

**DIRECTORS' REPORT**  
**ON THE ITEMS ON THE AGENDA OF THE**

**ANNUAL GENERAL MEETING**  
**CONVENED IN ORDINARY SESSION FOR**  
**20 APRIL 2022**

*(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 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 session – by notice published on **11 March 2022** on the Company’s website [www.delonghigroup.com](http://www.delonghigroup.com) (section “*Governance*” – “*Corporate Bodies*” – “*Annual General Meeting 2022*”) and on the IInfo authorised storage mechanism (accessible via the website [www.1info.it](http://www.1info.it)), and, on **12 March 2022**, in extract form in the *La Repubblica* newspaper – at the Company’s registered office in Via L. Seitz 47, Treviso, Italy for **20 April 2022 at 8:45am**, in single call (the “**Annual General Meeting**”).

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

1. *Annual Report at 31 December 2021:*
  - 1.1 *presentation of the Separate Annual Report and Financial Statements at 31 December 2021 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 “2022 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 2021” indicated in Section II, in accordance with Article 123-ter(6) of Legislative Decree No. 58/98.*
3. *Appointment of the Board of Directors:*
  - 3.1 *determination of the number of members. Resolutions thereon;*
  - 3.2 *determination of the duration of office. Resolutions thereon;*
  - 3.3 *appointment of the Directors. Resolutions thereon;*
  - 3.4 *appointment of the Chairman of the Board of Directors. Resolutions thereon;*
  - 3.5 *determination of the remuneration. Resolutions thereon.*
4. *Appointment of the Board of Statutory Auditors for the three-year period 2022-2024:*
  - 4.1 *appointment of the Auditors and the Chairman of the Board of Statutory Auditors. Resolutions thereon;*
  - 4.2 *determination of the remuneration. Resolutions thereon.*
5. *Proposal to authorise the purchase and disposal of treasury shares, after revoking the resolution taken by the Annual General Meeting held on 21 April 2021. Resolutions thereon.*

This Report must be read together with the other separate reports concerning the items on the agenda of the Annual General Meeting referred to in the text of this Report.

On **11 March 2022**, this Report will be filed at the Company's registered office and made available to the public and on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section "*Governance*" – "*Corporate Bodies*" – "*Annual General Meeting 2022*"), and on the IINFO authorised storage mechanism accessible via the website [www.linfo.it](http://www.linfo.it).

**FIRST ITEM ON THE AGENDA*****“Annual Report at 31 December 2021:***

- 1.1 presentation of the Separate Annual Report and Financial Statements at 31 December 2021 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 2021 of De’ Longhi S.p.A., examined and approved by the Company’s Board of Directors at the meeting held on 10 March 2022, which closed with a net profit of € 107,098,783.

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 2021 (including the draft Separate Annual Report and Financial Statements and the Group Annual Report and Financial Statements at 31 December 2021, 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 on **30 March 2022** will be filed at the Company’s registered office and made available to the public on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section “Governance” – “Corporate Bodies” – “Annual General Meeting 2022” ), and on the IINFO authorised storage mechanism accessible via the website [www.1info.it](http://www.1info.it), together with all other documentation required by applicable law.

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. 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 (so-called "Taxonomy Regulation"), and the delegated Regulations (EU) 2021/2178 and (EU) 2021/2139 connected to it, have introduced the obligation to include, within the scope of the NFS 2021, specific information on how and to what extent the company's activities are associated with "eco-sustainable" economic activities pursuant to the same Regulation. This information was presented in a specific separate section of the NFS.

To comply with the above provisions, the Company has drafted the NFS 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, already mentioned, does not provide for the auditing of the information on the activities required by the Regulation itself, in the context of the NFS, by the statutory 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 € 107,098,783 achieved by De' Longhi S.p.A. during the 2021 financial year and on the distribution of the dividend.

On this point, at the meeting held on 10 March 2022, 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 €101,259 (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 € 0.83 per eligible share at the record date pursuant to Article 83-*terdecies* of Legislative Decree No. 58/98 by using, in addition to the net profit for the year after deducting the allocation to the legal reserve, also a part of the extraordinary reserve.

The total amount of the dividend distributed and, consequently, the residual amount of the extraordinary reserve to be used to pay the dividend, will vary according to the number of eligible shares, these amounts being 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 150,896,092 and the Company holds 895,350 treasury shares, the total amount of dividend at that date stands at € 124,500,615.86.

The Board also resolved to propose paying the above dividend of € 0.83 per eligible share starting from 25 May 2022, with shares going ex-coupon on 23 May 2022 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 24 May 2022.

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 2021, to which reference is made.

