

# ILLUSTRATIVE REPORTS OF BOD AUGUST, 1<sup>o</sup> 2024

## AGENDA OF THE EXTRAORDINARY GENERAL MEETING OF 17 SEPTEMBER 2024 (18 SEPTEMBER 2024 on second call)

Dear Shareholders,

you have been convened to an Extraordinary General Meeting to pass resolutions on the following

agenda:

1. Proposal to introduce the possibility of holding shareholders' meetings through the exclusive intervention of the Company's Designated Representative and consequent amendments to Article 12 (Voting Rights) of the Articles of Association; related and consequent resolutions.
2. Proposal to strengthen the increased voting system currently in force and consequent amendments to Article 12 (Voting Rights) of the Articles of Association; related and consequent resolutions.
3. Proposal to revoke the proxy granted to the Board of Directors on 26 April 2021 and concurrently grant the Board of Directors the power, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code, to increase the share capital, with any share premium and also with the right to exclude shareholders' option rights pursuant to Article 2441, paragraphs 4 and 5 of the Italian Civil Code, up to a maximum of 20% of the share capital and consequent amendments to Articles 5 (Share Capital) and 6 (Shares and Bonds) of the Articles of Association.

## 1. Proposal to introduce the possibility of holding shareholders' meetings through the exclusive intervention of the Company's Designated Representative and consequent amendments to Article 12 (Voting Rights) of the Articles of Association; related and consequent resolutions<sup>1</sup>.

Dear Shareholders,

The present report has been drafted by the Board of Directors of Reply S.p.A. (hereinafter also the "Company"), pursuant to article 125-ter of Legislative Decree no. 58 of February 24, 1998 and subsequent amendments and integrations (hereinafter the "TUF") and articles 72 and 84-ter of the Regulation adopted with Consob resolution no. 11971 of May 14, 1999 and subsequent amendments and integrations (hereinafter the "Issuers' Regulations"), to illustrate the amendments to the Company's bylaws (hereinafter the "Bylaws"), which are being proposed to the Extraordinary Shareholders' Meeting, in order to introduce bylaws introducing the possibility of holding Shareholders' Meetings through the exclusive intervention of the representative designated by the Company (the "Designated Representative"), in compliance with the applicable laws and regulations.

### 1. Reasons for and explanation of the amendments to the statutes

#### Foreword

With Law No. 21 of 5 March 2024 (the 'Capital Law'), a new Article 135-undecies.1 was inserted into the TUF, which allows companies to provide in their articles of association for the option of using an exclusively appointed representative for participation and voting in shareholders' meetings and regulates the manner in which this may be used.

The aforementioned provision also states that:

- The designated representative may also be granted proxies or sub-delegations pursuant to Article 135-novies of the TUF, notwithstanding Article 135-undecies, paragraph 4, of the TUF;
- The presentation of motions in the assembly is not permitted;
- Those entitled to vote may individually submit resolution proposals on the items on the agenda, or proposals whose submission is otherwise permitted by law, no later than the fifteenth day prior to the date of the first or only convocation of the shareholders' meeting (subject to the receipt by the company of the notice provided for in Article 83-sexies of the Consolidated Law on Finance);
- The resolution proposals are made available to the public on the company's website within two days after the deadline;
- the right to ask questions (pursuant to Article 127-ter of the Consolidated Law on Finance) is exercised only prior to the shareholders' meeting and the company shall provide answers to questions received at least three days before the meeting.

With this regulatory intervention, the possibility of holding ordinary and extraordinary company meetings in the same manner that has been used in recent years to allow the expression of voting rights in the context of the pandemic has thus been incorporated into our legal system in structural form.

As explained in the Explanatory Report accompanying the regulatory amendment, 'the possibility of continuing to hold the shareholders' meeting exclusively through the appointed representative takes into account the long-standing evolution of the shareholders' decision-making model, which is essentially divided into three stages: the presentation by the board of directors of the meeting's resolution proposals; the making available to the public of the relevant reports and documentation; and the expression of the shareholder's vote on the board of directors' proposals. In this context, the shareholders' meeting has lost its informative, debating and confrontational function, which is essential for the definition of the voting decision to be expressed'.

In light of the experience gained in recent years, the Board of Directors believes that the exclusive use of the Appointed Representative combines an orderly and efficient management of shareholders' meetings with the ease, for all shareholders, of expressing their vote, without this method of conducting shareholders' meetings compromising their participation rights as recognised by law.

These are the considerations that inspired the administrative body to formulate the following proposal to amend Article 12 of the Articles of Association, to be submitted to the Shareholders' Meeting of the Company.

<sup>1</sup> EXPLANATORY REPORT OF THE BOARD OF DIRECTORS drawn up in accordance with Annex 3A - Schedule No. 3 - of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and supplements

## 2. Effectiveness of the Amendment to the Statutes and Recurrence of the Right of Withdrawal

The amendment to the bylaws in question, if approved, shall be effective as of the date of registration of the resolution of the Extraordinary Shareholders' Meeting at the competent Company Registry.

It should be noted that this change will not entail the right of withdrawal, since the provision for the use of the sole appointed representative neither modifies nor limits the voting right inherent in the shares, but provides for a different method of exercising it, which is presumed to be equivalent to participation in the voting at the shareholders' meeting.

## 3. Amendments to the Statutes

In light of the foregoing, the Board of Directors proposes to amend Article 12 of the Articles of Association as follows.

CURRENT TEXT	NEW TEXT
<p>Art. 12) - Voting rights Each ordinary share gives one voting right. Notwithstanding the provisions of the preceding paragraph, two votes shall be cast for each ordinary share, provided that</p> <p>a. the shares are owned by virtue of a legitimate right in rem (full ownership with voting rights, bare ownership with voting rights, usufruct with voting rights) to the same person for a continuous period of twenty-four months;</p> <p>b. the recurrence of the condition under a) is attested by the continuous registration, for a period of at least twenty-four months, in the list specifically established by the Company (the "List").</p> <p>The acquisition of the increased voting rights will take effect from the date of completion of the continuous twenty-four-month period of membership. The Company establishes and maintains at its registered office, in accordance with the procedures required by applicable laws and regulations, the List to which shareholders intending to benefit from the increase in voting rights must register. In order to gain the right of being included in the List, the person entitled pursuant to this Article must submit a special application, enclosing a communication certifying share ownership - which may also concern only part of the shares held by the holder - issued by the intermediary with which the shares are deposited, pursuant to applicable laws and regulations. The surcharge may also be claimed for only part of the shares held by the holder. In the case of entities other than natural persons, the application must specify whether the entity is subject to direct or indirect control by third parties and the identification data of the controlling entity, if any. The List is updated by the Company by the fifth trading day after the end of each calendar month and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to participate and vote in shareholders' meetings. The shareholder registered in the List is obliged to notify - and agrees that the intermediary shall notify the Company - promptly and in any case by the end of the month in which the event occurs and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to participate and vote in shareholders' meetings - of any circumstance and event that entails the loss of the prerequisites for the increase of the voting right or the loss of the ownership of the legitimating real right and/or the relative voting right. The shareholder may renounce, in whole or in part, the increased voting right at any time after the increased vote has been granted.</p>	<p>Art. 12) - Voting rights Paragraph Unchanged Paragraph Unchanged</p> <p>Paragraph Unchanged - see also the report under agenda item 2</p> <p>Paragraph Unchanged</p> <p>Paragraph Unchanged</p> <p>Paragraph Unchanged</p> <p>Paragraph Unchanged</p> <p>Paragraph Unchanged</p>

## CURRENT TEXT

## NEW TEXT

The Company proceeds to deletion from the List in the following cases:

- a. renunciation by the person concerned;
- b. communication by the interested party or intermediary proving that the conditions for the increase of the voting right have ceased to exist or that the ownership of the legitimating real right and/or the related voting right has been lost or interrupted;
- c. ex officio, if the Company becomes aware of the occurrence of facts entailing the loss of the prerequisites for the increase of the voting right or the loss or interruption of the ownership of the legitimating real right and/or of the relevant voting right.

The increased right to vote ceases to exist:

- a. in the event of a transfer for valuable consideration or free of charge of the share, it being understood that "transfer" also means the establishment of a pledge, usufruct or other encumbrance on the share when this entails the loss of the shareholder's voting rights;
- b. in the event of direct or indirect disposal of controlling interests in companies or entities that hold shares with a higher voting rights than the threshold provided for in Article 120, paragraph 2 of Legislative Decree No. 58 of 24 February 1998, it being noted that the cases referred to in subparagraphs a) and b) below do not constitute disposals relevant for the purposes of the loss of the voting rights bonus.

