

LU-VE S.p.A.

Via Vittorio Veneto 11 – 21100 Varese

Economic and Administrative Repertory No.: VA-191975

Tax Code: 01570130128



EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSALS ON THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING CONVENED IN ORDINARY AND EXTRAORDINARY SESSION ON 29 APRIL 2024 IN A SINGLECALL

(drawn up pursuant to Article 125-ter of the Consolidated Law on Finance and Articles 73 and 84-ter of the Issuers' Regulation)

Dear Shareholders,

in compliance with Article 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”), as subsequently amended and supplemented, as well as articles 73 and 84-ter of the Regulation for implementation of the Consolidated Law on Finance concerning the regulation of issuers, adopted by Consob with resolution No. 11971 of 14 May 1999 as subsequently amended and supplemented (the “**Issuers’ Regulation**”), LU-VE S.p.A. (the “**Company**” or “**Issuer**”) makes available an explanatory report (the “**Explanatory Report**”) on the items on the agenda of the ordinary session of the Shareholders’ Meeting convened in ordinary and extraordinary session – by notice of call published on 25 March 2024 on the Company’s web site at www.luvegroupp.com (“Investor” section – “Corporate governance & shareholders” – “For the shareholders” – “Shareholders’ meeting” – “Shareholders’ meeting 29 April 2024”) and on the authorized storage device eMarket Storage www.emarketstorage.com, as well as by abstract, on 26 March 2024, in the daily newspaper “Il Sole 24 ORE” – at the Studio Notarile Marchetti, in Milan, Via Agnello no. 18, **on 29 April 2024 at 12:00 a.m.**, in a single call (the “**Shareholders’ Meeting**”).

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

1. *Approval of the Financial Statements as at 31 December 2023, complemented by the Director’s Report, the Board of Statutory Auditors’ Report, the Independent Auditors’ Report. Presentation of the Consolidated Financial Statements as at December 31, 2023. Presentation of the LU-VE Group Sustainability Report 2023 containing the consolidated non-financial statement pursuant to Legislative Decree 254/2016. Related and subsequent resolutions.*
2. *Proposal for allocation of the net profit of the year and distribution of the dividend. Related and subsequent resolutions.*
3. *Annual Report on remuneration policy and remuneration paid:*
 - 3.1 *approval of the “2024 Remuneration Policy” in Section I, pursuant to Article 123-ter, paragraph 3-bis of Italian Legislative Decree 58/98;*
 - 3.2 *advisory vote on the “Remunerations paid in the 2023 financial year” reported in Section II, pursuant to Article 123-ter, paragraph 6 of Italian Legislative Decree 58/98.*
4. *Proposed authorisation to purchase and dispose of treasury shares, subject to cancellation of the resolution adopted by the Shareholders’ Meeting of 28 April 2023. Related and subsequent resolutions.*

This Explanatory Report shall be read together with the other separate reports on the items on the agenda of the ordinary session of the Shareholders’ Meeting referred to in the text of the same Report, as well as with the explanatory report on the items on the agenda of the extraordinary session of the Shareholders’ Meeting.

On 25 March 2024 this Explanatory Report shall be made available to the public at the administrative office of the Company in Uboldo (VA), via Caduti della Liberazione no. 53 and on the web site at www.luvegroupp.com, (“Investor” section – “Corporate governance & shareholders” – “For the shareholders” – “Shareholders’ meeting” – “Shareholders’ meeting 29 April 2024”) and on the authorized storage device eMarket Storage www.emarketstorage.com.

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ORDINARY SESSION

FIRST ITEM ON THE AGENDA

APPROVAL OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023, COMPLEMENTED BY THE DIRECTORS' REPORT, THE BOARD OF STATUTORY AUDITORS' REPORT, THE INDEPENDENT AUDITORS' REPORT. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023. PRESENTATION OF THE LU-VE GROUP SUSTAINABILITY REPORT 2023 CONTAINING THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO LEGISLATIVE DECREE 254/2016. RELATED AND SUBSEQUENT RESOLUTIONS.

Dear Shareholders,

with reference to **item 1** on the agenda of the ordinary session of the Shareholders' Meeting, we would like to inform you that, following the approval Board of Directors on 13 March 2024 of the draft financial statements of LU- VE S.p.A. as at 31 December 2023, you will be called upon to resolve on the same.

