

BOARD OF DIRECTORS' ILLUSTRATIVE REPORT REGARDING ITEM 1 ON THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING CALLED FOR SEPTEMBER 19, 2024 IN SINGLE CALL:

1. AMENDMENT TO ARTICLE 8 OF THE BY-LAWS DUE TO THE INTRODUCTION OF ORDINARY MULTI-VOTE SHARES AND STRENGTHENED MULTI-VOTE SHARES

1.1 Introduction of Article 8.5.1 and consequent amendment of Article 8.1, in addition to the introduction of Articles 8.5 (excluding Article 8.5.2) to 8.14 (ORDINARY MULTI-VOTE SHARES);

1.2 Introduction of Article 8.5.2 (STRENGTHENED MULTI-VOTE SHARES).

Dear Shareholders,

This report is drawn up pursuant to Article 125-*ter* of Legislative Decree No. 58 of February 24, 1998 (the "CFA") and Articles 72, 84-*ter*, and Annex 3A, Schedule 3 of the Regulation adopted with Consob Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented (the "Issuers' Regulation"), whose purpose is to illustrate the proposal set out in the first and only item on the Agenda of the Extraordinary Shareholders' Meeting of Elica S.p.A. ("Elica" or the "Company") called for September 19, 2024, in single call regarding changes to the Company's By-Laws (the "By-Laws").

1) Reasons for the proposed changes

The amendment proposals described in this report relate to:

- 1.1 the proposal to allocate two (2) votes to each share held by the vote-holder for a continuous period of twenty-four (24) months from the date of their inclusion on the special list (as defined below);
- 1.2 the proposal to allocate one (1) additional vote at the end of the twelve (12) month period following the expiry of the twenty-four (24) month period referred to in point 1.1 above, to each share held by the same person on the special list (as defined below) up to a maximum total of three (3) votes per share (including the increase referred to in point 1.1 above).

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The reasons that have led the Company to submit these changes to the Shareholders' Meeting are:

- the desire to reward the long-term commitment of its shareholders;
- the need to adopt a capital structure which enables the Company to both (a) maintain and strengthen the shareholder base, which is considered important in pursuing long-term growth strategies, and (b) pursue opportunities for growth along external lines through the placement of a larger portion of the share capital among the public, but also through acquisitions or joint ventures, for example, to be completed also through share swaps;
- the desire to keep the registered, fiscal and listing office in Italy.

The recent regulatory amendments introduced by Law No. 21/2024 (the "Joint-Stock Companies Bill") modify the regulation on increased voting. This was previously provided for under Article 127-*quinquies* of the CFA and limited to the possibility for "loyal shareholders" to hold up to a maximum of two (2) votes for each share, twenty-four (24) months after registration on the special list ("**ordinary multi-vote share**").

Through the Joint-Stock Companies Bill, the legislature - in line with other European legal systems - introduced the possibility to allocate an additional vote at the end of each 12-month period, following the maturity of the 24 months provided for ordinary multi-voting during which the share was held by the same person registered on the special list, up to a total maximum of 10 votes per share ("**strengthened multi-vote shares**").

The Elica S.p.A. Board of Directors believes that, in a company with strong ownership concentration, ordinary multi-voting and strengthened multi-voting can jointly constitute a useful tool to support the Company's competitiveness and growth.

For the sake of completeness, the new text of Article 127-*quinquies* of the CFA is set out below. While maintaining the pre-reform structure, the Article has been entirely rewritten, particularly through the introduction of paragraph two (2) regulating the institution of the strengthened multi-vote.

- «1. The By-Laws may grant multi-voting rights, up to a maximum of two votes, for each share belonging to the same party for a continuous period of not less than twenty four months following inclusion on the list set out in paragraph 4.*
- 2. The By-Laws may also provide for the allocation of an additional vote at the end of each 12-month period, following the end of the period pursuant to paragraph 1 during which the share was held by the same person registered on the list pursuant to paragraph 4, up to a total maximum of 10 votes per share. For shareholders who have accrued the multi-voting right pursuant to paragraph 1 and who are included on the list provided for in paragraph 4 on the date that the Shareholders' Meeting resolution amending the By-Laws pursuant to this paragraph is registered, the further accrual period shall begin on that date.*
- 3. The By-Laws may also stipulate that the person holding the right to vote may irrevocably renounce, in whole or in part, the multi-voting right pursuant to paragraph 1 or paragraph 2.*
- 4. The By-Laws shall set out the means to attribute the multi-voting right provided for in paragraphs 1 and 2 and to ascertain the relative prerequisites, providing in each case for an appropriate list. Through its own regulation, Consob shall establish the provisions to enact this Article, in order to ensure transparency of ownership structures and compliance with the provisions of Section II, Chapter II, Paragraph II of this Part. The disclosure requirements for holders of major shareholdings remain unaffected.*
- 5. The transfer of shares for consideration or free of charge, or the direct or indirect transfer of controlling interests in companies or bodies that hold multi-voting shares pursuant to paragraphs 1 and 2 and beyond the threshold set out in Article 120, paragraph 2 of the CFA, entails the loss of multi-voting rights. Unless the By-Laws provide otherwise, the multi-voting rights:*
 - a) shall be retained in the event of succession following death and in the event of merger or demerger of the shareholder;*
 - b) extend to newly issued shares in the event of a capital increase pursuant to Article 2442 of the Civil Code.*
- 6. The draft terms of merger or demerger of a company whose By-Laws provide for the multi-voting right pursuant to paragraphs 1 and 2 may provide that multi-voting rights also apply to exchanged shares with multi-voting rights. This provision also applies in the event of a cross-border merger, demerger or transformation pursuant to Legislative Decree No. 19 of March 2, 2023. The By-Laws may provide that multi-voting rights extend proportionally to shares issued in execution of a capital increase by means of new contributions.*
- 7. The shares to which the benefit provided for in paragraphs 1 and 2 applies do not constitute a special class of shares under Article 2348 of the Civil Code.*
- 8. Multi-voting rights pursuant to Section 1 does not confer the right of withdrawal, whereas multi-voting rights pursuant to Section 2 confers the right of withdrawal pursuant to Article 2437 of the Civil Code.*
- 9. Should By-Laws amendment resolutions pursuant to paragraph 8 be adopted during the listing process on a regulated market of shares of a company not resulting from a merger involving a company with listed shares, the relative clause may establish that for the purposes of continual holding pursuant to paragraphs 1 and 2, possession before the enrolment date to the list pursuant to paragraph 4 may also be considered.*
- 10. Unless otherwise provided by the By-Laws, multi-voting rights are also considered when evaluating quorum requirements to meet and pass motions based on percentages of share capital. Multi-voting does not affect rights other than voting rights devolving on the basis of the possession of a particular portion of capital.*
- 11. In the event of cross-border mergers, demergers or transformations pursuant to Legislative Decree No. 19 of March 2, 2023, or pursuant to Article 25, paragraph 3 of Law No. 218 of May 31, 1995, if the company created by such operations is a company with listed shares or shares in the process of being listed, the By-Laws may provide that, when calculating the continuous period referred to in paragraph 1, the period of uninterrupted ownership prior to inclusion on the list provided for in paragraph 4 of shares with voting rights of the company being acquired, demerged or transformed, as attested by a certificate issued by an authorised intermediary or by other suitable means in accordance with the law of the state that governs the company being acquired, demerged or transformed, shall also be taken into account.”*