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**SECOND ITEM ON THE AGENDA**

*“Annual report on the remuneration policy and compensation paid:*

- 2.1 approval of the “2022 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 2021” 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, this year too, 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), you are called upon 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 management personnel (“**Relevant Subjects**”) proposed by the Board of Directors for the financial year 2022 and the procedures used to adopt and implement this policy (the “**2022 Remuneration Policy**”); and

- compensation paid in the 2021 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 2021; and, in Part Two, the details of the compensation paid to or accrued by Relevant Subjects in 2021, 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 2022 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 2021 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 2022 Remuneration Policy contained in Section I of the same report and the compensation paid to Relevant Subjects in 2021 contained in Section II of the Report) has been approved by the Board of Directors in the meeting held on 10 March 2022, upon the proposal of the Remuneration and Appointments Committee – in accordance with the laws and regulations in force – and will be filed and made available to the public at the Company’s registered office and on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section “Governance” – “Corporate Bodies” – “Annual General Meeting 2022”), and on the IINFO authorised storage mechanism accessible via the website [www.iinfo.it](http://www.iinfo.it) at least 21 days before the date of the Annual General Meeting (more specifically, from **30 March 2022**).

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 2022 and prepared in accordance with the laws and regulations in force,*

**RESOLVES**

*to approve the “2022 Remuneration Policy” contained in Section I of the aforementioned Report and the related adoption and implementation procedures.”*

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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 2022 and prepared in accordance with the laws and regulations in force,*

**RESOLVES**

*to express a favourable opinion on the “Compensation paid in 2021” indicated in Section II of the aforesaid Report.*

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**THIRD ITEM ON THE AGENDA*****“Appointment of the Board of Directors:***

- 3.1 determination of the number of members. Resolutions thereon;***
- 3.2 determination of the duration of office. Resolutions thereon;***
- 3.3 appointment of the Directors. Resolutions thereon;***
- 3.4 appointment of the Chairman of the Board of Directors. Resolutions thereon;***
- 3.5 determination of the remuneration. Resolutions thereon.”***

Dear Shareholders,

With the approval of the Annual Report at 31 December 2021, the Company’s Board of Directors, appointed by the Annual General Meeting for the years 2019-2021 and composed, at the date of this Report, of 12 (twelve) Directors and, more specifically, by: Giuseppe de’ Longhi (Chairman), Fabio de’ Longhi (Vice Chairman), Massimo Garavaglia (Chief Executive Officer), Silvia de’ Longhi (Executive), Massimiliano Benedetti (Independent), Ferruccio Borsani (Independent), Luisa Maria Virginia Collina (Independent), Renato Corrada (Non-executive), Carlo Garavaglia (Non-executive), Cristina Pagni (Independent), Stefania Petruccioli (Independent), Giorgio Sandri (Non-executive), will expire having completed its term of office.

It should be noted that, on this point, all the above members of the Board of Directors were appointed by the Annual General Meeting held on 30 April 2019, except for Massimiliano Benedetti, whose appointment was proposed by the Chairman and Vice Chairman and confirmed by the Annual General Meeting held on 22 April 2020.

To this end, it should be remembered that, pursuant to Article 9 of the Articles of Association of De’ Longhi (the “**Articles of Association**”):

- (i) the number of members of the Board of Directors cannot be fewer than 3 (three) or greater than 13 (thirteen) members;
- (ii) the duration of the term of office, in compliance with the provisions of Article 9 of the Articles of Association in accordance with Article 2383 of the Civil Code, cannot exceed 3 (three) financial years;
- (iii) the appointment of the directors is carried out based on the slates submitted by the Shareholders.

With regard to the remuneration for the directors who will be elected, the Board of Directors reminds Shareholders that, in determining the gross annual remuneration of each member of the Board of Directors, the 2022 Remuneration Policy set out in the “*Annual Report on the Remuneration Policy and compensation paid*” of De’ Longhi S.p.A. submitted to the binding vote of the Company’s Annual General Meeting convened for 20 April 2022 must be taken into account. We would also like to inform you that – also in consideration of the recommendation, made in previous years by the Chairman of

the Corporate Governance Committee, to verify that the amount of remuneration paid to non-executive directors is appropriate to the expertise, professionalism and commitment required by their office – on the initiative of the Remuneration and Appointments Committee, a remuneration benchmark analysis was carried out by an independent consulting firm, the results of which will be set out later in this Report.

The Board of Directors therefore asks the Shareholders to make proposed resolutions on the subject and to submit slates of candidates, using the methods and within the terms referred to in Article 9 of the Articles of Association.