The voting surcharge:

- a. is preserved in the event of succession upon death in favour of the heir and/or legatee or similar situations such as (i) a gratuitous transfer pursuant to a family pact or (iii) a gratuitous transfer following the constitution and/or endowment of a trust, estate fund or foundation whose beneficiaries are the transferor or his heirs.
- b. is retained in the event of a merger or demerger of the holder of the shares in favour of the company resulting from the merger or beneficiary of the demerger;
- c. extends proportionally to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code and of a capital increase by means of new contributions made in the exercise of option rights;
- d. may also apply to shares allotted in exchange for those to which the enhanced voting right is attributed, in the event of a merger or demerger, if this is provided for in the relevant plan.

In the cases referred to in letters c) and d) of the preceding paragraph, the voting bonus shall be attributed (i) to newly issued shares to which the holder is entitled in relation to shares for which the voting bonus has already accrued, from the time of entry in the List, without the need for a further continuous holding period (ii) to newly issued shares to which the holder is entitled in respect of shares for which the voting bonus has not already accrued (but is in the process of accruing), from the time of completion of the period of ownership calculated from the time of original registration in the List.

The right of the holder of the increased voting right to irrevocably renounce (in whole or in part) the increased voting right at any time, by means of a written notice to be sent to the Company, is always recognised, it being understood that the increased voting right may be reacquired with respect to the shares for which it was renounced with a new entry in the List and the full

Paragraph Unchanged

Paragraph Unchanged

Paragraph Unchanged - see also the report under agenda item 2

Paragraph Unchanged

Paragraph Unchanged

expiry of the membership period (full ownership with voting right, bare ownership with voting right, usufruct with voting right) continuous membership of not less than twenty-four months.

The voting right surcharge shall also be counted for the purpose of determining the constitutive and deliberative quorums that refer to share capital ratios. The premium does not affect the rights, other than voting rights, accruing by virtue of the possession of certain percentages of the share capital.

For the purposes of this Article, the notion of control is the one provided for in the regulatory framework for listed issuers.

Those who are entitled to vote and for whom the Company has received the notice issued in accordance with the law by an authorised intermediary.

Those entitled to attend the Shareholders' Meeting may be represented, pursuant to the law, by written proxy or by proxy conferred electronically. In the latter case, electronic notification of the proxy may be made through the use of a special section of the Company's website in the manner indicated in the notice of meeting. It is up to the Chairman of the meeting to ascertain the right to attend the meeting and the validity of the proxies.

Paragraph Unchanged

Paragraph Unchanged

Paragraph Unchanged

Those entitled to attend the Shareholders' Meeting may be represented, pursuant to the law, by written proxy or by proxy conferred electronically. In the latter case, electronic notification of the proxy may be made through the use of a special section of the Company's website in the manner indicated in the notice of meeting.

In compliance with the provisions of Article 135-undecies.1 of Italian Legislative Decree No. 58 of 24 February 1998, as amended, participation in the Shareholders' Meeting and the exercise of voting rights takes place exclusively through the representative designated by the Company pursuant to Article 135-undecies of Italian Legislative Decree No. 58 of 24 February 1998, as amended, unless the Board of Directors decides otherwise when calling individual Shareholders' Meetings. The designated representative may also be granted proxies or sub-delegations pursuant to Article 135-novies of Legislative Decree No. 58 of 24 February 1998, as amended, as an exception to Article 135-undecies, paragraph 4, of the same Legislative Decree No. 58 of 24 February 1998, as amended. In such cases and where provided for and/or permitted by the pro tempore regulations in force, the Board of Directors may provide in the notice of call for the meeting to be held, even exclusively, by means of telecommunications that guarantee the identification of the participants, without indication of the physical location of the meeting and without the need for the Chairman and Secretary of the meeting to be in the same place, provided that this is permitted:

- a) to the Chairman of the Shareholders' Meeting to ascertain the identity and legitimacy of those present, to regulate the proceedings of the meeting, and to ascertain and ascertain the results of voting;
- b) to the person taking the minutes to adequately perceive the meeting events being recorded;
- c) those present to participate in the discussion and simultaneous voting on the items on the agenda.

It is up to the Chairman of the meeting to ascertain the right to attend the meeting and the validity of the proxies.

Paragraph Unchanged

Resolutions of the shareholders' meeting passed in accordance with the law and these Articles of Association are also binding on dissenting voters

#### 4. Proposed resolution

Dear Shareholders,

For the reasons outlined above, the Board of Directors proposes that you pass the following resolution:

"The Extraordinary Shareholders' Meeting of Reply S.p.A., validly constituted and entitled to deliberate in an extraordinary session, having acknowledged the illustrative report of the Board of Directors, drafted pursuant to art. 125-ter of TUF and articles 72 and 84-ter of the Regulation on Issuers, as well as the proposals formulated therein

#### resolution

1. to amend Article 12 of the current Articles of Association, as indicated in the aforementioned report;
2. to vest the Chairman of the Board of Directors, the Chief Executive Officer in office pro tempore and the Executive Director and Chief Financial Officer, each severally and with the power to sub-delegate, with the broadest powers necessary or appropriate to implement the above resolution, including the power to
  - > manage relations with any competent body and/or authority;
  - > sign and publish any document, deed and/or declaration useful or appropriate for this purpose, as well as any communication and formality required by the laws and regulations in force;
  - > generally, provide for everything required, necessary and useful for the complete implementation of the resolution;
  - > make any non-substantial amendments, additions and deletions to the same resolution as may be required by the competent authorities, or in any case by the same delegates, deemed useful or opportune, for the purpose of registration with the Companies Register;
3. to acknowledge that the Board of Directors, pursuant to Article 18 of the Articles of Association and Article 2365, second paragraph, of the Italian Civil Code, is empowered to adapt the provisions of the Articles of Association, including those subject to the amendments resolved upon above, to any provisions of law, including regulations, that have been or will be enacted.

Turin, 1 August 2024

for the Board of Directors

The Chairman  
Mario Rizzante

## 2. Proposal to strengthen the increased voting system currently in force and consequent amendments to Article 12 (Voting Rights) of the Articles of Association; related and consequent resolutions.<sup>2</sup>

Dear Shareholders,

This report has been drafted by the Board of Directors of Reply S.p.A. (hereinafter also the "Company"), pursuant to article 125-ter of Legislative Decree no. 58 of February 24, 1998 and subsequent amendments and integrations (hereinafter the "TUF") and articles 72 and 84-ter of the Regulation adopted with Consob resolution no. 11971 of May 14, 1999 and subsequent amendments and integrations (hereinafter the "Issuers' Regulations"), in order to illustrate the amendments to the Company's bylaws (hereinafter the "Bylaws"), which are proposed to the Extraordinary Shareholders' Meeting, in order to introduce in the Bylaws the option to avail of the enhanced voting mechanism, as set forth in Article 127-quinquies of the TUF, in compliance with the applicable laws and regulations.

### 1. Reasons for and explanation of the amendments to the statutes

#### Foreword

Decree-Law No. 91 of 24 June 2014, converted with amendments by Law No. 116 of 11 August 2014, introduced Article 127-quinquies of the Consolidated Law on Finance, which regulates the institution of the voting right surcharge for companies with listed shares.

With this institution, the Italian legislator has gone beyond the traditional principle of 'one share, one vote' and, with the intention of incentivising medium-long term equity investments and rewarding 'loyal' shareholders, has allowed issuers' by-laws to attribute an increased vote, up to a maximum of two, for each share owned by the same person for a continuous period of time of no less than twenty-four months.

Already in 2014, the legislator's aim was to counteract the negative effects - in terms of market volatility and potential distortion of managerial choices - associated with the short-term perspectives of financial investors (short-termism), rewarding instead, by means of enhanced voting rights, those shareholders who, by investing with a longer-term perspective (long-term commitment), contribute to supporting a profitable and sustainable growth of the company over time

Sharing these principles, the Company's Extraordinary Shareholders' Meeting resolved to introduce the institute of the voting right surcharge in its Articles of Association, an institute that has been used to date by more than 70 listed companies in Italy<sup>3</sup>, demonstrating the success that this institute has enjoyed on the domestic scene.

