



*Unieuro S.p.A. - Registered office in Forlì, Palazzo Hercolani, via Piero Maroncelli 10  
Share capital euro 4,139,724.20 fully paid up  
Registration Number with the Companies' Register of Forlì-Cesena and Tax Code. No. 00876320409*

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS  
ON ITEM NO. 4 OF THE AGENDA OF THE ORDINARY  
SHAREHOLDERS' MEETING OF UNIEURO S.P.A.  
CONVENED ON 21 JUNE 2022 IN SINGLE CALL**



#### 4 Appointment of the Board of Directors:

- 4.1 determination of number of members of the Board of Directors;
- 4.2 determination of term of office of the Board of Directors;
- 4.3 appointment of members of the Board of Directors;
- 4.4 appointment of Chairman of the Board of Directors;
- 4.5 determination of remuneration of the members of the Board of Directors.

Dear Shareholders,

At the Shareholders' Meeting called to approve the financial statements as at 28 February 2022, the three-year term of office of the current Board of Directors comes to an end.

Therefore you are called upon to resolve on the: (i) determination of the number of members of the Board of Directors; (ii) determination of the term of office of the Board of Directors; (iii) appointment of the members of the Board of Directors; (iv) appointment of the Chairman of the Board of Directors and (v) determination of the remuneration of the members of the Board of Directors.

##### 4.1. Determination of the number of members of the Board of Directors

In accordance with article 12 of the Articles of Association, the Board of Directors shall be made up of an odd number of members which shall be not less than 7 (seven) and not more than 15 (fifteen).

In compliance with the recommendations of article 4 of Recommendation 23) of the Corporate Governance Code of listed companies to which the Company adheres ("**Corporate Governance Code**"), the Board of Directors, having taken into account the results of the Self-assessment process for the financial year 2021-2022 and having heard the Remuneration and Appointments Committee, has decided on the quantitative and qualitative composition it deems optimal: It considers the current number of eleven Directors as appropriate to ensure the apposite balance of skills and experience required by the complexity of the Company's business.

The Company disclosed said opinion to the market on 13 January 2022 on the Unieuro corporate website (Section "Corporate Governance / Shareholders' Meetings / Shareholders' Meeting 2022") in the document entitled "*GUIDELINES FROM THE BOARD OF DIRECTORS OF UNIEURO S.p.A. TO THE SHAREHOLDERS ON THE SIZE AND COMPOSITION OF THE NEW BOARD OF DIRECTORS*" ("**Guidelines**"). Therefore, in line with said Guidelines, the Board of Directors of Unieuro S.p.A., puts forward its proposal for resolution at the Ordinary Shareholders' Meeting, that the number of members of the Board of Directors to be elected shall be 11.

That stated, we hereby propose that you pass the following resolution:



*"The Shareholders, at the Ordinary Shareholders' Meeting of Unieuro S.p.A.,*

- *having regard to the provisions of article 12.1 of the Articles of Association;*
- *having examined the Explanatory Report of the Board of Directors,*

*resolve*

- *that the number of members of the Board of Directors be 11 (eleven)."*

#### **4.2 Determination of the term of office of the Board of Directors.**

Pursuant to article 12.2 of the Articles of Association, Directors shall remain in office for the period established by shareholders' resolution for their appointment, which term of office shall be for a maximum of 3 (three) years and they may be re-elected.

The term of office expires on the date of the shareholders' meeting called to approve the financial statements pertaining to the last year of their holding office, save for in those cases of termination or forfeiture of office provided for by law and the Articles of Association.

Mindful of that stated above, and of the value in maintaining continuity in the composition of the body, we suggest that the incoming Board of Directors be appointed for the maximum duration of office permitted by law, thus for three business years to the date of the Shareholders' Meeting called to approve the financial statements for the year ending on 28 February 2025.

That stated, we hereby propose that you pass the following resolution:

*"The Shareholders, at the Ordinary Shareholders' Meeting of Unieuro S.p.A.,*

- *having regard to the provisions of article 12.2 of the Articles of Association;*
- *having examined the Explanatory Report of the Board of Directors,*

*resolve*

- *that the term of office of the Board of Directors be fixed at three years, therefore up to the Shareholders' Meeting called to approve the financial statements for the year ending on 28 February 2025."*

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

Appointment of the Board of Directors of the Company shall be made in compliance with the provisions of articles 13 and 14 of the Articles of Association, which shall apply to the extent not specifically indicated below.