In particular, the Shareholders who – on the day that the slates are submitted – possess, either alone or together with other Shareholders, at least **1%** of the share capital (shareholding laid down by Consob Management Decision No. 60 of 28 January 2022, in accordance with the law and regulations) can submit a slate containing a maximum of 13 (thirteen) candidates, numbered in sequential order. At least two candidates, always indicated at least at the second or seventh position of each slate, must possess the independence requirements required by Article 147-*ter*(4) of the Consolidated Law on Finance (which refers to Article 148(3) of the Consolidated Law on Finance).

Each candidate may only be indicated on one single slate or shall be deemed ineligible.

Shareholders should note that, pursuant to Article 9 of the Articles of Association, slates containing a total of three or more candidates must comprise candidates belonging to both genders (male and female), so as to ensure that the gender balance within the Board of Directors is at least equal to the minimum required by the laws and regulations in force at the time. On this point it should be noted that, in accordance with Article 147-*ter*(1-*ter*) of Legislative Decree No. 58/98, introduced by Law No. 120 of 12 July 2011 and subsequently amended, with reference to the term of office of the new Board of Directors, the least represented gender must attain at least two fifths of the elected directors, rounded up to nearest whole number (as provided by Article 144-*undecies*.1(3) of Consob Regulation No. 11971/1999).

The slates submitted by the Shareholders, signed by those who submit them, must be filed using the methods indicated below at least twenty-five days before the date of the Annual General Meeting (namely by **26 March 2022**) or they shall be deemed invalid.

Each slate must be filed together with the following documents:

(i) the special certificate issued by an authorised intermediary in accordance with the law proving ownership of the number of shares necessary to present the slates (which can also be produced after filing, provided this is by the term within which the Company has to publish the slates, namely by **30 March 2022**);

(ii) the curriculum vitae of each candidate included in the slate, containing a detailed description of the candidates' personal and professional characteristics (including, if possible, the list of positions as director and/or statutory auditor held by the candidates in other companies); and

(iii) the statements in which each candidate accepts candidacy and certifies, at their own responsibility and under penalty of being excluded from the slate, 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).

You are also reminded, as provided for by Article 147-ter(3) of the Consolidated Law on Finance, as regards the absence of connections between the minority slate that received the most votes and the Shareholders who submitted or voted for the slate with the greatest number of votes, taking into account Consob Communication No. DEM/9017893 of 26 February 2009. It should be highlighted that, in the same Communication, the Supervisory Authority recommends that Shareholders who submit a "minority slate" must file, together with the slate, a specific declaration that: (i) states there are no connecting relationships (including indirect) referred to in Article 147-ter(3) of the Consolidated Law on Finance and Article 144-quinquies of the Issuers' Regulation with Shareholders who hold, even jointly, a controlling or relative majority shareholding, as well as the absence of the significant relationships indicated in the same Communication, or (ii) specifies, where they exist, the significant relationships indicated in the above Communication and the reasons why they have not been considered as factors determining the existence of connecting relationships.

The slates and a copy of the required documentation that accompanies them must be filed at the Company's registered office in Via Lodovico Seitz 47, Treviso (marked to the attention of the General Counsel) or sent to the following certified email address [societariodelonghispa@legalmail.it](mailto:societariodelonghispa@legalmail.it). On this point, information that identifies the person making the filing and a contact telephone number should be sent together with the above documentation, taking into account the provisions of Article 144-octies of the Issuers' Regulation.

It should be remembered that any slate that does not observe the above rules shall be deemed as not submitted.

In relation to the composition of the slates, the Board of Directors, based on the results of the periodic self-assessment process carried out, and concerning the diversity policy for the composition of the administrative body contained in the "*Diversity policies for the members of the corporate bodies of De' Longhi S.p.A.*" adopted by the Board on 26 February 2019 and later updated on 23 February 2022 (available on the Company's

website [www.delonghigroup.com](http://www.delonghigroup.com), section “*Governance*” – “*Company Documents*”), formulates the following recommendations for the Shareholders.

As regards the independence requirement, the Board recommends considering that the number of Company Directors possessing the requirements of independence provided for by the law, by the Articles of Association and by the Corporate Governance Code should be such as to ensure compliance with the provisions of law in force and the Articles of Association, as well as the principles and recommendations of the Code itself to which the Company adheres, in order to permit a diverse composition of board committees (which, based on the recommendations of the Corporate Governance Code, must be composed entirely, or by a majority, of independent Directors). As regards the independence of the directors within the meaning of the Corporate Governance Code, it should be noted that, since De’ Longhi, for the purposes of the application of the Code, qualifies as a “large company with concentrated ownership”, Recommendation No. 5 of the Code requires that at least one third of the directors on the Board qualify as “independent directors” within the meaning of Article 2, Recommendation No. 7 of the Code. It should also be noted that, in order to enable the assessment of the significance of commercial, financial or professional relationships and additional remuneration, pursuant to points (c) and (d) of Recommendation No. 7 of the Code, at the meeting held on 27 January 2022 – upon the proposal of the Remuneration and Appointments Committee and having consulted the Board of Statutory Auditors – the Board of Directors defined the quantitative and qualitative criteria for assessing said significance (the “**Significance Criteria**”), establishing their application for the purposes of assessing the independence, within the meaning of the Corporate Governance Code, of the new directors and the new statutory auditors. Furthermore, for the purposes of applying the relevant circumstances indicated by Recommendation No. 7 of the Code for assessing the independence of the directors, at the same meeting, the Board also established the definition of “close family members” to be considered, identifying them as the parents, children, spouse (unless legally separated) and the cohabiting partners of the candidate (the “**Close Family Members**”).

