



**POLICY FOR ENGAGEMENT WITH THE GENERALITY OF INVESTORS AND OTHER
STAKEHOLDERS**

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2. DEFINITIONS

In addition to the definitions contained in other articles, the terms and expressions that start with a capital letter used in this Policy have the meanings indicated below; it should be emphasised that the same meaning applies whether in the singular or the plural:

Analyst: professional dedicated to financial analysis at leading institutions, universities or research centres.

Directors: the members of the LU-VE Board of Directors.

Shareholders' Meeting: refers to the shareholders' meeting of LU-VE.

Shareholders: the holders of the shares issued by LU-VE.

Retail Shareholders: investors - including businesses, companies or other entities - holding shares issued by the Company that do not qualify as Professional Investors.

Chief Financial Officer or CFO: the *chief financial officer* of LU-VE.

Chief Executive Officer or CEO: refers to the *Chief Executive Officer* of LU-VE, assigned the duty of organising and managing the Company's administration, finance and control departments, identified as the main persons responsible for company management.

Code or Corporate Governance Code: refers to the Corporate Governance Code of companies with listed shares approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, and adopted by LU-VE on 1 January 2021.

Board of Directors/Board/: the Board of Directors of LU-VE.

Proxy Advisors: the parties identified as such pursuant to art. 124-*quater*, paragraph 1, letter c) of the TUF, i.e. the parties that analyse, on a professional and commercial basis, the information disclosed by the Company and, if necessary, other information concerning the same with a view to informing their Institutional Investor customers, in relation to voting decisions providing research, advice or recommendations related to the exercise of voting rights.

Dialogue: dialogue established with Investors and other Stakeholders (as defined below) by the Company both through its own competent structures and directly through the Board of Directors.

Discipline: any provision - legislative or regulatory, national, European or international, consolidated position of case law, communication, recommendation or other ruling of the National Commission for Companies or the Stock Exchange (CONSOB) or the *European Securities and Markets Authority* (ESMA) - which shall be applied, from time to time, in relation to the matters and activities covered by this Policy, including therein - by way of example, the provisions, guidelines, communications, recommendations, rulings on the prevention of *Market Abuse* (including, in particular, those on the dissemination of Privileged Information as defined by the Corporate Information to the Market Procedure).

Issuer/LU-VE/Company: LU-VE S.p.A., with registered office in Varese, via Vittorio Veneto no.11.

Bilateral form: the methods for implementing the Dialogue pursuant to which the Dialogue takes place with the participation, from time to time, of a single Investor.

Collective form: the methods of implementation of the Dialogue according to which the Dialogue takes place with the simultaneous participation of several Investors.

Asset Managers: the parties identified as such pursuant to art. 124-*quater*, paragraph 1, letter a) of the TUF.

Group: LU-VE and its direct or indirect subsidiaries pursuant to art. 93 of the TUF and art. 2359 of the Italian Civil Code.

Investors: Shareholders of the Company, including Retail Shareholders, Institutional Investors and Asset Managers. For the purposes of this Policy, the definition also includes potential LU-VE Investors and Market Participants.

Institutional Investors: the parties identified as such pursuant to art. 124-*quater*, paragraph 1, letter b) of the Consolidated Law on Finance.

Investor Day: meetings with Investors organised periodically on strategic issues and on the results achieved, during which only information already made public, facts of public knowledge and general market trends are discussed.

Investor Relator: refers to the manager of LU-VE's Investor Relations Department.

One-way: the manner in which the Dialogue is implemented, according to which only Investors present their views on specific issues.

Market Operators: jointly, *Proxy Advisors*, Analysts and rating agencies.

Chairman: refers to the Chairman of LU-VE's Board of Directors.

Procedure of Corporate Information to the Market: indicates this "*Procedure for internal management and market disclosure of corporate information*" adopted by the Company.

Internal Dealing Procedure: "*Procedure to fulfil the internal dealing obligations*" adopted by the Company.

Roadshow: sequential meetings during which the Appointed Director, with the support of the Investor Relator and the *Chief Financial Officer*, as well as any other executives and Directors of the Company, illustrates to Institutional Investors, Asset Managers and other Market Operators the economic and financial data of the Company and the Group, or any extraordinary transactions in progress.

