

LU-VE S.p.A.

Via Vittorio Veneto n. 11 – 21100 Varese

REA Number: VA-191975

Tax Code no. 01570130128



EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSALS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING CONVENED IN ORDINARY AND EXTRAORDINARY SESSION FOR 18 APRIL 2025 IN SINGLE CALL

(Report prepared pursuant to Article 125-ter of the TUF and Articles 73 and 84-ter of the Issuers' Regulation)

Dear Shareholders,

in compliance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998 (the "TUF") as subsequently amended and supplemented, as well as Articles 73 and 84-ter of the Regulations implementing the TUF concerning the regulation of issuers, adopted by Consob with Resolution No. 11971 of 14 May 1999 and subsequent amendments and additions (the "Issuers' Regulation"), LU-VE S.p.A. (the "Company" or the "Issuer") makes available to you an explanatory report (the "Explanatory Report") of the items on the agenda of the ordinary part of the Shareholders' Meeting called in ordinary and extraordinary session – by means of a notice published on 18 March 2025 on the Company's website www.luvegroup.com, (section "Investor" – "Corporate Governance & Shareholders" – "For Shareholders" – "Shareholders' Meeting" – "Shareholders' Meeting of 18 April 2025") and on the authorised storage mechanism eMarket Storage www.emarketstorage.com, as well as in extract, in the newspaper "Il Sole 24 ORE" – at the Marchetti Notary's Office, in Milan, via Agnello no. 18, on 18 April 2025 at 9.30 a.m., on single call (the "Shareholders' Meeting").

The **agenda** for the **ordinary part** of the aforementioned Shareholders' Meeting is as follows:

1. *Approval of the Financial Statements for the year ended 31 December 2024 accompanied by the Directors' Report on Operations, the Report of the Board of Statutory Auditors and the Report of the Independent Auditors. Presentation of the Consolidated Financial Statements as at 31 December 2024 and the Consolidated Sustainability Report pursuant to Legislative Decree no. 125/2024. Related and consequent resolutions.*
2. *Proposal for the allocation of the profit for the year and the distribution of the dividend. Related and consequent resolutions.*
3. *Annual report on the remuneration policy and compensation paid:*
 - 3.1 *approval of the "2025 Remuneration Policy" contained in Section I, pursuant to art. 123-ter, paragraph 3-bis of Legislative Decree no. 58/98;*
 - 3.2 *advisory vote on the "Compensation paid in the 2024 financial year" reported in Section II, pursuant to art. 123-ter, paragraph 6 of Legislative Decree no. 58/98.*
4. *Appointment of the independent auditors for the financial years 2026-2034 and determination of the related consideration. Related and consequent resolutions.*
5. *Assignment of the assignment of certifying compliance with the consolidated sustainability reporting for the financial years 2026-2028 pursuant to art. 13, paragraph 2-ter, of Legislative Decree no. 39/2010 and determination of the related fee. Related and consequent resolutions.*
6. *Proposal to authorize the purchase and disposal of treasury shares, subject to revocation of the resolution passed by the Shareholders' Meeting of April 29, 2024. Related and consequent resolutions.*

This Explanatory Report must be read in conjunction with the other separate reports concerning the items on the agenda of the ordinary part of the Shareholders' Meeting referred to below in this document.

On 18 March 2025, this Explanatory Report will be made available to the public at the Company's administrative headquarters in Uboldo (VA), via Caduti della Liberazione no. 53 and on the Company's website at www.luvegroup.com (section "Investor" – "Corporate governance & shareholders" – "For

shareholders" – "Shareholders' meeting" – "Shareholders' Meeting of 18 April 2025") and on the authorised storage mechanism eMarket Storage www.emarketstorage.com.

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ORDINARY PART

FIRST ITEM ON THE AGENDA

APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 ACCOMPANIED BY THE DIRECTORS' REPORT ON OPERATIONS, THE REPORT OF THE BOARD OF STATUTORY AUDITORS AND THE REPORT OF THE INDEPENDENT AUDITORS. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 AND OF THE CONSOLIDATED SUSTAINABILITY REPORTING PURSUANT TO LEGISLATIVE DECREE NO. 125/2024. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

with regard to **item 1** of the agenda of the ordinary part of the Shareholders' Meeting, we inform you that, following the approval by the Board of Directors on 13 March 2025 of the draft financial statements of LU-VE S.p.A. as at 31 December 2024, you will be called to resolve on the same.

The draft financial statements that we submit to you for approval close with a profit for the year of Euro 17,660,752.67 (seventeen million six hundred and sixty thousand seven hundred and fifty-two/67).

We also submit to your attention the **consolidated financial statements** of the LU-VE Group (the "**Group**" or the "**LU-VE Group**") and the **consolidated sustainability report** pursuant to Legislative Decree no. 125/2024 (the "**Consolidated Sustainability Report**") as at 31 December 2024, approved by the Board of Directors on 13 March 2025, which, although not subject to approval by the Shareholders' Meeting, constitute a complement to the information provided with the draft financial statements of LU-VE S.p.A..

For any further information on this matter, please refer to the Integrated Annual Report – including the draft financial statements, the consolidated financial statements and the Consolidated Sustainability Report as at 31 December 2024, the Single Report on Directors' Operations, the report of the Board of Statutory Auditors and those of the Independent Auditors as well as the certifications pursuant to Article 154-bis, paragraphs 5 and 5-ter of the TUF – which on **28 March 2025** will be made available to the public at the Company's administrative headquarters and on the Company's website at www.luvegroupp.com, (section "*Investor*" – "*Corporate governance & shareholders*" – "*For shareholders*" – "*Shareholders' meeting*" – "*Shareholders' Meeting 18 April 2025*") and on the authorised storage mechanism *eMarket Storage* www.emarketstorage.com, together with the additional documentation required by current legislation.

It should be noted that the Integrated Annual Report has been prepared pursuant to the Transparency Directive according to the single electronic communication format (ESEF) based on the principles dictated by EU Delegated Regulation 2019/815. However, this Report will also be published in PDF version for ease of reading, it being understood that only the version in ESEF format will have legal value.

With regard to the content of the aforementioned Annual Integrated Report, it should be noted in particular that, following the entry into force of Legislative Decree no. 125/2024, which implemented Directive (EU) 2022/2464 of the European Parliament and of the Council (*Corporate Sustainability Reporting Directive* - CSRD), starting from the financial year ended 31 December 2024, the obligation to prepare the non-financial statement (so-called "**NFS**") introduced by Legislative Decree no. 254/2016 for public interest entities (the "**EIPs**") referred to in art. 16, paragraph 1, letter a) of Legislative Decree no. 39/2010, which also includes LU-VE, has been replaced by the obligation to include sustainability reporting in a special section of the management report, which must be

consolidated (in the case of LU-VE) and must be certified by a qualified auditor pursuant to Legislative Decree no. 39/2010.

In this regard, it should be noted that the certification of compliance with the Consolidated Sustainability Report as at 31 December 2024, included in a specific section of the Single Report on Operations contained in the Annual Integrated Report, was issued by the independent auditors *Deloitte & Touche S.p.A.*, to which LU-VE has assigned, in addition to the task of external auditors, also that of certifying the compliance of the NFS until the approval of the financial statements as at 31 December 2025.

Art. 18, paragraph 1, of Legislative Decree no. 125/2024 allows in this regard to maintain valid, for their entire duration, the assignments already conferred for the certification of compliance with the NFS also for the purpose of carrying out the activity of certifying compliance with the Consolidated Sustainability Reporting.

Therefore, this year, in addition to the Independent Auditors' reports on the Financial Statements and the Consolidated Financial Statements, the Integrated Annual Report will also include the certification of compliance with the Consolidated Sustainability Report issued by the independent auditors *Deloitte & Touche S.p.A.* tag.

With regard to the content of the Consolidated Sustainability Report for the year 2024 - which you can consult in the appropriate section of the Single Report on Operations contained in the Annual Integrated Report - it should be noted that it has been prepared by the Company in accordance with the provisions of Article 4 of Legislative Decree no. 125/2024, on the basis of the principles and information required by *the European Sustainability Reporting Standards (ESRS)* adopted by the European Commission. The scope of the Consolidated Sustainability Report includes all the companies belonging to the LU-VE Group.

Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the so-called "**Taxonomy Regulation**") and the Delegated Regulations (EU) 2021/2178 and (EU) 2021/2139 related to it have introduced the obligation to include, as part of the consolidated sustainability reporting, specific information on how and to what extent the company's activities are associated with "environmentally sustainable" economic activities pursuant to the same Regulation. This information was presented in a separate section of the Consolidated Sustainability Report.

In the Report of *Deloitte & Touche S.p.A.* on the limited examination of the Consolidated Sustainability Report pursuant to art. 14-bis of Decree-Law no. Legislative Decree no. 39 of 27 January 2010, the auditor will report whether the information required by the Taxonomy Regulation included in the Consolidated Sustainability Report has been prepared, in all significant respects, in accordance with Article 8 of the same Regulation.

* * *

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

"The Ordinary Shareholders' Meeting of LU-VE S.p.A., having examined the Directors' Report on Operations and the data of the financial statements as at 31 December 2024 of LU-VE S.p.A., the report of the Board of Statutory Auditors and the report of the Independent Auditors, as well as the additional documentation required by law

deliberation

- 1) *to approve the financial statements for the year ended 31 December 2024 of LU-VE S.p.A., which show a net profit for the year of 17,660,752.67 (seventeen million six hundred and sixty thousand seven hundred and fifty-two/67), as well as the Directors' Report on Operations;*
- 2) *to confer on the Board of Directors – and on its behalf on its Chairman and Chief Executive Officer – all the powers necessary to execute, with the right of sub-delegation, this resolution and file it for registration with the competent Register of Companies, making any formal amendments, additions or deletions that may be necessary".*

SECOND ITEM ON THE AGENDA

PROPOSAL FOR THE ALLOCATION OF THE PROFIT FOR THE YEAR AND DISTRIBUTION OF THE DIVIDEND. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

in relation to the item indicated in **item 2** of the agenda of the ordinary part of the Shareholders' Meeting, the Board of Directors proposes to allocate the net profit for the year of Euro 17,660,752.67 (seventeen million six hundred and sixty thousand seven hundred and fifty-two/67) as follows:

- (i) to "Legal reserve", for the amount of Euro 883,037.63 (eight hundred and eighty-three thousand zero thirty-seven/63);
- (ii) to the Shareholders, through the distribution of a dividend, for the gross unit amount of Euro 0.42 (zero/42) for each of the shares entitled to the *record date pursuant to* Article 83-terdecies of the TUF (i.e. the accounting day at the end of which, the evidence of the accounts of the Shareholders active with the intermediaries is authentic for the purposes of entitlement to the payment of the dividend);
- (iii) to "Extraordinary reserve" for the amount of the residual profit for the year.