For the purposes of verifying the independence, within the meaning of the Corporate Governance Code, of the candidates to be entered on the slate, the Significance Criteria approved by the outgoing Board of Directors are indicated below and are also applicable for the purposes of assessing independence, within the meaning of the Corporate Governance Code, of Statutory Auditors.

#### *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 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.

The Shareholders are therefore asked to take the above into account and to accompany the candidatures submitted with the respective statement by each of the persons concerned that attests, under their responsibility, that they qualify as independent within the meaning of the Corporate Governance Code.

As regards the profiles of the candidates to enter on the slates, the Board of Directors recommends that Shareholders enter candidates with diverse managerial and professional profiles. In the opinion of the Board of Directors, the Company's directors should be people with a managerial and/or professional and/or academic and/or institutional profile in order to have a combination of expertise and experiences that are diverse and complementary. In particular:

- managerial profiles should (a) have acquired expertise and experience, also in international settings, in positions of responsibility in segments connected to the one in which the De' Longhi Group operates or in any case in companies of a significant size and/or complexity with pronounced international vocation, and (b) possess specific skills in general management, finance, sales marketing (including digital/e-commerce) and/or technological innovation, other corporate management and organisation functions, remuneration policies or in sustainability;
- professional profiles should have acquired expertise and experience in positions of responsibility within accredited professional firms, consultancy firms or other organisations and have performed their work, particularly involving business, in one of the following fields: economics, accounting, law (with particular reference to business law, company law, tax law, M&A and financial markets), finance, technological innovation as well as risk management and/or control, internal audit, compliance, sustainability and remuneration policies;
- academic and/or institutional profiles should possess expertise that may be useful for developing and enhancing the De' Longhi Group's business, also from the perspective of Sustainable Success.

The Board of Directors also recommends that Shareholders:

- (i) include in the slate: (a) at least one member who possesses appropriate knowledge and experience in financial matters or remuneration policies; and (b) at least one member of the Board of Directors who possesses appropriate knowledge and experience in accounting and financial matters or in risk management, so as to



ensure the composition of the board committees is in line with the principles and recommendations laid down by the Corporate Governance Code (in this regard, reference should be made respectively to the Code's Recommendation No. 26 on the composition of the remuneration committee and Recommendation No. 35 on the control and risk committee);

- (ii) consider the Chairman should be a person with the experience, authority and vision such as to represent a point of connection between the executive directors and non-executive directors, ensuring the proper, efficient and effective management of the functioning of the Board of Directors, within which the Chairman has the task of creating a strong spirit of cohesion, and at the same time representing a figure of assurance for all shareholders and all stakeholders. The Chairman should encourage equal participation of all the directors in the board debate and possess appropriate experience in managing, within the board, issues of strategic importance, in addition to specific managerial and business skills in segments related to the one in which the De' Longhi Group operates;
- (iii) enter on the slate a balanced gender representation in compliance with the law and the Articles of Association;
- (iv) ensure, during the selection of candidates to enter on the slate, a balanced combination of different age ranges within the Board of Directors, which would bring diverse sensibilities and skills, enabling – taking in to account, for example, the significant changes that characterise the macro-economic and competitive scenario – a balanced plurality of diverse perspectives and experiences;
- (v) enter on the slate candidates who, in order enable the Board to discharge its duties more effectively, guarantee that they can dedicate enough time to carry out the tasks of director diligently and responsibly.

The Board of Directors considers having persons with the above characteristics as particularly appropriate, in the conviction that the diverse and highly qualified professionals called upon to contribute to the work of the administrative body, and the balanced combination of gender and range factors enables: (i) the discussion to be enriched - a distinctive condition of reasoned and informed decision-making - thanks to the diverse expertise of its members which allow them to make decisions with the contribution of multiple qualified and diverse points of view able to examine the issues under discussion from different perspectives; (ii) a better understanding of the needs and demands of stakeholders; (iii) a reduction of the risk of group thinking in the opinions of the board members; (iv) the decision-making process to be made more effective and more in-depth; (v) the directors to discuss the decisions of management constructively.

