



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF ASCOPIAVE S.P.A.
ON THE PROPOSAL UNDER AGENDA ITEM 4
OF THE SHAREHOLDERS' MEETING OF ASCOPIAVE S.P.A. SUMMONED IN ORDINARY SESSION,
ON 17 APRIL 2024, IN FIRST CALL, AND ON
18 APRIL 2024, IN SECOND CALL**

(drafted pursuant to Article 125-ter, Legislative Decree No. 58 dated 24 February 1998, as amended and supplemented, as well as Articles 73 and 84-ter of the regulation adopted by Consob with resolution No. 11971 dated 14 May 1999, as amended and supplemented)

7 March 2024

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FOREWORD

Dear Shareholders,

You have been summoned to the Shareholders' Meeting on 17 April 2024, in first call, and on 18 April 2024, in second call, to pass resolutions, in ordinary session, on the following agenda items:

1. Annual financial statements as at 31 December 2023; allocation of profit for the year:
 - 1.1 approval of the financial statements as at 31 December 2023, together with the Board of Directors' report on operations, the Board of Statutory Auditors' report and the Independent Auditors' report; presentation of the consolidated financial statements as at 31 December 2023;
 - 1.2 Approval of the proposed distribution of profits for the year; related and subsequent resolutions.
2. Report on the remuneration policy and compensation paid:
 - 2.1 Approval of the first section of the report on the remuneration policy and compensation paid drawn up pursuant to Article 123-ter, Legislative Decree No. 58 dated 24 February 1998 (i.e., remuneration policy for the year 2024); resolutions pursuant to Article 123-ter, paragraphs 3-bis and 3-ter, Legislative Decree No. 58 dated 24 February 1998; related and subsequent resolutions;
 - 2.2 advisory vote on the second section of the report on the remuneration policy and compensation paid drawn up pursuant to Article 123-ter, Legislative Decree No. 58 dated 24 February 1998 (i.e., report on compensation paid in the year 2023); resolutions pursuant to Article 123-ter, paragraph 6, Legislative Decree No. 58 dated 24 February 1998.
3. Approval of a share-based long-term incentive plan reserved for the Executive Directors of Ascopiave S.p.A. and certain management resources of Ascopiave S.p.A. and its subsidiaries; related and subsequent resolutions.
4. Authorisation to purchase and dispose of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting of 18 April 2023, for the portion not executed; related and subsequent resolutions.
5. Appointment of the statutory auditors for the financial years 2024 to 2032; related and subsequent resolutions.

The Board of Directors of Ascopiave S.p.A. ("**Ascopiave**" or the "**Company**") has drafted the Explanatory Report herein pursuant to Article 125-ter, Legislative Decree No. 58/1998,

as subsequently amended and integrated (the "**Consolidated Law on Finance**") and Articles 73 and 84-ter of the regulation adopted by Consob resolution No. 11971/1999, as subsequently amended and integrated (the "**Issuers' Regulation**") and in accordance with Schedule No. 4 of Schedule 3A of the stated Issuers' Regulation (the "**Explanatory Report**"), in order to illustrate to the Ascopiave Shareholders' Meeting, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, Article 132 of the Consolidated Law on Finance, the applicable provisions of the Issuers' Regulation and Regulation (EU) no. 596 dated 16 April 2014 relating to market abuse ("**MAR Regulation**"), the proposed resolution under item 4 on the agenda in ordinary session relating to the authorisation of a plan for the purchase and disposal, on one or more occasions, on a revolving basis, of a maximum number of ordinary shares of Ascopiave representing a portion not exceeding 20% of the Company's share capital (corresponding, as at the date of the report herein, to a maximum no. 46,882,315 ordinary shares with a nominal unit value of Euro 1.00), replacing and revoking the previous authorisation to purchase treasury shares dated 18 April 2023, which was scheduled to expire on 18 October 2024.

The reasons behind the request for authorisation, as well as the terms and conditions under which the plan to purchase and dispose of treasury shares is to be implemented, are outlined below.

The Explanatory Report herein is made available to the public in the manner and within the terms envisaged by the applicable regulations and can be consulted on Ascopiave's website (www.gruppoascopiave.it).

