Intred S.p.A.

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
ON THE PROPOSALS CONCERNING THE ITEMS ON THE AGENDA

Ordinary Shareholders' Meeting

20 April 2020 – first call
21 April 2020 – second call

Brescia, 3 April 2020

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF INTRED S.P.A. ON THE PROPOSALS CONCERNING THE ITEMS ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING CALLED FOR 20 APRIL 2020 AND 21 APRIL 2020, IN FIRST AND SECOND CALL RESPECTIVELY

Dear Shareholders,

the Board of Directors of Intred S.p.A. ("**Intred**", the "**Company**" or the "**Issuer**") has called you to the Shareholders' Meeting, in Ordinary session, to submit for your approval the proposals set out in the following:

agenda

1. Approval of the financial statements for the year ended 31 December 2019. Related and consequent resolutions;

2. Increase in the number of Directors from the current five to seven members through the appointment of two new members and determination of the related remuneration. Related and consequent resolutions.

1. **Approval of the financial statements for the year ended 31 December 2019. Related and consequent resolutions**

Dear Shareholders,

with reference to the first item on the agenda, you have been called to the Shareholders' Meeting, in Ordinary session, to approve the financial statements for the financial year ended 31 December 2019, examined by the Board of Directors on 20 March 2020.

The financial year ended 31 December 2019 closed with a profit for the year of euro 4,325,290, which we propose that you allocate as follows:

- euro 475,515 to the distribution of a dividend of euro 0.03 per share, gross of the withholding taxes required by law, with dividend detachment date (so-called ex-date), in accordance with the 2020 AIM Italia calendar, on 4 May 2020, date of entitlement to receive the dividend (so-called record date) on 5 May 2020 and dividend payment date (so-called payment date) on 6 May 2020;

- the remaining part, equal to euro 3,849,775, as to euro 216,265 to the legal reserve and as to euro 3,633,510 to the extraordinary reserve.

For all information and detailed comments, please refer to the directors' report, made available to the public, together with the financial statements, the report of the Board of Statutory Auditors and of the Independent Auditors, at the registered office, as well as on the Company's website, within the terms provided for by the regulations in force.

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In light of the above, the Board of Directors therefore submits for your approval the following:

– ***PROPOSED RESOLUTION*** –

"*The Ordinary Shareholders' Meeting of Intred S.p.A.,*

- having heard the Chairman's presentation,

- having examined the draft financial statements for the year ended 31 December 2019 and the directors' report;

- having taken note of the reports of the Board of Statutory Auditors and of the Independent Auditors;

- having taken note of the explanatory report of the Board of Directors,

resolves

1. *to approve the financial statements for the year ended 31 December 2019, consisting of the balance sheet, income statement, cash flow statement and explanatory notes and accompanied by the directors' report, taking note of the reports of the Board of Statutory Auditors and of the Independent Auditors as well as of the related accompanying documentation;*

2. *to allocate the net profit for the 2019 financial year, equal to euro 4,325,290, as follows:*

    - *euro 475,515 to the distribution of a dividend of euro 0.03 per share, gross of the withholding taxes required by law, with detachment date, in accordance with the 2020 AIM Italia calendar, on 4 May 2020, date of entitlement to receive the dividend on 5 May 2020 and dividend payment date on 6 May 2020;*

    - *the remaining part, equal to euro 3,849,775, as to euro 216,265 to the legal reserve and as to euro 3,633,510 to the extraordinary reserve.*

3. *to grant the Chairman of the Board of Directors and Chief Executive Officer Daniele Peli and the Executive Director Marisa Prati, severally and with the power to sub-delegate to third parties, including those outside the Board, a mandate to carry out all the communication, filing and publication formalities and obligations relating to the above resolutions, pursuant to the applicable regulations.*"

2. **Increase in the number of Directors from the current five to seven members through the appointment of two new members and determination of the related remuneration. Related and consequent resolutions**

Dear Shareholders,

with reference to the second item on the agenda, you have been called to the Shareholders' Meeting, in Ordinary session, to examine and approve a proposed resolution concerning the increase in the members of the administrative body from the current 5 (*five*) to 7 (*seven*) and, if such increase is approved, the simultaneous appointment of 2 (*two*) new Directors as well as the determination of the related remuneration.

