



AEFFE S.p.A.

Registered Offices in San Giovanni in Marignano - RN

Via delle Querce 51

Share Capital € 26,840,626.00

Rimini Companies Register and Tax Code No. 01928480407

SHAREHOLDERS' MEETING

22 APRIL 2020

REPORT ON AGENDA ITEMS

prepared pursuant to para. 1 of art. 125-ter of Decree No. 58 dated 24th February 1998 and subsequent amendments (“TUF”) and art. 84-ter of the regulations adopted by Consob Resolution No. 11971 dated 14th May 1999 and subsequent amendments (“Issuers' Regulation”).

Courtesy translation.

In case of discrepancy with the Italian version, the latter will prevail.

Item nos. 1 and 2

1. *Approval of the financial statements of Aeffe S.p.A. as of 31st December 2019 and the report of the Board of Directors on operations; reception of the reports of the Independent Auditors and the Board of Statutory Auditors. Presentation to the Shareholders' Meeting of the consolidated financial statements as of 31st December 2019. Presentation to the Shareholders' Meeting of the non-financial consolidated statement pursuant Legislative Decree 30th December 2016, no. 254*
2. *Resolutions regarding the results for the year ended 31st December 2019.*

Shareholders,

With reference to the first two items on the agenda, you are invited, during the Shareholders' Meeting, to resolve on the approval of the Company's financial statements as of 31st December 2019 and on the Board of Directors proposal concerning the result's destination. You are also invited to take note of the results reported in the consolidated financial statements as of 31st December 2018. Please be informed that, as provided by the Legislative Decree 30th December 2019, no. 254, the consolidated financial statements includes the non-financial consolidated statement.

Regarding the above, please be informed that the draft financial statements as of 31st December 2019 and the related report on operations will be made available, by the legal deadline, at the registered offices of the Company and on its website at the address www.aeffe.com.

Item no. 3

3. *Report on compensation policy and on the remuneration paid pursuant to art. 123-ter, para. 6, of Decree 58/98:*
 - 3.1 *resolutions regarding the first section of the report pursuant to art. 123-ter c.3-bis of Legislative Decree 58/98;*
 - 3.2 *resolutions regarding the second section of the report pursuant to art. 123-ter c.6 of Legislative Decree 58/98.*

Shareholders,

the previous Shareholders' Meetings gave a consultative vote on the Company's remuneration policy pursuant to para. 6 of art. 123-ter of Decree 58/98. In this regard, the last Shareholders' Meeting resolved as follows: :

“The Ordinary Meeting of the Shareholders of Aeffe S.p.A., held with a voting quorum today, 18th April 2019, on the basis of the report of the Board of Directors and taking note of the remuneration policy contained in the first section of the Compensation Report pursuant to para. 6 of art. 123-ter of Decree No. 58/98,

resolves

to approve the Company's remuneration policy contained in the first section of the Compensation

Report pursuant to para. 6 of art. 123-ter of Decree No. 58/98."

We remind you that, following the entry into force of the Legislative Decree 10 May 2019, n. 491, you are called, starting from the meeting summoned to decide on the approval of the financial statements for the financial year starting January 1, 2019, to express a binding resolution pursuant to art. 123-ter, paragraph 3-ter of Legislative Decree 58/98 (unlike the previous ones, which were established as consultative) on the remuneration policy adopted by the Company (first section of the remuneration report) and a new resolution, of a nature consultative, pursuant to art. 123-ter, paragraph 6, of Legislative Decree 58/98 on the second section of the report, relating to the remuneration paid.

The Remuneration Policy has not been modified; at the Shareholders' Meeting held on 18th April 2013 it was clarified that the Long-Term Incentive (LTI) designed to (a) keep the remuneration structure competitive overall in order to attract and retain the loyalty of experienced persons within the Company and the Aeffe Group; (b) guide the efforts of the directors and managers towards the achievement of long-term ratios and goals of strategic interest; (c) align the interests of directors and managers with those of the shareholders, may comprise a system of variable remuneration linked to objectives to be attained over the medium-long term (medium/long-term MBO) determined in three or four years, as well as remuneration plans based on financial instruments and plans for investment in the capital of the Company.

For further information about the Company's Remuneration Policy and about the remuneration of directors and executives with strategic responsibilities, reference is made to the Compensation Report prepared pursuant to art. 123-ter, TUF, which in accordance with art. 84-quater of the Issuers' Regulations will be made available, by the legal deadline, at the registered offices of the Company and on the following website www.aeffe.com.

It is underlined that, pending the approval by Consob of the regulatory changes directed to implement the regulations contained in Directive (EU) 2017/828 of the European Parliament and of the Board of 17 May 2017, which amends directive 2007/36/ CE as regards the encouragement of the long-term commitment of the shareholders, which amended the Legislative Decree 58/98, the Company referred to the current annex 3A Scheme 7-bis of the Issuers Regulation.