The draft financial statements that we submit for your approval closed with a net profit equal to Euro 6,080,564.58 (six million eighty thousand five hundred sixty four/58).

We also submit to your attention:

(1) the **consolidated financial statements** of the LU-VE Group ("**Group**" or "**LU-VE Group**") as at 31 December 2023, approved by the Board of Directors on 13 March 2024, which, although not subject to Shareholders' Meeting approval, complements the information provided with the draft financial statements of LU-VE S.p.A.

For all further information in this respect, you are invited to refer to the Annual Financial Report - containing the draft separate financial statements and the consolidated financial statements as at 31 December 2023, the Directors' Report, the Board of Statutory Auditors' Report, the Independent Auditors' Report as well as the attestation pursuant to Article 154-*bis*, paragraph 5 of the Consolidated Law on Finance - which on **28 March 2024** shall be made available to the public at the administrative office of the Company and on the web site of the Company at www.luvegroup.com ("*Investor*" section - "*Corporate governance & shareholders*" - "*For the shareholders*" - "*Shareholders' meeting*" - "*Shareholders' meeting 29 April 2024*") and on the authorized storage device *eMarket Storage* www.emarketstorage.com, together with additional documentation required by current regulations;

It should be noted that the Annual Financial Report have been drafted pursuant to the Transparency Directive according to the Single Electronic Reporting Format (ESEF) based on the principles provided for by the Delegated Regulation (EU) 2019/815. However, such Report will be published also in a .pdf version to make it easier to read, it being understood that only the version in ESEF format shall have legal value.

(2) the 2023 Sustainability Report of LU-VE Group, containing the **consolidated non-financial statement** related to the financial year 2023 prepared by the Company in compliance with the provisions of article 5, paragraph 3, letter b) of Italian Legislative Decree 254/2016 (hereinafter "**Statement**" or "**NFS**"). The Statement, which is a separate report from the Directors' Report contained in the Annual Financial Report, has been prepared according to GRI Standards.

The reporting scope of the Statement includes all the companies belonging to LU-VE Group. With reference to the treatment of only environmental data and aspects connected with product safety, in the three-year period only the manufacturing companies have been taken into account, with the exception of LUVEDIGITAL S.r.l., as the environmental impact of commercial offices and of LUVEDIGITAL S.r.l. were not deemed material.

Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (so called “**Taxonomy Regulation**”) and the related Delegated Regulations (EU) 2021/2178 and (EU) 2021/2139 provide for the obligation to include in the DNF 2021 a specific information on how and to what extent the undertaking’s activities are associated with economic activities that qualify as environmentally sustainable under the same Regulation. This information is presented in a dedicated separate section of the NFS.

The NFS reports on the Group’s performance in relation to issues that affect its capacity to create value in the short, medium and long terms, reflecting the significant impacts of the organisation and those of interest to the Group’s stakeholders. On **28 March 2024** it shall be made available to the public at the administrative office of the Company and on the web site of the Company at the address www.luvegroup.com, (“Investor” section – “Corporate governance & shareholders” – “For the shareholders” – Shareholders’ meeting” – “Shareholders’ meeting 29 April 2024”) as well as on the authorized storage device eMarket Storage www.emarketstorage.com.

In this regard, it should be noted that the attestation required in accordance with Article 3, paragraph 10, Italian Legislative Decree 254/2016 as well as by Article 5 of the Consob Regulation adopted by resolution No. 20267 of January 2018, on compliance of the information provided with that required by the decree and with its principles, methodologies and methods, is issued by the independent auditors *Deloitte&Touche S.p.A.* and is published and made available as an attachment to the 2023 Sustainability Report of LU-VE Group. Article 8 of abovementioned Taxonomy Regulation does not provide for the auditor’s review of the information on the activities required by the same Regulation, as part of the NSF.