Lastly, the Board of Directors considers it advisable that the Directors have an adequate knowledge of English to enable them to correctly understand written texts and,



therefore, ensure they can make resolutions that directly concern documents in English, also given the De' Longhi Group's international presence.

As regards the composition of the Board in terms of quantity, after the self-assessment carried out internally at the meeting on 27 January 2022, the Board of Directors confirmed the adequacy of the size of the body in its current composition (which numbers 12 directors).

With regard to the remuneration to be paid to directors, the Board points out that the benchmark analysis on the remuneration of directors of comparable companies commissioned from the independent consulting firm Mercer Italia S.r.l., consisted of 13 (thirteen) listed companies of a size, organisational complexity and international vocation that are comparable with those of De' Longhi S.p.A., of which 11 (eleven) were Italian and 2 (two) were foreign. The results of the benchmark analysis – presented by the Remuneration and Appointments Committee to the Board of Directors in the board meeting held on 27 January 2022 – showed that the fixed annual remuneration attributed by the Annual General Meeting to the members of the Board of Directors in office (amounting to €45,000), appears to be substantially in line with the data of the overall market benchmark, it being positioned on the median of the sample considered. The results of the annual self-assessment process carried out internally by the Board of Directors showed a shared opinion of substantial satisfaction of the directors for the remuneration paid to them in consideration of the expertise, professionalism and commitment required by their office. It was also pointed out that this remuneration has remained unchanged for several years while there has been significant growth in the size of the Group.

It should also be noted that, in compliance with the Articles of Association, the members of the Board of Directors are appointed as follows:

(i) all the directors to be elected except one are taken, in the sequential order they appear on the slate, from the slate that obtained the highest number of votes cast by the shareholders, except as provided below to ensure a balance between the genders in compliance with the laws and regulations in force regarding gender equality;

(ii) the remaining director is taken from the slate which obtained the second greatest number of votes cast in the Annual General Meeting, and who is not connected in any way, not even indirectly, with the shareholders who submitted or voted for the first slate.

In the event that only one slate is submitted or admitted to the vote, the candidates of said slate will be appointed directors, respecting the sequential order of the candidates as they appear on the slate itself.

If, as a result of the slate voting or voting on the only slate submitted, the composition of the Board of Directors does not comply with the laws and regulations in force on gender equality, the candidate of the most represented gender elected last in sequential order in the slate which obtained the highest number of votes will be replaced

by the first candidate of the least represented gender, from the same slate and in sequential order, who was not elected. This replacement procedure will be used until the composition of the Board of Directors complies with the laws and regulations in force and, in particular, those concerning gender equality. If this replacement procedure does not ensure gender equality, directors will be replaced using a resolution of the Annual General Meeting passed by a simple majority after candidates belonging to the least represented gender have been submitted.

Should it not be possible to appoint the directors using this slate method, the Annual General Meeting shall pass a resolution with a legal majority, without observing the procedure above, in compliance with the laws and regulations in force, particularly those regarding gender equality.

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Therefore, the Annual General Meeting is asked to deliberate on the appointment of the members of the Board of Directors, in compliance with Article 9 of the Articles of Association, also appointing its Chairman, after determining the number of members, the duration of the term of office and the remuneration of members.

To enable the Shareholders to express their right to vote in different ways with reference to the five sub-items of this item on the agenda of the Annual General Meeting, it is recommended that Shareholders who intend to submit a slate for the renewal of the Board of Directors prepare and file, together with the slate, proposed resolutions on each of these sub-items, concerning, in particular:

- (i) the determination of the number of directors who will comprise the Board of Directors, in accordance with the limits laid down by the Articles of Association;
- (ii) the duration of the term of office of the appointee Board of Directors, in accordance with the limits laid down by the Articles of Association;
- (iii) the appointment of the Directors;
- (iv) the appointment of the Chairman of the Board of Directors, it being understood that, pursuant to Article 11 of the Articles of Association, if the Annual General Meeting does not appoint the Chairman, the Board of Directors will do so;
- (v) the determination of the relative remunerations.

The slates and the information submitted with them, and the proposed resolutions on the subject, will be publicised in accordance with the law and regulations in force by being made available to the public at the Company's registered office and on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section "Governance" – "Corporate Bodies" – "Annual General Meeting 2022" ), and on the IINFO authorised storage mechanism accessible via the website [www.iinfo.it](http://www.iinfo.it), at least twenty-one days before the date set for the Annual General Meeting (namely by **30 March 2022**).