At the Shareholders' Meeting, the Board of Directors will propose the following resolution to the Shareholders:

"The Ordinary Meeting of the Shareholders of Aeffe S.p.A., held with a voting quorum today, 22th April 2020, on the basis of the report of the Board of Directors, examined the remuneration policy contained in the first section of the Compensation Report pursuant to para. 6 of art. 123-ter of Decree No. 58/98,

resolves

1) to approve the Company's remuneration policy contained in the first section of the Compensation Report pursuant to para. 3 bis of art. 123-ter of Decree No. 58/98;

2) to approve the remuneration of the directors, of the member of control body, of the managing director, of the managers with strategic responsibilities indicated and described in the second section of the report pursuant to para. 6 of art. 123-ter of Decree No. 58/98 and to consider them in line with the remuneration policy.

Item no. 4

4. *Appointment of the Board of Directors for the years 2020-2022, after determining the number of directors. Resolutions regarding the total emoluments of the directors not assigned special duties, pursuant to art. 2389, para. 1, of the Italian Civil Code. In particular:*

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

4.2 *appointment of the members of the Board of Directors;*

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

4.4 *resolutions regarding the total emoluments of the directors not assigned special duties.*

Shareholders,

You are informed that the mandate of the Board of Directors of the Company, appointed for the three-year period 2017-2019 by resolution of the Ordinary Shareholders' Meeting held on 17th April 2017, will expire at the Ordinary Shareholders' Meeting called on 22th April 2020 to approve the financial statements as of 31st December 2019. You are therefore invited to (i) determine the number of members of the Board of Directors; (ii) appoint the new members of the Board of Directors; (iii) appoint the Chairman of the Board of Directors; and (iv) determine the annual remuneration of the directors not assigned special duties.

We remind you that the Articles of Association were amended on February 25, 2020 by the Board of Directors in order to adapt to the mandatory and binding rules introduced by Law no. 157 of 19 December 2019 as well as on March, 12, 2020 in order to apply a further mandatory adjustment to the regulatory provisions of Legislative Decree no. 24 February 1998, 58 ("TUF") and, in particular, in articles 147-ter and 148 of it.

With regard to determining the number of members of the Board of Directors, you are reminded that, pursuant to the para. 1-ter of art. 147-ter TUF, the Articles of association of the Company envisage that *“The company is administered by a Board of Directors comprising a variable number of members, between seven and nine, who need not be shareholders, of which the least represented gender comprises at least two fifth of the total, as rounded up to the nearest whole number in the case of a fraction. The number of Board members is determined at the Shareholders' Meeting and remains fixed until decided otherwise at another Shareholders' Meeting. The Board of Directors includes both executive and non-executive directors”*. Therefore, the quote of two fifth of the total members of the Board of Directors (as rounded up to the nearest whole number in the case of a fraction) shall be reserved to the least represented gender.

As already indicated in the notice of the Shareholders' Meeting, in conformity with art. 15 of the Articles of association, the members of the new Board of Directors must be appointed by list voting.

In particular, pursuant to art. 15 of the Articles of association, Shareholders have the right to present lists if, individually or collectively, they represent at least 2.5% of the shares with voting rights at Ordinary Meetings.

The lists must be filed at the registered offices of the Company at least twenty-five (25) calendar days prior to the date fixed for the Shareholders' Meeting and be accompanied by the curriculums and declarations of each candidate confirming, among other matters, their acceptance of nomination, the absence of reasons for which they would be ineligible, and their possession of the honorability and professionalism requirements established by current and applicable laws and/or regulations.

In order to demonstrate ownership of the number of shares necessary for the presentation of a list, each nominating shareholder must file at the registered offices, together with the list and at least 21 (twenty-one) calendar days prior to the date fixed for the Meeting, a copy of the communication released by the intermediary authorized pursuant to current regulations.

Pursuant to para. 1-*bis* of art. 147-*ter* of Decree 58/98, ownership of the minimum equity interest is determined by reference to the shares registered in the name of the shareholder on the date on which the lists are filed at the Company.

Each list must contain a number of candidates not exceeding the maximum number of members to be elected. Lists containing a number of candidates equal to or greater than three must also include candidates belonging to both genders, so that the share of candidates provided for by the pro-tempore legislation in force belongs to the least represented gender (with rounding, in case of number fractional, to the higher unit).

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Each Shareholder entitled to vote may only vote for one list.