Taking into account that at the date of approval of this Explanatory Report, the LU-VE shares outstanding were 22,234,368 and that the Company holds 28,027 treasury shares, the total amount of the dividend, as of this date, is equal to Euro 9,326,663.22 (nine million three hundred twenty-six thousand six hundred and sixty-three /22).

The Board of Directors also proposes to establish that the dividend will be payable from 30 April 2025, with an ex-dividend date of coupon no. 10 on 28 April 2025, in accordance with Borsa Italiana's calendar, and *record date pursuant to* Article 83-terdecies of the TUF on 29 April 2025.

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

"The Ordinary Shareholders' Meeting of LU-VE S.p.A., approved the financial statements for the year ended December 31, 2024, which show a net profit for the year of Euro 17,660,752.67 (seventeen million six hundred and sixty thousand seven hundred and fifty-two/67)

deliberation

- 1) *to allocate a part of the net profit for the year to the "Legal reserve", for an amount of Euro 883,037.63 (eight hundred and eighty-three thousand zero thirty-seven/63);*
- 2) *to distribute a gross ordinary dividend of Euro 0.42 (zero/42) for each share entitled to the record date pursuant to Article 83-terdecies of Legislative Decree No. 58/98;*
- 3) *to allocate the amount of the remaining profit for the year to the "Extraordinary reserve";*
- 4) *to establish that the payment of the dividend will take place, for each entitled share, on 30 April 2025, with an ex-dividend date of coupon no. 10, on 28 April 2025, in accordance with the calendar of Borsa Italiana, and record date pursuant to Article 83-terdecies of Legislative Decree no. 58/98 on 29 April 2025".*

THIRD ITEM ON THE AGENDA

ANNUAL REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID:

3.1 APPROVAL OF THE "2025 REMUNERATION POLICY" CONTAINED IN SECTION I, PURSUANT TO ART. 123-TER, PARAGRAPH 3-ENCORE DEL D. LGS. N. 58/98;

3.2 ADVISORY VOTE ON THE "COMPENSATION PAID IN THE FINANCIAL YEAR 2024" INDICATED IN SECTION II, PURSUANT TO ART. 123-TER, COMMA 6 DEL D. LGS. N. 58/98.

Dear Shareholders,

in relation to item 3 on the agenda of the ordinary part of the Shareholders' Meeting, you are called again this year – pursuant to Article 123-ter of the TUF, as last amended by Legislative Decree no. 49/2019, which implemented EU Directive 2017/828 (so-called SHRD II) – to express your opinion on the "Annual Report on the remuneration policy and compensation paid" of LU-VE S.p.A. (the "Remuneration Report" or "Report") with regard to:

- the remuneration policy for the members of the administrative and supervisory bodies, the Honorary Chairman, the General Manager and the executives with strategic responsibilities (the "Relevant Persons") proposed by the Board of Directors for the financial year 2025 and the procedures used for the adoption and implementation of this policy (the "2025 Remuneration Policy"); And
- on the remuneration paid in 2024 to Relevant Persons.

We remind you that, as already provided in the past, the Remuneration Report is divided into two distinct sections:

- **Section I**, which describes the 2025 Remuneration Policy and the procedures used for the adoption and implementation of the policy itself;
- **Section II** (divided into two parts) which contains, in the First Part, the representation of the remuneration paid by the Company to the Relevant Persons with reference to each of the items that make up the remuneration for the year 2024 of such persons; and, in the Second Part, the details of the remuneration paid to the Relevant Persons or accrued by them in the year 2024, for any reason and in any form, by the Company and its subsidiaries and associates, using the tables attached to the Remuneration Report, which form an integral part of the same, as well as information on the shareholdings held in the Company and its subsidiaries by the same persons as well as by their spouses who are not legally separated or by their minor children, directly or through subsidiaries, trust companies or through third parties.

In accordance with the current text of Article 123-ter of the TUF, the vote to be cast on the 2025 Remuneration Policy contained in Section I of the Remuneration Report is a binding vote, while the advisory vote on the remuneration paid in 2024 to Relevant Persons, reported in Section II of the Report, is an advisory vote.

It should be noted that the Report – and, therefore, the 2025 Remuneration Policy and the remuneration paid to Relevant Persons in the 2024 financial year contained respectively in Section I and Section II of the Report – was approved by the Board of Directors at its meeting on 13 March 2025, on the proposal of the Remuneration and Appointments Committee in compliance with the regulations, also in accordance with the regulations, in force and will be made available to the public at the Company's administrative headquarters and on the website at www.luvegroup.com ("*Investor*" – "*Corporate Governance & Shareholders*" – "*For Shareholders*" – "*Shareholders' Meeting*")

– "Shareholders' Meeting of 18 April 2025" section) as well as on the authorised storage mechanism eMarket Storage www.emarketstorage.com, on 28 March 2025.

For any further details, please refer to the text of the aforementioned Report, the contents of which have also been defined in accordance with the provisions of Article 84-quarter of the Issuers' Regulation and in consideration of the relevant Annexes 3A, Schedule 7-bis and Schedule 7-ter.

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

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

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

- examined Section I of the "Annual Report on the Remuneration Policy and Compensation Paid" of March 2025 prepared pursuant to current legal and regulatory provisions

deliberation

- 1) *to approve the "2025 Remuneration Policy" contained in Section I of the aforementioned Report and the related adoption and implementation procedures".*

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

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

- examined Section II of the "Annual Report on the Remuneration Policy and Compensation Paid" of March 2025 prepared pursuant to current legal and regulatory provisions

deliberation

- 1) *to express a favourable opinion on the "Compensation paid in the financial year 2024" indicated in Section II of the aforementioned Report".*

FOURTH ITEM ON THE AGENDA

APPOINTMENT OF THE INDEPENDENT AUDITORS FOR THE FINANCIAL YEARS 2026-2034 AND DETERMINATION OF THE RELATED CONSIDERATION, RELATED AND CONSEQUENTIAL RESOLUTIONS.

Dear Shareholders,

with regard to item 4 on the agenda of the ordinary part of the Shareholders' Meeting, we would like to remind you that, with the approval of the Financial Statements as at 31 December 2025, the appointment of *Deloitte & Touche* S.p.A. (also "**Deloitte**") by the Shareholders' Meeting of LU-VE S.p.A. on 10 March 2017 and currently underway will expire.

The Shareholders' Meeting will therefore be called upon to appoint a new independent auditors, in accordance with Article 16 of Regulation (EU) No. 537/2014 (the "**EU Regulation**") as LU-VE falls within the category of public-interest entities ("**EIPs**") referred to in Art. 16, paragraph 1, letter a) of Legislative Decree no. 39 of 27 January 2010, as subsequently amended and supplemented (the "**Legislative Decree no. 39/2010**") and is, therefore, subject to the specific provisions applicable to the statutory audit of the accounts of PIEs contained in the EU Regulation and in Legislative Decree no. 39/2010.

In particular, the appointment of the statutory auditors must be assigned to an auditing firm other than Deloitte since art. 17 of Legislative Decree no. 39/2010, applicable to PIEs, provides that the appointment has a duration of 9 financial years and that it cannot be renewed or re-conferred "*if at least four financial years have not elapsed since the date of termination of the previous appointment*".

The new appointment of independent auditors must be appointed by the Shareholders' Meeting on the proposal of the Board of Directors, taking into account the recommendation drawn up by the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee pursuant to Article 19 of Legislative Decree no. 39/2010 ("**CCIRC**"), at the end of a specific selection procedure based on criteria of transparency and non-discrimination, in accordance with art. 16 of the EU Regulation.

The Company has decided to start the selection procedure for the new statutory auditor for the nine-year period 2026-2034 in advance of the expiry of Deloitte's mandate, starting it as early as the 2024 financial year, so as to allow the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2024 to resolve on the assignment of this appointment.

This approach was considered appropriate to facilitate the turnover (so-called "Rotation of Workers"). *handover*) between the incoming and outgoing auditor and manage in time situations potentially likely to threaten the independence of the incoming auditor, including those related to the performance of services provided for by art. 5 of the EU Regulation for the statutory auditor and in accordance with the *best practices* already adopted by the main public-interest entities in the European Union.

By virtue of the above, the proposal relating to the appointment of a new independent auditor for the nine-year period 2026-2034 is submitted to your examination, as well as the determination of the related fee.

The selection procedure and the request for quotation sent to the parties invited to participate in the tender launched in this regard by the Company have been prepared in accordance with the regulations in force and the "*Procedure for the assignment of statutory audit engagements and certification of compliance with the sustainability reporting of the LU-VE group and additional non-*

audit assignments to the appointed auditors" approved by the Board of Statutory Auditors, in compliance with transparent and non-discriminatory selection methods and criteria, in continuity with the current policy of the sole auditor of the LU-VE Group, as well as in order to ensure an orderly and consistent management of the assignment of the assignment also by the Group companies. To this end, the request for quotation was made not only for LU-VE S.p.A., but also for other entities belonging to the Group.

At the end of the selection procedure, in accordance with the provisions of the aforementioned Article 16 of the EU Regulation, since it is a question of the assignment of the independent auditor for an EIP, the Board of Statutory Auditors prepared and submitted to the Board of Directors its recommendation, containing two possible alternatives for the assignment of the independent auditors and the preference, duly justified, for one of the two, attached to this Explanatory Report.

In this regard, the CCIRC stated that its recommendation was not influenced by third parties and without the application of any of the clauses mentioned in art. 16 of the EU Regulation.

In the present case, the Board of Statutory Auditors recommended that the appointment of KPMG S.p.A. or PricewaterhouseCoopers S.p.A. be appointed as independent auditors, expressing its preference in favour of KPMG S.p.A..

It should be noted that the Ordinary Shareholders' Meeting, on the proposal of the Board of Directors, is called upon to appoint the independent auditors, as well as to determine the remuneration due to the independent auditors for the entire duration of the appointment and any criteria for adjusting this remuneration during the term of office.

