

**LU-VE S.p.A.**

**Via Vittorio Veneto 11 – 21100 Varese**

**Economic and Administrative Repertory No.: VA-191975**

**Tax Code: 01570130128**



**EXPLANATORY REPORT TO THE BOARD OF DIRECTORS ON THE PROPOSALS ON THE AGENDA OF  
THE ORDINARY SHAREHOLDERS' MEETING CONVENED ON A SINGLE CALL ON 29 APRIL 2022**

*(Report prepared pursuant to art. 125-ter of the Consolidated Law on Finance and articles 73 and 84-ter of the Issuers' Regulation)*

Dear Shareholders,

in compliance with art. 125-ter of Italian Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Law on Finance**”), as subsequently amended and supplemented, as well as articles 73 and 84-ter of the Regulation for implementation of the Consolidated Law on Finance concerning the regulation of issuers, adopted by Consob with resolution No. 11971 of 14 May 1999 as subsequently amended and supplemented (the “**Issuers' Regulation**”), LU-VE S.p.A. (the “**Company**” or “**Issuer**”) makes an explanatory report (the “**Explanatory Report**”) available to you. The report refers to matters on the agenda of the ordinary Shareholders' Meeting - called by notice published on 28 March 2022 on the Company's web site ([www.luvegroup.com](http://www.luvegroup.com), in the section “*Investor Relations*” - “*Corporate Governance and Shareholders*” - “*For the shareholders*”- *Shareholders' Meeting*” - “*Shareholders' Meeting 29 April 2022*” and on the authorized storage device eMarket Storage [www.emarketstorage.com](http://www.emarketstorage.com), as well as by abstract, on 29 March 2022, in the daily newspaper “Milano Finanza” - to be held on single call at the Studio Notarile Marchetti, in Milan, Via Agnello no. 18, **at 10.00 on 29 April 2022** (the “**Shareholders' Meeting**”).

The **agenda** for the above-mentioned Shareholders' Meeting is as follows:

1. *Annual Financial Report as at 31 December 2021:*
  - 1.1 *presentation of the Financial Statements as at 31 December 2021, the Director's Report, the Board of Statutory Auditors' Report, the Independent Auditors' Report and the Statement by Financial Reporting Manager of the Company. Related and subsequent resolutions;*
  - 1.2 *proposal for allocation of the net profit and distribution of the dividend. Related and subsequent resolutions.*
2. *Annual Report on remuneration policy and remuneration paid:*
  - 2.1 *approval of the “2022 Remuneration Policy” in Section I, pursuant to art. 123-ter, paragraph 3-bis of Italian Legislative Decree 58/98;*
  - 2.2 *advisory vote on the “Remunerations paid in the 2021 financial year” reported in Section II, pursuant to art. 123-ter, paragraph 6 of Italian Legislative Decree 58/98.*
3. *Proposed authorisation to purchase and dispose of treasury shares, subject to cancellation of the resolution adopted by the Shareholders' Meeting of 27 April 2021. Related and subsequent resolutions.*

This Explanatory Report shall be read together with the other separate reports concerning the items on the agenda of the Shareholders' Meeting referred to in the text of the same Report.

This Explanatory Report will be filed and made available to the public on 28 March 2022 at the administrative offices and on the web site of the Company at [www.luvegroup.com](http://www.luvegroup.com), (“*Investor Relations*” section - “*Corporate Governance and Shareholders*” - “*For the shareholders*”- *Shareholders' Meeting*” - “*Shareholders' Meeting 29 April 2022*”) and on the authorized storage device eMarket Storage [www.emarketstorage.com](http://www.emarketstorage.com).

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## FIRST ITEM ON THE AGENDA

### ANNUAL FINANCIAL REPORT AS AT 31 DECEMBER 2021:

#### 1.1 PRESENTATION OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021, ACCOMPANIED BY THE DIRECTORS' REPORT, THE BOARD OF STATUTORY AUDITORS' REPORT, THE INDEPENDENT AUDITORS' REPORT AND THE STATEMENT BY FINANCIAL REPORTING MANAGER OF THE COMPANY. RELATED AND SUBSEQUENT RESOLUTIONS.

Dear Shareholders,

with reference to **sub-paragraph 1.1** on the agenda for the Shareholders' Meeting, we would like to inform you that, following the Board of Directors' approval of the draft financial statements of LU-VE S.p.A. as at 31 December 2021 on 17 March 2022, you will be called upon to resolve on the same.

