

**LU-VE S.p.A.**

**Via Vittorio Veneto 11 – 21100 Varese**

**Economic and Administrative Repertory No.: VA-191975**

**Tax Code: 01570130128**



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSALS ON THE AGENDA OF THE EXTRAORDINARY SESSION OF THE SHAREHOLDERS' MEETING CONVENED IN ORDINARY AND EXTRAORDINARY SESSION ON 28 APRIL 2023 IN A SINGLE CALL**

*(drawn up pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998 as subsequently amended and supplemented - the "TUF" (Consolidated Law on Finance) - and articles 72 and 84-ter of the Regulations adopted by CONSOB Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented - the "Issuer Regulations"- in compliance with Table 3 of Annex 3A to the same Issuer Regulations).*

Dear Shareholders,

this report (the “**Explanatory Report**”) was drafted by the Board of Directors of LU-VE S.p.A. (“**LU-VE**”, the “**Company**” or the “**Issuer**”) in compliance with Article 125-ter of the Consolidated Law on Finance and Articles 72 and 84-ter of the Issuer Regulations, as well as in compliance with Table 3 of Annex 3A to the Regulations, with the aim of illustrating the proposals to amend and supplement the By-Laws of LU-VE (the “**By-Laws**”), as included in the agenda of the extraordinary session of the Shareholders' Meeting convened - by means of a notice published on 17 March 2023 on the Company's website at [www.luvegroupp.com](http://www.luvegroupp.com), in the section “*Investor Relations*” – “*Corporate governance & Shareholders*” – “*For shareholders*” – “*Shareholders' Meeting*” – “*Shareholders' Meeting of 28 April 2023*”), and on the authorised storage mechanism *eMarket Storage* [www.emarketstorage.com](http://www.emarketstorage.com), as well as by abstract, on 18 March 2023, in the daily newspaper “**Il Sole 24 ORE**” - at the administrative headquarters of the Company in Uboldo, via Caduti della Liberazione No. 53, on **28 April 2023 at 10:00 a.m.**, in a single call (the “**Shareholders' Meeting**”).

The **agenda** for the extraordinary session of the above-mentioned Shareholders' Meeting is as follows:

1. *Proposal to amend articles 6-bis, 15 and 18 of the By-Laws. Related and subsequent resolutions;*
2. *Introduction of the “Honorary Chairman” position. Related and subsequent resolutions.*

For each of the two items on the agenda of the extraordinary session of the Shareholders' Meeting, the content of the amendments and additions to the By-Laws proposed by the Board of Directors and the reasons for their adoption are set out below, presenting, in comparative form, the text of the current By-Laws and, in red in the adjacent column, the proposed amendment to be made.

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## FIRST ITEM ON THE AGENDA

### 1. PROPOSAL TO AMEND ARTICLES 6-BIS, 15 AND 18 OF THE BY-LAWS. RELATED AND SUBSEQUENT RESOLUTIONS.

Dear Shareholders,

the amendment proposals for articles 6-*bis*, 15 and 18 of the By-Laws, which are being presented for adoption essentially concern:

(i) the adjustment of the statutory regulations on the increase in voting rights - dictated by Article 6-*bis* - to comply with the guidance expressed by CONSOB in Communication No. 0214548 of 18 April 2019 and the repeal of paragraph 3 of Article 44 of the “*Single Provision on Post-Trading by CONSOB and the Bank of Italy of 13 August 2018*” (containing the “*Regulations governing central counterparties, central depositories and centralised management activities*”), introduced with the provision of 10 October 2022 (the “**Single Post-Trading Measure**”), with the subsequent elimination of the provision of a second communication by the intermediary, at the holder's request, as a condition for the assignment of the increased vote;

(ii) the adjustment of the statutory regulations of the composition of the Board of Directors dictated by Article 15, paragraph 1, b) of the By-Laws, with regard to the number of directors who fulfil the independence criteria required by the legal and regulatory provisions *currently* in force on the matter, in order to replace the indication of the minimum number of independent directors currently foreseen (with reference to the dictates of law in force) with future reference being made, for its identification, to the legislation *in force at any given time*, also explicitly including the referral to the regulatory provisions applicable to the Company following the recent admission of its shares to the STAR segment; as well as

(iii) the amendment of the clause dictated by Article 18, paragraph 3 of the By-Laws, which allows for the possibility that the meetings of the Board of Directors may also be held in several connected audio or video locations, envisaging, in the light of the guidelines of the Notary Council of Milan on the conduct of corporate meetings: (a) that the validity of the board meetings convened at a physical location with the possibility of joining the meeting via audio or video conference, requires the presence, at the physical place of convocation, of the secretary taking the minutes and not necessarily that of the Chairman, as required by the statutory clause currently in force; (b) the possibility that board meetings be held exclusively by audio or video conference, thus omitting the indication of the physical location of the meeting in the notice of call.

#### 1.1.1. Justification and explanation of the proposed amendments to the By-Laws to Article 6-*bis* of the By-Laws, relating to the elimination of reference to the second communication by the intermediary, at the holder's request, as a condition for assigning the increased vote

Under a resolution of 30 October 2018, the Extraordinary Shareholders' Meeting of the Company approved the proposal to introduce increased voting rights, in compliance with the provisions of Article 127-*quinquies* of the Consolidated Law on Finance and the Single Post-Trading Provision, with the subsequent addition of Article 6-*bis* of the By-Laws, making *the* achievement of the increased vote subject to the following conditions: (i) that voting rights are retained by the same subject as a result of a legitimate real right (such as, by way of example, ownership, bare ownership with voting rights, usufruct with voting rights) for a continuous period of at least twenty-four months (the “**Period**”) from the date of registration in the list specifically established by the Company (the “**List**”); (ii) the fulfilment of the condition under (i) is certified in a specific communication issued, pursuant to the regulations in force, by the intermediary at the shareholder's request.