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By virtue of the above, having taken note of the recommendation of the Board of Statutory Auditors, attached to this Explanatory Report *under "A"*, we propose that you adopt the following resolution:

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

- acknowledging that with the approval of the financial statements for the year ended 31 December 2025, the appointment of the independent auditors Deloitte & Touche S.p.A. for the financial years 2017 – 2025 will expire;

- having examined the recommendation made by the Board of Statutory Auditors as the Internal Control and Audit Committee pursuant to Article 19 of Legislative Decree no. 39/2010 regarding the appointment of LU-VE S.p.A. as independent auditors for the financial years 2026-2034,

deliberation

- to appoint the independent auditors KPMG S.p.A. as independent auditors of LU-VE S.p.A. for the financial years 2026-2034, except in cases of early termination, for the performance of their activities, under the conditions, including the consideration due to the independent auditors together with the criteria for the related adjustment during the term of office, referred to in the offer made by the aforementioned independent auditors, the economic terms of which are summarised in the recommendation made by the Board of Statutory Auditors;

- to confer on the Board of Directors – and on its behalf on its Chairman and Chief Executive Officer – all the powers necessary to execute, with the right of sub-delegation, this resolution, as well as to comply with the relevant and/or necessary formalities with the competent bodies and/or offices, making any formal amendments, additions or deletions that may be necessary".

FIFTH ITEM ON THE AGENDA

ASSIGNMENT OF THE ASSIGNMENT OF CERTIFICATION OF THE COMPLIANCE OF THE CONSOLIDATED SUSTAINABILITY REPORTING FOR THE FINANCIAL YEARS 2026-2028 PURSUANT TO ART. 13, PARAGRAPH 2-TER, OF LEGISLATIVE DECREE NO. 39/2010 AND DETERMINATION OF THE RELATED FEE. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

in relation to item 5 on the agenda of the ordinary part of the Shareholders' Meeting, we remind you that, with the approval of the Financial Statements as at 31 December 2025, the mandate to certify the compliance of the Consolidated Sustainability Report conferred on Deloitte & Touche S.p.A. and currently in progress will expire.

We remind you that, following the entry into force of Legislative Decree no. 125/2024, which implemented Directive (EU) 2022/2464 of the European Parliament and of the Council (*Corporate Sustainability Reporting Directive - CSRD*), starting from the financial year ended 31 December 2024, the obligation to prepare the NFS introduced for PIEs by Legislative Decree no. 254/2016, has been replaced by the obligation to include in a special section of the management report a report of sustainability, which must be consolidated (in the case of LU-VE) and must be certified by a qualified auditor pursuant to Legislative Decree no. 39/2010.

Art. 18, paragraph 1, of Legislative Decree no. 125/2024 allows in this regard to maintain valid, for their entire duration, the assignments already conferred for the certification of compliance with the NFS also for the purpose of carrying out the activity of certifying compliance with consolidated sustainability reporting.

To this end, it should be noted that, on 1 October 2020, the Company had also appointed Deloitte - already in charge of the statutory audit - to certify the compliance of the NFS for a period coinciding with the remaining period of the audit engagement and, therefore, pursuant to art. 18 of Legislative Decree no. 125/2024, the validity of this appointment is also extended to the certification of compliance with the Consolidated Sustainability Report up to and including the financial year 2025.

The Shareholders' Meeting will therefore be called upon to confer, with effect from the 2026 financial year, a new mandate to certify the compliance of the Consolidated Sustainability Report provided for by art. 8, paragraph 1, of the same Legislative Decree no. 125/2024 which, pursuant to paragraph 2 of the aforementioned rule, may be conferred on the same statutory auditor in charge of the statutory audit or on a different statutory auditor. It should be noted, in this regard, that art. 13, paragraph 2-ter of Legislative Decree no. 39/2010 provides that the appointment has a duration of 3 financial years and that, for EIPs, it can be renewed no more than twice.

The new task of certifying the compliance of the Consolidated Sustainability Report must be entrusted by the Shareholders' Meeting, upon a reasoned proposal from the Board of Statutory Auditors. In this regard, it should be noted that, despite the fact that the regulations in force do not expressly require it, the Board of Statutory Auditors deemed it appropriate, for the purposes of formulating this reasoned proposal, to follow the same formalities established for the appointment

of the independent auditors referred to in item 4 above on the agenda of the ordinary part of the Shareholders' Meeting, thus using a more meticulous selection process in terms of methods of conduct and evaluation criteria, in line with the provisions of the EU Regulation.

The Company has decided to start the selection of the new auditor to be appointed to certify the compliance of the Consolidated Sustainability Report for the three-year period 2026-2028 in advance of the expiry of Deloitte's mandate, starting it as early as the 2024 financial year, and in conjunction with the selection procedure for the statutory auditor who, in continuity with the current policy of coincidence of the statutory auditor and the sustainability auditor, it may allow the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2024 to resolve to entrust both of the aforementioned appointments to the same person.

This approach was considered appropriate to facilitate the turnover (so-called "Rotation of Workers"). *handover*) between the incoming and outgoing auditor and manage in time situations potentially likely to threaten the independence of the incoming auditor, including those related to the performance of services provided for by art. 5 of the EU Regulation for the sustainability auditor.

By virtue of the above, the proposal relating to the assignment of the assignment of the certification of compliance of the Consolidated Sustainability Report for the three-year period 2026-2028 to a new auditing firm, as well as the determination of the related fee, is submitted to your examination.

At the end of the selection procedure, with a view to assigning this appointment to the same independent auditor who will be appointed to audit the accounts, the Board of Statutory Auditors prepared and submitted its reasoned proposal containing the indication of KPMG S.p.A. as the independent auditor to be appointed as Sustainability Auditor, as well as, alternatively and alternatively, the indication of PricewaterhouseCoopers S.p.A..

It should be noted that, in addition to being called upon to certify the compliance of the Consolidated Sustainability Report, the Ordinary Shareholders' Meeting is required to determine the consideration due to the independent auditors for the entire duration of the appointment and any criteria for adjusting this consideration during the term of office. In this regard, reference should be made to the content of the reasoned proposal of the Board of Statutory Auditors attached to this Explanatory Report.

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By virtue of the above, in accordance with the reasoned proposal of the Board of Statutory Auditors, attached to this Explanatory Report *under "B"*, we propose that you adopt the following resolution:

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

- acknowledged that, pursuant to Legislative Decree no. 125/2024, with the approval of the financial statements for the year ended 31 December 2025, the mandate conferred on the independent auditors Deloitte & Touche S.p.A., extended up to and including the financial year 2025, will expire;*
- having examined the proposal made by the Board of Statutory Auditors containing the reasoned proposal regarding the assignment of the assignment of certifying the compliance of the consolidated sustainability reporting of LU-VE S.p.A. for the financial years 2026-2028,*

deliberation

- to appoint the independent auditors KPMG S.p.A. to certify the compliance of the consolidated sustainability reports of LU-VE S.p.A. for the financial years 2026-2028, except in cases of early*

termination, for the performance of the activities as well as under the conditions, including the consideration due to the independent auditors together with the criteria for the related adjustment during the term of office, referred to in the offer made by the aforementioned independent auditors, the economic terms of which are summarised in the reasoned proposal formulated by the Board of Statutory Auditors;

- to confer on the Board of Directors – and on its behalf on its Chairman and Chief Executive Officer – all the powers necessary to execute, with the right of sub-delegation, this resolution, as well as to comply with the relevant and/or necessary formalities with the competent bodies and/or offices, making any formal amendments, additions or deletions that may be necessary".

SIXTH ITEM ON THE AGENDA

PROPOSAL TO AUTHORIZE THE PURCHASE AND DISPOSAL OF TREASURY SHARES, SUBJECT TO REVOCATION OF THE RESOLUTION PASSED BY THE SHAREHOLDERS' MEETING OF APRIL 29, 2024. RELATED AND CONSEQUENT RESOLUTIONS.

Dear Shareholders,

in relation to item 6 on the agenda of the ordinary part of the Shareholders' Meeting, we remind you that the Shareholders' Meeting of 29 April 2024, having revoked the resolution already adopted on the matter by the Shareholders' Meeting of 28 April 2023, had authorised the Company to purchase treasury shares, for a period of 18 (eighteen) months from the date of the Shareholders' resolution, as well as to dispose of them without time limits.

As of today, the Company has not exercised the aforementioned authorization and, in view of the purchases made in the past, holds 28,027 treasury shares in portfolio, equal to 0.1261% of the ordinary share capital and 0.1099% of the share capital with voting rights. The Company does not hold its own shares through subsidiaries, trusts or through third parties.

Since the term of validity of the above authorization will expire on 29 October 2025, in order to avoid the convening of a special shareholders' meeting close to this deadline and considering that this proposal is in line with the practice followed by most listed companies, the Board of Directors deems it useful to propose that you proceed with the approval of a new authorization for the purchase and disposal of treasury shares, subject to revocation of the authorization previously resolved by the Shareholders' Meeting of 29 April 2024.

The reasons for and methods of the purchase and disposal of treasury shares for which we ask you for your authorization are indicated below.

(A) *Reasons for which authorisation to purchase and dispose of treasury shares is requested*

The resolution of the Board of Directors to submit, once again, to the Shareholders' Meeting, the request for authorization to carry out share buybacks – subject to revocation of the authorization resolved by the Shareholders' Meeting last year – and, under certain conditions, to dispose of the same, always in compliance with the equal treatment of shareholders and the applicable laws – including regulations – including EU Regulation no. 596/2014 of the European Parliament of 16 April 2014 on market abuse ("**Regulation (EU) No. 596/2014**") and the related regulatory technical standards, as well as market practices accepted by Consob, is motivated by the opportunity to allow the Company:

- a) to be able to proceed with investments and divestments in shares of the Company, in the interest of the Company and of all Shareholders, if the trend in stock market prices or the amount of liquidity available may make such an operation economically convenient;
- b) to be able to intervene, in the interest of the Company and 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 itself, favoring the regular performance of trading;
- c) if necessary, to use treasury shares in the context of transactions related to industrial or commercial projects or in any case of interest to the Company or the LU-VE Group, in relation to which the opportunity to exchange or sell share packages or to provide guarantees on the same materializes;
- d) if applicable, to be able to purchase and/or sell and/or assign treasury shares (or options thereunder) in relation to (i) compensation plans based on financial instruments pursuant to

Article 114-bis of the TUF in favour, inter alia, of directors, employees, collaborators, consultants of the Company and its subsidiaries, as well as (ii) the issuance of financial instruments convertible into shares and (iii) programmes for the free allocation of shares to Shareholders.

(B) Maximum number and par value of shares covered by the authorisation proposal

The proposal provides that the authorization relates to the purchase of the Company's shares to be carried out, even in several instalments, up to the maximum amount of 2,223,436 (two million two hundred and twenty-three thousand four hundred and thirty-six) treasury shares equal to 10% (ten percent) of the share capital and, therefore, to an extent not exceeding one fifth of the Company's share capital, taking into account, for this purpose, any shares held by subsidiaries – and, in any case, within the limits of distributable profits and available reserves resulting from the last duly approved financial statements.

