

**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 PROPOSAL ON THE AGENDA OF THE EXTRAORDINARY MEETING OF THE SHAREHOLDERS' MEETING CONVENED IN ORDINARY AND EXTRAORDINARY SESSION ON 18 APRIL 2025 IN SINGLE CALL**

*(drawn up pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented – the "TUF" – and Arts. 72 and 84-ter of the regulation adopted by Consob resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented – the "Issuers' Regulation" – in accordance with Schedule 3 of Annex 3A to the Issuers' Regulation itself).*

Dear Shareholders,

this report (the "**Explanatory Report**") has been prepared by the Board of Directors of LU-VE S.p.A. ("**LU-VE**", the "**Company**" or the "**Issuer**") in compliance with art. 125-ter of the TUF and Articles 72 and 84-ter of the Issuers' Regulation, as well as in accordance with Schedule 3 of Annex 3A to the same Regulation, with the aim of illustrating the proposal to amend the Articles of Association of LU-VE (the "**Articles of Association**"), referred to in the agenda of the extraordinary part of the Shareholders' Meeting convened – by notice published on 18 March 2025 on the website The Company's internet ([www.luvegroup.com](http://www.luvegroup.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](http://www.emarketstorage.com), as well as an excerpt in the newspaper "**Il Sole 24 ORE**" – at the Marchetti Notary's Office in Milan, via Agnello no. 18, for **18 April 2025** at **09.30 a.m.**, in a single call (the "**Shareholders' Meeting**").

The **agenda of the extraordinary meeting** of the aforementioned Assembly is as follows:

- 1. Proposal to amend articles 15 and 20 of the Articles of Association on the list of the Board of Directors. Related and consequent resolutions.*

The content of the amendment to the Articles of Association proposed by the Board of Directors and the reasons for the amendments to which the Board of Directors proposes to adopt is illustrated below, presenting, in comparative form, the text of the current article of the Articles of Association and, in red in the adjacent column, the proposed amendment to be made.

\* \* \*

## **FIRST ITEM ON THE AGENDA**

### **1. PROPOSAL TO AMEND ARTICLES 15 AND 20 OF THE ARTICLES OF ASSOCIATION ON THE LIST OF THE BOARD OF DIRECTORS. RELATED AND CONSEQUENT RESOLUTIONS.**

Dear Shareholders,

at its meeting on 13 March 2025, the Board of Directors of the Company (the "**Board of Directors**") decided to convene you, in extraordinary session, to submit for your approval the proposal to amend Articles 15 and 20 of the Articles of Association, which govern the "Board of Directors" and the "Presentation of slates – Appointment and replacement of directors" respectively, in the terms and for the reasons illustrated below.

#### **1.1 Reasons and explanation of the proposed amendment to the Articles of Association.**

Law no. 21 of 5 March 2024 ("Capital Law") introduced the new Article 147-ter.1 in the TUF, which expressly allows the outgoing Board of Directors to submit its own list of candidates for the renewal of the administrative body, dictating its discipline. However, this discipline is particularly articulated and, to date, is still awaiting implementing regulatory legislation.

The Articles of Association of LU-VE S.p.A. have provided for this right for the outgoing Board of Directors for some time, but do not lay down specific rules on the procedure to be applied in the event that this right is exercised.

In view of the introduction of the new Article 147-ter.1 in the TUF, it was necessary for the Board to carefully assess whether to supplement the relevant provision of the Articles of Association, in order to bring it into line with the rules laid down by the legislator, or whether to remove it from the Articles of Association, also in consideration of the fact that the outgoing Board of Directors has never exercised the aforementioned power.

Following an in-depth analysis, the Board of Directors deemed it appropriate to propose the elimination of this option from the Articles of Association, given the operational complexity of the procedure required for the appointment of the administrative body in the event of the presentation of the slate by the outgoing Board of Directors, as well as the potential risks of instability in governance and the impact on the dynamics of the Shareholders' Meeting which, on the basis of the new rules, could result in the exercise of this option.

The elimination of the aforementioned right requires intervening on articles 15 and 20 of the Articles of Association, deleting from paragraph 1, letter a) of art. 15 ("Board of Directors") and paragraph 1 of art. 20 ("Presentation of slates – Appointment and replacement of directors") the reference to the Board of Directors in office.

#### **1.2. Proposed amendment to the Articles of Association**

The approval of the proposed proposal will entail the amendment of Articles 15 and 20 of the Articles of Association, in the aforementioned terms, which are highlighted in red in the right column of the following table, which contains the text of the article currently in force in the left column.

