

DIRECTORS' REPORT
ON THE ITEMS ON THE AGENDA FOR THE ORDINARY PART OF THE

ANNUAL GENERAL MEETING
CONVENED IN ORDINARY AND EXTRAORDINARY SESSION
FOR 21 APRIL 2023

(Report prepared in accordance with Article 125-ter of the Consolidated Law on Finance and Articles 73 and 84-ter of the Issuers' Regulation)

Dear Shareholders,

In compliance with Article 125-ter of Legislative Decree No. 58 of 24 February 1998, (the ‘**Consolidated Law on Finance**’ or ‘**Legislative Decree No. 58/98**’) as later amended, and with Articles 73 and 84-ter of the regulation implementing the Consolidated Law on Finance regarding the regulation of issuers, adopted by Consob with Resolution No. 11971 of 14 May 1999, as later amended, (the ‘**Issuers’ Regulation**’), the Board of Directors of De’ Longhi S.p.A (the ‘**Company**’, the ‘**Issuer**’ or ‘**De’ Longhi**’) hereby provides you with a report (the ‘**Directors’ Report**’) explaining the items on the agenda for the Annual General Meeting convened in ordinary and extraordinary session – by call notice published on **21 March 2023** on the Company’s website www.delonghigroup.com (section ‘*Governance*’ – ‘*Corporate Bodies*’ – ‘*Annual General Meeting 2023*’) and on the IINFO authorised storage mechanism (accessible via the website www.linfo.it), and, on **22 March 2023**, in extract form in the *La Repubblica* newspaper – at the Company’s registered office in Via L. Seitz 47, Treviso, Italy for **21 April 2023 at 8:45am**, in single call (the ‘**Annual General Meeting**’).

In particular, the **agenda** for the **ordinary part** of the above Annual General Meeting is the following:

Ordinary Part

1. *Annual Report at 31 December 2022:*
 - 1.1 *presentation of the Separate Annual Report and Financial Statements at 31 December 2022 accompanied by the Report on Operations, the Report by the Board of Statutory Auditors and the External Auditors’ Report. Resolutions thereon;*
 - 1.2 *proposed allocation of the net profit for the year and distribution of the dividend. Resolutions thereon.*
2. *Annual report on the remuneration policy and compensation paid:*
 - 2.1 *approval of the ‘2023 Remuneration Policy’ contained in Section I, in accordance with Article 123-ter(3-bis) of Legislative Decree No. 58/98;*
 - 2.2 *advisory vote on the ‘Compensation paid in 2022’ indicated in Section II, in accordance with Article 123-ter(6) of Legislative Decree No. 58/98.*
3. *Composition of the Board of Directors following the resignation of the director Massimo Garavaglia. Resolutions thereon.*
4. *Proposal to authorise the purchase and disposal of treasury shares, after revoking the resolution taken by the Annual General Meeting held on 20 April 2022. Resolutions thereon.*

The Directors' Report must be read together with the other separate reports concerning the items on the agenda for the ordinary part of the Annual General Meeting referred to later in this document.

The Directors' Report will be made available to the public on **21 March 2023** at the Company's registered office and on its website www.delonghigroup.com (section '*Governance*' – '*Corporate Bodies*' – '*Annual General Meeting 2023*'), and on the IINFO authorised storage mechanism accessible via the website www.linfo.it.

FIRST ITEM ON THE AGENDA FOR THE ORDINARY PART

‘Annual Report at 31 December 2022:

- 1.1 presentation of the Separate Annual Report and Financial Statements at 31 December 2022 accompanied by the Report on Operations, the Report by the Board of Statutory Auditors and the External Auditors’ Report. Resolutions thereon;*
- 1.2 proposed allocation of the net profit for the year and distribution of the dividend. Resolutions thereon.’*

Dear Shareholders,

We submit for your approval the Separate Annual Report and Financial Statements at 31 December 2022 of De’ Longhi S.p.A., examined and approved by the Company’s Board of Directors at the meeting held on 13 March 2023, which closed with a net profit of €100,808,066.00.