Noting that one of the limitations of the Italian rules was the excessive limitation of the multiplication factor, which did not appear sufficient to provide an incentive for companies with a high concentration of ownership to place a significant portion of their share capital with the public and, therefore, to support their growth, the Italian legislature deemed it appropriate to revise the institution in order to provide already listed companies with the possibility of benefiting from a more competitive regulatory framework, capable of facilitating their growth through an instrument that, at the same time, also ensures equal treatment of shareholders. As is well known, in fact, the increase in voting rights does not constitute a category of shares but is linked to the holding of shares and is, as such, available to all shareholders.

For this purpose, Law No. 21 of 5 March 2024 et seq. (hereinafter the 'Capital Law') was passed, which introduced amendments to Article 127-quinquies of the Consolidated Law on Finance, providing for a strengthening of the institution of enhanced voting.

In particular, the Capital Law, which contains a series of measures aimed at fostering the competitiveness of companies and the Italian capital market, has provided for the possibility of assigning an additional vote, compared to the two already provided for under the previous rules, upon the expiry of each 12-month period of continuous holding for at least 24 months, up to a maximum total of ten votes for each share.

<sup>2</sup> EXPLANATORY REPORT OF THE BOARD OF DIRECTORS drawn up in accordance with Annex 3A - Schedule No. 3 - of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and supplements

<sup>3</sup> Source: List of Listed Companies whose Articles of Association allow for increased voting rights, available at [https://www.consob.it/web/area-pubblica/quote/main/emittenti/societa\\_quote/voto\\_maggiorato\\_plurimo\\_lnk.htm?nav=true](https://www.consob.it/web/area-pubblica/quote/main/emittenti/societa_quote/voto_maggiorato_plurimo_lnk.htm?nav=true)



In continuity with the resolutions adopted by the shareholders' meeting of 13 September 2017, the Board of Directors of Reply S.p.A. considers it advantageous for the Company to seize the opportunity offered by the legislator by integrating Article 12 of the Articles of Association in line with the provisions of Article 127-quinquies, as amended by the Capital Law.

The Board of Directors, in evaluating the Company's interest in relation to the formulation of the proposal, has deemed that the above mentioned needs and purposes of incentivising medium-long term investment also apply in the case of companies with concentrated ownership, as in the case of Reply S.p.A., in that it would reward any stable component of the shareholding structure, including the minority that intends to guarantee, with a medium-long term investment, a greater role compared to investors with a more contracted time horizon. Through the amendment in question, in fact, the Company intends to pursue the following objectives:

- a) adopt a flexible share capital structure to allow the Company, on the one hand, to maintain and further strengthen a solid shareholder base and, on the other hand, to reconcile this essential objective with the possibility of pursuing growth opportunities for external lines such as, for example, acquisitions and/or strategic alliances, if applicable, to be realised through the issuance of new shares in favour of, and/or share exchanges with, third parties;
- b) more effectively and incisively reward shareholders with a long-term orientation. Indeed, it is believed that a solid shareholder base is better suited to support long-term oriented growth strategies;
- c) to maintain the corporate form of a 'società per azioni' (joint stock company) incorporated under Italian law and having its registered office, tax office and listing office in Italy, thus ensuring that the order of incorporation and the order of listing fully coincide.

As further detailed below, these are the considerations that inspired the administrative body to formulate the following proposal to amend Article 12 of the Articles of Association, to be submitted to the Company's Shareholders' Meeting.

## 2. Extent of the benefit of the enhanced voting rights and vesting period

The second paragraph of Article 127-quinquies of the Consolidated Law on Finance allows the bylaws of listed issuers the possibility of assigning an additional vote, in addition to the two already provided for in the first paragraph of the same article, upon the expiration of each 12-month period, following the accrual of the ordinary surcharge, in which the share belonged to the same person entered in the special list established by the Company (hereinafter the 'List'), up to a maximum total of ten votes, thus leaving it to the statutory autonomy to determine the maximum amount of the surcharge and the related prerequisites.

In the light of the new legislation, it is proposed that the change to the voting surcharge mechanism be implemented to the maximum extent permitted by law, as there is no reason to reduce the positive effects of a shareholder's stable holding of shares.

With regard to the vesting period, Article 127-quinquies(2) of the Consolidated Law on Finance provides that the enhanced voting rights are acquired at the end of each 12-month period following the vesting of the ordinary rights.

It should be noted that, in accordance with Article 127-quinquies, second paragraph, of the Consolidated Law on Finance, for shareholders who have already accrued the ordinary bonus of two votes per share as of the date of registration of the shareholders' resolution amending the Articles of Association, the additional 12-month accrual period begins as of that date (the date, we repeat, of registration of the shareholders' resolution amending the Articles of Association).

## 3. Preservation and extension of enhanced voting rights

Article 127-quinquies of the Consolidated Law on Finance provides that, unless otherwise provided for in the articles of association, the increased voting right:

- a) is retained in the event of succession by reason of death, as well as in the event of merger and demerger of the holder of the shares;
- b) extends to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Civil Code (bonus capital increase with allocation of reserves to capital).

Pursuant to the aforementioned provision, the articles of association may provide that the increased voting rights extend proportionally to shares issued in execution of a capital increase by means of new contributions.

With reference to the aforementioned cases, which the law has expressly reserved for statutory autonomy, the cases already covered by the Statute are illustrated.

### Succession by reason of death and similar cases

In the case of succession due to the death of the natural person shareholder, the Articles of Association recognise the preservation of the legitimacy of double voting rights in the hands of the assignees, who shall be entitled to apply for registration in the appropriate List with the same seniority of registration as the natural person of the assignor. The following are considered cases assimilated to succession to the cause of death (i) a gratuitous transfer by virtue of a family pact or (ii) a gratuitous transfer as a result of the constitution and/or endowment of a trust, patrimonial fund or foundation whose beneficiaries are the transferor and/or his legitimate heirs.

According to the provisions of the Company's Articles of Association, the principle of the preservation of the entitlement to double voting rights also applies in the event of transfers of shareholdings by succession due to death and similar cases in companies or entities that hold shares with increased voting rights in the Company in excess of the threshold provided for in Article 120, paragraph 2, of the Consolidated Law on Finance.

### Merger and demerger of share holder

The Articles of Association provide for the preservation of the benefit of the increased voting rights in the event of a merger and demerger of the legal entity owning the shares, as these cases are not symptomatic of a lack of shareholder loyalty, but merely give rise to 'universal succession' in the entity owning the shares.

It is proposed to specify that the benefit of the increased voting rights may also be retained in the event of a cross-border merger or demerger within the meaning of the aforementioned Legislative Decree No. 19 et seq. of 2 March 2023 of the holder of the shares.

### Extraordinary transactions of the Company

With reference to capital increases, the Articles of Association provide for the recognition of the proportional extension of the benefit of the bonus also to the new shares issued at the time of the capital increase, whether free or against payment with new contributions made in the exercise of option rights.

In the event of a merger or demerger of the Company, the Articles of Association provide that the increased voting right also applies to the shares received in exchange for the shares to which the increased vote is attributed, if this is provided for in the relevant merger or demerger plan; this, with the specification that

- a. if the original shares had already accrued the additional voting rights, the new shares also acquire the additional voting rights as from the time of their registration in the List (without the lapse of the vesting period in respect of the new shares being necessary for this purpose);
- b. if the Voting Enhancement for the original shares was still being accrued, the new shares are deemed to have been entered in the List as from the time of the entry of the original shares in the List and, therefore, the Voting Enhancement shall accrue to the new shares after the accrual period calculated from the entry of the original shares in the List.

On the subject of the Company's extraordinary transactions, the new wording of Article 127-quinquies, paragraph six, of the Consolidated Law on Finance provides for the possibility of extending the maintenance of the benefit of the voting surplus also to the shares to which the surplus vote is attributed in the event of cross-border merger or demerger transactions pursuant to Legislative Decree No. 19, as amended, of 2 March 2023. It is therefore proposed to introduce in the Articles of Association the clarification that the benefit of the increased voting rights may also be maintained in the event of cross-border merger or demerger transactions pursuant to the aforementioned Legislative Decree. Legislative Decree No. 19, as amended, of 2 March 2023.

If, therefore, the Company were in the future to participate in a merger or demerger operation, even a cross-border one, it will be possible (although not mandatory) to provide for the extension of the benefit also to the new shares resulting from the extraordinary operations in question.

Finally, it is proposed to specify that in all the above cases, both the bonus already accrued and, if not yet accrued, the period of entitlement necessary for the accrual of the bonus vote should be maintained.

#### 4. Computation of meeting quorums and exercise of non-voting rights

As permitted by Art. 127-quinquies (10) of the Consolidated Law on Finance, the Articles of Association provide that the increased voting right is counted for the purpose of calculating the quorums for the constitution and passing of resolutions of shareholders' meetings.

