

Board of Directors' explanatory report on the sole item on the agenda of the Extraordinary Shareholders' Meeting of Mediaset S.p.A. of 27 May 2021, drafted in accordance with Article 125-*ter* of Italian Legislative Decree no. 58 of 24 February 1998 and Article 72 of the regulations adopted by Consob under resolution no. 11971/99, as amended.

Dear Shareholders,

this report (the "**Report**") has been approved by the Board of Directors of Mediaset S.p.A. ("**Mediaset**" or the "**Company**") at its meeting of 26 April 2021 and has been drafted in accordance with Article 125-*ter* of Italian Legislative Decree no. 58 of 24 February 1998 (the "**TUF**") and Article 72 of the regulations adopted by Consob under resolution no. 11971 of 14 May 1999 to explain and submit for your approval the proposal to amend Article 7 of the By-Laws concerning the deletion of the enhanced voting right pursuant to Article 127-*quinquies* of the TUF (the "**By-Laws Amendments**"), as well as the relevant reasons, by presenting, in comparative form, the current wording of the By-Laws and, in bold in the adjacent column, the proposed amendment.

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## **1. Reasons**

The Board of Directors believes that it is in the best interest of the Company, in order to avoid further litigation and hopefully re-establish a constructive dialogue with all shareholders, to delete the enhanced voting right pursuant to Article 127-*quinquies* of the TUF, as set out in Article 7 of the Company's By-Laws, introduced by a resolution of the Extraordinary Shareholders' Meeting of 18 April 2019, which is also being challenged.

## **2. By-Laws Amendments – comparative table**

If the above proposal is approved, Article 7 of the By-Laws shall have to be amended.

Below, as an integral part of this Report, is a comparison of the paragraphs of Article 7 proposed for amendment in the current and proposed wording.

Current wording of By-Laws	Proposed wording of By-Laws
Article 7)	Article 7)
<p>1. The shares are registered, indivisible and freely transferable.</p> <p>2. Each share confers the right to one vote.</p> <p>3. Notwithstanding the provisions of paragraph 2 above, each share confers the right to a double vote (two votes per share) provided that both of the following conditions are met: (a) the share has been held by the same person, on the basis of a real right entitling the holder to exercise the associated voting right (full ownership with voting rights, bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least twenty-four months; (b) the fact of (a) having been met is certified by continuous registration for a period of at least twenty-four months in the purpose-established special roll governed by this provision (the “Special Roll”) and by a specific letter, issued by the broker on whose accounts the shares were deposited under applicable law, certifying the ownership of those shares on the date on which the continuous period elapsed.</p> <p>4. Enhanced voting rights shall be acquired on the first-occurring of the following dates: (i) the third trading day of the calendar month following the month in</p>	<p>1. The shares are registered, indivisible and freely transferable.</p> <p>2. Each share confers the right to one vote.</p> <p>3. <del>Notwithstanding the provisions of paragraph 2 above, each share confers the right to a double vote (two votes per share) provided that both of the following conditions are met: (a) the share has been held by the same person, on the basis of a real right entitling the holder to exercise the associated voting right (full ownership with voting rights, bare ownership with voting rights or usufruct with voting rights) for a continuous period of at least twenty-four months; (b) the fact of (a) having been met is certified by continuous registration for a period of at least twenty-four months in the purpose-established special roll governed by this provision (the “Special Roll”) and by a specific letter, issued by the broker on whose accounts the shares were deposited under applicable law, certifying the ownership of those shares on the date on which the continuous period elapsed.</del></p>