The provision referred to in the aforementioned letter (ii) was the result of the first guidelines on the subject, also shared by CONSOB which, in the document resulting from the consultation of 23 December 2014 regarding the amendments to the Issuer Regulations (concerning, inter alia, other, the implementation provisions to be fulfilled for increased voting rights, pursuant to Article 127-quinquies, paragraph 2, of the TUF) had specified that: (i) *“Article 127-quinquies of the TUF does not expressly clarify whether, once the term of continuous ownership of not less than 24 months from the date of registration in the list has elapsed, increased voting rights are configured as an automatic effect (without prejudice to the possibility of waiver, where foreseen), or still requires a concerted action by the shareholder concerned”*, (ii) *“with no legal indication provided, it is believed that companies can independently regulate the mechanism for increasing voting rights in one way rather than the other”*, and (iii) *“it is in any case considered more protective for the shareholders concerned to make the assignment of the increased voting right subject to a statement of intent by the shareholder to the issuer, with certification of any additional terms and conditions required by the By-Laws, together with confirmation of the information found in the communications”*.

CONSOB’s approach subsequently underwent some changes: in its Communication No. 0214548 of 18 April 2019, in response to a question relating to the application of the mandatory takeover bid regulations for consolidation when the threshold is exceeded as a result of the increased vote, the Supervisory Authority ruled out that statutory provisions that bind the assignment of the increased voting rights not only to a minimum holding period but also on an express request to that effect by the shareholder to the share custodian, may have the effect of conditioning (and possibly delaying) the constitutive effectiveness of the benefit as a result of a choice made by the shareholder (whether to make or not to make the request), even if all the terms and conditions envisaged by Article 127-quinquies of the Consolidated Law on Finance (registration of shares in the special list and continuous minimum holding) have already been met.

More specifically, CONSOB considered that *“once the case in point has been envisaged in the By-Laws, no discretion is allowed regarding the allocation of statutory autonomy in the definition of the legal requirements, including the assignment of increased voting rights, since said requirements have already been defined by the legislator and limited to the circumstances that the shares of the company: a) have been registered in a specific list and b) have belonged to the same party for a continuous period (not less than twenty-four months) from the date of registration in the list”*. CONSOB also specified that *“in order to allow the legal mechanisms of the increase to be deactivated, statutory autonomy is only left with the possibility of providing that the shareholder may – ex post – waive the (automatic) assignment of the increased voting rights. However, this statutory margin of autonomy is also limited, as any waiver is, by express provision of the law, irrevocable once made. Therefore, the restriction of the irrevocability of any right of waiver introduced by the By-Laws represents a further indication that the position held by the beneficiary of increased voting rights pursuant to Article 127-quinquies of the Consolidated Law on Finance”* is unviable.

In line with a clarification by CONSOB on the aforementioned Communication, among the amendments to the Single Post-Trading Measure adopted jointly by CONSOB and the Bank of Italy at the time of adjusting the measure itself to the regulatory provisions of Directive (EU) 2017/828 (so-called “SHRD 2” ), the repeal of paragraph 3 of Article 44 of the Single Post-Trading Provision on *“Increased voting rights”*, which required the issuer to send the so-called “second communication” of the intermediary, at the shareholder's behest, once the minimum holding period on a continuous basis had expired as required by the By-Laws. The repeal of this provision was ordered by the joint provision of CONSOB and the Bank of Italy of 10 October 2022 and entered into force on 19 January 2023.

Given the above, the proposed amendment is aimed at aligning the current provisions of the By-Laws regarding increased voting rights with the guidance provided by the Supervisory Authority and the repeal of paragraph 3 of Article 44 of the Single Post Trading Provision, thus establishing the automatic assignment of the increased vote only pending compliance with the legal requirements (the circumstances that the Company's shares have been registered in a specific list and have belonged to the same party for the Period, from the date of registration in the List).

**1.1.2. Justification and explanation of the proposed amendments to the By-Laws to Article 15, paragraph 1, b) of the By-Laws, relating to the replacement of the minimum number of directors who meet the independence requirements with said number being subsequently identified by referring to the legislation and *regulations* in force at the time, also with regard to any share listing segment**

In defining the composition of the Company's Board of Directors, Article 15 of the LU-VE By-Laws currently in force states, in paragraph 1 b), that the Board of Directors must "*include at least 1 (one) member of the Board of Directors, or 2 (two) members if it is made up of more than 7 (seven) members, that meet the requirements to be classified as independent director pursuant to applicable legislation and regulations in force at the time*".

As is known, following Borsa Italiana's provision No. 8883 of 14 September 2022, the LU-VE shares have achieved STAR qualification and as of 21 September 2022 are traded on the Euronext STAR Milan segment of the Euronext Milan market, a segment dedicated to companies with excellence requirements in terms of transparency, communication, liquidity and *corporate governance*.

For the purposes of assessing the adequacy of the number of independent directors required to obtain and maintain STAR status, the "*Provisions relating to STAR issuers*" dictated by the Instructions to the Regulations of the Markets organised and managed by Borsa Italiana S.p.A. state, under Article 2.10.6, that the number of independent directors is considered adequate when there are: (i) at least 2 independent directors for administrative bodies with up to 8 members; (ii) at least 3 independent directors for administrative bodies consisting of between 9 and 14 members; (iii) at least 4 independent directors for administrative bodies composed of more than 14 members and that the independent directors cannot also be appointed as Chairman.