The Board of Directors therefore proposes to the Shareholders' Meeting that the ordinary and strengthened multi-voting rights pursuant to Article 127-*quinquies* of the CFA be introduced, and that the following amendments be made to the By-Laws:

- a) introduction of Article **8.5.1**, to introduce multi-voting rights, with the consequent amendment of Article 8.1, and introduction of Articles **8.5 (excluding Article 8.5.2)** to **8.14**, in order to: (i) provide for multi-voting rights to a maximum of two (2) votes for each share held by the vote-holder for a continuous period of twenty-four (24) months from the date of their inclusion on the special list maintained by the Company and (ii) regulate all aspects arising from the introduction of such a right under applicable law, including the establishment and management of the above-mentioned list, maintained by the Company;
- b) introduction of Article **8.5.2**, to introduce strengthened multi-voting rights - in compliance with the limits of applicable regulations - to allow the accrual of one (1) additional vote at the end of the twelve (12) month period following the expiry of the twenty-four (24) month period referred to in point (a) above, to each share held by the same person on the special list, up to a maximum total of three (3) votes per share (including the increase referred to in point (a) above), it being understood that, should this amendment be approved, Articles **8.1** and **8.5** to **8.14** will also apply - insofar as they are compatible - to the regulation of the strengthened multi-vote shares.

2) Benefit size and vesting period

For the aforementioned reasons, the Board of Directors proposes:

- a) for the **ordinary multi-vote shares** provided for in paragraph 1 of the aforementioned Article 127-*quinquies* of the CFA, and specifically in terms of the size of the related increase, an increase coefficient of two (2) votes, provided that the shares have been registered for a continuous period of not less than 24 months from the date of registration in the special list kept by the Company;
- b) for the **strengthened multi-vote shares** provided for in paragraph 2 of the aforementioned Article 127-*quinquies* of the CFA, the attribution of one (1) additional vote upon the expiration of the twelve-month period following the conclusion of the previous 24-month period, up to a total maximum of three (3) votes for each share (including the strengthened multi-voting rights resulting from the acquisition of the ordinary multi-voting right).

Proposals for amendments to the By-Laws that are additional and consequential to the amendments set out in Articles 8.5.1 and 8.5.2 are specifically described in the following paragraphs and in the summary table showing the text of the By-Laws Articles to be amended, in the existing version and in the proposed new version.

3) Special list: eligibility for registration and right of renunciation

The law does not clarify under what title the share must have been held by the same person. As such, the benefit of ordinary and strengthened multi-voting rights may accrue to (i) full owners with voting rights, (ii) bare owner with voting rights, (iii) usufructuary or secured creditor with voting rights.

Considering the above, the Board of Directors proposes that the benefit of the ordinary and strengthened multi-voting rights shall accrue to (i) full owners with voting rights and (ii) bare owners with voting rights, it being understood that the establishment of a pledge or the granting of a usufruct with express retention of voting rights for the share owner shall not result in the loss of the strengthened multi-voting rights.

Pursuant to Article 127-*quinquies*, paragraph 4 of the CFA, a shareholder intending to make use of the rules on multi-voting must apply for inclusion on a special list provided for by the Company (the "**List**"). The content of this List is governed by Article 143-*quater* of the Issuers' Regulation.

The List does not constitute a new company register, but is complementary to the shareholders' register; as such, the disclosure rules provided for the shareholders' register apply to it, including the right of inspection by shareholders pursuant to Article 2422 of the Civil Code.