The requested authorization includes the right to subsequently dispose of the shares in the portfolio, in one or more tranches, without time limits, even before having exhausted the maximum number of shares that can be purchased, and possibly to repurchase the shares themselves always in accordance with the limits and conditions established by this authorization.

(C) Useful information for assessing compliance with the provision provided for by art. 2357, paragraph 3 of the Civil Code

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

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

(D) Duration of the authorization

The authorization to purchase treasury shares is requested for a period of 18 (eighteen) months from the date on which the Shareholders' Meeting has adopted the relevant resolution.

Authorization to dispose of treasury shares, even before purchases are exhausted, is requested without time limits.

(E) Minimum and maximum consideration and market valuations

Purchase of treasury shares

The purchase price of each of the treasury shares must be at least not 15% lower (fifteen percent) and, at most, not more than 15% (fifteen percent) higher than the average of the official trading prices recorded on the Euronext STAR Milan market in the three sessions prior to the purchase or announcement of the transaction, depending on the technical procedures identified by the Board of Directors.

Disposal of treasury shares

With regard to the disposal of the shares purchased, only the minimum price limit for the sale to third parties is defined, which must be such as not to entail negative economic effects for the Company, and in any case not less than 95% (ninety-five percent) of the average

official prices recorded on the Euronext STAR Milan market in the three days prior to the sale. This price limit may be waived in the event of exchanges or sales of treasury shares (or the provision of guarantees on the same) in the context of the implementation of transactions related to industrial and/or commercial projects and/or in any case of interest to the Company or the Group, and in the event of the assignment and/or sale of shares (or options thereon) in relation to (i) compensation plans based on financial instruments to the pursuant to art. 114-bis of the TUF (in favour, inter alia, of directors, employees, collaborators, consultants of the Company or Group companies), and/or (ii) to service the issue of other financial instruments convertible into shares and/or (iii) to programmes for the free assignment of shares.

(F) Methods through which the purchases and disposal of treasury shares will be carried out

The purchase of treasury shares may be carried out in accordance with the provisions of Article 5 of Regulation (EU) No. 596/2014, and must be carried out in compliance with Article 132 of the TUF, Article 144-bis of the Issuers' Regulation and, where applicable, accepted market practices, and therefore, inter alia (i) by means of a public tender or exchange offer, (ii) on the market or, where applicable, on multilateral trading facilities, in accordance with the operating procedures established by the market management company that do not allow the direct combination of purchase proposals with predetermined sale proposals, or (iii) through the purchase and sale, in accordance with current regulatory provisions, of derivative instruments traded on regulated markets, or, where applicable, in multilateral trading facilities that provide for the physical delivery of the underlying shares, or (iv) by granting Shareholders, in proportion to the shares held by them, a put option to be exercised within 18 (eighteen) months from the date on which the Shareholders' Meeting adopts the corresponding resolution, or (v) in accordance with the procedures established by market practices accepted by Consob pursuant to art. 13 of Regulation (EU) No. 596/2014, and in any case, in such a way as to ensure equal treatment between Shareholders and compliance with all applicable rules, including European standards (including, where applicable, the regulatory technical standards adopted in implementation of Regulation (EU) No. 596/2014).

The purchase of treasury shares may take place in ways other than those indicated above where permitted in compliance with the regulations in force from time to time, taking into account the need to comply in any case with the principle of equal treatment of Shareholders.

Purchases can be made in one or more instalments.

With regard to the disposal of treasury shares, this may take place, in one or more tranches, even before the maximum number of shares that can be purchased has been exhausted; the disposal will take place through sale on the stock exchange, off the market, through exchange for equity investments or other assets or through the provision of guarantees in the context of transactions related to industrial and/or commercial projects and/or in any case of interest to the Company or the Group. in execution of incentive programmes or in any case compensation plans based on financial instruments pursuant to Article 114-bis of the TUF (in favour, inter alia, of directors, employees, collaborators, of the Company and Group companies), to service the issue of other financial instruments convertible into shares, through free share assignment programs and also through public offer for sale or exchange; the shares may also be sold through combination with other financial instruments.

The disposal of treasury shares may also take place in ways other than those indicated above where permitted by the legislation, including European legislation, in force from time to time.

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

It should be noted that the above-mentioned purchase of treasury shares is not instrumental to a reduction in the share capital.

* * *

By virtue of the above, we propose that you adopt the following resolution:

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

- having regard to the resolution of the Ordinary Shareholders' Meeting of LU-VE S.p.A., held on 29 April 2024, regarding the authorisation, purchase and disposal of treasury shares;
- having taken note of the Report of the Board of Directors and taking into account the provisions of the law and regulations in force,

deliberation

- 1) to revoke, as of the date of this Shareholders' resolution, the resolution relating to the authorisation to purchase and dispose of treasury shares adopted by the Shareholders' Meeting of 29 April 2024;
- 2) to authorise the purchase and disposal of treasury shares for the purposes indicated in the aforementioned Directors' Report, under the terms and in the manner set out below:
 - without prejudice to the limits set forth in Article 2357 of the Italian Civil Code, the purchase may take place in one or more instalments, in an amount not exceeding 10% of the share capital, i.e. up to the maximum number of 2,223,436 (two million two hundred twenty-three thousand four hundred and thirty-six) ordinary shares, taking into account the shares held by the Company and the subsidiaries of LU-VE S.p.A. and within the limits of distributable profits and available reserves resulting on the basis of the last duly approved financial statements;
 - the authorization for the purchase of treasury shares is resolved for a period of 18 (eighteen) months from today's date and therefore until 18 October 2026;
 - the authorisation includes the right to subsequently dispose of the shares in the portfolio, in one or more tranches, even before having exhausted the maximum number of shares that can be purchased, and possibly to repurchase the shares themselves, always in accordance with the limits and conditions established by this authorisation;
 - the purchase price of each of the treasury shares must be, at a minimum, not 15% lower (fifteen per cent) and, at most, not more than 15% (fifteen per cent) lower than the average of the official trading prices recorded on the Euronext STAR Milan market in the three sessions prior to the purchase or announcement of the transaction, depending on the technical procedures identified by the Board of Directors;
 - the price of the sale to third parties must be not less than 95% (ninety-five percent) of the average of the official prices recorded on the Euronext STAR Milan market in the three days prior to the sale. This price limit may be waived in the event of exchanges or disposals of treasury shares (or the provision of guarantees on the same) in the context of the implementation of transactions related to industrial and/or commercial projects and/or in any case of interest to the Company or the LU-VE Group, and in the event of the assignment and/or sale of shares (or options based on the same) in relation to compensation plans based on financial instruments to the pursuant to art. 114-bis of Legislative Decree no. 58/1998 (in favour, inter alia, of directors, employees or

collaborators of the Company and companies of the LU-VE Group) and/or to service the issue of other financial instruments convertible into shares and/or free share assignment programmes;

- Purchase transactions may be carried out in accordance with art. 5 of Regulation (EU) no. 596/2014 and must be carried out in compliance with art. 132 of Legislative Decree no. 58/1998, art. 144-bis of the Regulation adopted by Consob resolution no. 11971/1999 and, if applicable, to accepted market practices, and therefore, inter alia: (i) through a takeover or exchange offer; (ii) on regulated markets or, where applicable, on multilateral trading facilities, in accordance with the operating procedures established by the market management company; (iii) through the purchase and sale, in accordance with the regulatory provisions in force from time to time, of derivative instruments traded on regulated markets or, where applicable, on multilateral trading facilities that provide for the physical delivery of the underlying shares; (iv) by granting the Shareholders, in proportion to the shares held by them, a put option to be exercised within 18 (eighteen) months from today's date; (v) in accordance with the procedures established by market practices accepted by Consob pursuant to art. 13 of Regulation (EU) No. 596/2014; (vi) in the various ways permitted by the legislation, including European legislation, in force from time to time; in any case, equal treatment between Shareholders and compliance with all applicable regulations, including European ones, must be ensured;*
- Authorization to dispose of treasury shares, even before purchases are exhausted, is given without time limits".*

** * **

Uboldo (VA), 13 March 2025

For the Board of Directors

The Chairman and Chief Executive Officer

Dr. Matteo Liberali

Annex "A"

"Recommendation of the Board of Statutory Auditors of LU-VE S.P.A. in its capacity as Internal Control and Audit Committee for the appointment of the independent auditors for the period 2026-2034".

**RECOMMENDATION OF THE BOARD OF STATUTORY AUDITORS OF LU-VE S.p.A. IN ITS CAPACITY AS
INTERNAL CONTROL AND AUDIT COMMITTEE FOR THE APPOINTMENT OF THE INDEPENDENT
AUDITORS FOR THE PERIOD 2026-2034**

(pursuant to Article 13 of Legislative Decree No. 39/2010 and Article 16, par. 2 of Regulation no.
537/2014)

Dear Shareholders

with the approval of the financial statements of LU-VE S.p.A. (hereinafter also the "Company") as at 31 December 2025, the appointment of Deloitte & Touche S.p.A. as independent auditors will expire.

According to the current legislation on statutory auditing, as amended by European Regulation No. 537/2014 and Legislative Decree No. 39/2010 supplemented by Legislative Decree No. 135/2016, the appointment cannot be re-appointed to the current auditor Deloitte & Touche S.p.A. and must be entrusted through a specific selection procedure.

Therefore, in anticipation of the expiry of the statutory audit engagement currently in progress and in line with the *best practices* adopted by the Public Interest Entities (hereinafter also referred to as "EIPs") among which LU-VE S.p.A. qualifies, the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee (hereinafter also referred to as the "CCIRC") pursuant to Article 19 of Legislative Decree No. 39/2010, in agreement with the Manager in charge of preparing the accounting and corporate documents (hereinafter also the "Manager in charge of preparing financial statements"), during the financial year 2024 it launched the selection process for the assignment of the independent auditors for the nine-year period 2026-2034.

Such assignment in advance of the deadline, in addition to being allowed by the regulations, has the precise purpose, on the one hand, of allowing a handover between the outgoing independent auditor and the new appointed auditing firm as appropriate and effective as possible, and on the other hand, of ensuring compliance with the applicable regulations in terms of incompatibility and independence, in particular by ensuring an appropriate period of time to prevent any causes of incompatibility as required by art. 5 of European Regulation no. 537/2014 according to which the independent auditors are prohibited from providing certain services in the financial year immediately preceding that of the start of the appointment (so-called "Audit Firm"). *cooling in period*).

