

GENERALFINANCE S.P.A.

ORDINARY SHAREHOLDERS' MEETING 10 APRIL 2025



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
ON THE ITEMS ON THE AGENDA**

(pursuant to article 125-ter of Italian Legislative Decree no. 58/1998, and article 84-ter of CONSOB Regulation no. 11971/1999)

**SECOND ITEM ON THE AGENDA
OF THE SHAREHOLDERS' MEETING CALLED FOR 10 APRIL 2025**

2. Remuneration:

- 2.1 Report on the remuneration policy and the remuneration paid pursuant to article 123-ter, paragraphs 3-bis and 6 of Italian Legislative Decree no. 58/98:**
 - 2.1.a First Section: report on the remuneration policy. Binding resolution;**
 - 2.1.b Second Section: report on the remuneration paid. Non-binding resolution;**
- 2.2 Incentive plan based on financial instruments *pursuant to* article 114-bis of Italian Legislative Decree no. 58/98. Inherent and consequent resolutions**

2.1 Report on the remuneration policy and the remuneration paid pursuant to article 123-ter, paragraphs 3-bis and 6 of Italian Legislative Decree no. 58/98

Dear Shareholders,

Pursuant to article 123-ter of Italian Legislative Decree no. 58/98 (the **Consolidated Law on Finance**), as amended by Italian Legislative Decree no. 49/2019 as amended, the Shareholders' Meeting called annually to approve the financial statements is required to express its opinion on the first and second sections of the Report on the Remuneration Policy and on the Remuneration Paid.

Pursuant to article 123-ter, paragraphs 3, 3-bis and 3-ter of the Consolidated Law on Finance, the first section concerns the policy of Generalfinance S.p.A. (the "**Company**") on the remuneration of members of the administrative bodies, general managers and executives with strategic responsibilities and the procedures used to adopt and implement this policy.

Pursuant to article 123-ter, paragraph 4, of the Consolidated Law on Finance, the second section relating to the members of the administration and control bodies, the general managers and the executives with strategic responsibilities, illustrates each of the items that make up the remuneration, including the payments envisaged in the event of resignation from office or termination of employment, as well as the remuneration paid to said persons in the reference year for any reason and in any form by the Company.

As expressly indicated by article 123-ter, paragraph 3-ter, of the Consolidated Law on Finance, the resolution that the Shareholders' Meeting must adopt with regard to the first section of the Remuneration Policy and on the Remuneration Paid will be binding, while, as indicated by article 123-ter, paragraph 6 of the Consolidated Law on Finance, the resolution to be adopted in relation to the second section will not be binding.

For further details, please refer to the Report on the Remuneration Policy and on the Remuneration Paid, prepared by the Board of Directors pursuant to article 123-ter of the Consolidated Law on Finance and article 84-quater of the Issuers' Regulation (as amended by Consob resolution no. 21623 of 2020, as amended) (the "**Issuers' Regulation**") according to Schedules 7-bis and 7-ter of Annex 3A of said Issuers' Regulation, which will be made available to the public within the time limit and in the manner prescribed by current legal and regulatory provisions.

2.2 Incentive plan based on financial instruments pursuant to article 114-bis of Italian Legislative Decree no. 58/98. Inherent and consequent resolutions

With reference to item 2.2 on the agenda, at the meeting of 28 February 2025, the Company's Board of Directors resolved to submit the proposal for the adoption of a new remuneration plan based on financial instruments to the Shareholders' Meeting (the "**2025–2027 long-term incentive Plan**" or "**Plan**"), with substantially similar content to that approved prior to the listing of the Company's shares on the regulated market Euronext Milan.

The contents of the Plan are illustrated in the specific "*Information document on the remuneration plan based on financial instruments*" prepared pursuant to article 114-bis of the Consolidated Law on Finance and article 84-bis of the Issuers' Regulation and made available to the public in the manner prescribed by current legislation (the "**Information Document**").

As indicated in the Information Document, the Plan identifies the Chief Executive Officer of the Company, the executives with strategic responsibilities and the managers of certain relevant *business* functions as beneficiaries.

With regard to the structure, similarly to the previous incentive plan adopted by the Company before the listing, the Plan provides:

- for the assignment to each beneficiary of the right to receive a bonus subject to the achievement and exceeding of certain access *gates*;

- that the bonus is determined according to the level of achievement of certain objectives defined by the Board of Directors on the basis of the Company's 2025-2027 business plan within a three-year accrual period, as well as the additional terms and conditions set forth in the Plan rules;
- that this bonus will be paid partly in cash and partly in the form of *phantom shares*, with the obligation to purchase (within 30 days from the date of payment of the bonus) a number of shares of the Company on the market corresponding to the amount paid by way of bonus, net of taxes and withholdings;
- that the shares thus acquired cannot be sold for a minimum period of 12 months unless authorised by the Board of Directors.

