



DIRECTORS' REPORT, pursuant to art. 125-ter of the Consolidated Law on Finance, as well as art. 72 of the CONSOB Issuers' Regulation with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, on the items on the agenda of the ORDINARY SHAREHOLDERS' MEETING to be held at the registered office of the company Newlat Group SA, located in Via Geretta 8, Paradiso (Switzerland), on first call, on 27 April 2023 at 10 am, and if necessary on second call on 4 May 2023, same place and time.

This Report is made available at the registered office of the Issuer, in the centralised authorised storage mechanism called eMarket Storage and managed by Teleborsa S.r.l., available at www.emarketstorage.com, and on the Company's website at www.centralelatteitalia.com (the "**Website**") on 17 March 2023.



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Appointment of the Board of Directors for the financial years 2023-2025 and determination of the remuneration:

- a. Determination of the number of members of the Board of Directors.
- b. Determination of the term of office of the Board of Directors.
- c. Appointment of the members of the Board of Directors.
- d. Appointment of the Chair of the Board of Directors.
- e. Determination of remuneration.



DIRECTORS' REPORT ON THE FIRST ITEM ON THE AGENDA OF THE SHAREHOLDERS' MEETING:

Report on operations and financial statements as at 31 December 2022, report of the Board of Statutory Auditors. Related resolutions.

Shareholders,

With regard to the explanation of the first item of the Shareholders' Meeting's agenda, please refer to the Company's Annual Financial Report for the year 2022 containing the financial statements of Centrale del Latte d'Italia S.p.A., the directors' report on operations, the report on corporate governance and ownership structure, as well as the certification pursuant to Article 154-bis of the Consolidated Law on Finance, the report of the independent auditor and the report of the Board of Statutory Auditors.

These documents were made available to the public at the eMarket Storage authorised storage mechanism at www.emarketstorage.com, on the Company's website at www.centralelatteitalia.it in the Investor Relations – Financial Statements and Reports section and filed at the Company's registered office.

The draft financial statements submitted for your approval showed a profit for the year of €154,306.

The Board of Directors submits the following resolution proposal for your approval.

"The Ordinary Shareholders' Meeting of Centrale del Latte d'Italia S.p.A.:

- having reviewed the Report of the Board of Directors prepared in accordance with article 125-ter of the TUF;
- having examined the annual financial report for the year 2022, the report of the independent auditor and the report of the Board of Statutory Auditors,

RESOLVES

to approve Centrale del Latte d'Italia S.p.A.'s Financial Statements for the year ended 31 December 2022, which closed the year with a profit of € 154,306".

Turin, 17 March 2023

For the Board of Directors
The Chairman
Angelo Mastrolia



DIRECTORS' REPORT ON THE SECOND ITEM ON THE AGENDA OF THE SHAREHOLDERS' MEETING:

Allocation of the profit for the year. Related resolutions.

Shareholders,

The Board of Directors, having taken note of the Annual Financial Report for the year 2022, the report of the independent auditors and the report of the Board of Statutory Auditors, having regard to the financial statements for the year ended 31 December 2022 which show a profit for the year of €154,306, proposes to allocate the profit for the year to the reserves, specifically 5% to the legal reserve and the remaining 95% to the extraordinary reserve.

Accordingly, the Board of Directors submits the following resolution proposal for your approval.

"The Ordinary Shareholders' Meeting of Centrale del Latte d'Italia S.p.A.:

- having regard to the financial statements as at 31 December 2022, just approved, which showed a profit for the year of €154,306,

RESOLVES

to allocate the profit for the year of €154,306 as follows:

- 5% to the legal reserve;
- 95% to the extraordinary reserve".

Turin, 17 March 2023

For the Board of Directors
The Chairman
Angelo Mastrolia



DIRECTORS' REPORT ON THE THIRD ITEM ON THE AGENDA OF THE SHAREHOLDERS' MEETING:

Report on the remuneration policy and on the remuneration paid pursuant to art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 (TUF):

- a. **Binding vote on Section I.**
- b. **Advisory vote on Section II.**

Shareholders,

Pursuant to art. 123-ter as amended by Italian Legislative Decree 49 of 10 May 2019 ("Decree"), you are called upon to deliberate on the Report on the remuneration policy and on the compensation paid ("Report") prepared according to the provisions of art. 84-quater of the Consob Issuers' Regulation no. 11971/99 as amended, in accordance with Annex 3 A, Schedule 7-bis of the aforementioned Regulation.