Please note that any comment related to sub-item 1.1 of the agenda for the Annual General Meeting is fully explained in the Annual Report at 31 December 2022 (including the draft Separate Annual Report and Financial Statements and the Group Annual Report and Financial Statements at 31 December 2022, the Directors’ Report on Operations, the Reports of the Board of Statutory Auditors and of the External Auditors, as well as the certification by the Chief Executive Officer and Financial Reporting Officer pursuant to Article 154-*bis*(5) of the Consolidated Law on Finance and the consolidated non-financial statement pursuant to Legislative Decree No. 254/16), which will be made available to the public on **31 March 2023** at the Company’s registered office and on its website www.delonghigroup.com (section ‘Governance’ – ‘Corporate Bodies’ – ‘Annual General Meeting 2023’), and on the IINFO authorised storage mechanism accessible via the website www.iinfo.it, together with all other documentation required by applicable law.

It should be noted that the annual consolidated financial statements contained in the Annual Report at 31 December 2022 have been prepared, pursuant to the Transparency Directive, according to the Single Electronic Reporting Format (ESEF) based on the principles laid down by Delegated Regulation (EU) 2019/815. The aforementioned Report will also be published on the Company’s website in PDF format for ease of reading, it being understood that only the ESEF version shall have legal value.

With regard to the content of the above Annual Report, it should be noted that, starting from the financial year 2017, the Company must, pursuant to Legislative Decree No. 254 of 30 December 2016 (**‘Legislative Decree No. 254/2016’**), publish a

‘*Consolidated non-financial statement*’ (‘NFS’) which must report on a set of issues to the extent necessary to ensure understanding of the company’s activities, its performance, its results and the impact produced by it. More specifically, Legislative Decree No. 254/2016 provides for reporting on non-financial issues related to five specific areas (environmental, social, workforce, respect for human rights and the fight against active and passive corruption), requiring a description of the main risks (generated and/or incurred), the policies followed by the company, related performance indicators and the company’s management and organisation model for each of these areas. Furthermore, Article 1(1073) of the Budget Law No. 145/2018, which entered into force on 30 December 2018, amended Legislative Decree No. 254/2016, providing for the disclosure of the main risks as well as the methods for managing such risks.

Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the ‘**Taxonomy Regulation**’) and the related Delegated Regulations (EU) 2021/2178 and 2021/2139 introduced the obligation to include, starting with the NFS 2021, appropriate disclosure on how and to what extent the undertaking’s activities are associated with economic activities that qualify as environmentally sustainable under the same Regulation. This information was presented in a special section separate from the NFS.

To comply with the above provisions, the Company has drafted the NFS, as it does every year, and has included it in a special section of the Report on Operations contained in the Annual Report. On this point, it is specified that the statement required under Article 3(10) of Legislative Decree No. 254/2016, and under Article 5 of the Consob Regulation adopted with Resolution No. 20267 of January 2018 – concerning the information provided being consistent with the requirements of the Legislative Decree itself and with the principles, methodologies and methods provided for therein – is issued by the auditing firm *PriceWaterhouseCoopers S.p.A.* and will be published and made available as an annex to the Annual Report. Article 8 of the Taxonomy Regulation mentioned above does not require that the disclosure on the activities required by the Regulation itself, in the context of the NFS, be reviewed by an independent auditor.

In relation to sub-item 1.2 on the agenda of the Annual General Meeting, please remember that you are also asked to resolve on the allocation of the net profit of €100,808,066.00 achieved by De’ Longhi S.p.A. during the 2022 financial year and on the distribution of the dividend.

On this point, at the meeting held on 13 March 2023, the Board of Directors resolved to propose to the Annual General Meeting that the net profit for the year be allocated and the dividend be distributed as follows:

- to the legal reserve for €49,172.00 (the amount needed to reach one-fifth of the share capital subscribed at the date of the Annual General Meeting);
- to Shareholders, through the distribution of an ordinary gross dividend of €0.48 per eligible share at the record date pursuant to Article 83-*terdecies* of Legislative Decree No. 58/98;

- the remainder of the profit for the year to the extraordinary reserve.

The total amount of the dividend distributed and, consequently, the residual amount to be allocated to the extraordinary reserve will vary depending on the number of eligible shares, since these amounts are defined when the dividend is actually paid on the basis of the shares in circulation on the record date pursuant to Article 83-*terdecies* of Legislative Decree No. 58/98 (excluding, therefore, the treasury shares in the Company's portfolio).

Considering that, at the date of approval of this Report, the De' Longhi shares in circulation amount to 151,060,000 and the Company holds 895,350 treasury shares, the total amount of dividend at that date stands at €72,079,032.00.