Secretary: the Secretary of the Board of Directors.

Stakeholders: individuals, communities or organisations that influence LU-VE's operations or are directly or indirectly involved or influenced by them, identified annually by the Company in the Sustainability Report and with whom LU-VE maintains Dialogue.

TUF: (Italian Legislative Decree no. 58 of 24 February 1998), and subsequent amendments and additions.

Two-way: the method for implementing Dialogue according to which an exchange of information takes place between Investors and the Company.

3. INTRODUCTION

In compliance with the recommendations of the new Corporate Governance Code (Art. 1, Recommendation 3), the Board of Directors of LU-VE, at the proposal of the Chairman, in agreement with the CEO and after consulting the Lead Independent Director of the Company, has approved this *“Policy for the engagement with the generality of Investors and other Stakeholders”* (hereinafter, the **“Policy”**), also taking into account the *engagement* policies adopted by Institutional Investors and Asset Managers.

The Policy is published on the Company’s website www.luvegroup.com, in the *“Investor Relations” - “Corporate Governance & shareholders” - “Codes & Company documents” - “Corporate Procedures”* section.

4. Purposes

LU-VE believes that the definition, development and maintenance of open, transparent and continuous forms of Dialogue with the Shareholders, the other Investors and the other main Stakeholders of the Company will bring significant benefits both to the generality of Investors, i.e. current and potential Shareholders, and to the Company, with a view to favouring the creation of long-term value for the entire Group.

From this perspective, the Policy is aimed at establishing and maintaining a constant and continuous relationship with the Shareholders, the other Investors and the other main Stakeholders of the Company, through methods of active listening and Dialogue, respectful of the principles of fairness and transparency, as well as that of equal treatment for Shareholders, which help to improve the understanding of mutual perspectives and legitimate interests, strengthen the relationship of trust, through stable and continuous relationships and to raise the level of governance of the Company, with the aim of promoting long-term value creation, in compliance with the Regulations applicable from time to time and international best practices.

In particular, the main objective that LU-VE intends to pursue with the Policy is to assist Shareholders and other Investors, current and potential, as well as other Stakeholders, in understanding the business model, the strategy, market positioning, financial results of the Group and the governance of the Company.

5. DIALOGUE WITH SHAREHOLDERS AND OTHER INVESTORS

LU-VE undertakes to disclose corporate information in a continuous, transparent, fair, equal and non-selective manner in accordance with the applicable Discipline and to provide Shareholders and

other Investors, current and potential, with the information needed to be able to take the most informed decisions possible regarding investments in LU-VE

LU-VE intends to dedicate numerous opportunities for information and Dialogue to the generality of Investors, within the framework of coherent and continuous communication also through the constant updating of the website in the dedicated sections.

LU-VE has therefore adopted this Policy, aimed at regulating Dialogue between the Board of Directors and the Investors on issues within the Board's competence, identifying the interlocutors, the topics under discussion, the timing and the channels of interaction. This ensures that this Dialogue is inspired not only by the principles of fairness and transparency, but also by the principle of equal treatment, and is carried out in compliance with the Discipline applicable from time to time (first and foremost the EU and national regulations on *Market Abuse*), as well as in line with internal governance rules and international *best practices*.

5.1 THE TOPICS OF THE DIALOGUE

The topics in relation to which the Company assesses whether to accept or formulate proposals for Dialogue concern matters that fall under the responsibility of the Board of Directors (even if delegated) and/or its Committees, as indicated in the Corporate Governance Code (Art. 1, Recommendations 1 and 2).

In particular, the topics for discussion subject to Dialogue may normally concern issues relating to the following thematic areas:

- a. transparency and corporate communication with regard to the market as well as their implementation;
- b. corporate governance system and other governance topics, such as: the composition of the Board of Directors, also in terms of size, requirements of professionalism, independence and *diversity*; the establishment, composition and powers of the Board internal Committees;
- c. policy of remuneration of Directors and Key management personnel;
- d. general operating performance, financial statements and other results for the period;
- e. Company strategies and pursuit of sustainable success;
- f. transactions of the Company and its subsidiaries that have significant strategic, economic, equity or financial importance for the Company and for the Group as well as any transactions with related parties;
- g. share performance;
- h. dividend policy;
- i. any *buy-back* programs;
- j. social and environmental performance and initiatives;
- k. internal control and risk management system;
- l. increased vote;
- m. proposed amendments to the Articles of Association;

- n. extraordinary and/or significant events that may significantly affect the prospects of the Issuer and/or its reputation;
- o. defence in the event of takeover bids.

