



**MINUTES**

of the

**ANNUAL GENERAL MEETING**

of

**ARISTON HOLDING N.V.**

**28 APRIL 2022**

## Minutes of the annual general meeting of shareholders of ARISTON HOLDING N.V.

**Date: 28 APRIL 2022**

**Time: 12.00 CEST**

The agenda of the annual general meeting of shareholders ("AGM") of Ariston Holding N.V. ("**Company**") includes the following items

1. Opening
2. Annual report 2021
  - a. 2021 Annual report 2021 (*discussion*)
  - b. Remuneration report 2021 (*advisory vote*)
  - c. Adoption of 2021 annual accounts (*voting item*)
3. Dividend
  - a. Policy on additions to reserves and dividends (*discussion*)
  - b. Determination and distribution of dividend (*voting item*)
4. Release from liability
  - a. Release from liability of the executive directors (*voting item*)
  - b. Release from liability of the non-executive directors (*voting item*)
5. Approval of Long-Term Incentive Plan 2022 (*voting item*)
6. Re-appointment of Ernst & Young Accountants LLP as independent external auditor entrusted with the audit of the annual accounts for the financial year 2022 (*voting item*)
7. Any other business
8. Closing

## Agenda item 1: Opening

Paolo Merloni, the Company's Executive Chair opened the AGM at 12:10 CEST and welcomed all attendees on behalf of the Company's Board of Directors ("**Board**") and noted that due to the Dutch law measures and recommendations relating to the coronavirus (COVID-19) and in accordance with the bill on temporary provisions in connection with the coronavirus (COVID-19) outbreak, the AGM was held completely virtually. Paolo Merloni informed the meeting that he will act as chair of the AGM ("**Chairman**") in accordance with article 24.1 of the Company's articles of association.

The Chairman informed the AGM that:

- a. all executive and non-executive directors were attending this meeting except for Mr. Francesco Merloni, non-executive director, Mrs. Marinella Soldi, Lead Non-Executive Director and Mr. Enrico Vita, non-executive director. They have been given the opportunity to advise on the subjects raised in this meeting;
- b. the external auditors, Mr. Sander Mom and Mr. Richard Toet (Ernst & Young Accountants LLP, The Netherlands) were also present;
- c. Mrs. Marcella Zacchei, the Company Secretary acted as secretary of the meeting and Mr. Luca Mirabelli, the Company's investor Relations Senior Director and Riccardo Gini , Group Chief Financial Officer, were present ;
- d. the meeting has been held in English and the convocation for the meeting had been published on the Company's website on 17 March 2022 (including the notice that due to the emergency measures adopted by the Dutch government in relation to the coronavirus pandemics (COVID-19) and in accordance with the COVID-19 Act, shareholders could not attend the AGM in person at Hilton Amsterdam Airport Schiphol, but were given the opportunity to follow the AGM via a live webcast);
- e. the notice calling the AGM has granted the shareholders the opportunity to ask written or electronic questions about the items on the agenda items until 17:00 CEST on 25 April 2022. The Chairman informs the meeting that no questions have been received before this deadline;
- f. the shareholders have been given the opportunity to exercise their voting rights by proxy until the voting cut-off time of 17:00 CEST on 21 April 2022. . It has not been possible to vote during the AGM;
- g. the total number of shares outstanding as per the record date as at the record date (31 March 2022), amounted to 225,000,000 multiple voting shares and 105,423,725 ordinary shares and a total number of 1,129,152,077 voting rights; and
- h. according to the registration list, a total of 145 shareholders representing 1,104,061,859 voting rights, equal to 97.78% of the total voting rights were registered for this AGM and voting instructions were submitted via proxy vote prior to the AGM.

Blank and invalid votes were regarded as not having been cast and the official voting results will be published on the Company's website after the meeting.

## **Agenda Item 2: Annual report 2021**

The Chairman referred to the 2021 Annual Report published on the Company's website.