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It is therefore proposed that the Shareholders’ Meeting adopts the following resolution:

“The ordinary Shareholders’ Meeting of LU-VE S.p.A., having examined the Directors’ Report and the data of the financial statements of LU-VE S.p.A. as at 31 December 2023, the Board of Statutory Auditors’ Report and the Independent Auditors’ Report and the further documentation required by the legislation

resolved

- 1) *to approve the financial statements of LU-VE S.p.A. as at 31 December 2023, which provides for the reclassification of the unavailable “derivative fair value reserve” to the available “extraordinary reserve” in the amount of Euro 4,618,981.00 (four million six hundred eighteen thousand nine hundred eighty-one/00) and show a net profit for the year equal to Euro 6,080,564.58 (six million eighty thousand five hundred sixty four/58), and the Directors’ Report;*
- 2) *to grant the Board of Directors – and on behalf of the Board to its Chairman and CEO – all power necessary to execute, with the right to sub-delegate, this resolution and file it for registration with the relevant Companies’ Register, making any formal amendments, additions or deletions that may be necessary.”.*

SECOND ITEM ON THE AGENDA

PROPOSAL FOR ALLOCATION OF THE NET PROFIT AND DISTRIBUTION OF THE DIVIDEND. RELATED AND SUBSEQUENT RESOLUTIONS.

Dear Shareholders,

with reference to the issue as per **item 2** on the agenda of the ordinary session of the Shareholders' Meeting, the Board of Directors proposes to allocate the net profit for the year of Euro 6,080,564.58 (six million eighty thousand five hundred sixty four/58) as follows:

- (i) to allocate a part of the net profit of Euro 6,080,564.58 (six million eighty thousand five hundred sixty four/58) to the "Legal reserve" for the amount of Euro 304.028,23 (three hundred four thousand twenty eight/23);
- (ii) to allocate the remaining part of the net profit equal to Euro 5,776,536.35 (five million seven hundred and seventy-six thousand five hundred and thirty-six/35) to the Shareholders, resolving the distribution of a gross dividend per share of Euro 0.40 (zero/40) for each share entitled to it as at the record date pursuant to Article 83-*terdecies* of Consolidated Law on Finance 98 (i.e., the accounting day at the end of which, the records of active Shareholders' accounts with intermediaries are authentic for the purpose of entitlement to dividend payment), using part of the "Extraordinary Reserve" for the remainder.

Therefore, the dividend of Euro 0.40 (zero/40) would be allocated to each of the shares entitled to it as at the *record date* from the profit for the financial year 2023 for Euro 5,776,536.35 (five million seven hundred and seventy-six thousand five hundred and thirty-six/35) and from the "Extraordinary Reserve" for the remainder.

Taking into account that as of the date of approval of this Report, there are 22,234,368 LU-VE shares issued and the Company holds 28,027 treasury shares, the total amount of the dividend as of this date is Euro 8,882,536.40 (eight million eight hundred and eighty-two thousand five hundred thirty-six/40).

The Board of Directors also proposes to establish that the dividend will be payable as of 8 May 2024, with ex-dividend date no. 9 on 6 May 2024, in accordance with the calendar of Borsa Italiana, and record date pursuant to Article 83-*terdecies* of the Consolidated Law on Finance on 7 May 2024.

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It is therefore proposed that the Shareholders' Meeting adopts the following resolution:

"The ordinary Shareholders' Meeting of LU-VE S.p.A., having approved the financial statements as at 31 December 2022, which show a net profit for the year equal to Euro 6,080,564.58 (six million eighty thousand five hundred sixty four/58)

resolved

- 1) *to allocate a part of the net profit of Euro 6,080,564.58 (six million eighty thousand five hundred sixty four/58) to the "Legal reserve" for the amount of Euro 304.028,23 (three hundred four thousand twenty eight/23);*
- 2) *to distribute a gross ordinary dividend of Euro 0.40 (zero/40) for each share entitled to it as at the record date pursuant to Article 83-terdecies of Legislative Decree No. 58/98;*
- 3) *to use, for the purpose of previous point 2), both the profit for the year 2023 remaining after deducting the provisions to "Legal reserve" as per point 1) above and by means of the amounts from the distribution of the "Extraordinary Reserve" for the remainder;*
- 4) *to establish that the dividend shall be paid, for each entitled share, on 8 May 2024, with ex-*

dividend date no. 9 on 6 May 2024, in accordance with the calendar of Borsa Italiana, and record date on 7 May 2024.”.

