



PIOVAN S.p.A.

Registered office in Santa Maria di Sala (VE), 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 April 29, 2021, in single call.

Piovan S.p.A.

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Point 1 of the Agenda

1. Separate and Consolidated Financial Statements at December 31, 2020.

1.1 Approval of the Separate Financial Statements of Piovan S.p.A. at December 31, 2020 and presentation of the Consolidated Financial Statements at December 31, 2020 accompanied by the Board of Directors' Report on Operations, the Board of Statutory Auditors' Report and the Independent Auditors' Reports; resolutions thereon. Presentation of the Consolidated Non-Financial Report prepared pursuant to Legislative Decree No. 254/2016. Resolutions thereon.

1.2. Allocation of the profit for the year ended December 31, 2020. Resolutions thereon.

Dear Shareholders,

We submit for your approval the Separate Financial Statements at December 31, 2020, approved by the Board of Directors of Piovan S.p.A. ("**Piovan**" or the "**Company**") on March 19, 2021, and the allocation of the 2020 result.

Specifically, the financial year as at December 31, 2020 ended with a net profit for Piovan S.p.A. of Euro 10,448,148, which we propose to allocate as follows:

- to distribute as dividends totaling Euro 6,620,809, amounting to Euro 0.13 for each share with profit rights, excluding therefore treasury shares held by the Company in compliance with Article 2357-ter, paragraph 2 of the Civil Code;
- to allocate the remainder, equal to Euro 3.827.339, to the extraordinary reserve.

The dividend shall be paid out from May 12, 2021, with coupon date of May 10, 2021 and record date of May 11, 2021.

For all information and detailed comments on the Financial Statements and the allocation of the result for the year, please see the Annual Financial Report, including the Draft Separate Financial Statements and Consolidated Financial Statements as at December 31, 2020, approved by the Board of Directors on March 19, 2021, the Directors' Report on Operations, the certification pursuant to Article 154-bis, paragraph 5, of Legislative Decree no. 58 of February 24, 1998, which will be filed and made available to the public, together with the Board of Statutory Auditors' Report and the Independent Auditors' Report and the consolidated statement containing non-financial information (the "**Consolidated Non-Financial Report**" or "**NFR**") pursuant to Legislative Decree no. 254 of December 30, 2016, in accordance with the terms and in the manner required by law.

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Considering the above, and referring you to the Annual Financial Report for further information, we present for your approval the following

Motion:

“With reference to the first point on the agenda, the Ordinary Shareholders’ Meeting of Piovan S.p.A.,

- *having heard and approved the information set out by the Board of Directors;*
- *having reviewed the Draft Separate Financial Statements of Piovan S.p.A. at December 31, 2020 and the Directors’ Report on Operations, and having noted that Piovan S.p.A.’s Financial Statements at December 31, 2020 report available and distributable reserves, which allow for the distribution of dividends as proposed;*
- *having noted the Board of Statutory Auditors’ Report and the Independent Auditors’ Report;*

resolves

1. *to approve the Separate Financial Statements of Piovan S.p.A. at December 31, 2020;*
2. *to allocate the net profit of Piovan S.p.A., equal to Euro 10,448,148 as follows:*
 - *distribute as dividends totaling Euro 6,620,809, amounting to Euro 0.13 for each share with profit rights, excluding therefore treasury shares held by the Company in compliance with Article 2357-ter, paragraph 2 of the Civil Code;*
 - *to allocate the remainder, equal to Euro 3.827.339, to the extraordinary reserve.*
3. *to pay out the dividend on May 12, 2021, with coupon date of May 10, 2021 and record date of May 11, 2021;*
4. *to grant to the Chairperson of the Board of Directors, also through special powers of attorney, mandate to complete all such activities, regarding, consequent or related to implementation of the aforementioned motions.”*

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Point 2 of the Agenda:

2. Report on the policy regarding remuneration and fees paid pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree No. 58/98:

2.1 Binding motion on Section I regarding the remuneration policy, drawn up pursuant to Article 123-ter, paragraph 3 of Legislative Decree No. 58/1998;

2.2 Non-binding motion on Section II on fees paid, drawn up pursuant to Article 123-ter, paragraph 4 of Legislative Decree No. 58/1998.