### **2.a The first part of this item is the presentation of the 2021 annual report (*discussion*).**

The Chairman commented on the highlights of the 2021 Annual Report:

#### **FY 2021 Net Revenue by division**

The total revenue reached 1,987 million, with a growth of 19.4%. The Chairman noted that this is an organic growth, considering that there were no additions to the consolidation perimeter over the year and that this growth is driven by volumes and mix, with further contribution from pricing actions implemented from mid-year.

#### **FY 2021 Net Revenue by area**

The Chairman further stated that the trend by region shows an even growth distribution, largely driven by the industry trend both on WHE as well as on HEA, with Americas registering the strongest performance, to confirm the right decision was made to invest inorganically in the region a few years ago with the acquisitions of Calorex, NTI and HTP.

The Chairman also noted that the effect of currency exchange was negligible for the year, a negative 40 bps, which however is almost what separated us from 2 billion revenue.

#### **FY 2021 Financials**

Taking all the key financial indicators into account, the Chairman reported a sound performance both on P&L as well as for NWC. Net revenue up consistently with the guidance provided during the IPO roadshow, Adjusted Ebit % exceeding the 10% mark for the first time ever, and NWC with a position on net revenue improved down to 7.3% vs 7.7% in 2020.

#### **FY 2021 Condensed Income Statement**

The Chairman further stated that the growth of net revenue was a solid 19.4% YoY. Adjusted EBIT, which is the KPI representing normal business operations, reached 203 million euro with an even stronger growth, +24.2%. The Chairman noted that this improvement incorporates the pricing actions undertaken during the year, to counterbalance the inflation on raw materials and inflation on some key components. Although at the very end of 2021 the pricing point did offset the cost inflation almost completely, this is not true for the overall balance for the entire year, which remained unfavorable. Besides, the fixed costs increased to support the growth targets for the year and beyond. The Chairman noted that 2020 is not comparable from that perspective because of Covid-19 lockdowns.

The Chairman also noted that on the other side, the beneficial effects of volume leverage and mix were predominant, and this is why the margin of EBIT Adjusted on Net Revenue went up from 9.8% to 10.2%, exceeding the 10% mark for the first time ever.

The Chairman said that the net Profit amounted to 136.3 million euro, up 41% compared to prior year. The reported result includes the first-year effect of a step-up of fixed assets and intangibles for fiscal purposes, resulting in 9 million euro lower taxes for the current year and a smaller ongoing benefit that will extend over the next 20 to 50 years. The size of the one-off benefit was reduced at the very end of the year by the amendment of the Italian law on asset revaluation.

The Chairman further stated that to help a fair evaluation, in particular of tax rate, a “net Profit adjusted” has been shared. This is the net profit consistent with EBIT adjusted, but for 2021 we have also removed the 9-million one-off fiscal advantage.

### **Total Net Financial Indebtedness according to ESMA 32-382-1138 guidelines**

The Chairman gave a final note on net financial indebtedness, which is presented according to the most recent guidelines from ESMA and stated that this is the picture of a company which went from net debt to net cash as a consequence of the IPO capital increase, in addition to the positive FCF.

The Chairman further stated that the structure of debt is very straightforward: the vast majority is represented by bank credit lines, on top of put & call options worth 30 million euro. A significant portion of short-term debt was renegotiated during 2021. As of today, non-current bank debt has a duration of more than 4 years. The group has more than 500 million euro of additional committed credit lines that are still untapped, ready to be used to fuel any growth opportunities.

### **Sustainability – Update on the “road to 2022” plan**

In terms of sustainability, the Chairman singled-out some KPI.

- the growth of revenues from renewable and high-efficiency technologies sold by the Thermal Comfort division, which grew to 74% up from 72% in 2020.
- the people target: growing resources internally, and ensuring we staff local managers.
- the governance, an ESG team will be reporting to the Strategy function and a voluntary ESG Board committee and a ESG council at Group Executive level.