The draft financial statements that we submit for your approval closed with a net profit equal to Euro 3,802,724.33 (threemillion eighthundredtwothousand sevenhundredtwenty-four/33).

We also submit to your attention:

(1) the **consolidated financial statements** of the LU-VE Group as at 31 December 2021, approved by the Board of Directors on 17 March 2022, which, although not subject to Shareholders' Meeting approval, complements the information provided with the draft financial statements of LU-VE S.p.A.

For all further information in this respect, you are invited to refer to the Annual Financial Report - containing the draft separate financial statements and the consolidated financial statements as at 31 December 2021, the Directors' Report, the Board of Statutory Auditors' Report, the Independent Auditors' Report as well as the attestation pursuant to art. 154-*bis*, paragraph 5 of the Consolidated Law on Finance - which will be filed and made available to the public on **6 April 2022** at the administrative offices and on the web site of the Company at [www.luvegroupp.com](http://www.luvegroupp.com) ("*Investor Relations*" section - "*Corporate Governance and Shareholders*" - "*For the shareholders*"- "*Shareholders' Meeting*" - "*Shareholders' Meeting 29 April 2022*") and on the authorized storage device *eMarket Storage* [www.emarketstorage.com](http://www.emarketstorage.com), together with additional documentation required by current regulations;

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

(2) the 2021 Sustainability Report of LU-VE Group, containing the **consolidated non-financial statement** ("NFS") related to the financial year 2021 prepared by the Company in compliance with the provisions of article 5, paragraph 3, letter b) of Italian Legislative Decree 254/2016 (hereinafter "**Statement**"). The Statement, which is a separate report from the Directors' Report contained in the Annual Financial Report, has been prepared according to GRI Standards.

The reporting scope of the Statement includes all the companies belonging to the LU-VE Group. With regard to the treatment of only environmental data and aspects connected with product safety, in the three-year period only the manufacturing companies have been taken into account,

with the exclusion of LUVEDIGITAL S.r.l., as the environmental impact of commercial offices and of LUVEDIGITAL S.r.l. were not deemed to be material.

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

The NFS reports on the Group's performance in relation to issues that affect its capacity to create value in the short, medium and long terms, reflecting the significant impacts of the organisation and those of interest to the Group's stakeholders. On **6 April 2022** it will be filed with at the Company's administrative office and published on their website at the address [www.luvegroup.com](http://www.luvegroup.com), ("Investor Relations" section - "Corporate Governance and Shareholders" - "For the shareholders"- Shareholders' Meeting" - "Shareholders' Meeting 29 April 2022") as well as on the authorized storage device eMarket Storage [www.emarketstorage.com](http://www.emarketstorage.com).

In this regard, please note that the attestation required in accordance with art. 3, paragraph 10, Italian Legislative Decree 254/2016 as well as by Article 5 of the Consob Regulation adopted by resolution No. 20267 of January 2018, on compliance of the information provided with that required by the decree and with its principles, methodologies and methods, is issued by the independent auditors *Deloitte&Touche S.p.A.* and is published and made available as an attachment to the 2021 Sustainability Report of LU-VE Group. Art. 8 of abovementioned Taxonomy Regulation does not provide for the auditor's review of the information on the activities required by the same Regulation, as part of the NSF.

\* \* \*

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

*"The ordinary Shareholders' Meeting of LU-VE S.p.A., having examined the Directors' Report and the data of the financial statements of LU-VE S.p.A. as at 31 December 2021, the Board of Statutory Auditors' Report and the Independent Auditors' Report*

***resolved***

- 1) to approve the financial statements of LU-VE S.p.A. as at 31 December 2021, which show a net profit equal to Euro 3,802,724.33 (three million eight hundred two thousand seven hundred twenty-four/33), and the Directors' Report;*
- 2) to grant the Board of Directors - and on behalf of the Board to the Chairman, Mr. Iginio Liberali, and to the CEO, Mr. Matteo Liberali, jointly or separately - all power necessary to execute, with the right to sub-delegate, this resolution and file it for registration with the relevant Companies' Register, making any formal amendments, additions or deletions that may be necessary."*