Given the above, the proposed amendment is intended to replace in the aforementioned statutory clause the indication of the minimum number of independent directors currently provided (which refers exclusively to the provisions of the law) with said number subsequently being identified with reference to the provisions of the legislation, even of a regulatory nature, *in force at the time*, also with regard to any share listing segment.

**1.1.3. Justification and explanation of the proposed amendments to the By-Laws to Article 18, paragraph 3 of the By-Laws, relating to the elimination of the required co-presence of the Chairman and the Secretary, as a condition for the validity of the Board meetings carried out with the use of audio-video conferencing means and addition of the option that the Board meetings may be held exclusively in audio-video conferencing mode**

Following the emergency procedures for the conduct of company meetings temporarily introduced by Article 106 of the so-called "*Cura Italia Decree*"<sup>1</sup> to deal with the Covid-19 pandemic, the Milan Notary Council again addressed the age-old issue of the necessary presence, in the same venue, of the chairman and the person taking the minutes in the event of meetings held in audio-video

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<sup>1</sup> Decree Law 18/2020 converted into Law No. 27, as subsequently amended. In view of some extensions, the emergency procedures envisaged by the law for the conduct of company shareholders' meetings will be in force until the shareholders' meetings convened by 31 July 2023.

conferencing mode, revising its orientation expressed in this regard in 2001 and considering, with Judicial Norm No. 187 of 11 March 2020, that the aforementioned circumstance cannot be considered essential – in light of the legal regime – since, in addition to the absence of a rule that expressly requires it, no obstacles can be found that might hinder the Chairperson from "remotely" managing the Shareholders' Meeting proceedings by using through the telecommunication media permitted by the By-Laws, without the need for the Chairman to be physically present at the place where the meeting is convened. In this way, the Notary Council of Milan has therefore clarified that the simultaneous presence of the Chairman and the person taking the minutes at the place where the meeting is convened is not to be considered as a "*conditio sine qua non*" for the use of telecommunications media for the conduct of the meetings, but if so desired allows for the minutes to be drawn up immediately and submitted for simultaneous signing by both the Chairman and the secretary.

As justification for the aforementioned Judicial Norm, the Notary Council of Milan also stated that *"also for meetings of the Board of Directors and of other collective bodies envisaged by the rules of joint-stock companies and cooperatives, therefore, the corollary arising from the Judicial Norm in comment can be replicated by stating that if the meeting is convened with reference only to the telecommunications media, the presence of any person in any given place is not required, regardless of any clauses in the By-Laws that provide for the presence of the Chairman and the secretary in the same place, to be understood, once again, as a rule only whose only purpose is to ensure that the minutes of the meeting are drafted concomitantly and signed by both the Chairman and the secretary. In these circumstances, the secretary taking the minutes also attends the meeting only by telecommunications media and acknowledges the entire decision-making procedure on the basis of what is received through said media, it being understood that, in cases where the minutes are drawn up as a public deed, the notary public must in any case be located in a place within its territory pursuant to notarial law"*.

In Judicial Norm No. 200 of 23 November 2021, the Milan Notary Council then specifically addressed the issue of the legitimacy of statutory clauses that expressly vest the administrative body with the power to establish, in the notice of call, that the Shareholders' Meeting be held exclusively by audio or video conference, without reference to a physical location, recognising that this condition does not constitute a potential infringement of the principles of collegiality, good faith and equal treatment among shareholders. In particular, the principle of collegiality would be ensured by current technological solutions, which allow dialogue between participants and the exchange of documents in almost real time. Likewise, both the principle of good faith and that of equal treatment of participants may be deemed as complied with whenever the company makes the necessary electronic connections available to all entitled parties, without discrimination between shareholders and without jeopardising their right to participate, discuss and cast their vote. In the justification of Judicial Norm No. 200/2021, the Milan Notary Council also clarified that *"what is stated in this Norm for shareholders' meetings must be considered a fortiori also applicable to the meetings of the other corporate bodies, with particular regard to the Board of Directors and the Board of Statutory Auditors, also in the absence of a clause in the By-Laws that expressly provides for the possibility of convening the collective body only via telecommunications media (provided that there is a generic provision in the By-Laws which, pursuant to articles 2388, paragraph 1, and 2404, paragraph 1, of the Italian Civil Code, allows for the participation by such means). As noted in the explanations of Judicial Norm No. 187, in fact, "the members of these bodies do not have a right but exercise a function or a power and duty depending on the different possible theoretical positions. The procedural rules are therefore aimed at ensuring an efficient performance of the collective work of the body, not at protecting the shareholder in the exercise of his/ her rights (to intervene, to vote, etc.)"*.



In the light of the aforementioned guidelines expressed on the conduct of corporate meetings by the Notary Council of Milan in view of Judicial Norms No. 187 of 11 March 2020 and No. 200 of 23 November 2021, it is considered appropriate to amend paragraph 3 of Article 18 of the By-Laws, which allows the meetings of the Board of Directors to be held also in several connected audio or video locations, provided that: for the board meetings convened at a physical location with the possibility of connecting by audio or video conference to be valid only requires the presence of the secretary taking the minutes at the meeting place and not necessarily that of the Chairman as required by the current statutory clause (ii) the possibility that board meetings are held exclusively by audio or video conference, omitting in the notice of call the reference to the physical location of the meeting.

## 1.2. Statutory amendments; proposals

The approval of the proposals set out will entail the amendment and addition to the By-Laws referred to above, in the terms highlighted in red in the right column of the following table, which contains the current text of each article in the left column.

