



Via Brera 21, 20121 Milan

Share capital, fully paid-up 266,612,100 euro

Tax code, VAT number and registration with the Milan Companies Register no. 07918170015

Subject to management and coordination by De Agostini S.p.A.

ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS PREPARED PURSUANT TO ARTICLE 125-TER OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998 AND SUBSEQUENT AMENDMENTS AND ADDITIONS, AND ART. 84-TER OF THE REGULATION ADOPTED BY CONSOB RESOLUTION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED AND SUPPLEMENTED

Items 2 and 3 on the agenda of the DeA Capital S.p.A. Shareholders' meeting convened for 21 April 2022, on first convocation, and, if necessary, for 22 April 2022, on second convocation:

- **"2 Appointment of the Board of Directors:**
 - **2.1 determination of the number of Board members;**
 - **2.2 determination of the Board of Directors' term of office;**
 - **2.3 appointment of the members of the Board of Directors;**
 - **2.4 determination of the remuneration of the members of the Board of Directors;**
 - **2.5 appointment of the Chairman of the Board of Directors;**
- **3 Appointment of the Board of Statutory Auditors:**
 - **3.1 appointment of the members of the Board of Statutory Auditors and the Chairman of the Board of Statutory Auditors for the financial years 2022-2024;**
 - **3.2 determination of the remuneration of the members of the Board of Statutory Auditors".**

Dear Shareholders,

this Report has been prepared pursuant to Article 125-*ter*, paragraph 1, of the Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and additions (Consolidated Law on Finance, the "**TUF**") and Article 84-*ter* of the Regulation adopted by Consob resolution No. 11971 of 14 May 1999 and subsequent amendments and additions (the "**Issuers' Regulation**").

This report has been approved by the Board of Directors of DeA Capital S.p.A. (the "**Company**" or "**DeA Capital**") at the meeting of 11 March 2022 and is made available to the public, within the terms of the law and regulations, at the Company's registered office, on the Company's website (www.deacapital.com), as well as in the other ways provided for by the regulations in force.

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With the approval of the annual financial statements for the year ending 31 December 2021, the term of office of the DeA Capital Management and Control Bodies appointed by the Shareholders' meeting of 18 April 2019 will end. Therefore, the Board of Directors has convened you to proceed with the appointment of the new corporate bodies in compliance with the applicable statutory and regulatory provisions.

Having said that, the content of the main clauses of the Articles of Association governing the composition, term of office and methods of appointment of the members of the Company's Board of Directors and Board of Statutory Auditors, as well as the Chairman of the Board of Directors, are summarised below.

1. Appointment of the Board of Directors

1.1 Determination of the number of members of the Board of Directors

Pursuant to Article 11 of the Articles of Association, the Company is administered by a Board of Directors consisting of a minimum of 3 and a maximum of 21 members, who need not be shareholders. The Shareholders' Meeting is therefore called upon to determine the number of members of the Board of Directors within the aforementioned limits.

In view of the above, the Board of Directors invites the shareholders to formulate proposals regarding

the determination of the number of members of the Board of Directors, in the manner and timing specifically indicated in the notice of convocation.

1.2 Determining the term of office of the Board of Directors

Pursuant to Article 11 of the Articles of Association, the members of the Board of Directors remain in office for a period established at the time of their appointment and in any case not exceeding 3 (three) financial years. Therefore, the maximum duration of the Board of Directors to be appointed will be until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2024.

In light of the above, the Board of Directors invites the shareholders to formulate proposals regarding the determination of the duration of the Board of Directors' term of office, in the manner and timing specifically indicated in the notice of convocation.

1.3 Appointment of the members of the Board of Directors;

Composition of the Board of Directors

Pursuant to Article 147-ter of the Consolidated Law on Finance and Article 11 of the Articles of Association, the Board of Directors is appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders. The preparation, filing and publication of the lists must take place in accordance with the procedures and within the time limits set out or referred to in Article 11 of the Articles of Association, to which reference is made in full for all matters not expressly indicated below (see *below*, paragraph "*Submission of lists of candidates for the office of director*").

For the purposes of the composition of the lists, Shareholders are invited to take into account - inter alia - the fact that: (i) the Company adheres to the recommendations of the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. (the "**Corporate Governance Code**"); and (ii) the Company's shares are listed on the "Euronext STAR" segment of the Euronext Milan market.

