



A multibrand company

**DIRECTORS' EXPLANATORY REPORT ON MATTERS ON THE AGENDA  
OF THE ORDINARY SHAREHOLDERS' MEETING CONVENED ON FIRST  
CALL ON 29 APRIL 2024, AND ON SECOND CALL ON 6 MAY 2024**

in accordance with article 125-ter of the TUF

**Board of Directors**

Angelo Mastrolia

Giuseppe Mastrolia

Stefano Cometto

Benedetta Mastrolia

Valentina Montanari

Maria Cristina Zoppo

Eric Sandrin

**Board of Statutory Auditors**

Massimo Carlomagno

Ester Sammartino

Antonio Mucci

**Independent Auditing Firm**

PricewaterhouseCoopers S.p.A.

Shareholders,

The Board of Directors of Newlat Food S.p.A. (hereinafter the "Company") illustrates below the agenda drafted for the Ordinary Shareholders' Meeting convened – by notice published on the Company's website at the address [www.newlat.it](http://www.newlat.it), in the *Corporate Governance – Shareholders' Meeting* section on 18 March 2024, as well as in the newspaper *Italia Oggi* on 19 March 2024 – at the registered office of the company Newlat Group S.A., located in Paradiso (Switzerland), Via Geretta 8, on 29 April 2024 at 12.00 noon on first call, and, where necessary, on second call on 6 May 2024, same place and time:

- 1. Approval of the Financial Statements as at 31 December 2023, accompanied by the Directors' Report on Operations, the Report of the Board of Statutory Auditors and the Independent Auditors' Report. Related resolutions. Presentation of the consolidated financial statements as at 31 December 2023.**
- 2. Allocation of the profit for the year. Related resolutions.**
- 3. 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):**
  - 3.1 Binding vote on Section I.**
  - 3.2 Advisory vote on Section II.**
- 4. Authorisation to purchase and dispose of treasury shares, after revocation of the previous one. Related resolutions.**

The purpose of this report is to explain the reasons for the proposals referred to in the items on the agenda of the shareholders' meeting pursuant to article 125-ter of the TUF.

**1. Approval of the Financial Statements as at 31 December 2023, accompanied by the Directors' Report on Operations, the Report of the Board of Statutory Auditors and the Independent Auditors' Report. Related resolutions. Presentation of the consolidated financial statements as at 31 December 2023.**

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 2023 containing the draft financial statements of Newlat Food S.p.A., the consolidated financial statements and the Non-Financial Statement for the year 2023 prepared pursuant to Italian Legislative Decree no. 254 of 30 December 2016, 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 are available to the public at the eMarket Storage authorised storage mechanism at [www.emarketstorage.com](http://www.emarketstorage.com), as well as on the Company's website at [www.newlat.it](http://www.newlat.it) in the *Corporate Governance – Shareholders' Meeting* section and filed at the Company's registered office.

The draft financial statements submitted for your approval showed a profit for the year of € 5,752,301, while the draft consolidated financial statements as at 31 December 2023 showed a total net profit of € 15.5 million.

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

*"The Ordinary Shareholders' Meeting of Newlat Food 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 2023, the report of the independent auditor and the report of the Board of Statutory Auditors;*
- *having taken note of the consolidated financial statements as at 31 December 2023 and the Non-Financial Statement for the year 2023 prepared pursuant to Italian Legislative Decree no. 254 of 30 December 2016;*

*resolves*

*to approve Newlat Food S.p.A.'s Financial Statements for the year ended 31 December 2023, which closed with a profit of € 5,752,301."*

## 2. 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 2023, 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 2023 which show a profit of € 5,752,301, 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.