Current Text	New Proposed Text
TITLE II SHARE CAPITAL, SHAREHOLDERS' LOANS AND BONDS	TITLE II SHARE CAPITAL, SHAREHOLDERS' LOANS AND BONDS
ARTICLE 6- BIS - INCREASED VOTING RIGHTS	ARTICLE 6- BIS - INCREASED VOTING RIGHTS
<p>1. By way of derogation from the provisions of Article 6 (2) of these Articles of Association, each Share shall entitle the owner to a double vote (and therefore to two votes per Share) when both of the following conditions are met:</p> <p>(i) the voting right has been held by the same person by virtue of a qualifying property right (such as for example, full ownership, bare ownership with voting right, usufruct with voting right) for a continuous period of at least twenty-four months (the "Period") commencing from the date of entry in the special list set up by the Company in accordance with the provisions of this article (the "List");</p> <p>(ii) satisfaction of the condition set forth in point (i) above has been certified by a special communication issued by the intermediary at the holder's request, in accordance with applicable legislation.</p> <p>2. The increased voting right shall take effect from the last day of the calendar month in which the Period elapsed, provided that the Company received the intermediary's</p>	<p>1. By way of derogation from the provisions of Article 6 (2) of these Articles of Association, each Share shall entitle the owner to a double vote (and therefore to two votes per Share) <del>when both of the following conditions are met,</del> provided that:</p> <p><del>(i)</del> the voting right has been held by the same person by virtue of a qualifying property right (such as for example, full ownership, bare ownership with voting right, usufruct with voting right) for a continuous period of <del>at least</del> twenty-four months (the "Period") commencing from the date of entry in the special list set up by the Company in accordance with the provisions of this article (the "List");</p> <p><del>(ii)</del> <del>satisfaction of the condition set forth in point (i) above has been certified by a special communication issued by the intermediary at the holder's request, in accordance with applicable legislation.</del></p> <p>2. The increased voting right shall take effect <del>from the last day of the calendar month as of the date</del> in which the Period elapsed, <del>provided that the Company received the intermediary's</del></p>

