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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should obtain independent professional advice or consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Ferretti S.p.A.** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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# FERRETTIGROUP

## Ferretti S.p.A.

*(Incorporated under the laws of Italy as a joint-stock company with limited liability)*

**(Stock Code: 09638)**

### PROPOSALS FOR

- (1) APPROVAL OF AUDITED SEPARATE FINANCIAL STATEMENTS AND ACKNOWLEDGEMENT OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS;**
  - (2) ALLOCATION OF NET INCOME AND DECLARATION AND DISTRIBUTION OF FINAL DIVIDEND;**
  - (3) APPOINTMENT OF THE INDEPENDENT AUDITOR FOR A THREE-YEAR TERM;**
  - (4) APPROVAL OF APPLICATION FOR LISTING OF THE ORDINARY SHARES OF THE COMPANY ON EURONEXT MILAN AND RELATED MATTERS;**
  - (5) APPOINTMENT OF THE INDEPENDENT AUDITOR FOR A NINE-YEAR TERM;**
  - (6) TERMINATION OF SHARE OPTION SCHEME;**
  - (7) ELECTION OF THE BOARD OF DIRECTORS AND ITS REMUNERATION;**
  - (8) ELECTION OF THE BOARD OF STATUTORY AUDITORS AND ITS REMUNERATION;**
  - (9) ADOPTION OF THE REGULATIONS OF SHAREHOLDERS' MEETINGS; AND**
  - (10) ADOPTION OF NEW BY-LAWS;**
- AND**
- NOTICE OF ANNUAL GENERAL MEETING**
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A notice convening the annual general meeting (the “**Annual General Meeting**”) of the Company to be held virtually by electronic means on Thursday, May 18, 2023 at 16:00 p.m. Hong Kong time (10:00 a.m. CEST time) is set out on pages AGM-1 to AGM-4 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed. The form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.ferrettigroup.com](http://www.ferrettigroup.com). Whether or not you are able to attend the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event no later than 4:00 p.m. Hong Kong time (10:00 a.m. CEST time), on Tuesday, May 16, 2023, being 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

April 26, 2023

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## GUIDANCE FOR THE ANNUAL GENERAL MEETING

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### THE AGM TO BE HELD BEFORE A NOTARY PUBLIC

According to Article 2365 of the Italian Civil Code, the extraordinary part of the AGM (i.e. the resolution concerning the adoption of the New By-laws) must be held before an Italian notary public. In order to have both ordinary and extraordinary parts of the AGM recorded in the same context, the ordinary part of the AGM will also be held in the presence of an Italian notary public as the secretary of the meeting.

### ATTENDING THE AGM BY MEANS OF ELECTRONIC FACILITIES

**The AGM will be held virtually by electronic means only. The Company strongly encourages Shareholders to attend, participate and vote at the AGM through online access by visiting the website — <https://meetings.computershare.com/Ferretti2023AGM> (the “Online Platform”).**

Both registered Shareholders and non-registered Shareholders can (i) attend the Online AGM and vote by way of electronic means; or (ii) exercise their right to vote at the Online AGM by appointing their own proxy or the Company’s designated proxy(ies), to act as their proxy.

By logging in the Online Platform, Shareholders will be able to view a live webcast of the Annual General Meeting, submit questions, and cast vote in real-time. Shareholders participating in the Annual General Meeting using the Online Platform will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platform.

The Online Platform permits a “split vote” on a resolution, in other words, a Shareholder casting his/her/its votes through the Online Platform does not have to vote all of his/her/its Shares in the same way (“For” or “Against”). In the case of a proxy, he/she can vote such number of Shares in respect of which he/she has been appointed as a proxy. Votes cast through the Online Platform are irrevocable once the voting session at the Annual General Meeting ends.

### Login Period

The Online Platform can be accessed from any location with internet connection by a smart phone, tablet device, or computer. The Online Platform will be opened for registered Shareholders and non-registered Shareholders to log in 45 minutes prior to the commencement of the Online AGM, and only those Shareholders who have logged in 5 minutes before the start of the Online AGM will be entitled to attend and vote at the Online AGM, given that as a matter of Italian law, the Company has to announce at the commencement of the Annual General Meeting the number of Shares and percentage present.

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## GUIDANCE FOR THE ANNUAL GENERAL MEETING

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Shareholders should allow ample time to check into the Online Platform to complete the login procedure and remain logged in until the commencement of and during the Online AGM. The “Online User Guide” will be available on the Company’s website [www.ferrettigroup.com](http://www.ferrettigroup.com) around one week before the Annual General Meeting to guide Shareholders through the login process.

### **Login details for registered Shareholders**

Login details for joining the Online AGM and accessing the Online Platform are included in the Company’s notification letter sent together with this circular.

### **Login details for non-registered Shareholders**

Non-registered Shareholders who wish to attend and vote at the Online AGM should (i) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their Shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the Online AGM, and (ii) provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

Login details to access the Online Platform will be sent by Computershare Hong Kong Investor Services Limited to the email address of the non-registered Shareholder provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 12:00 noon Hong Kong time (6:00 a.m. CEST time) on Wednesday, May 17, 2023 should reach out to Computershare Hong Kong Investor Services Limited for assistance. Without the login details, non-registered Shareholders would not be able to attend and vote using the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (i) and (ii) above.

Registered and non-registered Shareholders should note that only one device is allowed per login. Please also keep the login details in safe custody for use at the Online AGM and do not disclose them to anyone else. Neither the Company nor its agents assumes any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.

For enquiries regarding the login details to access the Online AGM, please call Computershare Hong Kong Investor Services Limited on (852) 2862 8555 for assistance.

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## GUIDANCE FOR THE ANNUAL GENERAL MEETING

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### **VOTING BY PROXY IN ADVANCE OF THE ONLINE AGM**

Shareholders are encouraged to submit their completed proxy forms in advance of the Annual General Meeting. Return of a completed proxy form will not preclude Shareholders from attending and voting at the Annual General Meeting should they subsequently so wish.

### **Submission of proxy forms for registered Shareholders**

A proxy form is enclosed with this circular. A copy of the proxy form can also be downloaded from the websites of the Company at [www.ferrettigroup.com](http://www.ferrettigroup.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Proxy form must be completed, signed and deposited at the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 16:00 p.m. Hong Kong time (10:00 a.m. CEST time), on Tuesday, May 16, 2023, being 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof (as the case may be).

### **Appointment of proxy for non-registered Shareholders**

Non-registered Shareholders should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

If Shareholders have any enquiries pertaining to the arrangements for the Online AGM, or the registration process, please contact the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong  
Telephone: +852 2862 8555  
Facsimile: +852 2865 0990  
Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the same meanings as set out below:*

|  |   |
|--|---|
| “Annual General Meeting”, “AGM”<br>or “Online AGM” | the annual general meeting of the Company to be held virtually by electronic means only on Thursday, May 18, 2023 at 16:00 p.m. Hong Kong time (10:00 a.m. CEST time) and any adjournment thereof   |
| “Audit Committee”                                  | audit committee of the Board  |
| “Audited Consolidated Financial Statements”        | the financial statements of the Group audited by the Independent Auditor for the financial year ended December 31, 2022   |
| “Audited Separate Financial Statements”            | the financial statements of the Company audited by the Independent Auditor for the financial year ended December 31, 2022   |
| “Board”  | the board of Directors  |
| “Board of Statutory Auditors”                      | the board of statutory auditors of the Company  |
| “Borsa Italiana”                                   | Borsa Italiana S.p.A., a joint-stock company ( <i>società per azioni</i> ) incorporated under the laws of Italy, with registered office at Piazza degli Affari 6, Milan, Italy, which is, <i>inter alia</i> , the market operator of Euronext Milan |
| “Business Day(s)”                                  | day(s) (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities  |
| “By-laws”  | the by-laws of the Company as amended, supplemented or restated from time to time   |
| “CCASS”  | the Central Clearing and Settlement System operated by the Hong Kong Securities Clearing Company Limited  |

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## DEFINITIONS

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|-----------------------------|---|
| “Civil Code”                | the Italian Civil Code ( <i>Codice Civile</i> ) enacted by Royal Decree No. 262 of March 16, 1942, as amended, supplemented or restated from time to time   |
| “Company”                   | Ferretti S.p.A., a company incorporated under the laws of Italy as a joint-stock company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 9638)  |
| “Computershare Hong Kong”   | Computershare Hong Kong Investor Services Limited specifically in the context either as an agent for the non-electing Shareholders or a nominee for the electing Shareholders in relation to the dematerialization, details of which are set out in the paragraph headed “5. ORDINARY PART — APPROVAL OF APPLICATION FOR LISTING OF THE ORDINARY SHARES OF THE COMPANY ON EURONEXT MILAN” |
| “Consob”                    | the Italian Authority for the supervision of financial markets ( <i>Commissione Nazionale per le Società e la Borsa</i> ), with its registered office in Via Giovanni Battista Martini 3, Rome, Italy, the Italian markets supervisory authority  |
| “Corporate Governance Code” | the Italian corporate governance code, which applies to all companies with shares listed on Euronext Milan  |
| “Director(s)”               | the director(s) of the Company  |
| “Dual Listing”              | the potential dual listing of the Shares on the Stock Exchange and Euronext Milan, details of which are set out in this circular  |
| “EU Prospectus Regulation”  | Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 and includes any relevant delegated regulations, as amended from time to time  |

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## DEFINITIONS

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|--------------------------------------|---|
| “Euro”, “EUR” or “€”                 | the lawful currency of the member states of the European Union participating in the third stage of the European Union’s Economic and Monetary Union                     |
| “Euronext Milan”                     | the Euronext Milan, organized and managed by Borsa Italiana   |
| “Existing By-laws”                   | the existing By-laws of the Company adopted under an extraordinary part of the Shareholders’ meeting on March 14, 2022  |
| “Group”                              | the Company and its subsidiaries  |
| “Hong Kong”                          | the Hong Kong Special Administrative Region of the PRC  |
| “Hong Kong Share Registrar”          | Computershare Hong Kong Investor Services Limited   |
| “HKSCCN”                             | HKSCC Nominees Limited  |
| “Independent Auditor”                | EY S.p.A., being the independent auditor of the Company   |
| “Italian Consolidated Financial Act” | Italian Legislative Decree no. 58 of February 24, 1998, as amended from time to time  |
| “Italian Prospectus”                 | the prospectus of the Company for the purposes of listing on Euronext Milan   |
| “Italian Stock Exchange Rules”       | the Market Rules and the related Instructions issued by Borsa Italiana, as amended from time to time  |
| “Latest Practicable Date”            | April 19, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules”                      | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time                                   |
| “Monte Titoli”                       | Monte Titoli S.p.A., the Italian central securities depository  |



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## DEFINITIONS

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| “New By-laws”                           | the by-laws of the Company set out to Appendix V of this circular (with proposed changes marked up against the Existing By-laws) proposed to be adopted by the Shareholders, which will become effective upon the Dual Listing   |
| “PRC”                                   | the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan   |
| “Prospectus”                            | the prospectus of the Company dated March 22, 2022   |
| “Record Date”                           | May 31, 2023, or such other date as the Company may determine, being the latest date which non-electing Shareholders shall take the actions set out in the paragraph headed “5. ORDINARY PART — APPROVAL OF APPLICATION FOR LISTING OF THE ORDINARY SHARES OF THE COMPANY ON EURONEXT MILAN — (ii) Dematerialization of the Shares — (c) Actions to be taken by Certificated Shareholders” |
| “Regulations of Shareholders’ Meetings” | the Regulations of Shareholders’ Meetings of the Company proposed to be adopted by the Shareholders, which will become effective upon the Dual Listing   |
| “Remuneration Committee”                | remuneration committee of the Board  |
| “SFO”                                   | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time  |
| “Share(s)”                              | ordinary share(s) with no nominal value in the share capital of the Company  |
| “Shareholder(s)”                        | the holder(s) of Share(s)  |
| “Share Option Scheme”                   | the share option scheme adopted by the Shareholders on May 25, 2022  |

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## DEFINITIONS

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|------------------------------|--|
| “Statutory Auditor(s)”       | the statutory auditor(s) of the Company  |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited  |
| “substantial shareholder(s)” | has the meaning ascribed thereto under the Listing Rules   |
| “U.S. Securities Act”        | the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder |
| “Tax Booklet”                | a tax booklet, which provides the Italian tax framework relating to the ownership of the Shares            |
| “%”                          | per cent   |

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LETTER FROM THE BOARD

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**FERRETTIGROUP**

**Ferretti S.p.A.**

*(Incorporated under the laws of Italy as a joint-stock company with limited liability)*

**(Stock Code: 09638)**

*Non-executive Director, Chairman:*

Mr. Tan Xuguang

*Executive Director, Chief Executive Officer:*

Mr. Alberto Galassi

*Non-executive Directors:*

Mr. Piero Ferrari (*Vice Chairman*)

Mr. Xu Xinyu

Mr. Li Xinghao

*Independent Non-executive Directors:*

Mr. Hua Fengmao

Mr. Stefano Domenicali

Mr. Patrick Sun

*Registered Office:*

Via Irma Bandiera 62, 47841

Cattolica (RN)

Italy

*Principal place of business in Hong Kong:*

31/F, Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

April 26, 2023

To the Shareholders,

*Dear Sirs or Madam,*

**PROPOSALS FOR**

- (1) APPROVAL OF AUDITED SEPARATE FINANCIAL STATEMENTS AND  
ACKNOWLEDGEMENT OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS;  
(2) ALLOCATION OF NET INCOME AND DECLARATION AND DISTRIBUTION OF  
FINAL DIVIDEND;  
(3) APPOINTMENT OF THE INDEPENDENT AUDITOR FOR A THREE-YEAR TERM;  
(4) APPROVAL OF APPLICATION FOR LISTING OF THE ORDINARY SHARES OF THE  
COMPANY ON EURONEXT MILAN AND RELATED MATTERS;  
(5) APPOINTMENT OF THE INDEPENDENT AUDITOR FOR A NINE-YEAR TERM;  
(6) TERMINATION OF SHARE OPTION SCHEME;  
(7) ELECTION OF THE BOARD OF DIRECTORS AND ITS REMUNERATION;  
(8) ELECTION OF THE BOARD OF STATUTORY AUDITORS AND ITS  
REMUNERATION;  
(9) ADOPTION OF THE REGULATIONS OF SHAREHOLDERS' MEETINGS; AND  
(10) ADOPTION OF NEW BY-LAWS;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and additional information regarding the resolutions to be proposed at the Annual General Meeting, including, among other things, for the ordinary part, (i) the approval of the Audited Separate Financial Statements and the acknowledgement of the Audited Consolidated Financial Statements for the year ended December 31, 2022; (ii) allocation of net income of the Company for the year ended December 31, 2022 and the declaration and distribution of a final dividend; (iii) the appointment of the Independent Auditor for a three-year term; (iv) the approval of application for listing of the ordinary shares of the Company on Euronext Milan and the related matters; (v) the appointment of the Independent Auditor for a nine-year term; (vi) the termination of the Share Option Scheme; (vii) the election of members of the Board and its chairman and determining their remuneration; (viii) the election of members of the Board of Statutory Auditors and its chairman and determining their remuneration; and (ix) the adoption of the Regulations of Shareholders' Meetings; and for the extraordinary part, (x) the adoption of the New By-laws.

### 2. ORDINARY PART — APPROVAL OF AUDITED SEPARATE FINANCIAL STATEMENTS AND ACKNOWLEDGEMENT OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Under applicable Italian laws, the Shareholders must approve the Audited Separate Financial Statements for the year ended December 31, 2022 (as prescribed under the applicable Italian laws) which shows a profit of €52,395,000 and must acknowledge the Audited Consolidated Financial Statements for the year ended December 31, 2022 (as prescribed under the applicable Hong Kong laws), together with the Reports of the Board, the Board of Statutory Auditors and the Independent Auditor at the AGM.

### 3. ORDINARY PART — ALLOCATION OF NET INCOME AND DECLARATION AND DISTRIBUTION OF FINAL DIVIDEND

On March 8, 2023, the Board recommended the allocation of the net income of the Company for the year ended December 31, 2022 as follows: (i) €2,620 thousand to legal reserve as per Article 2430 of the Civil Code; (ii) €19,902,780.06 as final dividend of approximately €0.0588 per Share; (iii) €8,176 thousand to cover the reserve for transaction costs related to issued share capital; and (iv) €21,696 thousand to the reserve of retained earnings.

Subject to the Shareholders' approval of the payment of the final dividend at the Annual General Meeting, the final dividend will be payable on Monday, June 5, 2023.

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## LETTER FROM THE BOARD

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The dividend payments shall be made in Euro to the Shareholders recorded in the principal register of members held at the Company's registered office in Italy, and in Hong Kong dollars to the Shareholders recorded in the register of members held in Hong Kong.

The applicable exchange rate will be the opening buying T/T rate of Hong Kong dollars to Euro as announced by the Hong Kong Association of Banks ([www.hkab.org.hk](http://www.hkab.org.hk)) on May 18, 2023, being the day of approval of the final dividend by the Shareholders.

The register of members of the Company will be closed on Wednesday, May 24, 2023, during which period no share transfer can be registered. The final dividend will be paid to Shareholders recorded on the Company's registers of members on Wednesday, May 24, 2023.

In order to qualify for the payment of the proposed final dividend, all transfers accompanied by the relevant share certificate(s), if issued, must be lodged with:

- (i) the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, if the transfer concerns shares recorded in the register of members held in Hong Kong, or
- (ii) the Company's registered office at Via Irma Bandiera 62, 47841 Cattolica (RN), Italy if the transfer concerns shares recorded in the Company's register of members held at the Company's registered office in Italy,

in any case, no later than 16:30 p.m. Hong Kong time (10:30 a.m. CEST time), on Tuesday, May 23, 2023.

The final dividend will be paid net of Italian withholding tax. The current rate of Italian withholding tax applicable to dividend payments is 26%. Further details on the Italian withholding tax are included in the Tax Booklet, which is available on the Company's website at [www.ferrettigroup.com](http://www.ferrettigroup.com).

Shareholders should seek independent professional advice in relation to the procedures and timing for obtaining a refund of Italian withholding tax, if applicable.

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## LETTER FROM THE BOARD

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### 4. ORDINARY PART — APPOINTMENT OF THE INDEPENDENT AUDITOR FOR A THREE-YEAR TERM

As stated in the prospectus of the Company dated March 22, 2022 and according to the Existing By-laws, an independent auditor, under Italian law, is appointed every three years by the general shareholders' meeting of the Company on the basis of a proposal from the Board of Statutory Auditors. Given the applicable Italian law, it is not possible for the Company to comply with Rule 13.88 of the Listing Rules and appoint an independent auditor at each annual general meeting to hold office from the conclusion of that meeting until the next annual general meeting. Accordingly, the Company has sought and obtained from the Stock Exchange a waiver from strict compliance with Rule 13.88 of the Listing Rules.

At the shareholders' general meeting of the Company held on March 16, 2020, it was resolved that EY S.p.A. be appointed as an independent auditor (*revisore legale dei conti*) of the Company until the shareholders meeting approving the financial statement of the Company for the year ended December 31, 2022. Accordingly, EY S.p.A.'s current mandate will expire on the date of the AGM.

In this regard, on March 8, 2023 the Board acknowledged the reasoned proposal of the Board of Statutory Auditors (in accordance with Italian laws), proposing that EY S.p.A., the Company's current Independent Auditor, be re-appointed as an independent auditor (*revisore legale dei conti*) of the Company at the AGM for a term of three financial years (from the current financial year ending December 31, 2023 to the financial year ending December 31, 2025), the term of which shall expire on the date of the shareholders' general meeting to approve the financial statements for the year ending December 31, 2025.

Under the applicable Italian laws, the Shareholders at the AGM shall also approve the remuneration of the audit services to be performed by the Independent Auditor for each financial year of its term.

It has been proposed that EY S.p.A. shall be entitled to a remuneration of €260,000 for each financial year of its three-year mandate for the provision of the audit of the separate financial statements of the Company and the consolidated financial statements of the Group. EY S.p.A.'s remuneration shall be subject to adjustment in accordance with changes in relevant applicable laws or in the requirements for the audit services as well as the annual adjustments linked to the change in the CPI consumer price index of Italy.

The term of the three year mandate and the proposed fee have been considered and acknowledged by the Audit Committee.

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## LETTER FROM THE BOARD

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Shareholders shall refer to the reasoned proposal of the Board of Statutory Auditors set out in Appendix I to this circular.

In the context of the proposed Dual Listing, a three-year mandate of the Independent Auditor shall be replaced by a nine-year term mandate, provided that (i) the AGM resolves favorably on the appointment of the Independent Auditor for a nine-year term (details of which are set out in the paragraph headed “6. Ordinary Part — Appointment of the Independent Auditor for a Nine-year Term” below); (ii) the AGM resolves favorably on the Dual Listing (details of which are set out in the paragraph headed “5. Ordinary Part — Approval of Application for Listing of the Ordinary Shares of the Company on Euronext Milan” below) and (iii) upon commencement of the trading of the Shares on Euronext Milan.

### **5. ORDINARY PART — APPROVAL OF APPLICATION FOR LISTING OF THE ORDINARY SHARES OF THE COMPANY ON EURONEXT MILAN**

Reference is made to the Company’s announcement dated March 20, 2023 in relation to the Company’s decision to proceed with the Dual Listing. **It should be noted that the Dual Listing is ultimately subject to approval by the relevant regulatory authorities and stock exchanges in Hong Kong and Italy. Upon completion of the Dual Listing, Shares of the Company will be dually listed on both the Stock Exchange and Euronext Milan.**

#### **(i) Reasons for the Dual Listing**

The principal operations of the Group in Europe, Middle East and Africa region and North America, Central America and South America region has represented nearly 72.7% of the total revenue of the Group for the financial year ended December 31, 2022, based on the audited accounts of the Company. The Board expects that the Dual Listing would enable the Company to expand its investors base in the majority of those regions. The Dual Listing is expected to attract more potential investors to trade in the Company’s securities and thus broaden the Shareholders base of the Company and increase the trading volume of the Company’s securities on the Stock Exchange. In addition, the Board expects that the Dual Listing would enhance the liquidity and the profile of the Company’s securities in the global market. Accordingly, the Board is of the view that the Dual Listing is in the best interests of the Company and the Shareholders as a whole.

For the purpose of creating the necessary public float in contemplation of the listing of Shares on Euronext Milan (which is equivalent to at least 25% of the Company’s share capital pursuant to the Italian Stock Exchange Rules) and to ensure there will be a sufficient distribution of the Shares on Euronext Milan, Ferretti International Holding S.p.A., as a controlling Shareholder (as defined under the Listing Rules) of the Company (the “**Selling Shareholder**”), is considering to sell a portion of its Shares through private placements in Italy and various other

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## LETTER FROM THE BOARD

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jurisdictions (the “Offer”). Since the Offer will consist of outstanding Shares owned by the Selling Shareholder, the Company will not benefit from the proceeds of the listing on Euronext Milan. The Offer will only be addressed to, and directed at, persons in member states of the European Economic Area who are qualified investors (as defined in Article (2)(e) of EU Prospectus Regulation). The Company and the Selling Shareholder are also contemplating the possibility of conducting the Offer as an offering to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in the United States in reliance on, Rule 144A under the U.S. Securities Act or another exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act or outside the United States, including to professional investors in Italy, in reliance on Regulation S under the U.S. Securities Act.

In order to obtain the admission to listing of the Shares on Euronext Milan, the following actions are required: (i) pursuant to the Italian Stock Exchange Rules, the submission to Borsa Italiana of a formal application for admission to listing, as well as an application for admission to trading of the Shares, and (ii) pursuant to the Italian Consolidated Financial Act and the EU Prospectus Regulation, the filing with Consob of an application for approval of the Italian Prospectus. The completion of the Dual Listing is therefore subject to, among others, necessary authorizations to be obtained from Borsa Italiana and Consob.

**Shareholders should note that completion of the Dual Listing is conditional on the fulfillment of certain conditions (the “Listing Conditions Precedent”), including but not limited to (i) the issuance of the necessary authorizations by the relevant regulatory authorities and stock exchanges in Hong Kong and Italy, as required by the applicable law and regulations; (ii) the compliance with the requirements for the purpose of listing on Euronext Milan; and (iii) the implementation of the operational model enabling the trading of Shares on both the Stock Exchange and Euronext Milan.** The public float requirement is one of the listing requirements, and its fulfillment shall be subject to the successful outcome of the Offer, which in turn is affected by the prevailing market sentiments and market conditions and the price being satisfactory to the Selling Shareholder at its own discretion. In the event that any of the Listing Conditions Precedent are not met, the Dual Listing shall not proceed, and any resolutions passed at the AGM related to the Dual Listing will become ineffective.

In preparation for the Dual Listing, the Company has also applied for, and the Stock Exchange has granted (conditional upon the listing of the Shares on the Euronext Milan) waiver from strict compliance with certain provisions of the Listing Rules, details of which are set out in the Company’s announcement dated April 26, 2023.

Where approved by the Shareholders, the Dual Listing shall be perfected by December 31, 2024. If this period has elapsed without the completion of the Dual Listing, the resolution will become ineffective.