<p>which the conditions for enhanced voting rights required by the Company Bylaws were met; or (ii) the record date, determined in accordance with applicable law, of any shareholder's meeting held after the date on which the conditions for enhanced voting rights required by the Company Bylaws were met.</p> <p>5. The Company shall set up and keep the Special Roll on which shareholders intending to enjoy enhanced voting rights must register at its registered office, in compliance with the procedural and content requirements of applicable law. To register on the Special Roll, any person so entitled hereunder must submit an application, accompanied by certification of share ownership – including for part of the shareholder's shares only – issued by the broker on whose accounts the shares were deposited under applicable law. A shareholder may also apply for enhanced voting on a fraction of shares only. For persons other than natural persons, the application must state whether or not that person is directly or indirectly controlled by third parties and must contain the identification details of any such holding company.</p> <p>6. The Special Roll shall be updated by the Company by the third trading day of the</p>	<p><del>4. Enhanced voting rights shall be acquired on the first occurring of the following dates: (i) the third trading day of the calendar month following the month in which the conditions for enhanced voting rights required by the Company Bylaws were met; or (ii) the record date, determined in accordance with applicable law, of any shareholder's meeting held after the date on which the conditions for enhanced voting rights required by the Company Bylaws were met.</del></p> <p><del>5. The Company shall set up and keep the Special Roll on which shareholders intending to enjoy enhanced voting rights must register at its registered office, in compliance with the procedural and content requirements of applicable law. To register on the Special Roll, any person so entitled hereunder must submit an application, accompanied by certification of share ownership – including for part of the shareholder's shares only – issued by the broker on whose accounts the shares were deposited under applicable law. A shareholder may also apply for enhanced voting on a fraction of shares only. For persons other than natural persons, the application must state</del></p>
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<p>next calendar month and, additionally, by the record date envisaged by applicable regulations governing the right to attend and vote at shareholders' meetings.</p> <p>7. The Company shall erase entries from the Special Roll in the following cases:</p> <p>(i) relinquishment by the registered person;</p> <p>(ii) the registered person or the broker issues notice that such person no longer meets the conditions for enhanced voting rights or no longer holds the underlying real right and/or associated voting right;</p> <p>(ii) automatically, if the Company is informed of events that imply that the registered person no longer meets the conditions for enhanced voting rights or no longer holds the underlying real right and/or associated voting right.</p> <p>8. Enhanced voting rights shall be lost if:</p> <p>a) the share is disposed of against payment or free of charge, where "disposal" shall also mean the creation of a pledge, usufruct or other incumbrance on the share, wherein the shareholder loses the right to vote. If only part of the enhanced vote shares are disposed of against consideration of free of charge, the disposer shall retain enhanced voting rights over shares other than those disposed of.</p> <p>b) controlling interests in companies or bodies that hold enhanced vote shares are</p>	<p><del>whether or not that person is directly or indirectly controlled by third parties and must contain the identification details of any such holding company.</del></p> <p><del>6. The Special Roll shall be updated by the Company by the third trading day of the next calendar month and, additionally, by the record date envisaged by applicable regulations governing the right to attend and vote at shareholders' meetings.</del></p> <p><del>7. The Company shall erase entries from the Special Roll in the following cases:</del></p> <p><del>(i) relinquishment by the registered person; (ii) the registered person or the broker issues notice that such person no longer meets the conditions for enhanced voting rights or no longer holds the underlying real right and/or associated voting right;</del></p> <p><del>(ii) automatically, if the Company is informed of events that imply that the registered person no longer meets the conditions for enhanced voting rights or no longer holds the underlying real right and/or associated voting right.</del></p> <p><del>8. Enhanced voting rights shall be lost if:</del></p> <p><del>a) the share is disposed of against payment or free of charge, where "disposal" shall also mean the creation</del></p>
