



PIOVAN S.p.A.

Registered office in Santa Maria di Sala (Venice, Italy), Via delle Industrie No. 16
share capital Euro 6,000,000 fully paid-in
Venice Rovigo Companies Register
tax code 02307730289, VAT No. 02700490275
REA VE - 235320

Illustrative Report of the Directors on the proposals regarding the matters on the Agenda of the Shareholders' Meeting called in ordinary session for October 1, 2024, in single call.

Point 1 of the Agenda

1. Appointment of a new Board of Directors, effective subject to the execution of the sale and purchase transaction of shares of Piovan S.p.A. announced to the market on 19 July 2024:

- 1.1 Acknowledgement of the resignation of all the members of the Board of Directors;
- 1.2 Waiver, pursuant to Articles 2393 and 2393-*bis* of the Italian Civil Code, of any corporate liability action against the resigning directors;
- 1.3 Determination of the number of members of the Board of Directors;
- 1.4 Determination of the duration of mandate of the Board of Directors;
- 1.5 Appointment of the members of the Board of Directors;
- 1.6 Appointment of the Chairperson of the Board of Directors;
- 1.7 Determination of the total remuneration of the Board of Directors.

Dear Shareholders,

with reference to the sole item on the agenda of the Ordinary Shareholders' Meeting, following the acknowledgement of the resignation of the Directors in office as at the date of this illustrative report (the "**Report**") and following the resolution with respect to the waiver of the corporate liability claims against the aforesaid resigning Directors, you are invited to resolve on the appointment of the Board of Directors of Piovan S.p.A. (the "**Company**" or "**Piovan**"), subject to determination of the number of members and term of office, as well as on the appointment of the Chairperson and determination of the total remuneration, in accordance with the terms and provisions of the current Company's by-laws (the "**By-Laws**") and the applicable laws and regulations.

We remind you that the current Board of Directors was appointed by the Shareholders' Meeting of April 29, 2024.

On July 31, 2024, following the signing of a sale and purchase agreement (the "**Sale and Purchase Agreement**"), as part of a more complex transaction already announced to the market, between Automation Systems S.p.A. (the "**Purchaser**"), Pentafin S.p.A. ("**Pentafin**" or the "**Seller**"), and limited to certain provisions, Mr. Nicola Piovan, for the acquisition by the Purchaser of 31,275,541 ordinary shares of the Company, representing 58.35% of the share capital, corresponding to 61.17% of the share capital of Piovan excluding n. 2,474,475 treasury shares (the "**Purchase**"), the members of the Board of Directors of the Company Nicola Piovan, Filippo Zuppichin, Marco Maria Fumagalli, Manuela Grattoni, Alessandra Bianchi, Mario Cesari and Antonella Lillo have resigned with effect from the date on which the appointment of the new Board will become effective, *i.e.* upon completion of the aforementioned Sale and Purchase (the "**Closing**").

The submission of resignations by all members of the Board of Directors requires the timely convening of the Shareholders' Meeting so that it may resolve on the appointment of a new Board of Directors, effective subject to the Closing.

The Shareholders' Meeting, following the acknowledgement of the resignation of the Directors currently in office and following the resolution with respect to the waiver of any corporate liability action against the aforesaid resigning Directors, will therefore be called upon to discuss and resolve on the appointment of the new Board of Directors and, specifically, (i) to determine the number of members, (ii) to determine the duration of their mandate, (iii) to appoint the members and (iv) the Chairperson of this body and, moreover, (v) to determine the total remuneration due to the administrative body.

In this regard, the Board of Directors refers to the *Diversity Policy* adopted by the Company by Board motion of September 10, 2020, which can be found at www.piovan.com, in the “*Investors/Corporate Governance/Corporate Documents*” section. The Diversity Policy provides more information on the criteria to be considered in order to identify an adequate composition of the corporate boards and ensure that they can effectively carry out their functions by ensuring a range of qualified points of view, in compliance with the relevant legal and regulatory provisions and the provisions of the Corporate Governance Code.