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## LETTER FROM THE BOARD

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### (ii) Dematerialization of the Shares

#### (a) *Introduction and the Italian legal framework*

Pursuant to the Italian Consolidated Financial Act, all of the shares of an Italian company which are traded or to be traded on the Euronext Milan or other European Union trading venues must be “dematerialized” and converted into electronic form (the “**Dematerialization**”). Under the Italian system, upon effecting the Dematerialization, all of a company’s shares are centralized and registered in a book-entry form in the accounts of various intermediaries (usually commercial banks or stockbrokers holding an account with Monte Titoli, the “**Italian Intermediaries**” and each an “**Italian Intermediary**”) through which shareholders will hold dematerialized shares. A shareholder’s ownership of shares is represented by an electronic book-entry in the securities account opened by such shareholder with the Italian Intermediary. Monte Titoli will hold a central register (the “**Central Register**”) recording the entries of the Italian Intermediaries. While the Central Register in the Monte Titoli account will only display the Italian Intermediaries, such Italian Intermediary will record the shares on behalf of the shareholder (subject to the terms and conditions of the deposit accounts maintained with the Italian Intermediary).

#### (b) *Effect of Dematerialization to the Shareholders*

Upon effecting the Dematerialization as required for the Dual Listing, all of the Shares must be centralized and registered with Monte Titoli in book-entry form.

The major considerations and actions to be taken into account by Shareholders in respect of the Dematerialization include the following:-

#### (1) **Shareholders who are holding Shares in paper certificate forms (the “Certificated Shareholder(s)”)**

As at March 31, 2023, there were 19 Certificated Shareholders. In contemplation of the Dual Listing, where a Certificated Shareholder wishes to retain and exercise his/her/its rights as a Shareholder and/or intend to have his/her/its Shares capable of being traded in the future, he/she/it must dematerialize his/her/its Shares by the Record Date.

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## LETTER FROM THE BOARD

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The following sets out the options and corresponding actions to be taken by the Certificated Shareholders:-

(i) *Certificated Shareholders who wish to trade their Shares on the Stock Exchange*

Where a Certificated Shareholder wishes to trade his/her/its Shares on the Stock Exchange, such Certificated Shareholder must open a stock account with a broker or a custodian who maintains a CCASS participant account and deposit the share certificates held by him/her/it to the stock account for such Shares to be dematerialized. The CCASS participant will then return the share certificate to the Hong Kong Share Registrar for annulment. All fees and expenses in relation to the account opening process with a CCASS participant **shall be borne by the Certificated Shareholder.**

Certificated Shareholders should note that under this arrangement, while he/she/it will remain to be entitled to and enjoy his/her/its rights as a Shareholder, **he/she/it will no longer have legal ownership over the Shares.**

(ii) *Certificated Shareholders who wish to trade their Shares on the Euronext Milan*

Where a Certificated Shareholder wishes to trade his/her/its Shares on the Euronext Milan, such Certificated Shareholder must first open a stock account with an Italian Intermediary. He/she/it shall then send his/her/its share certificates, along with an election form setting out details of the Italian Intermediary Account, to Computershare Hong Kong and confirm his/her/its instruction to move the Shares to such account on the date of the Dual Listing. All fees and expenses in relation to the account opening process with an Italian Intermediary **shall be borne by the Certificated Shareholder.**

Certificated Shareholders should note that under this arrangement, he/she/it will remain to be entitled to and enjoy his/her/its rights as a Shareholder and shall also retain legal ownership over his/her/its Shares in his/her/its own name as recognized under Italian law.

(iii) *Certificated Shareholders who do not opt for any of the options set out in (i) and (ii) above*

Where a Certificated Shareholder (i) does not require immediate access to the trading of his/her/its Shares on either the Stock Exchange or Euronext Milan; or (ii) does not have readily available access to either an account with a CCASS

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## LETTER FROM THE BOARD

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participant or Italian Intermediary but wishes to retain and exercise his/her/its rights as a Shareholder, such Certificated Shareholder may elect to deposit his/her/its Shares with Computershare Hong Kong (via a CCASS participant appointed to act as custodian for Computershare Hong Kong), who will provide nominee service for such Certificated Shareholders. All fees and charges arising from the engagement of Computershare Hong Kong will be borne by the Company.

Under the nominee service, **save for not being able to deal in the Shares directly through such service**, the Certificated Shareholders' remaining rights as a Shareholder shall, subject to the terms of the service provider engaged by Computershare Hong Kong, remain the same as those who have the Shares deposited with a CCASS participant or an Italian Intermediary. It is currently anticipated that Computershare Hong Kong will provide the following services to the Certificated Shareholders, including but not limited to:

- (a) maintaining a record of the particulars and shareholdings of the Certificated Shareholders and to provide shareholding statements to such Certificated Shareholder;
- (b) sending corporate communications;
- (c) receiving and processing the Certificated Shareholders' corporate action and voting instructions and to relate such instruction to HKSCCN;
- (d) providing the Certificated Shareholders access to an online portal where he/she/it can continue to check his/her/its shareholding in the Company;
- (e) providing enquiry services by way of telephone helpline, email, correspondence and physical counters;
- (f) receiving and processing instructions to move the Certificated Shareholders' Shares to another CCASS participant account or to an Italian Intermediary account; and
- (g) collecting and distributing dividends and other payments to the Certificated Shareholders.

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## LETTER FROM THE BOARD

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However, Certificated Shareholders should note that the nominee service provided by Computershare Hong Kong does not enable dealing services (i.e. trading via Computershare Hong Kong). Accordingly, Certificated Shareholders are recommended to open a securities account with a CCASS participant or an Italian Intermediary if they wish to deal in the Shares on the Stock Exchange or the Euronext Milan in the future.

The Company is in the course of finalizing the scope and details of the nominee service with Computershare Hong Kong. Further details will be announced by the Company and will also be disclosed on the Company's website in due course.

*Where a Certificated Shareholder wishes to proceed with any of the above options, he/she/it should allow for sufficient time to complete the full process ahead of the Record Date.*

### Consequences of not taking any of the actions set out hereinabove

If a Certificated Shareholder does not make arrangements to move his/her/its Shares to (i) a CCASS participant; (ii) an Italian Intermediary; or (iii) elect to have Computershare Hong Kong hold such Shares as nominee for his/her/its behalf prior to the Dual Listing, such Certificated Shareholder will be deemed as a 'non-electing' Shareholder and will have their positions held by Computershare Hong Kong as his/her/its agent, who will be engaged by the Company. This is a different service to the nominee facility referenced in (iii) above. As a result, by becoming a 'non-electing' Shareholder, corporate and economic rights of such Certificated Shareholder will be suspended until any of the aforesaid action is taken.

In respect of such Certificated Shareholder (who will become a non-electing Shareholder), pursuant to Italian law and the provisions set forth in the Italian Consolidated Financial Act:-

- (i) the Certificated Shareholders will cease to be able to immediately exercise his/her/its Shareholder rights in respect of the Shares held by him/her/it, including the right to attend, vote and speak at Shareholders' meetings;
- (ii) any dividends attributable to him/her/it will be accrued and temporarily retained by the Company and will be segregated from an accounting perspective and released to the Certificated Shareholders following the completion of the dematerialisation

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## LETTER FROM THE BOARD

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process, through which their existing Share certificate(s) are returned and when they have nominated an Italian Intermediary or a CCASS participant, which may include the nominee service provided by Computershare Hong Kong, to receive such dividends (subject to the statute of limitations of five years prescribed under Italian law for the claiming of dividends);

- (iii) Pursuant to Article 2949 of the Civil Code, other monetary rights arising from corporate interests is time-barred after five years from the record date on which such right has arisen;
- (iv) he/she/it will not be able to transfer his/her/its Shares until his/her/its shares are dematerialized and deposited with a CCASS Participant or an Italian Intermediary; and
- (v) corporate communications will continue to be sent to his/her/its last known address (although participation may be limited)

(collectively, the “**Limitations**”).

(2) **Shareholders who currently have their Shares deposited in their designated CCASS participant’s account**

For Shareholders who currently have their Shares deposited in their designated CCASS participant’s account and are trading the Shares on the Stock Exchange, no action is required to be taken by such Shareholder in respect of the Dematerialization and he/she/it will continue to be able to trade their Shares on the Stock Exchange after the Dual Listing. Such Shareholder will not be responsible for any additional fees in respect of the Dual Listing save for those already agreed with their brokers upon the opening of their securities account. All Shareholders’ rights including the right to trade, vote and entitlement to dividends shall remain the same. **However, if such Shareholder would like to trade his/her/its Shares on the Euronext Milan, such Shareholder will be required to withdraw the Shares from their designated CCASS participant’s account and deposit the Shares with an Italian Intermediary. All fees and charges arising from the opening of a securities account with an Italian Intermediary shall be borne by such Shareholder.**

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## LETTER FROM THE BOARD

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*(c) Assistance to Shareholders*

The Company will communicate with each of the Certificated Shareholders by issuing a direct letter to ensure that they are fully aware of the Dematerialization and the Limitations as a result of not depositing their share certificates with a CCASS participant or opening an account with an Italian Intermediary or to participate in the nominee service provided by Computershare Hong Kong before the Record Date.

A dedicated hotline will also be set up to address enquiries from Shareholders in relation to the Dematerialization, details of which will be announced by the Company in due course. Shareholders who wish to make any enquiries may contact the Hong Kong Share Registrar.

### **6. ORDINARY PART — APPOINTMENT OF THE INDEPENDENT AUDITOR FOR A NINE-YEAR TERM**

In view of the Dual Listing, it will be necessary to proceed with the granting of a nine-year audit mandate pursuant to the applicable regulations (as most recently amended and supplemented by European Regulation No. 537/2014 and Legislative Decree No. 135/2016). Upon completion of the Dual Listing, the Company will qualify as a “Public Interest Entity” pursuant to Article 16 of Legislative Decree No. 39/2010 as amended and supplemented, hence it is required to appoint its independent auditor for a term of nine financial years.

The audit mandate to be conferred to the independent auditor will cover the audit of the statutory and consolidated financial statements, the limited audit of the consolidated half-yearly financial report, the periodic verification of the regular maintenance of the Company’s accounts and the correct recognition of operating events in the accounting records, and any other verification activities required by applicable legal provisions with reference to companies listed on an Italian regulated market.

The new audit mandate shall become effective conditional on the commencement of trading of the Shares on Euronext Milan and, therefore, as of such date. Therefore, the nine-year mandate of the independent auditor will replace the three-year mandate of the auditor. For further information, please see the paragraph headed “4. Ordinary Part — Appointment of the Independent Auditor for a Three-year Term” above.

In any event, where the Dual Listing is not perfected by December 31, 2024, this resolution will cease to be effective.

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## LETTER FROM THE BOARD

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Given the above, the Board acknowledged the reasoned proposal of the Board of Statutory Auditors (in accordance with Italian laws), proposing that EY S.p.A., the Company's current independent auditor, be re-appointed as independent auditor (*revisore legale dei conti*) of the Company at the AGM for a term of nine financial years (from the current financial year ending December 31, 2023 to the financial year ending December 31, 2031), the term of which will expire on the date of the shareholders' general meeting to approve the financial statements for the year ending December 31, 2031.

Under the applicable Italian laws, the Shareholders at the AGM shall also approve the remuneration for the audit services to be performed by the Company's independent auditor for each financial year of its term.

It has been proposed that EY S.p.A. shall be entitled to a remuneration of €333,000 for each financial year of its nine-year mandate for the provision of the audit of the separate financial statements of the Company and the consolidated financial statements of the Group. EY S.p.A.'s annual remuneration shall be subject to adjustment in accordance with changes in relevant applicable laws or in the requirements for the audit services as well as the annual adjustments linked to the change in the CPI — consumer price index of Italy.

The term of the nine year mandate and the proposed fee have been considered and acknowledged by the Audit Committee.

Shareholders shall also refer to the proposal of the Board of Statutory Auditors set out in Appendix II to this circular. Taking into account of the proposal of the Board of Statutory Auditors in this regard, it is proposed that EY S.p.A. should be appointed as the auditor for a nine-year term, with the effectiveness of such resolution subject to, and as of, the date of commencement of trading of the Shares on Euronext Milan.

### **7. ORDINARY PART — TERMINATION OF SHARE OPTION SCHEME**

References are made to the circular of the Company dated April 29, 2022 and the poll results announcement of the Company dated May 25, 2022, in relation to, *inter alia*, details of the adoption of Share Option Scheme.

As at the Latest Practicable Date, the Company has not granted any share options pursuant to the Share Option Scheme.

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## LETTER FROM THE BOARD

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### Reasons for termination of the Share Option Scheme

The current terms of the Share Option Scheme are uncommon for companies listed on the Euronext Milan. In contemplation of the Dual Listing, the resolution in relation to the termination of the Share Option Scheme was considered and approved by the Board and it is agreed that the Share Option Scheme be terminated conditional upon the commencement of the trading of the Shares on Euronext Milan. The Company may consider alternative forms of incentive schemes. Further announcement shall be made as and when appropriate.

However, where the Dual Listing is not perfected by December 31, 2024, this resolution shall cease to be effective.

### 8. ORDINARY PART — ELECTION OF THE BOARD OF DIRECTORS

Pursuant to Article 19.1 of the Existing By-laws, the Company should be managed by a Board consisting of seven (7) to eleven (11) members. The AGM shall determine the number of Directors within these limits. The Directors are appointed at the AGM for a period of up to three financial years. Such term shall expire on the date of the shareholders' general meeting called to approve the financial statements for the last year of the Board's office. The Directors may be re-appointed.

Pursuant to Article 19.2 of the Existing By-laws, at least three Directors must satisfy the independence requirements set forth by the laws and the Listing Rules in relation to the independence of Directors.

The mandate of all the current Directors will expire at the AGM.

Pursuant to Article 19.3 of the Existing By-laws, *“any person who, alone or together with others, represents at least 3% (three per cent) of the share capital (or the lower threshold provided for pursuant to law) may propose one or more candidates, up to 11 (eleven), by filing a notice of nomination in writing with the Company at its registered office within the 7th (seventh) day preceding the date of the shareholders' meeting convened for resolving upon the appointment of the directors”*.

Pursuant to Article 19.4 of the Existing By-laws, together with the nomination the nominator is also required, under penalty of inadmissibility, to file: (a) the list of the proposing person(s) or the beneficial owner(s) acting as proposing person(s), as the case may be, specifying the number of shares of the Company held by each of them, accompanied by evidence attesting compliance with the minimum threshold required under Article 19.3 of the Existing By-laws, (b) the curriculum vitae of each candidate, (c) confirmations from each candidate accepting his/her



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nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a director and that he/she satisfies the aforementioned integrity and, if applicable, independence requirements (*requisiti di onorabilità, professionalità e indipendenza*).

In addition, it is recommended that the members of the Board shall also satisfy the requirements set forth by the New By-laws, which includes certain provisions aimed primarily at aligning the Board with the laws and regulations applicable to companies listed on Euronext Milan inter alia, all Directors shall meet the integrity requirements set forth in Article 147-quinquies of the Italian Consolidated Financial Act, and independent Directors must also meet the independence requirements pursuant to Article 148, paragraph 3, of the Italian Consolidated Financial Act, as referred to in Article 147-ter, paragraph 4, of the Italian Consolidated Financial Act and pursuant to the Italian Corporate Governance Code.

The effectiveness of the New By-laws should it be approved at the AGM in extraordinary part will be subject to the commencement of trading of the Shares on Euronext Milan and, therefore, as of such date. When the Company is listed on Euronext Milan, the Director(s) who fail to meet the requirements set out by the New By-laws shall cease to hold office as of the commencement of trading the Shares on Euronext Milan.

For further information on the requirements set forth by the Italian laws and regulations, please see Article 19 of the New By-laws under Appendix V to this circular.

The proposing Shareholder(s) shall also have to indicate their proposals regarding (i) duration of office, (ii) appointment of the Chairman, and (iii) remuneration.

The candidates are to be divided into two slates: the first slate will list candidates who comply with the independence requirements in numerical order according to the number of votes received by each of them (“**Slate A**”); the second slate will list the other candidates in numerical order according to the number of votes received by each of them (“**Slate B**”). The first 3 (three) candidates in Slate A and the first candidates listed in Slate B in the number necessary to reach the number of directors set forth by the Shareholders’ meeting will be appointed. Directors for any reason not appointed pursuant to the aforementioned procedure will be appointed by the Shareholders’ meeting, with the single majority by the Shareholders at the meeting who is eligible to vote.

Pursuant to Article 19.3 of the Existing By-laws, the Company received a notice from Ferretti International Holding S.p.A. (“**FIH**”), its controlling Shareholder, proposing that the Board shall consist of nine Directors and each of them shall hold the office for a period of three financial years, in accordance with the recommendation of the Nomination Committee rendered on April 21,

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## LETTER FROM THE BOARD

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2023, which has also recommended that the Board shall consist of at least five non-executive Directors, at least three of whom must satisfy the independence requirements set forth by the Listing Rules.

In particular, in accordance with Article 19.4 of the Existing By-laws, FIH filed with the Company (a) the list of persons to be appointed as Directors, (b) the curriculum vitae of each candidate, and (c) confirmations from each candidate accepting his/her nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a director and that he/she satisfies the aforementioned integrity and, if applicable, independence requirements (*requisiti di onorabilità, professionalità e indipendenza*). In contemplation of the Dual Listing, the candidates also confirmed that they have met the requirements set out by the Italian Consolidated Financial Act and other applicable provisions to companies listed on Euronext Milan.

FIH further proposed that all of the current Directors should be re-elected as Directors of the Company at the AGM. In particular, the eight current Directors who have been proposed by FIH and have confirmed their availability to be re-elected are as follows:

1. Mr. Alberto Galassi as an executive Director;
2. Mr. Tan Xuguang as a non-executive Director;
3. Mr. Piero Ferrari as a non-executive Director;
4. Mr. Xu Xinyu as a non-executive Director;
5. Mr. Li Xinghao as a non-executive Director;
6. Mr. Hua Fengmao as an independent non-executive Director;
7. Mr. Stefano Domenicali as an independent non-executive Director; and
8. Mr. Patrick Sun as an independent non-executive Director.

FIH further proposed that the following candidate be elected for the first time as a Director at the AGM in order to make up a Board of nine Directors.

Ms. Lanshi Jiang as a non-executive Director.

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## LETTER FROM THE BOARD

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FIH further proposed that Mr. Tan shall be re-elected as the Chairman of the Board. FIH also indicated its favor to have the Board confirming Mr. Ferrari as the Vice Chairman of the Board and Mr. Alberto Galassi as the Chief Executive Officer of the Company for a period of three financial years at the AGM.

The Nomination Committee on April 21, 2023 has reviewed and assessed the independence of the proposed candidates to the office of independent non-executive Directors based on the written confirmation of independence provided to the Company by each of such candidates.

In light of the above, the Board is of the view that it is in the best interest of the Company that each of Mr. Hua, Mr. Domenicali and Mr. Sun to be re-elected as an independent non-executive Director.

Biographical details of the nine proposed Directors are set out in Appendix III to this circular.

**Notwithstanding the proposal submitted by FIH, Shareholders who meet the requirements set out in Article 19.3 of the Existing By-laws are invited to propose one or more candidates for election in accordance with Articles 19.3 and 19.4 of the Existing By-laws. Such proposal shall be submitted to the Company no later than the 7th day before the AGM.**

### **9. ORDINARY PART — BOARD OF DIRECTORS' REMUNERATION**

With reference to the remuneration of the Directors, the AGM shall resolve on the basic remuneration of each member of the Board for each year of its three-year term with the recommendation of the Remuneration Committee. The basic remuneration proposed by FIH for each member of the Board for each year of its three-year term, excluding reimbursement of expenses incurred by virtue of their offices, is €40,000. However, Mr. Tan Xuguang has confirmed to waive his remuneration for his entire term. According to the Existing By-laws and the Italian corporate law and practices, the Board will determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### **10. ORDINARY PART — ELECTION OF THE BOARD OF STATUTORY AUDITORS**

Under Italian law, the Company is required to have a Board of Statutory Auditors, appointed by the Shareholders' meeting for a period of three years. The Board of Statutory Auditors is vested with the authority to supervise the Company on its compliance with the applicable laws,

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## LETTER FROM THE BOARD

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regulations and the By-laws, compliance with the principles of proper management and, in particular, on the adequacy of the organizational, administrative and accounting structure adopted by the Company and on its functioning.

The term of the current Board of Statutory Auditors expires on the AGM, the date when the Shareholders' meeting of the Company is convened to approve the financial statements for the year ended December 31, 2022. The Board of Statutory Auditors currently consists of three effective statutory auditors and two alternate auditors.

The mandate of all the current statutory auditors and their alternates will expire at the AGM.

In addition, it is recommended that the members of the Board of Statutory Auditors shall satisfy the requirements set forth by the New By-laws, which includes certain provisions aimed primarily at aligning the Board of Statutory Auditors with the laws and regulations applicable to companies listed on Euronext Milan, inter alia, all Statutory Auditors (both effective and alternate auditors) shall meet the integrity, honorability and independence requirements set forth in Article 148, paragraphs 3, 4 and 5 of the Italian Consolidated Financial Act.

The effectiveness of the New By-laws should it be approved at the AGM in extraordinary part will be subject to the commencement of trading of the Shares on Euronext Milan and, therefore, as of such date. When the Company is listed on Euronext Milan, the Statutory Auditors who fail to meet the requirements set out by the New By-laws shall cease to hold office as of the commencement of trading of the Shares on Euronext Milan.

For further information on the requirements set forth by the Italian laws and regulations, please see Article 27 of the New By-laws under Appendix V to this circular.

Pursuant to Article 25.3 of the Existing By-laws, *“any person who, alone or together with others, represents at least 3% (three per cent) of the share capital of the Company (or the lower threshold provided for pursuant to law) may propose one or more candidates, up to 3 (three) effective statutory auditors and 2 (two) alternate statutory auditors, by filing the name of such candidates with the Company at its registered office within the 7th (seventh) day preceding the date of the shareholders' meeting convened for resolving upon the appointment of the statutory auditors. At least one candidate of the statutory auditors and one candidate of the alternate auditors must be a chartered accountant (revisore legale iscritto nel registro) and have carried out audit activities for no less than three years”*.

Pursuant to the Existing By-laws, when submitting the application(s), those entitled to do so must, under penalty of inadmissibility, also submit: (a) the list of the proposing person(s), specifying the number of Shares held by each of them, accompanied by evidence attesting

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## LETTER FROM THE BOARD

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compliance with the minimum threshold requested; (b) the curriculum vitae of each candidate, (c) confirmation from each candidate accepting his/her nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a Statutory Auditor and that he/she satisfies the aforementioned integrity and, if applicable, independence requirements; and (d) the list of the offices as a member of the Board or the Board of Statutory Auditors held by the candidate in other companies.

The proposing Shareholder(s) shall also indicate their proposals regarding the remuneration of the Board of Statutory Auditors.

The candidates shall be divided into two slates: the first containing the names of those candidates for appointment as effective auditors and the second containing the names of those candidates for appointment as alternate auditors. Every single name submitted is to be voted on separately basis. As provided for by Article 25.6 of the Existing By-laws, the candidate to the effective statutory auditor office who receives the highest number of votes from the Shareholders will be automatically appointed as chairman of the Board of Statutory Auditors. If two or more candidates receive the same highest number of votes, the chairman of the Board of Statutory Auditors will be elected by the Shareholders by a separate resolution.

Pursuant to Article 25.3 of the Existing By-laws, the Company received a notice from FIH (in accordance with Article 25.4 of the Existing By-laws), its controlling Shareholder, proposing that the following candidates shall be re-elected as effective statutory auditors or alternate statutory auditors (as the case may be) of the Company for a period of three financial years at the AGM. Details of the candidates are as follows:

1. Mr. Luigi Fontana as the chairman of the Board of Statutory Auditors and effective statutory auditor; and
2. Mr. Fausto Zanon as the effective statutory auditor;

FIH further proposed that the following candidates should be elected for the first time as effective statutory auditor or alternate statutory auditors:

3. Ms. Gianna Adami as the effective statutory auditor;
4. Mr. Fabio Durante as the alternate statutory auditor; and
5. Ms. Simona Briganti as the alternate statutory auditor.

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## LETTER FROM THE BOARD

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In particular, in accordance with Article 25.4 of the Existing By-laws, FIH filed with the Company (a) the list of persons to be appointed as statutory auditors, (b) the curriculum vitae of each candidate, (c) confirmations from each candidate accepting his/her nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a statutory auditor and that he/she satisfies the aforementioned integrity and independence requirements; and (d) the list of the offices as a member of the board or the board of statutory auditors held by the candidate in other companies. In contemplation of the Dual Listing, the candidates also confirmed to meet the requirements set out by the Italian Consolidated Financial Act and other applicable provisions to companies listed on Euronext Milan.

Biographical details of the proposed statutory auditors and alternate auditors are set out in Appendix III to this circular.

Notwithstanding the proposal submitted by FIH, Shareholders who meet the requirements set out in Article 25.3 of the Existing By-laws are invited to propose one or more candidates for election in accordance with Articles 25.3 and 25.4 of the Existing By-laws. Such proposal shall be submitted to the Company no later than the 7th day before the AGM.