In order to execute the resolution on the introduction of ordinary and strengthened multi-voting, the Board of Directors proposes:

- to establish the List referred to in Article 127-*quinquies*, paragraph 4 of the CFA and

- to grant the Board of Directors and, on its behalf, the Chairperson and the Chief Executive Officer, severally and with the right to sub-delegate, all powers to
 - o provide the Company with regulations on the exercise of multi-voting rights, including the procedures for inclusion, maintaining and updating the List, pursuant to the applicable regulations (the "**Regulations**");
 - o appoint a person in charge of maintaining the List, including with the assistance of specially appointed third parties.

In the proposal to amend the By-Laws that is submitted to the Shareholders' Meeting, the Board of Directors' proposal also specifies:

- the means of accruing the ordinary multi-voting rights and the strengthened multi-voting rights (Article 8.5);
- the means to request registration on the List (Article 8.7);
- the methods and timing for inclusion on the List (Article 8.7);
- the obligations in relation to updating the List, including the publication of the waiver acts (Articles 8.7 and 8.8);
- the procedures to publish the names of shareholders with significant shareholdings pursuant to Article 120, paragraph 2 of the CFA (Article 8.14).

In terms of application for inclusion on the List, we note that in addition to the provisions of the applicable legislation, any applicant who is not a natural person must make an appropriate declaration specifying whether it is subject to direct or indirect control by a third party and provide identification data of the parent company, where applicable, and the relevant chain of control.

As regards the right of withdrawal, the law leaves it to the By-Laws to provide whether the person entitled to vote may irrevocably renounce, in whole or in part, the ordinary or strengthened multi-voting right.

In this respect, in the proposal submitted to the Shareholders' Meeting for approval (Article 8.12), the shareholder is granted the right to irrevocably waive the multi-voting right, at any time, in whole or in part. This is also without prejudice to the shareholder's right to reapply for inclusion on the List following renunciation; in this case, multi-voting rights will be accrued on conclusion of the holding period envisaged (8.7).

4) Events affecting multi-voting rights, including the effects of share transfers on the benefit of multi-voting rights.

The regulations establish that the transfer of shares for consideration or free of charge (including transactions involving the creation or disposal of rights of pledge, usufruct or other lien on the shares by virtue of which the shareholder included on the List is deprived of voting rights), or the direct or indirect transfer of controlling interests in companies or bodies that hold multi-voting shares beyond the thresholds set out in Article 120, paragraph 2 of the CFA, entails the loss of multi-voting rights. The proposed amendments (Article 8.9) therefore reflect the regulatory provisions.

Paragraph 5 of Article 127-*quinquies* of the CFA, on the other hand, leaves it to the By-Laws to provide for the loss (or retention) of the benefit in the event of succession by reason of death and in the event of merger and demerger of the owner of the shares. In this regard, the Board of Directors' proposal to the Shareholders' Meeting, in line with the aforementioned regulatory provision, provides that:

- the multi-voting right shall be retained by the heir and/or legatee in the event of direct or indirect transfer of the legitimising right in rem by virtue of inheritance by reason of death (or equivalent cases, e.g. family pact, constitution of a trust, patrimonial fund or family foundation) (Article 8.10);
- in the event of a merger (including a cross-border merger) or demerger of the holder of the shares, the multi-voting right shall be retained by the company resulting from the merger or the beneficiary of the demerger, whether the transfer is direct (for shares in the company) or indirect (for shares in the entity which in turn holds shares in the company) (Article 8.10).

Paragraph 5 of Article 127-*quinquies* of the CFA also leaves it to the By-Laws to determine the extension of the multi-voting right to newly issued shares in the event of a capital increase pursuant to Article 2442 of the

Civil Code. In this regard, the Board of Directors' proposal to the Shareholders' Meeting envisages that the multi-voting right shall be extended proportionally to the newly issued shares in the event of a capital increase pursuant to Article 2442 of the Civil Code (Article 8.10).

Paragraph 6 of Article 127-*quinquies* of the CFA states that the draft terms of merger or demerger of a company whose By-Laws provide for multi-voting rights may provide that multi-voting rights also apply to exchanged shares with multi-voting rights. It specifies that the provision also applies in the event of a cross-border merger, demerger or transformation pursuant to Legislative Decree No. 19 of March 2, 2023. It also leaves it to the By-Laws to provide that multi-voting rights extend proportionally to shares issued in execution of a capital increase by means of new contributions.

In this regard, the Board of Directors' proposal to the Shareholders' Meeting provides that:

- multi-voting rights may also extend to exchanged shares for which multi-voting rights have been granted, in the case of the spin-off or merger (including cross-border), where this is established by the relative proposal (Article 8.10);
- multi-voting rights extend proportionally to shares issued in execution of a capital increase by means of new contributions in line with the percentage already held (Article 8.10).

Paragraph 11 of Article 127-*quinquies* of the CFA provides that, in the event of cross-border mergers, demergers or transformations pursuant to Legislative Decree No. 19 of March 2, 2023, or pursuant to Article 25, paragraph 3 of Law No. 218 of May 31, 1995, if the company created by such operations is a company with listed shares or shares in the process of being listed, the By-Laws may provide that, when calculating the continuous period referred to in paragraph 1 of the same Article (ordinary multi-voting rights), the period of uninterrupted ownership prior to inclusion on the list provided for in paragraph 4 of shares with voting rights of the company being acquired, demerged or transformed, as attested by a certificate issued by an authorised intermediary or by other suitable means in accordance with the law of the state that governs the company being acquired, demerged or transformed, shall also be taken into account.