THIRD ITEM ON THE AGENDA

ANNUAL FINANCIAL REPORT ON REMUNERATION POLICY AND ON REMUNERATIONS PAID:

3.1 APPROVAL OF THE “2023 REMUNERATION POLICY” IN SECTION I, PURSUANT TO ARTICLE 123-TER, PARAGRAPH 3-BIS OF ITALIAN LEGISLATIVE DECREE 58/98;

3.2 ADVISORY VOTE ON “REMUNERATIONS PAID IN THE 2023 FINANCIAL YEAR” REPORTED IN SECTION II, PURSUANT TO ARTICLE 123-TER, PARAGRAPH 6 OF ITALIAN LEGISLATIVE DECREE 58/98.

Dear Shareholders,

with reference to the third item on the agenda of the Shareholders' Meeting, you are requested again this year to express your opinion, pursuant to Article 123-ter of the Consolidated Law on Finance as last amended by Italian Legislative Decree no. 49/2019, which implemented EU Directive 2017/828 (so called SHRD II) – on the “Annual Report on remuneration policy and remuneration paid” of LU-VE S.p.A. (the “**Remuneration Report**” or “**Report**”) in relation to:

- the remuneration policy of the members of the administration and control bodies, of the honorary chairman, of the general manager and key management personnel (the “Relevant Persons”) proposed by the Board of Directors for the 2024 financial year and the procedures used for the adoption and implementation of this policy (the “**2024 Remuneration Policy**”); as well as
- remunerations paid in 2023 to Relevant Persons.

It should be noted that, as in the past, the Report is divided into two distinct sections:

- **Section I**, which describes the 2024 Remuneration Policy and the procedures used for the adoption and implementation of the same policy;
- **Section II** (divided into two parts), which includes, in the First Part, the details of the remunerations paid by the Company to Relevant Persons with reference to each of the items which make up the remuneration for the 2023 financial year for these subjects; and, in the Second Part, the details of the fees paid to Relevant Persons or accrued by them in the 2023 financial year to Relevant Persons, for any reason and in any form, by the Company and by subsidiaries and affiliates, using the tables attached to this Report on Remuneration, which form integral part of the same, as well as information on interests held in the Company and in its subsidiaries by the same parties, as well as their non-legally separated spouses or by their children, directly or via subsidiaries, or trust companies or third parties.

In compliance with the current content of the Article 123-ter of the Consolidated Law on Finance, the vote to be expressed on the 2024 Remuneration Policy contained in Section I of the Report on Remuneration is a binding vote, while the vote to be expressed on the remunerations paid in the 2023 financial year to Relevant Persons, contained in Section II of the Report, is an advisory vote.

It should be noted that the Remuneration Report – and, therefore, the 2024 Remuneration Policy and the remunerations paid to Relevant Persons in the 2023 financial year included respectively in Section I and Section II of the same report – were approved by the Board of Directors on 13 March 2024, at the proposal of the Remunerations and Appointments Committee, in compliance with current legislation and regulations, and will be made available to the public at the administrative office of the Company and on the web site at www.luvegroup.com (“Investor” section - “Corporate governance & shareholders” – “For the shareholders” – Shareholders’ meeting” – “Shareholders’ meeting 29 April 2024”), as well as on the authorized storage device eMarket Storage www.emarketstorage.com on 5 April 2024.

For any further details, please refer to the text of the above-mentioned Report, the contents of which have also been defined in compliance with the provisions of Article 84-*quater* of the Issuers' Regulation and in consideration of the related Annexes 3A, Schedule 7-*bis* and Schedule 7-*ter*.

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It is therefore proposed that the Shareholders' Meeting adopts the following resolutions:

In relation to sub-item 3.1 of the ordinary session of the Shareholders' Meeting

"The Shareholders' Meeting of LU-VE S.p.A.:

- having examined Section I of the "Annual Report on remuneration policy and remuneration paid" of March 2024, drawn up pursuant to the current legislation and regulations

resolved

1) to approve the "2024 Remuneration Policy" contained in Section I of the above-mentioned Report and the related adoption and implementation procedures."

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In relation to sub-item 3.2 of the ordinary session of the Shareholders' Meeting

"The Shareholders' Meeting of LU-VE S.p.A.:

- having examined Section II of the "Annual Report on Remuneration Policy and Remuneration paid" of March 2024, drawn up pursuant to the current legislation and regulations

resolved

1) to express a favourable opinion on the "Remunerations paid in the 2023 financial year" indicated in Section II of the above-mentioned Report."