Current Text	New text proposed
<p style="text-align: center;">TITLE IV</p> <p style="text-align: center;">ADMINISTRATION AND REPRESENTATION</p>	<p style="text-align: center;">TITLE IV</p> <p style="text-align: center;">ADMINISTRATION AND REPRESENTATION</p>
<p style="text-align: center;">ARTICLE 15 – BOARD OF DIRECTORS</p>	<p style="text-align: center;">ARTICLE 15 – BOARD OF DIRECTORS</p>
<p>1. The Company is managed by a Board of Directors composed of a minimum number of 7 (seven) and a maximum of 15 (fifteen) members, as resolved by the Shareholders' Meeting from time to time, it being understood that, as long as the Shares are listed on a regulated market in Italy or in other member states of the European Union, the Board of Directors shall:</p> <p>(a) be elected on the basis of lists submitted by the shareholders or by the Board of Directors in office as provided for below, also in order to ensure that the minority is represented;</p> <p>(b) include a number of directors identified in compliance with the applicable laws, including regulations, <i>in force</i> at the time on the subject, also taking into account any segment of the share listing, in possession of the independence requirements required therein;</p> <p>(c) be composed in compliance with the laws, including regulations, <i>in force</i> at the time on gender balance, as applicable, as well as the provisions of this Statute in this regard.</p> <p>2. The directors are appointed for a period not exceeding 3 (three) financial years, expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office and may be re-elected.</p> <p>3. Unless otherwise resolved by the Shareholders' Meeting, the directors shall be bound by the prohibition of competition referred to in Article 2390 of the Civil Code.</p> <p>4. The members of the Board of Directors shall be entitled to reimbursement of expenses incurred for reasons of their office and, without prejudice to the provisions of Article 2389, third paragraph, of the Civil Code, to the</p>	<p>1. The Company is managed by a Board of Directors composed of a minimum number of 7 (seven) and a maximum of 15 (fifteen) members, as resolved by the Shareholders' Meeting from time to time, it being understood that, as long as the Shares are listed on a regulated market in Italy or in other member states of the European Union, the Board of Directors shall:</p> <p>(a) be elected on the basis of lists submitted by the shareholders <del>or by the Board of Directors in office</del> as provided for below, also in order to ensure that the minority is represented;</p> <p>(b) include a number of directors identified in compliance with the applicable laws, including regulations, <i>in force</i> at the time on the subject, also taking into account any segment of the share listing, in possession of the independence requirements required therein;</p> <p>(c) be composed in compliance with the laws, including regulations, <i>in force</i> at the time on gender balance, as applicable, as well as the provisions of this Statute in this regard.</p> <p>2. The directors are appointed for a period not exceeding 3 (three) financial years, expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office and may be re-elected.</p> <p>3. Unless otherwise resolved by the Shareholders' Meeting, the directors shall be bound by the prohibition of competition referred to in Article 2390 of the Civil Code.</p> <p>4. The members of the Board of Directors shall be entitled to reimbursement of expenses incurred for reasons of their office and, without prejudice to the provisions of Article 2389, third paragraph, of the Civil Code, to the</p>

Current Text	New text proposed
<p>remuneration established by the Shareholders' Meeting.</p> <p>5. The Ordinary Shareholders' Meeting may also pay the Directors remuneration and indemnity at the end of their term of office, also in the form of an insurance policy.</p> <p>6. The Shareholders' Meeting may determine a total amount for the remuneration of all directors, including those vested with special offices to be divided by the Board of Directors in accordance with the law.</p>	<p>remuneration established by the Shareholders' Meeting.</p> <p>5. The Ordinary Shareholders' Meeting may also pay the Directors remuneration and indemnity at the end of their term of office, also in the form of an insurance policy.</p> <p>6. The Shareholders' Meeting may determine a total amount for the remuneration of all directors, including those vested with special offices to be divided by the Board of Directors in accordance with the law.</p>
<p><b>ARTICLE 20 – PRESENTATION OF SLATES – APPOINTMENT AND REPLACEMENT OF DIRECTORS</b></p>	<p><b>ARTICLE 20 – PRESENTATION OF SLATES – APPOINTMENT AND REPLACEMENT OF DIRECTORS</b></p>
<p><b><u>PRESENTATION OF THE LISTS</u></b></p> <p>1. The Board of Directors in office and shareholders who, alone or together with others, at the time of submission of the list, hold a total of at least 2.5% of the share capital or of the different shareholding at least equal to that established by CONSOB with a regulation pursuant to Article 147-ter, shall have the right to submit the lists, paragraph 1 of Legislative Decree no. 58/98 ("TUF").</p> <p>2. Each shareholder, the shareholders adhering to a shareholders' agreement relating to the relevant Company pursuant to Article 122 of the TUF, the parent company, the subsidiaries and those subject to common control and other parties between whom there is a relationship of connection, even indirect, pursuant to the applicable laws, including regulations, <i>pro tempore</i> may not present or participate in the presentation, not even through an intermediary or trust company, of more than one list, nor may they vote for different lists.</p> <p>3. Each candidate may appear on only one slate under penalty of ineligibility.</p> <p>4. Each list shall bear the names, marked with a progressive number, of a number of candidates not exceeding the number of members to be elected.</p>	<p><b><u>PRESENTATION OF THE LISTS</u></b></p> <p>1. The Board of Directors in office and <del>shareholders who, alone or together with others, at the time of submission of the list, hold a total of at least 2.5% of the share capital or of the different shareholding at least equal to that established by CONSOB with a regulation pursuant to Article 147-ter,</del> shall <i>have the right to submit the lists,</i> paragraph 1 of Legislative Decree no. 58/98 ("TUF").</p> <p>2. Each shareholder, the shareholders adhering to a shareholders' agreement relating to the relevant Company pursuant to Article 122 of the TUF, the parent company, the subsidiaries and those subject to common control and other parties between whom there is a relationship of connection, even indirect, pursuant to the applicable laws, including regulations, <i>pro tempore</i> may not present or participate in the presentation, not even through an intermediary or trust company, of more than one list, nor may they vote for different lists.</p> <p>3. Each candidate may appear on only one slate under penalty of ineligibility.</p> <p>4. Each list shall bear the names, marked with a progressive number, of a number of candidates not exceeding the number of members to be elected.</p>