Dear Shareholders,

as per Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree No. 58 of February 24, 1998 (“CFA”), the Shareholders’ Meeting called annually for the approval of the Separate Financial Statements is required to vote in favor or against:

(i) on the first section of Report on the policy regarding remuneration and fees paid (the “**Remuneration Report**”) regarding the Company’s policy and on the remuneration of members of the Board of Directors, of General Managers and of Managers with strategic responsibilities, and, without prejudice to Article 2402 of the Civil Code, of the members of the control bodies, as well as the procedures utilized for the adoption and implementation of this policy. It is noted that this motion, as per Article 123-ter, paragraph 3-ter of the CFA, is binding;

(ii) on the second section of the Remuneration Report, which provides, in particular, sufficient information on each of the items comprising remuneration of the above mentioned persons and analyses the fees paid during the financial year in any form by the Company and its subsidiaries or associated companies. It is noted that this motion, as per Article 123-ter, paragraph 6-ter of the CFA, is non-binding;

For further information, see the Remuneration Report prepared by the Board of Directors pursuant to Article 123-ter of the CFA and Article 84-*quater* of Consob Regulation No. 11971/1999 (the “**Issuers’ Regulation**”), which will be made available to the public in accordance with the methods and conditions set out by the law.

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Considering that stated above, the Board of Directors submits for your approval the following:

Motion:

“The Ordinary Shareholders’ Meeting of Piovan S.p.A.,

- *in consideration of Articles 123-ter of Legislative Decree No. 58 of February 24, 1998 and 84-quater of Consob Regulation No. 11971/1999;*
- *having noted the Report on the policy regarding remuneration and fees paid prepared by the Board of Directors;*

resolves

1. *to approve the first section of the Report on the policy regarding remuneration and fees paid drawn up by the Board of Directors;*
2. *to express a favorable opinion on the second section of the Report on the policy regarding remuneration and fees paid, drawn up by the Board of Directors.”*

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Point 3 of the Agenda:

3. Appointment of the Board of Directors

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

3.2 Determination of the duration of the mandate of the Board of 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 total remuneration of the Board of Directors.

Dear Shareholders,

the approval of the Separate Financial Statements at December 31, 2020 concludes the mandate of the Board of Directors appointed in three progressive phases, as follows:

- (i) on June 29, 2018, the Ordinary Shareholders' Meeting of the Company appointed a Board of Directors comprising four members (Nicola Piovan, Filippo Zuppichin, Marco Milani and Lucia Giancaspro);
- (ii) on September 14, 2018, the Ordinary Shareholders' Meeting of the Company appointed Marco Maria Fumagalli, Marco Stevanato and Chiara Mio as new members of the Board of Directors, with efficacy subject to the date of the start of trading (October 19, 2018).
- (iii) on May 12, 2020, Marco Milani tendered his resignation from the position of Director of the Company with effect from May 14, 2020. In replacement of the resigning Director, on May 14, 2020, in accordance with Article 2386 of the Civil Code and Article 14.4 of the By-Laws (the "**By-Laws**"), Mr. Mario Cesari was co-opted, as subsequently confirmed by the Shareholders' Meeting of October 13, 2020, until the natural conclusion of the mandate of the Board of Directors.

The Shareholders' Meeting 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 to which its members are entitled.

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.piovangroup.com in the "*Corporate Governance / Corporate Documents*" section. This 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

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with the relevant legal and regulatory provisions and the provisions of the Corporate Governance Code.

The outgoing Board of Directors of the Company was composed as follows:

- Nicola Piovan, Executive Chairperson
- Filippo Zuppichin, Chief Executive Officer
- Mario Cesari, Independent Director
- Marco Maria Fumagalli, Independent Director
- Lucia Giancaspro, Independent Director
- Chiara Mio, Independent Director
- Marco Stevanato, Director

Establishment 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. Before appointing a new Board, the Shareholders' Meeting 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.

Establishment 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 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.

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.

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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, since this is the first renewal of the Board of Directors following listing, 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 one-fifth of the Directors and Statutory Auditors must belong to the under-represented gender (instead of the two-fifths criterion introduced by the 2020 Budget Law (Law no. 160 of December 27, 2019)).