The Board also resolved to propose paying the above dividend of €0.48 per eligible share starting from 24 May 2023, with ex-dividend no. 23 on 22 May 2023 and with the record date, pursuant to Article 83-*terdecies* of the Consolidated Law on Finance (namely the accounting date at the end of which, the active Shareholders' accounts with brokers will be proof for the purposes of entitlement to receive the dividend), at 23 May 2023.

The text of the proposed resolution prepared by the Board of Directors for the Annual General Meeting concerning sub-items 1.1 and 1.2 of this item on the agenda will be specified in the above Annual Report for the financial year 2022, to which reference is made.

SECOND ITEM ON THE AGENDA FOR THE ORDINARY PART

‘Annual report on the remuneration policy and compensation paid:

- 2.1 approval of the ‘2023 Remuneration Policy’ contained in Section I, in accordance with Article 123-ter(3-bis) of Legislative Decree No. 58/98;*
- 2.2 advisory vote on the ‘Compensation paid in 2022’ indicated in Section II, in accordance with Article 123-ter(6) of Legislative Decree No. 58/98.’*

Dear Shareholders,

In relation to the second item on the agenda of the Annual General Meeting, you are called up also this year, pursuant to Article 123-ter of the Consolidated Law on Finance, most recently amended by Legislative Decree No. 49/2019 which implemented EU Directive 2017/828 (so-called SHRD II), to express your opinion on the ‘Annual Report on the remuneration policy and compensation paid’ of De’ Longhi (the ‘**Remuneration Report**’ or ‘**Report**’) concerning:

- the policy for remunerating the members of the board of directors and board of statutory auditors, the general manager and key managers with strategic responsibilities (‘**Relevant Subjects**’) proposed by the Board of Directors for the financial year 2023 and the procedures used to adopt and implement this policy (the ‘**2023 Remuneration Policy**’); and

- compensation paid in the 2022 financial year to the Relevant Subjects.

We would like to remind you that the Remuneration Report is divided into two separate sections:

- **Section I**, which describes the Remuneration Policy and the procedures used for the adoption and implementation of the policy itself. It should be pointed out that, as every year, this section also contains information on the remuneration of directors and on the Remuneration and Appointments Committee relating to the recommendations dictated by the Corporate Governance Code approved by the Corporate Governance Committee in January 2020 (the ‘**Corporate Governance Code**’ or the ‘**Code**’) to which De’ Longhi adheres;

- **Section II** (divided into two parts) which contains, in Part One, a representation of the remuneration paid by the Company to Relevant Subjects with reference to each of the items making up the remuneration of Relevant Subjects for 2022; and, in Part Two, the details of the compensation accrued or paid to Relevant Subjects in 2022, for whatever reason and in whatever form, by the Company and its subsidiaries and associated companies, using the tables annexed to the Remuneration Report, which form an integral part of the same, as well as information on the shareholdings held in the Company and its subsidiaries by those same Relevant Subjects, by their spouses (from whom they are not

legally separated) or their children, either directly or through subsidiaries, trust companies or third parties.

It should be noted that, following the changes introduced by Legislative Decree No. 49/2019 to Article 123-*ter* of the Consolidated Law on Finance, the vote to be cast by the Annual General Meeting on the 2023 Remuneration Policy contained in Section I of the Remuneration Report has been raised to a binding vote, and the vote to be cast on the compensation paid in 2022 to the Relevant Subjects, reported in Section II of the Report, is an advisory one.

It should be noted that the Report (and, therefore, the 2023 Remuneration Policy contained in Section I of the same report and the compensation paid to Relevant Subjects in 2022 contained in Section II of the Report) has been approved by the Board of Directors in the meeting held on 13 March 2023, upon the proposal of the Remuneration and Appointments Committee – in accordance with the laws and regulations in force – and will be made available to the public at the Company’s registered office and on its website www.delonghigroup.com (section ‘Governance’ – ‘Corporate Bodies’ – ‘Annual General Meeting 2023’), and on the IINFO authorised storage mechanism accessible via the website www.linfo.it at least 21 days before the date of the Annual General Meeting (more specifically, from **31 March 2023**).

For further details, please refer to the above Report, the contents of which have also been defined in accordance with Article 84-*quater* of the Issuers’ Regulation and in consideration of the related Annex 3A, Scheme 7-*bis* and Scheme 7-*ter*.

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The Annual General Meeting is therefore invited to adopt the following resolution:

In relation to item 2.1

‘The Annual General Meeting of the Shareholders of De’ Longhi S.p.A.:

- having reviewed Section I of the ‘Annual Report on the Remuneration Policy and Compensation Paid’ of De’ Longhi S.p.A. dated March 2023 and prepared in accordance with the laws and regulations in force,

RESOLVES

to approve the ‘2023 Remuneration Policy’ contained in Section I of the aforementioned Report and the related adoption and implementation procedures.’