As mentioned above, in compliance with the recommendations of article 4 Recommendation 23 of the Corporate Governance Code, the Board of Directors in



office has drawn up its own Guidelines, viewable as of 13 January 2022 on the Unieuro corporate website (Section “Corporate Governance / Shareholders’ Meetings / Shareholders’ Meeting 2022”). In such manner, Shareholders are able to select the candidates they wish to put forward in good time, taking into account the results of the previous analysis carried out by the Board on the qualitative/quantitative composition the Board deems optimal for effective performance of its duties and responsibilities. Shareholders shall provide grounds in case of any differences with respect to the analyses carried out by the Board.

With reference to the express right under the Articles of Association, for the Board of Directors to submit its own list of candidates, we inform you that the outgoing Board of Directors has drawn up its own list of candidates, in conformance with the Guidelines and with the procedure published on the corporate website of the Company (in the section “Corporate Governance / Shareholders’ Meetings / Shareholders’ Meeting 2022”).

\* \* \*

Directors shall be appointed according to a list-voting procedure. Parties entitled to submit lists are: the Board of Directors in office; shareholders, holding individually or collectively 2.5% (two point five percent) of the share capital at the time the list is submitted. The list submitted by the Board shall have been passed by an absolute majority vote of the members in office.

Each shareholder, shareholders party to a shareholders’ agreement concerning the Company deemed relevant for the purposes of article 122 TUF, the controlling entity, controlled companies, companies under common control and other affiliated parties, whether such affiliation is direct or indirect pursuant to the law and regulations in force from time to time, shall not submit, or take part in the submission of, more than one list, whether directly or through any third party or trust company. Nor may they vote for different lists.

### Preparation of lists

Each candidate shall be put forward in one list only, otherwise said candidate’s candidacy shall be deemed ineligible.

Each list shall include and name at least 2 (two) candidates who meet the independence requisites laid down in the legislation in force from time to time (being the independence requisites governing statutory auditors of listed companies under article 148 paragraph 3 TUF as referred to by article 147-ter paragraph 4 TUF). On failure to do so, the list shall be deemed unsubmitted.

In consideration of the provisions of article 12.5 of the Articles of Association, Shareholders are recommended to also take into account requisites as concern independence and number of independent directors referred to in Recommendations 7 and 5 respectively, of the Corporate Governance Code to which the Company adheres.



In relation to Directors' independence and having particular regard to any significant relationships between a Director and the Company, the Board of Directors believes that a Director is deemed as independent in the following circumstances (save for in the case of specific circumstances to be assessed case-by-case):

- the total value of any commercial, financial or professional relationships maintained during the current year or in the three previous years with the Company and/or the companies it controls or with its executive directors or top management; or with any person who controls the company or with the executive directors or top management thereof, does not exceed the lower between:
  - 5% of annual turnover of the business or entity over which the Director has control or is a key representative of or of the professional firm or consultancy company in which he/she is a partner;
  - (i) Euro 300,000 (understood as an annual fee for the professional services rendered to the Company by the company or entity over which the Director has control or is a key representative of or by the professional firm or consultancy company in which he/she is a partner) or (ii) Euro 150,000 (understood as an annual fee for the professional services rendered to the Company by the Director in an individual capacity).
  
- additional remuneration paid directly to the Director during the current business year or in the three previous years: (i) by the Company or (ii) by one of its controlled or controlling companies, does not exceed the overall remuneration deriving from the office and participation on any committees recommended by the Corporate Governance Code or envisaged by current legislation.

To ensure compliance with gender balance quotas legislation, any list containing 3 (three) or more candidates shall also include a number of candidates from the under-represented gender so as to ensure that: The list respects the principle of gender balance in the minimum number required under the laws and regulatory provisions in force from time to time. On failure to do so, the list shall be deemed unsubmitted.