1.1 Acknowledgement of the resignation of all members of the Board of Directors

As already announced to the market, on July 31, 2024, the members of the Board of Directors in office at the date of this Report (*i.e.* Nicola Piovan, Filippo Zuppichin, Marco Maria Fumagalli, Manuela Grattoni, Alessandra Bianchi, Mario Cesari and Antonella Lillo) have resigned from office effective as of the date on which the appointment of the new Board of Directors becomes effective, *i.e.* at Closing.

For further information in this regard, please refer to the press release published by the Company on July 31, 2024.

The Shareholders’ Meeting is therefore called to acknowledge the resignation of the current members of the Company's Board of Directors, which will become effective on the date on which the appointment of the new Board of Directors occurs, *i.e.* at the Closing.

1.2 Waiver, pursuant to Articles 2393 and 2393-bis of the Italian Civil Code, of any corporate liability action against the resigning directors

Pursuant to the Sale and Purchase Agreement, it is also provided, *inter alia*, that the present Shareholders' Meeting should resolve on the waiver of any corporate liability action pursuant to Articles 2393 and 2393-*bis* of the Italian Civil Code against the resigning Directors, with respect to their activities as directors of the Company, until the date of Closing, except in the case of wilful misconduct (*dolo*).

This Shareholders' Meeting is therefore called upon to resolve on the waiver of any corporate liability action pursuant to Articles 2393 and 2393-*bis* of the Italian Civil Code against the resigning Directors.

1.3 Determination of the number of members of the Board of Directors

In accordance with Article 14.1 of the By-Laws, the Company is governed by a Board of Directors comprising up to seven members. The Shareholders' Meeting, before appointing them, must first determine the number of Board members according to the above limits.

The Board of Directors, in view of its size and the current demands of the Company, considers that its numbers of members should remain at seven, thereby maintaining a range of professional expertise, experience – both in managerial and gender terms – and seniority in office.

1.4 Determination of the duration of the mandate of the Board of Directors

The procedures for the appointment of the Board of Directors are governed by Article 147-*ter* of the Legislative Decree 58/1998 (the “CFA”), Article 144-*quater* of the Issuers' Regulation and Article 14.3 of the By-Laws, in accordance with which the Directors are appointed for a period of three years, or for a lesser period – although not greater than three years – as established on appointment, and may be re-elected.

1.5 Appointment of the members of the Board of Directors

The Board of Directors shall be appointed according to the slate voting method, as set out in the procedure presented in Article 14 of the By-Laws, as outlined below.

The Directors are appointed by the Shareholders' Meeting on the basis of slates presented by Shareholders, as per the applicable statutory and regulatory rules, also in terms of gender balance, on which the candidates, in an amount not greater than seven, and meeting the requirements of the applicable statutory and regulatory provisions, should be numbered progressively.

Each slate should indicate which candidates are considered independent in accordance with the applicable statutory and regulatory provisions. Slates that include a number of candidates equal to or higher than three must be composed of candidates belonging to both genders, in compliance with the *pro tempore* regulations concerning the balance between genders.

It should be noted that, pursuant to the laws and regulations in force on the subject of gender balance in the management and control bodies of listed companies, the Company will be required to comply with the distribution criterion whereby at least two-fifths of the Directors and Statutory Auditors must belong to the under-represented gender (pursuant to Article 147-ter, paragraph 1-ter, of the CFA).

Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate at the risk of ineligibility. Only those shareholders who, alone or jointly with other shareholders, hold shares representing at least 2.5% (two point five percent) of the share capital or any different amount set out by the law and *pro tempore* regulations (as established by Consob Resolution No. 92 of January 31, 2024 "Publication of the shareholding required to submit slates of candidates for the election of management and control bodies") are entitled to submit slates.

Slates for which the above provisions have not been complied with are deemed not to have been submitted.

Each person having voting rights may vote on only one slate.

At the end of the vote, the candidates elected shall be those on the two slates that have obtained the higher number of votes, with the following criteria:

- (a) from the slate that obtains the majority of the votes, in the progressive order presented on the slate, the number of Directors to be elected to the Board are elected, less 1 (one);
- (b) the remaining Director shall be elected from the slate which obtained the second highest number of votes ("**Minority Slate**") at the Shareholders' Meeting and which is not related in any way, even indirectly, to shareholders who presented or voted upon the slate receiving the highest number of votes.