Following the changes made with the aforementioned Decree, we therefore invite you to express your vote as follows:

- With a binding resolution pursuant to the provisions of art. 123-ter, paragraph 3 of the TUF on Section I of the Report concerning the Company's policy on the remuneration of members of the Board of Directors, the Board of Statutory Auditors, the General Manager and Executives with strategic responsibilities of the Company, as well as the procedures used for the adoption and implementation of such policy.
- With a non-binding resolution pursuant to the provisions of art. 123-ter paragraph 6 of the TUF on Section II of the Report concerning the compensation paid to the parties envisaged by art. 123-ter, paragraph 4 of the TUF.

Given the above, the Board of Directors submits the following resolution proposals for your approval.

ON SECTION I

"The Ordinary Shareholders' Meeting of Centrale del Latte d'Italia S.p.A.:

- having regard to the provisions of current legislation;
- having taken note of the Report on the remuneration policy and the compensation paid;
- having acknowledged that the Report on the remuneration policy and on the compensation paid has been filed and made available within the terms of the law,

RESOLVES

- to approve the Company's remuneration policy referred to in Section I of the Report on the remuneration policy and on the compensation paid approved by the Board of Directors at its meeting on 17 March 2023".

ON SECTION II

"The Ordinary Shareholders' Meeting of Centrale del Latte d'Italia S.p.A.:

- having regard to the provisions of current legislation;
- having taken note of the Report on the remuneration policy and the compensation paid;
- having acknowledged that the Report on the remuneration policy and on the compensation paid has been filed and made available within the terms of the law,

RESOLVES

- in favour of the content of Section II of the Report on the remuneration policy and on the compensation paid approved by the Board of Directors at its meeting on 17 March 2023".

Turin, 17 March 2023

For the Board of Directors
The Chairman
 Angelo Mastrolia



DIRECTORS' REPORT ON THE FOURTH ITEM ON THE AGENDA OF THE SHAREHOLDERS' MEETING:

Appointment of the Board of Directors for the financial years 2023-2025 and determination of the remuneration:

- a. Determination of the number of members of the Board of Directors.
- b. Determination of the term of office of the Board of Directors.
- c. Appointment of the members of the Board of Directors.
- d. Appointment of the Chair of the Board of Directors.
- e. Determination of remuneration.

Shareholders,

You are called upon to renew the Board of Directors appointed by the Shareholders' Meeting on 29 April 2020, expiring with the approval of the financial statements for the year 2022, having completed the mandate of three years.

Specifically, the Shareholders' Meeting is called to (i) determine the number of members of the Board of Directors, (ii) determine the term of office of the Board of Directors, (iii) appoint the Board of Directors, (iv) appoint the Chair of the Board of Directors and (v) set the fees to be paid to the members of the governing body.

The provisions of Article 11 of the By-laws are reproduced in full below.

"The company is administered by a Board of Directors with three to fourteen members as decided by the Shareholders' Meeting at the time of appointment. Directors are elected on the basis of slates of candidates, in accordance with the procedure set out in the following provisions, unless otherwise required by mandatory laws or regulations. The slates of directors to be elected – except those with fewer than three candidates – must be drawn up taking into account the criterion that ensures gender balance, guaranteeing the least-represented gender a number of candidates at least equal to the percentage required by applicable laws and regulations on gender balance, which must be calculated on the basis of criteria envisaged thereby. Slates can only be submitted by shareholders who, alone or together with others, hold a total of shares with voting rights representing at least 2.5% (two point five per cent) of the capital with voting rights at the ordinary meeting. A shareholder may not submit – even through an intermediary or trust company – more than one slate or vote for different slates. Each candidate may appear on only one slate under penalty of ineligibility. Candidates who already hold positions of Director in five other companies or entities whose securities are admitted to trading on a regulated market included in the list envisaged in articles 63 and 67 of Italian Legislative Decree 58/1998 may not be included on the slates. The minority slate that has obtained the highest number of votes and is not in any way, even indirectly, linked to the slate resulting first by number of votes has the right to place a member on the board of directors. The slates submitted must be filed at the company's registered office by the twenty-fifth day preceding the date of the Shareholders' Meeting called to deliberate on the appointment of members of the board of directors.