In this regard, the Board of Directors' proposal to the Shareholders' Meeting provides that, in the event of cross-border mergers, demergers or transformations pursuant to the aforementioned regulations, if the company created by such operations is a company with listed shares or shares in the process of being listed, when calculating the continuous period relating to the accrual of ordinary multi-voting rights, the period of uninterrupted ownership prior to inclusion on the List of shares with voting rights of the company being acquired, demerged or transformed, as attested by a certificate issued by an authorised intermediary or by other suitable means in accordance with the law of the state that governs the company being acquired, demerged or transformed, shall also be taken into account (Article 8.10).

5) Abolition or modification of the benefit of multi-voting rights

Given that, by express legal provision, the multi-voting shares do not constitute a special class of share, the Board of Directors proposes to clarify that any amendment of the multi-vote share regulations or abolition of the right requires only the approval of the Extraordinary Shareholders' Meeting pursuant to the law. Specific approval from shareholders who are, in theory, holders of the benefit is therefore not required (Article 8.13).

6) Effects of multi-voting rights on the calculation of Shareholders's Meeting quorums and corporate bodies

The proposed amendment to the By-Laws includes the specification that, in line with the provisions of paragraph 10 of Article 127-*quinquies* of the CFA, the multi-voting rights will also be counted when determining the constitutive and deliberative quorums that refer to share capital ratios.

Also in compliance with the aforementioned provision, multi-voting shall not affect rights other than voting rights devolving on the basis of the possession of a particular portion of capital (Article 8.11).

7) Effects of the proposed amendments on the ownership structure of the Company

At present, the parties directly or indirectly in possession of a holding of greater than 5% of the subscribed share capital of the Company, represented by shares with voting rights, according to the shareholders' register, supplemented by the communications received in accordance with Article 120 of the CFA and the other information available, are the following:

- Francesco Casoli, declaring a total of 33,600,445 shares, representing 53.062% of the share capital, held:
 - o directly (160,000 shares), and
 - o indirectly through Fan s.r.l. (33,440,445 shares);
- TIP S.p.A., declaring a total of 13,636,000 shares, representing 21.534% of the share capital, held:

Below is a table summarising the current situation regarding the voting rights of the significant shareholders, a table summarising the effects of the decision, in the event that both significant shareholders adhere to the ordinary multi-voting rights, 24 months after their registration on the List, as well as a table summarising the effects of the decision, in the event that both significant shareholders adhere to the strengthened multi-vote rights, after a further 12 months after their registration on the List:

CURRENT SITUATION

Shareholder	Direct shareholder	no. shares	total no. shares	current %
Francesco Casoli	Francesco Casoli	160,000	33,600,445	53.062%
	Fan S.r.l.	33,440,445		
TIP S.p.A.			13,636,000	21.534%
Partial total voting rights			47,236,445	
Other gross of treasury shares			16,086,355	25.404%
Total voting rights			63,322,800	
Share capital			63,322,800	

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ALL SHAREHOLDERS ABOVE 5% INCREASE THEIR VOTING RIGHTS (x2 after 24 months) - other shareholders do not request increased voting rights

Shareholder	Direct shareholder	no. votes	% after x2 maturity
Francesco Casoli	Francesco Casoli	320,000	60.783%
	Fan S.r.l.	66,880,890	
TIP S.p.A.		27,272,000	24.667%
Partial total voting rights			94,472,890
Other gross of treasury shares			16,086,355
Total voting rights			110,559,245
Share capital			63,322,800

ALL SHAREHOLDERS ABOVE 5% INCREASE THEIR VOTING RIGHTS (x3 after vesting period) - other shareholders do not request increased voting rights

Shareholder	Direct shareholder	no. votes	% after x3 maturity
Francesco Casoli	Francesco Casoli	480,000	63.881%
	Fan S.r.l.	100,321,335	
TIP S.p.A.		40,908,000	25.925%
Partial total voting rights		141,709,335	
Other gross of treasury shares		16,086,355	10.194%
Total voting rights		157,795,690	
Share capital		63,322,800	

The calculations above:

- are gross of the treasury shares held by the Company, which, solely for the purposes of the simulation, have been calculated in determining the total voting rights of the Company's shares (without prejudice, in any case, to the provisions of Article 2357-ter, paragraph 2, and Article 2368, paragraph 3, of the Civil Code); and
- are also based on the assumption that all shareholders maintain their stake in the share capital and that it remains unchanged. The data indicated remain subject, in any case, to the effects of shareholders potentially exercising their right of withdrawal.

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8) Decision-making process for the drawing up of the By-Law amendment proposals

The proposed amendment to the By-Laws described in this report was approved by the Board of Directors on July 30, 2024, with the abstention of the Chairman of the Board of Directors, Francesco Casoli, and Director Cristina Casoli and with the favourable vote of the Independent Directors constituting the majority of the Board of Directors in office, and was subsequently submitted to the Extraordinary Shareholders' Meeting.

The Chairperson of the Board of Directors, Francesco Casoli, and the Board member Cristina Casoli, including for the purposes of Article 2391 of the Civil Code, declared an interest in the resolution as they, directly and indirectly, hold a total of 53.378% of Elica's share capital.

Having noted the aforementioned statements, the Board of Directors considered that the long-term commitment of its shareholders indeed constitutes an important "value" and that, consequently, rewarding loyal shareholders with the "multi-vote shares" is in the best interest of the Company and all its stakeholders. The amendment in question is intended to enable the Company to pursue the objectives better specified in paragraph 1 "Reasons for the proposed changes" above; the Board deems these objectives adequate to justify the proposed amendments to the By-Laws in terms of the Company's interest and convenience in adopting them.