In relation to item 2.2

‘The Annual General Meeting of the Shareholders of De’ Longhi S.p.A.:

- having reviewed Section II of the 'Annual Report on the Remuneration Policy and Compensation Paid' of De' Longhi S.p.A., dated March 2023 and prepared in accordance with the laws and regulations in force,

RESOLVES

to express a favourable opinion on the 'Compensation paid in 2022' indicated in Section II of the aforementioned Report.'

THIRD ITEM ON THE AGENDA FOR THE ORDINARY PART***‘Composition of the Board of Directors following the resignation of the director Massimo Garavaglia. Resolutions thereon.’***

Dear Shareholders,

As previously disclosed, on 17 June 2022, the then Chief Executive Officer and General Manager, Massimo Garavaglia, tendered his resignation as a member of the Company’s Board of Directors, effective as of 1 September 2022.

Consequently, the Board of Directors, with the support of the Remuneration and Appointments Committee, initiated a succession process on that date in compliance with the ‘*Succession Plan Policy of De’Longhi S.p.A. – Guidelines for the definition of succession plans*’ adopted by the Company, appointing Fabio de’ Longhi as Chief Executive Officer on 28 July 2022, with effect from 1 September 2022, pending the identification of a new top management.

At the meeting on 29 September 2022, the Board of Directors, considering that the departure of Massimo Garavaglia did not affect the proper functioning of the administrative body, decided, at the conclusion of the succession process that was in progress, to postpone the decision on co-opting a new member to replace him.

Last December, at the conclusion of the aforementioned succession process (which, as disclosed to the public on 22 December 2022, led to the confirmation of Fabio de’ Longhi as the Chief Executive Officer and the appointment of a new General Manager, the position entrusted to Nicola Serafin, already a key manager with strategic responsibilities as the Company’s Chief Operating and Technology Officer), the Board of Directors decided not to co-opt a new director to replace Mr Garavaglia, leaving it to the next Annual General Meeting to decide whether to proceed with the appointment of a new director or to reduce the number of Board members from 12 (twelve) to 11 (eleven).

You are therefore invited to either elect a new Director, to bring the number of members on the Company’s Board of Directors up to 12 (twelve), the number established by the ordinary Annual General Meeting on 20 April 2022, or resolve to reduce the number of Directors from 12 (twelve) to 11 (eleven).

It should be noted that, at his appointment, Massimo Garavaglia was taken from the majority slate submitted by De Longhi Industrial S.A., the controlling shareholder of the Company.

It should also be noted that the Board of Directors currently in office:

- was appointed by the resolution of the ordinary Annual General Meeting held on 20 April 2022, which set the number of its members at 12 (twelve), and will expire with the approval of the financial statements at 31 December 2024;
- is composed of 11 (eleven) members, 6 (six) of whom are men and 5 (five) are women;
- 5 (five) of the members currently in office possess the independence requirements laid down by the combined provisions of Articles 147-ter(4) and Article 148(3) of the Consolidated Law on Finance, as well as those established by Art. 2, Recommendation no. 7 of the Corporate Governance Code, to which the Company adheres. Therefore, the number of independent directors currently on the Board of Directors complies with the requirements of the law, the Articles of Association and the recommendations of the Corporate Governance Code.

On this point, reference is made to Article 9 of the Company's Articles of Association, according to which *'The company shall be administered by a Board of Directors consisting of a minimum of three and a maximum of thirteen members. The Annual General Meeting of Shareholders shall determine the number of members constituting the Board of Directors, which shall remain unaltered until otherwise amended by a resolution, and shall fix the annual remuneration, without prejudice to the provisions of Art. 2389(3) of the Civil Code.'*

With reference to the possible reduction in the number of Directors, at the Board meeting held on 14 December 2022, taking into account the professional skills present within the Board and their diversification, the Board of Directors confirmed that the current composition of 11 (eleven) members of the administrative body is able to ensure the full and proper functioning of both the body itself and the Board committees (of which Mr Garavaglia was not a member).