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. 44 of January 29, 2021 "*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.

Those with voting rights may vote on only one slate.

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

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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 *pro tempore* 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 a composition of the Board of Directors in accordance with regulations is achieved, 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 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 April 4, 2021, by one of the following methods:

- (i) delivery by hand to the registered office of the Company, located in Via delle Industrie 16, Santa Maria di Sala (VE), between 9:00 a.m. and 5:00 p.m.

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- (ii) certified e-mail to the address piovanspa@legalmail.it

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 April 8, 2021).

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) 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.

Shareholders presenting a "Minority Slate" are also governed by Consob communication No. DEM/9017893 of February 26, 2009.

The Board of Directors therefore invites 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.piovangroup.com "Corporate Governance/Shareholders' Meetings" section, and on the authorized storage mechanism "1info" at least 21 days before the Shareholders' Meeting (i.e. April 8, 2021).

Appointment of the Chairperson of the Board of Directors.

The Board of Directors also indicates 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.

Establishment of the overall remuneration for the members of the Board of Directors.

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Finally, the Shareholders' Meeting is called to establish the remuneration to be paid to the Board of Directors.

When appointing the Board of Directors on September 14, 2018, the Ordinary Shareholders' Meeting of the Company resolved to set the total remuneration assigned to the Board at Euro 1,350,000.00, and stipulated that this be distributed internally by the Board of Directors.

In accordance with Article 23 of the By-Laws, the remuneration of Senior Directors 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 established by the Shareholders' Meeting.

The outgoing 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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On the basis of the above, the Board of Directors invites you to resolve upon the following:

- a) determination of the number of members of the Board of Directors;
- b) determination of the duration of the mandate of the Board of Directors;
- c) appointment of the members of the Board of Directors;
- d) appointment of the Chairperson;
- e) determination of the total remuneration of the members of the Board of Directors,

and indicates its proposals below:

- with reference to the determination of the number of members of the Board of Directors, we propose that you set the number of Directors at 7 (seven);
- with reference to the determination of the duration of the mandate of the Board of Directors, we propose that you set the duration at three years, and therefore until the Shareholders' Meeting called to approve the financial statements at December 31, 2023.

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In view of the above, and in view of the procedures for the Shareholders' Meeting (with regard to which reference should be made to the notice of call published on the Company's website), we suggest to those entitled to submit slates that, when submitting such slates, they should also make any additional proposals concerning the remuneration of the members of the body and the Chairperson.

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Point 4 of the Agenda

4. Appointment of the Board of Statutory Auditors for the three-year period 2021-2023:

4.1 Appointment of three Statutory Auditors and two Alternate Auditors for the three-year period 2021-2022-2023;

4.2 Appointment of the Chairperson of the Board of Statutory Auditors;

4.3 Determination of the remuneration of Statutory Auditors.

Dear Shareholders,

we draw your attention to the fact that, the approval of the Separate Financial Statements at December 31, 2020 concludes the mandate of the Board of Statutory Auditors initially appointed by the Shareholders' Meeting of September 14, 2018 and subsequently amended in terms of its composition following the resignation of the Chairperson of the Board of Statutory Auditors in office at September 25, 2018.

The Shareholders' Meeting is therefore called to discuss and consider the appointment of the new Board of Statutory Auditors and, specifically (i) the appointment of the members, and in particular of three Statutory Auditors and two Alternate Auditors, (ii) the appointment of the Chairperson of this body and (iii) determination of the remuneration for the Statutory Auditors.

The outgoing Board of Statutory Auditors of the Company was composed as follows:

- Carmen Pezzuto, Chairperson
- Luca Bassan, Statutory Auditor
- Patrizia Santonocito, Statutory Auditor
- Kristian Sartor, Alternate Auditor
- Stefania Targa, Alternate Auditor

Pursuant to Article 25 of the By-Laws, the Board of Statutory Auditors must be composed of three Statutory Auditors and two Alternate Auditors, who remain in office for three years and may be re-elected.