9) Right of withdrawal, terms and modalities

Pursuant to Article 2437 and subsequent of the Civil Code, and in accordance with the provisions of paragraph 8 of Article 127-quinquies of the CFA, absent shareholders, abstaining shareholders and shareholders voting against the proposal to amend the By-Laws concerning the introduction of strengthened multi-vote shares as



per item 1.2 of the Extraordinary Shareholders' Meeting Agenda ("**Shareholders with withdrawal rights**") are entitled to exercise their right of withdrawal in relation to all or some of the shares held.

The introduction of ordinary multi-vote shares and the other proposed amendments to the By-Laws do not confer upon shareholders any right of withdrawal pursuant to the law or the By-Laws.

Entitled Shareholders may exercise the right of withdrawal within and no later than 15 (fifteen) days after the Extraordinary Shareholders' Meeting resolution is registered at the Ancona Companies Registration Office by sending Elica a declaration (the "Declaration") by one of the following means:

- a. registered letter with return receipt, addressed to Elica S.p.A. at c/o Computershare S.p.A. via Lorenzo Mascheroni n. 19, 20145 Milan; or
- b. by certified e-mail from the authorised person's PEC address to the PEC address operations@pecserviziotitoli.it; or
- c. computer document signed with a digital signature pursuant to Legislative Decree No. 82 of March 7, 2005, or with another type of qualified electronic signature pursuant to Regulation (EU) 910/2014 of the European Parliament and of the Council of July 23, 2014, sent from the e-mail address (which need not be a certified address) of the Withdrawing Shareholder to the PEC address operations@pecserviziotitoli.it.

Notice of successful registration will be published on the Company's website and in a national newspaper.

This communication must contain:

- particulars of the shareholder who has exercised the right of withdrawal, their domicile and a telephone number for communications relating to the right of withdrawal;
- the number of shares for which the right of withdrawal is exercised;
- the indication of the intermediary in whose account the shares subject to withdrawal are registered, with the relative details of the account.

Upon sending the declaration of withdrawal, the withdrawing shareholder must also request that the intermediary issue a notice certifying: (i) that the applicant has owned the shares subject to withdrawal for an uninterrupted period from before the opening of the Extraordinary Shareholders' Meeting and until the time the notice is issued by the intermediary; and (ii) that the shares subject to withdrawal are not subject to a pledge or other encumbrance.

If the shares subject to withdrawal are encumbered by a pledge or other encumbrance in favour of a third party, the withdrawing shareholder, under penalty of nullity of the declaration of withdrawal, must also attach to the declaration of withdrawal a statement by the pledgee (or the beneficiary of the encumbrance) in which this party irrevocably and unconditionally consents to the release of the shares from the pledge and/or encumbrance and to the related liquidation, in accordance with the instructions of the withdrawing shareholder.

Pursuant to Article 2437-*bis*, paragraph 2 of the Civil Code, the shares for which the right of withdrawal has been exercised are non-transferable and may not be sold or be the subject of acts of disposal until they have been liquidated in accordance with the procedures set out below. For this purpose, the intermediary shall place a book entry lien on the account with which the shares are deposited.

Pursuant to Article 2437-*ter*, paragraph 3, of the Civil Code, the liquidation value of shares listed on regulated markets is determined with reference to the arithmetic mean of the closing prices in the six (6) months before the publication of the call notice for the Shareholders' Meeting whose resolutions legitimise the exercise of the right of withdrawal, unless the By-Laws provide for different liquidation criteria.

Therefore, taking into account that the Shareholders' Meeting call notice is published on the same date as the approval of this report, and since the By-Laws do not provide for different criteria to determine the liquidation value of the shares, the liquidation value, based on the calculations as above, is equal to Euro 1.9094 per share (the "**Liquidation Value**").

No difficulties or limitations arose in the process of determining the Liquidation Value of the Withdrawal Shares, and no adjustments are required in determining the arithmetic mean of the closing prices.

Pursuant to Article 2437-*quater* of the Civil Code, once the shares subject to withdrawal have been determined, the procedure to liquidate the shares must follow the following steps:

- the shares for which the right of withdrawal will be exercised shall be offered in option to the other shareholders in proportion to the number of shares they hold by the 15th (fifteenth) day following the expiration of the withdrawal period or, in the event of a dispute as to the value, by the 15th (fifteenth) day following the final determination of the liquidation value, in both cases by filing the offer with the Companies Registration Office. A period of not less than 30 (thirty) days following the filing of the offer shall be allowed for the exercise of the option right;
- those exercising their option right also have a pre-emption on the purchase of the shares that remain unopted;
- should the shareholders not purchase all the shares of the withdrawing party offered in option, the Directors may decide to offer the unopted shares to the market;
- any remaining shares that have not been sold, or in the event that the Directors decide not to offer these shares to the market, such shares will be purchased by the Company at the Liquidation Value using available profits and reserves.

We note that liquidation of the shares will only be effected if one of the Termination Conditions referred to in paragraph 10 below is not fulfilled. Otherwise, the Shareholders' Meeting Resolution that enabled the withdrawal shall cease to be effective. As a result, declarations of withdrawal will also cease to be effective, with the clarification that neither the acceptances collected as part of the offer and placement nor the purchase by the Company will be followed up, and the shares held by those persons who had exercised the withdrawal will continue to be held by the respective shareholders.

Further details regarding the exercise of withdrawal and information on the terms and conditions of the liquidation procedure (including the number of shares subject to withdrawal, the pre-emptive and option offer and the market offer, if any) will be provided to shareholders in accordance with applicable laws and regulations by notices published on the Company's website, on the authorised storage mechanism "1Info", and in a newspaper with national circulation.