Therefore, in July 2024, the Manager in charge of preparing financial statements and the Board of Statutory Auditors began the preparatory activities for the selection of the new independent auditors to be entrusted with the task of external auditors for the financial years 2026-2034, in accordance with current legislation and described in more detail *below*, agreeing with the hypothetical phases.

As a result of the selection process, the Board of Statutory Auditors has prepared this recommendation (the "Recommendation") to be submitted to the Shareholders' Meeting for the purposes prescribed by current legislation. The Recommendation provides for two possible alternatives for the assignment of the assignment and indicates the adequately justified preference for one of the two, deriving from the results of the evaluation conducted at the end of the selection procedure.

The Board of Statutory Auditors, in its capacity as CCIRC, has prepared this Recommendation for the appointment of the independent auditors for the period 2026-2034, following a specific selection process carried out in compliance with the regulations in force and the indications contained in the document entitled "*Procedure for the assignment of statutory audit engagements and certification of the compliance of the sustainability reporting of the LU-VE group and additional non-audit engagements to the appointed auditors*" (hereinafter the "Procedure") approved on 6 November 2024.

With the adoption of the aforementioned Procedure, despite the specificity of the nature of each activity, it was decided to follow a unitary and equivalent approach both for the assignment of assignments concerning the certification of compliance with sustainability reporting and for the assignment of assignments concerning the statutory audit of the accounts, in order to guarantee Shareholders the same rigor adopted with the regulated methodology for the assignment of the assignment as well as the freedom to choose between a single engagement or two separate engagements, while also allowing for an assessment of the possible benefits of using a single auditor or two auditors with separate engagements.

REGULATORY REFERENCES

It should be noted that the Community legislation relating to statutory auditing is governed by the following provisions:

- Directive 2006/43/EC as amended by Directive 2014/56/EU on statutory audits of annual accounts and consolidated accounts, transposed by Legislative Decree no. 39 of 27 January 2010 and subsequent amendments and additions; and
- European Regulation no. 537/2014, on PIEs and auditing of public-interest entities, applicable from 17 June 2016.

As mentioned above, LU-VE S.p.A., whose shares are listed on Euronext STAR Milan, qualifies, pursuant to art. 16 of Legislative Decree no. 39/2010, as EIP.

The combined provisions of art. 13, paragraph 1, of Legislative Decree no. 39/2010 and art. 16 of European Regulation no. 537/2014 requires EIPs to comply with a selection procedure for the assignment of the independent auditors, ordered by the Company, for which the Board of Statutory Auditors is responsible in its function as CCIRC.

In fact, Article 16, paragraph 2, of the EU Regulation provides that the Board of Statutory Auditors in its capacity as CCIRC shall submit a reasoned recommendation so that the Shareholders' Meeting can take an appropriately weighted decision: *"The Internal Control and Audit Committee shall submit a recommendation to the administrative or supervisory body of the audited entity for the appointment of statutory auditors or audit firms accountant.... The recommendation shall state the reasons for the statement of reasons and shall contain at least two possible allocation alternatives, and the audit committee shall express a duly justified preference for one of the two."*

The purpose of the legislation is to further harmonize the rules originally introduced by Directive 2006/43/EC at the European Union level to allow greater transparency and predictability of the obligations that apply to statutory auditors and to increase their independence and objectivity in the performance of their duties, also in order to increase public confidence in the separate and consolidated financial statements of these entities.

This Recommendation sets out the phases of the selection procedure prepared by the Company in accordance with the criteria and procedures set out in art. 16 of the EU Regulation and for which the Board of Statutory Auditors has assumed responsibility pursuant to art. 16, paragraph 3, of the same Regulation.

Finally, art. 17, paragraph 1, of Legislative Decree 39/2010, provides that *"the appointment of statutory auditors has a duration of nine financial years for auditing firms and seven for statutory auditors. It cannot be renewed or re-conferred unless at least four financial years have elapsed since the date of transfer of the previous office"*.

SUBJECT OF THE ASSIGNMENT

The scope of the assignment covered by this Recommendation, as indicated in the tender letters, concerns the services aimed at carrying out the assignment of statutory auditor listed below:

- the statutory audit of the accounts of the separate and consolidated financial statements of LU-VE S.p.A. pursuant to art. 14, paragraph 1, letter a) of Legislative Decree no. 39/2010;
- the verification activity during the year of the regular keeping of the company's accounts and the correct recording of management facts in the accounting records, pursuant to art. 14, paragraph 1, letter b), of Legislative Decree no. 39/2010;
- the verification of the consistency of the report on operations with the financial statements and with the consolidated financial statements and on its compliance with the legal provisions provided for by art. 14, paragraph 2, letter e), of Legislative Decree no. 39/2010 and the information referred to in paragraph 1, letter c), d), f), l) m) and paragraph 2, letter b) of art. 123-bis of the TUF;
- the limited audit of the Group's condensed half-year consolidated financial statements as at 30 June, as required by art. 154-ter of the TUF and as recommended by Consob with Communication no. 97001574 of 20 February 1997, as applicable;
- activities aimed at signing tax returns based on art. 1, paragraph 5, first sentence, of Presidential Decree no. 322 of 22 July 1998, as amended by art. 1, paragraph 94, of Law no. 244/07;
- the audit of the reporting packages of the subsidiaries for annual and interim consolidation;
- the statutory audit of the financial statements of the Italian subsidiaries;
- the verification referred to in art. 123-bis, paragraph 4, of the TUF;
- the verification referred to in art. 123-ter, paragraph 8-bis, of the TUF;
- services relating to the preparation of the annual financial report in the European Single Electronic Format (ESEF) with the relevant assessment pursuant to Article 154-ter, paragraphs 1.1 and 1.2, of the TUF;

THE SELECTION PROCESS

The Board of Statutory Auditors was assisted in carrying out the selection process by the Manager in charge of preparing financial statements and agreed with him on the activities through which the entire selection process should be organised, from the preparatory activities to those concerning the identification of the two companies deemed most suitable.

In particular, in agreement with the Manager in charge of preparing financial statements, it was defined: (i) which auditing firms to invite to participate in the tender called by the Company for the appointment of the statutory audit of the accounts, in compliance with transparency and non-discriminatory criteria; (ii) the criteria for evaluating the proposals for the appointment of the statutory auditors based on technical-qualitative and quantitative parameters, (iii) the preparation of a tender document and (iv) the assignment of scores and their impact on the overall judgment.

The most significant audit networks of primary standing have been identified (with the exception of Deloitte & Touche S.p.A., the outgoing auditing firm), as they are considered suitable subjects to express high levels of professionalism and quality of the services offered. It should be noted that participation in the selection procedure has not been precluded in any way by companies that have received, in the previous calendar year, less than 15% of the total fees for the revision of EIP in Italy, in compliance with the provisions of Article 16, paragraph 3, letter a) of European Regulation no. 537/2014.

The independent auditors PriceWaterhouseCoopers S.p.A. ("PWC"), KPMG S.p.A. ("KPMG"), Ernst & Young S.p.A. ("EY") and Forvis Mazars S.p.A. ("Mazars") were therefore invited to participate, the same companies

were also invited to participate in the tender provided for the three-year assignment of certifying the compliance of the consolidated sustainability reporting, so as to allow an overall assessment in the interest of the Company, both together with the statutory audit assignment and separately.

All the auditing firms invited to participate in the tender accepted the invitation and submitted their bids within the deadlines indicated in the tender documentation. The proposals received were examined and the managers and members of the team chosen by each independent auditor to carry out the assignment in LU-VE S.p.A. were met and, at the end, the Board of Statutory Auditors prepared a selection grid (hereinafter also the "Grid") based on the criteria already identified and shared (when preparing the letters of invitation to participate in the tender) which were also useful for deepening certain aspects during the exchanges with the participating auditing firms, in order to arrive at coherent and comparable scenarios.

SELECTION PROCESS

The offers received from the participating auditing firms were examined and evaluated according to the shared criteria.

By 23 January 2025, as established, all the offers from the independent auditors were received, supplemented, where necessary, with certain specific clarifications.

Following receipt of the documentation by the participating auditing firms, in-depth meetings were held (directly with the teams that the various invited firms intended to dedicate to the work at the LU-VE Group) in the presence of the Manager in charge of preparing financial statements, in order to allow a more precise and personal illustration of the technical proposal, the IT and digital means used in the context of the statutory audit services of the accounts and thus allow the finalization of the technical evaluation.

The offers submitted were analysed by the Manager in charge of preparing financial statements with regard to the subject matter of the assignment and the scope requested and discussed with the Board of Statutory Auditors, which then proceeded to analyse the various distinctive aspects and characteristics of each offer received.

The documentation collected and the meetings conducted demonstrated the high quality of all the offers and the professionalism of the *revision teams* presented.

In detail, the terms of the proposals are set out below, pointing out in this regard that all the participating companies have been asked to quote the independent auditors even in the event of joint assignment of the assignment of certifying the compliance of sustainability reporting:

Object	PWC		KPMG		EY		MAZARS	
	Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees
Statutory audit of the annual separate and consolidated financial statements and limited audit of the half-year financial statements of LU-VE SpA	3.199	202.000	2.588	204.000	2.620	171.000	2.400	180.000
Statutory audit of the financial statements and audit procedures on the reporting package of the Italian subsidiaries	909	56.000	783	58.000	635	40.500	706	48.600
Audit procedures on the reporting package of foreign subsidiaries	2.626	155.274	1.840	115.000	2.570	151.000	1.527	116.500

total in the event of an assignment separate from the sustainability certificate	6.734	413.274	5.211	377.000	5.825	362.500	4.633	345.100
total in the event of a joint assignment with the sustainability certificate	6.734	413.274	5.183	374.500	5.825	362.500	4.633	310.590

EVALUATION CRITERIA

The evaluation criteria have been divided into 8 sections of the Grid: 7 of a technical-qualitative nature and 1 of an economic nature. Each section, further divided into other subsections corresponding to topics under specific examination relating to the reference section, was separately assigned scores based on the importance attributed to each specific thematic area.

The total score that can be awarded, equal to 100, was divided into 60 points relating to the technical-qualitative section and 40 relating to the economic section.

In the evaluation phase, in addition to the qualitative and quantitative criteria detailed below, the independence requirements referred to in art. 10, 10 bis and 17 of Legislative Decree 39/2010, as supplemented and amended by Legislative Decree 125/2024 and in particular (i) the existence of internal procedures and monitoring processes implemented to ensure the maintenance of the independence requirement, in compliance with the relevant legislation; (ii) the list of services rendered to the Group in the two-year period 2023-2024 and in progress, and the related remuneration, with an indication of those which, on the basis of the relevant legislation, may lead to situations of incompatibility, potential conflicts or, in general, threats to independence (iii) the commitment to remove any situation of incompatibility, potential conflicts or, in general, threats to independence on the basis of the reference legislation from the date of commencement of the first activities related to the assignment.