That said, in accordance with the laws and regulations in force, it should be specified that:

- (i) pursuant to Article 147-ter, paragraph 4, of the TUF, "*at least one of the members of the board of directors, or two if the board of directors consists of more than seven members, must meet the independence requirements established for statutory auditors in Article 148, paragraph 3*" of the TUF. On the other hand, Recommendation 5 of the Corporate Governance Code states that "*the board shall include at least two independent directors, other than the chairman*"⁽¹⁾; and
- (ii) in addition to the provisions of point (i) above, in order for the Company's shares to remain on the Euronext STAR segment, the new Board of Directors must ensure the presence of an adequate number of directors who meet the independence requirements set forth in article 148, paragraph 3, of the TUF and in the Corporate Governance Code (the "**Independent Directors**"), namely at least: (a) 2 Independent Directors for a Board of Directors composed of up to 8 members; (b) 3 Independent Directors for a Board of Directors composed of from 9 to 14 members; and (c) 4 Independent Directors for a Board of Directors composed of more than 14 members; for the sake of completeness, it should be noted that the Chairman of the Board of Directors cannot be counted for the purposes of reaching this minimum number of Independent Directors.

While referring to the further provisions of the Corporate Governance Code concerning the composition

⁽¹⁾ Please note that DeA Capital qualifies as a "concentrated ownership company" and does not qualify as a "large company" under the Corporate Governance Code.

of the Board of Directors (to which reference should be made for any matters not specified below), it should be noted that:

- (i) as specified in Article 2 of the Corporate Governance Code, the Board of Directors must be made up of executive and non-executive Directors, all of whom must have the professionalism and expertise appropriate to the tasks entrusted to them; the number and expertise of non-executive Directors must be such as to ensure that they have a significant influence on Board resolutions and to guarantee effective monitoring of management;
- (ii) the Board of Directors is called upon to set up internal committees with investigative, proposing and advisory functions in the field of appointments, remuneration and control and risks. In this regard, it should be noted that:
 - pursuant to Recommendation 26 of the Corporate Governance Code, at least one member of the Board of Directors (member of the "remuneration committee") must have adequate knowledge and experience in financial matters or remuneration policies;
 - pursuant to Recommendation 35 of the Corporate Governance Code, at least one Director (member of the "control and risk committee") must have adequate knowledge and experience in accounting and finance or risk management;
 - pursuant to Article 16 of the Regulation issued by Consob with resolution no. 20249 of 2017 (the so-called "Market Regulation") – applicable to DeA Capital as a company subject to management and coordination by De Agostini S.p.A. – the committees recommended by the Corporate Governance Code are composed only of Independent Directors.

The composition of the Board of Directors shall also ensure a balance between the male and female genders in compliance with the applicable laws and regulations. In particular, pursuant to the legislation applicable to the renewal of corporate bodies referred to in this Report (Article 147-ter, paragraph 1-ter, of the Consolidated Law on Finance) and as provided for by the Bylaws, at least two-fifths of the Directors to be appointed (rounded up to the nearest whole number if this is not a whole number, with the exception of bodies comprising three members for which the rounding down will be to the nearest whole number) are reserved for the less represented gender.

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It is also noted that during the self-assessment process of the Board of Directors and its Committees (so called "*board review*") for the financial year 2021 and completed on 11 March 2022, it emerged that the current qualitative composition of the Board of Directors is considered appropriate in terms of skills, experience and personal characteristics with respect to the Company's management and organisational needs.

Submission of lists of candidates for the office of Director

Pursuant to Article 147-ter of the TUF and Article 11 of the Articles of Association, the Board of Directors is appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders. The procedure for submitting lists and appointing the Board of Directors must take place in accordance with the procedures and terms provided for or referred to in Article 11 of the Articles of Association, to which reference is made in full for all matters not expressly indicated below. Lists submitted without compliance with the terms and conditions laid down in the Articles of Association shall be considered as not submitted.

In accordance with the combined provisions of article 11 of the Articles of Association and the determination of Consob no. 60 of 28 January 2022, lists may be submitted by shareholders who have, alone or together with others, at least 2.5% of the share capital. The ownership of the minimum

shareholding required for the submission of the lists is determined having regard to the shares that are registered in favour of the shareholder on the day on which the lists are filed with the Company. The relative communication made by the authorised intermediary may be sent to the Company also after filing provided within the term set for the publication by the Company of the lists, i.e. by the 21st (twenty-first) day preceding the date of the Meeting (*i.e.* by 31 March 2022). Pursuant to article 11 of the Articles of Association, lists that have not obtained a percentage of votes equal to at least half of that required for the submission thereof shall not be considered.

