



**DE' LONGHI S.P.A.**

Registered Office in Via Ludovico Seitz 47 – Treviso (Italy)

Share Capital 224,250,000.00 euros fully paid up

Tax identification code and Registration number with the Company Register of Treviso 11570840154

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## **RULES FOR INCREASED VOTING RIGHTS**

Approved by the Company's Board of Directors at the meeting held on 11th April 2017

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## 1. DEFINITIONS

**Communication(s):** communications from Depository Intermediaries to issuers under Art. 23-*bis* (Increased voting rights) of the Post Trading Decision.

**Special List or List:** the list set up by De' Longhi S.p.A. pursuant to Art. 127-*quinquies* of the TUF and Art. 143-*quater* of the Issuers' Regulation.

**Depository Intermediary(ies):** parties authorised to keep accounts on which financial instruments and their transfers are recorded, as defined by Art. 1, letter m) of the Post Trading Decision.

**Post Trading Decision:** Joint regulation of Banca d'Italia and Consob of 22nd February 2008 regulating centralised management services, settlement services, guarantee systems and related management companies, as subsequently amended, by the latter, with decision dated 24th February 2015.

**Record date:** the accounting day at the end of which the holders of the accounts in which the financial instruments are recorded are identified.

**Rules:** these “*Rules for increased voting rights*” approved by the Company's Board of Directors at the meeting held on 11th April 2017.

**Issuers' Regulation:** the implementation Regulation of Legislative Decree No. 58 of 24 February 1998, concerning the issuers' regulation, adopted by Consob with Resolution No. 11971 of 14th May 1999 and subsequent amendments.

**Company or De' Longhi:** De'Longhi S.p.A. with registered office in Via Ludovico Seitz 47, Treviso (Italy), Tax identification code and Registration number with the Company Register of Treviso 11570840154

**Entitled Person or Holder of Voting Rights:** the shareholder entitled to the voting rights resulting from a legitimating right in rem (full ownership, bare ownership with voting rights or usufruct with voting rights).

**Articles of Association:** the articles of association of De' Longhi S.p.A.

**TUF:** (Consolidated Law on the regulations concerning financial intermediation) Italian Legislative Decree No. 58 of 24th February 1998, and subsequent amendments and additions.

## 2. PREAMBLE

On 11th April 2017 the Board of Directors of De' Longhi S.p.A., under the authority granted by the extraordinary shareholders' meeting held on that day, (i) adopted these rules, with the aim of regulating the procedures for registration, keeping and updating the Special List in accordance with applicable legislation, the Articles of Association and market practices, so as to ensure the prompt exchange of information between Shareholders, the Company and Depository Intermediaries; and (ii) appointed the person tasked with managing the Special List.

Any amendments and additions to these rules are approved by the Board of Directors and made public through the Company's website. It is understood that any amendments required to adapt to legal and/or regulatory changes may be approved by the Chairman of the Board of Directors and by the Chief Executive Officer, separately, who will report to the other members at the next Board meeting.

For anything concerning the introduction of the increased voting rights that is not covered in these rules, reference is made to the TUF, the Issuers' Regulation, the Post Trading Decision and the Articles of Association.

### **3. SPECIAL LIST**

The Company has set up, starting from 13<sup>th</sup> April 2017, the date on which the resolution to amend Art. 5-*bis* of the Articles of Association approved by the extraordinary shareholders' meeting of 11th April 2017 was recorded in the Company Register of Treviso, a Special List, pursuant to Art. 127-*quinquies*, subsection 2, of the TUF and in compliance with the provisions contained in Art. 143-*quater* of the Issuers' Regulation.

The Special List is a document that complements the Shareholder Register and therefore the public disclosure rules laid down for the Shareholder Register apply to this Special List.

### **4. PERSON TASKED WITH MANAGING THE SPECIAL LIST**

The person tasked with managing the Special List is appointed by the Board of Directors and must, on behalf of the Company, manage, organise and have charge of the Special List in accordance with these rules.

### **5. INCREASED VOTING RIGHTS**

Each share belonging to the same person uninterruptedly for twenty-four months from the date of registration in the Special List set up by the Company will be assigned two votes, except as provided in section 9 of these rules.

### **6. ELIGIBILITY TO REQUEST REGISTRATION**

The shareholder entitled to the voting rights resulting from a legitimating right in rem (full ownership, bare ownership with voting rights or usufruct with voting rights) is entitled to request registration in the Special List.

Registration is carried out and maintained even in the event that the shares are restricted by a pledge or granted under usufruct, provided the registered owner contractually retains entitlement to exercise voting rights.

