



**COIMA RES SIIQ S.p.A.**

*Registered office in Milan, Piazza Gae Aulenti no. 12  
Share capital of Euro 14,482,292.19 paid-up  
Registered with the Milan Companies' Register under no. 09126500967*

**Explanatory report of the Board of Directors on the proposals in items 1, 2, 3 and 4 on the Agenda of the Annual General Meeting called for June 11<sup>th</sup>, 2020.**



Dear Shareholders,

the Board of Directors of COIMA RES S.p.A. SIIQ ("COIMA RES" or the "Company") has prepared this report (the "Report") pursuant to Article 125-ter of Legislative Decree no. 58 of 24 February 1998 as subsequently amended and supplemented (the "TUF") and Article 84-ter of the regulation adopted by Consob with resolution no. 11971 of May 14<sup>th</sup>, 1999, as subsequently amended and supplemented (the "Issuers' Regulations") in relation to the Annual General Meeting called in single call for June 11<sup>th</sup>, 2020, at 9:00 a.m., in Milan, at the Company's registered office at Piazza Gae Aulenti 12, to discuss and resolve on the following agenda in ordinary session:

- 1. Approval of the financial statements at December 31<sup>st</sup>, 2019 and presentation of the consolidated financial statements at December 31<sup>st</sup>, 2019. Related and consequent resolutions.**
- 2. Allocation of the result for the year and proposed dividend distribution. Related and consequent resolutions.**
- 3. Report on remuneration policy and compensation paid, pursuant to Article 123-ter of Legislative Decree no. 58 of February 24<sup>th</sup>, 1998, as subsequently amended:**
  - 3.1 First section: Report on remuneration policy. Binding resolution.**
  - 3.2 Second section: report on compensation paid. Non-binding resolution.**
- 4. Appointment of the Board of Directors.**
  - 4.1 Determination of the number of members of the Board of Directors.**
  - 4.2 Determination of the term of office of the Board of Directors.**
  - 4.3 Appointment of the members of the Board of Directors.**
  - 4.4 Appointment of the Chairman of the Board of Directors.**
  - 4.5 Determination of the remuneration of the members of the Board of Directors.**
- 5. Authorisation to purchase and dispose of treasury shares pursuant to Article 2357 of the Italian Civil Code, subject to revocation of the previous authorisation resolved by the Ordinary Annual General Meeting on 17 April 2019. Related and consequent resolutions.**

Below is the Report on the first, second, third and fourth agenda items.



**1. Approval of the financial statements at December 31st, 2019 and presentation of the consolidated financial statements at December 31st, 2019. Related and consequent resolutions.**

Dear Shareholders,

With regard to the first item on the agenda, on February 20<sup>th</sup>, 2020 the Board of Directors of COIMA RES approved the financial statements and consolidated financial statements of the COIMA RES group for the year ended December 31<sup>st</sup>, 2019.

In particular, the Company's financial statements as at December 31<sup>st</sup>, 2019 closed with a profit of Euro 20,176,821.

A copy of the file relating to the financial statements and the consolidated financial statements as at and for the year ended December 31<sup>st</sup>, 2019, together with the report of the Board of Statutory Auditors and the Independent Auditors appointed to carry out the statutory audit, is filed at the Company's registered office, on the Company's website ([www.coimares.com](http://www.coimares.com)) and at the "eMarket SDIR" storage mechanism, which can be consulted at [www.emarketstorage.com](http://www.emarketstorage.com), together with the annual report on corporate governance and ownership structure for the year 2019, available to those who wish to view it.

You are therefore invited to take the following resolution:

*"The Annual General Meeting of COIMA RES S.p.A. SIIQ:*

- *examined the financial statements for the year ended December 31<sup>st</sup>, 2019;*
- *having examined the consolidated financial statements for the year ended December 31<sup>st</sup>, 2019;*
- *noted the reports of the Board of Statutory Auditors and the Independent Auditors,*

**decides**

- *to approve the financial statements for the year ended December 31<sup>st</sup>, 2019 and the management report;*
- *to grant the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer, severally, the widest possible powers to implement the above resolutions concretely and in full compliance with the applicable regulations and, in particular, to file and publish the financial statements and, in general, the related documents pursuant to and for the purposes of the applicable laws and regulations".*



## **2. Allocation of the result for the year and proposed dividend distribution. Related and consequent resolutions.**

Dear Shareholders,

in relation to the second item on the agenda, it should be noted that the Company's financial statements at December 31<sup>st</sup>, 2019 closed with a profit of 20,176,821 euro.