With regard to the possible integration of the Board of Directors, it should be remembered, pursuant to Article 9 of the Articles of Association, *'The replacement during their term of office of one or more directors elected by the Annual General Meeting of Shareholders must take place in compliance with the rules and regulations in force at the time, particularly those regarding gender equality.'* On this point, it should be noted that, in accordance with Article 9 of the Articles of Association, the appointment of a single director must be resolved by the Annual General Meeting with a legal majority, without using the slate voting procedure governed by the same Article. The slate voting method is materially inapplicable to the appointment of a single director, due to the absence of the situation to which it refers.

It is also noted that, any proposals for appointment must be accompanied by the following documentation as required by Article 9 of the Articles of Association:

- (i) the curriculum vitae of the candidate, containing a detailed description of their personal and professional characteristics (including, if possible, the list of positions as director and/or statutory auditor held by the candidate in other companies); and

- (ii) the statement in which the candidate accepts candidacy and certifies, at their own responsibility, that: (a) there is no known impediment preventing election; (b) the requisites required by the law in force and by the Articles of Association for the office of director have been met; (c) whether they possess the requirements of independence established by Article 147-ter(4) of the Consolidated Law on Finance (which refers to those established for statutory auditors by Article 148(3) of the Consolidated Law on Finance), as well as those recommended by Article 2 of the Corporate Governance Code.

In order to enable verification of the candidate's independence pursuant to the Corporate Governance Code, the following are the quantitative and qualitative criteria approved by the Board of Directors for the purpose of assessing the significance of the circumstances described in points c) and d) of Recommendation no. 7 of the same Code ('**Significance Criteria**'), and considering, for the purpose of assessing independence, the candidate's parents, children, spouse (from whom the candidate is not legally separated) and cohabitants as 'close family members' ('**Close Family Members**').

Significance of commercial, financial or professional relationships

The significant commercial, financial or professional relationships (the '**Significant Relationships**') to be taken into account when assessing the independence of a director or statutory auditor of De' Longhi (the '**Candidate**') are those that the Candidate has or has had in the previous three financial years, directly or indirectly (for example through subsidiaries or through companies in which the Candidate is an executive director, or through a professional or consulting firm in which the Candidate is a partner) with the following subjects (the '**Relevant Subjects**')

- (i) De' Longhi, its subsidiaries and their executive directors and top management, and
- (ii) a subject who, also together with others through a shareholders' agreement, controls the Company; if control is held by a company or entity, its executive directors or top management.

In particular, without prejudice to the possibility of assessing the specific situation taking into account the best interests of the Company and its ability to actually affect the independence of the Candidate, the Significant Relationships with Relevant Subjects shall, as a rule, be considered significant, and therefore capable of compromising the independence of the Candidate, if the value of these Significant Relationships in the financial year in which the verification of the independence requirement is carried out or in one of the three previous financial years, exceeds a total of €100,000.00.

With regard to professional relationships, if the Candidate is a partner in a professional or consulting firm, the significance of the relationship shall also be assessed with regard to the effect that the relationship might have: (i) on his or her position and role within the professional or consulting firm, the company he or she controls or in which he or she is an executive director, and (ii) in consideration of the importance of the operation that is

the subject of the professional relationship for De' Longhi and for the De' Longhi Group, regardless of whether the aforementioned quantitative criterion applies.

The independence of the Candidate appears to be compromised even if it is one of his or her Close Family Members who has had a Significant Relationship within the meaning of Recommendation No. 7, point (c) of the Corporate Governance Code.

Significance of additional remuneration

The significant additional remuneration to be considered when assessing the independence of a Candidate includes the sum of any significant remuneration paid by De' Longhi, by one of its subsidiaries or by the parent company other than the remuneration established for the office and that envisaged for the participation in the committees recommended by the Corporate Governance Code or provided for by the regulations in force (the '**Additional Remuneration**').

In particular, without prejudice to the possibility of assessing the specific situation taking into account the best interests of the Company and its ability to actually affect the independence of the Candidate, the Additional Remuneration to be considered significant as a rule, and therefore capable of compromising the independence of the Candidate, if - in the current financial year or in one of three previous financial years - the additional remuneration received that year exceeds 150% of the value of the annual fixed remuneration received by the Candidate for the office and for any participation in the committees (or bodies) recommended by the Code or provided for by the regulations in force.

The independence of the Candidate appears to be compromised even if it is one of his or her Close Family Members who has had received Additional Remuneration within the meaning of Recommendation No. 7, point (d) of the Corporate Governance Code.

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The Director elected, if any, will remain in office until the expiry date for all the other members of the Board of Directors, namely until the approval of the financial statements for the year ending 31 December 2024.