5.2 PARTIES INVOLVED IN THE MANAGEMENT OF THE DIALOGUE

The Board of Directors has the role of guiding, supervising and monitoring the application of this Policy and, in general, the progress and effectiveness of the Dialogue. The Board of Directors delegates the management of the Dialogue to the CEO (hereinafter, the “**Appointed Director**”).

The Appointed Director has the role of managing the Dialogue and, with the support of the competent corporate functions, decides whether to activate the Dialogue pursuant to the provisions of this Policy, making use, if necessary, of other members of the Board of Directors.

The Investor Relator represents the point of contact between the Company and the financial community (public, institutional or private), and in particular the Investors; in addition to providing LU-VE management with feedback from the financial community relating to the perception that Investors have on the way in which the company is managed and their view of the results, the Investor Relator is responsible for receiving and collecting requests submitted by Investors (even if they are addressed to the Board of Directors or a specific Director) ensuring, together with the Secretary, the coordination of the activities and contents of the Dialogue with the respective interlocutors.

In this case, the Investor Relator interacts with the Investors on Dialogue requests pertaining to business issues; the Secretary, in coordination with the Investor Relator, interacts with the Investors on corporate governance issues.

The Chairman acts as a connection between the Appointed Director and the Board of Directors.

The Board of Directors may appoint one of the internal Committees to carry out preliminary, advisory or monitoring activities regarding Dialogue.

5.3 PROCEDURES FOR CONDUCTING THE DIALOGUE

5.3.1. Activation required

Dialogue between Investors and the Board of Directors may take place in the manner prescribed by this Policy and may be initiated:

- a. **at the request, preferably in writing, of an Investor**, which must be addressed to the Investor Relator, for business matters, or to the Secretary, for corporate governance matters, using the references and contact methods indicated in the Company website www.luvegroup.com, “*Investor Relations*” - “*Contacts*” section. The request must specify the topic or topics to be discussed as part of the Dialogue and, if necessary, the reasons for which it is deemed necessary to establish the Dialogue with the Board of Directors, as well as the methods with which it is proposed to carry it out (“*One-way*” or “*Two-way*” mode, in Bilateral Form or Collective Form);

- b. on the initiative of the Company**, during the *Roadshow*, *Investor Day*, conferences organised by Borsa Italiana, by the same Company with the support of one or more *brokers* or by specialised companies, where it will be possible to discuss with Investors on the issues envisaged by this Policy, or through the organisation of *ad hoc* meetings, in “*One-way*” or “*Two-way*” and in Collective Form or in Bilateral Form, with one or more Investors, in which, in addition not only the Appointed Director but the *Chief Financial Officer* can participate, who will be provided with the support of the competent corporate functions, including one or more Directors and/or other managers of the Company, as well as during meetings with Analysts.

The requests for Dialogue received from Investors will be monitored by the Investor Relator in coordination with the Secretary, who will ensure a timely flow of information to the Appointed Director who in turn will also inform the Chairman.

Dialogue requests initiated by the Company will be sent, on the recommendation of the Appointed Director, by the Investor Relator, in coordination with the Secretary for the relevant matters, to the competent structures of the Investor to whom the request is addressed.

If a Director should receive a request for meetings or information from Investors, he / she is required to promptly inform the Appointed Director so that the provisions of paragraph 5.3.2 below, as well as, more generally, this Policy may apply.

5.3.2 Application assessment criteria

Once the requests for Dialogue have been received, the Appointed Director, with the support of the Investor Relator and/or the Secretary, decides whether to accept them or not.