Taking into account the proposal made by the Board of Directors, that the number of Directors of the Company be fixed at 11 (which is the current number of the administrative body) and the requirement that at least two fifths of Directors be from the under-represented gender, such number to be rounded up in case the result is a fractional number (thus, five directors in the scenario of a Board comprising eleven Directors), any Shareholder who wishes to submit a list for the appointment of the majority of the members of the Board of Directors in line with the above-mentioned proposal of the Board of Directors, is invited to ensure that its list contains a number of five candidates of the under-represented gender in compliance with the provisions of the law and of the Articles of Association.

### *Composition of the Board of Directors and Directors Requisites*



For the purposes of selecting appropriate candidates, you are reminded that members of the Board of Directors must meet the integrity requisites laid down by article 147-*quinquies* TUF which refers to the integrity requisites applicable to members of the Board of Statutory Auditors of listed companies under article 148 paragraph 4 TUF (as currently governed under article 2 of Decree of the Ministry of Justice No. 162 of 30 March 2000).

Furthermore, members of the Board of Directors shall not put themselves in situations that would render them ineligible for or incompatible with the office.

### Submission of lists

Pursuant to article 147-*ter* TUF, shareholders shall submit their lists of candidates at least twenty-five days prior to the date of the Shareholders' Meeting (by 27 May 2022). Said lists shall be published by the deadline provided for under regulations in force (by 31 May 2022).

Lists shall be submitted in one of the following manners:

- by personal delivery (on working days, Monday to Friday from 8:30 to 18:30) to the registered office of the Company in Via Piero Maroncelli 10, 47121 Forlì;
- by electronic notification to certified email address: [amministrazione@pec.unieuro.com](mailto:amministrazione@pec.unieuro.com) (subject: "Unieuro 2022 Shareholders' Meeting: filing of Board of Directors' lists").

Please take note that ownership of the minimum shareholding required to submit lists as mentioned above, shall be determined based on the shares registered to the Shareholder on the day the lists are submitted to the Company. However, the related certification evidencing share ownership may be produced thereafter by way of an authorised intermediary pursuant to current legislation, at least twenty-one days prior to the Shareholders' Meeting date (by 31 May 2022).

Any list submitted by the Board of Directors shall be filed at the Company's registered office or sent to the Company by remote means of communication, no later than the thirtieth day prior to the Shareholders' Meeting date (by 22 May 2022).

All lists must be submitted together with the supporting documents and information required under the Articles of Association and current legislation. In this regard, you are advised that the following information shall accompany the lists:

- a) information about the shareholder/s who submitted the list and the percentage of share capital held;
- b) a declaration from shareholder/s, other than those who hold a controlling or relative majority interest - including collectively - certifying there are no relationships of affiliation whether direct or indirect, between such shareholders under applicable legislation and regulations (in this regard you are reminded of the recommendations in Consob notice DEM/9017893 of 26 February 2009);



- c) the *curriculum vitae* of each candidate and a declaration from each such candidate attesting under his/her own responsibility that there are no grounds for ineligibility or incompatibility and that he/she meets the requirements for the particular office;
- d) a summary of the management and control positions held in other companies and of any eligibility criteria met to qualify as independent pursuant to current legislation and the corporate governance code of conduct adopted by the Company;
- e) a declaration whereby each candidate accepts his/her nomination;
- f) any other declaration, information and/or document as may be required by applicable legislation and regulations in force from time to time.

Bearing in mind that the Board of Directors shall be submitting its own list of candidates, any Shareholders who submit a list are recommended to declare that there are no connections with the list submitted by the Board of Directors or to specify any significant relationships as may exist and the reasons for which such relationships are considered immaterial to establish any affiliation.

As provided for in Recommendation 23 of the Corporate Governance Code, the Board of Directors requires that any party/ies submitting a list that contains more than half the number of candidates up for election: (i) must provide sufficient information in the documentation accompanying the list such as to show that the composition of the list complies with the Guidelines; (ii) must indicate their candidate for the office of Chairman of the incoming Board of Directors (iii) in accordance with the provisions of the Regulations of the Board of Directors, must furnish further resolutions proposals functional to the Board appointment process, such as the determination of the number of its members, their term of office and remuneration.