The Board of Directors, also in consideration of the provisions of the Articles of Association related to the nature of the Company's SIIQ, proposes to allocate the profit for the year of Euro 20,176,821, which remains at Euro 16,566,165.20 after the distribution of the interim dividend for 2019, as follows:

- to the valuation reserve of Euro 4,472,898;
- to the Legal Reserve Euro 6,298.40;
- to retained earnings Euro 4,865,657.20;
- to Dividends of Euro 7,221,311.60, as the balance of the 2019 interim dividend of Euro 3,610,655.80 distributed on November 20<sup>th</sup>, 2019, and including an amount of Euro 0.06 per share relating to the capital gain realised during the year through the sale of 50% of the property complex located in Via Lorenteggio 240, Milan ("Vodafone Village"). The dividend for 2019 is therefore determined between the interim dividend and the balance in Euro 10,831,967.40.

You are therefore invited to make the following resolution:

*"The Annual General Meeting of COIMA RES S.p.A. SIIQ:*

- *examined the financial statements for the year ended December 31<sup>st</sup>, 2019;*
- *having examined the consolidated financial statements for the year ended December 31<sup>st</sup>, 2019;*
- *noted the reports of the Board of Statutory Auditors and the Independent Auditors,*

### ***decides***

- *to allocate the result for 2019 of Euro 20,176,821, which remains in Euro 16,566,165.20 after the distribution of the 2019 interim dividend of Euro 3,610,655.80 approved by the Board of Directors on November 7<sup>th</sup>, 2019, as follows:*
- *to valuation reserve Euro 4,472,898;*
- *to Legal Reserve Euro 6,298.40;*
- *to retained earnings Euro 4,865,657.20;*
- *to shareholders as a dividend of Euro 7,221,311.60 on the ex-coupon date (June 15<sup>th</sup>, 2020), as the balance of the 2019 interim dividend of Euro 3,610,655.80 distributed on November 20<sup>th</sup>, 2019, including an amount of Euro 0.06 per share relating to the capital gain realised during the year through the sale of 50% of the property complex located in Milan, via Lorenteggio 240 (known as "Vodafone Village"). The dividend for 2019 is therefore determined between the interim dividend and the balance in Euro 10,831,967.40;*
- *to establish that the coupon detachment date is June 15<sup>th</sup>, 2020, the record date, pursuant to Article 83-terdecies of Legislative Decree 58 of February 24<sup>th</sup>, 1998, June 16<sup>th</sup>, 2020 and the payment date is June 17<sup>th</sup>, 2020;*
- *to grant the Board of Directors and, on its behalf, the Chairman and the Managing Director, severally, the widest possible powers to implement the above resolutions in accordance with the applicable law".*



### **3. Report on remuneration policy and compensation paid, pursuant to Article 123-ter of Legislative Decree no. 58 of February 24th, 1998, as subsequently amended**

Dear Shareholders,

With regard to the third item on the Agenda, pursuant to Article 123-ter of the TUF and Article 84-quater of the Issuers' Regulations, the Board of Directors approved on March 19<sup>th</sup>, 2019 the "Report on Remuneration Policy and Remuneration Paid".

The Report is filed within the deadline required by current regulations at the Company's registered office, on the Company website ([www.coimares.com](http://www.coimares.com)) and at the "eMarket SDIR" storage mechanism, which can be viewed at [www.emarketstorage.com](http://www.emarketstorage.com).

Please note that, pursuant to Article 123-ter of the TUF - as recently amended by Legislative Decree No. 49 of June 10, 2019, implementing Directive (EU) 2017/828 of the European Parliament and Council of May 17, 2017 amending Directive 2007/36/EC with regard to encouraging the long-term commitment of shareholders - the abovementioned Report is divided into two sections.