Therefore, the Board of Directors proposes the following resolution:

*"The Ordinary Shareholders' Meeting of Newlat Food S.p.A.:*

- *having reviewed the Report of the Board of Directors prepared in accordance with article 125-ter of the TUF;*
- *having regard to the financial statements as at 31 December 2023, just approved, which showed a profit of € 5,752,301;*

*resolves*

*to allocate the profit for the year of € 5,752,301 as follows:*

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

### **3. 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).**

Shareholders,

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

The report on the remuneration policy and on the remuneration paid pursuant to art. 123-ter TUF includes:

- (i) a Section I that illustrates the Company's policy on the remuneration of members of the boards of directors and statutory auditors, general managers and executives with strategic responsibilities with respect to the financial year 2024, as well as the procedures used for the adoption and implementation of this policy;
- (ii) a Section II that illustrates the remuneration paid to members of the boards of directors and statutory auditors, general managers and managers with strategic responsibilities in said year.

Following the amendments made by the aforementioned Decree, art. 123-ter of the TUF requires Shareholders to express a binding vote on the remuneration policy (Section I) and a non-binding, advisory vote on the remuneration paid to the aforementioned parties (Section II).

The report on the remuneration policy and the remuneration paid by Newlat Food S.p.A., including Sections I and II above, on which you are called to express yourself, is available to the public at the eMarket Storage authorised storage mechanism at [www.emarketstorage.com](http://www.emarketstorage.com), as well as on the Company's website at [www.newlat.it](http://www.newlat.it) in the *Corporate Governance – Shareholders' Meeting* section and filed at the Company's registered office.

### 3.1 Binding vote on Section I.

With regard to Section I, report on the remuneration policy, pursuant to article 123-ter, paragraph 3-ter of the TUF the Shareholders' Meeting is called to express its binding vote.

The Board of Directors, referring to the text of the report on the remuneration policy and on remuneration paid – approved by the Board resolution of 18 March 2024 upon the assent of the Remuneration and Appointments Committee – proposes the following resolution:

*"The Ordinary Shareholders' Meeting of Newlat Food S.p.A.:*

- *having taken note of Section I of the report on the remuneration policy and the compensation paid;*
- *considering that pursuant to article 123-ter, paragraph 3-ter of the TUF the Shareholders' Meeting is called to express its binding vote on Section I of the aforementioned report;*

*resolves*

*to approve Section I of the report on the remuneration policy and the remuneration paid illustrating the Company's remuneration policy for the year 2024 and the procedures followed for the adoption of such policy."*

### 3.2 Advisory vote on Section II.

With regard to Section II, report on the remuneration paid, pursuant to article 123-ter, paragraph 6 of the TUF the Shareholders' Meeting is called to resolve, for or against. The resolution is not binding.

The Board of Directors, referring to the text of the report on the remuneration policy and on remuneration paid – approved by the Board resolution of 18 March 2024 upon the assent of the Remuneration and Appointments Committee – proposes the following resolution:

*"The Ordinary Shareholders' Meeting of Newlat Food S.p.A.:*

- *having taken note of Section II of the report on the remuneration policy and the compensation paid;*
- *considering that pursuant to article 123-ter, paragraph 6 of the TUF the Shareholders' Meeting is called to express its non-binding vote on Section II of the aforementioned report*

*resolves*

*favourably with respect to the contents of Section II of the report on the remuneration policy and on the remuneration paid during the year ended 31 December 2023."*

#### **4. Authorisation to purchase and dispose of treasury shares, after revocation of the previous one. Related resolutions.**

Shareholders,

With this report prepared pursuant to art. 73 of the Consob Issuers' Regulation no. 11971/99 as amended ("IR") and the related annex 3A, Schedule 4, the Board of Directors of Newlat Food S.p.A. submits for your approval the request for authorisation to purchase and dispose of treasury shares, to be made pursuant to articles 2357 and 2357-ter of the Italian Civil Code, art. 132 of the TUF and art. 144-bis of the IR, as well as in accordance with the applicable provisions of Regulation (EU) no. 596 of 16 April 2014 on market abuse ("MAR Regulation"), Delegated Regulation (EU) no. 1052 of 8 March 2016 ("Delegated Regulation") and market practices from time to time, after revocation of the previous authorisation approved by the Ordinary Shareholders' Meeting on 27 April 2023.