### **11. ORDINARY PART — BOARD OF STATUTORY AUDITORS' REMUNERATION**

Under Article 25.2 of the Existing By-laws, the AGM shall resolve on the aggregate remuneration of the Board of Statutory Auditors for each year of its three-year term.

Pursuant to the notice from FIH, it is proposed that the Shareholders shall approve the annual amount of (i) €40,000 for the chairman of the Board of Statutory Auditors, and (ii) €30,000 for each Statutory Auditor, in addition to reimbursement of expenses incurred by virtue of their offices.

### **12. ORDINARY PART — ADOPTION OF REGULATIONS OF SHAREHOLDERS' MEETING**

In connection with the Dual Listing, the Company intends to adopt the Regulations of Shareholders' Meetings, which shall become effective upon the admission to listing on the Euronext Milan and may represent a valid instrument to guarantee the proper form of the Shareholders' meetings, especially in view of the future enlargement of the shareholder base. The Regulations of Shareholders' Meetings will take effect on the first day when the Company's securities are traded on Euronext Milan and therefore, as of such date.

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## LETTER FROM THE BOARD

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Where approved by the Shareholders, the Dual Listing shall be perfected by December 31, 2024. If this period has elapsed without the completion of the Dual Listing, the resolution will become ineffective.

Details of the full text of the Regulations of Shareholders' Meetings are set out in Appendix IV to this circular.

### 13. EXTRAORDINARY PART — ADOPTION OF NEW BY-LAWS

Reference is made to the announcement of the Company dated March 20, 2023. The Board proposes to amend the Existing By-laws in contemplation of the Dual Listing, a summary of the major changes brought about by the adoption of the New By-laws is set out below:

- (i) Articles 6.3, 39.1 and 39.2 are modified in contemplation of the proposed listing of Shares on Euronext Milan;
- (ii) As a result of the Dematerialization, all of the Shares must be dematerialized and will be registered in a book-entry form. Accordingly, corporate actions and arrangements pertaining to, among others, the issuance and replacement of share certificates will no longer be applicable. As a result, article 6.1, 6.9 (being article 6.8 in the New By-laws), is revised, articles 31.1, 31.2, 32.1, 32.2, 32.4, 34.1 to 34.4 , 33.5, 33.6 and 37.1 are deleted, and article 35.1 are newly inserted in view of the Dematerialization;
- (iii) Article 19 is updated to reflect the election mechanism and replacement procedures of companies listed in Italy in view of the proposed listing of Shares on Euronext Milan. In general, a slate voting mechanism will be applied which aims to protect the rights of minority Shareholders. Slates containing the director candidates will be submitted by eligible Shareholders and all slates will be included in one resolution whereby Shareholders can only choose to vote for one of the slates, against all slates or abstain from voting at a Shareholders' meeting. As a result of the slate voting mechanism, Shareholders will no longer be able to vote for individual candidates and such voting mechanism will be contrary to code provision F.2.1 of the Corporate Governance Code under the Listing Rules. However, the slate mechanism is a mandatory requirement under Italian laws and the Company shall explain the reasons and material implications for the bundled resolution in its notice of meeting in the future. Explanations for non-compliance with code provision F.2.1 will also be addressed in the Company's corporate governance report. The slate that receives the highest number of votes will be regarded as the majority (despite such percentage could be less than 50%). To protect the interest of minority shareholders, where more than one slate is being submitted by eligible Shareholders, all director candidates from the majority slate will be elected

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## LETTER FROM THE BOARD

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except one, whereby such director will be replaced by one director in the slate that receives the second highest number of votes. Where there are casual vacancies of Directors, the replacement should be selected from the slate whereby such ceased Director(s) belonged. Where there are not enough candidates or where such candidate does not accept office, the replacement shall be identified by the Nomination Committee for appointment by the Board. Where a majority of the Board cease to hold office, the remaining Directors must convene a Shareholders' meeting in order to resolve on the appointment of the whole board via the slate arrangement and election mechanism;

- (iv) Articles 7.2 and 7.3 are newly inserted in relation to the power to issue convertible bonds into shares and the manner of bondholders' meeting in accordance with the requirements of the applicable Italian laws;
- (v) Articles 11.1(b) and (g), 14.2, 14.3, 14.4, 20.2, 21.5, 22.8, 23.2, 25 (being article 27 in the New By-laws) are updated, articles 14.5, 15.5, 15.6, 22.9, 22.10, 25.1, 25.2, 26.1, 26.2 are newly inserted, and article 21.4 is removed in compliance with the Corporate Governance Code of Borsa Italiana;
- (vi) To better align with the wordings of the latest requirements of the latest requirements of the applicable laws and regulations in Italy, Articles 2.7, 13.3, 22.8 are revised and articles 22.9 and 22.10 have been newly added; and
- (vii) other general housekeeping amendments, including make consequential amendments in line with the above amendments to the Existing By-laws, and other tidy-up amendments to better cater for the actual situation of the Company are also made in certain articles.

Details of the full text of the New By-laws (marked-up against the Existing By-laws) are set out in Appendix V to this circular. Shareholders and potential investors should note that the Chinese translation of the New By-laws is for reference only. In case of any discrepancy between the English version and its Chinese translation, the English version shall prevail.

As requested by the applicable Italian laws and the Existing By-laws, the extraordinary part of the AGM — concerning the adoption of New By-laws — will take place in front of an Italian notary public. The relevant resolution will be adopted only if (i) a quorum of at least one-third (33.33%) of the issued share capital of the Company is represented at the AGM; and (ii) the vote of more than three-fourths (75%) of the quorum represented at the AGM is cast in favor of the proposed resolution. It should also be noted that the adoption of the New By-laws is subject to the application for the Dual Listing being approved by the Borsa Italiana and shall be effective on the first day when the Company's securities are traded on Euronext Milan. If the Dual Listing does not materialize, the New By-Laws will not be adopted and the Existing By-laws shall remain valid.



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## LETTER FROM THE BOARD

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Where approved by the Shareholders, the Dual Listing shall be perfected by December 31, 2024. If this period has elapsed without the completion of the Dual Listing, the resolution will become ineffective.

The legal advisers to the Company as to Hong Kong laws have confirmed that the New By-laws conform with the applicable requirements under the Listing Rules and the legal advisers to the Company as to Italian laws have confirmed that the amendments included in the New By-laws do not violate the applicable laws of Italy. The Company confirms that there is nothing unusual about the Proposed Amendments for an Italian company listed on the Stock Exchange.

It should be noted that the adoption of the New By-Laws by the AGM shall not confer the right of withdrawal to Shareholders pursuant to the applicable laws.

### **14. ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting is set out on pages AGM-1 to AGM-4 of this circular.

For the purpose of determining the Shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, May 15, 2023 to Thursday, May 18, 2023 (both days inclusive). In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with (i) the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, if the transfer concerns shares recorded in the register of members held in Hong Kong, or (ii) the Company's registered office at Via Irma Bandiera 62, 47841 Cattolica (RN), Italy, if the transfer concerns shares recorded in the Company's register of members held at the Company's registered office in Italy, in any case, no later than 16:30 p.m. Hong Kong time (10:30 a.m. CEST time) on Friday, May 12, 2023.

A form of proxy is enclosed for use at the Annual General Meeting. The form of proxy is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.ferrettigroup.com](http://www.ferrettigroup.com). Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon by no later than 48 hours before the time fixed for the holding of the Annual General Meeting. Completion and delivery of the form of proxy will not prevent you from attending (and voting) at the Annual General Meeting or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the Annual General Meeting must be taken by poll. The Chairman of the Annual General Meeting will demand a poll on each of the questions submitted for determination at the Annual General Meeting. The results of the poll will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.ferrettigroup.com](http://www.ferrettigroup.com) following the Annual General Meeting.

### 15. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 16. RECOMMENDATION

The Directors believe that the resolutions set out in the notice convening the Annual General Meeting are in the interests of the Group and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all of the resolutions to be proposed at the Annual General Meeting.

**Shareholders and potential investors should note that the Dual Listing is subject to the approval of the Shareholders and the relevant regulatory authorities and stock exchanges in Hong Kong and Italy, the satisfaction of all conditions necessary for the completion of the Dual Listing and the prevailing market sentiments and market conditions at the time of the Dual Listing, and may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the securities of the Company. Shareholders and potential investors of the Company should also be aware that there is no assurance that the Dual Listing will take place or as to when it may take place. This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.**

Yours faithfully

By order of the Board

**Ferretti S.p.A.**

**Mr. Alberto Galassi**

*Executive Director and Chief Executive Officer*

**REASONED PROPOSAL  
FOR ASSIGNING THE STATUTORY AUDIT ENGAGEMENT  
IN ACCORDANCE WITH LEGISLATIVE DECREE NO. 39/2010**

**To the Shareholders of Ferretti S.p.A. (the “Company”),**

The Board of Statutory Auditors

**WHEREAS**

- As the assignment to the company EY S.p.A. to carry out the statutory audit of the accounts is about to expire, the Shareholders’ Meeting must resolve on assigning that statutory audit engagement in accordance with the provisions of Article 13 of Legislative Decree no. 39 of 27 January 2010 (hereinafter, the “**Decree**”);
- Article 13(1) of the Decree states, verbatim, that *“the Shareholders’ Meeting, upon the reasoned proposal of the Board of Statutory Auditors, assigns the engagement for the audit and determines the fee payable to the independent auditor or the independent auditing firm for the entire term of the assignment, along with any criteria for adjusting that fee during the assignment”*;
- The Company is also listed on The Stock Exchange of Hong Kong Limited, where, based upon an Accounting and Financial Reporting Council (AFRC) Ordinance (Cap. 588), the foreign auditor entrusted with the audit of Public Interest Entities (PIEs) must be accredited at the AFRC as a recognised PIE auditor;
- Therefore, the engagement must be assigned in compliance with both Italian and Hong Kong regulatory requirements;

**GIVEN THAT**

- The Board of Statutory Auditors has received two separate declarations of availability to accept the statutory audit engagement;
- The above declarations of availability were submitted by the following independent auditors:
  - EY S.p.A.
  - KPMG S.p.A.

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**APPENDIX I      PROPOSAL OF THE BOARD OF STATUTORY AUDITORS RELATING TO THE APPOINTMENT OF INDEPENDENT AUDITOR FOR A THREE-YEAR TERM**

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- With regard to the subject of the engagement, the declaration of availability of EY S.p.A. envisages, for each financial year:
  - (i) Audit of the separate financial statements and consolidated financial statements for each of the three financial years ending from 31 December 2023 to 31 December 2025 of Ferretti S.p.A. pursuant to Article 14(1)(a) of the Decree;
  - (ii) Verifying, throughout the financial year, that the company accounts are properly maintained and that the transactions are correctly recorded in the accounting records, pursuant to Article 14(1)(b) of the Decree;
  - (iii) Verifying that the management report is consistent with the separate financial statements and the consolidated financial statements and its compliance with the rules of law, in accordance with Article 14(2)(e) of the Decree;
  - (iv) Activities aimed at signing the Tax Returns based upon Article 1(5), first sentence of Presidential Decree no. 322 of 22 July 1998, as amended by Article 1(94) of Law no. 244 of 24 December 2007;
- the fees indicated in the proposal prepared by EY S.p.A. are summarised in the following table:

| <b>Appointment</b>  | <b>Hours</b> | <b>Fees (Euro)</b> |
|---|--------------|--------------------|
| Audit of the Separate Financial Statements                      | 1,776        | 155,000            |
| Audit of the Consolidated Financial Statements                  | 1,044        | 85,000             |
| Verifying proper regular bookkeeping                            | 105          | 10,000             |
| Verification activities to ensure the signing of<br>Tax Returns | 105          | 10,000             |
| <br>Total   | <br>3,030    | <br>260,000        |

Reimbursements for expenses incurred in performing the work, such as out-of-office expenses and travel, in their incurred amount, ancillary expenses relating to technology (connectivity, IT infrastructures, databases, software, etc.) and secretarial and communication services will be added to the fees indicated above at the flat rate of 8% plus VAT.

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**APPENDIX I            PROPOSAL OF THE BOARD OF STATUTORY AUDITORS RELATING TO THE APPOINTMENT OF INDEPENDENT AUDITOR FOR A THREE-YEAR TERM**

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The above fees are valid until 31 December 2023. On 1 January 2024, and on each subsequent 1 January, the fees will be adjusted according to the total change in the ISTAT cost-of-living index from the previous year (base December 2022). The times and fees estimated in the proposal may be revised in the event circumstances arise which were not taken into account when such fees, indicated in the proposal, were estimated and which entail an increase in the time required to perform the activities, a change in the mix of resources or the intervention of experts inside or outside the EY network, or of specialised resources in addition to those estimated in this engagement proposal; EY S.p.A. is accredited at the Hong Kong AFRC and does not hold any non-auditing engagements that may undermine its independence.

- With regard to the declaration of availability received from KPMG S.p.A., we note that it was only brought to the attention of the Board of Statutory Auditors on 7 March 2023. It was not prepared in the usual form of an audit engagement proposal, but in the form of slides presenting the KPMG organisation, the team that would be involved if it were to be assigned, the auditing approach and an overview of the proposed fees and spent hours. The timing of the offer submission prevented the Board from speaking with the team at KPMG S.p.A. to obtain explanations on its auditing approach, its professional experience, and the services included in the proposal and any that are excluded.

The Board was also unable to verify the absence of any assignments entrusted to KPMG S.p.A. or its network that might impair its independence.

- The fees indicated in the proposal prepared by KPMG S.p.A. are summarised in the following table:

| <b>Appointment</b>  | <b>Hours</b> | <b>Fees (Euro)</b> |
|---|--------------|--------------------|
| Audit statutory financial statements (Art. 14 of Legislative Decree no. 39) and reporting package | 2,578        | 232,000            |
| Audit reporting package of Ferretti Group of America Llc  | 260          | 23,000             |
| Audit reporting package of Allied Marine Inc.   | 80           | 7,000              |
|   | <hr/>        | <hr/>              |
| Total   | <u>2,918</u> | <u>262,000</u>     |

The table illustrating the composition of the fees does not mention:

- audit of the consolidated financial statements, which is probably included in the fee for the *Audit statutory financial statements (Art. 14 of Legislative Decree no. 39) and reporting package*. It should be noted that the audit of the reporting packages of Ferretti Group of America Llc and Allied Marine Inc. was included in EY S.p.A.'s proposal in the fees relating to the consolidated financial statements;
- the audit activities for the purpose of signing the Tax Declarations, and it is not known if their fee is included in the aforementioned fee for the *Audit statutory the financial statements (Art. 14 of Legislative Decree no. 39) and reporting package*.

In its presentation, KPMG S.p.A. notes that it is not accredited with the Hong Kong AFRC, but that it is in contact with KPMG China and KPMG International to proceed with the accreditation, a procedure they claim should take no more than 30 working days from the application date.

KPMG S.p.A. notes that when the declaration of availability was issued, the internal verification activities preparatory to accepting the assignment — which include the verification of the absence of non-admitted services, threats to independence and conflicts of interest — were still in progress.

#### **HAVING CHECKED THAT**

- the auditing procedures illustrated in the proposals received from EY S.p.A. and KPMG S.p.A., also considering the hours and professional resources allocated for this purpose, are adequate in relation to the scope and complexity of the assignment;
- the proposal received from EY S.p.A. also contained a specific declaration concerning the possession of the requirements established by law, whereas KPMG S.p.A. stated that it had not completed that check;
- EY S.p.A. and KPMG S.p.A. have adequate organisation and technical-professional skills for the scope and complexity of the assignment;
- Only EY S.p.A. is accredited with the Hong Kong AFRC, while KPMG S.p.A. has stated that it will obtain the accreditation, a procedure that it claims will take 30 working days to complete from the application date;

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**APPENDIX I      PROPOSAL OF THE BOARD OF STATUTORY AUDITORS RELATING TO THE  
APPOINTMENT OF INDEPENDENT AUDITOR FOR A THREE-YEAR TERM**

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- EY S.p.A. already holds assignments for the Statutory Audit of both the Parent Company and of some Subsidiaries.

**HAVING CONSIDERED THAT**

- EY S.p.A. has so far performed its audit activities with a high degree of diligence and professionalism, as well as in the correct spirit of cooperation with the Company's senior management and with the Board of Statutory Auditors itself;
- over the years of its assignment, EY S.p.A. has gained knowledge of the company's industrial sector, which is hard to find in other competitors;
- entrusting the statutory audit assignment to an auditing firm that:
  - is not yet accredited at the Hong Kong AFRC and for which the timeframe for its accreditation cannot be estimated with reasonable certainty;
  - has not completed its client's acceptance procedures, including the verification of its independence and the absence of conflicts of interest

could expose the Company to risks that are not easy to quantify or mitigate;

**PROPOSES**

based upon the reasons illustrated above, that the statutory audit engagement for the 2023–2025 three-year period should be assigned by the Shareholders' Meeting, subject to determining the fee for the entire duration of the assignment, to

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**APPENDIX I      PROPOSAL OF THE BOARD OF STATUTORY AUDITORS RELATING TO THE  
APPOINTMENT OF INDEPENDENT AUDITOR FOR A THREE-YEAR TERM**

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**EY S.P.A.**

Name of the person responsible for the audit: Mr Marco Mignani

Parma, 7 March 2023

**For the Board of Statutory Auditors**

**Luigi Capitani — Chairman**

*This report has been translated into the English language solely for the convenience of international readers.*



REASONED PROPOSAL  
FOR THE ASSIGNMENT OF THE AUDIT ENGAGEMENT  
ACCORDING TO D.LGS. NO 39/2010

To the Shareholders of **Ferretti S.p.A.** (the “Company”),

The Board of Statutory Auditors

**WHEREAS,**

- The Company has initiated the procedure for listing its ordinary shares on Euronext Milan managed by Borsa Italiana S.p.A. and must therefore confer, subject to the success of this procedure, a statutory audit engagement according to the provisions of art. 17 of Legislative Decree no. 39 of 27 January 2010 (hereinafter the “Decree”) which, among others, requires a nine-year term for this assignment, without the possibility of renewal at the end of the term;
- Art. 13, paragraph 1, of Decree provides that “*the shareholders’ meeting, upon a reasoned proposal from the supervisory body, appoints the statutory audit and determines the remuneration due to the statutory auditor or the independent auditor for the entire duration of the appointment and any criteria for the adjustment of this fee during the appointment*”;
- The Company is also listed on The Stock Exchange of Hong Kong Limited, where, under the Accounting and Financial Reporting Council (AFRC) Ordinance (Cap. 588), it is required that the oversees auditor in charge of the statutory audit of Public Interest Entities (PIE) must be accredited by AFRC as recognized PIE auditor;
- It is, therefore, necessary to assign an audit engagement that is aligned with both the Italian and Hong Kong regulatory provisions;

**GIVEN that**

- Three different declarations of availability to accept the statutory audit services have been received by the Board of Statutory Auditors;
- The above declarations of availability were submitted by the following auditors:

— EY S.p.A.

- KPMG S.p.A.
- PwC S.p.A.
- With regard to the object of the assignment, the declarations of availability of all three independent auditors provide, for each financial year:
  - (i) Audit of the separate and consolidated financial statements for each of the nine financial years ending from 31 December 2023 to 31 December 2031, of Ferretti S.p.A. under Article 14 paragraph 1, letter a) of the Decree;
  - (ii) Verification activity during the year of the regular bookkeeping and the correct recognition of management events in accounting records, under Article 14 paragraph 1, letter b) of the Decree;
  - (iii) Verification of the compliance of the draft financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission of 17 December 2018, under paragraph 1.2 of art. 154-ter of Legislative Decree no. 58 of 24 February 1998;
  - (iv) Verification of the consistency of the management report, and certain specific information contained in the report on corporate governance and ownership aspects, with the separate financial statements and the consolidated financial statements and their compliance with the laws, as well as the activities aimed at stating the possible identification of material misstatements in the management report and some specific information contained in the government report corporate and proprietary aspects, under Article 14 paragraph 2, letter e) of the Decree;
  - (v) Verification of compliance of the draft separate and consolidated financial statements included in the annual financial report with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission of 17 December 2018. This verification will be carried out in accordance with the provisions of auditing standard (Italian SA) no. 700B;
  - (vi) Activities aimed at signing Tax Declarations based on Article 1, paragraph 5, first sentence, of Presidential Decree no. 322 of 22 July 1998 as amended by Article 1, paragraph 94, Law no. 244 of 24 December 2007;

(vii) Audit of the reporting package of the subsidiaries Ferretti Group Asia Pacific Ltd, Ferretti Group of America Holding Company Inc., By Winddown Inc., Ferretti Group Monaco S.a.M., Ferretti Group UK Ltd;

All three audit firms declared that they had successfully completed their procedures of compliance with independence requirements.

The fees indicated in the proposal received by EY S.p.A. are summarised in the following table:

| <b>Assignment</b>  | <b>Hours</b> | <b>Fees<br/>(Euro)</b> |
|--|--------------|------------------------|
| Audit of the separate financial statements   | 1,760        | 150,000                |
| Audit of the consolidated financial statements   | 1,040        | 90,000                 |
| Verification of the regular bookkeeping of social accounts   | 105          | 10.000                 |
| Opinion of consistency of the management report, and some specific information contained in the report on corporate governance and ownership aspects, compliance with legal regulations, and issue of the declaration on the possible identification of material misstatements | 210          | 20.000                 |
| Verification activities aimed at signing Tax Returns   | 105          | 10.000                 |
| Limited audit of the condensed semi-annual consolidated financial statements   | 620          | 53,000                 |
| <b>Total</b>   | <b>3,840</b> | <b>333,000</b>         |

To the fees indicated above will be added reimbursements for expenses incurred for carrying out the work, such as traveling expenses, to the same extent as they are incurred, ancillary expenses related to technology (connectivity, IT infrastructures, databases, software, etc.) and secretarial and communication services in the total flat-rate amount of 8% and VAT.

The above fees are valid until 31 December 2023. On 1 January 2024, and so on every 1 January following, they will be adjusted based on the total change in the ISTAT cost-of-living index compared to the previous year (December 2022 basis).

The fees indicated in the proposal received by KPMG S.p.A. are summarised in the following table:

| <b>Assignment</b>  | <b>Hours</b> | <b>Fees<br/>(Euro)</b> |
|--|--------------|------------------------|
| Audit procedures on the separate financial statements and verification during the year of the regular keeping of the company accounting and the correct recognition of the company events in the accounting records of Ferretti S.p.A. | 2,365        | 213,000                |
| Audit procedures aimed at expressing an opinion on the compliance of the separate and consolidated financial statements with the provisions of the Delegated Regulation ESEF   | 225          | 20,000                 |
| Audit of the consolidated financial statements of the group  | 445          | 40,000                 |
| Limited review of the condensed semi-annual consolidated financial statements of Ferretti S.p.A.   | 880          | 79,000                 |
| <b>Total</b>   | <u>3,915</u> | <u>352,000</u>         |

The amounts of the fees indicated above are based on the current hourly rates that may increase on 1 July of each year, starting from 1 July 2024, within the limits of the increase in the ISTAT index relating to the cost of living (Consumer price index for blue-collar and white-collar households) compared to the previous year.

In addition to the fees previously indicated, the following will be charged: the out-of-pocket expenses incurred for the performance of the work to the same extent as they will be incurred, and the ancillary expenses related to the technology used to support the professional activity and to the secretariat and communication. These costs will be charged at a flat rate of 7% of the above fees.

KPMG S.p.A. informs that it is not recognized by AFRC in Hong Kong, but that it is in contact with KPMG China and KPMG International to proceed with the accreditation, which it expects to obtain in time to be able to issue the first report on the financial statements of Ferretti S.p.A.

The fees indicated in the proposal received by PwC S.p.A. are summarised in the following table:

| <b>Assignment</b>   | <b>Hours</b> | <b>Fees<br/>(Euro)</b> |
|---|--------------|------------------------|
| Audit of the separate financial statements of Ferretti S.p.A.   | 1,850        | 160,000                |
| Audit of the consolidated financial statements of Ferretti S.p.A., including the audit procedures on the reporting packages of the group subsidiaries identified through the accounting standard Italian ISA 600                            | 630          | 70,000                 |
| Expressing an opinion on the compliance with the provisions of the Delegated Regulation (EU) 815/2019 of the European Committee in on regulatory technical standards for the specification of the electronic format of communication (ESEF) | 120          | 10,000                 |
| Limited review of the condensed semi-annual consolidated financial statements   | 700          | 75,000                 |
| <b>Total</b>  | <b>3,300</b> | <b>315,000</b>         |

- The fees are indicated with reference to the rates in force and will be adjusted annually every 1 July, starting from 1 July 2024, based on the total change in the ISTAT index relating to the cost of living compared to the previous year (base June 2023).
- Out-of-pocket expenses will be charged according to the cost incurred, while the costs for technological equipment and secretarial expenses will be charged in a fixed fee for an amount equal to 4% of the fees.
- PwC S.p.A. informs that it is not recognised by the AFRC in Hong Kong, but if appointed for the audit of Ferretti S.p.A., it would promptly activate the process to application for the accreditation which, based on the obtained information, expects to obtain in time to be able to issue the first report on the financial statements of Ferretti S.p.A.