With regard to the remuneration to be awarded, in the event of appointment, to the new Director, it should be noted that the Annual General Meeting held on 20 April 2022 set, pursuant to Article 2389(1) of the Civil Code, the annual remuneration of each member of the Board of Directors at €50,000.00.

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The Annual General Meeting is therefore invited to resolve on the appointment of a Director or, alternatively, to reduce the number of members of the Board of Directors from 12 (twelve) to 11 (eleven), on the basis of the proposed resolutions that may be formulated by the Shareholders and those entitled to vote by 5 April 2023 and using the methods indicated in the call notice convening the AGM itself, published today on the

Company's website www.delonghigroup.com (section '*Governance*' – '*Corporate Bodies*' – '*Annual General Meeting 2023*'), and on the IINFO authorised storage mechanism accessible via the website www.linfo.it.

On this point it should be noted that, as indicated in the call notice convening the Annual General Meeting, the proposed resolutions formulated in accordance with the above terms and procedures will be published by **6 April 2023** on the Company's website www.delonghigroup.com (section '*Governance*' – '*Corporate Bodies*' – '*Annual General Meeting 2023*').

FOURTH ITEM ON THE AGENDA FOR THE ORDINARY PART

‘Proposal to authorise the purchase and disposal of treasury shares, after revoking the resolution taken by the Annual General Meeting held on 20 April 2022. Resolutions thereon.’

Dear Shareholders,

We submit the proposal to authorise the Company’s purchase and subsequent disposal of treasury shares for your consideration and approval.

We remind you that the previous authorisation to purchase and dispose of treasury shares was approved by the Annual General Meeting held on 20 April 2022 and, therefore, the 18-month period envisaged by the same resolution is due to expire on 20 October 2023.

We would like to inform you that, during the 2022 financial year and until the date of the approval of this report (13 March 2023), the Board of Directors has not taken advantage of the authorisation granted by the Annual General Meeting on 20 April 2022 and that, following the buy backs made during FY 2020, the Company directly holds 895,350 treasury shares as of today’s date. We would like to also point out that, with the exception of the Issuer, as of today none of the companies of the De’ Longhi Group holds shares in the Company.

In consideration of the opportunity to renew the authorisation, for the reasons and under the terms set out below, we propose that you revoke the authorisation granted with the resolution of 20 April 2022 and, at the same time, approve a new authorisation to purchase and dispose of the Company’s ordinary shares under the following terms.

4.1 Reasons for the requested authorisation to purchase and dispose of treasury shares.

The Board of Directors has resolved to submit again to the Annual General Meeting the request for authorisation to perform operations to purchase treasury shares – after revocation of the resolution passed by the Annual General Meeting last year – and, under certain conditions, to dispose of said shares, though still in compliance with the equal treatment of Shareholders and with the laws and regulations that are applicable, including Regulation (EU) No. 596/2014 of the European Parliament and Council of 16 April 2014 relating to market abuse (**‘Reg. (EU) No. 596/2014’**) and related regulatory technical standards, as well as market practices permitted by Consob, for the following reasons:

- a) it will be possible to proceed with investments in the Company's shares, in the interests of the same and of all the Shareholders: (i) in relation to current market situations to perform a support activity that improves the share's liquidity, promoting the regularity of trading, and (ii) when the stock exchange prices or the amount of available cash make this operation economically convenient;
- b) if necessary, treasury shares may be used for transactions related to business or commercial projects or however in the interests of the Company and the De' Longhi Group, involving the opportunity to trade or transfer shareholdings or to use them as guarantee on the same;
- c) if necessary, treasury shares (or options on the same) may also be purchased and/or sold and/or assigned in relation to remuneration plans based on financial instruments in accordance with Article 114-*bis* of the Consolidated Law on Finance, either in the form of (traditional) stock options or under plans that do not envisage the 'real' allocation of the shares, such as for example, so-called 'phantom stock options', to, among others, directors, employees, consultants of the Company or of the De' Longhi Group;
- d) if necessary, treasury shares (or options on the same) may also be purchased and/or sold and/or assigned in relation to the issue of financial instruments that can be converted into shares;
- e) if necessary, treasury shares (or options on the same) may also be purchased and/or sold and/or assigned in relation to programmes for Shareholder scrip issues.

