

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 Art. 125-ter of Italian Legislative Decree No. 58/1998, and Art. 84-ter of Consob Regulation No. 11971/1999)

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

- 3. Renewal of the Board of Directors:**
 - 3.1. Determination of the number of directors;**
 - 3.2. Determination of the term of office of the directors;**
 - 3.3. Appointment of the members of the Board of Directors;**
 - 3.4. Appointment of the Chairperson of the Board of Directors;**
 - 3.5. Determination of the remuneration of the directors.**

3. Renewal of the Board of Directors:

Dear Shareholders,

the approval of the financial statements for the year ended 31 December 2024 marks the expiry of the mandate granted to the Board of Directors of your Company by the Ordinary Shareholders' Meeting of 8 March 2022; therefore, the proposed appointment of the new Board of Directors, based on the prior determination of the number of members and their relevant term of office, the appointment of the Board's Chairperson as well as the determination of the remuneration of the Board members, is submitted to your attention.

3.1 Determination of the number of directors

In this regard, it should be noted that, pursuant to Art. 14 of the Articles of Association, the Company is administered by a Board of Directors composed of no less than 5 (five) members and no more than 9 (nine) members. The Shareholders' Meeting determines the actual number of members of the Board of Directors on each occasion, before their appointment.

In light of the above, it is proposed that 9 directors be appointed, including the Chairperson.

3.2 Determination of the term of office of the directors

It should also be noted that the same article of the Articles of Association sets forth that the Directors shall remain in office for the period established by the shareholders' meeting appointment resolution, up to a maximum of 3 (three) years and the expiry of their mandate coincides with the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their office (except in the cases of termination and forfeiture provided for by law and by the Articles of Association). The Directors can be re-elected when their term of office expires.

In light of the above, it is proposed that the directors' term of office be set at 3 (three) financial years.

3.3 Appointment of the members of the Board of Directors

Presentation of lists

It should be noted that, pursuant to Art. 15 of the Articles of Association, the Board of Directors is appointed on the basis of lists, as specified below.

Shareholders who, at the time of submission of the list, are holders - alone or together with other submitting shareholders - of a stake of at least equal to 2.5% of the share capital, as determined by Consob pursuant to the applicable legislative and regulatory provisions, have the right to present lists.

Each list submitted must:

- contain the names, marked by a sequential number, of a number of candidates not exceeding 9 (nine).
- each list that presents a number of candidates of 2 or more must also include at least 2 candidates who meet the independence requirements prescribed by law or the applicable regulatory provisions (including therein the market regulations of Borsa Italiana S.p.A. and the codes of conduct regarding corporate governance drafted by regulated market management companies or the trade associations that the Company is a member of) and one of said candidates must be put in first place on the list;
- each list with at least 3 (three) candidates cannot be composed solely of candidates from the same gender (male and female); each list must include a number of candidates from the less

represented gender to ensure that the final composition of the Board of Directors respects the legal and regulatory provisions in force governing gender balance (male and female); in particular, the less represented gender must make up at least two fifths of the elected directors.

It should also be noted that each candidate can only appear on one list, under penalty of ineligibility and that each shareholder, as well as the shareholders participating in a relevant shareholders' agreement in accordance with Art. 122 of the Consolidated Law on Finance, the parent company, the subsidiaries and those subject to common control and other entities between whom relationships are in place, including indirect, pursuant to the legislation and regulations in force, cannot present – or contribute to the presentation, either through third parties or trust – of more than one list, nor vote on different lists. Acceptances and votes expressed in violation of said prohibition shall not be allocated to any list.

Together with the presentation of the lists and within the deadline for filing them, all the declarations, certifications or documents required by the regulations in force and by the Articles of Association must be filed, and therefore:

- information relating to the shareholders who presented the list and their percentage shareholding;
- a declaration of the shareholders other than those who hold, even jointly, a controlling interest or relative majority, certifying the absence of relationships (as regards this point, see the recommendations formulated by Consob with communication no. DEM/9017893 of 26 February 2009), including indirectly, pursuant to the legislation and regulations in force from time to time, with the latter;
- the *curriculum vitae* of the candidates as well as a declaration in which each candidate certifies, under their own responsibility, that there are no grounds for ineligibility and incompatibility and that the requirements to fulfil office required by the legislation in force applicable to financial intermediaries are satisfied (see, in particular, the provisions set out in Ministerial Decree no. 169/2020);
- the declaration of each candidate made pursuant to art. 2383, paragraph 1, second sentence, of the civil code;
- a disclosure relating to the candidates and any indication of suitability to be qualified as independent pursuant to the legislation and regulations in force from time to time and applicable and/or the codes of conduct regarding corporate governance drafted by regulated market management companies or the trade associations that the Company is a member of;
- the declaration in which each candidate accepts his/her candidacy;
- any other additional or different declaration, disclosure and/or document required by the legislation and regulations in force on each occasion.
- copy of the communication pursuant to Art. 43 of the Single Provision on post-trading of Consob and Bank of Italy of 13 August 2018 (and subsequent amendments, including those approved by Consob and the Bank of Italy on 10 October 2022) and Art. 83-sexies of the Consolidated Law on Finance and the relative implementing rules (the "**Communication**") or declaration of commitment to transmit the Communication in question within the deadline for publication of the lists;
- the communication from each candidate regarding the election of their digital domicile.