Together with each slate, the declarations with which the individual candidates accept the candidacy and declare under their own responsibility that there are no grounds for ineligibility and incompatibility and that they fulfil the legal and statutory requirements for their posts shall be filed by the deadline specified above. Any slate that fails to comply with the above provisions shall be deemed not to have been submitted.

If a single slate is submitted, the entire board of directors shall be drawn from it. If no slate is submitted, the Shareholders' Meeting decides by majority of voters, excluding from the calculation those who abstain.

If the composition of the Board of Directors does not allow gender balance to be respected in accordance with applicable laws and regulations when following the order of listing, the last elected candidates from the majority list of the most-represented gender shall be removed in the number necessary to ensure compliance with the requirement, and shall be replaced by the first unelected candidates of the least-represented gender from the same slate. In the absence of candidates of the less-represented gender on the majority slate in sufficient number to proceed with the replacement, the Shareholders' Meeting shall add other members to the body with the legal majorities, ensuring compliance with the requirement.

The timing and manner of submission of slates shall be specified in the notice of convocation.

The slates presented shall be made available to the public on the Company's website and in the other ways envisaged by law at least twenty-one days before the date of the Meeting.

The directors have a maximum term of office of three years ending on the date of the shareholders' meeting convened to approve the financial statements for the final year of their term. They shall be eligible for re-election.

Before proceeding with their appointment, the Shareholders' Meeting shall determine the number of members of the Board and their term of office. If the number of Directors is lower than the maximum envisaged, the Shareholders' Meeting may increase such number while the Board is in office. The term of office of the Directors appointed in this manner will expire at the same time as the Directors in office at the time of their appointment. The shareholders' meeting determines the remuneration due to the members of the Board of Directors".

We inform you that with management decision no. 76 of 30 January 2023, Consob specified the minimum percentage required to submit a slate of candidates to be 2.5% of the share capital, and based on the By-laws only shareholders who, alone or together with others, hold a total of shares with voting rights representing at least 2.5% of the capital at the ordinary meeting have the right to submit slates.

Note that the slates must be filed at the registered office or sent to the certified email address mail@pec.centralelatteitalia.com by



the presenting Shareholders by 2 April 2023 and will be made public according to the provisions in force. Since this deadline falls on Sunday, slates sent ahead of time will be accepted by email at veronica.pisoni@newlat.com provided that they are deposited at the registered office by 3 April 2023.

Each slate shall bear the names, marked with a sequential number, of no more than 14 (fourteen) candidates. Each slate must include at least some candidates - in accordance with the provisions of applicable legislation - who meet the independence requirements prescribed by applicable laws or regulations (including the market regulations of Borsa Italiana S.p.A.), indicating them separately and placing one of them at the top of the list.

Each slate that presents a number of candidates equal to or greater than 3 (three) must also include candidates of both genders, at least in the minimum proportion required by the applicable laws and regulations in force from time to time.

A Shareholder or group of Shareholders may not submit and vote for more than one slate, even through an intermediary or through trustees. No candidate may be on more than one slate, and inclusion on more than one slate constitutes grounds for ineligibility.

The following must be filed when the slates are submitted:

- The information relating to the identity of the Shareholders who have submitted the slate and the indication of the percentage of shareholding held, in addition to one or more certification(s), to be deposited at the registered office at the same time or in any case by 6 April 2023, showing the ownership of such shareholding(s) at the date the slate is submitted.
- A declaration by Shareholders other than those who hold, even jointly, a controlling interest or a relative majority, certifying the absence of any direct or indirect link, within the meaning of applicable laws and regulations, with the latter.
- The curriculum vitae of the candidates and a statement in which each candidate declares, under his or her own responsibility, that there are no grounds for ineligibility and incompatibility and that he or she fulfils the conditions for appointment.
- Information on candidates and indication of any eligibility to qualify as an independent director in accordance with applicable legislation and with the codes of conduct on corporate governance adopted by the Company.
- A declaration from each candidate accepting their candidacy.

