

**AQUAFIL S.p.A.**  
**SHAREHOLDERS' MEETING**

April 27, 2023 - 3PM in single call

*(in accordance with Article 125-ter, Legislative Decree No. 58/1998 and Article 84-ter of Consob Regulation No. 11971/1999)*

Illustrative Report of the Board of Directors on fourth item on the Agenda of the Shareholders' Meeting called for April 27, 2023, prepared in accordance with Article 125-ter of Legislative Decree No. 58/1998 concerning the:

*“4. Appointment of the Board of Directors 4.1. Establishment of the number of members 4.2. Establishment of the duration of office. 4.3 appointment of members; 4.4 determination of their remuneration. “*

This Report has been prepared pursuant to Article 125-ter, paragraph 1 of Legislative Decree No. 58 of February 24, 1998 and subsequent amendments and supplements (“**CFA**”) and Article 84-ter of the Regulation adopted with Consob motion No. 11971 of May 14, 1999 and subsequent amendments and supplements (“**Issuers’ Regulation**”), in relation to the fourth item on the Agenda of the Shareholders’ Meeting of Aquafil S.p.A. (“**Aquafil**” or “**Company**”), called for April 27, 2023, in single call.

This Report will be made available to the public at the Company's registered office, on the Company's website ([www.aquafil.com](http://www.aquafil.com)) and in the manner prescribed by the Consob Regulation.

The illustrative report on the additional items on the Agenda will be made available in the manner and within the timeframe prescribed by current regulations.

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PEC: [pec.aquafil@aquafil.legalmail.it](mailto:pec.aquafil@aquafil.legalmail.it)

Share Capital Euro 50,522,417.28, of which Euro 49,722,417.28 subscribed and paid-in

Tax No. IT 09652170961 - V.A.T. IT 09652170961 - REA TN 228169

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**Appointment of the Board of Directors, subject to determination of the duration in office, number of members and remuneration: resolutions thereon**

Dear Shareholders,

with reference to the appointment of the Board of Directors, which will take place on the basis of slates of candidates, please refer to the provisions of Article 147-ter of the CFA and Article 11 of the By-Laws, indicating in any case that:

The Company is administered by a Board of Directors made up of between 8 and 15 members. The Shareholders' Meeting determines the number of members on the Board, a number that remains unchanged unless otherwise resolved. The Shareholders' Meeting appoints the Board of Directors on the basis of slates presented by the shareholders, in accordance with the procedure set out in the following paragraphs, except where otherwise established by obligatory laws or regulations. All Directors must satisfy the professionalism, eligibility and good standing requirements established by applicable law and other provisions.

□ **entitlement to present slates:**

The Shareholders' Meeting appoints the Board of Directors on the basis of slates presented by the shareholders, in accordance with the procedure set out in the following paragraphs, except where otherwise established by obligatory laws or regulations.

Only those shareholders who, at the time of its submission, hold - either alone or together with other submitting shareholders - a shareholding at least equal to that determined by Consob pursuant to applicable statutory and regulatory provisions (in this case, according to Consob Executive Resolution No. 76 of January 30, 2023, a shareholding of 2.5%), may present slates. Ownership of the minimum shareholding is determined according to the shares that are registered in favour of the shareholder on the day in which the slates are filed with the issuer; certification can also be presented subsequent to the filing provided that it is within the deadline for the publication of the slates. Each shareholder, shareholders who belong to the same group of companies, as well as shareholders involved in a shareholder agreement in accordance with Article 122 of Legislative Decree No. 58/1998, may not present or participate in presenting, even through a nominee or trust company, more than one slate nor can they vote for differing slates; in addition, each candidate may be present in only one slate, at the risk of ineligibility.

**Methods and deadlines for the submission of slates, appointment of the members of the Board of Directors**

The slates provide for a number of candidates not above 15, each listed by progressive number. Each slate shall contain and expressly indicate at least 2 Directors considered independent as per applicable laws and the Corporate Governance Code of listed companies.