In this regard, it is recalled that this Shareholders' Meeting authorised (i) the purchase of the Company's treasury shares for a period of 18 months from the date of the resolution of the Shareholders' Meeting, up to a maximum number of shares that, taking into account the treasury shares held in the portfolio by the Company and its subsidiaries, does not exceed a total of one-fifth of the Company's share capital, pursuant to Article 2357, paragraph 3 of the Italian Civil Code, or any other maximum amount envisaged by current law, and (ii) the administration of the treasury shares thus purchased without any time limits.

Following the purchases made in execution of the aforementioned shareholders' resolution and the ones before, most recently on 29 February 2024, Newlat Food S.p.A. owned 1,608,494 treasury shares, accounting for 3.66% of the share capital and 2.34% of the voting rights. The subsidiaries do not hold any shares of the Company.

In view of the approaching expiry of the 18-month purchase authorisation period approved by the Ordinary Shareholders' Meeting on 27 April 2023 and taking into account the continuing reasons for such authorisation, it is proposed to the Shareholders to renew the authorisation to purchase treasury shares for the purposes, within the terms and in the manner detailed below for a further period of 18 months, as well as to grant a new authorisation to dispose of treasury shares without time limits, after revocation of the previous one.

1. Reasons for which authorisation to purchase and dispose of treasury shares is requested.

This request is aimed at providing the Company with a stock of treasury shares at its disposal, using, selling them at any time, in full or in part, on one or more occasions and with no time limits, as part of extraordinary transactions such as, among others, swaps, contributions, exchanges, corporate and/or financial transactions of an extraordinary nature on the capital or even financing transactions and operations of an extraordinary



nature such as, among others, mergers or similar, sales and acquisition projects and/or future industrial projects in line with the Company's corporate development strategy, as well as in the context of exchange and/or sale of share packages and/or for the conclusion of commercial and/or strategic alliances or for other uses deemed of financial and/or management interest to the Company.

Moreover, the Board of Directors considers it appropriate for the Company to be allowed to dispose of the treasury shares acquired to allow it to seize the opportunities for maximising the value that may derive from conditions that arise, and therefore also to execute trades.

2. Maximum number, category and nominal value of the shares which the authorisation refers to.

As at today's date, the Company's share capital amounted to €43,935,050.00, divided into 43,935,050 ordinary shares, without par value.

Authorisation is requested for the purchase of the Company's ordinary shares, even in several tranches, up to a maximum number which, taking into account the shares held from time to time by the Company and its subsidiaries does not exceed a total of one fifth of the Company's share capital, pursuant to Article 2357, paragraph 3 of the Italian Civil Code or any other maximum amount envisaged by the law in force from time to time.

Note that the request for authorisation also concerns the Board of Directors' power to carry out repeated and successive purchase and sale transactions (or other actions) of treasury shares on a revolving basis, even for fractions of the maximum authorised quantity, it being understood that the quantity of Newlat Food shares subject to purchase and owned by the Company at any time shall not exceed the maximum limit established by law and by the authorisation of the Shareholders' Meeting.

3. Compliance with the provisions of the third paragraph of art. 2357 of the Italian Civil Code

At today's date – following the latest purchases made on 29 February 2024 – the Company owned 1,608,494 treasury shares, accounting for 3.66% of the share capital and 2.34% of the voting rights. The subsidiaries do not hold any shares of the Company.

In accordance with the provisions of article 2357, paragraph 3 of the Italian Civil Code, in no case shall the nominal value of the number of treasury shares purchased – including any shares held by subsidiaries – exceed one-fifth of the total number of shares issued.