If just one list is presented, all the members of the Board of Directors will be drawn from that list. The Shareholders' Meeting will appoint any directors remaining to be elected, applying the majorities envisaged by law. If, on the other hand, two or more lists are presented, the Board of Directors is appointed in the following manner:

- a) all the candidates, up to the number decided each time at the Shareholders' Meeting, less one, will be drawn from the list that obtains the majority of the votes cast by the shareholders and appointed as directors in the numerical order in which they are presented on that list;
- b) the remaining number of candidates to be elected will be drawn from the list that obtains the second-largest number of votes and appointed as directors in the numerical order in which they are presented on that list, on condition that such list is not linked in any way, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes;

c) the Directors to be elected who satisfy the independence requirements established in the Articles of Association are drawn from the list that obtains the largest number of votes cast by the shareholders or, to the extent that this is not possible, from that which obtains the second-largest number of votes;

d) in the event of a voting tie between two or more lists, the candidates on the list presented by shareholders with the greatest total equity interest or, failing this, by the largest number of shareholders, will be elected.

If the composition of the Board of Directors does not comply with the gender balance criterion then, having regard for the order of listing, the candidate from the most represented gender elected last from the list that obtained the largest number of votes (the "Majority List") shall be replaced, in consecutive numerical order, by the first candidate not elected from that list. Application of this replacement procedure will continue until the composition of the Board of Directors complies with the regulations in force at the time concerning gender balance.

If using the list voting mechanism, the number of candidates is lower than the minimum number of Directors envisaged in the Articles of association, or if using the list voting mechanism the required number of candidates from the least represented gender is not reached, the Board of Directors shall be elected and supplemented at the Shareholders' Meeting, applying the majorities envisaged by law.

The Directors remain in office for three financial years and their appointments expire on the date of the Meeting called to approve the financial statements for the final year of their mandate; they may be re-elected.

The Board of Directors includes both executive and non-executive directors.

In all cases, at least two members of the elected Board will have to satisfy the independence requirements established in paras. 3 and 4 of art. 148, TUF.

In fact, with regard to the independent Directors of companies listed in the Star segment (to which Aeffe S.p.A. belongs), the Instructions to the Regulations for markets organized and managed by Borsa Italiana S.p.A. envisage determining the minimum numbers of independent directors as follows:

- at least two independent directors for Boards of Directors with up to 8 members;
- at least three independent directors for Boards of Directors with between 9 and 14 members;
- at least four independent directors for Boards of Directors with over 14 members.

In conformity with art. 19 of the Articles of association, the Board of Directors exercises the widest powers for the ordinary and extraordinary administration of the Company, without any exceptions, and has the right to perform all deeds deemed appropriate for the pursuit and achievement of the Company's objects, with the sole exclusion of those reserved by law for the Shareholders' Meeting.

You are reminded that, pursuant to art. 16 of the Articles of association, the Ordinary Meeting is entitled to appoint the Chairman of the Board of Directors, as well as to determine the annual emoluments of those members of the Board of Directors who have not been assigned special duties.

Given the above, you are invited to (i) appoint a number of directors between seven and nine, including at least two - or three in case of Board composed of nine members- independent directors, by voting in favor of the list presented by you, either alone or together with other Shareholders, or, if you did not present or contribute to the presentation of a list, by voting in favor of one of the lists presented; (ii) appoint the Chairman of the Board of Directors; and (iii) determine the annual emoluments of the members of the Board of Directors not assigned special duties.

Lastly, you are reminded that a detailed description of the method used to appoint members of the Board of Directors, the powers granted to that body, the rules governing the proper functioning of the Board, and the method used to determine emoluments can be found in the Articles of association and, in particular, in articles 14, 15, 16, 17, 18, 19, 20 and 21.

Item no. 5

5.1 Appointment of the Board of Statutory Auditors for the years 2020-2022 and resolutions regarding the remuneration of this Board. In particular:

5.1 appointment of the Board of Statutory Auditors

5.2 resolutions regarding the remuneration of the Board of Statutory Auditors.

Shareholders,

As indicated in the notice of the Ordinary Meeting c, you are also called to vote on the appointment of a new Board of Statutory Auditors, since the mandate of the current Board of Statutory Auditors - appointed at the Ordinary Meeting held on 12th April 2017 expires at the Meeting called to approve the financial statements as of 31st December 2019.

You are reminded that, pursuant to art. 22 of the Articles of association, the members of the Board of Statutory Auditors must be appointed by presentation of lists of candidates.

The Board of Statutory Auditors comprises 3 serving auditors, of whom at least one must be a member of the least represented gender (pursuant the indications of Consob Communication no. 1/2020 on 30th January 2020), while the two alternate auditors must comprise one person from each gender.

You are therefore invited to appoint three Serving Auditors, two Alternate Auditors and the Chairman of the Board of Statutory Auditors, as well as to determine the emoluments of the Statutory Auditors to be elected.