<p>communication by three trading days before the end of said month, without prejudice to the provisions of the following paragraph. It is understood that if the Company did not receive the intermediary's communication by the aforesaid deadline, the increased voting right shall take effect from the last day of the calendar month after the month in which the Company received the communication.</p> <p>3. By way of derogation from the above, if the Company's shareholders' meeting is convened, the increased voting right shall take effect at the 'record date' established by applicable legislation concerning the right to attend and vote in the shareholders' meeting, with regard to both the meeting quorums and voting quorums, provided that by said date the Period has elapsed and the Company has received the intermediary's communication referred to in point 2 (ii) above. The Company shall verify entitlement to the increased voting right and the inexistence of disqualifying factors with reference to the 'record date'.</p> <p>4. The Company sets up and keeps the List, with the form and content required by applicable legislation and, insofar as compatible, in compliance with the provisions on the shareholders register. The List is updated at the end of each calendar month for requests received by three trading days before the end of each month.</p> <p>5. The Company enters in the List the holder of Shares who submit a written application to the Company and for whom, in accordance with applicable legislation, the intermediary has issued an appropriate communication certifying their eligibility for entry. The request for entry may concern all or only part of the Shares held. The applicant may request entry in the List for additional shares, at any time, by submitting an appropriate application. If the applicants are not natural persons, their applications must specify whether they are subject to direct or indirect control by third parties and the identification data of any parent entity. The right to entry in the List and – after the Period has elapsed – the right to benefit from the</p>	<p><del>communication by three trading days before the end of said month, without prejudice to the provisions of the following paragraph. It is understood that if the Company did not receive the intermediary's communication by the aforesaid deadline, the increased voting right shall take effect from the last day of the calendar month after the month in which the Company received the communication.</del></p> <p>3. <del>By way of derogation from the above, if</del> the Company's shareholders' meeting is convened, the increased voting right shall take effect at the 'record date' established by applicable legislation concerning the right to attend and vote in the shareholders' meeting, with regard to both the meeting quorums and voting quorums, <del>and the Company has received the intermediary's communication referred to in point 2 (ii) above.</del> <b>exclusively</b> provided that by said date the Period has elapsed. The Company shall verify entitlement to the increased voting right and the inexistence of disqualifying factors with reference to the 'record date'.</p> <p>4. The Company sets up and keeps the List, with the form and content required by applicable legislation and, insofar as compatible, in compliance with the provisions on the shareholders register. The List is updated at the end of each calendar month for requests received by three trading days before the end of each month.</p> <p>5. The Company enters in the List the holder of Shares who submit a written application to the Company and for whom, in accordance with applicable legislation, the intermediary has issued an appropriate communication certifying their eligibility for entry. The request for entry may concern all or only part of the Shares held. The applicant may request entry in the List for additional shares, at any time, by submitting an appropriate application. If the applicants are not natural persons, their applications must specify whether they are subject to direct or indirect control by third parties and the identification data of any parent entity. The right to entry in the List and – after the Period has elapsed – the right to benefit from the</p>
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<p>increased vote are achieved through ownership of a qualifying property right (such as for example, full ownership with voting right, bare ownership with voting right, usufruct with voting right).</p> <p><b>6.</b> Persons entered in the List are required to inform, and allow the intermediary to inform, the Company of any circumstance or event that means they are no longer eligible for the increased voting right or that affects the ownership of the Shares and/or the related voting right by the end of the month in which the circumstance occurred and in any case by the trading day before the ‘record date’.</p> <p><b>7.</b> The increase in voting rights is removed:</p> <p><i>a)</i> in the event that the Share is transferred for consideration or free of charge, it being understood that the “transfer” also means the establishment of a pledge, usufruct or other restriction on the Share when this entails the loss of the voting right by the Shareholder. The establishment of a pledge, usufruct or other lien and the transfer of bare ownership with maintenance of the usufruct do not result in the loss of entitlement to the benefit of the increased vote if the voting right is retained by the previous holder;</p> <p><i>b)</i> in the event of direct or indirect transfer of controlling interests in companies or entities that hold shares with increased voting rights to an extent exceeding the threshold set forth in Article 120, paragraph 2, of Italian Legislative Decree No. 58 (“TUF”).</p> <p><b>8.</b> The Company shall arrange for cancellation from the List in the following cases:</p> <p><i>a)</i> waiver by the person concerned. Anyone who is eligible for the increased voting right is entitled to irrevocably waive at any time all or part of the increased voting right, by sending written notice to the Company, with the understanding that the increased voting right may be re-acquired with regard to the Shares for</p>	<p>increased vote are achieved through ownership of a qualifying property right (such as for example, full ownership with voting right, bare ownership with voting right, usufruct with voting right).</p> <p><b>6.</b> Persons entered in the List are required to inform, and allow the intermediary to inform, the Company of any circumstance or event that means they are no longer eligible for the increased voting right or that affects the ownership of the Shares and/or the related voting right by the end of the month in which the circumstance occurred and in any case by the trading day before the ‘record date’.</p> <p><b>7.</b> The increase in voting rights is removed:</p> <p><i>a)</i> in the event that the Share is transferred for consideration or free of charge, it being understood that the “transfer” also means the establishment of a pledge, usufruct or other restriction on the Share when this entails the loss of the voting right by the Shareholder. The establishment of a pledge, usufruct or other lien and the transfer of bare ownership with maintenance of the usufruct do not result in the loss of entitlement to the benefit of the increased vote if the voting right is retained by the previous holder;</p> <p><i>b)</i> in the event of direct or indirect transfer of controlling interests in companies or entities that hold shares with increased voting rights to an extent exceeding the threshold set forth in Article 120, paragraph 2, of Italian Legislative Decree No. 58 (“TUF”).</p> <p><b>8.</b> The Company shall arrange for cancellation from the List in the following cases:</p> <p><i>a)</i> waiver by the person concerned. Anyone who is eligible for the increased voting right is entitled to irrevocably waive at any time all or part of the increased voting right, by sending written notice to the Company, with the understanding that the increased voting right may be re-acquired with regard to the Shares for</p>
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<p>which it was waived through renewed entry in the List, after a new Period has fully elapsed in compliance with the provisions of these Articles of Association;</p> <p>b) communication from the person concerned or from the intermediary proving that the person is no longer eligible for the increased voting right or has lost ownership of the Shares and/or of the related voting right;</p> <p>c) if the Company is informed of the occurrence of events that cause the person to be no longer eligible for the increased voting right or to lose ownership of the Shares and/or of the related voting right.</p> <p><b>9.</b> Increased voting rights that have already accrued or, if not fully accrued, the period of ownership required for their full accrual, shall be retained:</p> <p>a) in the event of succession on death in favour of the heir and/or legatee;</p> <p>b) in the event of merger or reverse merger of the holder of the shares, in favour of the company resulting from the merger or benefitting from the reverse merger;</p> <p>c) if the shareholding is registered in the name of a fiduciary, in the event of change in the fiduciary provided that the grantor is still the same and that this has been appropriately certified by the fiduciary;</p> <p>d) if the shareholding is registered in the name of a trust, in the event of change in the trustee;</p> <p>e) in the event of transfer from one portfolio to another of the UCITS managed by the same manager.</p> <p><b>10.</b> Without prejudice to the communications from the intermediary required by applicable legislation and by these Articles of Association for the purposes of increased voting rights, increased voting rights shall extend:</p> <p>a) to Shares assigned in the event of free capital increase pursuant to Article 2442 of the Italian Civil Code and due to the</p>	<p>which it was waived through renewed entry in the List, after a new Period has fully elapsed in compliance with the provisions of these Articles of Association;</p> <p>b) communication from the person concerned or from the intermediary proving that the person is no longer eligible for the increased voting right or has lost ownership of the Shares and/or of the related voting right;</p> <p>c) if the Company is informed of the occurrence of events that cause the person to be no longer eligible for the increased voting right or to lose ownership of the Shares and/or of the related voting right.</p> <p><b>9.</b> Increased voting rights that have already accrued or, if not fully accrued, the period of ownership required for their full accrual, shall be retained:</p> <p>a) in the event of succession on death in favour of the heir and/or legatee;</p> <p>b) in the event of merger or reverse merger of the holder of the shares, in favour of the company resulting from the merger or benefitting from the reverse merger;</p> <p>c) if the shareholding is registered in the name of a fiduciary, in the event of change in the fiduciary provided that the grantor is still the same and that this has been appropriately certified by the fiduciary;</p> <p>d) if the shareholding is registered in the name of a trust, in the event of change in the trustee;</p> <p>e) in the event of transfer from one portfolio to another of the UCITS managed by the same manager.</p> <p><b>10.</b> Without prejudice to the communications from the intermediary required by applicable legislation and by these Articles of Association for the purposes of increased voting rights, increased voting rights shall extend:</p> <p>a) to Shares assigned in the event of free capital increase pursuant to Article 2442 of the Italian Civil Code and due to the</p>
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<p>holder in relation to Shares for which the increased voting right has already accrued;</p> <p>b) to Shares assigned in exchange for those to which increased voting rights have been attributed in the event of merger or reverse merger of the Company, provided that –and to the extent that – this has been envisaged in the draft terms of merger or reverse merger;</p> <p>c) to Shares subscribed when exercising the option right in the event of capital increase through new contributions.</p>	<p>holder in relation to Shares for which the increased voting right has already accrued;</p> <p>b) to Shares assigned in exchange for those to which increased voting rights have been attributed in the event of merger or reverse merger of the Company, provided that –and to the extent that – this has been envisaged in the draft terms of merger or reverse merger;</p> <p>c) to Shares subscribed when exercising the option right in the event of capital increase through new contributions.</p>
<p>In the cases referred to in points a), b) and c)above, the new Shares shall acquire the increased voting right (i) for new issue Shares due to the holder in relation to Shares for which the increased voting right has already accrued, from the time of entry in the List, without another Period having to elapse; (ii) for new issue Shares due to the holder in relation to Shares for which the increased voting right has not yet accrued (but is accruing), from the time the Period elapses calculated from the original entry in the List.</p>	<p>In the cases referred to in points a), b) and c)above, the new Shares shall acquire the increased voting right (i) for new issue Shares due to the holder in relation to Shares for which the increased voting right has already accrued, from the time of entry in the List, without another Period having to elapse; (ii) for new issue Shares due to the holder in relation to Shares for which the increased voting right has not yet accrued (but is accruing), from the time the Period elapses calculated from the original entry in the List.</p>
<p><b>11.</b> Increased voting rights are counted for each shareholders’ meeting resolution and also to determine the meeting and voting quorums that refer to quotas of share capital. The increased right does not affect rights, other than the voting right, acquired by virtue of ownership of certain quotas of share capital.</p>	<p><b>11.</b> Increased voting rights are counted for each shareholders’ meeting resolution and also to determine the meeting and voting quorums that refer to quotas of share capital. The increased right does not affect rights, other than the voting right, acquired by virtue of ownership of certain quotas of share capital.</p>
<p><b>12.</b> For the purposes of these Articles of Association the concept of control, which extends to both legal entities and natural persons, is the one set forth in Article 93 of the Consolidated Law on Finance.</p>	<p><b>12.</b> For the purposes of these Articles of Association the concept of control, which extends to both legal entities and natural persons, is the one set forth in Article 93 of the Consolidated Law on Finance.</p>
<p><b>13.</b> The provisions on increased voting rights set forth in this article shall apply for as long as the Company’s Shares are listed on an Italian regulated market or on a regulated market of other European Union Member States.</p>	<p><b>13.</b> The provisions on increased voting rights set forth in this article shall apply for as long as the Company’s Shares are listed on an Italian regulated market or on a regulated market of other European Union Member States.</p>
<p style="text-align: center;"><b>TITLE IV</b></p> <p style="text-align: center;"><b>ADMINISTRATION AND REPRESENTATION</b></p>	<p style="text-align: center;"><b>TITLE IV</b></p> <p style="text-align: center;"><b>ADMINISTRATION AND REPRESENTATION</b></p>
<p><b>ARTICLE 15 – BOARD OF DIRECTORS</b></p>	<p><b>ARTICLE 15 – BOARD OF DIRECTORS</b></p>