Therefore, in line with what is already provided for in the Articles of Association, the voting increment, even enhanced, will also be counted for the determination of constitutive and deliberative quorums that refer to rates of share capital.

It should be noted that the increase does not affect the rights, other than voting rights, due and exercisable by virtue of owning certain percentages of the capital, such as, for example, the right to request the calling of the shareholders' meeting (Article 2367, paragraph 1, Civil Code), the right to obtain the postponement of the shareholders' meeting (Article 2374 Civil Code), the right to challenge invalid shareholders' meeting resolutions (Art. 2377, paragraph 3, Civil Code), the right to take corporate liability action against the directors (Art. 2393-bis Civil Code), the right to request that the Board of Statutory Auditors investigate facts deemed reprehensible (Art. 2408, paragraph 2, Civil Code), the right to file a complaint with the Court (Art. 2409 Civil Code), the right to submit lists for the election of corporate bodies.

5. Effects that the modification of the current increased voting mechanism would have on the Company's ownership structure.

It should be noted, also for the purposes of Recommendation 2 of the Corporate Governance Code to which the Company adheres, that as of the date of this Report, only the shareholder Alika S.r.l. (hereinafter 'Alika') has accrued the additional voting rights for no. 14,872,556 shares, equal to 39.754% of the share capital, corresponding to no. 29,745,112 shares with voting rights, equal to 56.891% of the total voting rights.

In the event that only the shareholder Alika were to benefit from the increase in voting rights up to a maximum of 10 times the number of shares held, and no other shareholder were to request the increase in voting rights, the percentage of voting rights exercisable by Alika would increase over the years as shown in the following table<sup>4</sup>:

Year	Votes for Alika action	% voting rights Alika	% voting rights other shareholders
2025	3	66,438%	33,562%
2026	4	72,523%	27,477%
2027	5	76,740%	23,260%
2028	6	79,835%	20,165%
2029	7	82,203%	17,797%
2030	8	84,074%	15,926%
2031	9	85,588%	14,412%
2032	10	86,840%	13,160%

The above calculations are based on the following assumptions:

- unaltered shareholding in the company's share capital by the shareholders,
- invariance of social capital,
- no shareholder, other than Alika, receives the increased voting rights<sup>5</sup>,
- no withdrawal by shareholders.

6. Illustration of the decision-making process followed in formulating the proposal, how the Company's interest was assessed, possible involvement of board committees.

Also for the purposes of Recommendation 2 of the Corporate Governance Code, to which the Company adheres, it should be noted that the decision to avail itself of the option to introduce the enhanced vote in the Articles of Association was collectively assessed by the Company's Board of Directors, which conducted, jointly with the Company's management, a preliminary investigation on the issue.

<sup>4</sup> In line with the provisions of Article 2357-ter, second paragraph, and Article 2368, third paragraph, of the Italian Civil Code, the treasury shares held by the Company as of the date of this report have not been counted for the purpose of determining the total voting rights referring to the Company's shares.

<sup>5</sup> It is noted that other Reply S.p.A. shareholders have requested to be included in the List of Shareholders in order to obtain the additional voting rights.

The decision - and the necessary assessment of compliance with the corporate interest on the basis of the above considerations - was taken directly by the Board of Directors, as it was a regulated matter outside the competence of the Board committees, as provided for by the legal and regulatory framework.

The resolution was attended by 8 out of 10 board members and passed unanimously during the Board of Directors meeting held on 1 August 2024.

Finally, it should be noted that no. 2 Directors, meeting the independence requirements set forth in the Consolidated Law on Finance and the Corporate Governance Code, attended the above-mentioned resolution and voted in favour of its adoption.

#### 7. Assessments by the Board of Directors concerning the right of withdrawal. Shareholders Entitled to Exercise the Right of Withdrawal

Pursuant to Article 127-quinquies, paragraph 8, of the TUF, the shareholders of the Company who will not take part in the adoption of the resolution (i.e. absent, abstaining and dissenting) on the amendment of Article 12 of the Articles of Association will be entitled to exercise the right of withdrawal pursuant to Article 2437 of the Italian Civil Code (hereinafter referred to as the 'Withdrawing Shareholders').

It should be noted that, in compliance with Art. 127-bis, paragraph 2, of the TUF, for the purposes of exercising the right of withdrawal provided for by Article 2437 of the Italian Civil Code, those who did not participate in the approval of the resolution are considered to include also those in favour of whom Reply's shares have been registered in the account after the record date of the Shareholders' Meeting and prior to the opening of the meeting.

Pursuant to Article 2437-bis of the Civil Code, the Withdrawing Shareholders may exercise their right of withdrawal, in respect of all or part of the shares held, by sending a notice:

- by registered letter with return receipt to the Company's registered office at 110 Corso Francia, Turin, or
  - by PEC to [societario@pec.reply.it](mailto:societario@pec.reply.it),
- no later than 15 days from the date of registration at the Turin Companies Register of the resolution of the Extraordinary Shareholders' Meeting approving the by-laws modification in question. A notice regarding the registration will be published on Reply's website and on an Italian newspaper with national circulation.

Shareholders who exercise the right of withdrawal must send a specific communication, made by an authorized intermediary, certifying the ownership on account of the shares subject to withdrawal from before the opening of Reply's Extraordinary Shareholders' Meeting that will deliberate on the statutory modification in question and uninterruptedly until the date of the withdrawal communication. Further details on the exercise of the right of withdrawal will be provided to Reply S.p.A. shareholders in accordance to applicable laws and regulations.

Reply S.p.A. shares for which the withdrawal has been exercised in relation to the operation described herein cannot be sold or constitute the object of acts of disposition until the transfer of the same shares or the verification of the fulfilment (in absence of waiver) of the resolution condition applied to the above mentioned statutory modification.

Pursuant to article 2437-ter, third paragraph, of the Italian Civil Code, the liquidation price to be paid to the Receding Shareholders will be equal to Euro 130.956 for each Reply S.p.A. share (hereinafter the "Reply Share"). The liquidation price has been calculated, in compliance to the above mentioned provision of the Italian Civil Code, with reference to the arithmetic average of the closing price of Reply's shares in the six months preceding the publication of the notice of call of the Extraordinary Shareholders' Meeting called to resolve upon the statutory modification.

Once the 15 days period has expired, the Reply Shares in relation to which the withdrawal right has been exercised shall be offered to the other shareholders and, subsequently, the unsold shares may be offered to third parties; any remaining shares that have not been sold shall be purchased by the Company at the liquidation price. The aforesaid offer and sale procedure, as well as the payment of any consideration due to the Withdrawing Shareholders, shall be conditional upon the non-fulfilment of any of the resolute conditions set forth in paragraph 8 below (hereinafter jointly the "Resolutive Condition").

Should the Resolutive Condition set forth in paragraph 8 below be fulfilled, and consequently the amendment to the Articles of Association in question lose effect ex tunc, the shares in respect of which the right of withdrawal has been exercised will continue to be owned by the Withdrawing Shareholders, without any payment being made and/or due in their favour.

## 8. Effectiveness of the Amendment to the Statutes

The amendment of the bylaws in question, if approved, shall be effective as of the date of registration of the resolution of the Extraordinary Shareholders' Meeting at the competent Company Registry.

The effectiveness of the bylaw amendment in question will cease upon the occurrence of the following Resolutive Condition

- the amount in cash that may be payable by Reply to the withdrawing shareholders (hereinafter the "Withdrawal Amount") exceeds in total the amount of 100 million Euros;

it being understood, in any event and for the sake of clarity, that the Withdrawal Amount shall be calculated net of the amounts due by shareholders exercising their option and pre-emption rights pursuant to Article 2437-quater of the Civil Code.

The Company may in any case waive the Severability Condition, even if it is fulfilled.

Reply shall notify the market of the fulfilment or non-fulfilment (or waiver, if applicable) of the Resolutive Condition.

## 9. Amendments to the Statutes

In light of the foregoing, the Board of Directors proposes to amend Article 12 of the Articles of Association as follows.

