



**GIGLIO GROUP S.P.A.**

**ORDINARY MEETING**

**BOARD OF DIRECTORS' REPORT ON THE ONLY ITEM OF THE AGENDA  
PURSUANT TO ART. 125-TER OF LEGISLATIVE DECREE NO. 58/1998 AS  
AMENDED AND INTEGRATED, AND TO ART. 84-TER OF THE REGULATION  
ADOPTED WITH CONSOB RESOLUTION NO. 11971/99 AS AMENDED AND  
INTEGRATED**

Dear Shareholders,

pursuant to Art. 125-*ter* of Legislative Decree no. 58 of 24 February 1998 , as amended, modified and integrated (the "**CFA**" or "**Condensed Financial Act**"), as well as to art. 84-*ter* of the Regulation adopted with Consob resolution no. 11971/99, as amended and integrated (the "**Issuers' Regulation**"), the Board of Directors of Giglio Group S.p.A. (the "**Company**" or "**Giglio**") makes available an explanatory report (the "**Report**") on the only item on the agenda of the ordinary Shareholders' Meeting called with a notice published on 21 July 2023, for 21 July 2023, at 12.00 in single call, to discuss and resolve on the following:

**Agenda**

1. Acknowledgement of the resignation of the independent auditing company BDO Italia S.p.A. and appointment of the new auditing company for the period 2023-2031. Determination of its monetary consideration. Resolutions pertaining thereto and resulting therefrom.

\* \* \* \* \*

Dear Shareholders,

as you know, the assignment for the statutory audit of the Company's accounts currently in place with the company BDO Italia S.p.A. was unilaterally terminated on 16 May 2023 following resignations submitted by certified email.

According to what was indicated by BDO Italia as a basis for the aforementioned resignations, "*putting forth claims for compensation due to BDO Italia not agreeing to your demands certainly integrates the circumstance suitable to justify the resignation for just cause from the audit assignment*" pursuant to Art. 5, par. 1 of Ministerial Decree no. 261/2012.

For further details, please refer to the press release of 17 May 2023 available on the Company's website at [www.gigliogroup.com](http://www.gigliogroup.com), "Investor Relations/Press Releases" section.

As of now, and until the appointment of a new assignment to another auditing firm, BDO Italia, pursuant to Art. 13, par. 6, of Legislative Decree no. 39/2010 and to Art. 6, par. 3, of Ministerial



Decree no. 261/2012, will continue to carry out its statutory audit functions until the resolution to grant the new assignment and, in any case, no later than six months from the date of resignation.

The Company, in consideration of the foregoing, must urgently proceed with the necessary corporate fulfilments useful for the assignment of the task to another auditor as well as for the purposes of informing the Shareholders' Meeting, pursuant to Art. 6, par. 2 of the Ministerial Decree no. 261/2012.

Therefore, the Company has promptly initiated the selection procedure for a new auditing company to which to appoint, upon a Meeting's resolution, the office of statutory auditor for the following nine fiscal years starting from the approval of the Interim and Consolidated Financial Statements as of 30 June 2023, for all the companies of Giglio Group subject to audit, in conformity with the provisions set forth in Art. 16 of the Regulation (EU) 537/2014 (the "**Regulation**") and in Legislative Decree no. 39/2010. To this procedure, Art. 16 of the Regulation is particularly applicable, without prejudice (given that Giglio is a small- and medium-sized business) to par. 3 of the same article.

To this end, on 24 May 2023, the Company forwarded to three different auditing companies the letter of invitation for the assignment of the statutory auditing of the accounts of the companies of Giglio Group for the nine-year period starting from the approval of the Interim and Consolidated Financial Statements as of 30 June 2023 and ending on the approval of the Financial Statements as of 31 December 2031, indicating the date of 7 June 2023 as the deadline for the presentation of the offer.

The auditing companies subject to the selection procedure were:

- Ria Gran Thornton S.p.A.
- Audirevi S.p.A.
- RSM Società di Revisione e Organizzazione Contabile S.p.A.

Subsequently, on 8 June 2023, the Company launched a new procedure for the selection of the auditing companies to be appointed, by resolution of the Shareholders' Meeting, as statutory auditor, indicating the date of 14 June 2023 as the deadline for the presentation of the offer.

The auditing companies subject to the new selection procedure were:

- Mazars Italia S.p.A.
- PKF Italia S.p.A.
- Crowe Bompani S.p.A.

Following the aforementioned selection procedure, the Company received no. 1 proposal for the assignment of statutory auditor of its accounts, which was made available to the Board of Statutory Auditors, in its function of Internal Control and Auditing Committee - "**ICAC**" - of the Company.



Therefore, the Board of Statutory Auditors has assessed the proposal received and has drafted - in a separate document that shall be published together with this Report and under the same conditions, to which reference is made - the reasoned proposal for the appointment of the statutory auditor within its competence, which ends with the recommendation to appoint the company Audirevi S.p.A..

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In light of the above, you are now called to acknowledge the resignation of the independent auditors BDO Italia and, at the same time, following the reasoned proposal of the Board of Statutory Auditors, to entrust the auditing task to Audirevi S.p.A. in compliance with the applicable legislation, for nine years, with reference to the financial years 2023-2031.

Therefore, we propose that You adopt the following resolution:

*"Giglio Group S.p.A. Ordinary Shareholders' Meeting:*

*- Having examined the Directors' Report, prepared pursuant to Art. 125-ter of Legislative Decree no. 58 of 24 February 1998;*

*- Having acknowledged the resignations submitted by BDO Italia S.p.A. from the assignment of statutory auditor of the Company's accounts, dated 16 May 2023;*

*- Having acknowledged the necessary corporate fulfilments useful for the assignment of the task to another auditor as well as for the purposes of informing the Shareholders' Meeting, pursuant to Art. 6, par. 2 of the Ministerial Decree no. 261/2012;*

*- Having acknowledged the favourable opinion of the Company's Board of Statutory Auditors and the proposal to confer the statutory auditor assignment for a period of nine financial years - and precisely starting from the approval of the Interim and Consolidated Financial Statements as of 30 June 2023 and until the approval of the Financial Statements as of 31 December 2031 - to the auditing company AUDIREVI S.P.A. in accordance with the economic conditions contained in the offer presented to the Company by the latter;*

*- Having examined the proposal formulated by AUDIREVI S.P.A. including, inter alia, an estimate of the timing and monetary consideration for the legal audit of the Financial Statements and of the consolidated Financial Statements and of the limited financial audit of the Interim Condensed Consolidated Financial Statements of the Company and of Giglio Group for 2023-2031 period;*

***resolves***

*- To appoint AUDIREVI S.P.A. as the new auditing company of the Company for a period of nine years, with regard to fiscal years 2023-2031, within the terms and conditions provided for by the offer submitted and annexed to the reasoned proposal of the Board of Statutory Auditors, pursuant to Art. 13, par. 1 and Art. 17, par. 1 of Legislative Decree no. 39/2010, as well as to Art. 16 of the Regulation (EU) no. 537/2014;*

*- To appoint to the Board of Directors and, on its behalf, to the Chairman of the Board of Directors, all of the powers necessary or appropriate to draft and subscribe all of the deeds and the contracts and, more in general, to carry*



*out all of the formalities regarding the termination of the current audit engagement with BDO Italia S.p.A. and to appoint AUDIREVI S.P.A. as its new auditing company."*

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Milan, 21 June 2023

For the Board of Directors

The Chairman, Alessandro Giglio