Each shareholder, shareholders belonging to the same group and shareholders who are party to a shareholders' agreement according to article 122 of the TUF, may not submit or participate in submission, not even through a third party or trust company, more than one list or vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list.

The lists shall contain a number of candidates not exceeding the number of members to be elected, listed in sequential order. Each candidate may appear on only one list under penalty of ineligibility.

Lists with at least 3 candidates cannot be composed only of candidates belonging to the same gender (male or female). The candidates of the lesser represented gender in these lists may not be less than the amount complying with the *pro tempore* regulations in force concerning the balance between genders (see paragraph "*Composition of the Board of Directors*" above).

Pursuant to current laws and regulations, candidates for the office of Director must meet the integrity requirements set forth in Article 147-*quinquies* of the TUF, which refers to the integrity requirements established for statutory auditors of listed joint-stock companies set forth in the regulation issued by the Ministry of Justice pursuant to Article 148, paragraph 4, of the TUF, which in turn refers to Article 2 of Decree No. 162 of the Ministry of Justice of 30 March 2000.

For the sake of completeness - due to DeA Capital's *status* as a participant, directly and indirectly, in the share capital of asset management companies - shareholders are invited to take into account the ownership of candidates for the office of director when preparing lists:

- (i) the good repute requirements set out in Ministerial Decree No. 469 of 11 November 1998; and
- (ii) the requirements of fairness and professional competence set out in the Bank of Italy Regulation of 19 January 2015 (as last amended by the Bank of Italy Measure of 26 October 2021).

Pursuant to Article 147-ter, paragraph 1-bis of the TUF, the lists, signed by those submitting them and accompanied by the necessary documentation, must be filed by the Shareholders by the 25th (twenty-fifth) day prior to the date of the Shareholders' Meeting convened on first convocation, i.e. by 27 March 2022. The lists may be filed in one of the following ways: (i) by return registered, to be sent to the registered office of DeA Capital in Via Brera 21, Milan, or (ii) by electronic communication to the certified e-mail address deacapital@legalmail.it.

It is recalled that, according to article 11 of the Articles of Association, together with each list, the following shall be filed: (i) declarations by which each candidate accepts his/her candidacy, undertakes - if appointed - to accept the office and certifies, under his/her own responsibility, that there are no grounds for ineligibility or incompatibility, and that he/she meets the requirements for the respective offices laid down by the legislation in force ⁽²⁾; (ii) a *curriculum vitae*, containing detailed information on the personal and professional characteristics of each candidate, with an indication of whether he or she qualifies as independent; (iii) an indication of the identity of the shareholders who have submitted lists and the total percentage of shares held. The certification issued by authorised intermediaries

⁽²⁾ It should be noted that the requirements for assuming the office that must be the subject of the declaration include, *inter alia*, the non-existence of causes of ineligibility pursuant to Article 2383 of the Italian Civil Code and compliance with the so-called "*interlocking*" provided for by Article 36 of Law Decree no. 201/2011.

certifying the ownership of the number of shares necessary for the submission of the lists shall be provided together with the filing of the lists or by a term provided for by applicable legislation and regulations (i.e. within 21 days before the Meeting provided for publication of the lists by the Company).

It should also be noted that pursuant to Article 2383 of the Italian Civil Code, a declaration must be filed to the effect that there are no grounds for ineligibility as set out in Article 2382 of the Italian Civil Code and of disqualifications from holding the office of director adopted against candidates in a Member State of the European Union.

The lists, together with the documentation filed with them, shall therefore be made available to the public, by the Company, by the 21st (twenty-first) day preceding the date of the Meeting on first convocation (i.e. by 31 March 2022), at the registered office, on the DeA Capital website (www.deacapital.com) and the authorised storage mechanism 1info (www.1info.it).

