



GIGLIO GROUP S.P.A.

ORDINARY SHAREHOLDERS' MEETING

CALLED ON MAY 24 2023 AT 2.30 PM IN SINGLE CALL

**REPORT OF THE BOARD OF DIRECTORS RELATED TO THE ITEMS ON THE AGENDA PURSUANT TO ART. 125-TER
OF LEGISLATIVE DECREE 58/1998**

Dear Shareholders,

According to art. 125-ter of Legislative Decree February 24, 1998 n. 58, as subsequently amended and supplemented ("TUF" or "Consolidated Law on Finance"), as well as articles 72, 73 and 84-ter of the Regulation adopted with Consob resolution no. 11971/99, as subsequently amended and supplemented (the "Issuers Regulation"), the Board of Directors of Giglio Group s.p.a. (the "Company") makes available to you an explanatory report on the items on the agenda of the Ordinary Shareholders' Meeting appointed with notice published on April 21, 2023, for May 24, 2023, at 2.30 pm in single call, to discuss and deliberate on the following:

Agenda

1. Financial statements as at 31 December 2022; presentation of the consolidated financial statements as at 31 December 2022; reports by the Directors on management, by the Board of Statutory Auditors and by the Independent Auditors.
 - 1.1 Approval of the financial statements. Related and consequent resolutions.
 - 1.2 Proposal regarding the allocation of the result for the year. Related and consequent resolutions.
2. Report on the remuneration policy and on the fees paid pursuant to articles 123-ter of Legislative Decree 58/1998 and 84-quater of the Regulation adopted by Consob with resolution no. 11971 of May 14, 1999.
 - 2.1. Binding resolution on the first section of the report on the subject of the remuneration policy, prepared pursuant to art. 123-ter, paragraph 3 of Legislative Decree 58/1998.
 - 2.2. Non-binding resolution on the second section of the report on compensation paid, prepared pursuant to art. 123-ter, paragraph 4 of Legislative Decree 58/1998
3. Authorization to purchase and dispose of treasury shares. Related and consequent resolutions.

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Topic no. 1 on the agenda

1. Financial statements as at 31 December 2022; presentation of the consolidated financial statements as at 31 December 2022; reports by the Directors on management, by the Board of Statutory Auditors and by the Independent Auditors.

1.1 Approval of the financial statements. Related and consequent resolutions.

1.2 Proposal regarding the allocation of the result for the year. Related and consequent resolutions.

Dear Shareholders,

We submit to you the draft financial statements as at 31 December 2022, examined and approved by the Company's Board of Directors in the meeting of April 13, 2023, which show a profit of Euro 118,670.56.

We also submit to your attention the consolidated financial statements of the group as at 31 December 2022, which, although not subject to approval by the Shareholders' Meeting, complement the information provided with the Company's financial statements.

In this regard, we inform you that the Annual and Consolidated Financial Report as at 31 December 2022 - containing the financial statements as at 31 December 2022, the consolidated financial statements, the Directors' report on operations, the reports of the Board of Statutory Auditors and the Independent Auditors, as well as the certification pursuant to art. 154-bis, paragraph 5, of the TUF - will be made available at the registered office of the Company, as well as disseminated through the authorized storage mechanism www.emarketstorage.com, as well as published on the website www.giglio.org, Corporate Governance section – Shareholders' meetings - May 24, 2023. For an illustration of the Draft Financial Statements as at December 31, 2022, please refer, in particular, to the Directors' Report on Operations.