FORTH ITEM ON THE AGENDA

PROPOSAL FOR AUTHORISATION OF THE PURCHASE AND DISPOSAL OF TREASURY SHARES, SUBJECT TO REVOCATION OF THE RESOLUTION ADOPTED BY THE SHAREHOLDERS' MEETING OF 28 APRIL 2023. RELATED AND SUBSEQUENT RESOLUTIONS.

Dear Shareholders,

the Shareholders' Meeting held on 28 April 2023, having revoked the resolution previously adopted on this matter by the Shareholders' Meeting held on 29 April 2022, authorised the Company to purchase treasury shares, for a period of 18 (eighteen) months from the date of the resolution, as well as to dispose of them without time limits.

As of today, the Company has not exercised the aforementioned authorisation and, against purchases made in the past, holds No. 28,027 treasury shares in portfolio, equal to 0.1261% of the ordinary share capital and equal to 0.1098% of the voting share capital. The Company does not hold treasury shares indirectly through subsidiaries, trusts or third parties.

Since the term of validity for the above authorisation will expire on 28 October 2024, in order to avoid having to convene a specific Shareholders' Meeting close to that deadline and given that this proposal is in line with practices followed by most listed companies, the Board of Directors considers it useful to propose that you proceed with the approval of a new authorisation to purchase and dispose treasury shares, subject to revocation of the authorisation previously resolved by the Shareholders' Meeting of 28 April 2023.

The reasons and procedures for purchase and disposal of treasury shares for which we request your authorisation are indicated below.

(A) Reasons for requesting authorisation to purchase and dispose of treasury shares

The reason for the resolution of the Board of Directors to submit, once again, to the Shareholders' Meeting the request for authorisation to carry out transaction to purchase treasury shares – subject to revocation of the authorisation resolved by the Shareholders' Meeting last year – and, under certain conditions, to dispose the same, in compliance with the equal treatment of shareholders and the applicable legislation and regulations, including Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("**Regulation (EU) no. 596/2014**") and the related regulatory technical standards, as well as market practices permitted by Consob, is to allow the Company:

- a) to be able to invest and disinvest in the Company shares, in the interest of the same and of all the Shareholders, if the trend of stock market prices or the amount of available liquidity may make such a transaction convenient in economic terms;
- b) to be able to act in the interests of the Company and of all Shareholders, in compliance with applicable regulations, in relation to contingent market situations, to carry out an activity that improves the liquidity of the stock, encouraging the regular trend of trading;
- c) if necessary, to use treasury shares as part of transactions related to industrial or commercial projects, or in any case of interests of the Company or the LU-VE Group, in relation to which opportunities to exchange or dispose of packages of shares or to pledge collateral on the same;
- d) if necessary, to be able to purchase and/or sell and/or assign treasury shares (or options on the shares) in relation to (i) compensation plans based on financial instruments pursuant to Article 114-*bis* of the Consolidated Law on Finance in favour of, inter alia,

directors, employees, collaborators or consultants of the Company or its subsidiaries, and (ii) the issue of financial instruments convertible to shares and (iii) plans to assign shares free of charge to Shareholders.

(B) Maximum number and nominal value of the shares that to which authorisation proposal refers

The proposal envisages that the authorisation involves purchases of the Company's shares, carried out, also in one or more tranches, up to a maximum number of 2,223,436 (two million two hundred twenty-three thousand four hundred thirty-six) treasury shares, equal to 10% (ten per cent) of the share capital, and therefore in an extent not exceeding one fifth of the Company's share capital – taking account, for this purpose, any shares held by subsidiaries – and in any case within the limit of distributable profits and available reserves as recorded in the latest duly approved financial statements.

The requested authorisation includes the power to subsequently dispose of the shares held, without any time limits, on one or more tranches, even before reaching the maximum quantity of shares that may be purchased, and, if necessary, to buy back the same shares, in compliance with the limits and conditions established in this authorisation.

(C) Information useful for the valuation in accordance with the provisions of Article 2357, paragraph 3 of the Italian Civil Code

As mentioned above, the value of the shares for which authorisation to purchase is requested does not exceed the limit corresponding to the fifth part of the Company's share capital, taking into account for this purpose also the shares that may be purchased by the Company and its subsidiaries.