CURRENT TEXT	NEW TEXT
<p>Art. 12) - Voting rights Each ordinary share gives one voting right. Notwithstanding the provisions of the preceding paragraph, two votes shall be cast for each ordinary share, provided that</p> <p>a. the shares are owned by virtue of a legitimate right in rem (full ownership with voting rights, bare ownership with voting rights, usufruct with voting rights) to the same person for a continuous period of twenty-four months;</p> <p>b. the recurrence of the condition under a) is attested by the continuous registration, for a period of at least twenty-four months, in the list specifically established by the Company (the "List").</p> <p>The acquisition of the increased voting rights will take effect from the date of completion of the continuous twenty-four-month period of membership.</p>	<p>Art. 12) - Voting rights Paragraph Unchanged Paragraph Unchanged</p> <p>The acquisition of the increased voting rights will take effect from the date of completion of the continuous twenty-four-month period of membership (the "Relevant Period"). In addition, 1 (one) additional vote shall be attributed upon the expiration of each 12 (twelve) month period, following the expiration of the Relevant Period, in which the share has belonged to the same person by virtue of a legitimating real right, registered in the List, up to a total maximum of 10 (ten) votes per share. In accordance with the provisions of Article 127-quinquies, paragraph 2, last sentence, of Legislative Decree No. 58 of 24 February 1998, the additional period for the accrual of further votes will start from the date of registration with the competent Register of Enterprises of the resolution of the Company's extraordinary shareholders' meeting of 17 September 2024, whereby this article was resolved upon, for those entitled to vote who, on the date of registration with the competent Register of Enterprises of the resolution of the Company's extraordinary shareholders' meeting of 17 September 2024, have already accrued the benefit of the double vote and continue to meet the conditions of the increased vote, the additional period for the accrual of further votes will start from said date of registration of the extraordinary shareholders' meeting.</p> <p>Paragraph Unchanged</p>
<p>The Company establishes and maintains at its registered office, in accordance with the procedures required by applicable laws and regulations, the List to which shareholders intending to benefit from the increase in voting rights must register. In order to gain the right of being included in the List, the person entitled pursuant to this Article must submit a special application, enclosing a communication certifying share ownership - which may also concern only part of the shares held by the holder - issued by the intermediary with which the shares are deposited, pursuant to applicable laws and regulations.</p>	

CURRENT TEXT	NEW TEXT
<p>The surcharge may also be claimed for only part of the shares held by the holder. In the direct or indirect control of third parties and the identification data of the parent company, if any.</p>	Paragraph Unchanged
<p>The List is updated by the Company by the fifth trading day after the end of each calendar month and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to participate and vote in shareholders' meetings.</p>	Paragraph Unchanged
<p>The shareholder registered in the List is obliged to notify - and agrees that the intermediary shall notify the Company - promptly and in any case by the end of the month in which the event occurs and, in any case, by the so-called record date provided for by the regulations in force in relation to the right to participate and vote in shareholders' meetings - of any circumstance and event that entails the loss of the prerequisites for the increase of the voting right or the loss of the ownership of the legitimating real right and/or the relative voting right.</p>	Paragraph Unchanged
<p>The shareholder may renounce, in whole or in part, the increased voting right at any time after the increased vote has been granted.</p>	Paragraph Unchanged
<p>The Company proceeds to deletion from the List in the following cases:</p>	Paragraph Unchanged
<ul style="list-style-type: none"> <li>a. renunciation by the person concerned;</li> <li>b. communication by the interested party or intermediary proving that the conditions for the increase of the voting right have ceased to exist or that the ownership of the legitimating real right and/or the related voting right has been lost or interrupted;</li> <li>c. ex officio, if the Company becomes aware of the occurrence of facts entailing the loss of the prerequisites for the increase of the voting right or the loss or interruption of the ownership of the legitimating real right and/or of the relevant voting right.</li> </ul>	
<p>The increased right to vote ceases to exist:</p>	Paragraph Unchanged
<ul style="list-style-type: none"> <li>a. in the event of a transfer for valuable consideration or free of charge of the share, it being understood that "transfer" also means the establishment of a pledge, usufruct or other encumbrance on the share when this entails the loss of the shareholder's voting rights;</li> <li>b. in the event of direct or indirect disposal of controlling interests in companies or entities that hold shares with a higher voting rights than the threshold provided for in Article 120, paragraph 2 of Legislative Decree No. 58 of 24 February 1998, it being noted that the cases referred to in subparagraphs a) and b) below do not constitute disposals relevant for the purposes of the loss of the voting rights bonus.</li> </ul>	

## CURRENT TEXT

The voting surcharge:

- a. is preserved in the event of succession upon death in favour of the heir and/or legatee or similar situations such as (i) a gratuitous transfer pursuant to a family pact or (iii) a gratuitous transfer following the constitution and/or endowment of a trust, estate fund or foundation whose beneficiaries are the transferor or his heirs.
- b. is retained in the event of a merger or demerger of the holder of the shares in favour of the company resulting from the merger or beneficiary of the demerger;
- c. extends proportionally to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code and of a capital increase by means of new contributions made in the exercise of option rights;
- d. may also apply to shares allotted in exchange for those to which the enhanced voting right is attributed, in the event of a merger or demerger, if this is provided for in the relevant plan.

In the cases referred to in letters c) and d) of the preceding paragraph, the voting bonus shall be attributed (i) to newly issued shares to which the holder is entitled in relation to shares for which the voting bonus has already accrued, from the time of entry in the List, without the need for a further continuous holding period (ii) to newly issued shares to which the holder is entitled in respect of shares for which the voting bonus has not already accrued (but is in the process of accruing), from the time of completion of the period of ownership calculated from the time of original registration in the List.

It is always recognised that the person who is entitled to the increased voting right may at any time irrevocably waive (in whole or in part) the increased voting right by means of a written notice to be sent to the Company, it being understood that the increased voting right may be reacquired with respect to the shares for which it has been waived by means of a new entry in the List and the full expiry of the period of membership (full ownership with voting right, bare ownership with voting right, usufruct with voting right) continuous for not less than twenty-four months.

The voting right surcharge also counts for the purpose of determining constitutive and deliberative quorums that refer to percentages of the share capital. The surcharge has no effect on rights, other than voting rights, accruing by virtue of the possession of certain percentages of the share capital.

For the purposes of this Article, the notion of control is the one provided for in the regulatory framework for listed issuers.

Those persons entitled to vote for whom the Company has received a notice issued in accordance with the law by an authorised intermediary are entitled to attend the meeting.

## NEW TEXT

The increased voting rights already accrued or, if not accrued, the period of ownership required to accrue the increased voting rights:

- a. is preserved in the event of succession upon death in favour of the heir and/or legatee or similar situations such as: (i) a gratuitous transfer pursuant to a family pact or (iii) a gratuitous transfer following the constitution and/or endowment of a trust, estate fund or foundation whose beneficiaries are the transferor or his heirs;
- b. is retained in the event of a merger or demerger (including cross-border) of the holder of the shares in favour of the company resulting from the merger or beneficiary of the demerger;
- c. extends proportionally to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Italian Civil Code and of a capital increase by means of new contributions made in the exercise of option rights;
- d. may also be granted to shares granted in exchange for shares to which the increased voting right is attributed, in the event of a merger or demerger, if this is provided for in the relevant plan. This provision is also applicable, within the limits and under the conditions provided for by the laws in force at the time, in the case of cross-border merger or demerger transactions carried out in accordance with the laws in force at the time.

Paragraph Unchanged

Paragraph Unchanged

Paragraph Unchanged

Paragraph Unchanged

Paragraph Unchanged



Those entitled to attend the Shareholders' Meeting may be represented, pursuant to the law, by written proxy or by proxy conferred electronically. In the latter case, electronic notification of the proxy may be made through the use of a special section of the Company's website in the manner indicated in the notice of meeting. It is up to the Chairman of the meeting to ascertain the right to attend the meeting and the validity of the proxies.  
Resolutions of the shareholders' meeting passed in accordance with the law and these Articles of Association are also binding on dissenting voters

Paragraph Unchanged - see also the report under agenda item 1

Paragraph Unchanged

It should be noted that the proposed amendments to the Articles of Association will be effective following the approval by the Extraordinary Shareholders' Meeting of the Company's shareholders and as of the registration of such resolution with the competent Register of Enterprises.