We further remind you that, should it not prove possible to appoint the Directors according to the list-voting procedure for any reason whatsoever, then the Shareholders' shall resolve thereon with the majorities provided for by law, so as to ensure that the composition of the Board of Directors complies with the law, the Articles of Association and the gender balance regulations in force.

### **Manner of appointment**

Election of the Board of Directors shall be carried out according to the following criteria:

- a) Members making up five-sevenths of the members up for election, as this number may be rounded down in the case the result is a fractional number, shall be taken, based on the progressive order in which they were listed, from the list that obtained the highest number of votes ("majority list");
- b) the remaining directors will be taken from the other lists ("minority lists"), and to that end, votes for each of the minority lists shall be divided by one, two, three, four and so forth according to the number of directors to be elected. The ratios thus obtained shall be applied sequentially to the candidates on each of these lists in the



progressive order envisaged therein. The ratios thus attributed to the candidates on the various lists shall be ranked in descending order. The directors elected shall be those obtaining the highest ratios. In the event of a ratio tie between candidates, the elected candidate shall be taken from the list from which no director has yet been elected or from that which the lowest number of directors has been elected.

If no director has yet been elected from said lists or if there is a tie between the number of directors voted on in relation to the lists, then the candidate obtaining the highest number of votes on such lists shall be elected. In the event of a tie in terms of both list vote and ratio, then a Shareholders' Meeting shall be called to vote on the election and the candidate who obtains a simple majority of votes shall be deemed elected. The above procedure is subject to the requirement that at least one director must be taken, if put forward and voted on, from a list submitted by shareholders who have no connection, whether directly or indirectly, with those who presented or voted on the list that obtained the majority of the votes cast.

In the event the majority list contains an insufficient number of candidates to cover the seats to be filled in accordance with the above paragraphs, notwithstanding application of the election mechanism above: (i) all candidates on the majority list; and (ii) the residual candidates, taken from the minority list which is second in terms of the number of votes required to complete the Board of Directors according to the progressive order indicated therein, shall be deemed elected.

If it is not possible to complete the Board of Directors in the manner described above - thus the minority list that is second based on number of votes leads to a number of candidates lower than that required, the remaining directors shall be taken from the other minority lists in descending order starting with the highest voted first and moving down to the next lists as the candidates are exhausted in the preceding list based on number of votes.

If, after the voting and the application of preceding paragraphs, gender balance and/or the independence requisites are not met as provided for under the applicable legislation and regulations, the necessary number of elected candidates shall be excluded and substituted by candidates from the under-represented class in progressive order of their listing, as shall be taken from the same list on which the excluded candidates appear. Replacements shall be made with reference firstly to those belonging to the under-represented gender and secondly to those in possession of the independence requisites. This replacement mechanism shall be firstly applied in sequential order, to the lists from which no director of the missing class has been chosen, starting with that which has obtained the most votes. Should this process not be sufficient, or should all the lists submitted list at least one director in possession of the requisites of the missing class, the replacement shall be applied, in sequential order, to all the lists, starting with that which received the most votes.

Within the lists, the replacement of excluded candidates shall be effected starting from the candidates having the highest progressive number. The replacement mechanism is not operative in relation to candidates taken from lists that put forward less than three candidates.





If only one list is submitted, the entire Board of Directors shall be taken from that list in accordance with applicable legislation and regulations. If no list is submitted, the shareholders shall resolve on majority vote in accordance with the law at the Shareholder's Meeting.

In all those cases in which, as a result of the application of the preceding provisions: (a) it is not possible to complete the Board of Directors and/or (b) gender balance is not achieved or an insufficient number of directors in possession of the independence requisites are elected, having regard to the legislation and regulations in force, then the completion or replacement, as the case may be, shall be effected pursuant a resolution passed at the Shareholders' Meeting by simple majority on those candidates put to vote individually.

If no lists are submitted or if, the entire Board of Directors is not elected, the shareholder at the Shareholders' Meeting shall resolve on a majority vote in accordance with the law, respecting any minimum allotment ratio between genders (male and female) provided by law and regulations.

The above stated, Shareholders are invited to elect the members of the Board of Directors in compliance with the applicable legal and regulatory provisions and the Articles of Association, on the basis of the lists submitted by the authorized representatives in the manner described above.