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

Dear Shareholders,

with reference to the issue as per **sub-paragraph 1.2** on the agenda of the Shareholders' Meeting, the Board of Directors proposes the following: (i) to allocate part of the profit for the year of Euro 3,802,724.33 (three million eight hundred two thousand seven hundred twenty-four/33) to the legal reserve for the amount of Euro 190,136.22 (one hundred ninety thousand one hundred

thirty-six/22) and to the restricted reserve for exchange rates not realized for the amount of Euro 1,295,256.02 (one million two hundred ninety-five thousand two hundred fifty-six/02); and (ii) to resolve, out of the profit for the year 2020, the distribution of a gross unit dividend of Euro 0.35 (zero/thirty-five) for each share entitled to it as at the record date pursuant to Article 83-*terdecies* of Legislative Decree No. 58/98.

The dividend of Euro 0.35 (zero/thirty-five) would be allocated to each of the shares entitled to it as at 20 April 2022 (record date) from the profit for the financial year 2021 for Euro 2,507,468.31 and from available reserves for the remaining amount.

The Board of Directors also proposes to establish that the dividend will be payable as of 11 May 2022, with ex-dividend date no. 7 on 9 May 2022, in accordance with the calendar of Borsa Italiana, and record date pursuant to art. 83-*terdecies* of the Consolidated Law on Finance on 10 May 2022.

\* \* \*

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

*"The ordinary Shareholders' Meeting of LU-VE S.p.A., having approved the financial statements as at 31 December 2021, which show a profit of Euro 3,802,724.33 (three million eight hundred two thousand seven hundred twenty-four/33)*

***resolved***

1. *to set aside part of the profit for the year of Euro 3,802,724.33 (three million eight hundred two thousand seven hundred twenty-four/33):*
  - *Euro 190,136.22 (one hundred ninety thousand one hundred thirty-six/22) to the legal reserve;*
  - *Euro 1,295,256.02 (one million two hundred ninety-five thousand two hundred fifty-six/02) to the restricted reserve for exchange rates not realized;*
2. *to distribute a gross ordinary dividend of Euro 0.35 for each share entitled to it as at the record date pursuant to Article 83-terdecies of Legislative Decree No. 58/98, by means of using the profit for the year 2021 remaining after deducting the provisions as per point 1 above and by means of using available reserves for the remaining amount;*
3. *to establish that the dividend shall be paid, for each entitled share, on 11 May 2022, with ex-dividend date no. 7 on 9 May 2022, in accordance with the calendar of Borsa Italiana, and record date on 10 May 2022".*

## SECOND ITEM ON THE AGENDA

### ANNUAL FINANCIAL REPORT ON REMUNERATION POLICY AND ON REMUNERATIONS PAID:

**2.1 APPROVAL OF THE “2022 REMUNERATION POLICY” IN SECTION I, PURSUANT TO ART. 123-TER, PARAGRAPH 3-BIS OF ITALIAN LEGISLATIVE DECREE 58/98;**

**2.2 ADVISORY VOTE ON “REMUNERATIONS PAID IN THE 2021 FINANCIAL YEAR” REPORTED IN SECTION II, PURSUANT TO ART. 123-TER, PARAGRAPH 6 OF ITALIAN LEGISLATIVE DECREE 58/98.**

Dear Shareholders,

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

- the remuneration policy of the members of the administration and control bodies, of general directors and key management personnel (the “**Relevant Persons**”) proposed by the Board of Directors for the 2022 financial year and the procedures used for the adoption and implementation of this policy (the “**2022 Remuneration Policy**”); as well as
- remunerations paid in 2021 to Relevant Persons.

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

- **Section I**, which describes the 2022 Remuneration Policy and the procedures used for the adoption and implementation of the same policy; we would like to highlight that, as every year, this section also reports the information on the remuneration of directors and on the Remuneration and Appointments Committee relative to the recommendations of the Corporate Governance Code of listed companies approved by the Corporate Governance Committee in January 2020, to which LU-VE adheres;
- **Section II** (divided into two parts), which includes, in the First Part, the details of the remunerations paid by the Company to Relevant Persons with reference to each of the items which make up the remuneration for the 2021 financial year for these subjects; and, in the Second Part, the details of the fees paid to Relevant Persons or accrued by them in the 2021 financial year to Relevant Persons, for any reason and in any form, by the Company and by subsidiaries and affiliates, using the tables attached to this Report on Remuneration, which form integral part of the same, as well as information on interests held in the Company and in its subsidiaries by the same parties, as well as their non-legally separated spouses or by their children, directly or via subsidiaries, or trust companies or third parties.