In taking this decision, the Appointed Director takes into account various factors, including jointly, such as:

- a. the information made public by the Company;
- b. the previous activation, on the same topics, of other forms of Dialogue;
- c. the potential interest of the topic to be discussed for a large number of Shareholders and / or Investors also in relation to investors of a certain importance and/or with particular characteristics and / or for the market, if necessary also taking into account the number of requests received, also previously, on the same topic;
- d. the size and characteristics of the Investors involved in the Dialogue and / or the size and nature of their investment;
- e. the outcome of previous Shareholders’ Meeting votes;
- f. the presence of any voting policies or voting recommendations unfavourable to the proposals that the Board of Directors has submitted or intends to submit to the Shareholders’ Meeting;

- g. any activism experience gained by the Shareholders and/or other Investors concerned by the request for Dialogue and/or the presence of any conflict of interest, even potential;
- h. the actual relevance of the Dialogue and its foreseeable usefulness, also with a view to the creation of value in the medium-long term;
- i. the foreseeable approach of Shareholders and/or other Investors with respect to the matters subject to Dialogue, also taking into account the commitment policies adopted by Institutional Investors and Asset Managers.

If Dialogue request is rejected, the Appointed Director ensures - with the support of the Investor Relator and the Secretary - that prompt notice is given to the Board of Directors and to the Investor who made the request, indicating the reasons for this refusal.

If, on the other hand, the Appointed Director decides to accept a Dialogue request, the Investor Relator or the Secretary informs the Investor who made the request that it has accepted it, providing the requested information and/or indicating the Dialogue activities identified by the Appointed Director pursuant to paragraph 5.4 below.

If the Appointed Director deems it necessary, or even only appropriate, he/she may request the non-binding opinion of the competent Committee and/or the Independent Directors and/or submit the decisions to be taken pursuant to this article to the Board of Directors.

The Appointed Director will send adequate and timely reports to the Chairman so that the Chairman can plan and monitor the information that the Appointed Director will provide to the Board of Directors on the development and significant content of each Dialogue that has taken place, before the first available board meeting. To this end, the Chairman coordinates with the Appointed Director, the Investor Relator and the Secretary.

If the Board of Directors deems it necessary or even only appropriate, in the interest of the Company and with a view to promoting transparency of disclosures, it may decide to make available to the public on its website www.luvegroup.com, in the “*Investor Relations*” section, the information provided during the course of the Dialogue, without prejudice to compliance with the Discipline applicable from time to time and/or any agreements concluded in this regard with the Investors who have sent the request for Dialogue.

5.4 DIALOGUE MANAGEMENT METHODS

In acceptance of a request for Dialogue or at the time of an invitation to Dialogue, the Appointed Director also assesses and defines:

- a. the methods for carrying out the dialogue (“*One-way*” or “*Two-way*”; in Bilateral or Collective Form, as specified below), any conditions for participation, as well as the relative timing;
- b. the Directors and representatives of the LU-VE Management (first and foremost the CFO) who, together with the Appointed Director, may possibly participate in the Dialogue, also depending on the topics covered by the request or invitation;

c. any other persons, internal or external to the Company, who may be called upon to participate or assist in Dialogue activities, such as, merely by way of example, the executives of the Company or its subsidiaries (if involved in the Dialogue request), any external consultants.

In consideration of the subject matter of the Dialogue activity and the reasons, the specific requests for Dialogue that may have been received, the characteristics of the possible participants, and the interest of the Company - in particular with reference to the Dialogue invitations - the Appointed Director, with the support of the Investor Relator and/or the Secretary and other competent company departments from time to time, may decide to carry out the dialogue activities in a “*One-way*” or “*Two-way*” manner, and envisage their execution in Bilateral or Collective Form.

The specific procedures for holding Dialogue activities are communicated to Investors via e-mail by the Investor Relator when responding to a Dialogue request or by means of a Dialogue invitation.

The Investor Relator is also responsible for the technical and organisational details of Dialogue activities.

During the course of the Dialogue activities, the topics that have been anticipated and agreed in advance between the Company and the Investors involved will be dealt with as a priority. In the event that, during a Dialogue activity, an Investor raises issues or questions other than those anticipated and agreed, the Appointed Director, as well as the other Directors who may be called upon to take part in the Dialogue activity, may decide to suspend Dialogue activities, to carry out the necessary or even appropriate checks, or to terminate them.