<p>1. The Company is administered by a Board of Directors made up of a minimum of 7 (seven) and a maximum of 15 (fifteen) members, as decided by the Shareholders' Meeting from time to time, with the understanding that, as long as the Shares are listed on an Italian regulated market or regulated market of other European Union member states, the Board of Directors must:</p> <p>a) be elected on the basis of lists submitted by shareholders or by the incumbent Board of Directors in accordance with the provisions set forth below, also in order to ensure that the minority is represented;</p> <p>b) include at least 1 (one) member of the Board of Directors, or 2 (two) members if it is made up of more than 7 (seven) members, meeting the requirements for classification as independent director pursuant to applicable legislation and regulations in force at the time;</p> <p>c) be composed in compliance with applicable legislation and regulations in force at the time on the matter of gender balance, insofar as applicable, as well as with the provisions of these Articles of Association on the matter.</p> <p>2. Directors are appointed for a period of no longer than 3 (three) financial years, they expire on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office and may be re-elected.</p> <p>3. Unless otherwise decided by the Shareholders' Meeting, directors are bound by the non-compete obligation set forth in Article 2390 of the Italian Civil Code.</p> <p>4. Members of the Board of Directors are entitled to the reimbursement of expenses incurred in performance of their office and, without prejudice to the provisions of Article 2389(3) of the Italian Civil Code, to the remuneration established by the Shareholders' Meeting.</p>	<p>1. The Company is administered by a Board of Directors made up of a minimum of 7 (seven) and a maximum of 15 (fifteen) members, as decided by the Shareholders' Meeting from time to time, with the understanding that, as long as the Shares are listed on an Italian regulated market or regulated market of other European Union member states, the Board of Directors must:</p> <p>a) be elected on the basis of lists submitted by shareholders or by the incumbent Board of Directors in accordance with the provisions set forth below, also in order to ensure that the minority is represented;</p> <p>b) include a number of directors identified in compliance with at least 1 (one) member of the Board of Directors, or 2 (two) members if it is made up of more than 7 (seven) members, meeting the requirements for classification as independent director pursuant to applicable legislation and regulations in force at the time, also having regard for any stock exchange segment of the shares, meeting the requirements as independent director therein;</p> <p>c) be composed in compliance with applicable legislation and regulations in force at the time on the matter of gender balance, insofar as applicable, as well as with the provisions of these Articles of Association on the matter.</p> <p>2. Directors are appointed for a period of no longer than 3 (three) financial years, they expire on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office and may be re-elected.</p> <p>3. Unless otherwise decided by the Shareholders' Meeting, directors are bound by the non-compete obligation set forth in Article 2390 of the Italian Civil Code.</p> <p>4. Members of the Board of Directors are entitled to the reimbursement of expenses incurred in performance of their office and, without prejudice to the provisions of Article 2389(3) of the Italian Civil Code, to the remuneration established by the Shareholders' Meeting.</p>
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<p>5. The ordinary Shareholders’ Meeting may also award Directors a fee and an end-of-service allowance, which may even take the form of an insurance policy.</p> <p>6. The Shareholders’ Meeting may set a total amount for remuneration of all the directors, including those assigned special duties, to be distributed by the Board of Directors in accordance with the law.</p>	<p>5. The ordinary Shareholders’ Meeting may also award Directors a fee and an end-of-service allowance, which may even take the form of an insurance policy.</p> <p>6. The Shareholders’ Meeting may set a total amount for remuneration of all the directors, including those assigned special duties, to be distributed by the Board of Directors in accordance with the law.</p>
<p><b>TITLE IV</b></p> <p><b>ADMINISTRATION AND REPRESENTATION</b></p>	<p><b>TITLE IV</b></p> <p><b>ADMINISTRATION AND REPRESENTATION</b></p>
<p><b>ARTICLE 18 – CONVENING OF THE BOARD OF DIRECTORS</b></p>	<p><b>ARTICLE 18 – CONVENING OF THE BOARD OF DIRECTORS</b></p>
<p>1. The Board of Directors meets at venue that need not be the registered office provided it is in Italy, another European Union Member State or the Swiss Confederation, whenever the Chairman deems it necessary, or when a written request is made by at least one of its members or by a Statutory Auditor.</p> <p>2. The notice of call contains the order of the business to be discussed and must be sent by registered letter, fax or email with read receipt to be delivered or sent at least 3 (three) days before the date set for the meeting or, in particularly urgent circumstances, at least 24 (twenty-four) hours before the meeting.</p> <p>3. It is also possible for meetings of the Board of Directors to be held in a number of audio or video linked adjacent or distant places, provided that: (a) the Chairman and the secretary of the meeting, if appointed, who shall draw up and sign the minutes, are in the same place, the meeting should be considered to have taken place in that place; (b) the Chairman of the meeting is able to ascertain the identity of the attendees, govern the course of the meeting, establish and announce the results of voting; (c) the person drawing up the minutes is able to appropriately follow the events of the meeting to be recorded; (d) those attending are able to participate in the discussion and simultaneous voting on the items on the agenda, and to examine, receive or transmit documents. If these conditions are met, the meeting of the</p>	<p>1. The Board of Directors meets at venue that need not be the registered office provided it is in Italy, another European Union Member State or the Swiss Confederation, whenever the Chairman deems it necessary, or when a written request is made by at least one of its members or by a Statutory Auditor.</p> <p>2. The notice of call contains the order of the business to be discussed and must be sent by registered letter, fax or email with read receipt to be delivered or sent at least 3 (three) days before the date set for the meeting or, in particularly urgent circumstances, at least 24 (twenty-four) hours before the meeting.</p> <p>3. It is also possible for meetings of the Board of Directors to be held in a number of audio or video linked adjacent or distant places, provided that: (a) <del>the Chairman and</del> the secretary of the meeting, <del>if appointed, who shall draw up and sign the minutes, are</del> <b>is in the same place indicated in the notice of call</b>, the meeting should be considered to have taken place in that place; (b) the Chairman of the meeting is able to ascertain, <b>also through the secretary of the meeting</b>, the identity of the attendees, govern the course of the meeting, establish and announce the results of voting; (c) the <del>person drawing up the minutes</del> <b>secretary of the meeting</b> is able appropriately follow the events of the meeting to be recorded; (d) attendees are able to participate in the debate and to vote at the same time on the items on the agenda, as well as to see, receive or transmit documents.</p>