10) Effectiveness of the by-laws amendment - Termination Conditions

The amendment to the By-Laws described herein, if approved, will be effective as of the date that the Extraordinary Shareholders' Meeting resolution is registered with the competent Companies Registration Office.

The Extraordinary Shareholders' Meeting resolution and, consequently, the effectiveness of the amendment to the By-Laws referred to in paragraph 1.2 of this report (i.e. the introduction of the strengthened multi-vote shares) will cease to be effective if even one of the following events (the "**Termination Conditions**") occurs:

- a) the total amount in cash to be paid by Elica to the Shareholders with the right of withdrawal (the "**Withdrawal Value**"), exceeds Euro 10,000,000 (ten million);
- b) the number of shares for which withdrawal has been exercised exceeds 5,000,000 (five million); and/or
- c) the number of shares for which the withdrawal right has been exercised exceeds the difference between (x) the value of the Elica share for the purposes of the liquidation of the withdrawal (i.e. Liquidation Value equal to Euro 1.9094 for each Elica share) and (y) the closing price of the Elica share on the last day of the offer period for the shares of the Shareholders with withdrawal rights is lower than the Liquidation Value and this difference multiplied by the number of Elica shares subject to withdrawal unopted, exceeds in total the amount of Euro 1,000,000 (one million),

it being understood, in any case and for the sake of clarity, that (a) the Withdrawal Value shall be calculated net of the amounts due by the shareholders exercising their option and pre-emption rights pursuant to Article 2437-*quater* of the Civil Code and that (b) such Termination Conditions are in the interest of the Company, with all the broader powers of the Board of Directors to waive all or some of them even if they are fulfilled.

These grounds were determined by the Board of Directors in order to contain to the following to limits deemed congruous:

- a. the reduction of the float,

- b. the financial impacts of the withdrawal,
- c. purchases for values that are not in line with the recorded average values.

Elica shall notify the market of the fulfilment or non-fulfilment (or waiver, if applicable) of the Termination Conditions.

The text of the Articles of the By-Laws whose amendment is proposed is set out below, in both the current and proposed new versions.

Current By-Laws	Proposed text
8.1 The shares are to bearer, indivisible, freely transferable and confer equal rights to holders. Shareholders comply unconditionally with these By-Laws.	8.1 The shares are to bearer, indivisible, freely transferable and confer equal rights to holders, except as provided for below in respect of multi-voting rights. Shareholders comply unconditionally with these By-Laws.
8.2 In addition to ordinary shares, the Company has the faculty to issue, in compliance with law, classes of shares with differing rights. The Company may issue special classes of shares established by Article 2349, first paragraph of the Civil Code.	[unchanged]
8.3 The Company may issue, in compliance with law, financial instruments other than shares. The issue of financial instruments requires the approval of the Extraordinary Shareholders' Meeting which establishes the characteristics, the issue conditions, the administrative and/or equity rights, penalties in the case of non-fulfilment of a commitment undertaken, as well as the manner for transfer, circulation and repayment. The Company may also issue financial instruments as per Article 2349, second paragraph of the Civil Code.	[unchanged]
8.4 The Company may issue non-convertible and convertible bond loans or with warrants, in accordance with Articles 2410 subsequent of the Civil Code.	[unchanged]
	<p>8.5 Multi-voting rights accrue in accordance with the following provisions:</p> <p>8.5.1 Each share held by the vote-holder for a continuous period of 24 (twenty-four) months from the date of their inclusion on the list provided for in Article 8.7 below (the "List") shall be attributed 2 (two) votes ("ordinary multi-vote shares").</p> <p>8.5.2 To the extent permitted by the law in force from time to time, an additional 1 (one) vote is also attributed at the end of the 12 (twelve) month period following the expiry of the 24 (twenty-four) month period referred to in Article 8.5.1 above, to each share held by the same person included on the List provided for in Article 8.7 below, up to a total maximum of three (3) votes per share (including the increase deriving from the acquisition of the ordinary</p>

	<p><i>multi-voting right) ("strengthened multi-vote shares").</i></p>
	<p>8.6 Notwithstanding the fact that the multi-voting right accrues automatically upon expiry of the periods indicated in Article 8.5 above, the acquisition of the multi-voting right shall be effective, unless otherwise provided for by applicable law or regulations:</p> <ul style="list-style-type: none"> a) from the fifth open trading day in the calendar month subsequent to that in which the conditions established by the By-Laws are met for the accrual of multi-voting rights; or b) from the record date of the Shareholders' Meeting, determined in accordance with the applicable regulation, following the date on which the conditions required by the By-Laws for the accrual of multi-voting rights were met.
	<p>8.7 The assessment of the requirements to attribute multi-voting rights is made by the Board of Directors - and through it by the Chairperson or the appointed Directors, also with the support of specifically appointed support personnel - on the basis of the results of a special list (the "List") held by the Company in accordance with applicable laws and regulations, in accordance with the following provisions:</p> <ul style="list-style-type: none"> a) to be included on the List, the eligible party must submit a specific request to the Company through the third party appointed by the latter, enclosing an appropriate communication issued by the intermediary with whom the shares are deposited in accordance with applicable law; b) multi-voting rights may also be requested for only a portion of the shares held. The applicant may at any time, by means of a special request, indicate additional shares for which they request inclusion on the List; in this case, the multi-voting right accrues at the end of the vesting period that begins from the date of inclusion. c) any applicant that is not a natural person must make an appropriate declaration specifying whether it is subject to direct or indirect control by a third party and provide identification data of the parent company, where applicable, and the relevant chain of control; d) inclusion on the List shall be carried out by the Company, unless otherwise provided for by applicable laws or regulations, by the 5th (fifth) trading day after the end of each calendar month in which the request is received from the requesting party, accompanied by the aforementioned documentation and, in any