It is recalled that those presenting a minority list are also recipients of the recommendations formulated by Consob with Communication no. DEM/9017893 of 26 February 2009. In particular, pursuant to the aforementioned Communication, shareholders submitting a "minority list" are required to file, together with the list, a statement certifying the absence of any connection, including indirect, pursuant to Article 147-ter, paragraph 3, of the TUF and Article 144-quinquies of the Issuers' Regulations, with shareholders who hold, even jointly, a controlling interest or a relative majority, identifiable on the basis of the notifications of significant shareholdings pursuant to Article 120 of the TUF or the publication of shareholders' agreements pursuant to Article 122 of the TUF. This declaration must also specify any existing relationships, if significant, with shareholders who hold, even jointly, a controlling or relative majority interest, if identifiable, as well as the reasons why such relationships have not been considered decisive for the existence of the aforementioned relationships, or the absence of such relationships. In particular, at least those reports listed in the aforementioned Consob Communication (available at www.consob.it).

Methods of appointing members of the Board of Directors

Pursuant to Article 11 of the Articles of Association, the election of the Board of Directors will take place as follows:

- the Directors to be elected (on the basis of the sequential number with which they are listed in the list itself) except one shall be taken from the list obtaining the highest number of votes, without prejudice to the provisions set out below to ensure a balance between genders in compliance with the applicable provisions of the law and regulations;
- the list obtaining the highest number of votes after the list that came first and which is not connected in any way with the shareholders who submitted or voted for the list obtaining the highest number of votes, the remaining Director shall be drawn.

In the event that two lists obtain the same number of votes, a new vote will be taken by the Assembly.

Should, at the end of the vote, the legal and regulatory requirements concerning the balance between male and female genders not be complied with (see paragraph "*Composition of the Board of Directors*" above), the candidate of the most represented gender elected as the last in progressive order of the list obtaining the highest number of votes shall be excluded and shall be replaced by the next candidate, drawn from the same list, belonging to the other gender.

The Independent Directors shall be drawn from the list that obtained the highest number of votes.

If, at the end of the vote, the appointment of a number of Independent Directors equal to the minimum number established by the applicable legislation in relation to the total number of Directors is not ensured, the non-independent candidate(s) elected as last in numerical order from the list

obtaining the highest number of votes shall be replaced by the first independent candidate(s) not elected from the same list according to the numerical order in which the candidates are listed, or failing that, by the first independent candidate(s) in the unelected sequential order of the other lists, according to the number of votes obtained by each.

If only one list is submitted or if no list at all is submitted, the Shareholders' Meeting shall pass resolutions with the majorities provided for by law, without complying with the above procedure, but in any case in compliance with the applicable legal and regulatory provisions on gender balance and composition of the Board of Directors. In particular, in the event that only one list is submitted, subject to a favourable resolution of the Shareholders' Meeting adopted with the majorities required by law, all the directors shall be elected from the single list in the relative progressive order and up to the number set by the Shareholders' Meeting.

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In view of the above, shareholders are therefore invited to vote at the Shareholders' Meeting for one of the lists of candidates for the office of Director from among those that will be presented, deposited and made public in accordance with the regulatory and statutory provisions in force.

1.4 Determination of the remuneration of the members of the Board of Directors

Pursuant to Article 2389, paragraph 1, of the Italian Civil Code, the shareholders are called upon to resolve on the remuneration due to the members of the Board of Directors. It is understood that, in addition to this remuneration, Directors holding special offices will be entitled to a remuneration set by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, pursuant to Article 2389, paragraph 3, of the Italian Civil Code.

In light of the above, the Board of Directors invites the shareholders to formulate proposals regarding the determination of the remuneration of the members of the Board of Directors, in the manner and timing specifically indicated in the notice of convocation.

1.5 Appointment of the Chairman of the Board of Directors

Pursuant to Article 13 of the Articles of Association, the Chairman of the Board of Directors may be appointed by the Shareholders' Meeting. The Board of Directors invites the shareholders to make proposals regarding the appointment of the Chairman of the Board of Directors.

Please note that, in the absence of appointment by the Assembly, the Chairman will be appointed by the Board of Directors.

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2. Appointment of the Board of Statutory Auditors

2.1 Appointment of the members of the Board of Statutory Auditors and the Chairman for the financial years 2022-2024

Composition and term of office of the Board of Statutory Auditors

Pursuant to Article 18 of the Articles of Association, the Board of Statutory Auditors consists of 3 regular members and 3 alternate members.