### **Sustainability – Ariston Group Taxonomy 2021**

The Chairman said that 2021 also marks the beginning of reporting efforts under the new EU Taxonomy, focused on objective 1 and 2 (i.e. mitigation and adaptation to climate change) as per the current EU Taxonomy roadmap. There are 3 key indicators of net revenue, OpEx and CapEx, and the extent they are eligible to be considered sustainable for mitigation and adaptation to climate change. Almost 2/3 of the Group revenues are eligible, which are considered a solid ground from which to further improve in the future. The Chairman notes that a conservative method for calculation has been adopted.

## Russia / Ukraine disclosure

The Chairman notes that on March 14, ESMA published a statement on Ukraine, which was promptly echoed by national competent authorities, among which the Netherlands' AFM and Italy's Consob.

According to this statement, issuers are expected to "provide transparency [...] on the actual and foreseeable direct and indirect impacts of the crisis on their business activities, exposures to the affected markets, supply chains, financial situation and economic performance".

The Chairman said that the Group has two wholly-owned subsidiaries in Russia and Ukraine, which together accounted for less than 5% of consolidated revenue of Ariston Group for the year 2021. Ariston Thermo Ukraine LLC is a purely commercial enterprise, while Ariston Thermo RUS LLC also operates a manufacturing plant in St. Petersburg, Russia, on top of sales offices in different parts of the Russian Federation.

The Chairman noted that operations in Ukraine are substantially suspended while the Group focuses on assisting its Ukrainian employees and their families, whether they chose to stay in their home country or are seeking temporary relocation abroad. This support activity, for which the Group has allocated €500,000 is being carried out jointly by the Italian headquarter and subsidiaries in Ukraine's neighboring countries (notably Hungary, Romania and Poland), with a commendable level of voluntary personal involvement shown by many colleagues.

The Group has proceeded to a complete write-off of the Ukrainian subsidiary's inventory and trade receivables, for a total of approximately 3.1 million euro.

The Chairman further noted that operations in Russia have been reduced in quantity and scope. While the Russian subsidiary Ariston Thermo Rus LLC has sufficient resources and operational autonomy to ensure it will remain a going concern, all investments – with the exception of safety-related initiatives – are suspended, and no contribution to the Group's net profit is expected for 2022.

Global indirect effects of the crisis may consist in higher-than-expected interest rates and increase in procurement costs due to price inflation on some raw materials and components. Ariston Group has a very solid balance sheet, currently with a net cash position – that minimizes the impact of higher interest rates.

The Group is determined to match any cost increases with adjustments of the price lists, although the time lag between the two may have a temporary negative effect on profitability in some quarters.

Finally, the Chairman stated that the Group complies with all relevant sanctions and will monitor for any further restriction. The Group's significant geographical diversification is expected to play an important role in minimizing the consequences of the ongoing crisis.

### 2.b The second part of this agenda item is the 2021 remuneration report (*advisory vote*).

The Chairman continued with sub-item 2.b, concerning the remuneration report for the directors of the Board for 2021 (the "**2021 Remuneration Report**") and noted that this was a

discussion and advisory vote item. The Chairman noted that the 2021 Remuneration Report is available on the Company's website and is also contained in the Company's 2021 annual report. The details on the remuneration of the Company's directors were described in the 2021 remuneration report. The Chairman invited Mr. Roberto Guidetti, non-executive director of the Company, to give a brief explanation on the remuneration report.

Mr. Roberto Guidetti explains that the remuneration report for 2021 is included in the annual report for 2021 and complies with the remuneration policy approved by the Shareholders Meeting of the Company on 28 October 2021. The 2021 remuneration report gave an overview of how the 2021 Remuneration Policy has been implemented in 2021. The 2021 remuneration report has been prepared in line with the legal disclosure requirements contained in the Dutch Civil Code implementing the European Shareholders Rights Directive. For Further details , please refer to the "Remuneration Report" section of the Annual Report.