**FOURTH ITEM ON THE AGENDA**

***“Appointment of the Board of Statutory Auditors for the three-year period 2022-2024:***

***4.1 appointment of the Auditors and the Chairman of the Board of Statutory Auditors. Resolutions thereon.***

***4.2 determination of the remuneration. Resolutions thereon.”***

Dear Shareholders,

With the approval of the Annual Report at 31 December 2021, the term of office of the Board of Statutory Auditors, appointed by the Annual General Meeting held on 30 April 2019, for the years 2019-2021 and composed, at the date of this Report, of the statutory auditors: Cesare Conti (Chairman, taken from the minority slate); Paola Mignani (standing member, taken from the majority slate); Alberto Villani (standing member, taken from the majority slate); Alberta Gervasio (alternate auditor, taken from the minority slate); Laura Braga (alternate auditor, taken from the majority slate) will expire.

You are therefore asked to renew the Board of Statutory Auditors (which, pursuant to Article 14 of the Articles of Association, must be composed of three standing members, including the Chairman, and two alternate auditors) and to appoint its Chairman, determining the relative remuneration.

On this point, it should be noted that, pursuant to Article 14 of the Articles of Association, the appointment of the Statutory Auditors is carried out based on the slates submitted by the Shareholders in which the candidates are listed in sequential order.

Each slate contains a number of candidates not exceeding the number of members to be elected (three standing members and two alternate auditors).

Pursuant to Article 14 of the Articles of Association, slates containing a total of three or more candidates must comprise candidates belonging to both genders, so as to ensure that the gender balance within the Board of Statutory Auditors, for both standing members and alternates, is at least equal to the minimum required by the laws and regulations in force at the time. It should be noted that, in accordance with Article 148(1-*bis*) of Legislative Decree No. 58/98, introduced by Law No. 120 of 12 July 2011 and subsequently amended, with reference to the term of office of the new Board of Statutory Auditors, the least represented gender must reach at least two fifths of the standing members, rounded down to nearest whole number (as provided by Article 144-*undecies*.1(3) of Consob Regulation No. 11971/1999 for corporate bodies composed of three members). Therefore, in compliance with the Articles of Association and the provisions of the law currently in force, Shareholders who intend to submit a slate consisting of three or more candidates are requested to include in said slate at least one candidate for the office of Standing Member and one candidate for the office of Alternate Auditor belonging to the less represented gender.

Those Shareholders who, either alone or together with other Shareholders, possess – on the day in which the slates are submitted – a shareholding of at least **1%** in De' Longhi S.p.A. are entitled to submit slates of candidates (shareholding established by Consob with Management Decision No. 60 of 28 January 2022, in compliance with the provisions of law and regulations in force).

The slates of candidates, signed by those who submit them, must be filed using the methods indicated below by the twenty-fifth day before the date of the Annual General Meeting (namely by **26 March 2022**) or they shall be deemed invalid.

Each candidate may only be indicated on one single slate or shall be deemed ineligible. Furthermore, the following persons cannot be elected auditor: *(i)* those who do not possess the requisites established by the applicable regulations (to this end, pursuant to Article 14 of the Articles of Association, the subject matters and areas of activity indicated in the corporate purpose, particularly with reference to companies or entities operating in the industrial, commercial, property, IT and financial sectors and the services sector in general, are closely related to those of the company and shall be taken into account); or *(ii)* those who do not comply with the limits on the number of offices held as established by the law and the relevant implementing provisions in force.

Pursuant to Article 14 of the Articles of Association and in compliance with Article 144-*sexies*(6) of the Issuers' Regulation: *(i)* a shareholder may not submit or vote for more than one slate, even through a third party or trust company; *(ii)* Shareholders belonging to the same group and Shareholders who are party to a shareholder agreement concerning the Company's shares may not submit or vote for more than one slate, even through a third party or trust company.

Each slate is accompanied by the information required by law, by the regulations in force and by the Articles of Association, including: *(i)* a description of the curriculum vitae of each candidate and *(ii)* the statements in which each candidate accepts candidacy and certifies, at their own responsibility, that there are no grounds for ineligibility or incompatibility with the office and that the requisites required by the law and regulations in force and by the Articles of Association have been met. Bearing in mind that, pursuant to the last paragraph of Article 2400 of the Civil Code, at the time of appointment and prior to accepting the position, the Annual General Meeting must be informed of positions held by the Auditors in the administrative and control bodies of other companies and such information must be provided in the description of the candidates' professional curriculum vitae, ensuring that they are up-to-date as of the day of appointment at the Annual General Meeting.

Ownership of the number of shares necessary to present a slate must be proven by the certificate issued by an authorised intermediary and can be produced after the slate is filed, provided this is by the term within which the Company has to publish the slates (**30 March 2022**).