## 10. Proposed Resolution

Dear Shareholders,

For the reasons outlined above, the Board of Directors proposes to pass the following resolution:

"The Extraordinary Shareholders' Meeting of Reply S.p.A., validly constituted and entitled to deliberate in an extraordinary session, having acknowledged the illustrative report of the Board of Directors, drafted pursuant to art. 125-ter of TUF and articles 72 and 84-ter of the Regulation on Issuers, as well as the proposals formulated therein

### resolution

1. to amend Article 12 of the current Articles of Association, as indicated in the aforementioned report;
2. to establish that the effectiveness of the amendment to Article 12 of the Articles of Association referred to in point 1 above shall be subject to the fulfilment of the following condition set forth in the exclusive interest of the Company, granting the Board of Directors all necessary or even only appropriate powers and authority to waive the same
  - > the amount in cash to be paid, if any, by Reply to the withdrawing shareholders (the "Withdrawal Amount"), exceeds in total the amount of 100 million Euros; it being understood, in any event and for the sake of clarity, that the Withdrawal Amount shall be calculated net of the amounts due by shareholders exercising their option and pre-emption rights pursuant to Article 2437-quater of the Civil Code;
3. to vest the Chairman of the Board of Directors, the Chief Executive Officer in office pro tempore and the Executive Director and Chief Financial Officer, each severally and with the power to sub-delegate, with the broadest powers necessary or appropriate to implement the above resolution, including the power to
  - > ascertain and declare: (a) the fulfilment of the termination condition set forth in paragraph 2 above, which renders the provisions of this resolution ineffective, or (b) the Company's waiver of such condition;
  - > carry out all necessary or appropriate activities for the purpose of the liquidation procedure of the shares that may be subject to withdrawal by the shareholders of the Company who did not participate in the approval of this resolution;
  - > manage relations with any competent body and/or authority;
  - > sign and publish any document, deed and/or declaration useful or appropriate for this purpose, as well as any communication and formality required by the laws and regulations in force;
  - > generally, provide for everything required, necessary and useful for the complete implementation of the resolution;
  - > make any non-substantial amendments, additions and deletions to the same resolution as may be required by the competent authorities, or in any case by the same delegates, deemed useful or appropriate, for the purpose of registration with the Companies Register
4. to acknowledge that the Board of Directors, pursuant to Article 18 of the Articles of Association and Article 2365, second paragraph, of the Italian Civil Code, is empowered to adapt the provisions of the Articles of Association, including those subject to the amendments resolved upon above, to any provisions of law, including regulations, that have been or will be enacted.

Turin, 1 August 2024  
for the Board of Directors  
The Chairman  
Mario Rizzante

3. Proposal to revoke the proxy granted to the Board of Directors on 26 April 2021 and to concurrently grant the Board of Directors the power, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code, to increase the share capital, with any share premium and also with the right to exclude shareholders' option rights pursuant to Article 2441, paragraphs 4 and 5 of the Italian Civil Code, up to a maximum of 20% of the share capital and consequent amendments to Articles 5 (Capital) and 6 (Shares and Bonds) of the Articles of Association.<sup>6</sup>

Dear Shareholders,

The Board of Directors of Reply S.p.A. (hereinafter referred to as the "Company" or "Reply") deemed it appropriate to convene an Extraordinary Shareholders' Meeting to discuss and approve the attribution to the Board of Directors, pursuant to articles 2443 and 2420-ter of the Italian Civil Code, of the power to

- increase the paid-up share capital;
- issue bonds convertible into shares that allow for the subscription of new shares (hereinafter also 'Convertible Bond Issue'),

on one or more occasions, within the term of five years from the date of the Shareholders' Meeting for a nominal amount up to a maximum of Euro 972,400.00 with any share premium and also with the right to exclude the option right pursuant to Article 2441, paragraphs 4 and 5 of the Italian Civil Code, and for amounts not exceeding, from time to time, the limits set forth by law for convertible bond issues, pursuant to Article 2420-bis of the Italian Civil Code (hereinafter the "Proxy").

It should be noted that the nominal limit of Euro 972,400.00 is to be understood as global and includes shares issued both in connection with the paid capital increase (hereinafter the "Capital Increase"), and upon conversion of convertible bonds issued pursuant to the Proxy herein.

#### 1. Reasons for the proposed changes

The Capital Increase and the Convertible Bond Issuance, if any, resolved by the Board of Directors in execution of the Proxy submitted for your approval, may also entail the exclusion of the Company's shareholders' pre-emptive rights and, therefore, a dilution of their respective shareholdings, which, in the Board of Directors' opinion, will be more than offset by the overall benefits of the transactions contemplated in this perspective and by precise requirements of corporate interest.

The delegation of authority to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital for cash, with any share premium and also with the exclusion of shareholders' option rights pursuant to Article 2441(4) of the Italian Civil Code, may be discharged by means of:

- contributions in kind of shareholdings in entities having the same or similar object as that of the Company, companies, business units and/or activities of interest to the Company or in any case functional to the development of the business; and/or
- contributions in cash, where the economic conditions are favourable to the Company.

The instrument of delegation to the Board of Directors will allow Reply to take advantage of opportunities to acquire shareholdings in other entities with similar or analogous object to its own, companies, company branches and/or activities of interest to the Company to be realised through share exchanges, as well as to raise capital for the implementation of the Group's strategies.

In this context, the most appropriate solution, in the interest of the Company and its shareholders, seems to be a capital increase, even with the exclusion of pre-emptive rights in cases where the requirements of Article 2441(4) of the Civil Code apply.

Thus, the acquisition of new instruments or their expansion will also be accompanied by an appropriate expansion of the shareholder base.

The instrument of delegating authority to the Board of Directors pursuant to Articles 2443 and 2420-ter of the Civil Code is deemed to best serve the interests of the Company and its shareholders.

<sup>6</sup> EXPLANATORY REPORT OF THE BOARD OF DIRECTORS prepared in accordance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as amended and Article 72 of the Regulation adopted by Consob Resolution No. 11971 of 14 May 1999, as amended and in accordance with Annex 3A - Schedule No. 2 - of Consob Regulation No. 11971 of 14 May 1999, as amended and supplemented.

2. Terms and conditions of the share capital increase, the issue of convertible bonds and the exercise of the proxy, including the criteria for determining the issue price of the shares

Through the exercise of the Delegation, the Board will be able to take its final decisions close to the launch of specific operations, thus being able to define:

- the amount of the Capital Increase, in any case not exceeding a total nominal value of Euro 972,400.00 to be executed, if permitted, also in divisible form, in one or more tranches;
- in the case of a paid-in share capital increase, the issue price, including any share premium, taking due account, inter alia, of the concrete market situations prevailing at the time of determining the terms of the share capital increase and of stock exchange prices and market practices;
- the precise number of shares to be issued, and in the case of an offer under option, the relevant option ratio.

The Board of Directors, in exercising the Proxy, will also have the right to exclude the option right due to the Company's shareholders, pursuant to the fourth and fifth paragraphs of Article 2441 of the Civil Code.

Having regard to Article 2443 of the Civil Code, which allows this option by providing for the identification of specific 'criteria', it is considered that

- (i) limit this power to certain predetermined cases; and
- (ii) to adopt specific safeguards to protect shareholders whose pre-emptive rights are restricted and/or excluded.

In the first respect, the exclusion and/or limitation of the option right is permitted only in the following cases:

- in the event of a Capital Increase to be paid in by contributions in kind, when it allows the Company to obtain one or more shareholdings, companies, business units and/or activities of interest to the Company, as part of its development and growth strategy, which, according to the prudent evaluation of the Board of Directors, are of strategic importance for the achievement of the corporate purpose;
- in the case of a Capital Increase to be paid for by means of cash contributions, when the economic conditions and terms of the placement (including, for example, any subscription commitments undertaken by third parties) are, in the prudent opinion of the Board of Directors, advantageous to the Company; and
- in either of the foregoing cases, when it forms part of a broader agreement concerning the business that is, in the prudent assessment of the Board of Directors, of strategic importance to the Company.

In relation to the second aspect, in the particular case of a Capital Increase to be paid for through cash contributions, without prejudice to the foregoing, the option right may also be restricted, in whole or in part, if the conditions set forth in the fourth paragraph, second sentence, of Article 2441 of the Italian Civil Code are met. Upon the exercise of this right, the newly issued shares will be offered at the price that will be established from time to time by the Board of Directors itself, it being understood that it shall correspond to the market value of the ordinary shares, subject to the application of any discount, in line with market practice for similar transactions, and that this is confirmed in a specific report by a statutory auditor or auditing firm.