The composition of the Board of Statutory Auditors shall also ensure a balance between the male and female genders in compliance with the applicable laws and regulations. In particular, Article 18 of the Articles of Association provides that at least one of the statutory auditors must be: (a) of the female gender, if the majority of the regular auditors is male; (b) of the male gender, if the majority of the regular auditors is female.

All auditors must meet the independence requirements set out in Article 148, paragraph 3 of the TUF,

under penalty of ineligibility.

It should also be noted that, without prejudice to other incompatibilities provided for by applicable laws and regulations, persons who do not meet the requirements of integrity and professionalism laid down in Ministry of Justice Decree No. 162 of 30 March 2000 cannot be appointed members of the Board of Statutory Auditors. Furthermore, persons who do not comply with the limits on the accumulation of administration and control positions, as provided for by the laws and regulations in force and applicable, cannot be appointed members of the Board of Statutory Auditors.

Finally, it should be noted that, in accordance with the law, the Board of Statutory Auditors will remain in office for three financial years and will therefore come to an end on the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2024.

Submission of lists of candidates for the office of Statutory Auditor and Alternate Auditor

According to article 148 of the TUF and article 18 of the Company Articles of Association, the Board of Statutory Auditors shall be appointed by the Meeting on the basis of lists submitted by shareholders. The procedure for the submission of lists and the appointment of the Board of Statutory Auditors shall be carried out according to the procedures and within the terms provided for or recalled by article 18 of the Articles of Association, to which reference shall be made in full for any matters not expressly indicated below.

In accordance with the combined provisions of article 18 of the Articles of Association and the determination of Consob no. 60 of 28 January 2022, lists may be submitted by shareholders who have, alone or together with others, at least 2.5% of the share capital with voting rights. The ownership of the minimum shareholding required for the submission of the lists is determined having regard to the shares that are registered in favour of the shareholder on the day on which the lists are filed with the Company. The relative communication made by the authorised intermediary may be sent to the Company also after filing provided within the term set for the publication by the Company of the lists, i.e. by the 21st (twenty-first) day preceding the date of the Meeting (i.e. by 31 March 2022).

According to article 144-*sexies*, paragraph 5, of the Issuers' Regulation, and with exclusive reference to the submission of lists for the appointment of the Board of Statutory Auditors, in the event that, at the end of the deadline for the submission of lists (i.e. 27 March 2022), only one list has been filed, or only lists submitted by shareholders related to each other in accordance with the applicable provisions, lists of candidates for the office of statutory auditor and alternate auditor may be presented until the third day following that date (i.e. 30 March 2022).

It is recalled that, in the event of an extension of the period in accordance with the above, the threshold for the submission of lists shall be reduced by half and therefore equal to 1.25% of the shares entitled to vote in the Meeting.

Pursuant to article 18 of the Articles of Association, each shareholder, as well as shareholders belonging to the same group and shareholders who are party to a shareholders' agreement according to article 122 of the TUF, may not submit, not even through a third party or trust company, more than one list or vote for different lists. Endorsements and votes cast in violation of this prohibition shall not be attributed to any list. Moreover, each candidate may appear on only one list under penalty of ineligibility.

The lists shall contain candidates for the office of statutory auditor and alternate auditor listed by a progressive number. Each list shall consist of two sections: one for candidates for the office of statutory auditor, the other for candidates for the office of alternate auditor. Lists submitted without compliance with the terms and conditions laid down in the Articles of Association shall be considered as not submitted.

Article 18 of the Bylaws, in order to ensure compliance with the above-mentioned regulations on gender balance (see section "*Composition and term of office of the Board of Statutory Auditors*" above), requires that in lists with three or more candidates for the office of Statutory or Alternate Auditor, at least one of the candidates for the office of Statutory Auditor must be of a different gender from the other candidates.

According to article 147-ter, paragraph 1-bis, of the TUF – as recalled by article 148, paragraph 2, of the TUF – the lists, accompanied by the necessary documentation, shall be filed by the shareholders by the 25th (twenty-fifth) day before the date of the first-convocation Meeting, i.e. by 27 March 2022. Lists must be filed in one of the following ways: (i) by return registered, to be sent to the registered office of DeA Capital in Via Brera 21, Milan, or (ii) by electronic communication to the certified e-mail address deacapital@legalmail.it.