The Board of Directors, having acknowledged the above, therefore deems it appropriate to submit the following proposed resolution to the Shareholders' Meeting.

resolution proposal

"The Shareholders' Meeting of Giglio Group S.p.A.,

– having examined the Report of the Board of Directors prepared pursuant to art. 125-ter of Legislative Decree of 24 February 1958, n. 58;

– having examined the Annual and Consolidated Financial Report as at 31 December 2022 and, in particular, the Directors' report on operations, the report of the Board of Statutory Auditors as well as the report of the Independent Auditors;

having acknowledged that the financial statements of the Company as at 31 December 2022 showed a profit for the year of Euro 118,670.56;

decides

1. to approve the financial statements at 31 December 2022 of Giglio Group S.p.A. which closes with a profit of Euro 118,670.56;
2. to approve the allocation of the profit for the year as follows: carry forward the aforementioned profit;
3. to take note of the group's consolidated financial statements;
4. to attribute to the administrative body and on its behalf to the President all the broadest powers necessary and/or appropriate to implement this resolution.

Topic no. 2 on the agenda

2. Report on the remuneration policy and on the fees paid pursuant to articles 123-ter of Legislative Decree 58/1998 and 84-quater of the Regulation adopted by Consob with resolution no. 11971 of May 14, 1999.

2.1. Binding resolution on the first section of the report on the subject of the remuneration policy, prepared pursuant to art. 123-ter, paragraph 3 of Legislative Decree 58/1998.

2.2. Non-binding resolution on the second section of the report on compensation paid, prepared pursuant to art. 123-ter, paragraph 4 of Legislative Decree 58/1998.

Dear Shareholders,

We submit to your attention the "Report on the remuneration policy and the fees paid" (the "Remuneration Report"), prepared pursuant to articles 123-ter of the TUF and 84-quater of the Issuers' Regulation, approved by the Boards of Directors, which will be made available to the public at the registered office, on the website www.giglio.org, section Corporate Governance-Shareholders' Meetings - Shareholders' Meeting 24 May 2023, as well as on the authorized storage mechanism "eMarket Storage", which can be consulted on the website www.emarketstorage.com, in the terms established by current legislation.

The aforementioned Remuneration Report is divided into two sections:

- (i) the first section illustrates the Company's policy regarding the remuneration of members of the Board of Directors, general managers and other executives with strategic responsibilities of the Company, and, without prejudice to the provisions of art. 2402 of the civil code, of the members of the Board of Statutory Auditors, with reference to the 2023 financial year, as well as the procedures used for the adoption and implementation of this policy;
- (ii) the second section, by name with reference to the members of the Board of Directors and the Board of Statutory Auditors, as well as the general managers and in aggregate form with reference to the other executives with strategic responsibilities of the Company, provides an adequate representation of the individual items that make up the remuneration of the aforementioned persons - highlighting its consistency with the Company's remuneration policy relating to the 2022 financial year - and illustrates the fees paid to these persons in the 2022 financial year, for any reason and in any form, by the Company and by the companies from this ultimate subsidiaries, as well as by associated companies.



Referring for more information on the point to what is indicated in the Remuneration Report, pursuant to art. 123-ter, paragraphs 3-ter and 6 of the TUF, you are called to resolve with a binding vote on the first section of the Report and with a non-binding vote on the second section of the Remuneration Report.

Given the above, we submit for your approval the following resolution proposals on points 2.1 and 2.2 on the agenda of the Ordinary Shareholders' Meeting of Giglio Group S.p.A.

Resolution proposal on the first section of the Report (point 2.1 on the agenda)

"The Ordinary Shareholders' Meeting of Giglio Group S.p.A.,

- having examined the Report on the remuneration policy and on the fees paid, prepared by the Board of Directors pursuant to art. 123-ter of Legislative Decree of 24 February 1998, n. 58, of the art. 84-quater of the Regulation issued by Consob with resolution of 14 May 1999, n. 11971 as well as the procedures used for the adoption and implementation of the same, and, in particular, the first section of the same, containing the illustration of the policy on the matter of remuneration of the members of the Board of Directors, of the general managers and of the other executives with strategic responsibilities of the Company, and, without prejudice to the provisions of art. 2402 of the civil code, of the members of the Board of Statutory Auditors, adopted by the Company for the 2023 financial year;
- considering that, pursuant to art. 123-ter, paragraph 3-ter, of Legislative Decree February 24, 1998 n. 58, the Shareholders' Meeting is called to express a binding vote on the first section of the aforementioned Report;

decides

to approve the first section of the Report on the remuneration policy and on the fees paid drawn up pursuant to art. 123-ter of Legislative Decree of 24 February 1998, n. 58 and of the art. 84-quater of the Regulation issued by Consob with resolution of 14 May 1999, n. 11971".