	<p><i>event, by the record date provided for by the regulations in force in relation to the right to participate and vote in Shareholders' Meetings;</i></p> <p><i>e) along with the further information required under applicable law, the List shall contain at least the following information: identification data for the shareholders requesting registration, the number of shares for which registration has been requested and an indication of the transfers and restrictions relating thereto, and the date of registration;</i></p> <p><i>f) the provisions concerning the shareholders register set out in Article 2422 of the Civil Code and any other applicable provisions shall apply to the List;</i></p> <p><i>g) the Company shall be responsible for updating the List in accordance with the communications and reports made by intermediaries and shareholders, pursuant to and within the terms of the applicable laws and regulations. The Company has the right to request from shareholders included on the List a declaration of the continued existence of the prerequisites for the multi-vote rights or the loss of the ownership of the legitimising right in rem and/or the relevant voting right;</i></p> <p><i>h) upon indication of the intermediary or in relation to the information otherwise obtained, the Company shall remove the shareholder from the List, pursuant to and within the terms of the applicable laws and regulations, in the following cases:</i></p> <ul style="list-style-type: none"> <i>a) revocation by the interested party,</i> <i>b) communication from the interested party or the intermediary proving the lapsing of the requirements for multi-voting rights or the loss or interruption of possession of the real legitimate right and/or the relative voting rights;</i> <i>c) where the Company receives notice of events resulting in the lapsing of the requirements to accrue multi-voting rights or the loss of ownership of the real legitimate right and/or the relative voting right.</i>
	<p>8.8 After the request for inclusion on the List:</p> <ul style="list-style-type: none"> <i>a) the intermediary must notify the Company of transactions involving the transfer of shares on the list, including those with multi-voting rights, also to fulfil the obligations provided for by the laws and regulations in force;</i> <i>b) the owner of the shares for which registration on the List has been sought, or the owner of the real right conferring the right to vote, must in any case promptly notify the Company of any</i>

	<p><i>possibility of termination of the multi-voting rights or of the related conditions.</i></p>
	<p>8.9 Multi-voting rights are lost:</p> <ul style="list-style-type: none"> a) <i>in the event of transfer of shares for consideration or free of charge, including transactions involving the creation or disposal of rights of pledge, usufruct or other lien on the shares by virtue of which the shareholder included on the List is deprived of voting rights, or</i> b) <i>in the event of direct or indirect disposal of controlling investments in companies or entities which hold multi-vote shares in a proportion greater than the threshold established by Article 120, paragraph 2 of Legislative Decree No. 58 of February 24, 1998.</i> <p><i>It remains understood that the establishment of a pledge or the granting of a usufruct with express retention of voting rights for the share owner shall not result in the loss of the strengthened multi-voting rights.</i></p> <p><i>For the purposes of this Article 8.9., the notion of control is that established by the regulations for listed issuers.</i></p>
	<p>8.10 Multi-voting rights:</p> <ul style="list-style-type: none"> a) <i>are retained by the heir and/or legatee in the event of direct or indirect transfer of the legitimising right in rem by virtue of inheritance by reason of death (or equivalent cases, e.g. family pact, constitution of a trust, patrimonial fund or family foundation);</i> b) <i>in the event of a merger (including a cross-border merger) or demerger of the holder of the shares, are retained by the company resulting from the merger or the beneficiary of the demerger, whether the transfer is direct (for shares in the company) or indirect (for shares in the entity which in turn holds shares in the Company). In this regard, in the event of cross-border mergers, demergers or transformations pursuant to Legislative Decree No. 19 of 2023 or Article 25, paragraph 3 of Law No. 218/1995, if the company created by such operations is a company with listed shares or shares in the process of being listed, when calculating the continuous period for the accrual of ordinary multi-voting rights, the period of uninterrupted ownership prior to inclusion on the List of shares with voting rights of the company being</i>

	<p><i>acquired, demerged or transformed, as attested by a certificate issued by an authorised intermediary or by other suitable means in accordance with the law of the state that governs the company being acquired, demerged or transformed, shall also be taken into account;</i></p> <p><i>c) may also accrue to exchanged shares for which multi-voting rights have been granted, in the case of the spin-off or merger (including cross-border), where this is established by the relative proposal;</i></p> <p><i>d) extend proportionally to newly issued shares through share capital increases in accordance with Article 2442 of the Civil Code and share capital increases through new conferments in the exercise of option rights;</i></p> <p><i>e) are retained in the event of the transfer from one UCIT portfolio to another managed by the same party.</i></p>
	<p><i>8.11 Multi-voting rights are included also for the establishment of the constitutional and decision making quorums in terms of share capital percentages, although without any effect on the rights, other than voting rights, devolving on the basis of the possession of a particular portion of the share capital.</i></p>
	<p><i>8.12 The person entitled to the multi-voting right may always irrevocably renounce (in whole or in part) the multi-voting right at any time, by means of a written notice to be sent to the Company through the entity appointed by the Company. It remains understood that the multi-voting right may be reacquired for the shares for which it was renounced by means of a new entry on the List and the full expiry of the period of continuous membership of the shares in accordance with Article 8.7 above.</i></p>
	<p><i>8.13 Amendments (whether strengthening or weakening) to the multi-vote regulation under this Article, or the abolition of the right, do not require the approval of any special Shareholders' Meeting pursuant to Article 2376 of the Civil Code, requiring only approval by the Extraordinary Shareholders' Meeting pursuant to law.</i></p>
	<p><i>8.14 The content of the List is also made available to shareholders, upon their request, in a commonly used format. Without prejudice to the provisions of the preceding paragraph, the Company shall</i></p>

disclose, by publication on its website, the names of shareholders with shareholdings exceeding the threshold indicated in Article 120, paragraph 2, of Legislative Decree No. 58 of February 24, 1998, who have requested inclusion in the List. This must include an indication of the relevant shareholdings and the date of inclusion on the List, together with all other information required by applicable laws and regulations, without prejudice to the other disclosure obligations imposed on holders of significant shareholdings.