4.2 Maximum number, class and nominal value of the shares to which the authorisation proposal relates.

The authorisation which the Board requests from the Annual General Meeting concerns the purchase of the Company's shares to be carried out, also through a series of operations, until reaching a maximum quantity of 14,500,000 (fourteen million five hundred thousand) ordinary shares with a nominal value of €1.50 (one euro fifty cents) each, and therefore an amount not exceeding one fifth of the share capital – considering also any shares held by subsidiaries – and, in any case, within the limits of the distributable profits and available reserves according to the last approved financial statements. The authorisation requested includes the faculty to subsequently dispose of the shares in portfolio, without any time limit, one or more times, also before having reached the maximum quantity of shares that can be purchased, and to buy back the same shares in compliance with the limits and conditions established by this authorisation.

4.3 Useful information for the evaluation of compliance with the provision as per Article 2357(3) of the Civil Code.

For the purposes of the evaluation of compliance with the limits as per Article 2357(3) of the Civil Code, it is noted that the Issuer's share capital is currently €226,590,000, comprising 151,060,000 ordinary shares, and that, at the date of this Report, the Company directly holds 895,350 treasury shares.

The nominal value of the shares for which purchase authorisation is requested therefore does not exceed the above limit, also taking into account shares which may be bought by subsidiaries.

However, subsidiaries will be provided with specific instructions concerning the timely reporting of any share purchase operations in accordance with Articles 2359-*bis* et seq. of the Civil Code.

4.4 Duration of the requested authorisation.

The authorisation to purchase treasury shares is requested for a period of 18 (eighteen) months from the date the Annual General Meeting adopts the resolution.

The authorisation to dispose of treasury shares, even before reaching the purchase limit, is requested without time limit.

4.5 Minimum and maximum payments and market valuations.

Purchase of treasury shares

The purchase price of each treasury share must not be more than 15% (fifteen percent) below or 15% (fifteen percent) above the average of the official trading prices recorded by the Euronext Milan on the three trading days before the purchase or the announcement of the operation, depending on the technical methods identified by the Board of Directors.

Disposal of treasury shares

As regards the subsequent disposal of the shares purchased, only the minimum price for sale to third parties is established, which must not entail negative economic effects on the Company, and, in any case, not be below 95% (ninety-five percent) of the average official price recorded on the Euronext Milan over the three days before the sale. This price limit may be waived for the exchange or sale of treasury shares (or their use as guarantee on the same) relating to the realisation of operations associated with industrial and/or commercial projects and/or however in the interests of the Company or the De' Longhi Group, and in the case of the allocation and/or sale of shares (or options on such shares) in relation to (i) remuneration plans based on financial instruments pursuant to Article 114-*bis* of the Consolidated Law on Finance (for, among others, directors, employees or consultants of the Company and of companies in the De' Longhi Group)

and/or (ii) for the issue of other financial instruments that can be converted into shares and/or (iii) programmes for Shareholder scrip issues.

4.6 Methods through which the purchase and disposal of treasury shares will be carried out.

The operations for purchasing treasury shares can be carried out in accordance with Article 5 of Regulation (EU) No. 596/2014, and must be carried out in compliance with Article 132 of the Consolidated Law on Finance and Article 144-*bis* of the Issuers' Regulation and with accepted market practices, and therefore, among others, (i) through public purchase offer or exchange, or (ii) on the market or possibly on multilateral trading systems, according to the operating methods established by the market management company, which do not allow the direct linking of purchase proposals with pre-established sales proposals, or (iii) through the purchase and sale, in accordance with applicable regulations, of derivative instruments traded on regulated markets or possibly on multilateral trading systems which provide for the physical delivery of the underlying shares, or (iv) through the allocation to Shareholders, in proportion to their shareholding, of a sales option to be exercised within 18 (eighteen) months from the date the Annual General Meeting adopted the corresponding resolution, or also (v) with the methods established by the market practices permitted by Consob pursuant to Article 13 of Regulation (EU) No. 596/2014, and in any case in a way to ensure equal treatment of Shareholders and in compliance with all applicable regulations, including EU regulations (in particular, where applicable, the regulatory technical standards adopted to implement Regulation (EU) No. 596/2014).

The purchase of treasury shares may take place through procedures that differ from those indicated above where permitted by and/or compatible with the regulations, including European regulations, in force at the time, taking into account the need, in any case, to respect the principle of equal treatment of Shareholders.

Purchases may take place on one or more occasions.