The slates may not be composed of candidates only from the same gender (masculine or feminine); each slate with a number of candidates equal or greater than three must include a number of candidates of the under-represented gender to guarantee the composition of the Board of Directors in accordance with legal and regulatory provisions in relation to gender balance (male and female), it being understood that if the application of the gender balance criterion does not result in a whole number, this shall be rounded up in accordance with the applicable legal and regulatory provisions. In this regard, please note that pursuant to Article 147-ter, paragraph 1-ter of the CFA (as most recently amended by Law No. 160 of December 27, 2019), it is required that the under-represented gender must account for at least two-fifths of the Directors elected.

Each slate must include as an attachment, at the risk of ineligibility: (i) the curriculum vitae of the candidates; (ii) a declaration in which all the candidates accept the candidature, and attest, under their own responsibility, that no grounds for ineligibility and incompatibility exist, as well as the existence of the requirements prescribed by applicable law for the office of director of the company and including the declaration on the possession of the independence requirements; (iii) the identity of the shareholders who have submitted the slates and the total percentage of shares held; (iv) any additional or differing declaration, information, and/or documents provided for by applicable law and regulations.

Those wishing to present slates for the appointment of the Board of Directors are requested to comply with the recommendations drawn up by Consob in Communication No. DEM/9017893 of 26.2.2009 concerning linked slates as per Article 147-ter, paragraph 3 of the CFA and Article 144-quinquies of the Consob Issuers' Regulation, to which reference should be made.

Slates for the appointment of the Board of Directors are filed at the registered office of the Company or alternatively by e-mail at the certified e-mail address [pec.aquafil@aquafil.legalmail.it](mailto:pec.aquafil@aquafil.legalmail.it).

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The slates, signed by the entitled shareholders, accompanied by the documents required by the By-Laws, must be filed by the twenty-fifth day prior to the day set for the Shareholders' Meeting in single call, and more precisely by April 2, 2023; however, April 2, 2023 being a public holiday, this deadline - in the sole interest of those submitting slates - is extended to Monday, April 3, 2023. The slates will be made available to the public by the Company at least twenty-one days prior to the Shareholders' Meeting (i.e. April 6, 2023) in accordance with the manner prescribed by current regulations.

For further information on the presentation, filing, publication and voting on the slates, as well as the requirements for the composition of the Board of Directors, please refer to Article 11 of the By-Laws and the Illustrative Report of the Directors on the Agenda item, which is available, in accordance with the terms and conditions of the applicable regulations, on the company's website at [www.aquafil.com](http://www.aquafil.com), in addition to the "EMarket Storage" centralised storage mechanism ([www.emarketstorage.it](http://www.emarketstorage.it)).

On a favourable opinion from the Appointments and Remuneration Committee, the Board of Directors has also formulated its position on the size and composition of the new Board for the shareholders.

In addition, on a favourable opinion from the Appointments and Remuneration Committee, the Board of Directors has also approved a diversity policy that identifies the optimal composition of company boards and ensures that they are able to perform their assigned functions effectively, through the inclusion of individuals capable of contributing a wide range of points of view, skills and experiences. The diversity policy also sets out the Board of Directors' view of the maximum number of directorships and auditorships that directors may hold at other companies listed on regulated markets.

These documents are available at the registered office and on the Company website [www.aquafil.com](http://www.aquafil.com), in addition to the "EMarket Storage" centralised storage mechanism ([www.emarketstorage.it](http://www.emarketstorage.it)).

The candidates elected at the end of the voting shall be those on the two slates that have obtained the highest number of votes as follows: (i) from the slate which obtained the highest number of votes (the "Majority Slate"), all the Directors shall be elected in progressive number, less one; and (ii) from the slate which obtained the second highest number of votes and that is not associated, even indirectly, with the shareholders who presented or voted for the Majority Slate (the "Minority Slate") one Director shall be elected, being the first candidate indicated on the slate.

Consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of slates.

In the case of a tie between slates, shareholders will take a second vote and those candidates who obtain a simple majority of votes will be elected without the application of slate voting.