<p>Board of Directors shall be considered held at the place where the Chairman is present.</p> <p>4. In any case, meetings of the Board of Directors are validly constituted even without convocation when all incumbent directors and statutory auditors are in attendance and no-one objects to the discussion of the individual matters.</p>	<p><del>If these conditions are met, the meeting of the Board of Directors shall be considered held at the place where the Chairman is present.</del> The meetings of the Board of Directors may also be held exclusively by audio or video conference, omitting in the notice of call the reference to the physical place of the meeting, provided that the conditions referred to in letters b), c) and d) are met. The Chairman and the secretary of the meeting shall draw up and sign the minutes of the meetings held in several places, contiguous or distant, connected by audio or video or exclusively by audio or video conference, after said meetings.</p> <p>4. In any case, meetings of the Board of Directors are validly constituted even without convocation when all incumbent directors and statutory auditors are in attendance and no-one objects to the discussion of the individual matters.</p>
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It should be noted that the proposed amendments to the By-Laws, if approved by the Shareholders' Meeting, shall be effective starting from the registration of the relevant Shareholders' Meeting resolution at the competent Companies' Register.

**1.3. Information on the recurrence of the right of withdrawal: non-existence of cases involving withdrawal in relation to the proposed amendment to the By-Laws**

The Board of Directors believes that the amendments to the By-Laws explained above do not give rise to a right of withdrawal pursuant to and for the purposes of Article 2437 of the Italian Civil Code, as they do not fall under any of the cases envisaged therein.