With reference to the qualitative and quantitative requirements, for the purposes of this reasoned proposal, the following elements have been considered within the sections provided under the reference score:

- experience in listed companies of similar turnover compared to the LU-VE Group and possibly operating in the same or adjacent sectors of operation as the Group itself;
- international presence, in terms of size and organisation, with particular reference to the markets in which the Group's subsidiaries operate;
- presence/composition of a Technical Committee and procedure adopted for the management of the most complex issues;
- presence of specific IT skills also with reference to the quality and maintenance of the IT systems adopted by the Company and the Group;
- internal rules/procedures for the management of international engagements (ability to manage the related assignments with authority at central level) and coordination activities of the audit team that deals with the revision of the reporting packages and any statutory financial statements of the subsidiaries;
- willingness to adopt a continuous auditing approach, with early involvement in relevant issues, standards, regulations and/or new activities and the verification of the internal control system;
- structure, level of professionalism/seniority of the team proposed for the audit of the Parent Company and its Italian subsidiaries;
- statutory audit fees of the proposed accounts with evidence of the fees relating to individual certifications, any Consob contributions and more;
- transparency in the statutory audit fees and any adjustments for subsequent financial years;
- evidence of the hourly rates applied for the different team profiles;
- flat-rate expenditure.

Evaluation criteria	Score		
Technical-qualitative	0	-	60
Independence	0	-	14
Organization and ability to serve global customers	0	-	5,5
Knowledge of the business in general and of the group in particular	0	-	4
Internal network	0	-	7,5
Audit methodology for statutory audit	0	-	9
Audit team for statutory audit	0	-	12
Hours and mix for statutory audit activities	0	-	8
Cheap	0	-	40

With regard to the economic aspect, the maximum score was assigned to the tender that indicated the lowest revision fees, while the other scores were calculated using the formula:

$$\text{Score Awarded} = [\text{Lowest Amount} / \text{Amount Offered}] * \text{maximum score}$$

RESULTS

The results of the selection conducted are shown below, with the overall scores for each of the participating auditing firms, taking into account the fee provided for in the event of joint assignment to the statutory audit engagement:

	PWC	KPMG	EY	MAZARS
Technical and qualitative criteria	56,00	56,30	48,75	46,05
Economic criteria in the hypothesis of joint assignment	34,03	35,59	37,14	39,50
Economic criteria in the hypothesis of a single assignment	35,70	37,31	39,04	39,50
Total in single assignment	91,70	93,61	87,79	85,55
Total in hypothesis of joint assignment	90,03	91,89	85,89	85,55

The score assigned to EY takes into account the fact that the same independent auditor has maintained and maintains appreciable advisory relationships with LU-VE and the LU-VE Group which have been assessed as potentially at risk of compliance with the requirement of auditor independence, although EY itself has confirmed that it fully satisfies its independence.

In light of the above, the Board of Statutory Auditors, unanimously, at the end of the selection process described,

- taking into account that the methods of carrying out the statutory audit assignment illustrated by the companies participating in the tender, considering the hours, means, professional resources and fees, are

adequate in relation to the extent and complexity of the assignment, such as not to compromise the quality and reliability of the statutory audit;

- taking into account that, by virtue of art. 8 of Legislative Decree no. 125/2024, the appointment of the statutory audit of the accounts may also be conferred on the same person in charge of certifying the compliance of the sustainability reporting;
- also taking into account that, following the analysis of the offers received and the in-depth meetings conducted with the various independent auditors, the advantage of benefiting from an integrated approach using a single auditor emerged, in the interest of the Company and the Group, both for the statutory audit of the accounts and for the certification of the compliance of sustainability reporting, thus being able to enjoy a more effective organization of control activities, greater synergy in terms of information flows and more efficient management of both tasks;
- taking into account that the Procedure established and endorsed the principle according to which *"the fee required is an important criterion for the choice of the auditor, but in order to ensure high quality services, it will be considered only in the presence of proposals that present substantially equivalent evaluation scores with regard to the remaining evaluation criteria"* including the independence requirement as specified above;
- considering that, at the same time as the appointment of the independent auditors for the nine-year period 2026-2034, the Shareholders' Meeting will also be called upon to resolve on the assignment of the assignment of certifying the compliance of the sustainability reporting for the three-year period 2026-2028;
- considering also that in the reasoned proposal for the assignment of the assignment of certifying the compliance of sustainability reporting for the three-year period 2026-2028, the Board of Statutory Auditors evaluated the same companies participating in this selection and reached the same results and therefore the same conclusion in terms of selected companies,

OFFERS

- the Shareholders' Meeting of LU-VE S.p.A. to avail itself of the possibility of assigning to a single auditor both the statutory audit of the accounts and the certification of the compliance of sustainability reporting;
- to appoint the independent auditors for the financial years 2026-2034, under the terms and conditions set out in more detail in the offers submitted, alternatively to KPMG or PWC

EXPRESSING YOUR PREFERENCE

In favor of **KPMG** as the related offer (i) obtained the highest score in the selection process with regard to technical-qualitative parameters and a higher score than that of PWC with reference to the economic aspect; (ii) highlights, in terms of the mix of professionalism, a significant involvement of professionals with high seniority and specialists with specific skills; (iii) demonstrates adequate expertise, gained in relation to the numerous assignments in companies listed on the FTSE MIB regulated market.

The Board of Statutory Auditors declares, pursuant to art. 16 paragraph 2 of the European Regulation no. 537/2014 that this Recommendation has not been influenced by third parties and that none of the clauses referred to in paragraph 6 of art. 16 of the said European Regulation no. 537/2014.

Attachment

Fee adjustment clauses

Milan, 10 March 2025

The Board of Statutory Auditors

Dr. Mara Palacino
(President)

Dr. Paola Mignani
(Statutory Auditor)

Dr. Domenico Angelo Magno Fava
(Statutory Auditor)

Attachment

KPMG S.p.A.

Adjustments for inflationary effects

With regard to the activities carried out by KPMG S.p.A., the mechanism for the revaluation of compensation will be based on the consumer price index, i.e. the ISTAT index relating to the cost of living (consumer price index for blue-collar and white-collar households) compared to the previous year.

With regard to the activities carried out by the foreign entities of the KPMG Network involved by us for the purposes of this proposal, the inflationary adjustment will be carried out with reference to the official benchmark indices in the country, as per professional practice.

Updates and changes in fees during the nine-year period 2026-2034

With regard to the activities carried out by KPMG S.p.A., if circumstances arise that result in an increase in time, significant changes in the timing of the assignment and/or a change in the professional level of the members of the audit team assigned to the assignment, including the intervention of specialists or external experts other or in addition to what is estimated in this proposal (such as, by way of example, the change in the structure of the LU-VE Group, the structure, size and activities of LU-VE and/or its investee companies, changes in the internal control system and/or in the process of preparing financial information of LU-VE, including information systems, the failure or delayed delivery of the necessary documentation, the unavailability of the persons from whom we deem it necessary to obtain audit evidence, unforeseen difficulties in carrying out the work, regulatory changes (including any supplementary and corrective provisions or different interpretations of the Decrees and Regulations (EU)) as well as any clarifications by the competent authorities, changes in accounting and/or auditing standards, new professional guidelines, additional auditing procedures established by Consob, the execution of complex or extraordinary transactions by LU-VE and/or investee companies, they will be discussed and agreed with you in order to formulate, by virtue of this paragraph, a consequent integration of the fees estimated and indicated above, which may concern, depending on the circumstances, the individual financial year or even the remaining financial years covered by this proposal.

Likewise, if less time is taken than expected, this circumstance will be discussed with you in order to formulate a proportional reduction in the fees.

Consob supervisory contribution

The Consob supervisory fee, where applicable, will be charged to you in an amount equal to the percentage defined annually by Consob itself, in force at the time of issuing the relevant invoice.

The Consob contribution is applied to the amount of fees for auditing the separate and consolidated financial statements of LU-VE S.p.A., as well as on the statutory auditing of the financial statements of the Italian subsidiaries.

Criteria and limits for charging fees

Ancillary expenses related to the technology used to support the professional activity (connectivity, IT infrastructures, databases, proprietary and/or licensed software, etc.) and to secretarial services, general and administrative communications, as requested in your Letter of Invitation, are included in the estimate of the hourly rates previously reported.

Out-of-pocket expenses for carrying out audit procedures at the Italian Parent Companies and Subsidiaries will be charged to you at a flat rate equal to 5% of the expected fees.

Out-of-pocket expenses for carrying out audit procedures at the Foreign Subsidiaries will be charged to you at a flat rate equal to 5% of the expected fees.

Expense

The charges that will be charged back are based on reasonable expectations regarding the types of costs that can typically be charged. We expect the amount of expenses for the Group to be 5% of the fees. Excluded from the above are expenses incurred by the Italian team for any travel that may be necessary as part of the activities envisaged by ISA Italia 600 "The audit of the group's financial statements – specific considerations (including the work of the auditors of the components)".

These fees will be charged to you based on the cost incurred. We are also available to agree in advance on the possible need for such trips and to use your travel office for their organization.

Supervisory fee

The payment of the CONSOB supervisory fee or any contributions requested by other local authorities in the countries where the subsidiaries are based due to the appointments for which it is envisaged will be charged.

Fee update

The fees were determined on the basis of the tariffs applicable on the date of submission of the proposal, therefore, we have absorbed all future adjustments until the end of the 2026 financial year both in Italy and abroad. The fee adjustment will take place every year from 1 July 2027 on the basis of the relevant price adjustment indices applicable in the individual countries.

Exceptional or unforeseeable circumstances

The fee structure that we present to you is not subject to change except in exceptional or unforeseeable circumstances, including, but not limited to, significant changes in the structure and activities of LU-VE SpA and the LU-VE Group, the establishment of assets allocated to a specific business, significant changes in accounting standards and auditing standards, new professional orientations, etc.

Should these circumstances arise, which may require substantially longer times than what is agreed in this proposal, we will inform you immediately in order to be able to agree on any adjustment of the estimated fees. In the event of such circumstances, we will propose a supplement to this proposal, which must be expressly authorized by you.

Annex "B"

"Reasoned proposal of the Board of Statutory Auditors of LU-VE S.p.A. for the assignment of the assignment of certifying the compliance of the consolidated sustainability report for the period 2026-2028".