The first section illustrates the Company's policy on the remuneration of the members of the Board of Directors, the Board of Statutory Auditors and Executives with strategic responsibilities with reference to the year 2020, as well as the procedures used for the adoption and implementation of this policy. This section, pursuant to Article 123-ter, paragraphs 3-bis and 3-ter, of the TUF, introduced by Legislative Decree no. 49/2019, is subject to the binding vote of the Annual General Meeting.

The second section contains an indication of the compensation paid to the members of the Board of Directors, the Board of Statutory Auditors, and the Executives with strategic responsibilities (for the latter in aggregate form) in 2019 or related to it; this section, pursuant to the new paragraph 6 of Article 123-ter of the TUF, as introduced by Legislative Decree no. 49/2019, is subject to the non-binding vote of the Annual General Meeting.

In light of the above, in relation to this item on the agenda, the Annual General Meeting will proceed with two separate votes, based on the proposals set out below.

\* \* \* \* \*

#### **3.1 First section: Report on remuneration policy. Binding resolution**

With reference to the first section, you are invited to take the following resolution:

*"The Annual General Meeting of COIMA RES S.p.A. SIIQ*

- *examined the first section of the "Report on the remuneration policy and remuneration paid" of COIMA RES S.p.A. SIIQ prepared by the Board of Directors of the Company pursuant to art. 123-ter, paragraph 3, of the Consolidated Law on Finance, containing an illustration of the Company's policy on the remuneration of the members of the Board of Directors, the Board of Statutory Auditors and Executives with strategic responsibilities with reference to the year 2020, as well as the procedures used for the adoption and implementation of this policy,*

***Decides***



- pursuant to Article 123-ter, paragraphs 3-bis) and 3-ter), of the TUF, to approve the first section of the "Report on remuneration policy and compensation paid", prepared by the Board of Directors of the Company".

\* \* \* \* \*

### **3.2 Second section: report on compensation paid. Non-binding resolution**

With reference to the second section, you are therefore invited to take the following resolution:

*"The Annual General Meeting of COIMA RES S.p.A. SIIQ*

- *examined the second section of the "Report on the remuneration policy and remuneration paid" of COIMA RES S.p.A. SIIQ, prepared by the Board of Directors of the Company pursuant to art. 123-ter, paragraph 4, of the Consolidated Law on Finance, containing an indication of the remuneration paid to the members of the Board of Directors and the Board of Statutory Auditors, as well as to the Executives with strategic responsibilities in 2019 or related thereto;*

**decides**

- *pursuant to art. 123-ter, paragraph 6, of the Consolidated Law on Finance, in favour of the second section of the "Report on remuneration policy and remuneration paid adopted by COIMA RES S.p.A. SIIQ" prepared by the Board of Directors of the Company".*



#### **4. Appointment of the Board of Directors**

Dear Shareholders,

With regard to the fourth item on the agenda, it should be noted that, with the approval of the financial statements as at 31 December 2019, the term of office of the current Board of Directors will expire. You are therefore invited to appoint the new Board of Directors after determining the number of its members and their term of office, and to determine their remuneration.

##### **4.1 Determination of the number of members of the Board of Directors**

Pursuant to Article 18 of the Bylaws of COIMA RES, the Company is administered by a Board of Directors consisting of a minimum of three to a maximum of eleven members, including the Chairman and one or more Deputy Chairmen.

The expiring Board of Directors refrains from making specific proposals on this item on the agenda and therefore invites the Annual General Meeting to determine the number of members of the Board of Directors, within the limits set forth in the Articles of Association, on the basis of proposals that may be made by Shareholders during the course of the Annual General Meeting.

##### **4.2 Determination of the term of office of the Board of Directors**

Pursuant to Article 18 of COIMA RES's Articles of Association, directors remain in office for three financial years, unless a shorter period established by the Annual General Meeting at the time of their appointment expires on the date of the Annual General Meeting called to approve the financial statements for the last financial year of their term of office.

It should be noted that the Board of Directors, in line with the provisions of the last renewal of the Board of Directors, resolved by the Annual General Meeting of April 17<sup>th</sup>, 2019, has decided to propose that the directors remain in office for one financial year, in line with best market practice and in the interest of the shareholders and the Company itself.

The Board of Directors therefore proposes to set the term of office of the directors to be appointed at 1 financial year.