All parties involved in Dialogue activities on behalf of the Company shall refrain from disclosing information that, pursuant to the Procedure of Corporate Information to the Market, qualifies as Privileged Information or as Relevant Information, and that in any case is confidential. To this end, when organising Dialogue activities, the Company may request participants to sign specific confidentiality agreements.

6. DIALOGUE WITH OTHER STAKEHOLDERS

LU-VE assigns a fundamental role to meetings and dialogue with Stakeholders other than Shareholders in order to achieve its sustainable growth objectives and for the preparation of its medium and long-term strategic plans, with the aim of generating value for local communities and for all parties along the value chain.

The LU-VE value chain includes numerous Stakeholders, including Shareholders, customers, local communities, collaborators, regulatory bodies and other associations, suppliers and trade associations, academic centres and universities.

The Company identifies the Stakeholders to be involved in the “*One-way*” or “*Two-way*” Dialogue activities, following a careful assessment of their relevance, taking into account various factors, including jointly, such as for example: openness to Dialogue and to engage in constructive and continuous comparison; reputational factors; potential to influence the Company’s activities and/or to be influenced by the Company’s activities.

Dialogue activities with Stakeholders other than Shareholders are organised in relation to the topics and according to the procedures set forth in art. 5, insofar as they are compatible, without prejudice to ordinary interactions with these Stakeholders who contribute on a regular basis to the Company's value chain.

7. OTHER CHANNELS FOR MANAGING DIALOGUE WITH INVESTORS

The interlocution between the Company, the Investors and the market is also carried out through other channels and forms of communication, which are not governed by this Policy, but which are referred to below for reference:

- a. direct communications with the financial community, including, for example: (i) the dissemination of the integrated annual report and consolidated financial statements, interim financial information, as well as communications to the public relating to ESG issues; (ii) publication of press releases relating to the main annual, half-yearly and quarterly data of the Company and the Group, as well as those published in connection with extraordinary transactions with a significant impact, such as acquisitions or sales of equity investments (which may be forwarded by the Investor Relations function to the Investor mailing list); (iii) meetings with journalists and press conferences in Italy or abroad;
- b. the Company's institutional website, on which information dedicated to Investors is made available in a precise, accurate, timely and complete manner (for example, information relating to the share performance, graphs and tables on the main economic and financial aggregates and *ratios* relating to the Company, Financial Calendar, Documents archive).
- c. the press releases disseminated to the market through the System of Disclosure of Regulated Information (known as SDIR) chosen by the Company;
- d. webcasts, in particular those dedicated to the presentation of financial results and other important communication opportunities for the financial community;
- e. social media;
- f. relations with the Legal and Corporate Affairs function of LU-VE, in charge of coordinating, analysing and managing relations and contacts with all Shareholders for aspects related to their participation in the Shareholders' Meeting.

8. FINAL PROVISIONS

8.1 COMMON PROVISIONS

All Dialogue activities carried out by the Company are carried out in full compliance with the Regulations applicable from time to time, in particular with regard to disclosure transparency, equal treatment and *Market Abuse*, as well as the procedures and operating rules adopted by the

Company and in particular the Procedure of Corporate Information to the Market. As a rule, the Dialogue activities governed by this Policy do not take place during the Closing Periods (known as *Black-out Period*), as identified pursuant to the Internal Dealing Procedure. In any case, *engagement* activities conducive to the participation of the Shareholders in the Shareholders' Meetings of the Company, or relating to public information, are permitted, also during the Closing Period.

8.2 MONITORING OF THE IMPLEMENTATION OF THE POLICY AND REVIEW

The Board of Directors monitors and evaluates the implementation of the Policy and its adequacy over time, at least once a year, with the aim of identifying possible areas for improvement of the Policy.

The Board of Directors also provides adequate information on the implementation of the Policy and the most important topics discussed during the Dialogue activities in the Annual Report on corporate governance and ownership structures.

The Chairman and the CEO, separately, have the right to modify the Policy in response to changes that may occur in the Discipline of reference, applicable from time to time, as well as in the organisational structure of LU-VE. The Board of Directors will be informed of any changes at the first possible meeting.