In relation to the second aspect, in the case of a capital increase to be paid for by contributions in kind, with reference to the valuation methods for establishing the issue price of the shares at the time of the implementation of the proxy, the following is noted:

- Article 2443 of the Italian Civil Code, in permitting the delegation to the directors of resolutions to increase capital also with the exclusion of option rights, contains, inter alia, an express reference to the provisions of Article 2441(6) of the Italian Civil Code;
- Article 2441(6) of the Italian Civil Code requires that the issue price, if the increase is resolved excluding or limiting the pre-emptive right, be determined on the basis of the equity value, 'taking into account, for shares listed on regulated markets, also the share price trend over the last six months';
- the Board of Directors, in identifying the valuation criteria to be followed in determining the issue price of the new shares, will first and foremost make use of the objective reference provided by the conditions of the stock market at the time of the individual share capital increase transaction, without prejudice to the application of a possible discount, in line with market practice for similar transactions;

- However, in consideration of the fact that in listed companies with a rather small free float and a modest average trading volume, unlike in listed companies with a large free float, characterised by a large shareholder base and intense trading, the trend of stock market prices may not be representative of the current value of the shares, the Board of Directors will also refer, as a secondary consideration, to the valuation methodologies commonly recognised and used according to best practice in the valuation of economic entities operating in sectors comparable to those in which the Company and its subsidiaries are focused;
- In particular, the valuation methodologies currently most commonly recognised and used in professional practice at the international level refer to market multiples of comparable companies and to financial and earnings methodologies;
- the Board of Directors shall also have the power to determine, even close to the launch of the transaction, the precise number of shares to be issued and, in the event of an offer under option, the relevant option ratio;
- Without prejudice to the foregoing, the compliance with the criteria set forth by the aforesaid Article 2441, paragraph 6, of the Italian Civil Code must be verified by the Board of Directors at the time the latter, in implementation of the proxy, resolves on the Capital Increase and the issue price; in fact, it is on this occasion that the Board of Directors will prepare and approve the report required by Article 2441, paragraph 6, of the Italian Civil Code. Consequently, the audit firm's congruity opinion, pursuant to Article 158 of Legislative Decree No. 58/1998, will be requested on the occasion of the capital increase resolved by the Board in execution of the proxy.

Furthermore, the minimum counter value, which the Board deems to be identifiable, is the unit value per share of the consolidated shareholders' equity resulting from the last financial statements closed and approved by the Board of Directors prior to the Board resolution to increase the capital; the same constitutes a suitable limit to ensure adequate protection to the Shareholders, if deprived of the option right, against the risk of dilution of the equity value of the shares they hold, as provided for by the sixth paragraph of Article 2441 of the Italian Civil Code.

With reference to the Convertible Bond Issuance, it should be noted that the same principles summarised above with respect to the Capital Increase, when applicable by law, must also be considered valid with reference to the issue of convertible bonds allowing the subscription of new shares.

### 3. Guarantee and/or placement consortium

The Board of Directors may make use of guarantee and/or placement consortia, defining their composition and the terms and conditions of their intervention.

### 4. Planned forms of employment

The newly issued shares deriving from the Capital Increase, the bonds referred to in the Convertible Bonds Issue, may be offered under option to shareholders pursuant to Article 2441, first paragraph, of the Italian Civil Code, or, they may be offered under subscription to third parties, with the exclusion or limitation of option rights.

### 5. Shareholders who have expressed their willingness to subscribe to the newly issued shares and/or convertible bonds as well as any unexercised option rights

Since the exercise of the Proxies is not expected in the immediate future, as of the date of preparation of this Report, the Company has not received any expressions of willingness from shareholders to subscribe to the shares, convertible bonds, the issuance of which may be resolved pursuant to the Proxy.

### 6. Shareholders who have expressed their willingness to subscribe to the newly issued shares as well as any unexercised subscription rights

Since the exercise of the Proxy is not currently envisaged, as of the date of preparation of this Report, the Company has not received any expressions of willingness from shareholders to subscribe to the shares, convertible bonds, the issue of which may be resolved pursuant to the Proxy.

### 7. Planned Period for the Execution of the Capital Increase and the Convertible Bond Issue

The Board of Directors, given the existence of market conditions suitable to ensure the best success of the offer and with the aim of ensuring an adequate degree of flexibility in the manner in which the Capital Increase and/or the Convertible Bonds Issue will be carried out, intends to exercise the proxy

requested at the Shareholders' Meeting within the final term of five years from the date of the Shareholders' Meeting.

In the context of the exercise of the Proxy, the Board of Directors will determine the period of execution, in one or more tranches, of the Capital Increase and/or Convertible Bond Issue, considering the conditions of the financial markets.

The Capital Increase, if permitted, may be divisible; therefore, in this case, any resolution to exercise the Proxy passed by the Board of Directors may provide that, if the Capital Increase, as resolved from time to time, is not fully subscribed within the correspondingly set term, the capital shall be increased by an amount equal to the subscriptions collected up to the expiration of such term.

## 8. Enjoyment of newly issued shares

The dividend entitlement of the newly issued shares will be determined by the Board of Directors for each issue.

## 9. Economic and financial effects of any capital increases and/or bond issues and dilutive effects

### 9.1 Economic and financial effects

The Company will adequately inform the market, within the terms provided for by law, of the economic and financial effects of the Capital Increase and/or the Convertible Bonds Issue possibly resolved in implementation of the Proxy, as well as the effects on the unit value of the shares.

### 9.2 Dilution effects

Since the forms of placement of the shares resulting from the Capital Increase and/or the convertible bonds under the Convertible Bond Issue, the issue price of the new shares, the conversion ratio of the convertible bonds into shares, and the number of shares to be issued have not yet been determined (elements that will only be determined when the Proxy is exercised), it is not possible at this time to formulate an estimate of any dilutive effects.

## 10. Effectiveness of the proposed amendment to the statutes

The passing of this resolution, representing a delegation of authority to the Board of Directors to increase the share capital and issue convertible bonds, will entail the amendment of Articles 5 and 6 of the Articles of Association in the terms described below.

In connection with this proposal, the Board of Directors also proposes the simultaneous revocation of the existing delegation of authority expiring on 26 April 2026.

The proposed amendment to the Articles of Association shall be effective as of the date on which the resolution of the Extraordinary Shareholders' Meeting is filed with the competent Company Registry and shall not entail the recurrence of the right of withdrawal.

Below is a comparison between the current text of the Articles of Association and the proposed text

CURRENT TEXT	NEW TEXT
Art. 5) - Capital	Art. 5) - Capital
The share capital is EUR 4,863,485.64 (four million eight hundred sixty-three thousand four hundred eighty-five point sixty-four) divided into 37,411,428 (thirty-seven million four hundred eleven thousand four hundred twenty-eight) shares with a nominal value of EUR 0.13 (zero point thirteen) each.	Paragraph unchanged
The share capital is earmarked for the achievement of the corporate purpose and may also be increased by contributions in kind and/or receivables.	Paragraph unchanged
The shareholders' meeting may resolve on the reduction of the share capital, also by means of the assignment to individual shareholders or groups of shareholders of certain corporate assets or of shares or quotas of other companies, in which the Company has a holding, within the limits and under the conditions of the law.	Paragraph unchanged
Loans may be made by shareholders, with the	Paragraph unchanged

obligation to repay, within the limits and according to the criteria established by the Interministerial Committee for Credit and Savings (CICR) pursuant to Article 11 of Legislative Decree No. 385 of 1 September 1993. These loans are to be considered interest-free.

The Extraordinary Shareholders' Meeting may delegate to the Board of Directors the power to increase, in one or more instalments, the share capital up to a determined amount and for a maximum period of five years from the date of the resolution, also with the exclusion of pre-emptive rights, in compliance with the applicable regulations. Pursuant to Section 2349 (1) of the Civil Code, the Extraordinary Shareholders' Meeting may resolve to allocate profits and/or profit reserves to employees of the company and its subsidiaries through the issuance of ordinary shares in an amount corresponding to the profits and/or profit reserves themselves, by the same Shareholders' Meeting or by resolution of the Board of Directors duly delegated, for an amount corresponding to the profits and/or profit reserves.

Following the resolutions passed on April 26 (twenty-six), 2021 (two thousand and one) the Extraordinary Shareholders' Meeting has resolved to grant the Board of Directors the power to increase the share capital for cash, in one or more tranches, in divisible form, within April 26 (twenty-six), 2026 (two thousand and twenty-six), for a nominal amount of up to a maximum of Euro 390.000.00 (three hundred and ninety thousand point zero zero) through the issue of a maximum no. 3,000,000 (three million) new Reply S.p.A. ordinary shares with a nominal value of 0.13 (zero point thirteen) Euros each, with share premium and with the exclusion of the shareholders' option right in accordance to article 2441, paragraph 4 of the Italian Civil Code, to be paid through contributions in kind of shares in joint stock companies having the same or similar purpose as the company or in any case functional to the development of the business. The Board of Directors, in compliance with the provisions of Article 2441, paragraph 6, of the Italian Civil Code, shall determine the issue price of the shares taking into account the objective reference provided by the stock market conditions at the time of the individual share capital increase transaction and, subordinately, also referring to the results of the application of the most commonly recognised valuation methods and used in professional practice at an international level, which refer to the market multiples of comparable companies and to financial and profitability methodologies that may be compared and weighted according to commonly recognised and used criteria, in any case respecting the minimum issue price per share set in the unit value per share of the consolidated shareholders' equity resulting from the last financial statements closed and approved by the Board of Directors prior to the board resolution to increase capital.

