



**General Meeting of Shareholders**

**28 October 2020 (single call) at 9.00 a.m.**

**Directors' explanatory report on the third item on the agenda of the Ordinary Shareholders' meeting: "Appointment of the Board of Directors"**

### **Item no. 3 on the agenda**

#### ***“Appointment of the Board of Directors:***

***3.1 determination of the number of members of the Board of Directors;***

***3.2 determination of the term of the office of the Board of Directors;***

***3.3 appointment of the Directors;***

***3.4 appointment of the Chairman of the Board of Directors;***

***3.5 determination of the annual remuneration of the members of the Board of Directors.”***

Dear Shareholders,

with the Shareholders’ meeting approval of the financial statements as of June 30, 2020, the term of the office of the Board of Directors will expire.

Therefore, You are convened at the ordinary meeting to discuss and resolve on the appointment of the new Board of Directors. In particular, You have been convened for: (i) the determination of the number of members of the Board of Directors, (ii) the determination of the term of the office of the Board of Directors, (iii) the appointment of the Directors, (iv) the appointment of the Chairman of the Board of Directors; (v) the determination of the annual remuneration of the members of the Board of Directors.

Taking into account the recommendations of the Corporate Governance Code and the assessments made following to the annual self-assessment process, the Board of Directors (i) on February 28, 2019, adopted the “Diversity Policy of the Board of Directors of Digital Bros S.p.A.”, in accordance with the provisions of art. 123-bis, paragraph 2, letter d-bis) of Legislative Decree no. 58 of February 24, 1998 and (ii) on September 16, 2020, following the assessment of the Nomination and Remuneration Committee, approved the guidance opinion on the qualitative and quantitative composition that the Board of Directors of the Company should have. The Diversity Policy and the guidelines of the outgoing Board of Directors, published under section “Governance/Shareholders’ Meeting” of the Company’ website [www.digitalbros.com](http://www.digitalbros.com), reflect the view concerning the size and composition of the management body, which the Shareholders of the Company are invited to consider in view of the renewal of such body.

The Shareholders’ Meeting is therefore invited to appoint a new Board of Directors within the terms and provisions of art. 16 of the Company’ By-Laws (the “By-laws”).

It is hereby reminded that pursuant to art. 16 of the By-laws, the Shareholders’ meeting shall appoint a Board of Directors composed by not less than 5 members and not more than 11 members and shall determine the number of its members within the above limits. The outgoing Board of Directors does not make any specific proposal and invite the Shareholders’ meeting to determine the number of members on proposals by Shareholders, within the provided statutory limits.

It is hereby reminded that the appointment of the Board of Directors by the Shareholders’ Meeting shall take place with the presentation of slates of candidates, in compliance with the rules in effect from time

to time with regard to gender balance by (i) filing in hand to the Company's registered office in Via Tortona 37 – Milano, during ordinary business hours, or by (ii) certified electronic mail to the address [digital-bros@registerpec.it](mailto:digital-bros@registerpec.it).

Only Shareholders holding, individually or jointly with other Shareholders, at least 4.5% of the Company's share capital are entitled to submit slates, as established by the Consob resolution no. 35 issued on July 16, 2020. Slates containing three or more candidates must include candidates belonging to both genders so that at least a number (rounded up) of the candidates at least equal to the percentage compliant with provisions belongs to the less represented gender. As specified by CONSOB (Communication No. 1/20 of 30 January 2020) the rounding-up criterion provided for in art. 144-undecies, paragraph 3, of the Consolidated Law on Finance is inapplicable to company bodies composed of three members due to arithmetic impossibility. Accordingly, in such cases, CONSOB considers the rounding-down criterion to be in line with the new rules.

Each Shareholder may submit or participate in the submission of one and only list. The slates of candidates must be filed by the Shareholder or by the Shareholders at the registered office of the Company at least 25 calendar days prior to the date on which the Shareholders' Meeting is convened. The ownership of the minimum capital share necessary in order to present slates, in the percentage referred to above, is ascertained on the basis of the shares registered in the Shareholder's name at the date on which the slates are filed with Company. The relative evidence of ownership may be provided also after the filing of the slates, but in any case within the term provided by the Company for the publishing of the slates. The lists for which the provisions recalled above are not complied with are to be considered as not submitted. If the candidates elected per the above procedure do not lead to a composition of the Board of Directors that is compliant with applicable gender balance provisions, the candidate of the more represented gender elected as the last in sequential order in the majority list will be replaced by the first candidate of the less represented gender not elected from the majority list according to the sequential order. This procedure will be applied until the composition of the Board of Directors is compliant with applicable gender balance provisions. If the foregoing procedure does not lead to a composition of the Board of Directors that is compliant with applicable gender balance provisions, the last substitution will be made by resolution passed by the Shareholders' Meeting by relative majority, following the nomination of candidates of the less represented gender.

You are invited to appoint the Chairman of the Board of Directors; if failed to do so, the Board of Directors will elect the Chairman from among its members.

The Board of Directors recommends that the Shareholders interested in the appointment of the new Board of Directors submit such slates in the modes and within the statutory terms mentioned above.

You are also invited to determine the remuneration of the Board of Directors. It is hereby reminded that pursuant to art. 23 of the By-laws, Directors are entitled to be refunded of the expenses incurred

for the exercise of their office. The Shareholders' meeting of October 28, 2017 resolved to attribute to the Board of Directors an annual total gross compensation of Euro 1,150,000 for each financial year.

Milan, 16 September 2020

**DIGITAL BROS S.P.A.**  
**CHAIRMAN OF THE BOARD OF DIRECTORS**  
**signed ABRAMO GALANTE**

*Please note that the Italian original version shall always prevail in case of any discrepancy or inconsistency between Italian version and its English translation*