In the event that at the deadline for submitting the slates expires (**26 March 2022**)

only one slate has been filed or slates have been submitted only by Shareholders who are connected to each other pursuant to the provisions of law and regulations, further slates may be submitted until **29 March 2022** (the third day after the deadline for submitting the slates). In this case, the Shareholders who, either alone or together with other shareholders, hold – on the day that the slates are submitted – at least **0.5%** of the share capital (equal to half of the 1% shareholding laid down by Consob Management Decision No. 60 of 28 January 2022) are entitled to submit slates of candidates.

In compliance with the above deadlines, the slates and a copy of the required documentation accompanying them must be filed at the Company's registered office in Via Lodovico Seitz 47, Treviso (marked to the attention of the General Counsel) or sent to the following certified email address [societariodelonghispa@legalmail.it](mailto:societariodelonghispa@legalmail.it). On this point, information that identifies the person making the filing and a contact telephone number should be sent together with the above documentation, taking into account the provisions of Article 144-*sexies*(4) and Article 144-*octies* of the Issuers' Regulation.

Any slate that does not observe the rules referred to above shall be deemed as not submitted.

It should be noted that the Corporate Governance Code, to which the Company adheres, recommends that Auditors possess the independence requirements to qualify as an Independent Director laid down by the same Corporate Governance Code (on this point, reference is made to the "Fourth item on the agenda" above).

The Shareholders are therefore asked to take the above into account and to accompany the candidatures submitted with the respective statement by each of the persons concerned that attests, under their responsibility, that they qualify as independent within the meaning of the Corporate Governance Code.

In preparing the slates, the Shareholders are also asked to take into account the "*Guidance for shareholders and candidate auditors for the renewal of the Board of Statutory Auditors of De' Longhi S.p.A.*" expressed by the outgoing Board of Statutory Auditors at the meeting held on 22 February 2022 (the "**Guidance from the Board of Statutory Auditors**"), in accordance with the rules of conduct of the board of statutory auditors of listed companies issued by the National Council of Chartered Accountants and Accounting Experts in April 2018 and the aforementioned "*Diversity policies for the members of the corporate bodies of De' Longhi*" (accessible on the Company's website [www.delonghigroup.com](http://www.delonghigroup.com), section "*Governance*" – "*Company Documents*").

The above Guidance from the Board of Statutory Auditors is available to the public at the Company's registered office and on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section "*Governance*" – "*Corporate Bodies*" – "*Annual General Meeting 2022*"), and on the IINFO authorised storage mechanism accessible via the website [www.linfo.it](http://www.linfo.it).

Furthermore, those who intend to submit lists are asked to observe the recommendations formulated by Consob with Communication No. DEM/9017893 of 26

February 2009, with which the Supervisory Authority recommends that shareholders who submit a minority slate declare that there are no connecting relationships such as those referred to in Article 144-*quinquies* of the Issuers' Regulation: (i) stating in that declaration that there are also no significant relationships, such as those indicated in the above Consob Communication, with the shareholders of De' Longhi S.p.A. who hold, even jointly, a controlling or relative majority shareholding; or otherwise, (ii) indicating in the same declaration the existing significant relationships and the reasons why they have not been considered as factors determining the existence of connecting relationships, referred to in Article 148(2) of the Consolidated Law on Finance and Article 144-*quinquies* of the Issuers' Regulation. On this point it should be noted that, in compliance with the requirements of Article 144-*sexies*(4)(b) of the Issuers' Regulation, the minority slates must be also accompanied by the declaration of the submitting Shareholders certifying that there are no connecting relationships, within the meaning of Article 144-*quinquies* of the Issuers' Regulation, taking into account Consob recommendations on the subject contained in the above Communication.

In compliance with the Articles of Association, the members of the Board of Statutory Auditors are appointed as follows:

- two standing members and one alternate are taken, in the sequential order they appear on the slate, from the slate that obtained the highest number of votes in the Annual General Meeting, except as provided below to ensure a balance between the genders in compliance with the laws and regulations in force;
- the remaining standing member and second alternate are taken from the slate which obtained the second greatest number of votes in the Annual General Meeting, and who are not connected in any way, not even indirectly, with the Shareholders who submitted or voted for the slate with the greatest number of votes;
- in the event that more than one slate has obtained the same number of votes, these slates must be put to a second vote by the Shareholders at the meeting, and the candidates on the slate that obtains a simple majority of votes shall be elected.

If, as a result of the slate voting, the composition of the standing members of the Board of Statutory Auditors does not comply with the laws and regulations in force on gender equality, the candidate of the most represented gender elected last in sequential order in the slate which obtained the highest number of votes will be excluded and replaced by the next candidate of the least represented gender, from the same slate and in sequential order.