Mr. Roberto Guidetti further stated with respect to the composition of the Board: in 2021, the Company continued to be managed by a board of directors composed of the directors in office before the effective date of the redomiciliation and comprised the following directors: Francesco Merloni, Paolo Merloni, Laurent Jacquemin, Marinella Soldi, Roberto Guidetti, Maria Francesca Merloni, Paolo Tanoni, Andrea Guerra, Sara Dethridge, Gianemilio Osculati and Enrico Vita. Then, on 13 April 2021, Ignazio Rocco di Torrepadula was appointed as director and the term of Andrea Guerra, Sara Dethridge and Gianemilio Osculati expired on 13 April 2021. On 1 June 2021, the reverse merger took place and Ariston Thermo Holding S.p.A. ceased to exist. Ariston Thermo International S.r.l. as the surviving entity changed its name into Ariston Thermo Holding S.p.A. The following directors have been appointed as directors of the surviving entity: Paolo Merloni, Laurent Jacquemin, Francesco Merloni, Marinella Soldi, Roberto Guidetti, Maria Francesca Merloni, Paolo Tanoni, Ignazio Rocco di Torrepadula, Enrico Vita and Sabrina Baggioni. At the moment the redomiciliation became effective, Paolo Merloni and Laurent Jacquemin became executive directors and the other directors became non-executive directors. On 15 June 2021 (after redomiciliation), the Company appointed the following non-executive directors: Lorenzo Poza and Andrea Silvestri.

The Chairman thanked Mr. Guidetti for his explanation.

The Chairman explained that shareholders could either vote in favour of, or against, a positive advice with respect to the remuneration report. Any votes "against" would qualify as a negative advice. The results of the voting would be regarded as an advisory, non-binding, vote with respect to the 2021 remuneration report and in the remuneration report for 2022 the Company will explain how the vote in this meeting has been taken into account.

The Chairman announced the voting results which were the following:

In favour:	1,067,763,658	96.71%
Against:	36,298,201	3.29%
Abstain:	0	-

After the announcement, the Chairman informed the meeting that a majority of the advisory votes cast were in favour of the remuneration report.

### 2.c Adoption of the 2021 annual accounts (voting item)

The Chairman moved to the final sub-item 2.c concerning the adoption of the Company's annual accounts for 2021. The annual accounts for 2021 have been drawn up by the Board and audited by Ernst & Young Accountants LLP, the Netherlands, who have issued an unqualified opinion.

The Chairman announced the voting results which were the following:

In favour:	1,104,017,717	99.996%
Against:	44,142	0.004%
Abstain:	0	-

The Chairman informed the meeting that the Company's 2021 Annual Accounts were adopted and proceeded with the next agenda item.

### Agenda Item 3 Dividend

The Chairman moved to the third agenda item Dividend.

#### 3.a Policy on additions to reserves and dividends (discussion)

The first sub item concerns the Company's dividend policy, which is a discussion item.

The Chairman pointed out to the meeting that the dividend policy is in line with its current strategy. The dividend policy is determined by the Board and is available on the Company's website. To the extent possible and provided the Company's operational and financial objectives have been met, the Company is targeting a dividend pay-out ratio of approximately 33% of the Group's net profit attributable to shareholders in the immediately preceding financial year.

The Chairman proceeded with the next agenda item.

#### 3.b Determination and distribution of dividend (voting item)

The Chairman noted that the second sub item concerns the determination and distribution of dividend, which is a voting item.

It is proposed:

- to distribute a dividend for the financial year 2021 of € 0.14 per share in cash. According to article 31.3 of the Company's articles of association, the shareholders will share in the (profit) distribution in proportion to the aggregate number of the shares (either ordinary shares and/or multiple voting shares) held by each of them; on the

basis of the shares issued and outstanding as per 28 April 2022, this would result in a distribution of € 46.3 million in total.

- to pay the dividend on 25 May 2022 (the outstanding shares will be quoted ex-dividend from the 23rd day of May 2022 and the record date for the dividend would be on 24 May 2022).