In accordance with the current content of the art. 123-ter of the Consolidated Law on Finance, the vote to be expressed on the 2022 Remuneration Policy contained in Section I of the Report on Remuneration is a binding vote, while the vote to be expressed on the remunerations paid in the 2021 financial year to Relevant Persons, contained in Section II of the Report, is an advisory vote.

Please note that the Remuneration Report – and, therefore, the 2022 Remuneration Policy and the remunerations paid to Relevant Persons in the 2021 financial year included respectively in Section I and Section II of the same report – were approved by the Board of Directors on 17 March 2022, at the proposal of the Remuneration and Appointments Committee, in accordance with current legal

and regulatory provisions, and will be filed at the Company's administrative offices and made available to the public on the Company's web site at the address [www.luvegroup.com](http://www.luvegroup.com) ("Investor Relations" section - "Corporate Governance and Shareholders" - "For the shareholders"-Shareholders' Meeting" - "Shareholders' Meeting 29 April 2022"), as well as on the authorized storage device eMarket Storage [www.emarketstorage.com](http://www.emarketstorage.com) on 6 April 2022.

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

\* \* \*

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

In relation to point 2.1

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

*- having examined Section I of the "Annual Report on remuneration policy and remuneration paid" of March 2022, prepared pursuant to the current legislation and regulations*

***resolved***

*to approve the "2022 Remuneration Policy" contained in Section I of the above-mentioned Report and the related adoption and implementation procedures."*

\* \* \*

In relation to point 2.2

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

*- having examined Section II of the "Annual Report on Remuneration Policy and Remuneration paid" of March 2022, prepared pursuant to the current legislation and regulations*

***resolved***

*to express a favourable opinion on the "Remunerations paid in the 2021 financial year" indicated in Section II of the above-mentioned Report."*

### THIRD ITEM ON THE AGENDA

#### **PROPOSAL FOR AUTHORISATION OF THE PURCHASE AND DISPOSAL OF TREASURY SHARES, SUBJECT TO REVOCATION OF THE RESOLUTION ADOPTED BY THE SHAREHOLDERS' MEETING OF 27 APRIL 2021. RELATED AND SUBSEQUENT RESOLUTIONS.**

Dear Shareholders,

the Shareholders' Meeting held on 27 April 2021, having revoked the resolution previously adopted on this matter by the Shareholders' Meeting held on 29 April 2020, authorised the Company to purchase treasury shares, for a period of 18 months from the date of the resolution, as well as to dispose of them without time limits.

As of today, the Company holds 28,087 treasury shares in portfolio, equal to 0.1261% of the share capital of LU-VE S.p.A. The Company does not hold treasury shares indirectly through subsidiaries, trusts or third parties.

Since the term of validity for the above authorisation will expire on 27 October 2022, in order to avoid having to convene a specific Shareholders' Meeting close to that deadline and given that this proposal is in line with practices followed by most listed companies, we consider it beneficial to propose that you approve a new authorisation to purchase and dispose treasury shares, subject to revocation of the authorisation previously resolved by the Shareholders' Meeting of 27 April 2021.

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

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

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

- a) to be able to invest in the Company shares, in the interest of the same and of all the Shareholders, if the trend of stock market prices or the amount of available liquidity may make such a transaction convenient in economic terms;
- b) to be able to act in the interests of the Company and of all Shareholders, in compliance with applicable regulations, in relation to contingent market situations, to carry out an activity that improves the liquidity of the stock, encouraging the regular trend of trading;
- c) if necessary, to use treasury shares as part of transactions related to industrial or commercial projects, or in any case of interests of the Company or the LU-VE Group, in relation to which opportunities to exchange or dispose of packages of shares or to pledge collateral on the same;
- d) if necessary, to be able to purchase and/or sell and/or assign treasury shares (or options on the shares) in relation to (i) compensation plans based on financial instruments pursuant to art. 114-bis of Legislative Decree no. 58/1998 (the Consolidated Law on Finance) in favour of, *inter alia*, directors, employees, collaborators or consultants of the Company or its



subsidiaries, and (ii) the issue of financial instruments convertible to shares and (iii) plans to assign shares free of charge to Shareholders.