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<p>directly or indirectly disposed of at a level above the threshold provided for by Article 120, paragraph 2 of Italian Legislative Decree No. 58/1998 (“Change of Control”).</p> <p>9. Enhanced voting rights:</p> <p>a) shall be retained by the heir and/or legatee in the event of succession to the estate of a deceased person;</p> <p>b) shall be retained by the surviving or resulting company, respectively, in the event of a merger or demerger involving the shareholder;</p> <p>c) shall be extended, on a proportional basis, to new shares issued as part of any share capital increase pursuant to Article 2442 of the Italian Civil Code and as part of any share capital increase under option;</p> <p>d) shall also be carried by shares allocated in exchange for enhanced vote shares in the event of a merger or demerger, provided that the merger or demerger plan allows for this;</p> <p>e) shall be retained if a portfolio is transferred to another collective investment undertaking managed by the same person.</p> <p>10. In the assumptions referred to in (c) and (d) of paragraph 9 above, new shares shall be allocated enhanced voting rights as follows: (i) in the event of newly issued shares to which the shareholder is entitled</p>	<p><del>of a pledge, usufruct or other incumbrance on the share, wherein the shareholder loses the right to vote. If only part of the enhanced vote shares are disposed of against consideration of free of charge, the disposer shall retain enhanced voting rights over shares other than those disposed of.</del></p> <p><del>b) controlling interests in companies or bodies that hold enhanced vote shares are directly or indirectly disposed of at a level above the threshold provided for by Article 120, paragraph 2 of Italian Legislative Decree No. 58/1998 (“Change of Control”).</del></p> <p><del>9. Enhanced voting rights:</del></p> <p><del>a) shall be retained by the heir and/or legatee in the event of succession to the estate of a deceased person;</del></p> <p><del>b) shall be retained by the surviving or resulting company, respectively, in the event of a merger or demerger involving the shareholder;</del></p> <p><del>e) shall be extended, on a proportional basis, to new shares issued as part of any share capital increase pursuant to Article 2442 of the Italian Civil Code and as part of any share capital increase under option;</del></p> <p><del>d) shall also be carried by shares allocated in exchange for enhanced vote</del></p>
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<p>on the basis of shares already vested with an enhanced voting right, immediately upon their registration on the Special Roll, without any requirement for the continuous shareholding period to run again; (ii) in the event of newly issued shares to which the shareholder is entitled on the basis of shares not yet vested (but in the process of being vested) with an enhanced voting right, immediately upon the shareholding period having been met, calculated from their initial registration on the Special Roll.</p> <p>11. Any person entitled to enhanced voting rights may, at any time, irrevocably relinquish those enhanced voting rights (in full or in part) by sending written notice to the Company. However, that person may reacquire enhanced voting rights on the shares for which those rights were relinquished by re-registering on the Special Roll and waiting out the entire continuous shareholding period of at least 24 months.</p> <p>12. Enhanced voting rights shall also be taken into account when calculating the share-capital quorum for holding a shareholders' meeting or passing a resolution at a shareholders' meeting, without this affecting non-voting rights associated with holdings of share capital.</p>	<p><del>shares in the event of a merger or demerger, provided that the merger or demerger plan allows for this;</del></p> <p><del>e) shall be retained if a portfolio is transferred to another collective investment undertaking managed by the same person.</del></p> <p><del>10. In the assumptions referred to in (c) and (d) of paragraph 9 above, new shares shall be allocated enhanced voting rights as follows: (i) in the event of newly issued shares to which the shareholder is entitled on the basis of shares already vested with an enhanced voting right, immediately upon their registration on the Special Roll, without any requirement for the continuous shareholding period to run again; (ii) in the event of newly issued shares to which the shareholder is entitled on the basis of shares not yet vested (but in the process of being vested) with an enhanced voting right, immediately upon the shareholding period having been met, calculated from their initial registration on the Special Roll.</del></p> <p><del>11. Any person entitled to enhanced voting rights may, at any time, irrevocably relinquish those enhanced voting rights (in full or in part) by sending written notice to the Company.</del></p>
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<p>13. For the purposes of this article, control shall have the meaning provided in the regulations on listed issuers.</p> <p>14. The above is subject to the provisions regarding representation, entitlement and circulation of the shares applicable to securities traded on regulated markets.</p>	<p><del>However, that person may reacquire enhanced voting rights on the shares for which those rights were relinquished by re-registering on the Special Roll and waiting out the entire continuous shareholding period of at least 24 months.</del></p> <p><del>12. Enhanced voting rights shall also be taken into account when calculating the share capital quorum for holding a shareholders' meeting or passing a resolution at a shareholders' meeting, without this affecting non-voting rights associated with holdings of share capital.</del></p> <p><del>13. For the purposes of this article, control shall have the meaning provided in the regulations on listed issuers.</del></p> <p>14. The above is subject to the provisions regarding representation, entitlement and circulation of the shares applicable to securities traded on regulated markets.</p>
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### 3. Withdrawal right