In this regard, it should be recalled that, pursuant to Article 15 of the Articles of Association, the management of the Company is entrusted to a Board of Directors consisting of a number of members ranging from 3 (*three*) to 7 (*seven*), at the discretion of the Shareholders' Meeting. The Directors must meet the requirements of eligibility, professionalism and integrity laid down by law and by the other applicable provisions. Furthermore, at least 1 (*one*) of the members of the Board of Directors must meet the independence requirements laid down by Article 148, paragraph 3, of Legislative Decree No. 58/98 ("*Consolidated Law on Financial Intermediation*") (the "**TUF**") as referred to by Article 147-*ter*, paragraph 4, of the TUF.

It should also be recalled that the Shareholders' Meeting of 18 September 2018 set the number of members of the Board of Directors at 5 (*five*) – from the previous 4 (four) appointed on 13 June 2018 –, with a term of office expiring on the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2020.

Today's Shareholders' Meeting is called upon to express its opinion on the proposed resolution concerning the increase in the number of members of the Board of Directors from 5 (*five*) to 7 (*seven*) and the simultaneous appointment of 2 (*two*) new Directors.

The appointment of the aforementioned members of the Board of Directors, following the increase in the members of the administrative body, will be made by resolution of the Shareholders' Meeting with the majorities required by law, since these are mere cases of integration of the number of Directors and the filing of slates for the overall re-appointment of the administrative body as a whole is therefore not required.

The Directors so appointed will expire together with those currently in office, that is, as recalled above, on the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2020.

The Board of Directors, having regard to the fulfilment of the requirements laid down by law and by the Articles of Association for this purpose and to the proven experience and skills in this regard, therefore proposes that you appoint Mr Fabio Massimo Erri and Ms Giulia Peli as new members of the Board of Directors.

This proposal is made by the Board of Directors also in view of the commitments undertaken by the Company within the agreements for the purchase of the majority shareholding in Qcom S.p.A., completed on 27 February 2020 (as per the press release published on 8 January 2020), concerning the candidacy of Qcom's former majority shareholder, Fabio Massimo Erri, for the office of Director of Intred. This decision is also supported by the need to broaden the skills and enrich the debate within the Administrative Body in light of the new challenges that the Company is called upon to face following the aforementioned acquisition, which significantly increases the territorial presence and operations of the company itself, ensuring the entry of a person, already a member with delegated powers of the board of directors of Qcom, with considerable experience and qualified skills in the sectors in which the Company operates.

Furthermore, in order to ensure the proper functioning of the Administrative Body, avoiding potential situations of decision-making deadlock, the Board of Directors of Intred also deemed it appropriate to proceed with the appointment of a further member of the Board itself, identified as Ms Giulia Peli, already head of the Company's marketing division. The identification of Ms Giulia Peli is also aimed at

ensuring the entry into the Administrative Body of a person with qualified skills in the marketing field, a function that is of considerable importance in the Company's business.

The identification of Mr Fabio Massimo Erri and Ms Giulia Peli as ideal candidates to supplement the current skills of the Board of Directors therefore lies, on the one hand, in the specific skills that each of them possesses and, on the other, in the professional and personal characteristics that – in the opinion of the Administrative Body – currently make them suitable candidates to hold the office of Directors of the Company, with consequent benefits for the Administrative Body as a whole.

In this regard, the *curricula vitae* of Mr Fabio Massimo Erri and Ms Giulia Peli, together with the declaration in which they respectively accept the candidacy and certify, under their own responsibility, that there are no grounds for incompatibility and ineligibility, as well as that they meet the requirements laid down by the regulations in force for holding the office of director, are attached to this document and made available at the registered office and on the Company's website in the section "*Governance – Shareholders' Meeting*".