**REASONED PROPOSAL OF THE BOARD OF STATUTORY AUDITORS OF LU-VE S.p.A. FOR THE
ASSIGNMENT OF THE ASSIGNMENT OF CERTIFYING THE COMPLIANCE OF THE CONSOLIDATED
SUSTAINABILITY REPORT FOR THE PERIOD 2026-2028**

(pursuant to Article 13, paragraph 2-ter, of Legislative Decree 39/2010)

Dear Shareholders

with the approval of the financial statements of LU-VE S.p.A. (hereinafter also the "Company") as at 31 December 2025, the appointment of Deloitte & Touche S.p.A. to audit the accounts and certify the compliance of sustainability reporting will expire.

We remind you that with the entry into force of Legislative Decree no. 125/2024, the provisions concerning the new sustainability reporting in implementation of the Corporate Sustainability Reporting Directive (hereinafter also "CSRD") have been transposed into Italian law, replacing the provisions on the Non-Financial Statement (hereinafter also "NFS") referred to in Legislative Decree no. 254/2016.

The mandate conferred by Deloitte & Touche S.p.A., pursuant to the previous legislation on 29 September 2020, to carry out the limited examination of the NFS for the period 2020-2025, remains valid until the expiry agreed upon pursuant to the transitional provisions referred to in art. 18 of the aforementioned Legislative Decree no. 125/2024, which provides, in fact, that if the assignment conferred for the certification of the NFS has not yet come to an end, the same continues for the purpose of carrying out the activity of certifying the compliance of sustainability reporting.

Therefore, in anticipation of the expiry of the assignment of certification of compliance with sustainability reporting carried out by Deloitte & Touche S.p.A. in accordance with the contents of the aforementioned Article 18 of Legislative Decree no. 125/2024, the Board of Statutory Auditors and the manager responsible for preparing the company's financial reports (hereinafter also the "Manager in charge of preparing the financial reports"), in line with best practices, have decided to start the selection process in advance of the deadline, thus allowing an adequate turnover to the benefit of the Company.

The Board of Statutory Auditors has prepared this reasoned proposal for the assignment of the assignment of certifying the compliance of the consolidated sustainability report for the period 2026-2028, following a specific selection process carried out in compliance with the conditions and indications contained in the document entitled "*Procedure for the assignment of statutory audit engagements and attestation of compliance with the sustainability reporting of the LU-VE group and additional non-audit engagements to the appointed auditors*" (hereinafter also the "Procedure") approved on 6 November 2024.

With the adoption of the aforementioned Procedure, despite the specificity of the nature of each activity, it was decided to follow a unitary and equivalent approach both for the assignment of assignments concerning the certification of compliance with sustainability reporting, and for the assignment of assignments concerning the statutory audit of the accounts, and this in order to guarantee the Shareholders the same rigor adopted with the regulated methodology for the assignment of the assignment as well as the freedom to choose between a single engagement or two separate engagements, while also allowing for an assessment of the possible benefits of using a single auditor or two auditors with separate engagements.

In fact, although art. 13, paragraph 2-ter, of Legislative Decree 39/2010, referring to the assignment of certifying the compliance of sustainability reporting, does not expressly refer to art. 16 of Regulation no. 537/2014 referring to the selection of the statutory auditor or the independent auditor, effectively allowing a free choice of the method to be followed in this regard, the Board of Statutory Auditors has decided to follow the same formalities established for the appointment of the statutory auditors, thus using a more meticulous

selection process in terms of methods of conduct and evaluation criteria, in line with the provisions of Regulation no. 537/2014.

REGULATORY REFERENCES

Legislative Decree no. 125/2024 of 6 September 2024 implementing the Corporate Sustainability Reporting Directive 2022/2464 (the so-called CSRD) replaced the Non-Financial Statement referred to in Legislative Decree no. 254/2016, providing that a special section relating to sustainability reporting will be introduced within the Report on Operations.

Legislative Decree no. 125/2024 also established that sustainability reporting must be prepared in accordance with the reporting standards adopted by the European Commission pursuant to art. 29-ter of European Directive 2013/34 as well as in compliance with the electronic communication and marking format referred to in EU Delegated Regulation 2019/815, including the information referred to in EU Regulation 2020/852 and that the attestation of compliance of the sustainability reporting referred to in art. 14-bis of Legislative Decree 39/2010 is issued, on the basis of a limited examination, by a specially appointed auditor.

By virtue of art. 8 of Legislative Decree no. 125/2024, the task of certifying the compliance of sustainability reporting may also be conferred on the same person in charge of the statutory audit of the accounts. This possibility has been taken into account in the selection process implemented.

We would like to point out that art. 13, paragraph 2-ter, of Legislative Decree 39/2010, provided that the Shareholders' Meeting, upon a reasoned proposal from the supervisory body, shall confer the task of certifying the compliance of the sustainability report and determining the remuneration due to the auditor or the auditor for the entire duration of the appointment.

We also remind you that the same Article 13, paragraph 2-ter, of Legislative Decree 39/2010 established that the appointment of certifying the compliance of sustainability reporting has a duration of three years, expiring on the date of the Shareholders' Meeting called to approve the financial statements relating to the third financial year of the office, and that it can be renewed no more than twice and can be re-conferred on the same person only after the expiry of four financial years.

This reasoned proposal sets out the phases of the selection procedure oriented towards the criteria and procedures referred to in art. 16 of European Regulation no. 537/2014 and for which the Board of Statutory Auditors has assumed responsibility pursuant to art. 16, paragraph 3, of the same Regulation by virtue of the provisions of the Procedure.

SUBJECT OF THE ASSIGNMENT

The scope of the assignment covered by this reasoned proposal, as indicated in the tender letters, concerns the limited audit of the consolidated sustainability reporting of LU-VE S.p.A., in accordance with the provisions of Article 8 of Legislative Decree no. 125/2024, in order to certify, in the appropriate report referred to in Article 14-bis of Legislative Decree no. 125/2024, compliance:

- (i) the rules of Legislative Decree no. 125/2024 governing the drafting criteria
- (ii) the marking obligation referred to in Article 4, paragraph 9, of the same Legislative Decree no. 125/2024
- (iii) compliance with the disclosure obligations provided for in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

THE SELECTION PROCESS

As mentioned above, the Board of Statutory Auditors has also observed the Procedure approved on 6 November 2024 for the identification of the auditor or auditing firm to be appointed to certify the compliance of the consolidated sustainability reporting, adopting the criteria and procedures provided for by Regulation no. 537/2014 for the purpose of selecting the statutory auditor or the independent auditor.

The Board of Statutory Auditors was assisted in carrying out the selection process by the Manager in charge of preparing financial statements and agreed with him on the activities through which the entire selection process should be organised, from the preparatory activities to those concerning the identification of the two companies deemed most suitable.

In particular, in agreement with the Manager in charge of preparing financial statements, it was defined: (i) which independent auditors to invite to participate in the tender called by the Company for the assignment of certification on the compliance of sustainability reporting, in compliance with transparency and non-discriminatory criteria; (ii) the evaluation criteria of the proposals for the assignment of certification on the compliance of sustainability reporting based on technical-qualitative and quantitative parameters, (iii) the preparation of a tender document and (iv) the assignment of scores and their impact on the overall judgment.

The auditing firms PriceWaterhouseCoopers S.p.A. ("PWC"), KPMG S.p.A. ("KPMG"), Ernst & Young S.p.A. ("EY") and Forvis Mazars S.p.A. ("Mazars") have been invited to participate, the same companies have also been invited to participate in the tender for the nine-year appointment of statutory auditors, so as to allow an overall assessment in the interest of the Company, both together with the appointment of the statutory auditors, is disjointed.

All the auditing firms invited to participate in the tender accepted the invitation and submitted their bids within the deadlines indicated in the tender documentation.

The proposals received were examined and the managers and members of the *team* chosen by each independent auditor to carry out their assignment in LU-VE S.p.A. were met and, at the end, the Board of Statutory Auditors prepared a selection grid (hereinafter also the "Grid") based on the criteria already identified and shared (when preparing the letters of invitation to participate in the tender) which were also useful for in-depth analysis of certain aspects during the information exchanges with the participating auditing firms, in order to arrive at coherent and comparable scenarios/proposals.

SELECTION PROCESS

The offers received from the participating auditing firms were examined and evaluated according to the shared criteria.

By 23 January 2025, as established, all the offers of the independent auditors were received, supplemented, where necessary, with certain specific clarifications.

Following receipt of the documentation from the participating auditing firms, in-depth meetings were held (directly with the teams that the various invited companies would have intended to dedicate to the work at the LU-VE Group) in the presence of the Manager in charge of preparing financial statements, in order to allow a more precise and personal illustration of the technical proposal, the IT and digital means used in the context of the statutory audit services and to allow thus the finalization of the technical evaluation.

The offers submitted were analysed by the Manager in charge of preparing financial statements, taking into account the subject matter of the assignment and the scope requested, and discussed with the Board of Statutory Auditors, which then analysed the various distinctive aspects and characteristics of each offer received.

The documentation collected and the meetings conducted demonstrated the high quality of all the offers and the professionalism of the *revision teams* presented.

In detail, the terms of the proposals are set out below, pointing out in this regard that all participating companies have been asked to quote the assignment to certify the compliance of the consolidated sustainability reporting even in the event of joint assignment of the independent auditors:

Object	PWC		KPMG		EY		MAZARS	
	Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees
Limited examination of the LU-VE Group's Consolidated Sustainability Report in the event of the assignment of the independent auditors	1.300	97.500	1.167	90.000	850	65.000	1.750	110.000
Limited review of the LU-VE Group's Consolidated Sustainability Reporting	1.397	105.000	1.517	116.000	850	85.000	2.600	170.000

EVALUATION CRITERIA

The evaluation criteria have been divided into 8 sections of the Grid: 7 of a technical-qualitative nature and 1 of an economic nature. Each section, further divided into other subsections corresponding to topics under specific examination relating to the reference section, was separately assigned scores based on the importance attributed to each specific thematic area.

The total score that can be awarded, equal to 100, was divided into 60 points relating to the technical-qualitative section and 40 relating to the economic section.

In the evaluation phase, in addition to the qualitative and quantitative criteria detailed below, the independence requirements referred to in art. 10, 10 bis and 17 of Legislative Decree 39/2010, as supplemented and amended by Legislative Decree 125/2024 and in particular (i) the existence of internal procedures and monitoring processes implemented to ensure the maintenance of the independence requirement, in compliance with the relevant legislation; (ii) the list of services rendered to the Group in the two-year period 2023-2024 and in progress, and the related remuneration, with an indication of those which, on the basis of the relevant legislation, may lead to situations of incompatibility, potential conflicts or, in general, threats to independence (iii) the commitment to remove any situation of incompatibility, potential conflicts or, in general, threats to independence on the basis of the reference legislation from the date of commencement of the first activities related to the assignment.