**HAVING VERIFIED that**

- the procedures for carrying out the audit set out in the received audit proposals are appropriate in relation to the size and complexity of the engagement;
- The estimate of the hours and professional resources provided for this purpose is homogeneous in the three proposals. In fact, compared to the current auditor EY S.p.A., KPMG S.p.A.'s estimate is 2% higher in terms of hours and 6% higher in terms of fees. While for PwC S.p.A., its estimate is 14% lower in terms of hours and 5% in terms of fees;
- EY S.p.A., KPMG S.p.A. and PwC S.p.A. appear to have technical-professional organization and suitability appropriate to the breadth and complexity of the assignment;
- Only EY S.p.A. is recognised by the Hong Kong AFRC, while KPMG S.p.A. e PwC S.p.A. have given their willingness to proceed with recognition procedure, the timing of which, however, in our opinion, does not appear at the moment definable with reasonable certainty;
- EY S.p.A. is already appointed for the for the Audit of the Parent Company and for some of its subsidiaries;

**HAVING CONSIDERED that**

- EY S.p.A. has so far performed its audit activities with a high degree of diligence and professionalism, as well as with the correct spirit of collaboration with the Company's top management and with the Board of Statutory Auditors itself;
- over the years of its engagement, EY S.p.A. has gained knowledge of the Company's industrial sector, which is hard to find in other competitors;
- assigning the audit engagement to an audit firm that is not yet recognized by the Hong Kong AFRC and for which the time for its accreditation cannot be estimated with reasonable certainty could expose the Company to risks that are not easy to quantify or mitigate;

**PROPOSES**

based on the reasons set out, and provided that the procedure for admission to listing of the ordinary shares of the same on the Mercato Telematico Azionario is concluded positively, the engagement for the statutory audit of the accounts for the nine years 2023-2031 is assigned by the Shareholders, after determining the consideration for the entire duration of the assignment, to:

**EY S.p.A.**

Name of the audit partner in charge of the engagement: Marco Mignani

Parma, 22 April 2023

**For the Board of Statutory Auditors**

**Luigi Capitani — Chairman**

*This report has been translated into the English language solely for the convenience of international readers.*

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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### DETAILS OF DIRECTORS PROPOSED FOR ELECTION

Pursuant to Article 19.3 of the Existing By-laws, the Company received a notice from FIH, its controlling Shareholder, proposing that the following Directors should be re-elected for a period of three financial years at the AGM:

1. Mr. Alberto Galassi as the executive Director;
2. Mr. Tan Xuguang as the non-executive Director;
3. Mr. Piero Ferrari as the non-executive Director;
4. Mr. Xu Xinyu as the non-executive Director;
5. Mr. Li Xinghao as the non-executive Director;
6. Mr. Hua Fengmao as the independent non-executive Director;
7. Mr. Stefano Domenicali as the independent non-executive Director; and
8. Mr. Patrick Sun as the independent non-executive Director.

FIH further proposed that the following candidate be elected for the first time as a Director at the AGM:

9. Ms. Lanshi Jiang as the non-executive Director.

It is further proposed that Mr. Tan should be re-elected as Chairman of the Board. FIH also indicated its favor to have the Board confirm Mr. Ferrari as the Vice Chairman of the Board and Mr. Galassi as Chief Executive Officer for a period of three financial years at the AGM.



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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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Biographical details of each candidate standing for election are as follows:

### 1.    **Mr. Alberto Galassi**

#### *Position and Experience*

**Mr. Alberto Galassi**, aged 58, was the Chief Executive Officer and executive Director. He was first appointed to the Board on October 23, 2013 and became our Chief Executive Officer on May 23, 2014. Mr. Galassi was recently re-appointed as our Chief Executive Officer on March 8, 2023. Mr. Galassi was responsible for the formulation of the strategic direction of our Group and the day-to-day management of our Group. Mr. Galassi also serves as director in a number of our subsidiaries.

Mr. Galassi started his career as a lawyer, between 1993 and 2000, Mr. Galassi was associated with Studio Legale Capece Minutolo, where he specialized in administrative law and international arbitration. In addition to his legal experience, Mr. Galassi has over 20 years of corporate and business experience. He was a board member at Novico S.p.A., an Italian medical device company between 1995 and 1997. In 2000, he became a board member and a member of the company's executive committee at Piaggio Aero Industries S.p.A. ("**Piaggio Aerospace**"), an industry leader in business aviation and defense and security, where he was responsible for sales and marketing. Mr. Galassi played a crucial role in Piaggio Aerospace's re-launch and subsequent international success, and he was appointed as the chief executive officer of Piaggio Aerospace in 2009. Mr. Galassi left his position and became the Piaggio Aerospace's chairman in 2014.

Mr. Galassi has also been a board member of Manchester City Football Club since June 2012 and a non-executive director of Palermo F.C. since July 2022.

Mr. Galassi obtained a degree in Law from the University of Modena in 1990 in Italy and was admitted as a lawyer to the Italian Bar Association in 1996.

Save as disclosed above and as at the Latest Practicable Date, Mr. Galassi has not held any other directorship in the last three years in public companies with securities listed on any securities market in Hong Kong or overseas.

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## **APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION**

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### ***Relationships***

Mr. Galassi is the son-in-law of Mr. Piero Ferrari, both are proposed members of the Board. As far as the Directors are aware, save as disclosed above, Mr. Galassi does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

### ***Interest in Shares***

As at the Latest Practicable Date, Mr. Galassi was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

### ***Director's emoluments***

The basic remuneration proposed for Mr. Galassi in his role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### ***Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders***

There is no information which is disclosable nor is/was Mr. Galassi involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Galassi that need to be brought to the attention of the Shareholders.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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### 2.    Mr. Tan Xuguang

#### *Position and Experience*

Mr. Tan Xuguang, aged 62, was the Chairman of the Board and non-executive Director. Mr. Tan was first appointed to the Board on July 6, 2012. He was responsible for the high level oversight of the Board and the management and operations of our Group. Mr. Tan has been the chairman of Shandong Heavy Industry Group Co., Ltd.\* since June 2009, the chairman of Weichai Holding Group Co., Ltd.\* (“**Weichai Group**”) since August 2007, the chairman of China National Heavy Duty Truck Group Co., Ltd.\* since September 2018. Mr. Tan has served as the chairman and the chief executive officer of Weichai Power Co., Ltd., a company listed on the Stock Exchange and the Shenzhen Stock Exchange, since December 2002 and February 2003, respectively.

Mr. Tan has over 40 years of extensive technical innovation and engineering management experience in the global equipment manufacturing industry. As a strategic technological entrepreneur with significant impacts at home and abroad, Mr. Tan has earned numerous prizes and awards. Mr. Tan was appointed as a representative of the tenth, eleventh, twelfth and thirteenth National People’s Congress of the PRC and the committee member of the 14th National Committee of the Chinese People’s Political Consultative Conference. He was awarded various honors including the Gold Award of the 4th Yuan Baohua Enterprise Management\* in March 2008 by the Committee for Management Foundation of Enterprises in China, the China Outstanding Quality Person\* in 2015 by the China Quality Commission, the Liu Yuan Zhang Quality and Technology Contribution Award\* in November 2018 by the China Quality Commission, the First Class National Science Technology Advance Award as the first author in December 2018, the Leonardo Award in March 2019 by the Italian Committee of Leonardo, the Outstanding Leaders of Chinese Enterprises’ Multinational Operations in October 2019 by Forbes China, the 13th Anniversary of Guanghua Engineering Science and Technology Award\* in September 2020 by the Awarding Foundation of the Guanghua Engineering Science and Technology, the Top Science and Technology Award of Shandong Province\* in December 2020 the Outstanding Engineer Award\* by the International Scientific Exchange Foundation of China in December 2020 and the Outstanding Entrepreneur Award of Shandong Province\* in November 2021.

Mr. Tan currently serves as the vice president of the China Federation of Chairmen of Industrial Economics Committee, the vice president and executive general manager of the China Enterprise Confederation/China Entrepreneur Association, the vice president of the China Mechanical Engineering Association and the deputy manager of the China Internal Combustion Engine Industry Association.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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Mr. Tan obtained a doctorate degree in Engineering.

### *Relationships*

As far as the Directors are aware, Mr. Tan does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

### *Interest in Shares*

As at the Latest Practicable Date, Mr. Tan was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

### *Director's emoluments*

Mr. Tan's appointment as a non-executive Director is for a term of three financial years, subject to approval at the AGM pursuant to the Existing By-laws. Mr. Tan has confirmed to waive his remuneration for his term of appointment.

### *Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is disclosable nor is/was Mr. Tan involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Tan that need to be brought to the attention of the Shareholders.

## **3. Mr. Piero Ferrari**

### *Position and Experience*

**Mr. Piero Ferrari**, aged 77, was the Vice Chairman of the Board and non-executive Director. He was first appointed to the Board on June 16, 2016 and was responsible for the high level oversight of the Board and the management and operations of our Group.

Mr. Ferrari is the vice chairman and non-executive director of Ferrari N.V. (a company listed on the New York Stock Exchange and Borsa Italiana with stock code RACE and RACE.MI, respectively) and has served as the vice chairman of Ferrari S.p.A. since 1988. "Ferrari" is one of

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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the world's leading luxury brands dealing with the design, production and sale of high-performance luxury sports cars also competing in Formula 1. His first position with "Ferrari" dated back to 1965 working on the production of the Dino 206 Competizione racing car. From 1970 to 1988, he covered a variety of management positions in the "Ferrari" motor sport division with increasing responsibilities. He was also responsible for managing Ferrari's relationships with its suppliers, sponsors and the Fédération Internationale de l'Automobile (International Automobile Federation). Mr. Ferrari founded "High Performance Engineering (HPE-COXA)" in 1998 and continues to serve as company chairman since then.

From 1998 to 2014, Mr. Ferrari served as the chairman of Piaggio Aerospace, and from 1998 to 2001, he served as chairman of the Italian Motor Sport Commission.

He also formerly served as the director and vice president of BPER Banca S.p.A., a bank listed at the Borsa Italiana (stock ticker: BPE) from 2002 to 2011 and from 2011 to 2014, respectively.

The academic awards of Mr. Ferrari include prestigious awards like the honorary degree in Aerospace Engineering from the University of Naples Federico II in September 2004 and the honorary degree in Mechanical Engineering awarded by the University of Modena and Reggio Emilia in November 2005.

In October 2004, Mr. Ferrari received from the President of the Republic of Italy, Carlo Azeglio Ciampi, the title of "Cavaliere del Lavoro" (Knight of Labor).

### *Relationships*

Mr. Ferrari is the father-in-law of Mr. Galassi, both are proposed candidates to the Board. As far as the Directors are aware, save for disclosed above, Mr. Ferrari does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

### *Interest in Shares*

As at the Latest Practicable Date, KHEOPE S.A. ("**KHEOPE**") directly holds 15,441,768 Shares. KHEOPE is a company wholly-owned by Mr. Ferrari. Mr. Ferrari is deemed to be interested in the Shares held by KHEOPE for the purpose of Part XV of the SFO.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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Save for disclosed above, Mr. Ferrari was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

### *Director's emoluments*

The basic remuneration proposed for Mr. Ferrari in his role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### *Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is disclosable nor is/was Mr. Ferrari involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Ferrari that need to be brought to the attention of the Shareholders.

## **4. Mr. Xu Xinyu**

### *Position and Experience*

**Mr. Xu Xinyu**, aged 59, was a non-executive Director. He was first appointed to the Board on July 6, 2012. Mr. Xu was responsible for the high level oversight of the management and operations of our Group.

Mr. Xu has served as the vice chairman and deputy general manager of Weichai Group since September 2020, the director of Weichai Power (Hong Kong) International Development Co., Ltd. since December 2011, the chairman of Weichai Power (Luxembourg) Holding S.à r.l. since November 2012, the chairman of FIH since April 2020 and an executive director of Weichai Power Co., Ltd.\* since December 2002, a company listed on the Stock Exchange (stock code: 02338) and the Shenzhen Stock Exchange (stock code: 000338).

Mr. Xu started his career at the Weifang Diesel Engine Factory\* from July 1986 to January 1997 as head of the human resources and operations departments. He served as the deputy general manager of Shandong Weichai Import and Export Co., Ltd.\* from January 1997 to July 1998, the

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## **APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION**

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deputy general manager and executive deputy general manager of Weifang Diesel Engine Factory\* from July 1999 to July 2004, the director of Torch Automobile Group Co., Ltd.\* from December 2005 to April 2007, the chairman of Weichai Power (Weifang) Investment Co., Ltd.\* from August 2005 to April 2007, the chairman of Weichai Power (Shanghai) Technology Development Co., Ltd.\* from August 2009 to August 2013, the chairman of Weichai Power (Beijing) International Resource Investment Co., Ltd.\* from October 2010 to November 2012, the chairman of Société International des Moteurs Baudouin and the chairman of Weichai America Corp. from May 2009 to July 2012.

Mr. Xu obtained a bachelor degree in Mathematics from Liaocheng University in the PRC in July 1986 and an executive MBA degree from the National University of Singapore in Singapore in June 2006. Mr. Xu became a senior economist in November 2001.

### ***Relationships***

As far as the Directors are aware, Mr. Xu does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

### ***Interest in Shares***

As at the Latest Practicable Date, Mr. Xu was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

### ***Director's emoluments***

The basic remuneration proposed for Mr. Xu in his role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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### *Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is disclosable nor is/was Mr. Xu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Xu that need to be brought to the attention of the Shareholders.

#### **5. Mr. Li Xinghao**

##### *Position and Experience*

**Mr. Li Xinghao**, aged 37, was a non-executive Director. He was first appointed to the Board on March 6, 2020. Mr. Li was responsible for the high level oversight of the management and operations of our Group. On June 1, 2014, Mr. Li joined our Group and successively served as the legal counsel and board secretary of our Company from June 2014 to April 2020.

Mr. Li joined Weichai Group in June 2013. He has been the general counsel of Weichai Group since December 2019, a director of legal and compliance department of Weichai Power Co., Ltd.\* since December 2019 and a director of FIH since April 2020. In addition, Mr. Li has been a supervisor of Kama Co., Ltd.\* since January 2021, a company listed on the Shanghai Stock Exchange (stock code: 900953). He has served as a director of FISCHER Fuel Cell Compressor AG since June 2021, and a director of Weichai (Weifang) Fuel Cell Air Compressor Co., Ltd.\* since June 2021.

Prior to joining our Group, from July 2011 to May 2013, Mr. Li was an associate in the Shanghai Representative Office of Picozzi & Morigi Law Firm. From January 2021 to September 2021, he served as the chairman of the supervisory committee of Lovol Heavy Industry Co., Ltd.\*. From December 2020 to November 2021, he served as a director of Power Solution International Inc. (Nasdaq ticker: PSIX).

Mr. Li obtained a bachelor degree in Law from China University of Political Science and Law in the PRC in July 2009 and a master degree in Law from Minzu University of China in the PRC in July 2011. Mr. Li acquired the legal professional qualification certificate granted by the Ministry of Justice of the PRC in March 2011.



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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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### *Relationships*

As far as the Directors are aware, Mr. Li does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

### *Interest in Shares*

As at the Latest Practicable Date, Mr. Li was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

### *Director's emoluments*

The basic remuneration proposed for Mr. Li in his role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### *Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is disclosable nor is/was Mr. Li involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

## **6. Mr. Hua Fengmao**

### *Position and Experience*

**Mr. Hua Fengmao**, aged 54, was first appointed as an independent non-executive Director on December 21, 2021. He was responsible for giving strategic advice and guidance on the business and operations of our Group and ensuring the interests of all Shareholders, in particular minority Shareholders are considered. In addition to his position at our Company, Mr. Hua serves as the chairman of the board of China Finance Strategies Investment Holdings since August 2014 and the chief executive officer of Chempartner Pharmatech Co., Ltd., a company listed on Shenzhen Stock

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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Exchange (stock code: 300149) since July 2021. Mr. Hua has more than 15 years of experience in the investment banking industry. Mr. Hua previously worked at a number of investment banking firms where he was mainly responsible for corporate finance, public offering, reorganization, merger and acquisitions as well as other financial consulting works, the details of which are set forth below:

- prior to August 2005, Mr. Hua held various positions in various investment banks, including CLSA Capital Market Limited and Standard Chartered Securities Hong Kong Limited;
- from April 2008 to August 2014, Mr. Hua served as the head of direct investment department and the head of investment banking department in BOCOM International Holdings Company Limited;
- from July 2018 to June 2021, Mr. Hua served as an executive director and the chief financial officer of Viva Biotech Holdings, a company listed on the Stock Exchange (stock code: 1873); and
- from July 2021 to October 2022, Mr. Hua was the chief executive officer of Chempartner Pharmatech Co., Ltd, a company listed on Shenzhen Stock Exchange (stock code: 300149).

Mr. Hua obtained his bachelor's degree in English from Shanghai International Studies University in the PRC in July 1989. He obtained his master's degree in Business Administration from the International University of Japan in June 1997 in Japan.

### ***Relationships***

As far as the Directors are aware, Mr. Hua does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

### ***Interest in Shares***

As at the Latest Practicable Date, Mr. Hua was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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### *Director's emoluments*

The basic remuneration proposed for Mr. Hua in his role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### *Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is disclosable nor is/was Mr. Hua involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Hua that need to be brought to the attention of the Shareholders.

## **7. Mr. Stefano Domenicali**

### *Position and Experience*

**Mr. Stefano Domenicali**, aged 57, was first appointed as an independent non-executive Director on December 21, 2021. He was responsible for giving strategic advice and guidance on the business and operations of our Group and ensuring the interests of all Shareholders, in particular minority Shareholders are considered. Mr. Domenicali has over 30 years extensive experience in automobile industry, luxury brands and organization promotion. He began his professional career in 1991 with Ferrari where he held various positions, including heading up the Direzione Sportiva F1 from 2004 and the Team Principal for its Formula 1 team from 2008, where he won a total of 14 titles in the F1 Constructors' and Drivers' Championships. From 2009 to 2014, Mr. Domenicali represented Ferrari in the FIA World Motor Sport Council.

In November 2014, he became the vice president of the new business initiatives at AUDI AG, the world's leading producers of premium cars. In March 2016, he became the chief executive officer of Automobili Lamborghini, the global leader among super sports car manufacturers. Mr. Domenicali stepped down as the president of the FIA Single Seater Commission in 2020 and in January 2021, he became the president & chief executive officer of Formula 1, the world's most popular annual sporting series, on the back of his illustrious career within the motoring industry, where he has had succeeded within both motorsport and commercial roles.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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Mr. Domenicali studied Economics and Commerce at the University of Bologna in Italy and graduated in 1991.

### *Relationships*

As far as the Directors are aware, Mr. Domenicali does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

### *Interest in Shares*

As at the Latest Practicable Date, Mr. Domenicali was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

### *Director's emoluments*

The basic remuneration proposed for Mr. Domenicali in his role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### *Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is disclosable nor is/was Mr. Domenicali involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Domenicali that need to be brought to the attention of the Shareholders.

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### 8.    Mr. Patrick Sun

#### *Position and Experience*

**Mr. Patrick Sun**, aged 64, was first appointed as an independent non-executive Director on December 21, 2021. He was responsible for giving strategic advice and guidance on the business and operations of our Group and ensuring the interests of all Shareholders, in particular minority Shareholders are considered.

In addition to his position at our Company, Mr. Sun serves as an independent non-executive director of Kunlun Energy Company Limited (stock code: 00135) since February 2016 and AustAsia Group Limited (stock code: 2425) since December 2022, respectively. Mr. Sun was an independent non-executive director of China Railway Signal & Communication Corporation Limited (stock code: 3969) from May 2015 to August 2018, Trinity Limited (in liquidation) (stock code: 891) from October 2008 to November 2020, China NT Pharma Group Company Limited (stock code: 1011) from March 2010 to December 2019 and Sihuan Pharmaceutical Holdings Group Ltd. (stock code: 00460) from October 2010 to April 2023, all of which are listed on the Stock Exchange; and CRRC Corporation Limited (stock code: 1766) from June 2015 to December 2021 and China Railway Construction Corporation Limited (stock code: 1186) from October 2014 to December 2021, both of which are listed on the Stock Exchange and the Shanghai Stock Exchange.

Before that, Mr. Sun was an executive director and chief executive officer of Value Convergence Holdings Limited from 2006 to 2009, an executive director of Sunwah Kingsway Capital Holdings Limited (formerly known as SW Kingsway Capital Holdings Limited) from 2004 to 2006, senior country officer and head of investment banking for Hong Kong of JP Morgan from 2000 to 2002, group executive director and head of investment banking for Greater China at Jardine Fleming Holdings Limited from 1996 to 2000. He was the chairman of The Chamber of Hong Kong Listed Companies from 2013 to 2015, a member of the Takeovers & Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission from 1995 to 1997 and from 1999 to 2001, Deputy Chairman of the Listing Committee of the Stock Exchange from 2000 to 2002 and a council member of the Stock Exchange from 1995 to 2000.

Mr. Sun graduated from the Wharton School of the University of Pennsylvania in the United States, with a Bachelor of Science degree in Economics in 1981. Mr. Sun also completed the Stanford Executive Program of Stanford Business School in the United States, in 2000. Mr. Sun is a fellow of the Association of Chartered Certified Accountants in the United Kingdom, and a fellow of the Hong Kong Institute of Certified Public Accountants.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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Mr. Sun was an independent non-executive director of Trinity Limited (in liquidation) (stock code: 891) from October 2008 until November 2020, which was subsequently ordered to wind up in August 2021 due to the company's failure to repay its debt. Mr. Sun confirmed that (i) the entire winding up petition process commenced after his resignation from Trinity Limited; (ii) there was no wrongful act on his part leading to the winding up of Trinity Limited; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the winding up of Trinity Limited.

### ***Relationships***

As far as the Directors are aware, Mr. Sun does not have any relationships with any other Directors, senior management, substantial shareholders or Controlling Shareholders of the Company.

### ***Interest in Shares***

As at the Latest Practicable Date, Mr. Sun was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

### ***Director's emoluments***

The basic remuneration proposed for Mr. Sun in his role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### ***Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders***

There is no information which is disclosable nor is/was Mr. Sun involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Sun that need to be brought to the attention of the Shareholders.

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### 9.    Ms. Lansi Jiang

#### *Position and Experience*

**Ms. Lansi Jiang**, aged 56, has extensive experience in various fields such as company establishment and restructuring, mergers and acquisitions and joint venture negotiation and integration, sales and marketing, strategy and business development, brand development, corporate communications as well as government relations. In particular, Ms. Jiang has extensive experience in the Chinese construction equipment and automobile industry and rich knowledge of general business culture and economic climate in China and Asia markets.

Ms. Jiang was the executive dean of the Design School of Shanghai Institute of Visual Arts and the group vice president and executive board director of DeTao Group from 2016 to 2021, the senior advisor to the chairman and European affairs of Shandong Linyi Construction Group from 2014 to 2015, the managing director of KJE International Holding Ltd. from 2014 to 2015 and the senior vice president of sales and marketing of Dooran Infracore China Co., Ltd. from 2012 to 2013. In addition, Ms. Jiang has served various management roles in Volvo Group China and Volvo Construction Equipment, including the chief representative of Volvo Construction Equipment Shanghai Representative Office from 1999 to 2002, the director of marketing communications and brand management of Volvo Construction Equipment Region Asia from 2002 to 2005, the vice president of corporate communications and brand of Volvo Group China from 2005 to 2012 and the chairman of Volvo Construction Equipment (China) Co., Ltd. from 2010 to 2012.

Ms. Jiang obtained her EMBA at Oxford University in 2015 and a bachelor's degree in education from Beijing Normal University in 1989.

#### *Relationships*

As far as the Directors are aware, Ms. Jiang does not have any relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

#### *Interest in Shares*

As at the Latest Practicable Date, Ms. Jiang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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### *Director's emoluments*

The basic remuneration proposed for Ms. Jiang in her role as Director for each year of his three-year term is €40,000, excluding reimbursement of expenses incurred by virtue of his offices. According to the Existing By-laws and the Italian corporate law and practices, the Board could determine an additional remuneration for Directors vested with special authorities, having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

### *Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders*

There is no information which is disclosable nor is/was Ms. Jiang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Ms. Jiang that need to be brought to the attention of the Shareholders.

### **DETAILS OF STATUTORY AUDITORS PROPOSED FOR ELECTION**

Pursuant to Article 25.3 of the Existing By-laws, the Company received a notice from FIH, its controlling Shareholder, proposing that the following candidates should be re-elected as effective statutory auditors or alternate statutory auditors (as the case may be) of the Company for a period of three financial years at the AGM:

1. Mr. Luigi Fontana as chairman of the Board Statutory Auditors and the effective statutory auditor; and
2. Mr. Fausto Zanon as the effective statutory auditor;

FIH further proposed that the following candidates should be elected for the first time as effective statutory auditor or alternate statutory auditors:

3. Ms. Gianna Adami as the effective statutory auditor;
4. Mr. Fabio Durante as the alternate statutory auditor; and
5. Ms. Simona Briganti as the alternate statutory auditor.