Current Text	New text proposed
<p>5. Each slate containing a number of candidates not exceeding 7 (seven) must include and identify at least 1 (one) candidate having the independence requirements established in accordance with the applicable laws, including regulations, <i>in force</i> at the time on the subject. Each slate containing a number of candidates exceeding 7 (seven) must include and identify at least 2 (two) candidates with the independence requirements established in accordance with the applicable laws, including regulations, <i>in force</i> at the time on the subject. In the event of failure to comply with the obligations referred to in this paragraph, the list shall be deemed not to have been submitted.</p> <p>6. For the period of application of the applicable laws, including regulations, <i>in force at the time</i> on gender balance, each list presenting a number of candidates equal to or greater than 3 (three) must also include candidates belonging to both genders, so that at least the minimum quota of candidates required by law belongs to the less represented gender, also regulatory, <i>pro tempore</i> in force on the subject. In the event of failure to comply with the obligations referred to in this paragraph, the list shall be deemed not to have been submitted.</p> <p>7. The slates submitted must be filed at the Company's registered office, also by means of remote communication as indicated in the notice of call, and made available to the public within the terms and in the manner provided for by the law, including regulations <i>in force at the time</i>.</p> <p>8. The lists must be accompanied by:</p> <p>(a) information relating to the identity of the shareholders who submitted the lists, with an indication of the total percentage of the shareholding held, with the certification showing the ownership of such shareholding issued by an intermediary authorised in accordance with the law, it being understood that such certification may also be produced after the filing of the lists, provided that it is</p>	<p>5. Each slate containing a number of candidates not exceeding 7 (seven) must include and identify at least 1 (one) candidate having the independence requirements established in accordance with the applicable laws, including regulations, <i>in force</i> at the time on the subject. Each slate containing a number of candidates exceeding 7 (seven) must include and identify at least 2 (two) candidates with the independence requirements established in accordance with the applicable laws, including regulations, <i>in force</i> at the time on the subject. In the event of failure to comply with the obligations referred to in this paragraph, the list shall be deemed not to have been submitted.</p> <p>6. For the period of application of the applicable laws, including regulations, <i>in force at the time</i> on gender balance, each list presenting a number of candidates equal to or greater than 3 (three) must also include candidates belonging to both genders, so that at least the minimum quota of candidates required by law belongs to the less represented gender, also regulatory, <i>pro tempore</i> in force on the subject. In the event of failure to comply with the obligations referred to in this paragraph, the list shall be deemed not to have been submitted.</p> <p>7. The slates submitted must be filed at the Company's registered office, also by means of remote communication as indicated in the notice of call, and made available to the public within the terms and in the manner provided for by the law, including regulations <i>in force at the time</i>.</p> <p>8. The lists must be accompanied by:</p> <p>(a) information relating to the identity of the shareholders who submitted the lists, with an indication of the total percentage of the shareholding held, with the certification showing the ownership of such shareholding issued by an intermediary authorised in accordance with the law, it being understood that such certification may also be produced after the filing of the lists,</p>