With regard to the second section of the Remuneration Report, we submit the following for your approval:

Resolution proposal on the second section of the Report (point 2.2 on the agenda)

"The Ordinary Shareholders' Meeting of Giglio Group S.p.A.,

- having examined the Report on the remuneration policy and on the fees paid, prepared by the Board of Directors pursuant to art. 123-ter of Legislative Decree of 24 February 1998, n. 58 and of the art. 84-quater of the Regulation issued by Consob with resolution of 14 May 1999, n. 11971, and, in particular, the second section of the same which, by name with reference to the members of the Board of Directors and of the Board of Statutory Auditors, as well as the general managers and in aggregate form with reference to the other executives with strategic responsibilities of the Company, provides an adequate representation, pursuant to art. 123-ter, fourth paragraph, of the TUF, of the individual items that make up the remuneration of the



aforementioned individuals - highlighting their consistency with the Company's remuneration policy for the 2022 financial year - and illustrates the fees paid to these individuals in the 2022 financial year, for any reason and in any form, by the Company and its subsidiaries, as well as associated companies;

- considering that, pursuant to art. 123-ter, paragraph 6, of Legislative Decree February 24, 1998 n. 58, the Shareholders' Meeting is called to express a non-binding vote on the second section of the aforementioned Report

decides

to express a favorable opinion on the second section of the Report on the remuneration policy and on the fees paid drawn up pursuant to art. 123-ter of Legislative Decree of 24 February 1998, n. 58 and of the art. 84-quater of the Regulation issued by Consob with resolution of 14 May 1999, n. 11971".

Topic no. 3 on the agenda

Authorization to purchase and dispose of treasury shares. Related and consequent resolutions.

Dear Shareholders,

in line with the practice followed by the majority of listed companies, we deem it useful to propose that you authorize the purchase and disposal of treasury shares pursuant to (i) of articles 2357 and following of the civil code, (ii) of art. 132 of the TUF, and (iii) of art. 144-bis of the Issuers' Regulation, for the purposes, within the terms and in the manner illustrated below.

Reasons for which the authorization to purchase and dispose of treasury shares is requested

Authorization is required, in strict compliance with current Community and national legislation - including EU Regulation 596/2014 (Market Abuse Regulation, hereinafter "MAR Regulation") and EU Delegated Regulation 1052/2016 (the "1052 Regulation") – for any purpose permitted by current provisions, including the purposes contemplated in art. 5 of the MAR and for the activity of supporting market liquidity pursuant to the practice admitted by Consob pursuant to art. 13 MAR, in the terms and with the methods that will eventually be resolved by the competent corporate bodies, as well as to dispose of treasury shares to be used in the context of compensation plans based on the allocation of financial instruments pursuant to article 114-bis of the TUF (including the 2021-2028 Stock Option Plan) for executive directors and managers with strategic responsibilities of the Company and its subsidiaries, or to service any issues of bonds convertible into Company shares.



It is also proposed to authorize the Board of Directors to dispose, in whole or in part, of the shares that will eventually be purchased, considering this possibility an important instrument of management and strategic flexibility.

Maximum number and nominal value of the shares to which the authorization refers.

The purchase for which authorization is requested refers to the Company's ordinary shares, the maximum number of which, in compliance with the limits set out in article 2357, third paragraph, of the civil code, and taking into account the shares from time to time held by the Company and by its subsidiaries, may not have an overall nominal value exceeding one fifth of the entire share capital or any different maximum amount established by the pro tempore law in force.

The Company's subsidiaries will be instructed to promptly notify any purchases of Company shares in order to ensure compliance with the aforementioned limit.