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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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As provided for by Article 25.6 of the Existing By-laws, the candidate to the effective statutory auditor office who receives the highest number of votes from the Shareholders at the AGM will be automatically appointed as the chairman of the Board of Statutory Auditors of the Company for a period of three financial years. If two or more candidates receive the same highest number of votes, the Chairman will be elected by the Shareholders at the AGM by a separate resolution.

Biographical details of each candidate standing for re-election are as follows:

**Mr. Luigi Fontana**, aged 55, was appointed as the statutory auditor of the Company on May 28, 2014. Mr. Fontana has been a Chartered Accountant (Dottore Commercialista) since 1994. He worked for Studio Guidi from 1994 to 1999 and Studio Bertoli Giovanardi & Partners in Modena from 1999 to 2000 before he co-founded Studio Fontana & Zanardi — Dottori Commercialisti Associati in 2000, where he has worked ever since. Mr. Fontana serves as a statutory auditor for a number of companies and financial institutions and acts as a technical consultant, bankruptcy trustee and judicial commissioner for the Court of Modena.

**Mr. Fausto Zanon**, aged 63, was appointed as statutory auditor of the Company on May 28, 2014. Mr. Zanon obtained a degree in economics and business from the University of Padova in 1982. He started his career in the Padova office of PriceWaterhouseCoopers. In 1990, he moved to Deloitte & Touche where he became the partner in charge of the Treviso office in 1995. During his career, Mr. Zanon has been the audit partner for many leading companies in northeast Italy and has overseen numerous transitions to IFRS and IPOs/stock exchange listings. In 2018, Mr. Zanon resigned from Deloitte and entered solo practice. He has been a statutory auditor or alternate auditor for various companies in our Group since 2012 and has been the administrator of the family office of Mr. Alessandro Callegaris since 2019.

**Ms. Gianna Adami**, aged 65, is a registered Chartered Accountants and Accounting Experts of Padua and a registered Auditor. Ms. Adami obtained a degree in economics and commerce from the Ca' Foscari University of Venice. She started her professional career in Arthur Anderson in 1982 and became a partner in 1994. From 2003 to 2019, Ms. Adami was the partner of Deloitte & Touche S.p.A. Since 2020, she was appointed as the lead Independent director of Somec S.p.A.. She is also the chairman of the remuneration and related parties committee and a member of the control and risk committee of Somec S.p.A.. In addition, she holds position in various entities including the chairman of the board of statutory auditors of Morellato S.p.A, the standing auditor of the board of D.I.P. S.p.A. and the statutory auditor of the board of ARD S.p.A. She also delivers lectures at the LUISS Business School Belluno branch on international accounting standards and consolidated financial statements. Ms. Adami has extensive experience in auditing the annual and consolidated financial statements of private and listed companies and groups.

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## APPENDIX III    DETAILS OF DIRECTORS AND STATUTORY AUDITORS PROPOSED FOR ELECTION

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**Mr. Fabio Durante**, aged 66, has been a registered Chartered Accountant since 1987 and a registered Auditor since 1995. Mr. Durante obtained a degree in business administration from the University of Venice in 1982. From 1983 to 1988, Mr. Durante worked in PriceWaterhouse (Padua office) as the head of operational team and supervisor where he gained experiences in auditing and preparing business reviews for the purpose of company acquisitions. During 1988-2008, Mr. Durante worked in key positions of various companies to oversee the acquisition business, including the assistant to the central director of administration and finance at Zoppas Industries (1988-1990), director of administration finance control at Jacuzzi Europe S.p.A. (1990-1993), director of administration finance control at Quakers Chiari & Forti S.p.A. (1993-1998), director of finance and control administration of Zignago Holding S.p.A. and subsequently general manager and managing director of its subsidiary, Santa Margherita S.p.A. (1998-2004) and general manager and chief executive officer of Airst (formerly known as Airport Elite) (2005-2008). Since 2008, Mr. Durante has become a partner at his business consultancy firm, Studi Associati Durante Manfrè. Mr. Durante has extensive experiences in acquisition projects, corporate relaunch and restructuring.

**Ms. Simona Briganti**, aged 52, is a registered Auditor since 1989. Ms. Briganti obtained a degree in economics and commerce from Bologna University. From 1996 to 2005, Ms. Briganti worked as a senior and manager in PricewaterhouseCoopers S.p.A. to audit the financial statements of medium and large companies, international groups and listed companies. Since 2006, Ms. Briganti has worked as a freelance auditor and hold the role of statutory auditor and auditor of joint-stock companies. Her work include preparing financial statements for joint-stock companies and providing consultancy and administrative support to corporate groups in the preparation of consolidated financial statements. Ms. Briganti also gave lectures on international accounting at Ca' Foscari University from 2008 to 2010.

\* *for identification purpose only*

## Regulations of Shareholders' Meetings of Ferretti S.p.A.

CHAPTER I  
PRELIMINARY PROVISIONS

## Article 1

## Scope of Application

- 1.1 These regulations (the “**Regulations**”) govern the course of ordinary and extraordinary shareholders’ meetings of Ferretti S.p.A. (“**Ferretti**” or the “**Company**”), in compliance with provisions of law, regulations and the by-laws (the “**By-laws**”).
- 1.2 For anything not expressly covered herein, it is understood that the provisions of law, regulations and by-laws in force at the time, to which reference is expressly made, concerning shareholders’ meetings of the Company (the “**Shareholders’ Meeting**”). In the event of a conflict between the provisions of these Regulations and provisions of law, regulations or by-laws, the latter shall prevail.
- 1.3 The Regulations, approved by Ordinary Shareholders’ Meeting on [•], available on the Company’s website, [•], in the section “[•]”, are also available to those persons entitled to attend Shareholders’ Meetings at the Company’s registered office, in the premises where the meetings are held. The Regulations shall be effective as of the date of commencement of trading of the Company’s ordinary shares on Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A.
- 1.4 These Regulations may be amended by an Ordinary Shareholders’ Meeting with the majorities established by the provisions in force; without prejudice to the fact that the Board of Directors has the power to resolve on amendments to the provisions of the Regulations that become incompatible with new mandatory provisions of law.

**CHAPTER II  
CONSTITUTION****Article 2****Intervention, Participation and Assistance in the Shareholders' Meeting**

- 2.1. Shareholders' Meetings may be attended by those entitled to vote and their representatives pursuant to the laws and regulations in force at any given time, as well as pursuant to the By-laws.
- 2.2. Members of the Board of Directors, Statutory Auditors, the General Manager and the Chief Financial Officer may attend Shareholders' Meetings without any formalities; the proceedings of the Shareholders' Meeting may also be attended, as mere observers without the right to vote or to intervene, by managers or employees of the Company or of companies belonging to the group, representatives of the auditing firm and other persons, whose attendance is deemed useful by the Chairman of the Shareholders' Meeting in relation to the items to be discussed or for the proceedings.
- 2.3. Professionals, consultants, experts, financial analysts and qualified journalists accredited for the single Shareholders' Meeting may attend the Shareholders' Meeting with the consent of the Chairman. Accreditation must be received at the place where the Shareholders' Meeting is convened in accordance with the By-laws no later than noon on the day prior to the date the Shareholders' Meeting is convened.
- 2.4. The Chairman, prior to the presentation of the items on the agenda, shall notify the Shareholders' Meeting of the attendance and assistance at the meeting of the persons indicated in articles 2.2 and 2.3 of these Regulations.
- 2.5. The Company does not make use of the power to designate a representative to whom the eligible persons may grant a proxy with voting instructions, without prejudice to the application of any rules that derogate from the above.

**Article 3****Right to Speak at the Shareholders' Meeting and Access to the Meeting Premises**

- 3.1. The verification of the right to attend in the Shareholders' Meeting shall begin at the place where the meeting is to be held, at least an hour before the time set for the start of the Shareholders' Meeting, unless a different time limit is established in the notice of call, without prejudice to the Chairman's authority to verify the right to attend, speak and vote.
- 3.2. Those who have the right to participate in and attend the Shareholders' Meeting must show, at the entrance of the meeting premises, a valid personal identification documents, and any delegated proxy received together with a photocopy of the delegating party's identity document, to the persons appointed by the Company. The persons in charge shall issue a special document for admission to the meeting, which shall be kept for the duration of the meeting, and suitable instruments, including electronic ones, to be used in a strictly personal manner to signal the entrance and exit from the Shareholders' Meeting area and for voting operations, and which must be kept by them, making use of the assistance of the persons appointed by the Company if necessary, until they are returned when they leave the premises where the Shareholders' Meeting is held.
- 3.3. In order to facilitate the verification of their representative powers, those attending the Shareholders' Meeting in legal or voluntary representation of shareholders attending the meeting, or in any case of other entitled parties, may send documentation proving such powers to the Company, on the terms and in the manner indicated in the notice of call. Any proxies must be signed — if a natural person — by the shareholder of the Company or — if a legal person — by its legal representative or a person with powers. If the persons entitled to vote act on behalf of their clients or, in any event, on behalf of third parties, they may indicate the persons on whose behalf they are acting as representatives, namely one or more third parties designated by those persons.
- 3.4. Promoters who have solicited the issuance of proxies and representatives of associations that have collected proxies from members must provide the Company with the documentation authorising the delegate or representative's attendance in advance of the time of the meeting and in time for the verification of eligibility, depending on the number of proxies collected and in the manner indicated in the notice of call.
- 3.5. Access to the Shareholders' Meeting premises is only permitted once the process of personal identification and verification of right to participate has been completed.

- 3.6. In any case, participants who leave the premises where the Shareholders' Meeting is held are obliged to notify the auxiliary staff, for whatever reason.
- 3.7. The Chairman resolves any dispute concerning the right to participate in the Shareholders' Meeting, upon hearing the Chairman of the Board of Statutory Auditors or, in his absence, an effective member of the Board of Statutory Auditors.
- 3.8. Should the Chairman deem one or more proxies to be irregular, he may withhold the right to attend and vote of the shareholder or his representative who has presented an irregular proxy.
- 3.9. The Chairman is empowered to arrange for the proceedings of the Shareholders' Meeting to be recorded by audio and/or video means, solely for the purpose of facilitating the drafting of the minutes of the Shareholders' Meeting.
- 3.10. Except for the provisions of article 3.9 above, no recording instruments of any kind, photographic or video equipment and the like, may be brought into the premises where the Shareholders' Meeting is held, without the prior specific authorisation of the Chairman, without prejudice to compliance with the legislation on the protection of personal data.
- 3.11. In the event that the right to attend and vote is exercised by remote means of communication, including electronic means, the procedures for legitimising attendance and participation (suitable for guaranteeing the identification of the persons entitled, as well as the proper conduct of the meeting proceedings) shall be specified in the notice of call provided that all participants can be identified and are allowed to follow the discussion, to intervene in real time in the discussion of the topics addressed, to receive and transmit documents and to take part in the vote, and that all the above is recorded in the relevant minutes of the meeting.

#### **Article 4**

##### **Constitution of the Shareholders' Meeting and Commencement of Proceedings**

- 4.1. At the time indicated in the notice of call, the person indicated in the By-laws takes the chair of the Shareholders' Meeting.
- 4.2. The Chairman is assisted by the secretary of the Shareholders' Meeting, including non-shareholders, (the "**Secretary**"), appointed by the Shareholders' Meeting on the Chairman's proposal. The Chairman may, when necessary or deemed appropriate, entrust the functions of the Secretary to a public notary. The Secretary and the public notary may be assisted by persons they trust, including non-shareholders.

- 4.3. The Chairman may also be assisted by persons authorised to attend the Shareholders' Meeting, entrusting them with the tasks of explaining the items on the agenda, answering questions on specific topics and delivering communications.
- 4.4. The Chairman of the Shareholders' Meeting, also with the help of assistants appointed by him, shall ascertain the regularity of the proxies, the right of those attending to take part in the Shareholders' Meeting, as well as its proper constitution.
- 4.5. Furthermore, during the course of the Shareholders' Meeting, the Chairman shall ascertain from time to time, with reference to the individual items on the agenda, the right of those present to participate in the discussion and vote on such items.
- 4.6. The Chairman shall verify and announce the number of holders of voting rights present, also indicating the share capital they represent. Under his direction, an attendance sheet is drafted in which those attending by way of shareholdings are identified, specifying the number of shares, and all others present. Any shareholders' agreements must be communicated to the Company and declared at the opening of each Shareholders' Meeting in accordance with the law.
- 4.7. The Chairman, having ascertained that the Shareholders' Meeting is duly constituted and having made the declarations required by law, declares the meeting opened.

### **CHAPTER III DISCUSSION**

#### **Article 5**

##### **Agenda**

- 5.1. After ascertaining that the Shareholders' Meeting is duly constituted, the Chairman reads out the items on the agenda and the proposals submitted to the Shareholders' Meeting for approval. When discussing said items, the Chairman, if the majority of the share capital represented at the Shareholders' Meeting does not object, may follow a different order from that stated in the notice of call and may order that some of the items on the agenda be discussed jointly where there is an objective link between them.
- 5.2. Unless the Chairman deems it appropriate or an express request approved by the Shareholders' Meeting is presented, the documents that the Company has previously made available to interested parties, as indicated in the notice of call, shall not be read out.

**Article 6****Speeches and Replies**

- 6.1. The Chairman shall regulate the discussion by giving the floor to the directors, statutory auditors, the General Manager and the Chief Financial Officer, and those who have requested it in accordance with this article.
- 6.2. In exercising this function, the Chairman shall abide by the principle that all persons entitled to intervene have the right to express themselves freely on matters of interest to the Shareholders' Meeting, in compliance with the provisions of law, the By-laws and these Regulations.
- 6.3. The Chairman, taking into account the subject matter and relevance of individual items under discussion, with due regard to the provisions of this article, shall, at the opening of the debate, establish rules on the duration of individual speeches and replies, in accordance with article 6.8 below.
- 6.4. The request to take the floor shall be made during the meeting, in the manner laid down by the Chairman (pursuant to the following article 6.7) and must indicate the item on the agenda to which it relates.
- 6.5. Before starting the discussion, the Chairman shall, for each item, give an account of any questions received before the Shareholders' Meeting and any answers given.
- 6.6. Persons entitled to vote have the right to speak on each of the topics discussed and to formulate relevant proposals related to the topics discussed. The directors, statutory auditors, the General Manager and the Chief Financial Officer, may ask the Chairman to participate in the discussion. This request may be made from the moment the Shareholders' Meeting is constituted and until the Chairman declares that the debate on the item under discussion is closed. In order to ensure that the proceedings of the Shareholders' Meeting are conducted in an orderly manner, the Chairman has the right to set a time limit for the presentation of requests to speak, either at the opening or during the discussion of individual items.
- 6.7. The Chairman establishes the procedures for requesting and making speeches and the order in which they are to be made.
- 6.8. Persons entitled to speak have the right to speak only once for each item on the agenda, without prejudice to the provisions of article 6.9 below. The Chairman, taking into account the topic and importance of the individual items on the agenda, shall indicate, as a general



rule no more than 5 (five) minutes, the time available for each person with the right to speak, without prejudice to the provisions of article 6.10 below. Once the set time has elapsed, the Chairman may invite the speaker to conclude in the following 2 (two) minutes and, in the case of speeches that last longer than the set time limit or that go beyond the items on the agenda, he may take the floor and, in the most serious cases, order the speaker to be removed from the room for the entire discussion phase, in accordance with the subsequent article 8.2.

- 6.9. Given the importance of the topic under discussion, those who have already spoken may ask the Chairman to take the floor a second time during the discussion of the same topic, normally for a period not exceeding two minutes, in order to reply.
- 6.10. The Chairman and/or, upon his invitation, the directors, the statutory auditors, the General Manager, Chief Financial Officer, and those who assist him pursuant to these Regulations to the extent of their competence or deemed useful by the Chairman in relation to the matter to be discussed, shall answer at the end of all speeches on the matters under discussion, or after each speech, also taking into account any questions formulated by shareholders prior to the Shareholders' Meeting that have not already been answered by the Company. The Chairman has the right to refrain from answering questions regarding matters outside the agenda and questions regarding information concerning third parties, if these are not permitted or due.
- 6.11. Once the speeches, responses and any replies have been made, the Chairman declares the discussion closed. After the closure of the debate, no person entitled to speak may be allowed to take the floor to make further speeches.

### **Article 7**

#### **Suspension and Postponement of the Shareholders' Meeting**

- 7.1. Without prejudice to the provisions of the By-laws, the proceedings of the Shareholders' Meeting shall normally take place in a single meeting, during which the Chairman, if he deems it advisable and the shareholders (by a simple majority) do not object, may interrupt the proceedings even several times for a brief period, justifying the reasons.
- 7.2. Without prejudice to the provisions of article 2374 of the Civil Code, the Shareholders' Meeting — by resolution passed by simple majority upon the proposal of the Chairman — may decide to adjourn the meeting proceedings or to postpone the discussion of certain items on the agenda whenever it is deemed appropriate, at the same time setting the time and date for the continuation of the proceedings within the legal timeframes and, in any case, within a timeframe consistent with the reason for the adjournment.

**Article 8****Powers of the Chairman**

- 8.1. It is the duty of the Chairman of the Shareholders' Meeting to direct the proceedings, ensuring the fairness of the discussion and the right to speak.
- 8.2. The Chairman is responsible for maintaining order in the Shareholders' Meeting, ensuring the proper conduct of business and quelling abuses of the right to speak. For these purposes, the Chairman may, unless the Shareholders object, cut off the floor:
- (i) if the person entitled to speak takes the floor without being entitled to do so or continues to speak after the time allotted to him under these Regulations has elapsed;
  - (ii) after a warning, in the case of clear and evident irrelevance of the speech to the subject being discussed;
  - (iii) after a warning, in case of repetitive interventions, disruptions or impediments to the intervention of other participants;
  - (iv) if the person entitled to intervene utters improper or insulting words, phrases or remarks;
  - (v) in case of incitement to violence or disorder.
- 8.3. The floor may also be cut off by disabling the speaker's microphone or audio connection.
- 8.4. If this admonition has no appreciable effect, the Chairman, unless the shareholders objects, may order the removal of the persons previously admonished from the premises where the meeting is held for the duration of the discussion.
- 8.5. In this case, the excluded person, if he/she is among the persons entitled to participate, may be readmitted by the shareholders' meeting, which shall decide on the matter by simple majority.
- 8.6. Should events occur that hinder the conduct of the discussion, the Chairman may order brief adjournments of the meeting. The Chairman of the Shareholders' Meeting or, upon his invitation, the directors, statutory auditors and employees of the Company or its subsidiaries, shall reply after each speech, or after all the speeches on each item on the agenda have been made, as decided by the Chairman. The Chairman may interrupt the proceedings for a period

not exceeding two hours to prepare the replies to the speeches. Once the replies have been completed, the Chairman declares the discussion closed. Those who have asked for the floor are entitled to a brief reply.

- 8.7. When all the speeches, responses and rebuttals have been heard, the Chairman closes by declaring the discussion closed. After the close of the debate, no speaker may take the floor to make further remarks.

## **CHAPTER IV VOTING**

### **Article 9**

#### **Preliminary Operations**

- 9.1. Before beginning the vote, the Chairman shall readmit to the Shareholders' Meeting any persons who had been excluded during the discussion phase in accordance with these Regulations and shall verify the number of persons entitled to speak present and the number of votes to which they are entitled.
- 9.2. The Chairman establishes the voting order for the various resolution proposals on the agenda, also taking into account the possible nature of conflicting proposals and may arrange for the vote on each individual item to take place after the closure of the discussion on each of them, or at the end of the discussion of all or some of the items on the agenda.

### **Article 10**

#### **Voting**

- 10.1. Voting is conducted by open ballot. It is up to the Chairman to establish which of the following voting methods shall be adopted: (i) by ballot, in which case the Chairman shall set the maximum time limit within which those entitled to participate may express their vote by handing over the duly filled-in ballot to the pollsters, who shall place them in an urn located in the premises where the Shareholders' Meeting is held; (ii) by electronic means. Voting by a show of hands is not permitted.
- 10.2. If voting is by ballot, the latter constitute a voting instrument and, therefore, are drafted by the Company following a uniform model. The ballot shall be filled in by the appointees, indicating the name of the holder of the shares to which the exercisable voting rights relate and the number of corresponding votes. The ballot must bear a different number for each of

the items debated at the Shareholders' Meeting; alternatively, the ballot may be of a different colour for each of the topics discussed at the Shareholders' Meeting, without prejudice to the fact that the ballots shall contain the indication of the number of votes filled in by those in charge. Votes cast on ballot other than those delivered to the individual participants for voting or in a manner differing from those indicated in these Regulations and by the Chairman of the Shareholders' Meeting shall not be counted. The ballots are handed out by appointed persons at the entrance to the premises where the Shareholders' Meeting is being held.

- 10.3. If the Chairman decides that voting shall be by ballot, he may appoint counters, including non-shareholders, to carry out the counting. The counters, if appointed, shall sign a report on the activities carried out and the votes cast, to be kept on file in the Company's records.
- 10.4. If voting by electronic means, the electronic voting system adopted must guarantee, in any case, the immediate recognisability and verifiability of the voting results. When voting electronically, voting rights are exercised simultaneously, when the Chairman declares the voting open.
- 10.5. Candidacies for corporate bodies must be submitted by the deadline and in the manner established by the By-laws. Before commencing voting for appointments to corporate bodies, the Chairman: (i) reads out any lists, where applicable, submitted for the nomination and the names of the shareholders who have submitted them; (ii) unless a specific request is presented to and approved by the Shareholders' Meeting in accordance with the majorities required by law or the By-laws for its resolutions, the Chairman shall read out the CVs submitted, which shall contain exhaustive information on the personal and professional characteristics of each candidate, as well as on the recurrence of the requirements envisaged by law for eligibility to the office of director or auditor of a company whose shares are admitted to trading on a market organised and managed by Borsa Italiana S.p.A.; (iii) communicates which lists and/or which candidates are to be considered as not submitted and the reasons why.
- 10.6. Persons entitled to vote who, despite being present, and despite the Chairman's invitation, did not vote in the manner indicated shall be regarded as having abstained.
- 10.7. Shareholders wishing to leave the Shareholders' Meeting before voting may be represented by issuing, even during the proceedings of the meeting, the relevant written proxy in accordance with article 2372 of the Civil Code, subject to verification and registration by the Company's officers in the time and manner established by the Chairman.

- 10.8. Persons entitled to vote, who vote against or abstain, must provide their names to the Secretary or, depending on the case, the public notary for the minutes. If, as a consequence of the applicable legislation of the place where the shares of the Company are listed, a shareholder has to abstain from voting on a certain resolution, any vote cast by such shareholder or on his behalf, in violation of such legislation, shall not be taken into account when determining the *quorum* for passing resolutions. To avoid any misunderstanding, the shares held by such shareholder shall be counted for the purposes of the *quorum* for constitution.
- 10.9. At the end of voting, a count is carried out, after which the Chairman, with the aid of the Secretary or public notary, announces the results of the vote to the shareholders and declares approved any resolution that obtained the majority vote in favour required by law or by the By-laws. These results shall be recorded in the minutes of the meeting. In the event of elections of members of the Board of Directors and full and alternate members of the Board of Statutory Auditors, the Chairman shall declare elected those candidates who have won in accordance with the procedures set out in the By-laws.
- 10.10. Having completed the discussion and voting on all the items on the agenda, and having proclaimed the results, the Chairman declares the Shareholders' Meeting closed.

## **CHAPTER V FINAL PROVISIONS**

### **Article 11**

- 11.1. In addition to the provisions set out in these Regulations, the Chairman may adopt any measure deemed appropriate to ensure the proper conduct of the meeting proceedings and the exercise of the rights of those attending.
- 11.2. For anything not provided for in these Regulations, the provisions of the Civil Code, relevant special laws and the By-laws apply.