In the event of non-fulfilment of said obligations, the list is considered as not having been presented. Any changes that should be verified until the day of actual conduct of the shareholders' meeting are promptly communicated to the Company.

The lists, together with the related documentation required by current legislation and the Articles of Association, must be signed by the shareholders and filed, under penalty of forfeiture, by midnight on

17 March 2025 ⁽¹⁾ pursuant to Art. 147- *ter*, paragraph 1-*bis*, of the Consolidated Law on Finance) with the following methods (alternating between them):

- filing at the registered office of Generalfinance, Via Giorgio Stephenson, 43/A, Milan on working days from 9:00 a.m. to 17:00 p.m.; or
- transmission by certified e-mail, to the following certified e-mail address generalfinance@pec.it, attaching the documents in pdf format.

There is no publicity responsibility for the Shareholder, as Generalfinance is obliged to make the information relating to the lists duly submitted available to the public. In particular, the lists of candidates that have been duly submitted will be made available to the public by 20 March 2025 (at least 21 days before the date of the Shareholders' Meeting pursuant to Art. 147-*ter*, paragraph 1-*bis*, Consolidated Law on Finance), by Generalfinance at the registered office of Generalfinance, on its website (www.generalfinance.it, section "Corporate Governance / Shareholders' Meeting") and on the website of the authorised storage mechanism, "eMarket Storage" www.emarketstorage.com and with the other methods indicated in the notice of call of the Shareholders' Meeting.

Election

Pursuant to Art. 16 of the Articles of Association, the Board of Directors will be elected as specified below.

Each party entitled to vote can vote on only one list. The vote of each shareholder will concern the list and, therefore, all candidates indicated therein, with no possibility of variations or exclusions. The votes expressed in violation of said prohibition shall not be allocated to any list.

The candidates will be elected from the lists that obtained the highest number of votes according to the following criteria:

- all Directors to be elected, minus one, are drawn from the list which obtained the highest number of votes ("**Majority List**"), based on the sequential number with which they were listed;
- from the second list that received the highest number of votes and which is not connected, not even indirectly with the shareholders who presented, or with those who voted the Majority List (the "**Minority List**"), one Director will be taken, in the person of the candidate indicated with the first number on said list.

In the event of a tied vote between the lists, the shareholders' meeting will conduct a new vote, resolving according to the legal majorities, exclusively with regard to the tied lists, with the list which received the highest number of votes prevailing.

If, according to the methods indicated above, the provisions governing the independence requirements are not respected, the following steps are taken: the candidate who does not meet the independence requirements established according to the legislation and regulations in force from time to time, applicable to the independent Directors elected last in sequential order from the Majority List, he/she shall be replaced by the first candidate who meets the independence requirements established according to the legislation and regulations in force from time to time, applicable to the independent Directors not elected from said list, according to sequential order. If said procedure does not ensure the presence of the necessary number of Directors who meet the independence requirements established according to the legislation and regulations in force from time to time, applicable to the Independent Directors, the replacement shall be made by means of a resolution passed by the shareholders' meeting according to the legal majorities, based on prior presentation of the applications of the individuals who meet the aforementioned independence requirements, without the application of the list voting mechanism.

If, using the methods indicated above, the provisions governing gender balance set forth in Art. 15, paragraph 7 of the Articles of Association are not respected, the candidates from the most represented gender elected last in sequential order from the Majority List are replaced with the first unelected candidates taken from the same list, belonging to the other gender; in the event in which it is not possible to implement said replacement procedure, in order to guarantee compliance with the provisions

⁽¹⁾ The twenty-fifth day prior to that scheduled for the Shareholders' Meeting would fall on Sunday 16 March 2025, therefore the term must expire on Monday 17 March 2025, the first subsequent business day.

established above regarding the distribution between genders, the missing directors will be elected by the shareholders' meeting according to the legal methods and majorities, based on prior presentation of the applications of the individuals from the less represented gender, without the application of the list voting mechanism.

Nonetheless, account will not be taken of lists that have not obtained a percentage of votes of at least equal to half of that needed to present said lists.