Should two slates receive the same number of votes, a second vote of the entire Shareholders' Meeting shall decide with the candidate being elected by means of a simple majority of the votes.

Where, on conclusion of voting, an insufficient number of elected Directors satisfy the independence requirements envisaged by the applicable legal and regulatory framework, the candidate lacking these requirements elected last in the progressive order of the slate obtaining the highest number of votes will be excluded. This candidate will be replaced by the subsequent candidate who satisfies the independence requirements, selected from the same slate belonging to the excluded candidate. If necessary, this procedure will be repeated until the number of Independent Directors to be elected is accomplished. Where with the election of the candidates from the slates according to methods indicated above the Board of Directors is not in line with the current of law and from time to time regulations concerning gender equality, the candidate of the over-represented gender elected last in the progressive numbering on the slate which has obtained the highest number of votes will be replaced by the candidate of the under-represented gender elected of the same slate. This replacement procedure is carried out until the composition of the Board of

Directors complies with applicable regulations and in particular those concerning gender equality. Where this procedure does not ensure an outcome, the Shareholders' Meeting will elect in accordance with the majority by law, on condition of the presentation of candidates of the under-represented gender.

In the event that only one slate is submitted, Directors will be drawn from the submitted slate, provided it has obtained the approval of the simple majority of votes. If Directors elected in this manner do not meet the number corresponding to the members of the Board determined by the Shareholders' Meeting, or in the event that no slate is submitted or the slate submitted does not permit the appointment of Independent Directors in compliance with applicable legislative and regulatory provisions, the Shareholders' Meeting shall resolve with a statutory majority; all of the above is subject to compliance with the applicable *pro tempore* rules concerning gender balance.

Slate voting is applied only in the case of the appointment of the entire Board of Directors. Should one or more Directors resign during the year, they shall be replaced in accordance with Article 2386 of the Italian Civil Code. If one or more departing Directors were drawn from a slate also containing unelected candidates, they will be replaced by appointing, in progressive order, persons drawn from the slate to which the Director in question belonged, provided they are still eligible and willing to accept the office. Should the slate not include such candidates or these are unwilling to accept the office, another candidate, indicated by the Directors drawn from the slate to which the departing Director belonged, will be appointed. In any case, the replacement of departing Directors is made by ensuring the presence of the necessary number of Directors satisfying the independence requirements laid down by the law and compliance with the applicable *pro tempore* regulation concerning gender balance.

As regards the procedures for the presentation of slates for the election of new Directors, said slates must be deposited by the shareholders no later than 25 calendar days prior to the date of the Shareholders' Meeting, i.e., by September 6, 2024, by one of the following methods:

- (i) certified e-mail to the address piovanspa@legalmail.it
- (ii) delivery by hand to the registered office of the Company, located in Via delle Industrie 16, Santa Maria di Sala (Venice, Italy), between 9:00 a.m. and 5:00 p.m.

At the time of filing, information must be provided to identify the person depositing the slates. The certification that attests to the ownership of the minimum shareholding required to submit the slates, in the aforementioned amount, may be produced also after the filing of the slate, provided that it is issued by an authorized intermediary in accordance with applicable law at least twenty-one days prior to the date of the Meeting (i.e., by September 10, 2024).

The slates must be filed together with the documents and information required by the By-Laws and current legislation. Slates deposited must therefore be accompanied by:

- (i) information on the identity of the shareholders submitting the slates, with an indication of their total shareholding percentage, as demonstrated by suitable documents issued by an authorized intermediary in accordance with the law;
- (ii) a list of any other directorships and auditing positions held by the candidates in other companies;
- (iii) the declarations of the candidates accepting their candidature and declaring, under their own responsibility, the inexistence of any causes for ineligibility and of incompatibility, in addition to the existence of the necessary requisites for the respective offices, and a *curriculum vitae* containing the personal and professional characteristics of each candidate and whether they qualify as Independent Directors. The appointed Directors should communicate without delay to

the Board of Directors should they no longer meet the independence requirements, in addition to the arising of reasons for ineligibility or incompatibility.