Duration of the authorization

The proposal provides that the Company's shares may be purchased within a period of 18 months from the date of the authorization resolution by the shareholders' meeting.

Within the period of duration of any authorization granted, the Board of Directors will be granted the right to carry out purchases in one or more times and at any time, to a freely determined extent and time, in compliance with the applicable legislation, with the gradualness deemed appropriate in the interest of the Company.

The authorization to dispose is requested without time limits.

Considerations for the purchase and disposal of shares

The shares may be purchased at a price which must not be 20% lower or higher than the reference price recorded by the stock on the Stock Exchange in the session preceding each single purchase transaction, and in any case at a price not higher than the highest price between the last independent transaction price and the current highest independent bid price on the trading venue where the purchase is made, even when the shares are traded on different trading venues.

The shares may be sold at a price which must not be 20% lower or higher than the reference price recorded by the stock on the Stock Exchange in the session preceding each individual transaction. These price limits will not be applicable if the transfer or free assignment of shares takes place in relation to employees, including managers, executive directors and collaborators of the Company and its subsidiaries as part of remuneration plans based on the allocation of financial instruments pursuant to article 114-bis of the TUF, as an incentive for them.

Methods through which the purchases and disposals of the shares can be carried out

The purchases of treasury shares will be carried out in compliance with the provisions in force for listed companies, including the provisions of articles 144-bis of the Issuers' Regulation and 132 of the TUF.

The treasury shares in the portfolio may be sold, possibly even before having exhausted the quantity of treasury shares that can be purchased. Having said that, we submit the following for your approval

resolution proposal

"The Shareholders' Meeting of Giglio Group S.p.A., having acknowledged the proposal of the Board of Directors and taking into account the provisions of articles 2357 and following of the civil code, of article 132 of Legislative Decree of 24 February 1998, n 58, and article 144-bis of the Regulation issued by Consob with resolution no. 11971 dated May 14, 1999

decides

1. to authorize the Board of Directors to purchase treasury shares of the Company, for the quantity, at the price, within the terms and in the manner indicated below:

- the purchase may be made in one or more tranches, within 18 months of the date of the shareholders' resolution;
- the purchase price of each share must not be 20% lower or higher than the reference price recorded by the stock on the Stock Exchange in the session preceding each single transaction and, in any case, must not be higher than the highest price between the price of the last independent transaction and the price of the highest current independent bid on the trading venue where the purchase is made, even when the shares are traded on different trading venues;
- the maximum number of shares to be purchased is equal to the maximum permitted by law;
- purchases of treasury shares will be carried out in compliance with the provisions in force for listed companies, including the provisions of articles 144-bis of the Issuers' Regulation and 132 of the TUF;

2. to authorize the Board of Directors, pursuant to article 2357-ter, first paragraph, of the civil code, to dispose of all or part, without time limits, of the treasury shares in the portfolio, possibly even before having exhausted the quantity of treasury shares that can be purchased, at a price that must not be 20% lower or higher than the reference price recorded by the share on the Stock Exchange in the session preceding each individual transaction. These price limits will not be applicable if the transfer or free assignment of shares takes place in relation to employees, including managers, executive directors and collaborators of the Company and its subsidiaries as part of compensation plans based on the allocation of financial instruments pursuant to article 114-bis of the TUF, as incentives for them;

to authorize the Board of Directors to carry out, pursuant to article 2357-ter, third paragraph, of the civil code, all necessary or appropriate accounting entries, in relation to transactions involving treasury shares, in compliance with the provisions of the law in force and the applicable accounting principles;

to grant to the Board of Directors and on its behalf to the Chairman and Vice-Chairman of the Board of Directors, even severally and with the faculty of sub-delegation, any broader power necessary to give concrete and complete execution of the resolutions referred to in the previous points and to provide to the disclosure to the market in relation to the same, pursuant to legislation, including Community legislation, and by market practices admitted pro tempore in force".

Milan, 13 April 2023
For the Board of Directors



President
Dr. Alessandro Giglio