In this regard, pursuant to article 2359-bis of the Italian Civil Code the Subsidiaries shall be given specific instructions to promptly report any acquisition of treasury shares. When carrying out each authorised purchase, the Board of Directors shall verify compliance with the provisions of article 2357, paragraphs 1 and 3 of the Italian Civil Code.

Purchases of treasury shares must be contained within the limits of distributable profits and available reserves resulting from the last duly approved financial statements at the time of the transaction, and on the occasion of the purchase and disposal of treasury shares the necessary accounting entries shall be made in compliance with the provisions of the law and applicable accounting standards.

4. Duration of the authorisation.

The authorisation is requested for the maximum duration allowed by art. 2357, paragraph 2 of the Italian Civil Code, equal to 18 months from the date of the resolution of the Ordinary Shareholders' Meeting.

5. Minimum and maximum fees, as well as market valuations based on which they were determined.

The purchases of the shares covered by this report must be made at a price no more than 10% higher and no more than 10% lower than the price recorded on Euronext Milan, organised and managed by Borsa Italiana S.p.A., in the session preceding each individual purchase transaction or the date on which the price is fixed, and in any case, if the purchases are made on the regulated market, for a price no higher than the highest price between the price of the last independent transaction and the price of the highest current independent purchase offer on the same market.

In any case, the amount may not exceed any limits envisaged by current law or, if recognised, by accepted market practices.

6. Procedure for making the purchases.

The purchase of own shares must take place on the market, in accordance with article 2357 et seq. of the Italian Civil Code, article 132 of the TUF, article 144-bis, paragraph 1, letters b) and c) of the IR and the provisions of the law or regulations in force at the time of the transaction, and specifically: i) through a public purchase or exchange offer; ii) on markets regulated in accordance with the operating procedures set out in the market organisation and management regulations, so as to ensure equal treatment of shareholders.

With regard to disposal operations, the Board of Directors proposes that the authorisation allow the implementation of any method that is appropriate for the purposes pursued.

The shares acquired in execution of the shareholders' authorisation may therefore be subject to actions, and in this context may even be sold even before having exhausted the quantity of purchases covered by this authorisation, on one or more occasions, without time limits, in the manner deemed most appropriate by the Company under any other form of disposition permitted by current applicable laws.

7. Additional information, where the purchase is instrumental to the reduction of share capital.

It is confirmed that the purchase of treasury shares is not currently instrumental to the reduction of the share capital of the Company through cancellation of purchased treasury shares.

8. Exemption from the obligation of a public tender offer deriving from the approval of the resolution authorising the purchase of own shares in accordance with Article 44-bis of the Issuers' Regulation.

As a general rule, note that treasury shares held directly or indirectly by the Company are excluded from the share capital on which the relevant shareholding is calculated for the purposes of Article 106, paragraphs 1, 1-bis and 1-ter, to the extent applicable, and 3, letter b), of the TUF for the purposes of the regulation on takeover bids. However, pursuant to Article 44-bis, paragraph 2, of the Issuers' Regulation, the aforementioned provision does not apply in the event that the thresholds indicated in Article 106, paragraphs 1, 1-bis and 1-ter, to the extent applicable, and 3, letter b), of the TUF are exceeded as a result of purchases of own shares directly or indirectly made by the Company in execution of a resolution that, without prejudice to the provisions of Articles 2368 and 2369 of the Italian Civil Code, was also approved with the favourable vote of the majority of the shareholders of the Company present at the shareholders' meeting other than the shareholder(s) who hold, even jointly, the majority shareholding, even relative, provided that it exceeds 10% (so-called whitewash).

Therefore, the Shareholders are informed that, pursuant to Article 44-bis of the Issuers' Regulation, should they – called upon to express their opinion on the authorisation to purchase and dispose of treasury shares – approve the related proposal with the majorities set forth by the aforementioned Article 44-bis, paragraph 2, of the Issuers' Regulation, the own shares purchased by the Company pursuant to said authorisation resolution will not be excluded from the share capital (and therefore will be counted in the share capital) if, as a result of the purchases of own shares, a shareholder exceeds the relevant thresholds pursuant to Article 106 of the TUF.