Appointment of three Statutory Auditors and two Alternate Auditors for the three-year period 2021-2022-2023.

The Board of Statutory Auditors is appointed according to the slate voting method, as set out in the procedure presented in Article 25 of the By-Laws and outlined below.

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Persons who exceed the limits for the accumulation of offices, or for whom there are grounds for ineligibility or disqualification, or who do not comply with the requirements of integrity and professionalism established by current legislation and regulations, cannot be elected as Auditors and, if elected, lapse from office. For the purposes of Article 1, paragraph 2, letters b) and c) of Ministry of Justice Decree No. 162 of March 30, 2000, which lays down the requirements of professionalism and honourableness, subjects relating to the Company's sectors of activity are deemed to be strictly related to the Company's business, as are subjects relating to private law, administration, taxation, economics and finance, and those relating to the economy, organization and corporate finance.

Statutory Auditors and Alternate Auditors are appointed by the Shareholders' Meeting, in compliance with the applicable *pro tempore* rules concerning gender balance, on the basis of slates, presented by shareholders in accordance with the applicable legal and regulatory framework, on which the candidates must be listed by means of a progressive number and must not exceed the number of members of the Board to be elected. Each slate is to comprise two sections: one for the appointment of Statutory Auditors and the other for the appointment of Alternate Auditors. The first candidates in each section are to be identified from among the Auditors enrolled in the special register referred to in Article 2397 of the Civil Code.

Slates that include a total 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. Reference should be made to the information regarding the Board of Directors in relation to the changes introduced by the 2020 Budget Law (Law No. 160 of December 27, 2019) with reference to the regulations on the subject of gender balance in the management and control bodies of listed companies.

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. 44 of January 29, 2021 "*Publication of the shareholding required to submit slates of candidates for the election of management and control bodies*") are entitled to submit slates. 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.

Applicable legal and regulatory provisions shall apply for the presentation, filing and publication of slates. The slates comprise two sections: one for candidates for the position of Statutory Auditor and the other for the position of Alternate Auditor. Those with voting rights may vote on only one slate.

The procedure for electing Statutory Auditors is as follows:

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- (a) from the slate obtaining the highest number of votes in the Shareholders' Meeting, and based on the progressive order in which they are listed in the sections of the slate, 2 (two) Statutory Auditors and 1 (one) Alternate Auditor are elected;
- (b) from the second slate obtaining the highest number of votes in the Shareholders' Meeting (the "Minority Slate") and which is not related in any manner, even indirectly, with the Shareholders who presented or voted on the slate with the highest number of votes, and based on the progressive order in which they are listed in the sections of the slate, the remaining Statutory Auditor - who will assume the office of Chairperson of the Board of Statutory Auditors - and the other Alternate Auditor are elected. Where more than one Minority Slate has obtained the same number of votes, the eldest slate candidate is elected as Statutory Auditor and Alternate Auditor.
- (c) In the event that only one slate is presented, the whole Board of Statutory Auditors is elected from this slate if it obtains the approval of the simple majority of votes.

Where the above procedures do not ensure the composition of the Board of Statutory Auditors, for the appointment of the standing members, in accordance with the current *pro tempore* provisions relating to gender equality, within the slate which attracted the highest number of votes the necessary substitutions of candidates elected to the roles of Statutory Auditor is made, according to the progressive order in which the candidates were elected.

Where his/her legal and statutory requisites no longer exist, the Statutory Auditor must leave office. In the case of replacement of a Statutory Auditor, the Alternate Auditor belonging to the same slate replaces him/her, or in the case of the resignation of the Minority Statutory Auditor, the next candidate on the same slate replaces him/her or the first candidate of the Minority Slate which obtain the second highest number of votes.

The Chairperson of the Board of Statutory Auditors will always be the candidate elected as Minority Statutory Auditor and the composition of the Board of Statutory Auditors must comply with the *pro tempore* regulations concerning gender equality.