It is recalled that, according to article 18 of the Articles of Association and of article 144-sexies of the Issuers' Regulations, together with the lists, the following shall be filed with the Company: (i) information on the identity of the shareholders who have submitted the lists, with an indication of the total percentage of share capital held; (ii) a declaration by the shareholders other than those who hold, even jointly, a controlling or relative majority interest, certifying the absence of any relationship of connection with the latter, as provided for by article 144-quinquies of the Consob Issuers' Regulations (iii) a *curriculum vitae* containing exhaustive information on the personal and professional characteristics of each candidate, highlighting any administration and control positions held in other companies, as well as declarations in which the individual candidates accept the nomination, undertake - if appointed - to accept the position and certify, under their responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet the regulatory and statutory requirements for their respective offices.

With reference to document (iii) above, pursuant to Article 2400, last paragraph, of the Italian Civil Code and Article 148-bis of the Consolidated Law on Financial Intermediation, we request that the list of directorships and audit appointments held by candidates in other companies be updated up to the actual date of the meeting.

The lists, together with the documentation filed with them, shall therefore be made available to the public, by the Company, by the 21st (twenty-first) day preceding the date of the Meeting on first convocation (i.e. by 31 March 2022), at the registered office, on the DeA Capital website (www.deacapital.com) and the authorised storage mechanism 1info (www.1info.it).

Lastly, it is recalled that those presenting a minority list are also recipients of the recommendations formulated by Consob with Communication no. DEM/9017893 of 26 February 2009. In particular, pursuant to the aforementioned Communication, shareholders submitting a "minority list" must file with the list a declaration specifying any existing relationships, if significant, with shareholders who hold, even jointly, a controlling or relative majority interest, identifiable on the basis of the communications of significant shareholdings pursuant to Art. 120 of the TUF or the publication of shareholders' agreements pursuant to Art. 122 of the TUF. In particular, it is recommended that at least those reports listed in point 2 of the aforementioned Consob Communication be indicated among the aforementioned reports. Alternatively, the absence of significant relationships or the reasons why such relationships were not considered decisive for the existence of the aforementioned relationships of connection must be indicated pursuant to Article 148, paragraph 2, of the TUF and Art. 144-quinquies of the Issuers' Regulations.

Methods of appointing members of the Board of Auditors

Pursuant to Article 18 of the Articles of Association, the election of the Board of Statutory Auditors shall take place as follows:

- two standing members and two alternate members shall be drawn from the list obtaining the highest number of votes (according to the sequential number with which they are listed on the list), subject to the following provisions to ensure gender balance (male and female) in compliance with the applicable provisions of the law and regulations;
- from the list obtaining the highest number of votes after the one that was listed first and is not connected, the remaining standing member and the other alternate member shall be drawn, either directly or indirectly, from the shareholders who have submitted or voted for the list obtaining the highest number of votes, on the basis of the sequential number with which they are listed in the sections of the list.

The Chairman of the Board of Statutory Auditors shall be the statutory auditor drawn from the second list that obtained the highest number of votes at the Shareholders' Meeting.

In the event that the first two lists obtain the same number of votes, a new vote will be taken by the Assembly. In the event of a tie between two or more lists (other than the one that obtained the largest number of votes), the eldest candidates shall be elected as auditors until all posts have been filled.

If, at the end of the vote, the legal requirements concerning the balance between male and female genders are not met, the candidate for standing auditor belonging to the most represented gender elected as the last in progressive order from the list obtaining the highest number of votes shall be excluded and shall be replaced by the next candidate, drawn from the same list, belonging to the other gender.

If only one list is submitted, the entire Board of Statutory Auditors shall be drawn from that list and the first candidate on that list shall be appointed Chairman of the Board of Statutory Auditors. If no list is submitted, the Meeting shall decide by a majority of the votes cast, excluding abstentions.

2.2 Determination of the remuneration of the members of the Board of Statutory Auditors

Pursuant to Article 2402 of the Italian Civil Code, when the Board of Statutory Auditors is appointed, the Shareholders' Meeting determines the annual remuneration due to the statutory auditors for the entire period of their office.

In light of the above, the Board of Directors invites the shareholders to formulate proposals regarding the determination of the remuneration for the Chairman of the Board of Statutory Auditors and the Standing Auditors, in accordance with the procedures and time frame specifically indicated in the notice of convocation.

Milan, 11 March 2022

For the Board of Directors

Chief Executive Officer

Paolo Ceretti