However, the provisions of Article 44-bis, paragraph 4, of the Issuers' Regulation remain unaffected, pursuant to which own shares purchased as a result of transactions carried out to fulfil obligations arising from compensation plans approved by the Shareholders' Meeting pursuant to Article 114-bis of the TUF are not excluded from the share capital on which the relevant shareholding is calculated for the purposes of Article 106 of the TUF.

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In light of what is described above, we invite you to resolve on the following resolutions:

*"The Ordinary Shareholders' Meeting of Newlat Food S.p.A.:*

- *having acknowledged and approved the Explanatory Report of the Board of Directors on the proposed authorisation to purchase and dispose of treasury shares in order to constitute a security portfolio and to support the liquidity of the security;*

- *having regard to the provisions of articles 2357 and 2357-ter of the Italian Civil Code, article 132 of the TUF, article 44-bis and article 144-bis of the Consob Issuers' Regulation no. 11971/99 and subsequent amendments;*
- *noting that Newlat Food S.p.A. currently holds 1,608,494 treasury shares;*
- *having acknowledged that at the date of approval of this resolution the subsidiaries do not hold any treasury shares of the Company;*
- *having regard to the financial statements as at 31 December 2023 and the allocation of the operating result;*

*resolves*

1. *to revoke the resolution authorising the purchase and disposal of treasury shares adopted by the Ordinary Shareholders' Meeting on 27 April 2023;*
2. *pursuant to article 2357 of the Italian Civil Code and the combined provisions of article 132 of the TUF and article 144-bis of the Consob Issuers' Regulation no. 11971/99, and in any case in any other manner permitted by current laws and regulations, to authorise the purchase on one or more occasions of Newlat Food S.p.A. ordinary shares up to a maximum number which, taking into account the treasury shares held in the portfolio by the Company and its subsidiaries, is not more than one-fifth of the Company's share capital overall, pursuant to art. 2357, paragraph 3, of the Italian Civil Code or any other maximum amount provided for by current law; the shares may be purchased until the expiry of the eighteenth month from the authorisation granted by the Ordinary Shareholders' Meeting; the shares must be purchased at a price that is no more than 10% higher or lower than the price recorded on the Euronext Milan stock exchange organised and managed by Borsa Italiana S.p.A. in the session preceding each individual transaction, and in any case the amount may not exceed any limits envisaged by current law or, if recognised, by accepted market practices; the purchase of treasury shares shall be carried out on the market, in compliance with the provisions of article 2357 et seq. of the Italian Civil Code, article 132 of the TUF and art. 144-bis, paragraph 1, letters b) and c) of Consob Regulation no. 11971/1999 and the provisions of the law or regulation in force at the time of the transaction, namely: i) through a public purchase or exchange offer; ii) on regulated markets in accordance with the operating procedures established in the regulations for the organisation and management of the markets themselves, in order to ensure equal treatment among shareholders; finally, purchases must be contained within the limits of distributable profits and available reserves resulting from the last duly approved financial statements at the time of the transaction;*
3. *pursuant to article 2357-ter of the Italian Civil Code, to authorise the execution of actions to dispose of the shares, which in this context may even be sold, even before having exhausted the quantity of purchases covered by this authorisation, without time limits, in the manner deemed most appropriate by the Company, in relation to the purposes that will be pursued in any case under any other form of provision permitted by current applicable laws;*

4. *to grant all necessary powers to the Board of Directors and, on its behalf, separately to the Chair and Chief Executive Officer, with the power to appoint special proxies and/or specialised intermediaries or subject to the stipulation of specific contracts to implement this resolution, including by approving any and all executive provisions of the relevant purchase programme."*

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Reggio Emilia, 19 March 2024

For the Board of Directors

The Chair