The Plan implementation period concerns the years 2025, 2026 and 2027 and the related benefits will be paid in part with the earnings relating to the first month following the approval of the financial statements for the financial year ending 31 December 2027, and in part with the earnings relating to the first month following the approval of the financial statements relating to the financial years ended as at 31 December 2028 and 31 December 2029.

By virtue of the characteristics described above, the Plan constitutes a "compensation plan based on financial instruments", pursuant to article 114-bis, paragraph 1, of the Consolidated Law on Finance. On the basis of the provisions of article 84-bis, paragraph 1, of the Issuers' Regulation. The characteristics of the Plan are described in detail in a specific Information Document prepared pursuant to Schedule 7 of Annex 3A of the Issuers' Regulation and made available to the public, together with this report, at the registered office of the Company (www.generalfinance.it, section: "Corporate Governance/Shareholders' Meeting") and on the authorised storage mechanism called "eMarket Storage" (www.emarketstorage.it), to which reference is made.

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Now therefore, the following proposal is submitted to the Shareholders for approval:

2.1.a First Section: report on the remuneration policy. Binding resolution

"The Shareholders' Meeting of Generalfinance S.p.A.:

- *whereas, pursuant to article 123-ter, paragraph 3-ter, of Italian Legislative Decree no. 58/98 as amended, the Shareholders' Meeting is required to express a binding vote on the first section of the Report on the Remuneration Policy and on the Remuneration Paid;*
- *having examined the Report on the Remuneration Policy and on the Remuneration Paid prepared by the Board of Directors pursuant to article 123-ter of Italian Legislative Decree no. 58/98 as amended and article 84-quater of CONSOB Regulation no. 11971/1999 as amended;*

RESOLVES

- (1) *to approve the first section of the Report on the Remuneration Policy and on the Remuneration Paid, prepared pursuant to article 123-ter, paragraph 3, of Italian Legislative Decree no. 58/98 as amended."*

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2.1.b Second Section: report on the remuneration paid. Non-binding resolution.

"The Shareholders' Meeting of Generalfinance S.p.A.:

- *whereas, pursuant to article 123-ter, paragraph 6, of Italian Legislative Decree no. 58/98 as amended, the Shareholders' Meeting is required to express a non-binding vote on the second section of the Report on the Remuneration Policy and on the Remuneration Paid;*

- *having examined the Report on the Remuneration Policy and on the Remuneration Paid prepared by the Board of Directors pursuant to article 123-ter of Italian Legislative Decree no. 58/98 as amended and article 84-quater of CONSOB Regulation no. 11971/1999 as amended;*

RESOLVES

- (1) *to express a favourable vote on the second section of the Report on the Remuneration Policy and on the Remuneration Paid, prepared pursuant to article 123-ter, paragraph 4, of Italian Legislative Decree no. 58/98 as amended."*

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2.2 Incentive plan based on financial instruments pursuant to article 114-bis of Italian Legislative Decree no. 58/98. Inherent and consequent resolutions

"The Shareholders' Meeting of Generalfinance S.p.A.:

- *considering that, pursuant to article 114-bis of Italian Legislative Decree no. 58/98 as amended, the Shareholders' Meeting is called to approve the incentive plans based on financial instruments;*
- *having examined the explanatory report of the Board of Directors and the information document relating to the 2025-2027 long-term incentive Plan for the management of Generalfinance S.p.A., prepared pursuant to article 84-bis, paragraph 1, of the Issuers' Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, and made available to the public in the manner and within the terms envisaged by current legislation,*

RESOLVES

- (1) *to approve the 2025-2027 long-term incentive Plan, which characteristics are described in the information document prepared pursuant to article 84-bis, paragraph 1, of the Issuers' Regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, and made available to the public at the registered office, in the section of the Company's website (www.generalfinance.it) dedicated to this Shareholders' Meeting and on the authorised storage mechanism called "eMarket Storage" (www.emarketstorage.it);*
- (2) *to assign the Board of Directors, with the right to sub-delegate, all the powers necessary for the concrete enforcement of the aforementioned 2025-2027 long-term incentive Plan, to be exercised in compliance with the provisions of the related information document. To this end, the Board of Directors or any person it may nominate may do anything that is appropriate or necessary in order to implement the 2025-2027 long-term incentive Plan, in compliance with the applicable regulatory provisions, including but not limited to the identification of the recipients of said Plan and the approval of the implementation regulation of the Plan and any amendments thereto.*

Milan, 1 March 2025.

On behalf of the Board of Directors
The Chairperson
Maurizio Dallochio