The amendment to the By-Laws that it is proposed to adopt does not entail the withdrawal right in favour of the shareholders who will not approve it. The Board of Directors reached this decision based on the analysis of its legal advisors and the Court of Milan's ruling of 22 April 2021. Based on this, the Board of Directors deemed that the deletion of the enhanced voting right is actually aimed at aligning the company's by-laws with the effects resulting from the ruling of the European Court of Justice dated 3 September 2020, which established the incompatibility with European Union law (and in particular with Article 49 of the TFEU)

of Article 43, paragraph 11 Tusmar, and the ruling of 23 December 2020 no. 13958 of the Regional Administrative Court of Lazio, which consequently ordered the disapplication of this provision retroactively, as if it had never come into force, thus annulling AGCom resolution 178/17 dated 18 April 2017.

Since the right of the shareholders to approve the resolution to introduce the enhanced voting right was determined on the basis of Article 43, paragraph 11, Tusmar (and of the above-mentioned AGCom resolution implementing it), the cancellation of such provision – as if following a declaration of unconstitutionality – sweeps away the shareholders’ meeting procedure on which it was based; all this, with the consequence of irreparably undermining the residual validity of Article 7 of the company’s by-laws, whose approval resolution is currently being challenged before the Court of Milan. In this sense, the revocation of that resolution merely formalizes the fact that, as a result of the decision of the European Court of Justice and its retroactive effect, the enhanced voting right cannot in any event be validly exercised because it never actually arose. This being the case, the company shall exercise a self-defense provided by the law in order to avoid a now unnecessary ruling on the appeal before the Court of Milan. This, in conclusion, leads to the exclusion of the right of withdrawal in this case.

Having said that, for information purposes only, it should be noted that the liquidation value calculated in accordance with the criterion provided for by Article 2437-ter, paragraph 3, of the Italian Civil Code is equal to EUR 2.181. This value corresponds to the arithmetic average of the closing price of Mediaset shares in the six months preceding the publication of the notice of call of the extraordinary shareholders’ meeting of Mediaset convened to approve the By-Laws Amendments.

#### **4. Draft resolution**

In light of the foregoing, the Board of Directors hereby submits to the shareholders the following draft resolution.

The Shareholders’ Meeting of Mediaset S.p.A. (the “Company”), held in extraordinary session: (i) having reviewed the illustrative report of the Board of Directors on the sole item



on the agenda (the “Report”); (ii) having shared the reasons for the proposal contained therein

RESOLVES

1. to revoke the resolution adopted on 18 April 2019 and, accordingly, to amend Article 7 of the By-Laws as follows:  
“Article 7  
1. The shares are registered, indivisible and freely transferable.  
2. Each share confers the right to one vote.  
1. Shares shall be registered, indivisible and freely transferable.  
2. Each share shall give the right to one vote.  
3. The above is subject to the provisions regarding representation, entitlement and circulation of the shares applicable to securities traded on regulated markets.”;
2. to grant the Chairman *pro tempore* in office, the Vice-Chairman and Chief Executive Officer *pro tempore* in office, as well as the director Marco Giordani, severally, each, with the power to sub-delegate and to appoint attorneys-in-fact, any broadest power, no one excluded or excepted, to execute this resolution, including – merely by way of example and without limitation – those relating to:
  - (a) the management of relations with any competent body and/or Authority;
  - (b) obtaining the legal approval for the above resolution, with the right to introduce any amendments that may be required by the competent Authorities and/or by the Companies’ Register at the time of their registration.

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Cologno Monzese, 26 April 2021

For the Board of Directors  
The Chairman