Where the Shareholders' Meeting is required to appoint Statutory and/or Alternative Auditors necessary to integrate the Board of Statutory Auditors the following procedures apply: where Auditors elected from slate receiving most votes (the "Majority Slate") are to be replaced, the appointment is made with the favorable votes of a relative majority without being tied to a slate; where instead Auditors elected from the Minority Slate are to be replaced, the Shareholders' Meeting replaces them with the favorable votes of a relative majority, choosing where possible from among the candidates on the slate from which the Auditor to be replaced was elected or, if not possible, from the Minority Slate which achieved the second highest number of votes.

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Where the application of these procedures does not permit, for any reason, the replacement of the Minority Statutory Auditors, the Shareholders' Meeting votes in accordance with the relative majority, following the presentation of candidacies by shareholders who, alone or with others, hold shares with voting rights representing at least the above-mentioned percentage in relation to the procedure for the presentation of slates; however, the results of this latter vote will not include the votes of shareholders that, according to the communications received pursuant to current regulations, hold, even indirectly or together with other shareholders through a shareholders' agreement, in accordance with Article 122 of the CFA, the majority of voting rights in a Shareholders' Meeting, as well as shareholders that control, are controlled or are subject to joint control of the same. The replacement procedures must in every case ensure compliance with applicable *pro tempore* regulations concerning gender equality.

* * *

With regards to the methods to present slates for the election of the new Statutory Auditors, the slates of candidates should be filed, by Shareholders, by April 4, 2021, according to one of the following methods:

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

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 also be produced 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 April 8, 2021).

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) 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

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candidate, including information on positions of administration and control they hold in other companies;

- (iii) a statement by the shareholders who have submitted the slate and are not those who hold, including jointly, a controlling or relative majority interest, certifying the absence or presence of relations with the latter as set out in Article 144-*quinquies* of the Issuers' Regulation.

If, by the deadline for submitting slates (i.e. April 4, 2021), only one slate has been deposited, or slates have been deposited by shareholders who are connected with each other pursuant to Article 144-*quinquies* of the Issuers' Regulation, slates may be submitted until the third day following said date (i.e. until April 7, 2021); in this case, the threshold is reduced by half, i.e. to 1.25%.

The Board of Statutory Directors therefore invites shareholders to present slates for the appointment of the Board of Statutory Auditors 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.piovangroup.com "Corporate Governance/Shareholders' Meetings" section, and on the authorized storage mechanism "1info" at least 21 days before the Shareholders' Meeting (i.e. April 8, 2021).

Appointment of the Chairperson of the Board of Statutory Auditors.

The Chairperson of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting, taking into account that the person indicated in first place in the second slate that obtained the highest number of votes at the Meeting (the "Minority Slate"), if submitted, shall act as Chairperson.

Establishment of the remuneration of Statutory Auditors.

Pursuant to Article 2402 of the Civil Code and Article 25.1 of the By-Laws, on appointment of the Board of Statutory Auditors, the Shareholders' Meeting shall determine the annual remuneration due to the Statutory Auditors for the entire duration of their mandate.

The current gross annual remuneration due to the Chairperson of the Board of Statutory Auditors and the Standing Auditors for the period of their mandate, in accordance with the Shareholders' Meeting motion of September 14, 2018, is set at Euro 16,700 per year for the Chairperson of the Board of Statutory Auditors and Euro 11,200 per year for Standing Auditors.

The Shareholders' Meeting is therefore invited to establish the remuneration of the Statutory Auditors - on the basis of the proposals that may be submitted by the shareholders - commensurate with the

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commitment required, the importance of the role covered and the size and sector characteristics of the Company and the Group.

* * *

On the basis of the above, the Board of Directors invites you to resolve on:

- a) the appointment, for the three financial years 2021-2022-2023, of the members of the Board of Statutory Auditors and the Chairperson of the Board of Statutory Auditors, by submitting slates of candidates; and
- b) the determination of the annual remuneration of the members of the Board of Statutory Auditors on the basis of the proposals submitted to the Shareholders' Meeting.

* * *

In view of the above, and in view of the procedures for the Shareholders' Meeting (with regard to which reference should be made to the notice of call published on the Company's website), we suggest to those entitled to submit slates to make any additional proposals concerning the remuneration of the members of the body and the Chairperson when submitting such slates.

Santa Maria di Sala, March 20, 2021

For the Board of Directors

The Chairperson, Nicola Piovan

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