If only one list has been presented, the Shareholders' Meeting will express its vote on that and if it obtains a relative majority, the candidates listed in sequential order shall be elected Directors, up to the number established by the Shareholders' Meeting, without prejudice to the obligation to appoint a number of independent Directors pursuant to Art. 147-ter of the Consolidated Law on Finance equal to the minimum number established by the Articles of Association, the law and the provisions, including regulatory, in force from time to time, as well as to respect the gender balance requirement. If the minimum number of Directors belonging to the less represented gender and independent established by these Articles of Association and the legal and regulatory provisions in force from time to time, is not elected, the Shareholders' Meeting shall replace the Directors marked by the lowest sequential number and who do not meet the requirement(s) in question, by appointing the next candidates who meet the necessary requirement(s), choosing them from the only list presented. If, also by applying said replacement criterion, suitable replacements are not identified, the Shareholders' Meeting shall resolve in accordance with the legal majorities. In said scenario, the replacements shall be made starting from the candidates marked by the lowest sequential number.

If the number of candidates inserted in the Majority List and the Minority List is lower than the number of Directors to be elected, the remaining Directors are elected by the shareholders' meeting according to the legal majorities, without prejudice to the obligation of appointment, by the shareholders' meeting, of a number of independent Directors belonging to the less represented gender of no less than the minimum number established by the Articles of Association, the provisions and regulations in force (i.e. equal to two fifths of the elected directors). All Directors will be appointed based on the same methods and majorities also in the event in which no list is presented.

In light of the above, the Shareholders' Meeting is called upon to express its opinion on the appointment of the new members of the administrative body.

3.4 Appointment of the Chairperson of the Board of Directors

It should be noted that, pursuant to Art. 19 of the Articles of Association, the Shareholders' Meeting has the power to appoint the Chairperson of the Board of Directors, without prejudice to the possibility - in the absence of a shareholders' resolution - for the Board of Directors to take the decision.

In light of the above, after the election of the members of the Board of Directors, the Shareholders' Meeting is called upon to vote for the Chairperson.

3.5 Determination of the remuneration of the directors

With reference to the determination of the remuneration, it should be noted that, pursuant to Art. 20 of the Articles of Association, the remuneration due to the members of the Board of Directors is determined by the Shareholders' Meeting and that the Directors are entitled to the reimbursement of the expenses incurred in exercising their office.

The remuneration of Directors holding special offices pursuant to these Articles of Association is established by the Board of Directors, having consulted the Board of Statutory Auditors.

The shareholders' meeting can, however, determine a total amount for the remuneration of all directors including those holding special offices. Within the limits of said compensation established at the

shareholders' meeting, the emolument due to each Director is determined by the Board of Directors, taking account of the offices and the powers entrusted to them.

Given the above, it is proposed that the remuneration of all directors, including those holding special offices, be determined for the entire duration of their office, equal to a total maximum amount of up to Euro 1,500,000.00 (one million five hundred thousand/00 comma zero zero) per annum (gross), to be divided among the individual members of the Board of Directors, based on the latter's decision, it being understood that each director will be assigned a fixed fee for this office of Euro 15,000.00 (fifteen thousand comma zero zero) per annum (gross), in addition to the reimbursement of expenses incurred for the exercise of the relative functions and without considering the variable remuneration deriving from the incentive plans that may be approved by the Company.

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In light of all the above:

- with reference to points 3.1, 3.2 and 3.5 on the agenda, the following proposed resolutions are therefore submitted to the Shareholders for approval; and
- the Shareholders are invited to resolve on the appointment of the members of the Board of Directors, expressing their preference for one of the lists prepared, filed and published in compliance with the above provisions, without prejudice to the fact that the texts of the shareholders' meeting resolutions relating to points 3.3 and 3.4 on the agenda will reflect the outcome of the vote.

3.1 Determination of the number of members of the Board of Directors;

"The Ordinary Shareholders' Meeting of Generalfinance S.p.A.,
- having regard to the Report of the Board of Directors;

RESOLVES

to determine the number of members of the Board of Directors at 9 (nine)."

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3.2 Determination of the term of office;

"The Ordinary Shareholders' Meeting of Generalfinance S.p.A.,
- having regard to the Report of the Board of Directors;

RESOLVES

to determine that the members of the Board of Directors will remain in office for three financial years, and therefore until the date of Shareholders' Meeting called to approve the financial statements as at 31 December 2027."

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3.5 Determination of the remuneration.

"The Ordinary Shareholders' Meeting of Generalfinance S.p.A.,

- *having regard to the Report of the Board of Directors;*

RESOLVES

to determine the remuneration of all directors, including those holding special offices, for the entire duration of their office, of a total maximum amount of up to Euro 1,500,000.00 (one million five hundred thousand comma zero zero) per annum (gross), to be divided among the individual members of the Board of Directors, based on the latter's decision, it being understood that each director will be assigned a fixed fee for this office of Euro 15,000.00 (fifteen thousand comma zero zero) per annum (gross), in addition to the reimbursement of expenses incurred for the exercise of the relative functions and without considering the variable remuneration deriving from the incentive plans that may be approved by the Company".

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Milan, 1st March 2025

On behalf of the Board of Directors
The Chairman
Maurizio Dallochio