, Shareholders have the right to present lists if, individually or collectively, they represent at least 2.5% of the shares with voting rights at Ordinary Meetings.

Each list must comprise two sections: one for the appointment of serving auditors and the other for the appointment of alternate auditors.

The candidates of each section must be listed by progressive number. Each candidate can appear on just one list, or will be ineligible for election.

The lists which, considering both sections, contain a number of candidates equal to or greater than three, must ensure respect for the balance between genders, so that the share of candidates envisaged by the current pro-tempore legislation belongs to the least represented gender. The list of candidates for whom the requirements set out in this paragraph are not observed are considered as not presented.

Such lists must be filed at the registered offices of the Company at least twenty-five (25) calendar days prior to the date fixed for the Shareholders' Meeting and be accompanied by the curriculums and declarations of each candidate confirming, among other matters, their acceptance of nomination, the absence of reasons for which they would be ineligible, and their possession of the honorability and professionalism requirements established by current and applicable laws and/or regulations.

If no minority lists are presented for the appointment of the Board of Statutory Auditors by the above deadline, the deadline for the presentation of lists for the appointment of members of the Board of Statutory Auditors will be extended by up to the third subsequent day and the minimum equity interest required by article 22.2 of the Articles of association for the presentation of lists of candidate statutory auditors will be halved (to 1.25%)

In order to demonstrate ownership of the number of shares necessary for the presentation of a list, each nominating shareholder must file at the registered offices, together with the list and at least 21 (twenty-one) calendar days prior to the date fixed for the Meeting, a copy of the communication released by the intermediary authorized pursuant to current regulations.

Pursuant to para. 1-*bis* of art. 147-*ter* of Decree 58/98, ownership of the minimum equity interest is determined by reference to the shares registered in the name of the shareholder on the date on which the lists are filed at the Company.

Each Shareholder entitled to vote may only vote for one list. If no lists are presented, the Shareholders' Meeting appoints the Board of Statutory Auditors and its Chairman in accordance with the majorities established by current legislation. If only one list is presented, the Board of Statutory Auditors is drawn entirely from that list and the first candidate on the list is appointed as Chairman.

If, on the other hand, two or more lists are presented, the Board of Statutory Auditors is appointed in the following manner:

a) the following candidates will be appointed, in the numerical order in which they appear, from the list that obtains the majority of the votes cast by the shareholders: (i) the first two candidates for the office of serving auditor and (ii) the first candidate for the office of alternate auditor;

b) the following candidates will be appointed, in the numerical order in which they appear, from the list that obtains the second-largest number of votes, on condition that such list is not linked, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes: (i) the first candidate for the office of serving auditor, who will also be appointed as Chairman of the Board of Statutory Auditors, and (ii) the first candidate for the office of alternate auditor, if available; otherwise, the alternate auditor will be the first candidate for this office on the first list obtaining the next-largest number

of votes that is not linked, directly or indirectly, with the shareholders who presented or voted for the list that obtained the largest number of votes.

In the event of a voting tie between two or more lists, the candidates on the list presented by shareholders with the greatest total equity interest or, failing this, by the largest number of shareholders, will be elected.

The statutory auditors elected in this manner remain in office for three financial years and their appointments expire on the date of the Meeting called to approve the financial statements for the final year of their mandate; they may be re-elected.

The Board of Statutory Auditors monitors compliance with the law and the Articles of association, and respect for the principles of proper administration including, in particular, the adequacy of the organization, administrative and accounting systems adopted by the Company and the way they function in practice, as well as how the corporate governance rules envisaged by the related regulations are applied in practical terms.

Given the above, you are invited to (i) appoint three Serving Auditors and two Alternate Auditors by expressing your vote in favor of one of the lists presented; (ii) appoint the Chairman of the Board of Statutory Auditors; and (iii) determine the remuneration of each elected auditor pursuant to art. 2402 of the Italian Civil Code.

If the composition of the Board of Statutory Auditors or the category of alternate auditors does comply with the gender balance criterion then, having regard for the order of listing in the respective sections, the candidates from the most represented gender elected last from the majority list shall be replaced by the first candidates not elected from the same list and the same section from the least represented gender. Application of this replacement procedure will continue until the composition of the Board of Statutory Auditors complies with the regulations in force at the time concerning gender balance.

Lastly, you are reminded that a detailed description of the method used to appoint members of the Board of Statutory Auditors, as well as of the duties and rules governing the proper functioning of that body can be found in the Articles of association and, in particular, in articles 22 and 23.

San Giovanni in Marignano, 13 March 2020

for the Board of Directors

The Chairman

Massimo Ferretti