Without prejudice to the above and to the reasons for the proposals made by the Administrative Body, we remind you that each Shareholder is in any case entitled to make proposals on the above. Shareholders who therefore intend to put forward proposals for the appointment of a new member of that body following the increase in its number are invited to submit the related candidacies at the Shareholders' Meeting, accompanied by: ***(i)*** the professional *curriculum vitae* of the candidates and ***(ii)*** a declaration by which the candidates accept the candidacy and certify, under their own responsibility, that there are no grounds for incompatibility and ineligibility, as well as that they meet the requirements laid down by the regulations in force for holding the office of Director.

In addition to the above appointment proposals, Shareholders are at the same time invited to make proposals for the allocation of remuneration to the newly appointed Directors.

In this regard, it should be noted that on 13 June 2018 the Shareholders' Meeting had granted a gross annual remuneration for the entire Board of Directors of a maximum of Euro 300,000.00 (*three hundred thousand/00*), *pro rata temporis*, to be divided among the Directors by resolution of the Board of Directors pursuant to Article 2389, paragraph 3, of the Italian Civil Code and the Articles of Association, in addition to the reimbursement of the expenses incurred by the Directors in the performance and by reason of their duties.

In light of the above, on 13 June 2018 the Board of Directors – by virtue of the various offices and roles assigned – distributed the aforementioned overall remuneration, granting the non-executive Directors a gross annual remuneration of Euro 8,000.00 each.

The Board of Directors, without prejudice to any different proposals that the Shareholders may make and in the event of approval of the above-mentioned increase in the number of Directors, therefore proposes to increase the overall gross annual remuneration for the entire Board of Directors from Euro 300,000.00 (*three hundred thousand/00*) to Euro 316,000.00 (*three hundred and sixteen thousand/00*), to be subsequently distributed by the Administrative Body pursuant to Article 2389, paragraph 3, of the Italian Civil Code and the Articles of Association.

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In light of the above, the Board of Directors therefore submits for your approval the following:

– *PROPOSED RESOLUTION* –

"*The Ordinary Shareholders' Meeting of Intred S.p.A.,*

- having heard the Chairman's presentation,

- having taken note of the explanatory report of the Board of Directors,

- having taken note of the documentation certifying the requirements laid down by law and by the Articles of Association with reference to the new Directors

resolves

1. *to increase the number of members of the Board of Directors from the current 5 (five) to 7 (seven);*

2. *as a result of the above, to appoint 2 (two) new Directors of the Company in the persons of:*

   - *Fabio Massimo Erri, born in Treviglio (BS) on 13 June 1976, resident in Treviglio (BG), via Cesare Battisti no. 43/b, tax code RREFMS76H13L400O,*

   - *Giulia Peli, born in Brescia on 28 June 1991, resident in Villa Carcina (BS), via Augusto Murri no. 22, tax code PLEGLI91H68B157Y,*

   who will remain in office until the expiry of the other Directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2020;

3. *to increase the overall gross annual remuneration granted to the Board of Directors pursuant to Article 2389, third paragraph, of the Italian Civil Code and the Articles of Association by a further Euro 16,000.00, so that the Administrative Body may proceed to allocate it also to the new Directors, also granting them the right to reimbursement of the expenses incurred in the performance of their duties;*

4. *to grant the Chairman of the Board of Directors and Chief Executive Officer Daniele Peli and the Executive Director Marisa Prati, severally and with the power to sub-delegate to third parties, including those outside the Board, a mandate to carry out all the communication, filing and publication formalities and obligations relating to the above resolutions, pursuant to the applicable regulations.*"

Brescia, 3 April 2020

For the Board of Directors
The Chairman and Chief Executive Officer
(signed Daniele Peli)

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