Where at the end of the voting the applicable legal and regulatory provisions regarding gender balance (male and female) are not complied with (including rounding in compliance with the applicable legal and regulatory provisions, in the event that the application of the gender balance criterion does not result in a whole number), the following replacement mechanisms shall be applied, in order:

- a) the over-represented gender candidates elected as last in sequential order from the Majority Slate will be replaced with the first unelected candidates from the same slate from the other gender;
- b) where it is not possible to implement this replacement procedure in order to guarantee compliance with legal and regulatory provisions concerning gender balance, the non-elected Directors will be elected by the Shareholders' Meeting through ordinary majority, with presentation of candidates belonging to the under-represented gender.

Where the result of the voting does not ensure the election of the number of Independent Directors required by the applicable regulations, also considering the listing segment of the shares, the non-independent candidates elected last in progressive order on the Majority Slate will be excluded and will be substituted with the first independent non-elected candidates from the same slate. Where this procedure does not ensure the required number of Independent Directors, the Shareholders' Meeting will elect in accordance with ordinary majority, with presentation of independent candidates.

Where only one slate is presented, the Shareholders' Meeting will vote on that slate and, where this slate receives the majority of the votes, all the members of the Board of Directors will be taken from this slate in accordance with applicable law and regulations, including the gender balance regulations (including rounding in compliance with the provisions of the applicable law and regulations, in the event that the application of the gender distribution criterion does not result in a whole number).

In the absence of slates, or if only one slate is presented and this does not obtain the majority of votes, or if the number of elected Directors on the basis of slates presented is lower than the number of members to be elected, or if it is not possible for any reason to elect the Board of Directors in the manner provided for at Article 11 of the By-Laws, the

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members of the Board of Directors will be elected by the Shareholders' Meeting by statutory majority, without the application of slate voting, save for the obligation to maintain the minimum number of independent directors established by law, also considering the listing segment of the shares, and in accordance with the applicable law and regulations in terms of gender equality quotas.

\* \* \* \* \*

In addition, the Board of Directors, at the meeting held on March 16 last year, finalised its self-assessment process, on the conclusion of which - also taking into account the opinion pursuant to Recommendation 19 of the Corporate Governance Code provided by the Appointments and Remuneration Committee - it deemed it appropriate to express its considerations regarding certain corporate governance profiles relating to the Board of Directors.

The outgoing Board of Directors stresses how it would be desirable that - without prejudice to full compliance with the new regulations on gender quotas - the appointment of the Board of Directors should ensure: (i) that the positions of Chairperson and Chief Executive Officer are not held by the same individual; and (ii) the gradual reduction in the number of Executive Directors, also taking into account the averages of listed companies in Italy, thus emphasising the differentiation of roles between the Board and Top Management.

\* \* \* \* \*

With regard to the preliminary points to be considered, it should be recalled that the current Board is composed of 9 (nine) members, the compensation had been determined at a total of Euro 440,000.00 per year (per calendar year and thus with application of the pro-rata amount for fractions of a year) for the entire Board.

In light of the above, the Board of Directors proposes that the shareholders pass the following resolution:

- 4.1 *to establish as 9 (nine) the number of members on the Board of Directors;*
- 4.2 *that the Board of Directors thus appointed will serve for the fiscal years 2023 - 2025, and therefore until the approval of the financial statements for the year ending December 31, 2025;*
- 4.4 *that an annual compensation of Euro 440,000.00 (per calendar year, and therefore with application of the pro-rata amount for fractions of a year) be recognised for the entire Board, which will be divided among its members in accordance with the motions to be taken by the Board of Directors, and with respect to which are subject to any additional compensation due to Directors holding special offices to be established by the Board of Directors.*

Regarding Agenda Item 4.3, he invites shareholders to submit slates of candidates by the deadline and in accordance with the procedures outlined above and indicated in the call notice.

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**AQUAFIL S.p.A.**

Arco (TN), March 16, 2023

On behalf of the Board of Directors  
The Chairperson of the Board of Directors  
(Giulio Bonazzi)

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