MOTION PROPOSAL TO THE SHAREHOLDERS' MEETING IN EXTRAORDINARY SESSION

Considering that stated above, the Board of Directors submits for your approval the following motion.

Regarding item **1.1** on the Agenda "**Introduction of Article 8.5.1 and consequent amendment of Article 8.1, in addition to the introduction of Articles 8.5 (excluding Article 8.5.2) to 8.14**" (**ORDINARY MULTI-VOTE SHARES**):

"The Shareholders' Meeting of Elica S.p.A., having examined the illustrative report of the Board of Directors,

resolves

1. to amend its By-Laws by approving the introduction of Article 8.5.1 and consequently the new wording of Article 8.1 and the introduction of Articles 8.5 (with the exclusion of Article 8.5.2), 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13 and 8.14, as proposed by the Board of Directors;
2. to confer upon the Board of Directors, and on its behalf the Chairperson and the Chief Executive Officer, also severally, with the power to sub-delegate within the limits of the law, the broadest powers to carry out any and all activities useful or necessary to enact the above resolution, including but not limited to the power to:
 - establish the List referred to in Article 127-*quinquies*, paragraph 4 of the CFA and
 - provide the Company with regulations on the exercise of multi-voting rights, including the procedures for inclusion, maintaining and updating the List, pursuant to the applicable regulations (the "**Regulations**");
 - appoint a person in charge of maintaining the List, including with the support of specially appointed third parties;
 - perform all the formalities required to in order that the resolution adopted obtains all the necessary approvals, including but not limited to the formalities required for its registration at the Companies Registration Office pursuant to Article 2436 of the Civil Code, with the power to make all non-substantial amendments, additions and/or deletions that may be required by the competent authorities or by the Notary, or otherwise deemed useful or appropriate."

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Regarding item 1.2 on the Agenda "**1.2 Introduction of Article 8.5.2 (STRENGTHENED MULTI-VOTE SHARES)**":

"The Shareholders' Meeting of Elica S.p.A., having examined the illustrative report of the Board of Directors,

resolves

1. to amend its By-Laws by approving the introduction of Article 8.5.2 and thus to adopt strengthened multi-vote shares, as proposed by the Board of Directors;

2. to establish that the effectiveness of the amendment to Article 8.5.2 of the By-Laws referred to in paragraph 1.2 of the Agenda (i.e. introduction of the strengthened multi-vote shares) shall cease to be effective if one of the following termination conditions occurs:
 - a) the total amount in cash to be paid by Elica to the Shareholders with the right of withdrawal (the "**Withdrawal Value**"), exceeds Euro 10,000,000 (ten million);
 - b) the number of shares for which withdrawal has been exercised exceeds 5,000,000 (five million); and/or
 - c) the number of shares for which the withdrawal right has been exercised exceeds the difference between (x) the value of the Elica share for the purposes of the liquidation of the withdrawal (i.e. Liquidation Value equal to Euro 1.9094 for each Elica share) and (y) the closing price of the Elica share on the last day of the offer period for the shares of the Shareholders with withdrawal rights is lower than the Liquidation Value and this difference multiplied by the number of Elica shares subject to withdrawal unopted, exceeds in total the amount of Euro 1,000,000 (one million), it being understood, in any case and for the sake of clarity, that (a) the Withdrawal Value shall be calculated net of the amounts due by the shareholders exercising their option and pre-emption rights pursuant to Article 2437-*quater* of the Civil Code and (b) that such termination conditions are in the interest of the Company, with all the broader powers of the Board of Directors to waive all or some of them.
3. to confer upon the Board of Directors, and on its behalf the Chairperson and the Chief Executive Officer, also severally, with the power to sub-delegate within the limits of the law, the broadest powers to carry out any and all activities useful or necessary to enact this resolution, including but not limited to the power to:
 - a) ascertain the fulfilment of the conditions set out in point 2 of this resolution, the fulfilment of one or more of which renders ineffective the provisions of the resolution referred to in point 1.2 of the Agenda (i.e. introduction of the strengthened multi-vote shares), or the waiver, by the Company, of one or more of those conditions;
 - b) perform all such activities as are necessary or appropriate as part of the procedure to liquidate any shares subject to the right of withdrawal due to the Company's shareholders who did not participate in the approval of the resolution referred to in paragraph 1.2 of the Agenda (i.e. introduction of the strengthened multi-vote shares);
 - c) perform all the formalities required to in order that the resolution adopted obtains all the necessary approvals, including but not limited to the formalities required for its registration at the Companies Registration Office pursuant to Article 2436 of the Civil Code, with the power to make all non-substantial amendments, additions and/or deletions that may be required by the competent authorities or by the Notary, or otherwise deemed useful or appropriate."

Fabriano, July 30, 2024
On behalf of the Board of Directors
The Chairperson
Francesco Casoli