### **7. PROCEDURE FOR REQUESTING REGISTRATION**

The Entitled Person who intends to register in the Special List in order to obtain increased voting rights, pursuant to Art. 127-*quinquies* of the TUF and Art. 5-*bis* of the Articles of Association, is obliged to provide the Company, via the Depository Intermediary, a specific written application enclosing the Communication certifying ownership of the shares in compliance with Art. 23-*bis* of the Post Trading Decision.

Increased voting rights may be requested even only for just part of the shares held by the Holder of the Voting Right.

The registration application must be signed by the Holder of the Voting Right for the shares that are the subject of the application or by his/her/its agent or representative.

In order to obtain registration in the Special List, the Entitled Person must therefore:

- indicate to the Depository Intermediary, who holds the securities account on which the De' Longhi shares are registered, the number of shares that the Entitled Person intends to register in the Special List;
- request that the same Depository Intermediary provides De' Longhi - using Certified Email to the address [votomaggiurato\\_computershare@pec.it](mailto:votomaggiurato_computershare@pec.it) and copied to [societariodelonghispa@legalmail.it](mailto:societariodelonghispa@legalmail.it) - the Communication that, pursuant to Art. 23-*bis*, subsection 2 of the Post Trading Decision, certifies ownership of the shares for which registration in the Special List is requested, together with the registration application containing the Entitled Person's commitment to promptly inform the Company and the Depository Intermediary of any loss of ownership of the shares, for whatever reason, or of the eligibility to exercise the voting rights.

In the case of a legal or other entity, including one without legal personality, the Entitled Person must also state that it is not or, where appropriate, is subject to direct or indirect control pursuant to the regulations governing listed issuers, providing the identification details of the controlling entity and the commitment to promptly notify the Company of any change of control.

A template of the registration application containing the statement referred to above is available on the Company's website [www.delonghigroup.com](http://www.delonghigroup.com), section "*Investor Relations – Governance – Increased Voting Rights*".

Applications for registration in the Special List arriving directly from the Entitled Persons in any way other than the one indicated above will not be accepted.

## **8. REGISTRATION IN THE SPECIAL LIST**

The Company checks the requirements for registration and then registers the Entitled Persons in the Special List by the end of each calendar month for requests received before the last three trading days of each month.

The Company informs the Depository Intermediary immediately, and in any case by the accounting day in which the Special List is updated, that the registration has or has not been carried out, indicating the reasons if it has been rejected.

The Entitled Person registered in the List is required to communicate, and agree that the Depository Intermediary communicates, to the Company any circumstance or event that entails the loss of the conditions for the increased voting rights or that affects the ownership of the shares and/or the related voting rights by the end of the month in which such circumstance occurred and no later than the trading day before the so-called record date.

## 9. MATURATION AND ATTRIBUTION OF INCREASED VOTING RIGHTS

Acquisition of the increased voting right will take effect from the last day of the calendar month in which the conditions required by the Articles of Association for increased voting rights are met, namely: (i) the voting right is kept by the same person on the basis of a legitimating right in rem (full ownership, bare ownership with voting rights or usufruct with voting rights) for an uninterrupted period of at least twenty-four months starting from the date of registration in the List, and (ii) the requirement under point (i) has been certified by a Communication issued by the Depository Intermediary. The increased voting rights will take effect by the term specified above, provided that the Depository Intermediary's communication is received by the Company no later than the third trading day before the end of the same month. It is understood that, if the Depository Intermediary's communication, referred to in the following paragraph, is not received by the Company within said period, the increased voting rights will take effect from the last day of the calendar month following that in which the Company received the communication. Notwithstanding the above, in the event that the meeting of the Company's shareholders is convened, the increased voting rights will take effect on the date of the so-called record date contemplated by current regulations regarding the right to intervene and vote at the shareholders' meeting and with regard to constitution and resolution quorums, provided that the uninterrupted period of at least twenty-four months from the date of registration in the List has ended by this date and the Company has received the Depository Intermediary's communication. The Company's assessment of eligibility for increased voting rights and non-existence of preclusive circumstances takes place with reference to the so-called record date.

The Entitled Person must request that the Depository Intermediary that holds the securities account in which the De' Longhi shares are registered, provides De' Longhi - using Certified Email to the address [votomaggiurato\\_computershare@pec.it](mailto:votomaggiurato_computershare@pec.it) and copied to the address [societariodelonghispa@legalmail.it](mailto:societariodelonghispa@legalmail.it) - the Communication that, pursuant to Art. 23-bis, subsection 3 of the Post Trading Decision, certifies ownership of the shares, referring to the date from which the uninterrupted period of at least twenty-four months from the date of registration in the List started.