1. REASONS WHY AUTHORISATION TO PURCHASE AND DISPOSE OF OWN SHARES IS REQUIRED

The share buy-back and disposal plan subject of this authorisation proposal replaces the previous share buy-back plan authorised by the Shareholders' Meeting on 18 April 2023, which was scheduled to expire on 18 October 2024.

Therefore, in order to avoid having to summon a Shareholders' Meeting close to the aforementioned deadline, the Board of Directors deems it appropriate to propose to the Shareholders' Meeting to revoke the current plan and authorise a new plan for the purchase and disposal of treasury shares.

The plan for the purchase and disposal of treasury shares for which you are being asked for authorisation provides, similarly to the current plan, for the Company to purchase treasury shares up to a maximum limit of 20% of the share capital, taking into account the treasury shares already held by the Company and its subsidiaries.

Due to the prohibition of subscription of the company's own shares pursuant to Article 2357-quater of the Civil Code, the option right pertaining to the company's own shares held by the company is attributed proportionally to the other shares, similarly to the right to profits, pursuant to Article 2357-ter, paragraph 2, of the Civil Code.

The Board of Directors intends to propose to the Shareholders' Meeting the authorisation, purchase and disposal of treasury shares in order to provide the Company with a valid instrument to carry out, among other things, in compliance with the provisions in force, investment transactions consistent

with the Company's strategic guidelines, including by means of exchange, contribution, assignment or other act of disposition of treasury shares, for the acquisition of shareholdings or share packages or for other capital transactions involving the assignment or disposition of treasury shares (such as, by way of example, mergers, demergers, issues of convertible bonds or warrants, etc.).).

Authorisation is also requested in order to enable the Company, in compliance with the legal provisions in force from time to time, to

- (i) intervene, also through authorised intermediaries, to facilitate the regular course of trading and prices, in the face of distorting phenomena linked to excessive volatility and/or poor trading liquidity;
- (ii) offer Shareholders an additional means of monetising their investment; and
- (iii) acquire treasury shares to be used, where appropriate, to service any share-based incentive plans reserved for the Directors and/or employees and/or collaborators of the Company or other subsidiaries controlled by it or its parent company.

It should be noted that the authorisation request also includes, in line with the previous plan, the power of the Board of Directors to carry out repeated and successive purchase and sale transactions (or other acts of disposition) of treasury shares on a revolving basis, even for fractions of the maximum authorised quantity, so that, at all times, the quantity of shares owned by the Company does not exceed the limits envisaged by law and by the authorisation of the Shareholders' Meeting. Therefore, the authorisation requested includes the possibility of carrying out, if deemed appropriate, transactions on the stock to allow for value maximisation opportunities that may arise from market trends, subject to strict compliance with the applicable provisions of the Issuers' Regulations and the MAR Regulation.

For all the reasons outlined above, the Board of Directors deems it appropriate to ask the Shareholders' Meeting to revoke the previous plan adopted on 18 April 2023 and to authorise, pursuant to and in accordance with Articles 2357 and 2357-ter of the Italian Civil Code, the new plan for the purchase and disposal of treasury shares.

2. MAXIMUM NUMBER, CATEGORY AND NOMINAL VALUE OF SHARES RELATED TO THE AUTHORISATION

As of the date of the report herein, the Company's share capital amounted to EUR 234,411,575.00 and was represented by 234,411,575 ordinary shares with a par value of EUR 1.00 each.

The Board of Directors requests authorisation to purchase a number of treasury shares such that the Company will never hold over 46,882,315, or more than the different number representing in the aggregate the maximum limit of 20% of the share capital, also taking into consideration the treasury shares already held by the Company and its subsidiaries (as indicated in the following paragraph 4), in the event of resolutions and implementation of capital increases and/or reductions during the term of the authorisation referred to in the following paragraph 3.

3. DURATION FOR WHICH AUTHORISATION IS REQUIRED

The authorisation for the purchase is required for the maximum duration envisaged in Article 2357, Section 2, of the Civil Code and, therefore, for the period of 18 (eighteen) months from the date of the resolution of the Shareholders' Meeting authorising the granting of the authorisation.