The slates will be published on 6 April 2023 by dissemination through the authorised eMarket Storage mechanism at www.emarketstorage.com and through the website www.centralelatteitalia.com.

Shareholders wishing to submit slates are invited to read the recommendations contained in Consob communication DEM/9017893 of 26 February 2009.

After consulting the Appointments Committee and taking into account the results of the self-assessment, the expiring Board of Directors formulated an orientation regarding the quantitative and qualitative composition of the governing body that it deemed optimal. Specifically, the outgoing Board of Directors considered that:

- Taking into account the current size and activities of the Company, most appropriate are: i) a board of 6 to 9 Directors, this number being sufficient to ensure an adequate balance of skills and experience required by the business of the Company, and ii) the current composition of the Board Committees, all composed of persons with superior professional experience allowing for an effective performance of the tasks that each Committee is called to perform.
- The term of office of the Board of Directors should be three years, i.e. until approval of the financial statements as at 31 December 2025.
- In addition to what is envisaged in current laws and the By-laws regarding gender balance, it is advisable to ensure a varied composition of the Board in terms of skills, professional characteristics and age, in order to provide concrete support to the pursuit of the Company's strategic objectives and the tasks of the Board itself.
- It is not necessary to define general criteria regarding the maximum number of administration and control positions held in other companies that can be considered compatible with effectively performing the role of Director in this Company, without prejudice to the provisions of Article 11 of the By-laws in this regard and without prejudice to the duty of each Director to assess the compatibility of the positions of director and auditor held in other companies listed on regulated markets, in financial, banking, insurance or other companies of significant size, with the diligent performance of the tasks assumed as Director in this Company.
- In accordance with the remuneration policy adopted by the Company, submitted to the Shareholders' Meeting and available on the website at www.centralelatteitalia.com in the "Investor Relations – Shareholders' Meetings and Notices of Call" section, the Board of Directors is paid a reasonable fee to remunerate the role of Director in keeping with the Group's policy.

With regard to the provisions in art. 125-ter, paragraph 1, of the TUF, with regard to the need to make available the proposals for resolutions, your Board has taken charge of requesting from the Shareholder of reference its intentions in terms of number of members of the governing body, duration in office thereof and determination of the relative remunerations.

The Shareholder of reference informed the Board of its intention to reserve the right to set the number of members of the Board of Directors at a later date, in a range between 6 and 9, and to submit the following proposals to the Shareholders' Meeting for approval:

- To set the number of members of the Board of Directors at ____ [number between 6 and 9].*
- To set the term of office of the Board of Directors at three financial years.
- to grant a gross annual remuneration of €60,000.00 to the Chair of the Board of Directors, a gross annual remuneration of €30,000.00 to the Managing Directors and a gross annual remuneration of €15,000.00 to the other members, in addition to the



reimbursement of expenses incurred in the performance of their duties.

Accordingly, the Board of Directors submits the following resolution proposal for your approval.

"The Ordinary Shareholders' Meeting of Centrale del Latte d'Italia S.p.A.:

- having acknowledged the report of the Board of Directors;
- having acknowledged the proposal of the shareholder Newlat Food S.p.A.;
- having regard to the provisions of the law and the by-laws,

RESOLVES

- to set the number of members of the Board of Directors at ____ [number between 6 and 9]*;
- to set the term of office of the Board of Directors at three financial years, i.e. until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2025;
- to grant a gross annual remuneration of €60,000.00 (sixty thousand/00) to the Chair of the Board of Directors, a gross annual remuneration of €30,000 (thirty thousand/00) to the Managing Directors and a gross annual remuneration of €15,000.00 (fifteen thousand/00) to the other members, in addition to the reimbursement of expenses incurred in carrying out their functions".

Finally, we remind you of the need to vote on one of the slates submitted, to abstain, to declare yourself against all the slates or to not participate in the vote.

* Number to be determined by the Shareholders' Meeting based on the slates submitted, bearing in mind that the By-laws provide for a minimum number of 3 and a maximum number of 14 members of the Board of Directors.

Turin, 17 March 2023

For the Board of Directors
The Chairman
Angelo Mastroia