Current Text	New text proposed
<p>within the deadline set for the publication of the lists by the Company;</p> <p>(b) a declaration by shareholders other than those who hold, even jointly, a controlling or relative majority shareholding, certifying the absence of any connection relationship, even indirect, pursuant to the applicable laws, including regulations, <i>in force at the time</i> , with the latter;</p> <p>(c) exhaustive information on the personal and professional characteristics of the candidates, with any indication of their suitability to qualify as independent directors pursuant to the applicable laws, including regulations, <i>in force at the time</i> (and/or pursuant to the codes of conduct on corporate governance promoted by companies managing regulated markets that may be adopted by the Company), as well as a declaration of the same candidates certifying that they meet the requirements provided for by the laws, including regulations, <i>in force at the time</i> and by these Articles of Association, including those of integrity and, where applicable, independence, and their acceptance of the candidacy and office, if elected;</p> <p>(d) any other or different declaration, information and/or document required by the applicable laws, including regulations, <i>in force at the time</i>.</p> <p>In the event of failure to comply with the obligations referred to in this paragraph, the list shall be deemed not to have been submitted.</p> <p>The lists duly filed, as well as the information presented in support of them, shall be published in accordance with the applicable laws, including regulations, <i>in force at the time</i>.</p> <p>9. The vote of each shareholder will concern the list and, therefore, automatically, all the candidates indicated therein, without the possibility of variations, additions or exclusions.</p> <p><b><u>NOMINATION</u></b></p>	<p>provided that it is within the deadline set for the publication of the lists by the Company;</p> <p>(b) a declaration by shareholders other than those who hold, even jointly, a controlling or relative majority shareholding, certifying the absence of any connection relationship, even indirect, pursuant to the applicable laws, including regulations, <i>in force at the time</i> , with the latter;</p> <p>(c) exhaustive information on the personal and professional characteristics of the candidates, with any indication of their suitability to qualify as independent directors pursuant to the applicable laws, including regulations, <i>in force at the time</i> (and/or pursuant to the codes of conduct on corporate governance promoted by companies managing regulated markets that may be adopted by the Company), as well as a declaration of the same candidates certifying that they meet the requirements provided for by the laws, including regulations, <i>in force at the time</i> and by these Articles of Association, including those of integrity and, where applicable, independence, and their acceptance of the candidacy and office, if elected;</p> <p>(d) any other or different declaration, information and/or document required by the applicable laws, including regulations, <i>in force at the time</i>.</p> <p>In the event of failure to comply with the obligations referred to in this paragraph, the list shall be deemed not to have been submitted.</p> <p>The lists duly filed, as well as the information presented in support of them, shall be published in accordance with the applicable laws, including regulations, <i>in force at the time</i>.</p> <p>9. The vote of each shareholder will concern the list and, therefore, automatically, all the candidates indicated therein, without the possibility of variations, additions or exclusions.</p> <p><b><u>NOMINATION</u></b></p>

Current Text	New text proposed
[omissis]	[unchanged]
<u>SUBSTITUTION</u>	<u>SUBSTITUTION</u>
[omissis]	[unchanged]

It should be noted that, if approved by the Shareholders' Meeting, the proposed amendment to the Articles of Association will be effective from the registration of the relevant shareholders' resolution with the competent Register of Companies.

### **1.3. Information on the occurrence of the right of withdrawal: non-existence of cases of withdrawal in relation to the proposed amendment to the Articles of Association**

The Board of Directors believes that the amendment to the Articles of Association illustrated above does not give rise to the right of withdrawal pursuant to and for the purposes of art. 2437 of the Civil Code, as it does not fall within any of the cases provided for therein.

### **1.4. Resolution proposal**

Dear Shareholders,

for the reasons explained above, the Board of Directors proposes that you adopt the following resolution:

*"The Shareholders' Meeting of LU-VE S.p.A., validly constituted and capable of resolving in extraordinary session, having regard to the Explanatory Report of the Board of Directors, prepared pursuant to art. 125-ter of the TUF and Articles 72 and 84-ter of the Issuers' Regulation,*

***deliberation***

*1) to amend articles 15 and 20 of the Articles of Association, according to the text set out in the Board of Directors' Explanatory Report;*

*2) to mandate the Chairman and Chief Executive Officer, so that the same, also through special attorneys, with the broadest powers, provide for all that is necessary for the execution of the resolution to amend the Articles of Association adopted today and for the fulfilment of all legal formalities, with the power to make additions, amendments and deletions of a formal and non-substantial nature that may be necessary or in any case are required also at the time of the registration in the competent Register of Companies".*

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This Explanatory Report will be filed and made available to the public on **18 March 2025** at the Company's registered office and on the Company's website at [www.luvegroup.com](http://www.luvegroup.com) (section "Investor" – "Corporate governance & shareholders" – "For shareholders" – "Shareholders' meeting" – "Shareholders' meeting" – "Shareholders' meeting 18 April 2025") and on the authorised storage mechanism eMarket Storage [www.emarketstorage.com](http://www.emarketstorage.com).

Uboldo (VA), 13 March 2025

For the Board of Directors

The Chairman and Chief Executive Officer

Dr. Matteo Liberali