Authorisation to dispose of treasury shares already in the portfolio and those that will eventually be purchased is requested without time limits, in light of the non-existence of regulatory constraints in this regard and the opportunity to have maximum flexibility also in terms of the timeframe necessary for the disposal.

4. INFORMATION ON COMPLIANCE WITH ARTICLE 2357(1) AND (3) OF THE CIVIL CODE

Pursuant to Article 2357(3) of the Civil Code, in no case may the nominal value of shares purchased by companies resorting to the risk capital market exceed one fifth of the share capital. It should be noted that the aforementioned limit refers to all treasury shares held by the Company, including purchases made in execution of previous resolutions, and to the Company's shares held by its subsidiaries.

For the purpose of calculating the maximum number of treasury shares that may be purchased by the Company in compliance with the aforementioned limit, it should be noted that the Company's share capital at the date of the report herein is EUR 234,411,575.00.

As of the same date, the Company held a number of treasury shares amounting to 17,701,578 - purchased in execution of the authorisations previously granted by the Shareholders' Meeting - for a nominal value of Euro 17,701,578 (equal to 7.551% of the share capital), which were recorded as a reduction of the available reserves recorded in the Company's shareholders' equity.

These shares may be disposed of in the same manner as the other treasury shares to be acquired by the Company pursuant to this authorisation proposal.

Pursuant to Article 2357(1) of the Italian Civil Code, the purchase of treasury shares is permitted within the limits of the distributable profits and available reserves resulting from the last duly approved financial statements. To this end, it is deemed appropriate to refer to the Company's draft financial statements for the year ending 31 December 2023, assuming its approval by the Shareholders' Meeting today. In this regard, it should be noted that the draft financial statements show (i) available reserves to the tune of €575,612,535.67 and (ii) a profit for the year to the tune of €35,778,670.04.

In light of the above, it is proposed that the Shareholders' Meeting authorise the purchase of the Company's treasury shares through the use of all available reserves and distributable profits, without prejudice to the Directors' obligation to verify that these reserves and profits are not affected by losses for the period.

It should be noted that the Board is required to verify compliance with the conditions required by Article 2357, Sections 1 and 3, of the Italian Civil Code for the purchase of treasury shares at the time of each authorised purchase.

When shares are purchased or disposed of, exchanged, transferred or written down, the appropriate accounting entries must be made, in accordance with the law and applicable accounting principles. In the event of a sale, exchange, contribution or write-down, the corresponding amount may be used for additional purchases, until the expiration of the term of the authorisation by the Shareholders' Meeting, subject to the quantity and expense limits, as well as the conditions established by the Shareholders' Meeting and compliance with the applicable legal and regulatory provisions in force from time to time.

5. MINIMUM AND MAXIMUM CONSIDERATION

The Board of Directors proposes that the unit price for the purchase of the shares be established on a case-by-case basis for each individual transaction, taking into account the method chosen to carry out the transaction and in compliance with the regulatory provisions and accepted market practices that may be applicable, it being understood that it may not be 10% higher or lower than the reference price recorded by the stock on the stock exchange session prior to each individual purchase transaction.

With regard to the consideration for the sale of the treasury shares thus acquired, the Board of Directors proposes that the Shareholders' Meeting determine only the minimum consideration, granting the Board the power to determine, on a case-by-case basis, any additional conditions, terms and terms of the disposal. This minimum consideration may not be 10% lower than the reference price recorded by the stock on the stock exchange session prior to each individual disposal transaction (meaning the date on which the commitment to dispose is made, regardless of the date of its execution). The above limit to the sale price will not apply: (i) in the event of the execution of transactions in relation to which it may be appropriate to exchange or dispose of packages of shares, also by means of an exchange or contribution, or in the event of capital transactions involving the assignment or disposal of treasury shares (such as, purely by way of example, mergers, demergers, issues of convertible bonds or warrants); (ii) in the event of share incentive plans reserved for Directors and/or employees and/or collaborators of the Company and/or other subsidiaries controlled by it and/or the parent company. In these assumptions, different criteria may be used, possibly confirmed by estimates and reports carried out by independent third parties in the event of exchanges or extraordinary transactions involving the Company's capital, in line with the purposes pursued and in compliance with current regulations.