You are therefore invited to pass the following resolution:

*"The Annual General Meeting of COIMA RES S.p.A. SIIQ examined the illustrative report of the Board of Directors,*

***decides***

*to determine the term of office of the directors to be appointed in 1 financial year".*

##### **4.3 Appointment of the members of the Board of Directors**

Pursuant to Article 18 of COIMA RES's Articles of Association, the Company is administered by a Board of Directors consisting of a minimum of three to a maximum of eleven members; the directors are appointed by the Annual General Meeting and may always be re-elected.

In particular, the Directors are appointed by the Annual General Meeting in compliance with the pro tempore regulations in force regarding gender balance on the basis of the lists of candidates presented by the shareholders and filed at the Company's registered office no later than the twenty-fifth day prior to the date of the Annual General Meeting. In view of the fact that the deadline falls on a Sunday and that the Company's offices are closed, this deadline for the benefit of shareholders is postponed to the next working day, i.e. on Monday May 18<sup>th</sup>, 2020.



The filing of lists may be carried out in the following manner: (i) by post or by hand delivery to the registered office of the Company, in Milan, Piazza Gae Aulenti no. 12, by contacting Mr. Fulvio Di Gilio (tel. 02 65560972); and (ii) by certified e-mail at [coimares@legalmail.it](mailto:coimares@legalmail.it). In the presence of more than one list, one of the members of the Board of Directors is expressed by the second list that has obtained the highest number of votes and that is not connected to the first list.

Only those shareholders who, alone or together with others, hold shares with voting rights representing a percentage of not less than 4.5%, as established by Consob with determination no. 28 of 30 January 2020, are entitled to submit lists. This shareholding must result from specific certifications that must be produced, if not available on the day on which the lists are deposited, even after the lists have been deposited, provided that this is done within the deadline set by current regulations for the publication of the lists by the Company (i.e., by May 21<sup>st</sup>, 2020).

Each shareholder, as well as shareholders linked by control or liaison relationships pursuant to the Italian Civil Code, may not submit or vote for more than one list, not even through a third party, or trust company.

Each candidate may appear on only one list under penalty of ineligibility.

Candidates included in the lists must be indicated in a number no greater than those to be appointed, must be listed in numerical order and must meet the requirements of integrity required by law. At least two candidates - indicated in a position not later than the second and seventh place on each list - must also meet the independence requirements provided for by law. Lists that present a number of candidates equal to or greater than three must be composed of candidates belonging to both genders in such a way that they belong to the least represented gender at least two fifths of the total, with rounding down to the next higher unit in the case of a fractional number, in accordance with Article 18 of the Company's Articles of Association (it being understood that if the number of members of the Board of Directors to be elected is equal to three, rounding down to the lower unit would be applied).

Each list is also accompanied by (i) exhaustive information on the personal and professional characteristics of the candidates, (ii) statements in which the individual candidates accept their candidacy and certify, under their own responsibility, that there are no grounds for ineligibility or incompatibility and that they meet the requirements of good repute, as well as any requirements of independence provided for by the combined provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF (iii) the identity of the shareholders who submitted the lists and the percentage of the total shareholding held.

In addition, shareholders are invited to take into account the independence requirements and the number of independent directors recommended by art. 3 of the Corporate Governance Code.

Shareholders are also invited to take into account the orientation expressed by the Board of Directors on June 8<sup>th</sup>, 2016 regarding the accumulation of offices. In this regard, the Board of Directors has established that the positions of director or statutory auditor held by each director of the Company in other listed companies may not have a total weight greater than 6, identifying as follows the weight of the positions held in other companies listed on regulated markets:

- for the offices of Chairman of the Board of Directors: 2;
- for the offices of Chief Executive Officer: 4; and,
- for directorships without delegated powers: 1.