With reference to the qualitative and quantitative requirements, for the purposes of this reasoned proposal, the following elements have been considered within the sections provided under the reference score:

- experience with listed companies of similar turnover compared to the LU-VE Group and possibly operating in the same or adjacent sectors of operation of the Group itself;
- international presence, in terms of size and organisation, with particular reference to the markets in which the Group's subsidiaries operate;
- presence/composition of a Technical Committee and procedure adopted for the management of the most complex issues;

- presence of specific IT skills also with reference to the quality and maintenance of the IT systems adopted by the Company and the Group;
- internal rules/procedures for the management of international assignments (ability to authoritatively manage the related assignments at a central level);
- willingness to adopt a continuous auditing approach, with early involvement in sustainability issues arising from international standards, standards, regulations and/or new activities and the verification of the internal control system;
- specific technical skills in sustainability reporting, including the envisaged regulatory developments (ESRS and CSRD and CSRDD regulations);
- skills in the evaluation of the internal control system and how internal controls are taken into account with reference to the double materiality analysis;
- structure, level of professionalism/seniority of the team proposed for the consolidated sustainability reporting of the Parent Company;
- proposed sustainability audit fees, any Consob contributions and more;
- transparency in sustainability audit fees and any adjustments for subsequent years;
- evidence of the hourly rates applied for the different team profiles;
- flat-rate expenditure.

Evaluation criteria	Score		
Technical-qualitative	0	-	60
Independence	0	-	14
Organization and ability to serve global customers	0	-	5,5
Knowledge of the business in general and of the group in particular	0	-	4
Internal network	0	-	7,5
Sustainability audit methodology	0	-	9
Sustainability audit team	0	-	12
Hours and mix for sustainability reporting	0	-	8
Cheap	0	-	40

With regard to the economic aspect, the maximum score was assigned to the offer that indicated the lowest sustainability reporting certification fees, while the other scores were calculated using the formula:

$$\text{Score Awarded} = [\text{Lowest Amount} / \text{Amount Offered}] * \text{maximum score}$$

RESULTS

The documentation collected and the meetings conducted demonstrated the high quality of all the offers and the professionalism of the *revision teams* presented.

The results of the selection conducted are shown below, with the overall scores for each of the participating auditing firms, taking into account the fee provided for in the event of joint assignment to the statutory audit engagement:

	PWC	KPMG	EY	MAZARS
Technical and qualitative criteria	53,55	53,80	44,80	41,70
Economic criteria in the hypothesis of joint assignment	32,33	33,44	40,00	31,32
Economic criteria in the hypothesis of a single assignment	35,19	33,66	40,00	29,50
Total in single assignment	88,74	87,46	84,80	71,20
Total in hypothesis of joint assignment	85,88	87,24	84,80	73,02

The score assigned to EY takes into account the fact that the same independent auditor has maintained and maintains appreciable advisory relationships with LU-VE and the LU-VE Group which have been assessed as potentially at risk of compliance with the requirement of auditor independence, although EY itself has confirmed that it fully satisfies its independence.

In light of the above, the Board of Statutory Auditors, unanimously, at the end of the selection process described,

- taking into account that the methods for carrying out the assignment of certifying the compliance of the sustainability reporting illustrated by the companies participating in the tender, considering the hours, means, including digital ones, professional resources and fees are adequate in relation to the breadth and complexity of the assignment, such as not to jeopardise the quality and reliability of the activity to be carried out;
- taking into account that, by virtue of art. 8 of Legislative Decree no. 125/2024, the task of certifying the compliance of sustainability reporting may also be conferred on the same person in charge of the statutory audit of the accounts;
- also taking into account that, following the analysis of the offers received and the in-depth meetings conducted with the various independent auditors, the advantage of benefiting from an integrated approach using a single auditor emerged, in the interest of the Company and the Group, both for the statutory audit of the accounts and for the certification of the compliance of sustainability reporting, thus being able to enjoy a more effective organization of control activities, greater synergy in terms of information flows and more efficient management of both tasks;
- taking into account that the Procedure established and endorsed the principle according to which *"the fee required is an important criterion for the choice of the auditor, but in order to ensure high quality services, it will be considered only in the presence of proposals that present substantially equivalent evaluation scores with regard to the remaining evaluation criteria"* including the requirement of independence, as specified above;
- considering that, at the same time as the assignment to certify the compliance of the sustainability reporting, the shareholders' meeting will also be called upon to resolve on the assignment of the independent auditors for the nine-year period 2026-2034;
- Considering also that in the recommendation for the appointment of the independent auditors for the nine-year period 2026-2034, the Board of Statutory Auditors assessed the same companies participating in this selection and reached the same results and therefore the same conclusion in terms of selected companies,

OFFERS

- the Shareholders' Meeting of LU-VE S.p.A. to avail itself of the possibility of assigning to a single auditor both the statutory audit of the accounts and the certification of the compliance of the sustainability reporting;
- to appoint KPMG to **certify compliance with the consolidated sustainability report for the financial years 2026-2028, under the terms and conditions set out in more detail in the offer submitted**, as the relevant offer (i) obtained the highest score in the selection process with regard to technical-qualitative parameters and a higher score (in the event of joint assignment of assignments) than that of the auditing firm PWC, with reference to the economic aspect; (ii) highlights, in terms of the *mix* of professionalism, a significant involvement of professionals with high seniority and specialists with specific skills; (iii) demonstrates adequate *expertise*, gained in relation to numerous positions in companies listed on the FTSE MIB regulated market;
- alternatively and in the alternative, to appoint PWC to certify the compliance of the consolidated sustainability reporting for the financial years 2026-2028, under the terms and conditions set out in more detail in the offer submitted.

Attachment

Fee adjustment clauses

Milan, 10 March 2025

The Board of Statutory Auditors

Dr. Mara Palacino

(President)

Dr. Paola Mignani

(Statutory Auditor)

Dr. Domenico Angelo Magno Fava

(Statutory Auditor)

Attachment

KPMG S.p.A.

Adjustments for inflationary effects

With regard to the activities carried out by KPMG S.p.A., the mechanism for the revaluation of compensation will be based on the consumer price index, i.e. the ISTAT index relating to the cost of living (consumer price index for blue-collar and white-collar households) compared to the previous year.

Update and changes in fees during the three-year period 2026-2028

Should circumstances arise that result in an increase in time, significant changes in the timing of the engagement and/or a change in the professional level of the members of the audit team assigned to the engagement, including the intervention of specialists or external experts other or in addition to what is estimated in this proposal (such as, but not limited to, a change in the structure of the LU-VE Group, the structure, size and activities of LU-VE and/or its investee companies, changes in the internal control system and/or in the process of preparing financial information of LU-VE, including information systems, the failure or delayed delivery of the necessary documentation, the unavailability of the persons from whom we deem it necessary to obtain audit evidence, unforeseen difficulties in carrying out the work, regulatory changes (including any supplementary and corrective provisions or different interpretations of the Decrees and Regulations (EU)) as well as any clarifications by the competent authorities, changes in reporting and/or auditing standards, new professional guidelines, additional audit procedures established by Consob, the performance of complex or extraordinary transactions by LU-VE and/or investee companies, they will be discussed and agreed with you in order to formulate, by virtue of this paragraph, a consequent integration of the fees estimated and indicated above, which may concern, depending on the circumstances, the individual financial year or even the remaining financial years covered by this proposal.

Likewise, if less time is taken than expected, this circumstance will be discussed with you in order to formulate a proportional reduction in the fees.

Consob supervisory contribution

The Consob supervisory fee, where applicable, will be charged to you in an amount equal to the percentage defined annually by Consob itself, in force at the time of issuing the relevant invoice.

The Consob contribution is also applied to the amount of the fees relating to the assignment of certification of the Consolidated Sustainability Report of LU-VE S.p.A.

Criteria and limits for charging fees

Ancillary expenses related to the technology used to support the professional activity (connectivity, IT infrastructures, databases, proprietary and/or licensed software, etc.) and to secretarial services, general and administrative communications, as requested in your Letter of Invitation, are included in the estimate of the hourly rates previously reported.

Out-of-pocket expenses for carrying out certification procedures at the Italian Parent Companies and Subsidiaries will be charged to you at a flat rate equal to 5% of the expected fees.

Subsequent renewals

We expect that the economic conditions applicable to any subsequent two renewals of the LU-VE Group's consolidated sustainability reporting engagement will be aligned with those illustrated for the three-year period 2026-2028, without prejudice to adjustments for inflationary effects and in relation to regulatory changes (including any supplementary and corrective provisions or different interpretations to the Decrees and Regulations (EU)) as well as any clarifications to be changes in reporting and/or auditing standards, new professional guidelines, additional auditing procedures established by Consob, the performance of complex or extraordinary transactions by LU-VE and/or investee companies.

Expense

The charges that will be charged back are based on reasonable expectations regarding the types of costs that can typically be charged. We expect the amount of expenses for the Group to be 5% of the fees. Excluded from the above are expenses incurred by the Italian team for any travel that may be necessary as part of the activities envisaged by ISA Italia 600 "The audit of the group's financial statements – specific considerations (including the work of the auditors of the components)".

These fees will be charged to you based on the cost incurred. We are also available to agree in advance on the possible need for such trips and to use your travel office for their organization.

Supervisory fee

The payment of the CONSOB supervisory fee or any contributions requested by other local authorities in the countries where the subsidiaries are based due to the appointments for which it is envisaged will be charged.

Fee update

The fees were determined on the basis of the tariffs applicable on the date of submission of the proposal, therefore, we have absorbed all future adjustments until the end of the 2026 financial year both in Italy and abroad. The fee adjustment will take place every year from 1 July 2027 on the basis of the relevant price adjustment indices applicable in the individual countries.

Exceptional or unforeseeable circumstances

The fee structure that we present to you is not subject to change except in exceptional or unforeseeable circumstances, including, but not limited to, significant changes in the structure and activities of LU-VE SpA and the LU-VE Group, the establishment of assets allocated to a specific business, significant changes in accounting standards and auditing standards, new professional orientations, etc.

Should these circumstances arise, which may require substantially longer times than what is agreed in this proposal, we will inform you immediately in order to be able to agree on any adjustment of the estimated fees. In the event of such circumstances, we will propose a supplement to this proposal, which must be expressly authorized by you.