The terms and conditions for the disposal of treasury shares envisaged above will also apply to treasury shares held against purchases made on the basis of previous authorisations.

6. ARRANGEMENTS FOR PURCHASES AND DEEDS OF DISPOSAL

Purchase transactions will begin and end within the timeframe set by the Board of Directors or by the Director delegated for this purpose by the Board following any authorisation by the Shareholders' Meeting.

Purchase transactions will be carried out on the market, on one or more occasions, on a revolving basis, according to the operating methods established in the Regulation of Markets Organised and Managed by Borsa Italiana S.p.A. (the "**Market Regulation**"), which do not allow the direct matching of buy orders with predetermined sell orders, in compliance with article 132 of TUF and Article 144-bis of the Issuers' Regulation or, in any case, according to other methods envisaged by law, including regulatory provisions, in force at the time. In particular, purchases may be made through one of the following methods: (i) purchases made on regulated markets, in accordance with the operating procedures established by the Market Rules and the related Instructions of Borsa Italiana S.p.A, as well as in compliance with the provisions of the Regulation on Issuers; (ii) purchases and sales of derivative instruments traded on regulated markets that provide for the physical delivery of the underlying shares and under the conditions established by the Market Rules and related Instructions of Borsa Italiana S.p.A. as well as in compliance with the provisions of the Issuers' Regulation; (iii) proportional allocation to shareholders of put options at conditions that are consistent with what will be established by the Shareholders' Meeting of Ascopiave; (iv) purchases made in the manner established by market practices allowed by Consob pursuant to Article 13 of the MAR Regulation (v) purchases made under the conditions indicated in Article 5 of the MAR Regulation; as well as (vi) in the performance of systematic internalisation activities according to non-discriminatory methods that provide for the automatic and non-discretionary execution of transactions on the basis of pre-set parameters.

The acts of disposition may be carried out, in one or more instalments, by adopting any method which is appropriate in relation to the purposes which will be pursued, including: (i) the sale to be made on the market also for trading or so-called block sales (ii) transfer to Directors, employees and/or collaborators of the Company and/or subsidiaries controlled by it and/or the parent company in implementation of incentive plans; (iii) any other act of disposal, in the context of transactions in relation to which it may be appropriate to exchange or transfer share packages, also by means of an exchange or contribution, or, lastly, in the context of capital transactions involving the assignment or disposal of treasury shares (such as, by way of example, mergers, demergers, issues of convertible bonds or warrants).

Lastly, it should be noted that, pursuant to the exemption envisaged in Article 132, paragraph 3, of the Consolidated Law on Finance, the above operating procedures will not apply with regard to the purchase of treasury shares from employees of the Company, its subsidiaries or its parent company that have been assigned or subscribed to by them pursuant to Articles 2349 and 2441, paragraph 8, of the Italian Civil Code, or resulting from compensation plans that have already been approved, or that will be approved by the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Finance.

7. ADDITIONAL INFORMATION

It is herein confirmed that the purchase of treasury shares is not instrumental to the reduction of the Company's share capital.

8. PROPOSED RESOLUTION ON THE 4TH ITEM OF THE AGENDA IN THE ORDINARY PART OF THE SHAREHOLDERS' MEETING

All the above being stated, the Board of Directors invites the Shareholders' Meeting to approve the following proposed resolution:

“The Ordinary Shareholders' Meeting of Ascopiave S.p.A.:

- *Following the examination of the report of the Board of Directors drafted pursuant to Article 125-ter, Legislative Decree No. 58 dated 24 February 1998 (as amended and supplemented), Articles 73 and 84-ter as well as Schedule No. 4, Annex 3A of the Regulation adopted by Consob with Resolution No. 11971 dated 14 May 1999 (as amended and supplemented)*
- *Having acknowledged that as of 7 March 2023, the Company held a number of treasury shares equal to 17,701,578 for a nominal value of Euro 17,701,578, corresponding to 7.551% of the share capital and that the subsidiaries controlled by the Company did not hold any ordinary shares of Ascopiave S.p.A.;*
- *Taking note of the advisability of authorising the purchase and disposal of treasury shares, for the purposes and in the manner indicated in the Board of Directors' report;*