Paragraph unchanged

Paragraph unchanged

Following the resolution passed on 17 (seventeen) September 2024 (two thousand and twenty-four), the Extraordinary Shareholders' Meeting resolved to grant the Board of Directors delegated powers for a maximum period of five years from the date of the resolution:

A) pursuant to Article 2443 of the Civil Code:

- to increase, in one or more tranches, the share capital up to the maximum amount determined in 972,400.00 euros (nine hundred and seventy-two thousand four hundred and zero point zero zero) through the issue of a maximum no. 7,480,000 (seven million four hundred and eighty thousand) new Reply S.p.A. ordinary shares of a nominal value of 0.13 (zero point thirteen) Euros each, with eventual share premium (i) through cash contributions, also in divisible form and with eventual exclusion or limitation of the option right in accordance to art. 2441, paragraph 5, of the Italian Civil Code and/or (ii) inseparably by means of contributions in kind of shares in entities with similar or similar objects to those of the Company, companies, business units and/or activities of interest to the Company or in any case functional to the development of the business pursuant to Article 2441, paragraph 4, of the Italian Civil Code.

The right provided for in the preceding paragraph may also be exercised with limitation and/or exclusion of the option right in the following cases:

a) in the case of an increase in capital to be paid in by contribution in kind, when it allows the Company to obtain one or more shareholdings in entities having a purpose similar or similar to that of the Company, companies, business units and/or activities of interest to the Company, as part of its development and growth strategy, which, according to the prudent evaluation of the Board of Directors, are of strategic importance for the achievement of the Company's purpose;

b) in the case of a capital increase to be paid in by cash contribution, when the economic conditions and terms of the placement (including, purely by way of example, any subscription commitments undertaken by third parties) are, in the prudent opinion of the Board of Directors, advantageous to the Company; and

c) in either of the foregoing cases, when it forms part of a broader agreement concerning the

business that is, in the prudent assessment of the Board of Directors, of strategic importance to the Company.

The pre-emptive right may be limited and/or excluded in the case of a capital increase to be paid in cash pursuant to the fourth paragraph, second sentence, of Article 2441 of the Civil Code, by setting a price for the newly issued shares corresponding to the market value of the ordinary shares, subject to the application of a discount, if any, in line with market practice for similar transactions, and this is confirmed in a special report by a statutory auditor or auditing firm.

In the cases of exclusion or limitation of shareholders' pre-emptive rights pursuant to Article 2441(4), second sentence, and (5) of the Civil Code, the newly issued shares shall be reserved for offer to qualified investors and/or business, financial and/or strategic partners, as identified from time to time.

In the event of the issue of shares with limitation and/or exclusion of the subscription right, the Board of Directors' resolution on the increase must illustrate the occurrence of one of the aforementioned cases, as well as the criteria adopted to determine the subscription price.

Within the limits set forth by law and by this Article 5, the Board of Directors is vested with the broadest power to determine, on a case-by-case basis, the manner of placement (public offering and/or private placement), the category (ordinary or special shares, also without voting rights), any equity and/or administrative privileges, the issue price and the relative overpricing (possibly differentiated in the event of simultaneous issuance of shares of different categories) of the new shares, as well as the shares servicing convertible bonds that allow for the subscription of new shares.

In the cases of exclusion or limitation of shareholders' option rights pursuant to Article 2441(4), first sentence, of the Civil Code, the Board of Directors, in compliance with the provisions of Article 2441(6) of the Italian Civil Code, shall determine the issue price of the shares by taking into account the objective reference provided by the stock market conditions at the time of the individual share capital increase transaction, without prejudice to the application of any discount, in line with market practice for similar transactions and, alternatively also making reference to the results of the application of the most commonly recognised valuation methodologies used in professional practice at an international level, which make reference to the market multiples of comparable companies and to financial and profitability methodologies possibly compared and weighted according to commonly recognised criteria and utilised, in any case respecting the minimum issue price per share set at the unit value per share of the consolidated shareholders' equity resulting from the last financial statements closed and approved by the Board of Directors prior to the board resolution to increase the capital.

B) pursuant to Article 2420-ter of the Civil Code:  
- to issue, in one or more tranches, bonds convertible in shares, with a corresponding proxy to increase the share capital by an amount corresponding to the shares to be attributed in conversion, through the issue of a maximum

Art. 6) - Shares and Bonds  
 Shares are registered and indivisible.  
 They are freely transferable under the terms of the law.  
 Enjoyment shares and other preference shares may be issued in accordance with legal requirements.  
 The shares are entered into the centralised management system for financial instruments in dematerialised form pursuant to Legislative Decree No. 27 of 27 January 2010 and the relevant regulations.  
 The Board of Directors of the Company may issue bearer or registered bonds subject to the provisions of the law.

number of no. 7,480,000 (seven million four hundred and eighty thousand) new Reply S.p.A. ordinary shares, of a nominal value of Euro 0.13 (zero point thirteen) each, in compliance with article 2420-bis of the Civil Code.

It being understood that the limit of a nominal amount of Euro 972,400.00 (nine hundred and seventy-two thousand four hundred and zero point zero zero) is to be understood as global and includes shares issued both in connection with the paid share capital increase and in connection with the issue of convertible bonds.

The Board of Directors is also vested with the power to decide on any request for admission of shares and/or convertible bonds allowing the subscription of new shares, to one or more public regulated market(s) or multilateral trading system(s), Italian and/or foreign.

Art. 6) - Shares and Bonds  
 Paragraph unchanged  
 Paragraph unchanged

Paragraph unchanged

Paragraph unchanged

The Board of Directors of the Company may issue bearer or registered bonds subject to the provisions of the law and these Articles of Association.

We therefore submit the following draft of the deliberative agenda for your approval:

"The Shareholders' Meeting of Reply S.p.A. convened in extraordinary session:

- having heard the President's exposition
- considering the report of the Board of Directors;
- considering that the share capital of Euro 4,863,485.64 is fully subscribed and paid in, that the requirements of Articles 2446, second paragraph, and 2447 of the Civil Code are not met, that the company has no bonds outstanding, nor has it issued any special classes of shares;
- having regard to the provisions of Article 2438 of the Civil Code;
- considering the provisions of Articles 2420-bis, 2420-ter, 2438, 2441 and 2443 of the Italian Civil Code, as well as Article 158 of Legislative Decree No. 58 of 24 February 1998, as amended;
- recognised the Company's interest for the reasons explained by the Administrative Body;

resolution

- I. to revoke the resolution passed by the Extraordinary Shareholders' Meeting on 26 April 2021;
- II. to amend Articles 5 and 6 of the current Articles of Association, as indicated in the aforementioned report;
- III. to vest the Chairman of the Board of Directors, the Chief Executive Officer in office pro tempore and the Executive Director and Chief Financial Officer, each severally and with the power to sub-delegate, with the broadest powers necessary or appropriate to implement the above resolution, including the power to
  - a. manage relations with any competent body and/or authority;
  - b. sign and publish any document, deed and/or declaration useful or appropriate for this purpose, as well as any communication and formality required by the laws and regulations in force;
  - c. generally, provide for everything required, necessary and useful for the complete implementation of the resolution;
  - d. make any non-substantial amendments, additions and deletions to the same resolution as may be required by the competent authorities, or in any case by the same delegates, deemed useful or opportune, for the purpose of registration with the Companies Register;



- IV. to acknowledge that the Board of Directors, pursuant to Article 18 of the Articles of Association and Article 2365, second paragraph, of the Italian Civil Code, is empowered to adapt the provisions of the Articles of Association, including those subject to the amendments resolved upon above, to any provisions of law, including regulations, that have been or will be enacted.

Turin, 1 August 2024

for the Board of Directors

The Chairman  
Mario Rizzante

**Reply S.p.A.**  
Corso Francia, 110,  
10143 Turin - Italy

Tel. +39-011-7711594  
Fax. +39-011-7495416

[info@reply.com](mailto:info@reply.com)  
[www.reply.com](http://www.reply.com)