It should also be noted that, with Communication no. DEM/9017893 of February 26<sup>th</sup>, 2009, Consob recommended that shareholders who submit a "minority list" at the time of the election of the Board of Directors to file, together with the list, "a declaration certifying the absence of the liaison relationships, including indirect ones, referred to in art. 147-ter, paragraph 3, of the TUF and art. 144-quinquies of the Issuers' Regulations, with shareholders who hold, even jointly, a controlling or relative majority interest, where identifiable on the basis of the communications of significant shareholdings referred to in art. 120 of the TUF or the publication of shareholders' agreements





pursuant to art. 122 of the same Decree", specifying "any existing relationships, if significant, with shareholders who hold, including jointly or severally, a controlling or relative majority interest, where identifiable, as well as the reasons why such relationships have not been considered decisive for the existence of the aforementioned relationships, or the absence of the aforementioned relationships must be indicated". In this regard, it should be noted that the relative majority shareholder of COIMA RES is Qatar Holding LLC, which holds a 40.02% stake in the Company's share capital and has entered into a shareholders' agreement with the shareholders Manfredi Catella, COIMA S.r.l. and COIMA SGR S.p.A. pursuant to art. 122 of the TUF, which aggregates 40.73% of the share capital of COIMA RES.

Once the Annual General Meeting has determined the number of directors to be elected, the procedure is as follows:

1. all the directors to be elected except one are elected from the list that obtained the highest number of votes, based on the progressive order in which the candidates are listed in the list;
2. one director shall be elected, in accordance with the provisions of law, from the second list obtaining the highest number of votes - which is not connected in any way, even indirectly, within the meaning of the laws and regulations in force at the time, with those who submitted or voted for the list referred to in point 1 above - on the basis of the progressive order in which the candidates are listed on the list.

If two lists have obtained the second highest number of votes, a new vote shall be taken by the Annual General Meeting, and the candidate who obtains a simple majority of votes shall be elected.

If, as a result of the application of the above list voting mechanism (i) the minimum number of candidates meeting the independence requirements is not elected and/or (ii) the composition of the Board does not comply with the rules on gender balance, the candidates meeting the requirements shall be elected to replace the candidates without such requirements included in the list that obtained the highest number of votes with the lowest sequential number.

If only one list is submitted, the directors will be taken from the list submitted provided that it has obtained the approval of a simple majority of votes.

If no list is presented (or the list presented does not allow for the appointment of directors in compliance with current legislation), the Annual General Meeting shall resolve with the majorities required by law, without complying with the above procedure and in any case in such a way as to ensure the presence of the minimum number of independent directors required by current legislation and compliance with current legislation on gender balance. No account shall be taken of lists that have obtained a percentage of votes at the Annual General Meeting that is less than half of those required for the presentation of lists (i.e. 2.25%).

Finally, it should be remembered that, pursuant to art. 18 of COIMA RES's Articles of Association, if one or more directors leave office during the financial year, the procedure is followed pursuant to art. 2386 of the Italian Civil Code. If one or more of the ceased directors were taken from a list containing also the names of candidates not elected, the replacement is made by appointing, in progressive order, persons taken from the list to which the ceased director belonged and who are still eligible and willing to accept the office. The replacement procedures must in any case guarantee the presence of a necessary number of directors who meet the requirements of independence and compliance with the pro tempore regulations in force concerning gender balance.

You are therefore invited to vote at the Annual General Meeting for one of the lists of candidates for the office of member of the Board of Directors that will be prepared, filed and published in compliance with the provisions mentioned above.



#### **4.4 Appointment of the Chairman of the Board of Directors**

Pursuant to Article 20 of the Company's Articles of Association, the Board of Directors elects a Chairman and, if necessary, one or more Vice-Chairmen from among its members, unless the Annual General Meeting has done so.

Therefore, you are invited to appoint the Chairman of the Board of Directors from among the directors elected as a result of the voting on the previous item on the agenda on the basis of the proposals that may be made by Shareholders during the course of the Annual General Meeting.

#### **4.5 Determination of the remuneration of the members of the Board of Directors**

Pursuant to Article 20 of the Company's By-laws, the compensation payable to the Board of Directors is determined by the Annual General Meeting and remains valid until otherwise resolved.

The remuneration of directors holding special offices is established by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors. However, the Annual General Meeting may determine a total amount for the remuneration of all directors, including those holding special offices.

The expiring Board of Directors refrains from making specific proposals on this item on the agenda and therefore invites you to determine the gross annual compensation of the members of the Board of Directors, on the basis of proposals that may be made by the Shareholders during the course of the Annual General Meeting.

Milan, April 30<sup>th</sup>, 2020

For the Board of Directors

The Chairman

Caio Massimo Capuano