**1.4. Proposed resolution**

Dear Shareholders,

for the reasons explained above, the Board of Directors proposes that you pass the following resolution:

*“The Shareholders' Meeting of LU-VE S.p.A., having regard to the Explanatory Report of the Board of Directors*

***resolves***

- 1) to amend articles 6-bis, 15 and 18 of the By-Laws, based on the wording in the Explanatory Report;*
- 2) to grant a mandate to the Chairman of the Board of Directors, so that the latter, also through special attorneys, with all the broadest powers, may provide everything necessary for the execution of the resolutions amending the By-Laws adopted today and for the fulfilment of all legal formalities, with the right to make additions, amendments and deletions of a formal and non-substantial nature that are necessary or in any case were also requested at the time of registration in the competent Register of Companies”.*



\* \* \*

**SECOND ITEM ON THE AGENDA**

**2. INTRODUCTION OF THE POSITION OF “HONORARY CHAIRMAN”. RELATED AND SUBSEQUENT RESOLUTIONS.**

**2.1. Justification and explanation of the amendments to the By-Laws relating to the introduction of the Honorary Chairman**

It is proposed to introduce the figure of the Honorary Chairman, currently not envisaged by the By-Laws of LU-VE, in order to create an honorary corporate position that can be held by individuals with high standing and/or who have contributed significantly to the success and/or development and/or reputation of the Company. The proposed clause envisages that the appointment of the Honorary Chairman, who may also be a person not included on the Board, may be resolved by the Board of Directors, providing for a term of office no longer than that of the mandate of the Board of Directors which appoints the Honorary Chairman. It is also envisaged that, if he/she is not a member of the Board of Directors, the Honorary Chairperson may attend the Shareholders' Meetings and Board meetings, expressing, if necessary, non-binding opinions; however, the Honorary Chairman shall not be entitled to vote and his/her presence at Board meetings shall not be counted for the purposes of establishing the validity of Board meetings. The Board of Directors may, after consulting the Board of Statutory Auditors, determine any remuneration due to the Honorary Chairman and/or the reimbursement of expenses incurred pursuant to the performance of the office.

**2.2. Proposed statutory amendment**

The approval of the proposed introduction of the office of Honorary Chairman as outlined above shall entail adding to the By-Laws a new **Article 17-bis** (entitled “**Honorary Chairman**”) whose content explained above is shown in red in the right column of the following table.

Current Text	New Proposed Text
<p style="text-align: center;">TITLE IV</p> <p style="text-align: center;">ADMINISTRATION AND REPRESENTATION</p>	<p style="text-align: center;">TITLE IV</p> <p style="text-align: center;">ADMINISTRATION AND REPRESENTATION</p>
<p style="text-align: center;">ARTICLE 17- BIS – HONORARY CHAIRMAN</p>	<p style="text-align: center;">ARTICLE 17- BIS – HONORARY CHAIRMAN</p>
<p>(not present)</p>	<p><b>1.</b> The Board of Directors may appoint, even outside its membership, a Chairman with honorary functions, referred to as the “Honorary Chairman”, chosen from among individuals of high standing /or who have contributed significantly to the affirmation and/or the development and/or reputation of the Company.</p> <p><b>2.</b> The term of office of Honorary Chairperson may not exceed the term of office of the Board of Directors that made this appointment.</p> <p><b>3.</b> If he/she is not a member of the Board of Directors, the Honorary Chairman is nevertheless entitled to attend the Shareholders' Meetings and to participate in the Board meetings, expressing, if necessary, non-</p>

Current Text	New Proposed Text
	<p>binding opinions; he/she, however, is not entitled to vote and his/her presence is not counted for the purposes of establishing the validity of the meetings of the Board of Directors. The Honorary Chairman also carries out any functions that are assigned to him/her from time to time by the Board of Directors, without any power of representation.</p> <p><b>4.</b> The Board of Directors may, after hearing the opinion of the Board of Statutory Auditors, determine any remuneration due to the Honorary Chairman and/or the reimbursement of expenses incurred for the performance of the office.</p>

It should be noted that the proposed amendments to the By-Laws, if approved by the Shareholders' Meeting, shall be effective starting from the registration of the relevant Shareholders' Meeting resolution at the competent Companies' Register.

### 2.3. Information on the recurrence of the right of withdrawal: non-existence of cases involving withdrawal in relation to the proposed amendment to the By-Laws

The Board of Directors notes that, pursuant to Article 127-*quinquies*, paragraph 4-*ter* of the Consolidated Law on Finance, the proposed amendment to the By-Laws does not give shareholders who did not contribute to the resolution subject to this proposal to amend and supplement the By-Laws the right to withdrawal pursuant to Article 2437 of the Italian Civil Code.

### 2.4. Proposed resolution

Dear Shareholders,

for the reasons explained above, the Board of Directors proposes that you pass the following resolution:

*“The Shareholders’ Meeting of LU-VE S.p.A., having regard to the Explanatory Report of the Board of Directors*

*resolves*

*1) to add Article 17-bis of the By-Laws entitled “Honorary Chairman”, as explained in the wording contained in the Explanatory Report;*

*2) to grant a mandate to the Chairman of the Board of Directors, so that the latter, also through special attorneys, with all the broadest powers, may provide everything necessary for the execution of the resolutions amending the By-Laws adopted today and for the fulfilment of all legal formalities, with the right to make additions, amendments and deletions of a formal and non-substantial nature that are necessary or in any case were also requested at the time of registration in the competent Register of Companies ”.*

\* \* \*

This Explanatory Report will be filed and made available to the public on **17 March 2023** at the administrative offices and on the Company's website at the address [www.luvegroup.com](http://www.luvegroup.com), in the ("*Investor Relations*" section – "*Corporate governance & shareholders*" – "*For the shareholders*" – "*Shareholders' meeting*" – "*Shareholders' meeting 28 April 2023*"), as well as on the authorised storage mechanism *eMarket Storage* [www.emarketstorage.com](http://www.emarketstorage.com).

Uboldo, 14 March 2023

On behalf of the Board of Directors

The Chairman and Chief Executive Officer

Mr. Matteo Liberali