## TITLE I

COMPANY NAME — CORPORATE PURPOSE — DURATION  
— REGISTERED OFFICE — DOMICILE

## Art. 1. COMPANY NAME

1.1. A joint-stock company with the corporate name of “Ferretti S.p.A.” is hereby incorporated (the “**Company**”).

## Art. 2. CORPORATE PURPOSE

2.1. The Company’s main corporate purpose is as follows:

- (a) the production, on its own or for third parties, modification, repair, refurbishment and assembly of new and used, civil and military, carry-over vessels, boats and ships in general, and of parts, pieces, components or accessories thereof;
- (b) the production, on its own or for third parties, of models and moulds for the production of civil and military carry-over vessels and boats and ships in general, and of parts, pieces, components or accessories thereof;
- (c) trade in permitted form, either on its own or on behalf of third parties and by commission, in civil and military carry-over vessels, boats and ships in general, spare parts, engines and any other component, part and accessory thereof, sporting nautical and related articles, and fuels and lubricants, as well as the agency and the representation, with or without storage, of the articles or products themselves;
- (d) the installation and operation of repair and assistance workshops for civil and military carry-over vessels, boats and ships in general;
- (e) the rental and leasing of carry-over vessels in general;
- (f) the production, trade, purchase, sale, exchange, rental and leasing of immovable and movable properties that may in any case be related to or may affect — even in the future — the Company’s business and the management of the said properties in any form whatsoever;

- (g) towing and demolition of civil and military carry-over vessels, boats and ships in general, and of parts thereof, and various services; provision of services in the maritime field; mooring and unmooring; supply of provisions on board and their transport; assistance and consultancy for landing and boarding operations; maintenance and construction of port infrastructures; lashing and de-lashing, hauling and marine lifting; transport of passengers and goods; surveillance, guarding and fire-fighting assistance;
- (h) sea transport of goods and passengers; boat services in port and coastal waters; purchase, sale, rental and leasing of ships and boats used for the sea transport of goods and/or passengers or for any other service, including pleasure boating; management of ships, berths, maritime stations and facilities in any manner connected with tourist activities; land transport of passengers and/or goods with own and/or third party vehicles, with or without driver; installation and repair of technical, electrical, hydraulic and water systems on board of ships and in the civil and industrial fields; loading and unloading of goods and their transport by land and sea;
- (i) earthwork with related masonry and reinforced concrete works of current type, demolitions; renovation and construction of civil buildings (refurbishment and painting of facades, restoration and construction of roofs, external and internal masonry works complete with all installations), industrial buildings, monuments complete with related installations and works, as well as masonry and civil works in general relating to complexes for the production and distribution of energy; restoration of monumental buildings; special reinforced concrete works; thermal, ventilation, air-conditioning, hygienic and sanitary facilities; installation and supply of metal, wood, plastic and stone products, as well as the supply of thermal and acoustic insulation, fire prevention, painting, plastering and waterproofing (also special) works; road construction and paving, signalling and road safety works; construction of jetties, docks, quays, dredging works; construction of dams; steelwork; heating and air-conditioning systems powered by liquid, aeriform or gaseous fluid of any nature or kind; water-sanitary systems as well as those for the transport, treatment, use, storage and consumption of water from the point of delivery of the water supplied by the distribution entity; installations for the transport and use of gas in liquid or aeriform form from the point of delivery of the gaseous fuel supplied by the distributor entity; fire protection installations; installation and repair of technical, electrical, hydraulic, water systems on board of ships and in the industrial field, installation of electrical, civil systems in accordance with Law no. 46 of 5 March 1990, article 1; purchase, management, rental and sale of civil and industrial buildings.

- 2.2. The Company may grant third parties the right to use and exploit, in any form, including the recourse to merchandising, of rights on trademarks and/or industrial and intellectual property rights owned by the Company.
- 2.3. The Company may also carry out, provided that this is connected with, and it is secondary to, its main corporate purpose, and in any case in compliance with the applicable statutory and regulatory provisions:
- (a) publishing activity (with the exclusion of newspapers) and therefore the production of, and trade in, editorial products in general and precisely paper products, including books, or products on computer media intended for publication or, in any case, for the dissemination of information to the public by any means, including electronic, or through radio or television broadcasting, with the exclusion of discographic or cinematographic products;
  - (b) the sale of its own editorial products and of those of other publishers and of all the products referred to in the preceding paragraphs; this may also take place through wholesale trade, the management of retail outlets, telematics networks and by correspondence.
- 2.4. The Company may also carry out:
- (a) production and post-production activities on products, programmes and editorial news to be broadcast by the media, including radio and television;
  - (b) commercial, industrial or ancillary services activities complementary to publishing activities and in any case always in compliance with the applicable statutory and regulatory provisions.
- 2.5. The Company may also take care of, manage and organise the system of individual financing, including in the form of guarantees or security, also in favour of third parties, and the technical, administrative, financial, strategic and operational coordination of the companies or entities in which the Company holds interests, including through centralised treasury transactions and the provision of services, or it may in turn avail itself of the same services rendered by participating or controlling companies or entities.
- 2.6. The Company may acquire in Italy and/or abroad, directly or indirectly, shareholdings and/or interests in other companies and/or entities having a similar corporate purpose to that of the Company, as well as manage and dispose of the shareholdings and/or interests themselves, and it may provide guarantees and/or security for its own obligations or those of third parties.



- 2.7. The Company may also undertake any industrial, commercial and financial transactions (provided that these are not vis-à-vis the public) concerning movable and immovable properties necessary or useful for the achievement of the corporate purpose (including guarantees and security, also in favour of third parties, and the provision of loans and guarantees, including mortgage loans) with the express exclusion of any reserved activity under the law in compliance with the rules applicable to companies with shares listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange of Hong Kong**”) referred to in article 3032 of these by-laws, as well as in accordance with applicable Italian law.
- 2.8. All the aforementioned activities shall be carried out within the limits of and in compliance with the statutory provisions in force and, in particular, the investment activities exercised vis-à-vis the public qualified by the law in place as reserved financial activity are excluded.

### **Art. 3. DURATION**

- 3.1. The duration of the Company is established until 31 (thirty-one) December 2100.
- 3.2. The duration of the Company may be extended one or more times by a resolution of the shareholders’ meeting, including during liquidation.

### **Art. 4. REGISTERED OFFICE**

- 4.1. The registered office of the Company is in Cattolica (Rimini), Italy.
- 4.2. The Company may open, change or close, establish or wind up branch offices, subsidiaries, representative offices, agencies and offices in general, in Italy and abroad.

### **Art. 5. DOMICILE**

- 5.1. For the purposes of their relations with the Company, the domicile of all shareholders, directors, statutory auditors and the ~~external auditor~~ person in charge of the legal auditing of the accounts will be the location of their address as it appears in the Company’s books. It is the duty of the shareholders, the directors, the statutory auditors and of the external auditor to communicate these data and any subsequent changes to them.

## TITLE II

SHARE CAPITAL AND SHARES — BONDS — ALLOCATED ASSETS  
— LOANS FROM SHAREHOLDERS — RIGHT TO WITHDRAW

## Art. 6. SHARE CAPITAL AND SHARES

6.1. The share capital is Euro ~~250,734,954~~338,482,654.00 fully paid up, represented by no. ~~250,734,954~~338,482,645 ordinary shares, without indication of the par value. ~~The shares are represented by share certificates. The shares of the Company shall be~~ subject to the dematerialisation regime pursuant to articles 83-bis and following of Legislative Decree no. ~~58/1998 in case this is required under the applicable laws and regulations.~~58/1998.

~~If the shares of the Company become subject to a compulsory dematerialisation regime, all the share certificates will have to be delivered to the Company or to the persons indicated by the Company (such as, without limitation, the person who may have been trusted with the maintenance of the Hong Kong Branch Register, as defined below) in order to carry out the necessary formalities (which will require, among other things, the opening of a securities account with a bank or an authorised intermediary). In this case, the rights pertaining to the shares may be exercised only after the dematerialisation of the relevant certificates and in accordance with the applicable special law.~~

6.2. The shares will be registered, freely transferable and indivisible and every share entitles the relevant holder to one vote. Joint shareholding will be subject to the applicable law, including laws and regulations applicable to companies with shares listed on Hong Kong Stock Exchange.

6.3. ~~The~~Pursuant to the legislation in force from time to time, the Company may create issue other classes of shares pursuant to the legislation in force provided with different rights with respect to the shares already issued, determining their contents in the relevant shareholders' resolution. Each share of the same class shall carry the same rights. The shareholders' meeting may also resolve to issue equity and non-interest bearing financial instruments, convertible or not convertible into shares, warrants and other financial instruments, in compliance with the legislation in force.

6.4. Whenever the share capital of the Company is divided into different classes of shares, the resolutions affecting the rights of any of such classes of shares are to be passed also by the special general meeting of the holders of the shares of that class. To every such special general meeting all the provisions relating to extraordinary general meetings of the Company or to the proceedings thereat shall apply *mutatis mutandis*, except that, notwithstanding the

foregoing, such special general meeting is duly held with the presence of shareholders representing at least one-third (1/3) of the issued share capital of that class (quorum for constitution), and adopts resolutions with the favorable vote (quorum for resolution) of at least three-fourths (3/4) of the share capital represented in the special general meeting by the shareholders belonging to the interested class.

- 6.5. The allocation of profits and/or profit reserves to employees of the Company or of its subsidiaries is allowed in the manners and forms provided by the law, by issuing, up to the amount corresponding to such profits, shares to be assigned individually to the employees, pursuant to the first paragraph of article 2349 of the Italian Civil Code, establishing rules on the form, method of transfer and rights of the shareholders. The extraordinary shareholders' meeting may also resolve to assign to the employees of the Company or of its subsidiaries financial instruments, other than shares, provided with patrimonial or administrative rights, excluding the voting right at the shareholders' general meeting, establishing rules on the conditions for exercising the rights granted, the possibility of transfer and any causes of forfeiture or redemption.
- 6.6. The fact of being a holder of one or more shares in the Company constitutes, in itself, adherence to these by-laws.
- ~~6.7. The provisions contained in articles 31 and 32 of these by-laws, applicable to the companies whose shares are listed on the Stock Exchange of Hong Kong, shall apply.~~
- ~~6.8.7.~~ The Company holds, in compliance with the applicable law, the shareholders' register, either in paper or electronically, in accordance with the provisions of article 2215-bis of the Italian Civil Code and the laws and regulations in force ("**Principal Shareholders' Register**").
- ~~6.9.8.~~ IfAs long as the shares are listed on the Stock Exchange of Hong Kong, the Company ~~shall~~will be required to establish and maintain a branch register of members in Hong Kong ("**Hong Kong Branch Register**", together with the Principal Shareholders' Register, the "**Shareholders' Register**") in accordance with the Hong Kong laws, rules and regulations, also through the appointment of a third party service provider authorized to provide transfer services in relation to the shares listed on the Stock Exchange of Hong Kong. ~~As long as the Hong Kong Branch Register is established, the registration of transfers in the Hong Kong Branch Register constitutes a prerequisite for the regularity and validity of the subsequent corresponding entries in the Principal Shareholders' Register, without prejudice to the legal nature and prevailing relevance of the latter~~Principal Shareholders' Register pursuant to Italian law.

- ~~6.106.9.~~ The shareholders are entitled to inspect the ~~Shareholders' Registers~~shareholders' register and to obtain, at their own expense, extracts thereof in accordance with article 2422 of the Italian Civil Code. With specific reference to the Hong Kong Branch Register, article ~~3536~~3536 of these by-laws shall also apply.
- ~~6.106.10.~~ The share capital can also be increased by means of contributions in kind or of receivables, in compliance with the current legislation and the provisions of these by-laws.
- ~~6.106.11.~~ Subject to compliance with applicable laws and regulations, the shareholders' meeting may resolve on share capital increases against payment and with limitation and/or exclusion of option rights pursuant to article 2441 of the Italian Civil Code.
- ~~6.106.12.~~ Without prejudice to the other cases of exclusion or limitation of the option right provided for in the legislation and regulations from time to time in force, ~~in the event of trading of the shares on the Stock Exchange of Hong Kong and/or a regulated market of a country of the European Union,~~ the resolutions to increase the share capital may exclude the option rights up to 10% (ten per cent) of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares, this is confirmed in a report by an auditor or audit company and the issue is in compliance with applicable laws and regulations.
- ~~6.106.13.~~ The extraordinary shareholders' meeting may assign to the board of directors, pursuant to the applicable laws and regulations, the power to increase the share capital, in one or more occasions.

~~On 14 March 2022, the extraordinary shareholders' meeting resolved to increase the share capital, with the exclusion of the option right, by issuing a maximum of 96,117,000 ordinary shares, in order to serve the trading of the ordinary shares on the Stock Exchange of Hong Kong.~~

#### **Art. 7. BONDS**

- 7.1. The Company may issue convertible and non-convertible bonds within the limits established under article 2412 of the Italian Civil Code.
- 7.2. The power to issue convertible bonds into shares is reserved for the shareholders' meeting, subject to the power of delegation to the board of directors pursuant to Article 2420-ter of the Italian Civil Code.
- 7.3. To the bondholders' meeting shall be applied, insofar as compatible, the same provisions set forth in the following articles of these by-laws in relation to the discipline of the extraordinary shareholders' meeting.

**Art. 8. ALLOCATED ASSETS**

8.1. The Company may allocate certain assets to a specific business transaction pursuant to article 2447-bis (*patrimoni destinati ad uno specifico affare*) and the following provisions of the Italian Civil Code.

**Art. 9. LOANS FROM SHAREHOLDERS**

9.1. The Company may acquire from the shareholders loans for consideration or free of charge, with or without obligation of repayment, in compliance with the regulations applicable to them or receive payments without obligation of repayment. Upon request of the administrative body of the Company, the shareholders may grant loans with obligation of reimbursement, both interest-bearing and non-interest-bearing, provided that the same do not constitute collection of savings from the public according to the law.

**Art. 10. RIGHT TO WITHDRAW**

10.1. The right to withdraw (*diritto di recesso*) from the Company shall be governed by the Italian Civil Code. Shareholders who do not take part in the approval of resolutions concerning the extension of the Company's duration and the introduction, amendment or removal of restrictions on the transfer of shares ~~shall~~are not haveentitled to the right to withdraw.

10.2. The terms and procedures for exercising such right and the process for ~~reimbursing~~liquidation the shareholdings are governed by the relative provisions of law.

10.3. The liquidation value of the shares is determined in accordance with article 2437-ter of the Italian Civil Code. ~~In case of trading on the Stock Exchange of Hong Kong, article 33 of these by-laws shall also apply.~~

**TITLE III****SHAREHOLDERS' MEETING****Art. 11. AUTHORITY OF THE ORDINARY SHAREHOLDERS' MEETING**

11.1. The shareholders in an ordinary shareholders' meeting will resolve on matters that are reserved to them under applicable laws and regulations and these by-laws. In particular, the shareholders in an ordinary shareholders' meeting shall resolve on the following matters:

- (a) approval of the financial statements and the distribution of profits;

- (b) appointment and removal of the directors, election of the statutory auditors and their chairman, as well as the appointment (upon grounded proposal of the board of statutory auditors) and the removal of the external auditor;
- (c) compensation of directors and statutory auditors, as well as of the external auditor;
- (d) determination of the liability of directors and statutory auditors;
- (e) the purchase of the Company's shares within the limits set forth by article 2357, first paragraph, of the Italian Civil Code, and, ~~in any case, as long as the Company's shares are listed on the Stock Exchange of Hong Kong,~~ within the limits provided for by the laws and regulations from time to time applicable to the companies whose Company where its shares are listed thereon on one or more European or non-European stock exchange;
- (f) the approval of the regulations for the conduct of shareholders' meetings;
- (g) ~~any other~~ approval of the remuneration policies for members of the management body, the general manager and key management personnel, as well as any remuneration plans based on financial instruments;
- (h) all matters reserved to them by the applicable laws and regulations, as well as any authorization required under these by-laws or by the applicable laws and regulations for the performance of directors' actions.

#### **Art. 12. AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING**

12.1. The shareholders in an extraordinary shareholders' meeting will resolve on the following matters:

- (a) any amendment to these by-laws;
- (b) the voluntary winding up of the Company;
- (c) the appointment and replacement of liquidators and the determination of their powers;
- (d) the issue of convertible bonds; and
- (e) any other matters reserved to shareholders in an extraordinary shareholders' meeting by the applicable laws and regulations.

**Art. 13. LOCATION AND FREQUENCY OF THE SHAREHOLDERS' MEETINGS**

- 13.1. The ordinary and extraordinary shareholders' meetings are normally held in the municipality where the registered office of the Company is located, except if the board of directors decides on a different location provided that it is in Italy or in a country of the European Union, the United Kingdom of Great Britain and ~~North~~Northern Ireland ~~or in a country of the Enlarged China, the (People's Republic of China; (including the Hong Kong Special Administrative Region, Macao the Macau Special Administrative Region and Taiwan)~~ and the United States of America, without prejudice to the application of Article 14.5 of these by-laws.
- ~~13.2. Attendance to the shareholders' meetings may also take place via telecommunications means, provided that this is provided for in the notice of call, in accordance with the procedures established by the notice itself.~~
- ~~13.2.~~ The shareholders' meeting shall be deemed to have been held at the place indicated in the notice of call, where the person taking the minutes may also be present to enable the minutes to be drawn up and signed.
- 13.3. The ordinary shareholders' general meetings must be convened at least once a year for the approval of the financial statements, within 120 (one hundred and twenty days) after the end of the financial year, or within 180 (one hundred and eighty days) after the end of the financial year if the Company is required to draw up consolidated financial statements or, in any case, when it is necessary for particular needs relating to the structure and purpose of the Company, ~~-,~~ without prejudice to the provisions of Article 154-ter of Legislative Decree No. 58/1998 and, in any case, of any applicable laws or regulations in force from time to time.

**Art. 14. CALL OF THE SHAREHOLDERS' MEETING**

- 14.1. The shareholders' meeting shall be convened by the board of directors whenever it deems it necessary or appropriate and, ~~in the cases,~~ provided for by the legislation in force.
- 14.2. A shareholders' meeting may also be called when requested by shareholders representing at least ~~one-tenth of the share capital or, if the shares are listed on the Stock Exchange of Hong Kong and/or a regulated market of a country of the European Union,~~ one-twentieth of the share capital, provided that the request mentions the item or items to be discussed at the meeting and save for the limits set out in the last paragraph of article 2367 of the Italian Civil Code. If there is an unjustified delay in calling the meeting, action will be taken by the board of statutory auditors.

- 14.3. The shareholders' meetings are convened by means of a notice of call specifying an indication of the day, time and place of the meeting and the matters to be discussed, as well as the information required by laws and regulations.
- 14.4. The notice of call must be published in accordance with the procedures provided by applicable Italian law on the Company's website in Italian and listing rules of English languages and in such further manner and within such further terms and conditions as may be prescribed by the laws and regulations in force from time to time. As long as the shares are listed on the Stock Exchange of Hong Kong, the notice of call shall also be published in Chinese languages at least twenty-one days before the date of the meeting (or the longer term provided for pursuant to the applicable provisions of law) on the Company's website in Italian, English), and Chinese languages, and/or, in Italian language only, in at least one of the following newspapers: "Il Sole 24Ore", "Italia Oggi", "MF Milano Finanza"; or, in the Official Journal of the Italian Republic ("Gazzetta Ufficiale della Repubblica Italiana"). In the event that the disclosure regulations applicable to companies with shares are listed on the Stock Exchange of Hong Kong, will also apply as well as the provisions under article 3435 of these by-laws will apply.
- 14.5. It is permissible for the ordinary and extraordinary meeting to be held, if provided for in the notice of call, with those attending located in several places, whether contiguous or distant, connected by means of audio-conferencing and/or video-conferencing, provided that all participants can be identified and are allowed to follow the discussion, to intervene in real time in the discussion of the topics addressed, to receive and transmit documents and to participate in the vote, and that all of the above is noted in the relevant minutes. If provided in the notice of meeting, those entitled to vote can exercise the right to vote electronically with the modalities specified in the notice of meeting.
- ~~14.5~~14.6. Shareholders who, individually or jointly, own or control at least one-fortieth of the share capital may request, within ten days as of the publication of the notice of call pursuant to paragraph 14.4 above, additions to the list of items on the agenda setting out the proposed additions. Requests must be submitted in writing. Additions to the agenda submitted pursuant to this paragraph shall be disclosed according to applicable laws. Additions to the agenda cannot be made for matters which, in accordance with law, the shareholders' meeting should resolve upon only after a proposal by the board of directors or on the basis of a project or report prepared by the directors, other than the report relating to items included in the agenda.



**Art. 15. RIGHTS RELATING TO THE SHARES**

15.1. ~~The right to attend, speak and vote at shareholders' meetings shall be determined pursuant to~~ are provided under the applicable law from time to time in force and these by-laws. ~~In case the share are,~~ without prejudice to the rules applicable to companies with listed shares on the Stock Exchange of Hong Kong, ~~the provisions provided for by as set forth in article 3334 herein below shall apply.~~

15.2. Those entitled to vote may be represented by a proxy, in accordance with and within the limits of the provisions of the law. The power of attorney must be conferred in writing by the appointer or an attorney authorized in writing by the appointer, or, if the appointer is a corporation, under the hand of an officer, attorney or other person duly authorized to sign the power of attorney. If the parties entitled to vote act on behalf of their clients or, in any case, on behalf of third parties, they may indicate as representatives the parties on whose behalf they act or one or more third parties designated by such parties.

15.3. If a shareholder is required by the applicable laws, regulations and listing rules of the place where the securities of the Company are listed to abstain from voting on a particular resolution, any vote cast by or on behalf of that shareholder in contravention of such requirement or restriction shall not be counted towards the resolution. For the avoidance of doubt, the shares held by such shareholders shall be counted ~~for the purposes of~~ towards determining the attendance quorum of the meeting.

15.4. If the shares of the Company are listed on a market that provides for the separation of legal and beneficial ownership such as the Stock of Exchange of Hong Kong, the exercise of the rights of the shareholders will be permitted, subject to the authorisation of the legal owner, to the beneficial owners to the maximum extent permitted by the applicable legislation.

15.5. Proxy may also be conferred electronically in compliance with applicable legal requirements. Electronic notification to the Company of the proxy to attend the meeting may also be made by sending the document to the e-mail electronic address indicated in the notice of call.

15.6. It is the responsibility of the chairman of the meeting to ascertain the regularity of individual proxies and, generally, the right to intervene at the meeting.

**Art. 16. CHAIRMAN AND PROCEEDINGS OF THE MEETING**

16.1. The shareholders' meeting shall be chaired, in order, by the chairman of the board of directors; or the deputy chairman ~~or the chief executive officer~~, if appointed; in the event of the absence or impediment of the above persons, the shareholders' meeting shall elect the

chairman of the meeting by a majority of the votes of those present. The chairman is assisted by a secretary, who may or may not be a shareholder, appointed by the meeting, and, when deemed appropriate, by one or more scrutineers. Where required by law or by the will of the chairman of the meeting, the functions of secretary shall be performed by a notary public.

16.2. In any event the minutes will be drawn up in accordance with article 2375 of the Italian Civil Code.

16.3. The chairman of the meeting, who can also avail himself of assistants, (i) will confirm the right to attend, also by proxy, of those present; (ii) will ascertain that the meeting is properly held and is entitled to consider the resolutions; (iii) will ascertain the identity and legitimacy of those present and direct the meeting, also by deciding the order of items on the agenda that have to be discussed; (iv) will direct the discussions and decide the manner of voting; (v) and will ascertain and proclaim the results of the voting.

16.4. The conduct of the shareholders' meeting is ruled by the relevant regulation approved by the ordinary shareholders' meeting, to the extent this is adopted.

16.5. ~~If the shares are traded on the Stock of Exchange of Hong Kong, any~~Any shareholders' agreements must be notified to the Company and represented at the opening of each meeting, pursuant to the law.

#### **Art. 17. VALIDITY OF RESOLUTIONS**

17.1. The shareholder's meeting, both ordinary and extraordinary, is held in one call, unless the board of directors establishes in the notice of call that the meeting has to be held in first call and, if necessary, in second call, as well as, possibly, in subsequent calls, except that, notwithstanding the foregoing, in case of requests to a call a shareholders' meeting submitted pursuant to paragraph 14.2 above, the board of directors shall convene that shareholders' meeting solely and exclusively in one call.

17.2. The quorum for any ordinary and extraordinary shareholders' meetings shall be those provided under the Italian Civil Code, except that, notwithstanding the foregoing, the resolutions concerning the voluntary winding-up of the Company and/or the amendments to these by-laws are adopted with the favorable vote (quorum for resolution) of at least three-fourths (3/4) of the share capital represented in the shareholders' meeting.

17.3. Voting in the shareholders' meetings shall be by open ballot (*scrutinio palese*). The chairman will determine which of the following procedures shall be adopted: (i) ballot; or (ii) electronic voting system. Voting by a show of hands is not permitted.

## TITLE IV

## MANAGEMENT — REPRESENTATION — CONTROL

**Art. 18. BOARD OF DIRECTORS**

18.1. The Company is managed by a board of directors vested with all powers for ordinary and extraordinary management, excluding those powers (including those of authorisation) that are peremptorily reserved, by the law or by these by-laws, to the shareholders' meeting.

18.2. Resolutions on the following matters shall also fall within the competence of the board of directors, without prejudice to the concurrent competence of the extraordinary shareholders' meeting:

- merger and proportional demerger ( *fusione per incorporazione e scissione proporzionale* ) of companies in which the Company owns shares or interests representing at least 90% (ninety per cent) of the share capital;
- establishment and winding-up of branch offices;
- indication of which directors shall be given the power to act as the legal representatives of the Company;
- reduction of the share capital in the event of shareholder's withdrawal ( *recess del socio* );
- amendment to the by-laws to reflect changes required under Italian laws;
- transfer of the Company's registered office within Italy.

**Art. 19. ELECTION AND REPLACEMENT OF THE BOARD OF DIRECTORS**

19.1. The ~~Board~~board of directors shall consist of 7 to 11 members, including the chairman and one or more vice-chairmen, if appointed. The shareholders' meeting will determine the number of directors within these limits. The number of members of the board of directors is established by the shareholders' meeting within such limits. The directors are appointed by the shareholders' general meeting for a period of up to 3 (three) financial years. This term lapses on the date of the shareholders' meeting called to approve the financial statements relating to the last financial year of their office. The directors may be reappointed.

