the subscriptions gathered up to that term;*

- 2. to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors on the basis of the parameter determining the purchase price set forth in Art. 2441, par. 6 of the Italian Civil Code, and thus of the Net Equity value and of the arithmetic mean of official prices recorded by the Company's shares on the MTA segment organised and managed by Borsa Italiana S.p.A. in the six months before the Grant Date, save as otherwise amended as per regulation;*
- 3. to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.*

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Milan, 11 May 2021

For the Board of Directors

The Chairman

Mr Alessandro Giglio