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

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

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

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

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

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

(D) Duration of the authorisation

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

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

(E) Minimum and maximum price and market assessments

Purchase of treasury shares

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

Disposal of treasury shares

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

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

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

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

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

Purchases may be made in one or more tranches.

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

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

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

Please note that the abovementioned purchase of treasury shares is not instrumental to a reduction of the share capital.

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

*“The Shareholders’ Meeting of LU-VE S.p.A.,*

- having regard the resolution of the ordinary Shareholders’ Meeting of LU-VE S.p.A., held on 29 April 2020, concerning the authorisation to purchase and dispose of treasury shares;*
- having acknowledged the Board of Directors’ Report and taken into account the prevailing legal and regulatory provisions;*

***resolved***

- 1) to revoke, with effect from the date of this Shareholders’ Meeting resolution, the resolution relating to the authorisation to purchase and dispose treasury shares adopted by the Shareholders' Meeting of 27 April 2021;*
- 2) to authorise purchase and sale transactions of treasury shares for the purposes indicated in the above-mentioned Directors’ Report, in accordance with the terms and methods set out below:*
  - without prejudice to the limits pursuant to art. 2357 of the Italian Civil Code, the purchase may take place by means of one or more tranches, to an extent not exceeding 10% of the share capital, and up to the total amount of no. 2,223,436 (two million two hundred and twenty-three thousand and four hundred and thirty-six) ordinary shares, taking into account the shares held by the Company and by the subsidiaries of LU-VE S.p.A. and within the limits of the distributable profits and of the available reserves resulting from the last duly approved financial statements;*
  - the authorisation to purchase treasury shares has been resolved for a period of 18 (eighteen) months starting from today’s date and therefore up to 29 October 2023;*
  - the authorisation includes the power to subsequently dispose of the shares held, on one or more tranches, even before the maximum number of shares that may be purchased has been exhausted, and, if appropriate, to buy back those shares, always in accordance with the limits and conditions provided for by this authorisation.*
  - the purchase price of each of treasury shares shall be, as a minimum, not less than 15% (fifteen per cent), and, as a maximum, not more than 15% (fifteen per cent) of the average official stock exchange price recorded on Euronext Milan market in the three stock market sessions prior to the purchase or the announcement of the transaction, according to the technical procedures established by the Board of Directors.*
  - the sales price to third parties shall not be less than 95% (ninety-five per cent) of the average official stock exchanges prices recorded on the Euronext Milan market in the three stock market sessions prior to the sale. This price limit may be waived in the event of exchangers or transfers of treasury shares (or pledging collateral on the same) as part of transactions related to industrial and/or commercial projects and/or in any case of interests to the Company or the Group, and in the case of assignment and/or transfer of shares (or options on the same) in relation to stock options plans based on financial instruments pursuant to art. 114-bis of the Consolidated Law on Finance (in favour of, inter alia, directors, employees, collaborators or consultants of the Company or the Group companies), and/or to service the issuance of other financial instruments convertible into shares and/or free of charge stock grant programs;*

- *the transactions to purchase treasury shares may be made in accordance with the provisions of art. 5 of Regulation (EU) no. 596/2014, and shall be carried out in compliance with art. 132 of the Consolidated Law on Finance, art. 144-bis of the Regulation adopted by Consob resolution no. 11971/1999 and, if any, the accepted market practices, therefore including, inter alia, (i) by means of public takeover bid or exchange offer, or (ii) on regulated market or, if need be, on multilateral trading systems, according to the operating procedures established by the market management company; (iii) by means of purchase and sale, in compliance with the applicable regulations from time to time, of derivative instruments traded on regulated markets or, if need be, on multilateral trading systems that require the physical delivery of the underlying shares, or (iv) by granting Shareholders, in proportion to the shares held, with a put option to be exercised within 18 (eighteen) months from the date on which the Shareholders' Meeting adopts the corresponding resolution, or (v) as established by market practices permitted by Consob pursuant to art. 13 of Regulation (EU) no. 596/2014; (vi) by different means permitted by the legislation, including European, from time to time in force; in any case equal treatment of Shareholders and compliance with applicable rules, including European rules, shall be ensured;*
- *the authorisation to dispose of treasury shares, even before the maximum number of shares that may be purchased has been exhausted, was granted without any time limits”.*

\* \* \*

Uboldo, 17 March 2022

On behalf of the Board of Directors

The Chairman

Mr. Iginio Liberali