~~19.2. Each director~~ Directors are appointed on the basis of lists submitted by the shareholders and by the outgoing board of directors, in which candidates shall be listed by a progressive order.

~~19.2. The members of the board of directors must satisfy the requirements for his/her eligibility, of proficiency and, integrity and independence, to the extent and under the terms established in accordance with applicable laws. A, including the regulations applicable to companies with shares listed on the Stock Exchange of Hong Kong. As long as the shares are listed on the Stock Exchange of Hong Kong, a number of directors, representing at least one third of the members of the board of directors, in any event not less than 3 (three), must satisfy also the independence requirements set forth by the laws and regulations applicable to the Company, including, in case of trading of the shares on the Stock Exchange of Hong Kong, the laws and regulations applicable to companies whose shares are listed on the Stock Exchange of Hong Kong in relation to the independence of directors. The composition of the board of directors must also comply with the minimum requirements, if any, envisaged by the law and regulations in force from time to time with regard to gender balance.~~

~~19.3. Any person who, alone or together with others, represents at least 3% (three per cent) regulations of the share capital (or the lower threshold Stock Exchange of Hong Kong in addition to those provided for pursuant to law) may propose one or more candidates, up to 11 (eleven), by filing a notice of nomination in writing with the Company at its registered office within the 7th (seventh) day preceding the date of the shareholders' meeting convened for resolving upon the in article 19.7 below. The appointment of the board of directors:~~

~~19.4/19.3. Together with the nomination mentioned in paragraph 19.3 above, the proposing person(s) are will also required, under penalty of inadmissibility, to file: (a) the list of the proposing person(s) or the Beneficial Owner(s) acting as proposing person(s), as the case may be, specifying the number of shares of the Company held by each of them, accompanied by evidence attesting made in compliance with the minimum threshold required under paragraph 19.3, (b) the curriculum vitae of each candidate, (c) confirmations from each candidate accepting his/her nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a director and that he/she satisfies the aforementioned integrity and, if applicable, independence requirements (*requisiti di onorabilità, professionalità e indipendenza*). regulations from time to time in force pertaining to gender balance, including the regulations applicable to companies with shares listed on the Stock Exchange of Hong Kong.~~

~~19.5 If the number of candidates satisfying the independence requirements pursuant to the previous paragraphs is lower than the minimum number set out under paragraph 19.2, the board of directors shall submit to the shareholders' meeting a sufficient number of candidates that satisfy the abovementioned characteristics in order to reach the minimum number.~~

~~19.6. The directors shall be appointed as follows:~~

- ~~(a) the shareholders' meeting first determines the number of directors;~~
- ~~(b) a vote shall be taken in respect of every single candidate presented pursuant to the articles above.~~

~~19.7. The candidates are to be divided into two slates: the first one will list candidates who comply with the independence requirements set out under paragraph 19.2 above in numerical order according to the number of votes received by each of them ("Slate A"); the second one will list the other candidates in numerical order according to the number of votes received by each of them ("Slate B").~~

~~19.8. The first 3 (three) candidates in Slate A and the first candidates listed in Slate B in the number necessary to reach the number of directors set forth by the shareholders' meeting pursuant to paragraph 19.6(a) above will be appointed.~~

~~19.9. Directors for any reason not appointed pursuant to the aforementioned procedure will be appointed by the shareholders' meeting, with the majorities prescribed by the law, in such a way as to ensure that the composition of the board of directors complies with the applicable laws and regulations and the by-laws.~~

19.4. Only those shareholders who, alone or together with others, hold a total of voting shares representing a percentage not lower than the one provided for the Company by current regulations, are entitled to submit lists. This percentage of shareholding must be proven by appropriate certifications that must be produced, if not available on the day on which the lists are filed, even after the filing of the lists, provided that it is within the deadline set by the regulations in force for the publication of the lists by the Company. All this shall be mentioned in the notice of call.

19.5. Any shareholder, as well as shareholders who are linked by controlling or connecting relationships pursuant to the Italian Civil Code or who are party to a shareholders' agreement concerning shares of the Company, may not submit or vote, not even through a third party or trust company, more than one list.

19.6. Each candidate may run on only one list under penalty of ineligibility.

19.7. The candidates included in the lists must be indicated in a number not exceeding eleven, must be listed in a progressive order, and must satisfy the requirements provided by law. At least three (3) candidates — indicated in a position no later than the second, fifth and seventh

place of each list — must also meet the independence requirements provided by law as well as the additional requirements provided in the codes of conduct drawn up by companies managing regulated markets or by trade associations to which the Company adheres. Consistently with the provisions of law that may be in force, the lists that present a number of candidates equal to or greater than three (3) must be composed of candidates belonging to both genders, at least in the minimum proportion required by the law and regulatory provisions from time to time in force, as specified in the notice of the meeting. Together with each list, the following shall be deposited comprehensive information on the personal and professional characteristics of the candidates as well as declarations by which the individual candidates accept the candidacy and attest, under their own responsibility, that they satisfy the requirements prescribed by law and regulations for members of the board of directors, and any other documents required by law and regulations. In case of failure to comply with the requirements set forth in this paragraph, the list shall be deemed as not submitted. Any changes that may occur up to the day on which the shareholders' meeting is actually held shall be promptly notified to the Company.

19.8. The lists submitted by the shareholders are deposited with the Company within the terms provided for by the laws and regulations in force from time to time, including regulations, which are indicated in the notice of call at the Company's registered office or also through a remote means of communication as indicated in the notice of call, and made available to the public within the terms and in the manner provided for by the laws and regulations in force from time to time. The list submitted by the Board of Directors, if any, is deposited with the Company within the thirtieth day before the shareholders' meeting and is made available to the public with the modalities set forth in the previous sentence.

19.9. Having determined by the shareholders' meeting the number of directors to be elected, the following shall be done: (1) from the list that has obtained the highest number of votes are drawn, according to the progressive order in which the candidates are listed in the list, all the directors to be elected except one; (2) from the second list that has obtained the highest number of votes — which is not connected in any way, not even indirectly, pursuant to the legal and regulatory provisions in force from time to time, with those who presented or voted for the list referred to in point (1) above — one director is drawn, in accordance with the provisions of the law, based on the progressive order in which the candidates are listed in the list.

19.10. Where two lists have obtained the second highest number of votes, a new vote shall be taken by the shareholders' meeting, resulting in the election of the candidate who obtains a simple majority of votes. If as a result of the application of the list voting mechanism indicated above (i) the minimum number of candidates satisfying the independence requirements is not elected and/or (ii) the composition of the board does not comply with the legal rules on

gender balance, the candidates satisfying the requirements will be elected to replace the candidates lacking such requirements included, taken from the list to which the persons to be replaced belonged. In the event that only one list is submitted, directors will be taken from the submitted list provided that it has obtained the approval of a simple majority of votes.

19.11. If only one list is presented, the shareholders' meeting will vote on it and if it obtains a relative majority, the candidates listed in sequential order will be elected as directors, up to the number set by the shareholders' meeting, without prejudice to the obligation to appoint a number of independent directors equal to the minimum number established by these by-laws and the law, as well as the compliance with the gender balance in accordance with the rules and regulations from time to time in force.

19.12. In the event that no list is submitted (or the list submitted does not allow the appointment of directors in compliance with applicable regulatory provisions or, in any case, if it is not possible to proceed in accordance with the rules of list voting), or in the event that it is not necessary to appoint all the members of the board of directors, the shareholders' meeting shall resolve with the majorities provided by law, without observing the procedure set forth above and in any case in such a way as to ensure the presence of the minimum number of independent directors required by regulations in force as well as the compliance with regulations in force on gender balance. Lists that have obtained a percentage of votes at the shareholders' meeting that is lower than half of the percentage required for their submission are not taken into account.

~~19.11.13.~~ The appointed directors must communicate to the Company if they have lost any of the above-mentioned independence and integrity requirements (*requisiti di onorabilità, professionalità e indipendenza*) or if any situations of ineligibility or incompatibility have arisen.

~~19.11.14.~~ The board of directors shall periodically evaluate the independence and integrity of the directors-, based on the information provided by the directors. If a director does not meet or no longer meets the requirements of independence or integrity prescribed by the law, or if there are grounds for ineligibility or incompatibility, such director ceases from office. The loss, by a director, of the independence requirements set out by the law and/or the regulations in force from time to time does not represent a reason for ceasing from office, provided that the minimum number of members set out in the applicable law and regulations, still holding the said independence requirements, remain in office.

~~19.15.~~ The shareholders' meeting may, even during the board of directors' term of office, change the number of members of the board of directors, always within the limits set forth under paragraph 19.1, and make the related appointments. The mandates of directors so elected will expire at the same time as those of the directors who are already serving.

19.16. If, during the term of office, one or more directors should no longer hold office, action will be taken in compliance with article 2386 of the Italian Civil Code. ~~If a majority of directors~~ If one or more of the ceased directors had been drawn from a list also containing names of candidates who were not elected, the replacement shall be made by appointing, in progressive order, persons drawn from the list to which the ceased director belonged and who are still eligible and willing to accept the office. In case of unavailability of the non-elected candidates belonging to the list of the ceased director, the procedure will be carried out pursuant to Article 2386 of the Italian Civil Code.

~~19.17.~~ Replacement procedures must in any case ensure the presence of the necessary number of directors who satisfy the requirements of independence and compliance with the regulation from time to time in force pertaining to gender balance as specified above. If a majority of directors appointed by the shareholders' meeting should cease to hold office, the whole board of directors will be considered to have resigned and the directors in office or the board of statutory auditors must promptly call a shareholder's meeting to appoint a new board of directors.

#### **Art. 20. THE CHAIRMAN OF THE BOARD OF DIRECTORS**

20.1. If the shareholders' meeting has not appointed a chairman, the board of directors will elect one among its members.

20.2. The board of directors, at the chairman's proposal, is to appoint ~~a secretary~~ one or more secretaries, including those outside the board of directors.

20.3. The board of directors can appoint a deputy chairman with the power to deputise for the chairman in his/her absence.

20.4. The chairman of the board of directors or, when it is impossible for the chairman, whoever acts in his/her place will call the meetings of the board of directors, establish the agenda, coordinate the meeting and ensure that all directors are fully acquainted with the items on the agenda.



**Art. 21. DELEGATED BODIES**

21.1. The board of directors may delegate — within the limits established by article 2381 of the Italian Civil Code and by these by-laws — part of its powers to one or more of its members, and determine their powers and related remuneration.

21.2. The board of directors may also establish an executive committee (*comitato esecutivo*) which must include some but not all of the members of the board of directors, as well as the chairman and any directors with delegated powers. When resolving on the appointment of an executive committee, the board of directors may determine the purposes and manner of exercise of the delegated authorities.

21.3. The board of directors shall nevertheless retain the power to supervise and perform directly any transactions falling within its delegated powers, as well as retaining the power to revoke any delegated bodies.

~~The delegated bodies shall report every six months, pursuant to the fifth paragraph of article 2381 of the Italian Civil Code, on the general operation of the Company and its foreseeable evolution, as well as on the most relevant transactions carried out by the Company and its subsidiaries.~~

21.4. The board of directors may appoint general managers (*direttori generali*) and attorneys, determining their powers.

21.5. ~~The~~ Also for the purpose of conforming the corporate governance system to the provisions of codes of conduct drawn up by companies managing regulated markets or by trade associations to which the Company adheres, the board of directors may set up committees from among its members to which it shall assign investigative, advisory and propositional functions on specific matters, *establishing* their purpose, composition and operational procedures.

**Art. 22. BOARD OF DIRECTORS' MEETINGS AND RESOLUTIONS**

22.1. The board of directors shall meet at the place indicated in the notice of call in the municipality where the Company has its registered office or elsewhere (provided, however, that the meeting is held in a country of the European Union, in the United Kingdom of Great Britain and Northern Ireland or in a country of the Enlarged China (People's Republic of China, Hong Kong, Macao and Taiwan)), as often as deemed necessary by the chairman, the board of statutory auditors or at least two directors.

22.2. Board of directors' meetings may also be held by audio-conference and/or video-conference provided that:

- ~~where required by the law, the chairman and the secretary, if appointed, shall be present in the same place;~~
- the chairman of the meeting is allowed to ascertain the identity and legitimacy of the participants, to regulate the proceedings of the meeting, record and proclaim the results of the vote;
- the person taking the minutes is allowed to adequately perceive the events being recorded;
- all the participants are allowed to take part in the discussion and in the simultaneous vote in real time, with the possibility to receive and transmit or view the documentation in real time.

22.3. The meeting shall be deemed to have been held at the place indicated in the notice of call where the person taking the minutes must also be present to enable the minutes to be drawn up and signed.

22.4. A meeting of the board of directors will be called at least 3 (three) days before the date established for the meeting by notice of call to be sent to each director and to the statutory auditors by registered mail, telefax, e-mail or equivalent means, provided proof of receipt is given. The notice period is 24 (twenty-four) hours in cases of urgency.

22.5. A meeting of the board of directors shall be validly held if the majority of the directors in office are present and can pass resolutions with the favourable vote of the majority of those present. Where a director abstains from voting or has declared to have a conflict, he/she will not be counted in determining the quorum required for approval of the relevant resolution.

22.6. Voting by proxy at board meetings is not allowed. A director must inform the other directors and the board of statutory auditors if he/she has any conflict of interest either on his/her own behalf or as a result of his/her connections with third persons in a specific transaction of the Company (including his/her close associates has a material interest) and, in that case, he/she shall abstain from voting on the resolutions concerning the transaction itself where required by the regulation from time to time in force, including the regulation applicable to companies with shares listed on the Stock Exchange of Hong Kong.

22.7. A meeting of the board of directors will be, in any case, validly held, even if not formally called, whenever all directors in office and all effective members of the board of statutory auditors are present.

22.8. The meetings of the board of directors shall be chaired by the chairman, and in the event of his absence or impediment, by the deputy chairman. If there is more than one deputy chairman, the oldest in age chairs the meeting. Failing this, the chairman is taken by another director appointed by the board of directors. The chairman of the board of directors may also invite individuals to attend board meetings, who are not shareholders, directors or statutory auditors of the company, without voting rights.

22.9. The delegated bodies report, orally or in writing, at the meetings of the board of directors and to the board of statutory auditors, at least quarterly or with the greater frequency established by the board of directors when delegating powers, to the board of directors and to the statutory auditors — and in the absence of delegated bodies, the directors report to the board of statutory auditors — on the activities carried out, the general performance of operations and its foreseeable evolution, on the most important economic, financial and equity transactions, or in any case of greater significance due to their size and characteristics, carried out by the Company and its subsidiaries, with particular regard to transactions in which the directors have an interest of their own or of third parties or which are influenced by the person exercising management and coordination activities, if any. Reporting to the board of statutory auditors may also take place, for the sake of timeliness, directly or at meetings of the executive committee, if appointed.

22.10. Resolutions of the board of directors must be recorded in minutes signed by the chairman of the meeting and the secretary.

### **Art. 23. POWER TO REPRESENT THE COMPANY**

23.1. The power to legally represent the Company is vested with the chairman of the board of directors.

23.2. The power to legally represent the Company shall also be vested with the directors with delegated powers within the limits of their attributions—or with the general managers, where appointed.

**Art. 24. REMUNERATION OF DIRECTORS**

- 24.1. The members of the board of directors are entitled to the remuneration determined by the shareholders' meeting and to reimbursement of expenses incurred in the performance of their duties.
- 24.2. The remuneration of directors granted with special powers shall be established by the board of directors, after having heard the opinion of the board of statutory auditors; such remuneration may consist of a fixed and a variable component, linked to the achievement of certain targets, and/or it may consist (i) of the right to subscribe to shares or other financial instruments of the Company at a given price, including future issues, and/or (ii) of the allotment of shares (stock grant).
- 24.3. The shareholders' meeting may, however, allocate an aggregate sum for the remuneration of all directors, including those vested with special authorities.

**Art. 25. DRAFTING OF CORPORATE ACCOUNTING DOCUMENTS**

- 25.1. Where required by law, the board of directors — subject to the mandatory, but not binding, opinion of the board of statutory auditors — appoints a manager charged with preparing corporate accounting documents and the fulfilment of the duties provided for by the laws and regulation in force, choosing him/her among persons who possess professional requirements characterized by specific skills as well as by at least five years of experience in accounting, economic and/or finance and the additional requirements established by the board of directors and/or the regulations, including regulatory provisions from time to time in force.
- 25.2. The manager in charge of drafting corporate accounting documents attends meetings of the board of directors that involve the discussion of matters falling within his or her area of responsibility.

**Art. 26. RELATED PARTY TRANSACTIONS**

- 26.1. Transactions with related parties are concluded in accordance with the procedure approved by the board of directors in application of the law — including regulation — from time to time in force.

26.2. In cases of urgency — eventually also related to situations of corporate crisis — the procedures may provide for special arrangements for the conclusion of transactions with related parties, as an exception to the ordinary rules, in compliance with the conditions established by the law and regulation from time to time applicable, including those applicable to companies with shares listed on the Stock Exchange of Hong Kong as compatible.

~~Art.25.~~Art. 27. BOARD OF STATUTORY AUDITORS

27.1. The board of statutory auditors (*collegio sindacale*) shall supervise the compliance with all applicable laws, regulations, these by-laws and with the correct management principles and, specifically, it shall ensure that the organisation, administrative and accounting structure adopted by the Company is adequate and appropriate and actually functions.

27.2. The ~~ordinary shareholders' meeting~~ elects a board of statutory auditors ~~comprising~~is composed by 3 (three) effective statutory auditors and 2 (two) alternate statutory auditors~~,-~~. To the minority is reserved the election of the effective auditor, who will assume the position of chairman of the board of statutory auditors, and an alternate auditor.

27.3. All statutory auditors must satisfy the requirements of honorability, professionalism, independence and those relating to the limit on the accumulation of offices provided for by the legislation and regulation from time to time in force. Matters pertaining to commercial law, corporate law, financial market law, tax law, business economics, corporate finance, and disciplines with similar or assimilated subject matter, as well as matters and areas pertaining to the Company's field of business, are considered to be closely related to the Company's field of activity.

~~25.27.4.~~ Auditors are appointed for a term of three fiscal years and are eligible for reappointment. The shareholders' meeting appoints the auditors and the chairman of the board of statutory auditors in compliance with the regulations from time to time in force pertaining to gender balance and determines the remuneration of the statutory auditors for their entire term of office. All statutory auditors must meet the requirements of the legislation and regulations in force. compensation.

~~25.3~~ Any person who, alone or together with others, represents at least 3% (three per cent) of the share capital of the Company (or the lower threshold provided for pursuant to law) may propose one or more candidates, up to 3 (three) effective statutory auditors and 2 (two) alternate statutory auditors, by filing the name of such candidates with the Company at its registered office within the 7th (seventh) day preceding the date of the shareholders' meeting convened for resolving upon the appointment of the statutory auditors. At least one candidate

~~of the statutory auditors and one candidate of the alternate auditors must be a chartered accountant (*revisore legale iscritto nel registro*) and have carried out audit activities for no less than three years.~~

- 27.5. When submitting their application(s), those entitled to do so must, on pain of inadmissibility, also submit: (a) the list of the proposing person(s), specifying the number of shares of the Company held by each of them, accompanied by evidence attesting compliance with the minimum threshold requested by paragraph 25.3; (b) the curriculum vitae of each candidate;  
~~(c) The appointment of the board of statutory auditors takes place on the basis of lists filed, under penalty of forfeiture, with the Company's registered office within the terms provided for by the law and regulation from time to time in force, in which the candidates are listed in numerical order. The list is composed of two sections: one for candidates for the office of effective auditor, the other for candidates for the office of alternate auditor.~~
- 27.6. Lists presenting a number of candidates equal to or greater than three must be composed of candidates belonging to both genders consistently with any applicable legal provisions or codes of conduct drawn up by regulated market management companies or trade associations to which the Company adheres.
- 27.7. Only those shareholders who, alone or together with others, hold a total of shares with voting rights representing a percentage of the share capital not less than that provided by the regulations in force for the submission of lists of candidates for the election of the Company's board of directors are entitled to submit lists. This shareholding must be evidenced by appropriate certifications, which must be produced, if not available on the day on which the lists are filed, within the deadline provided by current regulations for the publication of the lists by the Company. All this shall be mentioned in the notice of call.
- ~~25.4.~~27.8. The list must be accompanied by (a) the information regarding the identity of the shareholders who submitted them, with an indication of the total percentage of shares held, (b) a comprehensive disclosure of the candidates' personal and professional characteristics; (c) the confirmation from each candidate accepting his/her nomination and attesting, in his/her own responsibility, that there are no grounds for his/her ineligibility and incompatibility to act as a statutory auditor and that he/she satisfies the aforementioned integrity and, if applicable, independence requirements; (d) the possession of the regulatory and statutory requirements for the relevant offices; (e) the list of the offices as a member of the board of directors or the board of statutory auditors held by the candidate auditor in other companies; (f) a declaration of the shareholders other than those who hold, even jointly, a controlling shareholding or a relative majority, certifying the absence of any relationship of

connection with the latter provided for by the applicable regulations; (f) by any other or different declaration, information and/or document provided for by the laws and regulations from time to time in force.

~~25.5. The candidates shall be divided into two slates: the first (“Slate C”) containing the names of those candidates for appointment as effective auditors and the second (“Slate D”) containing the names of those candidates for appointment as alternate auditors. Every single name submitted is to be voted on separately basis.~~

~~25.6. The 3 (three) candidates drawn out from Slate C who receive the majority of votes expressed by the shareholders will be elected as effective auditors and the 2 (two) candidates drawn out from Slate D that receive the majority of votes expressed by the shareholders will be elected as alternate auditors. The candidate drawn out from Slate C who receives the majority of votes expressed by the shareholders will be elected as chairperson. If two or more candidates receive the same number of votes, the chairman will be appointed by the shareholders’ meeting, in a separate vote.~~

~~27.9. Auditors for any reason not appointed pursuant to the aforementioned procedure will be appointed by the ordinary shareholders’ meeting with the~~ In the event that, at the date of expiration of the deadline provided for by the statutory and regulatory provisions in force for the submission of lists, only one list has been deposited or several lists have been deposited by shareholders who are connected with each other pursuant to the statutory and regulatory provisions in force, additional lists of candidates may be submitted up to the next deadline established by the legislation in force, including regulatory provisions. In this case, the percentage shareholding in the Company’s capital required for the submission of lists is reduced to half.

~~27.10. The election of auditors shall be conducted as follows: (i) from the list that has obtained the majority of votes expressed by the shareholders will be elected, based on the progressive order in which they are listed in the sections of the list, two effective auditors and an alternate auditor; (ii) from the second list that has obtained the majority number of votes and that is not connected in any way, not even indirectly, pursuant to the laws and regulations from time to time in force, with those who presented or voted for the list referred to in point (i) above, are elected, in accordance with the regulatory provisions in force, the remaining effective auditor, who will assume the office of chairman of the board of statutory auditors, and the remaining alternate auditor on the basis of the progressive order with which they are listed in the sections of the list. In the event that several lists have obtained the same number of votes, a new runoff vote shall be held among those lists by all those entitled to vote present at the meeting, with the candidates of the list that obtains a relative majority being elected.~~

- 27.11. If only one list has been submitted, the board of statutory auditors, in its entirety, is drawn from the same with the legal majorities prescribed by applicable Italian law, in such a way as to ensure that.
- 27.12. If, as a result of the application of the list voting mechanism indicated above, the composition of the board of statutory auditors ~~complies with the applicable legislation and~~ does not comply with the rules on gender balance, the shareholders' meeting will proceed to appoint statutory auditors who meet the requirements to replace the candidates without such requirements included in the list to which the individuals to be replaced belonged.
- 27.13. In the event that the regulatory and statutory requirements are no longer satisfied, the statutory auditor shall cease from his/her office.
- 27.14. In case of replacement of a statutory auditor, the alternate auditor belonging to the same list as the outgoing auditor, who has confirmed the existence of the requirements for the office, shall take over until the expiration of the term of office of the statutory auditors in office, so as to comply with the provisions of the regulations from time to time in force on gender balance in the composition of the board. If the aforementioned replacement does not allow compliance with the regulation from time to time in force, the shareholders' meeting will proceed to appoint an auditor who satisfies the requirements to ensure compliance with these regulations.
- 27.15. In the event of the replacement of the Chairman of the board of statutory auditors, that office shall be assumed by the statutory auditor who succeeds him or her.
- 27.16. It is understood that the chairmanship of the board of statutory auditors will remain with the minority statutory auditors.
- ~~25.7.27.17.~~ The above mentioned provisions regarding the election of statutory auditors by-laws—slate voting mechanism do not apply in shareholders' meetings that are required to appoint the effective and/or alternate auditors needed to integrate the board of statutory auditors. In such cases, the shareholders' meeting shall resolve by legal majority, in compliance with the principle of necessary representation of minorities. Replacement procedures must in any case ensure compliance with the regulation from time to time in force concerning gender balance, as specified above.