It is recalled that shareholders presenting a “Minority Slate” are also governed by Consob communication No. DEM/9017893 of February 26, 2009.

The Board of Directors therefore invites the Shareholders to present slates for the appointment of the Board of Directors in accordance with the procedure outlined above.

Slates deposited by shareholders are made available by the Company at its registered office, on the Company website www.piovan.com in the “Investors/Corporate Governance/Shareholders’ Meetings” section, and on the authorized storage mechanism “1info” at least 21 days before the Shareholders’ Meeting (i.e., by September 10, 2024).

1.6 Appointment of the Chairperson of the Board of Directors.

The Board of Directors also recalls that, in accordance with the By-Laws, once the new Board of Directors is appointed, the Shareholders’ Meeting shall elect a Chairperson from among its members.

1.7 Determination of the overall remuneration for the members of the Board of Directors

The Shareholders’ Meeting is also called to establish the remuneration to be paid to the Board of Directors.

On April 29, 2024, the Shareholders’ Meeting of the Company resolved to set the total remuneration due to the Board of Directors at a maximum of Euro 1,439,000.00 gross per annum for each of the three financial years of the duration of their mandate. This remuneration is to be understood as including the remuneration for the Directors with special assignments, which will be apportioned by the Board of Directors.

In accordance with Article 23 of the By-Laws, the remuneration of Directors with special assignments as per the By-Laws shall be established by the Board of Directors, following consultation with the Board of Statutory Auditors, considering the total amount determined by the Shareholders’ Meeting.

The Board of Directors invites the Shareholders’ Meeting to determine the total remuneration due to the members of the Board of Directors – on the basis of the proposals made by the Shareholders – commensurate with the commitment required, the importance of the role covered and the size and sector characteristics of the Company and the Group. The Board of Directors recommends that shareholders present these proposals sufficiently in advance of the date of the Shareholders’ Meeting.

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In the light of the above, the Board of Directors invites you to:

- a) acknowledge of the resignation of all members of the Board of Directors;

and to resolve on:

- b) the waiver of any corporate liability action pursuant to Articles 2393 and 2393-*bis* of the Italian Civil Code.
- c) the determination of the number of members of the Board of Directors;
- d) the determination of the duration of the mandate of the Board of Directors;
- e) the appointment of the Board of Directors;
- f) the appointment of the Chairperson of the Board of Directors;
- g) the determination of the total remuneration of the members of the Board of Directors,

and indicates its proposals below:

- with reference to point 1.1, we propose that you acknowledge the resignation of all the members of the Board of Directors, effective on the date on which the appointment of the new Board of Directors occurs, i.e. at Closing;
- with reference to point 1.2, we propose to waive, except in cases of wilful misconduct (*dolo*), any action pursuant to Articles 2393 and 2393-*bis* of the Italian Civil Code against the resigning Directors with respect to their activities as directors in the Company, until the date of Closing;
- with reference to point 1.3, we propose that you set the number of Directors at 7 (seven);
- with reference point 1.4, we propose that you set the duration of the Board of Directors at two years, and therefore until the Shareholders' Meeting called to approve the financial statements at December 31, 2025.

We also invite you to appoint the members of the Board of Directors (point 1.5), appoint the Chairperson (point 1.6) and determine the total remuneration of the members of the Board of Directors (point 1.7), expressing your preference for one of the lists submitted by the parties entitled to do so in accordance with the provisions of the Bylaws and pointing out that, if no lists are submitted, the Shareholders' Meeting shall resolve with the majorities set forth by law, without prejudice to the pro tempore regulations in force concerning gender balance.

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In light of the above, and also due to the manner in which the Shareholders' Meeting will be held (in relation to which please refer to the notice of call published on the Company's website, www.piovan.com, and on the authorized storage mechanism www.1info.it), it is suggested that those entitled to participate in the Shareholders' Meeting formulate, when submitting lists, also the ancillary proposals on the remuneration of the members of the Board and on the Chairperson.

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Santa Maria di Sala, August 7, 2024

On behalf of the Board of Directors

The Executive Chairperson, Nicola Piovan