With regard to the disposal of the shares in question, this may take place, on one or more occasions, also before reaching the maximum quantity of shares that can be purchased. Disposal will take place through sale on the stock market, outside the market, or through exchange with investments or other assets or the establishment of guarantees as part of operations connected with industrial and/or commercial projects and/or however in the interests of the Company or the De' Longhi Group, in implementation of incentive programmes or in any case remuneration plans based on financial instruments pursuant to Article 114-*bis* of the Consolidated Law on Finance (for, among others, directors, employees and consultants of the Company and of companies in the De' Longhi Group), for the issue of other financial instruments that can be converted into shares,

through programmes for Shareholder scrip issues and also through public exchange offers. Shares may also be disposed of also as part of other financial instruments.

The disposal of treasury shares may also take place through procedures that differ from those indicated above where permitted by the regulations applicable at the time of the operation.

4.7 Information on the utility of the purchase to reduce share capital.

It should be noted that the aforementioned purchase of treasury shares does not constitute a reduction of the share capital.

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The Annual General Meeting is therefore invited to adopt the following proposed resolution:

'The Annual General Meeting of the Shareholders of De' Longhi S.p.A.:

- *having regard to the resolution passed by the Annual General Meeting of De' Longhi S.p.A held on 20 April 2022, with regard to the authorisation to purchase and dispose of treasury shares;*
- *having noted the Report by the Board of Directors and the applicable laws and regulations;*

RESOLVES

1) to revoke the Annual General Meeting resolution of 20 April 2022 authorising the purchase and disposal of treasury shares;

2) to authorise the purchase and disposal of treasury shares for the purposes indicated in the Directors' Report under the following terms and conditions:

- *without prejudice to the limits as per Article 2357 of the Civil Code, the purchase may be carried out on one or more occasions, until reaching a maximum quantity of 14,500,000 (fourteen million five hundred thousand) ordinary shares with a nominal value of €1.50 each, also considering the shares held by the Company and by its subsidiaries, and within the limits of distributable profits and available reserves according to the last approved financial statements;*
- *the authorisation to purchase treasury shares is approved for a period of 18 (eighteen) months from today's date and therefore until 21 October 2024;*
- *the authorisation includes the faculty to subsequently dispose of the shares in portfolio, one or more times, also before having reached the maximum quantity of shares that can*

be purchased, and to buy back the same shares in compliance with the limits and conditions established by this authorisation;

The operations for purchasing treasury shares can be carried out in accordance with Article 5 of Regulation (EU) No. 596/2014, and must be carried out in compliance with Article 132 of the Consolidated Law on Finance, Article 144-bis of the Issuers' Regulation and with accepted market practices, and therefore, among others, (i) through public purchase offer or exchange; (ii) on regulated markets or possibly on multilateral trading systems, according to the operating methods established by the market management company; (iii) through the purchase and sale, in accordance with the regulations in force at the time, of derivative instruments traded on regulated markets or possibly on multilateral trading systems which provide for the physical delivery of the underlying shares; (iv) through the allocation to Shareholders, in proportion to their shareholding, of a sales option to be exercised within 18 (eighteen) months from today's date; (v) with the methods established by the market practices permitted by Consob pursuant to Article 13 of Regulation (EU) No. 596/2014; (vi) with other methods permitted by the regulations in force at the time; and in any case ensuring the equal treatment of Shareholders and compliance with all applicable regulations, including applicable EU regulations;

The purchase price of each treasury share must not be more than 15% (fifteen percent) below or 15% (fifteen percent) above the average of the official trading prices recorded by the Euronext Milan on the three trading days before the purchase or the announcement of the operation, depending on the technical methods identified by the Board of Directors.

- the sale price for third parties must not be lower than 95% (ninety-five percent) of the average official prices recorded on the Euronext Milan over the three days before the sale. This price limit may be waived in cases where the exchanges or transfers of own shares (or their use as guarantee on the same) relating to the realisation of operations associated with industrial and/or commercial projects and/or however in the interests of the Company or the Group, and in the case of the allocation and/or transfer, whether free or against payment, of shares or options on such shares in relation to remuneration plans based on financial instruments pursuant to Article 114-bis of the Consolidated Law on Finance (for, among others, directors, employees or consultants of the Company and of companies in the De' Longhi Group) and for the issue of other financial instruments that can be converted into shares and/or programmes for scrip issues;

- the authorisation to dispose of own shares, also before reaching the purchase limit, is given without time limit.'

Treviso, 13 March 2023

For the Board of Directors

The Chairman

Giuseppe de' Longhi