27.18. The board of statutory auditors, in addition to its duties under current regulations, is empowered to express non-binding opinions on information received from the board of directors regarding transactions of greater economic, financial and equity transaction carried out by the Company and its subsidiaries, as well as regarding transactions with related parties.

~~25.8.~~27.19. A meeting of the board of statutory auditors will be validly held if those present are located in different places, wherever situated, connected by audio/visual means, in accordance with provisions of paragraph 22.2 herein above, as if also applied to the board of statutory auditors. The meeting is considered validly held in the place specified in the notice of call, if indicated.

#### ~~Art. 26.~~Art. 28. THE EXTERNAL AUDITOR

~~26.1.~~28.1. The accounting audit of the Company is to be carried out by a certified and registered audit company. The appointment and replacement of the office, the duties, powers, responsibilities and the procedures to determine remunerations of the audit company are set forth under the applicable laws.

### TITLE V

#### FINANCIAL YEAR — FINANCIAL STATEMENTS AND PROFIT

#### ~~Art. 27.~~Art. 29. FINANCIAL YEAR

~~27.1.~~29.1. The financial year of the Company will close on 31 December of each year.

#### ~~Art. 28.~~Art. 30. FINANCIAL STATEMENTS AND PROFITS

~~28.1.~~30.1. At the end of each financial year, the board of directors shall draw up the Company's financial statements in compliance with Italian law. A copy of the Company's financial statements, including the directors' report, balance sheet and profit and loss account shall be made available and communicated to every shareholder in accordance with the applicable laws and regulations at least 21 (twenty-one) days before the date of the relevant shareholders' meeting to approve such financial statements.

~~28.2.~~30.2. ~~In the event that~~As long as the shares are listed on the Stock Exchange of Hong Kong, the board of directors shall prepare other periodic financial reports required by the Hong Kong rules and make them available to the public in the form and at the time specified in the same rules.

- ~~28.3.30.3.~~ The net profit shown by the financial statements, duly approved, after deducting 5% (five per cent) for the legal reserve, until the latter has reached one fifth of the share capital, is allocated to shareholders as a dividend or set aside as a reserve, as decided by the ordinary shareholders' meeting.
- ~~28.4.30.4.~~ The board of directors may, in the course of the financial year, if the legal requirements are met, distribute interim dividends to shareholders under the conditions and limits set forth by the law.
- ~~28.5.30.5.~~ The shareholders' meeting, whether ordinary or extraordinary depending on the competence, may at any time resolve upon the distribution to the shareholders of the reserves resulting from the financial statements or formed by contributions, so far as they are available according to the applicable rules, in cash or in kind, as well as on the allocation to the shareholders of shares, financial instruments or other rights towards the Company.
- ~~28.6.30.6.~~ The payment of dividends or interim dividends and further distributions or allotments to shareholders shall be made on the terms and in the manner determined by the shareholders' meeting or the board of directors, according to competence, in compliance with the ~~law~~applicable laws and regulations.
- ~~28.7.30.7.~~ Right to dividends not collected within five years of the day on which they become payable will be forfeited in favour of the Company and those dividends will be allocated to reserves.

## TITOLO VI

### ~~Art. 29.~~Art. 31. DISSOLUTION AND LIQUIDATION

- ~~29.1.31.1.~~ In the event of the dissolution of the Company, the shareholders' meeting shall determine the manner of liquidation and appoint one or more liquidators and fix their powers and remuneration.

## TITLE VII

### SPECIFIC PROVISIONS RELATING TO THE COMPANY WHILST ITS SHARES ARE LISTED ON THE STOCK EXCHANGE OF HONG KONG

~~If the~~As long as shares of the Company are also listed on the Stock Exchange of Hong Kong, the rules for companies with shares listed on the Stock Exchange of Hong Kong set forth under this Title VII shall apply.

**Art. 30:Art. 32. LOANS TO DIRECTORS**

~~30.1:~~32.1. Except as would be permitted by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as in force from time to time, if the Company were a company incorporated in Hong Kong, and except as permitted under the Italian Civil Code, the Company shall not directly or indirectly:

- (a) make a loan to a director or his close associates or a director of any holding company of the Company or a body corporate controlled by such a director;
- (b) enter into any guarantee or provide any security in connection with a loan made by any person to a director or a body corporate controlled by such a director; or
- (c) if any one or more of the directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

Paragraph ~~30~~32.1 shall only have effect for so long as the shares of the Company are listed on the Stock Exchange of Hong Kong.

**Art. 31. CERTIFICATES**

~~31.1.~~ Every person whose name is entered as a shareholder in the Hong Kong Branch Register shall be entitled, without payment, to receive within 2 (two) months after allotment (or within such other period as the terms of issue shall provide) one certificate for all his/her shares of any one class or several certificates each for one or more of his/her shares of such class upon payment for every certificate of such reasonable out of pocket expenses as the board of directors may from time to time decide. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him in accordance with the applicable laws, regulations and listing rules of the place where the securities of the Company are listed. A shareholder who has transferred part of the shares comprised in his/her holding shall be entitled to a certificate for the balance.

~~31.2.~~ No share shall be issued in bearer form.

~~Art. 32.~~ Art. 33. TRANSFER OF SHARES. PROXIES

~~32.1. In the event that the shares are listed on the Stock Exchange of Hong Kong, the procedures for transfers of shares traded thereon from time to time shall also apply. Unless otherwise provided by laws, administrative regulations and listing rules of the place where the securities of the Company are listed, the shares of the Company that have been fully paid for shall not be subject to any restrictions in respect of the right of assignment and can be transferred freely. In the case of a transfer to joint holders, except in case of transfers *mortis causa*, the number of joint holders to whom the shares is to be transferred does not exceed four.~~

~~32.2. All transfers of shares registered on the Hong Kong Branch Register shall be effected by transfer in writing in the usual or common form or in such other form as the board of directors may accept, provided that it shall always be in such a form as prescribed by the Stock Exchange of Hong Kong and complying with paragraph 31.1 above, and may be under hand or, if the transferor or transferee is a clearing house (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the board of directors may approve from time to time within the limits set forth by applicable laws and regulations.~~

~~32.3.1. In connection with paragraph 6.2 of this by-laws, the board of directors is authorized and entitled to establish procedures, by appointing a third-party provider or otherwise, for the identification of the persons who — as a consequence of the registration on the Hong Kong Branch Register pursuant to applicable regulations of a single depository entity of the shares (the “**Holder of Record**”), as designated by the company responsible for the centralized management — ~~hold indirect ownership~~ are considered beneficial holders of the shares (the “**Beneficial Owners**”) and are therefore entitled to indirectly exercise the corporate rights pertaining to them in accordance with ~~article 3334~~ of these by-laws and to the provisions of laws and regulation from time to time applicable.~~

~~32.4. The instrument constituting a proxy and (if required by the board of directors) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time fixed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the chairman of the meeting may at his discretion direct that an instrument of proxy shall~~

~~be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.~~

~~Art. 33~~**Art. 34. ENTITLEMENT TO SHAREHOLDERS' RIGHTS**

~~33.1~~34.1 All persons resulting as legal owners of the shares, ~~and as such registered in both the Principal Shareholders' Register and the Hong Kong Branch Register,~~ pursuant to applicable law are entitled on their own right, by virtue of such registration, to exercise all corporate rights in the manner provided for by applicable law and these by-laws.

All Beneficial Owners, not resulting as legal owners of the shares ~~neither on the Hong Kong Branch Register nor the Principal Shareholders' Register,~~ lacking a legitimacy in their own name, may exercise all corporate rights, including attendance and voting at shareholders' meetings, (a) collectively, through the Holder of Record recorded in both the Principal Shareholders' Register and the Hong Kong Branch Register or a person specifically appointed by such Holder of Record, or (b) individually, either through the Holder of Record or a person specifically appointed by such Holder of Record, or on its own subject to appropriate authorization and/or delegation by the Holder of Record, in compliance with all applicable statutory and regulatory provisions.

It ~~is~~is understood that the exercise of corporate rights by the Beneficial Owners, in the name of the Holder of Record, both collectively and individually, does not entail any obligation to update the Hong Kong Branch Register and the Principal Shareholders' Register.

~~33.2~~34.2 If the holder of the shares (or other financial instruments issued by the Company) ~~registered as legal owner of the shares in both the Principal Shareholders' Register and the Hong Kong Branch Register~~ is a clearing house recognised according to laws and regulations applicable pursuant to the listing of the shares on the Stock Exchange of Hong Kong (or one or more nominee(s) of such clearing house), the clearing house (or its nominee(s)) may authorise one or more persons to act as its proxy(ies) or representative(s) at any ordinary or extraordinary meeting (or other meeting relating to financial instruments when issued) of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number of shares (or financial instruments) in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts, save where required otherwise by the applicable law, and shall be entitled to exercise at the relevant shareholders' meeting the same rights and powers on behalf of the delegating party (being the clearing house (or its

nominee(s)) as if such person (or its nominee(s)) were an individual shareholder of the Company holding the number of shares (or financial instruments) specified in such ~~authorisation~~authorization and in certifications, if any, where required by the applicable law.

~~33.3.3.~~ The entitlement to exercise corporate rights is assessed ~~according to the entries in the Principal Shareholders' Register and the Hong Kong Branch Register~~ as at the dates fixed by the board of directors for:

- i. determining the shareholders entitled to receive payment of dividends, other distributions or assignments of rights, ~~including~~and the Beneficial Owners entitled, pursuant to Hong Kong law, to receive payment of dividends, other distributions or assignments of rights to the shares held by the Holder of Record. ~~Such~~In particular with reference with the Beneficial Owners, such date may be fixed at the same time as, before or after the date on which such dividend payment, distribution or allotment is resolved upon, paid or made;
- ii. determining the shareholders entitled to receive the materials relating to the ordinary and extraordinary shareholders' meetings of the Company ~~and to cast their votes at such meetings, provided that, in the latter case, the said relevant date shall not be more than two working days before the date of the relevant shareholders' meeting.~~

~~33.3.4.~~ A shareholder entitled to more than one vote shall not be obligated to use all its votes and/or cast all the votes he/she/it is entitled to in the same way. The "diverging vote" ("*voto divergente*") is valid and legitimate, subject to any different provisions of the applicable law.

~~33.5.~~ For the purposes of the valid exercise of the right of withdrawal in accordance with article 10 of these by-laws, the Beneficial Owners who exercise the right of withdrawal directly or through the Holder of Record, pursuant to what set forth in paragraph 33.1 above, must prove that they were Beneficial Owners at the time of the adoption of the resolutions from which the right of withdrawal arises and did not vote in favor of such resolution.

~~33.6.~~ For the purposes of the valid exercise of the right to challenge the shareholders' meeting resolutions in accordance with article 2377 of the Italian Civil Code, the Beneficial Owners will be able to challenge resolutions, directly or through the Holder of Record, pursuant to what set forth in paragraph 33.1 above, only by proving that they were Beneficial Owners of the shares at the time of the adoption of the relevant resolutions and did not vote in favor of such resolutions.

~~Art, 34.~~ Art. 35. SERVICE OF NOTICES AND OTHER DOCUMENTS

34.1 ~~In addition to the principle set forth under article 35, serving of notices will be performed as follows. Any notice or other document may, to the extent permitted by and in accordance with applicable law, be served on, or delivered to any shareholder by the Company either personally or by sending it by post in a prepaid letter addressed to a shareholder at his/her registered address as it appears in the Principal Shareholders' Register (or in the Hong Kong Branch Register) or by delivering it to, or by leaving it at, this registered address or, in the case of any notice, by publishing it by way of advertisement in one or more newspapers, by sending it as an electronic communication to the shareholder at the address he/she may have provided the Company for written correspondence, by publishing it on a computer network (including a website) or by any other means authorised in writing by the shareholder. In the case of joint holders of a share, service or delivery of any notice or other document shall be carried toward the joint holders or the common representative, being deemed in the latter case, for all purposes, a sufficient service on or delivery to all the joint holders.~~

34.2. ~~Any notice or other document given or issued by or on behalf of the Company:~~

- ~~(a) if sent by post, shall be deemed to have been served or delivered on the day after the day when it was posted (in the case of a shareholder with a registered address in Hong Kong), and on the second day after the day when it was posted (in the case of a shareholder with a registered address outside Hong Kong) and in proving this service or delivery it will be sufficient to prove that the notice or document was properly addressed, stamped and put in the post;~~
- ~~(b) if not sent by post but left by the Company at the registered address of a shareholder, it will be deemed to have been served or delivered on the day it was delivered;~~
- ~~(c) if sent by electronic communication, it shall be deemed to have been served on the day following that on which it was sent; conclusive evidence that the notice or document has been sent or delivered is written proof that the address provided to the Company by the shareholder concerned for the purpose of electronic communication has been used;~~
- ~~(d) if published on a computer network, it will be deemed to have been served on the day on which the notice of the publication is served on, or delivered to the shareholder concerned or where no notice of such publication is required by law to be served on, or delivered to the shareholder concerned, the day on which the notice or document first appears on the computer network concerned;~~

~~(e) if served, sent or delivered by any other means authorised in writing by the shareholder concerned, it will be deemed to have been served, received, or delivered when the Company has carried out the action it has been authorised to take for that purpose.~~

~~34.3. Without prejudice to paragraph 34.2, for the purpose of computing the time limits specified in each notice, reference shall be made to clear days, i.e. neither the day on which the notice is served or deemed to be served nor the final day shall be taken into account.~~

~~34.4. All notices and documents sent or delivered to a shareholder in accordance with the provisions of these by-laws, notwithstanding that the shareholder is dead, bankrupt or any other event has occurred, and whether or not the Company has knowledge of the death bankruptcy or any other event affecting the shareholder — shall be deemed to have been duly served or delivered in respect of each share held by the shareholder either alone or jointly, unless the name of the shareholder concerned, at the time of service of the notice or document, has been removed from the Principal Shareholders' Register (or from the Hong Kong Branch Register). Such notice or delivery shall for all purposes be deemed sufficient in respect of all persons having (alone or jointly with others) any interest in any share.~~

35.1. As long as shares of the Company are also listed on the Stock Exchange of Hong Kong, the provisions relating to service of notices and other documents provided by the Hong Kong applicable law, shall apply, if consistent.

35.2. As per the notice of call under article 14 of these by-laws, within the same terms provided therein the notice of call must: (i) be published on the website of the Stock Exchange of Hong Kong; and (ii) be provided to the shareholders following the procedures set forth under article 34.35.

**Art. 35. Art. 36. RIGHT OF INSPECTION OF THE HONG KONG BRANCH REGISTER**

~~35.1.~~ 36.1. The Hong Kong Branch Register shall be open for inspection for at least two (2) hours on every business day by shareholders and Beneficial Owners of the Company without charge to the extent allowed under the applicable law. The Hong Kong Branch Register may, after notice has been given by any electronic means in such manner as may be accepted by the Stock Exchange of Hong Kong to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.



## TITLE VIII

## FINAL PROVISIONS

~~Art. 36.~~ Art. 37. SERVICE OF NOTICE

~~36.1.~~ 37.1. Without prejudice to the provisions set forth under article ~~34~~35 above, any communication set forth under the Italian law in force shall be made in accordance therewith.

~~Art. 37. CANCELLATION OF SHARES CERTIFICATES~~

~~37.1. If a share certificate is stolen, lost or destroyed, it may be replaced according to the procedure set forth by the Italian Civil Code according to which, inter alia, the shareholder shall:~~

- ~~(a) notify the Company of the loss or misappropriation of the share certificates; and petition the president of the court of the place where the Company has its registered office with the request for the replacement of the share certificates. Where the president of the court accepts reasons for the replacement of the share certificate he/she will issue a decree by means of which the shareholder may obtain, provided that in the meantime no objection is filed by another claimant, the issuance of a share certificate replacing the one stolen, lost or destroyed.~~

**Art. 38. JURISDICTION**

38.1. Any controversy brought by, against and/or among the shareholders, the Company, the directors, the liquidators and/or the statutory auditors deriving from, or relating to these by-laws, which are mandatorily governed by the Italian laws to be heard before the courts in Italy (*e.g.*, liquidation, dissolution etc.) and/or any other matters (*e.g.*, controversy concerning the determination of the liquidation price in case of withdrawal rights and the request of relief orders in case of irregularities in the management of the Company pursuant to article 2409 of the Italian Civil Code, etc.) mandatorily governed by Italian laws, shall be exclusively submitted to the Italian jurisdiction and to the courts of the place where the Company's registered office is located.

38.2. Without prejudice to the preceding paragraph 38.1, any controversy involving the Company, its directors and/or liquidators, the shareholders or other persons acting in the interest of or on behalf of the Company deriving from Hong Kong laws and related and applicable

implementing rules and regulations may be submitted, to the extent permitted by the applicable laws of Italy and Hong Kong, to the non-exclusive jurisdiction of the courts of Hong Kong.

**Art. 39. APPLICABLE LAW**

~~39.1.~~ The Company is subject to the rules provided for by the Civil Code with regard to joint stock companies (*società per azioni*) and to all the legislative and regulatory provisions applicable to joint stock companies (*società per azioni*).

~~39.2.~~ If the Company's shares are traded on the Stock Exchange of Hong Kong, the provisions of the Italian Civil Code concerning companies with shares listed on regulated markets shall also apply, pursuant to art. 2325-bis of the Italian Civil Code.

~~39.3.39.1.~~ This is without prejudice to the applicability of the provisions set out in Legislative Decree no. 58/1998 and in other relevant laws in case of trading of the shares on a Italian regulated market ~~of or on other~~ country of the European Union.

~~39.4.39.2.~~ Any reference in these by-laws to applicable law shall, unless otherwise specified, be construed as referring to Italian law and, if applicable, Hong Kong law and market regulations applicable to the Company by virtue of the listing of its shares on the Stock Exchange of Hong Kong and on Italian regulated market.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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**FERRETTIGROUP**

**Ferretti S.p.A.**

*(Incorporated under the laws of Italy as a joint-stock company with limited liability)*

**(Stock Code: 09638)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of Ferretti S.p.A. (the “**Company**”) will be held virtually by electronic means on May 18, 2023 at 16:00 p.m. Hong Kong time (10:00 a.m. CEST time).

The Meeting will be convened for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

*Ordinary part of the Meeting*

1. To approve the Audited Separate Financial Statements which shows a profit of €52,395,000 for the financial year ended December 31, 2022 and to acknowledge the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2022 together with the Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditor.
2. To approve the allocation of the net income of the Company, for the year ended December 31, 2022, as follows: (i) €2,620 thousand to legal reserve, as per Article 2430 of the Civil Code; (ii) €19,902,780.06 as final dividend of approximately €0.0588 per Share; (iii) €8,176 thousand to cover the reserve for transaction costs related to issued share capital; and (iv) €21,696 thousand to the reserve of retained earnings.
3. To appoint EY S.p.A. as the Independent Auditor (*revisore legale dei conti*) of the Company for a term of three financial years, expiring on the date of the shareholders’ general meeting called to approve the financial statements for the year ending December 31, 2025, and to approve remuneration of €260,000 for each financial year of its term, for the provision to the Company of the audit of the separate financial statements and the consolidated financial

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## NOTICE OF THE ANNUAL GENERAL MEETING

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statements. The auditor's annual remuneration shall be subject to adjustment in accordance with changes in relevant applicable laws or in the requirements for the audit services as well as the annual adjustment linked to the change in consumer price index of Italy.

4. To approve the plan for the listing of the Company's ordinary shares with no nominal value on the Euronext Milan, the Italian stock exchange organized and managed by Borsa italiana S.p.A..
5. To appoint EY S.p.A. as the Independent Auditor (*revisore legale dei conti*) of the Company for a term of nine financial years, expiring on the date of the shareholders' general meeting called to approve the financial statements for the year ending December 31, 2031, and to approve its remuneration of €333,000 for each financial year of its term, for the provision to the Company of the audit of the separate financial statements and the consolidated financial statements. The auditor's annual remuneration shall be subject to adjustment in accordance with changes in relevant applicable laws or in the requirements for the audit services as well as the annual adjustment linked to the change in consumer price index of Italy. Such resolution will only be effective subject to the perfection of the Dual Listing and will replace the three-year term mandate of the auditor as described in resolution 3.
6. To approve the termination of the Share Option Scheme conditional to the commencement of trading of the Shares on Euronext Milan.
7. To appoint the Board of Directors and its Chairman, after determining the number of members, their term of office and remuneration, on the basis of proposals of the Shareholders and related and consequent resolutions.
8. To appoint the Board of Statutory Auditors and its Chairman, after determining the remuneration, on the basis of proposals of the Shareholders, related and consequent resolutions.
9. To approve the Regulations of Shareholders' Meetings, which is functional to the Company's admission of its ordinary shares to listing on the Euronext Milan and shall take effect on the first day where its shares are traded on Euronext Milan and therefore, as of that date.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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### *Extraordinary part of the Meeting*

10. To approve that the new By-laws produced to the Meeting, a copy of which has been signed by the Chairman of the Meeting for the purpose of identification be and are hereby approved and adopted as the By-laws of the Company in substitution for, and to the exclusion of, the current By-laws of the Company on the first day where its shares are traded on the Euronext Milan and therefore, as of that date.

Yours faithfully

By order of the Board

**Ferretti S.p.A.**

**Mr. Alberto Galassi**

*Executive Director and Chief Executive Officer*

Hong Kong, April 26, 2023

*Registered office:*

Via Irma Bandiera 62  
47841 Cattolica (RN)  
Italy

*Principal place of business in Hong Kong:*

31/F, Tower Two, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

*Notes:*

- (1) The Meeting will be a virtual meeting. Shareholders attending the Meeting using the Online Platform will also be counted towards the quorum and they will be able to cast their vote and submit questions through the Online Platform. Please refer to the section headed “Guidance for the Annual General Meeting” in the circular of the Company dated April 26, 2023.
- (2) As requested by the applicable Italian laws and the By-laws, the extraordinary part of the Meeting — concerning the amendment of the Existing By-laws — will take place in front of an Italian public notary.

The extraordinary resolution will be adopted if (a) this is duly held with the presence of shareholders representing at least one-third of the Company’s share capital and (b) with the favorable vote of at least three-fourths of the represented share capital.

Each of the ordinary resolutions will be passed if the vote of more than 50% of the shares represented and entitled to vote at the Meeting is cast in favour of each of them.

- (3) A shareholder entitled to attend and vote at the Meeting is entitled to appoint any other person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. As a matter of Italian law, it is not possible to appoint a director, statutory auditor or employee of the Company or any of its subsidiaries as proxy.
- (4) Where there are joint registered holders of any share(s), any one of such persons may vote at the Meeting, either through online platform or by proxy, in respect of such share(s) as if he/she is solely entitled to, but if more than one of such joint holders be present at the Meeting through online platform that only one device is allowed per login or by proxy.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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(5) In order to be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) and any other documents specified in the proxy form itself, shall be deposited with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 16:00 p.m. Hong Kong time (10:00 a.m. CEST time), on Tuesday, May 16, 2023, being 48 hours before the time fixed for the holding of the Meeting. The form of proxy is published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.ferrettigroup.com](http://www.ferrettigroup.com). The completion and return of the proxy form shall not preclude shareholders from attending and voting online at the Meeting (or any adjournment thereof) if they so wish.

(6) The Company's register of members will be closed during the following periods:

(i) *The Meeting*

In order to qualify for attending and voting for the Meeting, all transfer documents accompanied by the relevant share certificates, if issued, must be lodged with:

- (a) the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, if the transfer concerns shares registered in the section of the Company's register of members kept by the Company's Hong Kong Share Registrar, or
- (b) the Company's registered office at Via Irma Bandiera 62, 47841 Cattolica (RN), Italy, if the transfer concerns shares registered in the section of the Company's register of members kept by the Company at its registered office,

in any case no later than 4:30 p.m. Hong Kong time (10:30 a.m. CEST time), on Friday, May 12, 2023. The register of members of the Company (both sections) will be closed from Monday, May 15, 2023 to Thursday, May 18, 2023, both days inclusive, during which period no shares transfer can be registered.

The shareholders of the Company recorded on the register of members on Thursday, May 18, 2023 (*record date*) will be allowed to attend and vote at the Meeting.

(ii) *Proposed Final Dividend*

In order to qualify for the payment of the final dividend, all transfer documents accompanied by the relevant share certificates, if issued, must be lodged with:

- (a) the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, if the transfer concerns shares registered in the section of the Company's register of members kept by the Company's Hong Kong Share Registrar, or
- (b) the Company's registered office at Via Irma Bandiera 62, 47841 Cattolica (RN), Italy, if the transfer concerns shares registered in the section of the Company's register of members kept by the Company at its registered office,

in any case no later than 16:30 p.m. Hong Kong time (10:30 a.m. CEST time), on Tuesday, May 23, 2023. The register of members of the Company (both sections) will be closed on Wednesday, May 24, 2023, during which period no shares transfer can be registered.

The final dividend will be paid to the shareholders recorded on the Company's register of members on Wednesday, May 24, 2023, and the payment date will be on Monday, June 5, 2023.

(7) The Chairperson of the Meeting will demand a poll on each of the resolutions submitted for determination at the Meeting. On a poll, every Shareholder who is present, or as represented by the proxy or corporate representative, shall have one vote for every share held by him/her.