The Company informs the Depository Intermediary immediately, and in any case by the accounting day in which the Special List is updated, that the registration has or has not been carried out, indicating the reasons if it has been rejected.

The increased voting rights already matured or, if not yet matured, the ownership period necessary for the maturation of the increased voting rights is preserved:

- a) in the event of inheritance, due to death, by the heir and/or legatee;
- b) in the event of merger or de-merger of the shareholder, by the company resulting from the merger or beneficiary of the de-merger;
- c) where the shares are held by a trust, in the event of a change of trustee;
- d) in the event of transfer from one portfolio to another in the collective investment schemes (OICR in Italy) managed by one person.

Increased voting rights extend, without prejudice to the communications issued by the Depository Intermediary and required by current regulations and by the Articles of Association for the purposes of increased voting rights, to:

- a)* shares assigned in the case of a free capital increase, in accordance with Art. 2442 of the Italian Civil Code, and belonging to the owner in relation to shares that have already matured their increased voting rights;
- b)* shares assigned in exchange for those to which increased voting rights are attributed in the case of merger or de-merger of the Company, provided that - and within the terms - this is contemplated in the related merger or de-merger operation;
- c)* shares subscribed during the exercise of option rights in the case of a capital increase with new contributions.

In the hypotheses referred to in points *a)*, *b)* and *c)* above, the new shares acquire increased voting rights (i) for the newly issued shares belonging to the owner in relation to shares for which the increased voting rights have already matured, from the moment of registration in the List, with no need for a further Period; (ii) for the newly issued shares belonging to the holder in relation to shares for which the increased voting rights have not already matured (but are in the process of maturation), from the time the Period is completed, calculated from the original registration in the List.

The increased voting rights apply for all Shareholder Meeting resolutions and for the calculation of constitution and resolution quorums relating to percentages of share capital. The increased voting rights will have no effect on rights, other than voting rights, that the possession of certain percentages of share capital entitles the shareholder.

#### **10. CANCELLATION FROM THE SPECIAL LIST DUE TO WITHDRAWAL FROM INCREASED VOTING RIGHTS**

The Entitled Person who intends to withdraw entirely or in part from increased voting rights must ask his/her/its Depository Intermediary to send the Company, using Certified Email, to the address [votomaggiurato\\_computershare@pec.it](mailto:votomaggiurato_computershare@pec.it) and copied to the address [societariodelonghispa@legalmail.it](mailto:societariodelonghispa@legalmail.it), the Communication of the total or partial withdrawal, pursuant to Art. 23-*bis*, subsection 6, of the Post Trading Decision, which determines the cancellation from the Special List for those shares that the Entitled Person intends to withdraw from increased voting rights.

#### **11. OTHER CAUSES FOR CANCELLATION FROM THE SPECIAL LIST**

In addition to cases of total or partial withdrawal of increased voting rights, the Company will cancel shares from the Special List:

- a)* in the event of transfer, whether free or against payment, it being understood that “transfer” includes the establishment of a pledge, usufruct or other encumbrance on the share when this entails the loss of voting right by the shareholder. The establishment of a pledge, usufruct or other encumbrance and the transfer of the bare ownership while maintaining the usufruct do not result in the loss of entitlement to the increased voting rights provided the voting rights stay with the previous owner;
- b)* in the event of direct or indirect transfer of controlling stakes in companies or entities that hold shares with increased voting rights above the threshold provided by Art. 120, subsection 2 of the TUF.

The notion of control is the one envisaged by the legislation and regulations for listed issuers.

In the case of letter a) above, as soon as the Depository Intermediary has collected the order that results in the loss of ownership of the legitimating right in rem and/or of the related voting right, it must immediately send the Communication to the Company pursuant to Art. 23-*bis*, subsection 6, of the Post Trading Decision, using Certified Email, to the address [votomaggiurato\\_computershare@pec.it](mailto:votomaggiurato_computershare@pec.it) and copied to the address [societariodelonghispa@legalmail.it](mailto:societariodelonghispa@legalmail.it), specifying, where possible, the reference details of the registration Communication.

In the case of letter b) above, the Person Entitled must promptly notify the Company if an event occurs that results in the cancellation from the Special List and the Company must notify the Depository Intermediary immediately, and no later than the accounting day on which the Special List is updated, of the cancellation from the List or the loss of the increased voting rights pursuant to Art. 23-*bis*, subsection 10 of the Post Trading Decision.

In cases where the Company becomes aware of events which determine the loss, by the Holder of the Voting Right registered in the Special List, of the eligibility to keep all or some of the shares registered in the same List, the Company informs the Depository Intermediary immediately, and no later than the accounting day when the Special List is updated, that the cancellation has been completed.