It should be remembered that, pursuant to Article 14 of the Articles of Association, the Chairman of the Board of Statutory Auditors shall be the standing auditor taken from the second slate that obtained the greatest number of votes.

If only one slate is submitted, the Annual General Meeting votes on it; if as a result of the voting the only the slate obtains the relative majority, the first three candidates



indicated in sequential order are elected standing members and the fourth and fifth candidates are elected alternates, provided that the composition of the Board of Statutory Auditors complies with the rules and regulations in force regarding gender equality. Otherwise, the candidate of the most represented gender, who is the third elected standing member in sequential order in the single slate, will be replaced by the next candidate belonging to the least represented gender, who was elected as alternate auditor. The auditor replaced under this procedure will become alternate auditor in place of the auditor appointed standing member under this same procedure. In this case, the candidate indicated in the first place in the slate submitted will be the Chairman of the Board of Statutory Auditors.

In the event there are no slates, the Board of Statutory Auditors and its Chairman are appointed by the Annual General Meeting with the majorities laid down by law in compliance with, among others, the laws and regulations in force at the time regarding gender equality.

Outgoing auditors can be re-elected.

Lastly, it should be remembered that, in compliance with the law and with Article 14 of the Articles of Association, in addition to the appointment of the Board of Statutory Auditors, the Annual General Meeting is also asked to deliberate on the remuneration to be allocated to its members (for the three-year period 2019-2021, the Annual General Meeting held on 30 April 2019 resolved on €61,900.00 gross annual remuneration for the Chairman of the Board of Statutory Auditors and €41,300.00 gross annual remuneration for each of the two standing members). In this regard, Shareholders are asked to read the aforementioned Guidance from the Board of Statutory Auditors which, in addition to a summary of the activities carried out by the Board of Statutory Auditors during its term of office which has come to an end (specifying the number of meetings and the commitment required), sets out the results of the benchmarking analysis on the remuneration of the boards of statutory auditors of comparable companies, promoted by the Board of Statutory Auditors itself following the recommendation formulated over the years by the Chairman of the Corporate Governance Committee to verify whether the amount of remuneration paid to the members of the control body is appropriate to the expertise, professionalism and commitment required by their office. This analysis was carried out by the independent consulting firm Mercer Italia S.r.l. and was presented to the Board of Directors at the meeting held on 27 January 2022.

Therefore, the Board of Directors, pursuant to and in accordance with the Articles of Association and the applicable law and regulations, asks you to submit slates of candidates to appoint as members of the Board of Statutory Auditors, and, to enable you to cast your vote in different ways with reference to the two sub-items of this item on the agenda of the Annual General Meeting, it is recommended that you prepare and file,

together with the slates themselves, proposed resolutions on each of these sub-items, concerning, in particular:

- (i) the appointment of statutory auditors (three standing members and two alternates) and of the Chairman of the Board of Statutory Auditors for the financial years 2022, 2023 and 2024, by voting on the slates of candidates submitted;
- (ii) determination of the remuneration of members of the Board of Statutory Auditors.

The slates and the information submitted with them, and the proposed resolutions on the subject, will be publicised in accordance with the law and regulations in force, namely by being made available to the public at the Company's registered office and on its website [www.delonghigroup.com](http://www.delonghigroup.com) (section "*Governance*" – "*Corporate Bodies*" – "*Annual General Meeting 2022*" ), and on the IINFO authorised mechanism accessible via the website [www.iinfo.it](http://www.iinfo.it), at least twenty-one days before the date set for the Annual General Meeting (namely by 30 March 2022).



**FIFTH ITEM ON THE AGENDA**

*“Proposal to authorise the purchase and disposal of treasury shares, after revoking the resolution taken by the Annual General Meeting held on 21 April 2021. 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 21 April 2021 and, therefore, the 18-month period envisaged by the same resolution is due to expire on 21 October 2022.

We would like to inform you that, during the 2021 financial year and until the date of the approval of this report (10 March 2022), the Board of Directors has not taken advantage of the authorisation granted by the Annual General Meeting on 21 April 2021 and that, following the buy backs made starting from 13 March 2020 until 16 December 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 21 April 2021 and, at the same time, approve a new authorisation to purchase and dispose of the Company’s ordinary shares under the following terms.

**5.1 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.

## **5.2 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.

## **5.3 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 €226,344,138, comprising 150,896,092 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.

#### **5.4 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 relative resolution.

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

#### **5.5 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 market 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 below 95% (ninety-five percent) of the average official price recorded on the Euronext Milan market 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.

### **5.6 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.

### **5.7 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 21 April 2021, 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 21 April 2021 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 20 October 2023;*
- *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 market 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 market 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."*

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Treviso, 11 March 2022

For the Board of Directors

The Chairman

Giuseppe de' Longhi