In any case, specific instructions will be given to the subsidiaries to promptly report any purchase of shares carried out pursuant to Article 2359-bis et seq. of the Italian Civil Code.

(D) Duration of the authorisation

The authorisation to purchase treasury shares is requested for a period of 18 (eighteen) months from the date on which the Shareholders' Meeting adopts the related resolution.

The authorisation to dispose of treasury shares, even before the purchases are exhausted, is requested without any time limits.

(E) Minimum and maximum price and market assessments

Purchase of treasury shares

The purchase price of each of the treasury shares shall be, as a minimum, not less than 15% (fifteen per cent), and, as a maximum, not more than 15% (fifteen per cent) of the average official stock exchange price recorded on Euronext STAR Milan market in the three stock market sessions prior to the purchase or the announcement of the transaction, according to the technical procedures established by the Board of Directors.

Disposal of treasury shares

With regard to the disposal of treasury shares, only the minimum price limit of the sale to third parties is defined, which shall be such as not to entail negative economic effects for the Company, and in any case not less than 95% (ninety-five per cent) of the average official stock exchange prices recorded on the Euronext STAR Milan market in the three stock market sessions prior to the sale. This price limit may be waived in the event of exchangers or transfers of treasury shares (or pledging collateral on the same) as part of transactions related to industrial and/or commercial projects and/or in any case of interests to the Company or the Group, and in the case of assignment and/or transfer of shares (or options on the same) in relation to (i) stock options plans

based on financial instruments pursuant to Article 114-*bis* of the Consolidated Law on Finance (in favour of, *inter alia*, directors, employees, collaborators or consultants of the Company or the Group companies), and/or (ii) to service the issuance of other financial instruments convertible into shares and/or (iii) free of charge stock grant programs.

(F) Procedures for the purchase and disposal of treasury shares

The transactions to purchase treasury shares may be made in accordance with the provisions of Article 5 of Regulation (EU) no. 596/2014, and shall be carried out in compliance with Article 132 of the Consolidated Law on Finance, Article 144-*bis* of the Issuers' Regulation and, if any, the accepted market practices, therefore including, *inter alia*, (i) by means of public takeover bid or exchange offer, or (ii) on the market or, if need be, on multilateral trading systems, according to the operating procedures established by the market management company that do not allow the direct matching of trading proposal to purchase with predetermined trading proposal to sell, or (iii) through purchase and sale, in compliance with the applicable regulations, of derivative instruments traded on regulated markets or, if need be, on multilateral trading systems that require the physical delivery of the underlying shares, or (iv) by granting Shareholders, in proportion to the shares held, with a put option to be exercised within 18 (eighteen) months from the date on which the Shareholders' Meeting adopts the corresponding resolution, or (v) as established by market practices permitted by Consob pursuant to Article 13 of Regulation (EU) no. 596/2014, or in any case, in such a way as ensure equal treatment of Shareholders and compliance with all applicable provisions, including European regulations (including, if applicable, the regulatory technical standards adopted in implementation of Regulation (EU) no. 596/2014).

Treasury shares may be purchased in other ways than those indicated above if permitted by regulations in force from time to time, taking into account the requirement to comply with the principle of equal treatment of Shareholders in all cases.

Purchases may be made in one or more tranches.

The disposal of the treasury shares may be take place, on one or more tranches, even before the maximum number of shares that may be purchased has been exhausted; the disposal shall be take place through sale on the stock exchange, off-market or through exchange with equity interest or other asset or through the pledging of collateral on shares as part of transaction connected to industrial and/or commercial projects and/or in any case of the interests to the Company or the Group, in execution of incentive programmes or in any case of stock option plans based on financial instruments pursuant to Article 114-*bis* of the Consolidated Law on Finance (in favour of, *inter alia*, directors, employees, collaborators of the Company or of Group companies), to service the issuance of other financial instruments convertible into shares, through free of charge stock grant programs and also by means of public takeover bid or exchange offer; shares may also be disposed of in association with other financial instruments.

Treasury shares may be disposed in other ways than those indicated above, if permitted by the legislation, including European legislation, in force from time to time.

