



**General Meeting of Shareholders**

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

**Directors' explanatory report on the fourth item on the agenda of the Ordinary Shareholders' meeting: "Appointment of the Board of Statutory Auditor for the term 2021-2023"**

**Item no. 4 on the agenda**

***“Appointment of the Board of Statutory Auditors for the term 2021-2023:***

- 4.1 appointment of three Statutory Auditors and two Alternate Auditors;***
- 4.2 appointment of the Chairman of the Board of Statutory Auditors;***
- 4.3 determination of the annual remuneration of the members of the Board of Statutory Auditors.”***

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 Statutory Auditors will expire and You are therefore convened to resolve on the appointment of the new Board of Statutory Auditors.

Therefore, You are convened at the ordinary meeting to discuss and resolve on the appointment of the new Board of Statutory Auditors for the term 2021-2023 within the terms and provisions of art. 25 of the Company By-laws (the “By-laws). In particular, You have been convened for: (i) the appointment of three Statutory Auditors and two Alternate Auditors; (ii) the appointment of the Chairman of the Board of the Statutory Auditors; (iii) the determination of the compensation of members of the Board of the Statutory Auditors. The new Board of Statutory Auditors will be in office for three financial years until the approval by the Shareholders’ meeting of the financial statements as of June 30, 2023.

It is hereby reminded that according to art. 25 of the By-laws, the Board of Statutory Auditors is composed of three acting auditors and two alternate auditors who remain in office for three financial years and may be re-elected. The Board of Statutory Auditors is appointed in accordance with applicable gender balance provisions, based on lists submitted by the shareholders 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 in force 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 (and so before October 3<sup>rd</sup>, 2020).

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

In the event where – upon the expiration of the above-mentioned deadline for the submission of the lists – only one list was filed, or only lists submitted by Shareholders that are connected to each other pursuant to art. 144-quinquies of the CONSOB Regulation no. 11971 of May 14, 1999 were filed, it is then possible to submit additional lists until the third day following such date (i.e., by 4 p.m. of October 6, 2020). In such case, the minimum participation to the share capital for the submission of the lists will be reduced and equal to 2.25% of the Company's share capital.

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 Statutory Auditors 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 Statutory Auditors is compliant with applicable gender balance provisions.

You are therefore invited, if interested in the appointment of the new Board of Statutory Auditors, to submit your list within the modes and statutory deadlines mentioned above.

The Shareholders' meeting shall resolve on the remuneration of the members of the Board of Statutory Auditors.

Milan, 16 September 2020

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