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

Pursuant to article 17.1 of the Articles of Association, in the event the Chairman is not appointed at the Shareholders' Meeting, then the members of the Board of Directors shall make the appointment

Furthermore, in compliance with Recommendation 23 of article 4 of the Corporate Governance Code, the Board of Directors invites any Shareholder intending to submit a list that contains a number of candidates higher than half of the members to be elected, to specify, inter alia, its own candidate for the office of chairman of the board of directors.

In this regard, the above-mentioned Guidelines set forth, inter alia, the personal and professional characteristics deemed appropriate for the various offices on the Board of Directors, including for its chairman. Such characteristics provide useful support to facilitate the choice of candidate by any Shareholder intending to put forward its own candidate for Chairman, and who shall provide reasons for any differences with respect to the analyses carried out by the Board.

As explained in point 4.3. above, we remind you that the list submitted by the outgoing Board of Directors puts forward, in accordance with the Guidelines, Mr. Stefano Meloni as its candidate for the office of Chairman of the Board of Directors. The documentation has also been published on the Company's corporate website (in



the section “Corporate Governance / Shareholders’ Meetings / Shareholders’ Meeting 2022”).

That stated, we hereby propose that you pass the following resolution:

*“The Shareholders, at the Ordinary Shareholders,’ Meeting of Unieuro S.p.A.,*

- *having regard to article 17.1 of the Articles of Association;*
- *having examined the Explanatory Report of the Board of Directors,*

***resolve***

- *that Stefano Meloni be appointed as Chairman of the Board of Directors of Unieuro S.p.A.”*

#### **4.5 Determination of remuneration of the members of the Board of Directors**

In accordance with article 19.1 of the Articles of Association, remuneration granted to members of the Board of Directors shall be determined at the shareholders’ meeting. Directors are entitled to reimbursement of expenses incurred in performing their office.

Pursuant to article 19.2 of the Articles of Association, remuneration of directors vested with particular duties is determined by the Board of Directors in consultation with the Board of Statutory Auditors.

Pursuant to article 19.3 of the Articles of Association, the shareholders may fix an overall amount for the remuneration of all directors, including those vested with particular duties at the Shareholders’ Meeting.

In this regard, with reference to the submission by the Board of Directors of its own list of candidates, we inform you that the outgoing Board has also decided to propose at today’s Shareholders’ Meeting that the gross annual fixed remuneration for the entire Board of Directors be determined at the total amount of Euro 710,000.00 (in line with the remuneration due to the Board of Directors in office). Such amount includes the additional remuneration of Euro 186,000.00 for the Chairman of the Board of Directors and the remuneration of the other directors vested with particular duties, as shall be established by the Board of Directors pursuant to article 2389 paragraph 3 Civil Code also including remuneration for the appointment to and participation on intra-board committees established within the Board of Directors itself. Reimbursement of expenses incurred in relation to the office are payable in addition as well as costs for D&O insurance policy. All the above amounts are net of VAT and social security charges, where applicable.

That stated, we hereby propose that you pass the following resolution:

*“The Shareholders, at the Ordinary Shareholders,’ Meeting of Unieuro S.p.A.,*

- *having regard to the provisions of art 19 of the Articles of Association;*



- *having examined the Explanatory Report of the Board of Directors,*

*resolve*

- that the gross annual remuneration for the entire Board of Directors be fixed at Euro 710,000.00. Such amount includes the additional remuneration of Euro 186,000.00 for the Chairman of the Board of Directors and the remuneration of the other directors vested with particular duties, as shall be established by the Board of Directors pursuant to article 2389 paragraph 3 Civil Code also including remuneration for the appointment to and participation on intra-board committees established within the Board of Directors itself. Reimbursement of expenses incurred in relation to the office are payable in addition as well as costs for D&O insurance policy. All the above amounts are net of VAT and social security charges, where applicable.
- that the Board of Directors be granted broad powers, as may be delegated to the Chief Executive Officer who in turn may sub-delegate such powers, in order to implement that stated above.”

\* \* \*

Forlì, 11 May 2022

ON BEHALF OF THE BOARD OF DIRECTORS  
THE CHAIRMAN OF THE BOARD OF DIRECTORS  
STEFANO MELONI