(G) Information on the instrumentality of the purchase for the reduction of the share capital

It should be noted that the abovementioned purchase of treasury shares is not instrumental to a reduction of the share capital.

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In view of the above, we propose that the following resolution be adopted:

"The Shareholders' Meeting of LU-VE S.p.A.,

- *having regard the resolution of the ordinary Shareholders' Meeting of LU-VE S.p.A., held on 28 April 2023, concerning the authorisation to purchase and dispose of treasury shares;*
- *having acknowledged the Board of Directors' Report and taken into account the current provision of legislation and regulations;*

resolved

1) *to revoke, with effect from the date of this Shareholders' Meeting resolution, the resolution relating to the authorisation to purchase and dispose treasury shares adopted by the Shareholders' Meeting of 28 April 2023;*

2) *to authorise purchase and sale transactions of treasury shares for the purposes indicated in the above-mentioned Directors' Report, in accordance with the terms and methods set out below:*

- *without prejudice to the limits pursuant to Article 2357 of the Italian Civil Code, the purchase may take place by means of one or more tranches, to an extent not exceeding 10% of the share capital, and up to the total amount of no. 2,223,436 (two million two hundred and twenty-three thousand and four hundred and thirty-six) ordinary shares, taking into account the shares held by the Company and by the subsidiaries of LU-VE S.p.A. and within the limits of the distributable profits and of the available reserves resulting from the last duly approved financial statements;*

- *the authorisation to purchase treasury shares has been resolved for a period of 18 (eighteen) months starting from today's date and therefore up to 29 October 2025;*

- *the authorisation includes the power to subsequently dispose of the shares held, on one or more tranches, even before the maximum number of shares that may be purchased has been exhausted, and, if appropriate, to buy back those shares, always in accordance with the limits and conditions provided for by this authorisation.*

- *the purchase price of each of treasury shares shall be, as a minimum, not less than 15% (fifteen per cent), and, as a maximum, not more than 15% (fifteen per cent) of the average official stock exchange price recorded on Euronext STAR Milan market in the three stock market sessions prior to the purchase or the announcement of the transaction, according to the technical procedures established by the Board of Directors.*

- *the sales price to third parties shall not be less than 95% (ninety-five per cent) of the average official stock exchanges prices recorded on the Euronext STAR Milan market in the three stock market sessions prior to the sale. This price limit may be waived in the event of exchangers or transfers of treasury shares (or pledging collateral on the same) as part of transactions related to industrial and/or commercial projects and/or in any case of interests to the Company or the Group, and in the case of assignment and/or transfer of shares (or options on the same) in relation to stock options plans based on financial instruments pursuant to Article 114-bis of the Consolidated Law on Finance (in favour of, inter alia, directors, employees, collaborators or consultants of the Company or the Group companies), and/or to service the issuance of other financial instruments convertible into shares and/or free of charge stock grant programs; the transactions to purchase treasury shares may be made in accordance with the provisions of Article 5 of Regulation (EU) no. 596/2014, and shall be carried out in compliance with Article 132 of the Consolidated Law on Finance, Article 144-bis of the Regulation adopted by Consob resolution no. 11971/1999 and, if any, the accepted market practices, therefore including, inter alia, (i) by means of public takeover bid or exchange offer, or (ii) on regulated market or, if need be, on multilateral trading systems, according to the operating procedures established by the market management company; (iii) by means of purchase and sale, in compliance with the applicable regulations from time to time, of derivative instruments traded on regulated markets or, if need be, on multilateral trading systems that require the physical delivery of*

the underlying shares, or (iv) by granting Shareholders, in proportion to the shares held, with a put option to be exercised within 18 (eighteen) months from the date on which the Shareholders' Meeting adopts the corresponding resolution, or (v) as established by market practices permitted by Consob pursuant to Article 13 of Regulation (EU) no. 596/2014; (vi) by different means permitted by the legislation, including European, from time to time in force; in any case equal treatment of Shareholders and compliance with applicable rules, including European rules, shall be ensured;

- *the authorisation to dispose of treasury shares, even before the maximum number of shares that may be purchased has been exhausted, was granted without any time limits.”.*

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Uboldo, 13 March 2024

On behalf of the Board of Directors

The Chairman and Chief Executive Officer

Mr. Matteo Liberali