resolves

1. *to revoke, for the portion not executed, the resolution authorising the purchase of treasury shares adopted by the Shareholders' Meeting of 18 April 2023, which was scheduled to expire on 18 October 2024;*
2. *to authorise, pursuant to and for the purposes of Article 2357 of the Italian Civil Code, the purchase, on one or more occasions, of a maximum number, on a revolving basis (meaning the maximum number of treasury shares that the Company may hold from time to time in its portfolio), of no. 46,882315 ordinary shares or the different number that will represent a portion not exceeding the maximum limit of 20% of the share capital, also taking into account the shares already held by the Company and those that may be held from time to time by the Company's subsidiaries and in any case in compliance with the legal limits, in order to pursue the purposes envisaged in the Board of Directors' report and under the following terms and conditions:*
 - *the shares may be purchased until the end of the eighteenth month from the date of this resolution;*
 - *the purchase transactions may be carried out on the market, on one or more occasions and on a rotating basis, in accordance with the procedures established by the Board of Directors or the Director delegated for this purpose, in compliance with the provisions of the Board of Directors' report and in such a way as to allow compliance with the equal treatment of Shareholders pursuant to Article 132, Legislative Decree No. 58 dated 24 February 1998, with the sole exclusion of public purchase or exchange offers, taking into account the specific exemption envisaged in paragraph 3 of Article 132, Legislative Decree No. 58 dated 24 February 1998 and, in any case, by any other method envisaged by the laws and regulations in force at the time;*
 - *the unit price for the purchase of the shares shall be established on a case-by-case basis for each individual transaction, having regard to the method chosen for carrying out the transaction and in compliance with the regulatory provisions and market practices that may be applicable, provided that it may not be over 10% higher or lower than the reference price recorded by the share during the stock exchange session preceding each individual purchase transaction;*

- *the maximum outlay for the purchase of treasury shares may not exceed the amount of distributable profits and available reserves resulting from the last duly approved financial statements equal, with reference to the draft financial statements as of 31 December 2023, to €523,321,967.66;*
3. *to confirm the terms and conditions for the performance of acts of disposal, on one or more occasions, on the treasury shares held in the portfolio as a result of purchases already made, as well as on the shares that will be purchased pursuant to the authorisation granted herein, as already approved on 18 April 2023, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, and in particular*
- *the authorisation to dispose of treasury shares does not provide for specific time limits;*
 - *disposition transactions may be carried out, in one or more instalments, by means of sales to be made on the market, including by trading, or to the blocks;*
 - *by transfer to Directors, employees and/or collaborators of the Company and/or its subsidiaries and/or the parent company in implementation of incentive plans; by any other act of disposal, in the context of operations in relation to which it is appropriate to exchange or transfer share packages, also by means of an exchange or contribution, or, lastly, on the occasion of capital transactions involving the assignment or disposal of treasury shares (such as, for example, mergers, demergers, issues of convertible bonds or warrants);*
 - *the unit price for the disposal of the shares shall be established on a case-by-case basis for each individual transaction, provided that it shall not be 10% lower than the reference price recorded by on the stock exchange trading session prior to each individual disposal transaction (meaning the date on which the commitment to disposal is undertaken, regardless of the date of its execution). This minimum price limit shall not apply in the event of transfers to Directors, employees and/or collaborators of the Company and/or its subsidiaries and/or the parent company in implementation of incentive plans, as well as in the event of transactions in relation to which it is appropriate to exchange or transfer share packages, also through an exchange or contribution, or in the event of capital transactions involving the assignment or disposal of treasury shares (e.g. mergers, demergers, issues of convertible bonds or warrants);*
4. *to vest the Board of Directors, with express power of attorney, with the broadest powers necessary or appropriate to implement this resolution, also approving any and all provisions implementing the purchase programme".*

* * * * *

Pieve di Soligo (TV), 7 March 2024

On behalf of the Board of Directors
The Chairman and Chief Executive Officer
Dr. Nicola Ceconato