The Chairman announced the voting results:

In favour:	1,104,061,859	100%
Against:	0	0
Abstain:	0	-

The Chairman informed the meeting that the resolution had been adopted and proceeded with the next agenda item.

#### **Agenda Item 4 Release from liability**

The Chairman explained that this agenda item is a standard item in an annual general meeting in the Netherlands. A release from liability granted to the directors means a release from actual or potential liability. The release of liability does not cover facts that were not disclosed to the general meeting prior to the adoption of the annual accounts 2021. In addition, the principles of reasonableness and fairness may prevent reliance on a discharge under certain circumstances.

##### **4.a Release from liability of the executive directors (voting item)**

Under agenda item 4.a, the meeting was requested to release each executive director from liability in respect of the exercise of his duties in the 2021 financial year, to the extent that such exercise is apparent from the 2021 annual report or from information otherwise disclosed to the general meeting.

The Chairman announced the voting results:

In favour:	1,103,002,901	99.91%
Against:	981,993	0.09%
Abstain:	76,965	-

The Chairman informed the meeting that the resolution had been adopted and proceeded with the next agenda item.

#### 4.b Release from liability of the non-executive directors (voting item)

Under agenda item 4.b, the meeting was requested to release each non-executive director from liability in respect of the exercise of his or her duties in the financial year 2021, to the extent that such exercise is apparent from the Annual Report 2021 or from information otherwise disclosed to the general meeting.

The Chairman announced the voting results:

In favour:	1,097,055,294	99.37%
Against:	7,006,565	0.63%
Abstain:	0	-

The Chairman informed the meeting that the resolution had been adopted and proceeded with the next agenda item.

#### Agenda Item 5 Approval of Long-Term Incentive Plan 2022 (voting item)

The Chairman proposed to the meeting to approve the implementation of a Long-Term Incentive Plan 2022. In accordance with Article 114-bis of the Italian Consolidated Law on Financial Intermediation, the Company drafted an information document under article 84-bis of the Regulation no. 11971 approved by CONSOB with resolution of 14th May 1999, as subsequently amended and supplemented (the "**LTI Information Document**").

The purpose of the Long-Term Incentive Plan 2022 is to reward employees of the Ariston Group for their active participation in the Ariston Group performance; the Long-Term Incentive Plan 2022 is a tool for achieving growth results in the medium and long term and align Beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders. The eligible employees will be awarded with a right to receive a number of ordinary shares in the capital of the Company, subject to their continued employment during a vesting period, as further explained in the LTI Information Document. The LTI Information Document is available on the Company's website.

The Chairman announced the voting results:

In favour:	1,102,928,799	99.90%
Against:	1,133,060	0.10%
Abstain:	0	-

The Chairman informed the meeting that the resolution had been adopted and proceeded with the next agenda item.

**Agenda Item 6 Re-appointment of Ernst & Young Accountants LLP as independent external auditor entrusted with the audit of the annual accounts for the financial year 2022 (voting item)**

The Chairman moved to agenda item 6 which concerns the re-appointment of Ernst & Young Accountants LLP as the independent auditor of the Company.

Pursuant to article 29.1 of the Company's articles of association, the Company's general meeting is required to appoint the external auditor.

At the extraordinary meeting of shareholders of the Company held on 1 June 2021, Ernst & Young Accountants LLP was appointed to audit the annual accounts for the financial year 2021 and has succeeded in the mandate which was in force with Ernst & Young S.p.A. as regards the auditing of the annual report. Therefore, under this agenda item, the Board proposes to re-appoint EY to audit the Company's annual accounts for the financial year 2022.

The Chairman announced the voting results:

In favour:	1,099,931,327	99.72%
Against:	3,130,532	0.28%
Abstain:	1,000,000	-

The Chairman informed the meeting that the resolution had been adopted and proceeded with the next agenda item.

**7. Any other business**

Under this agenda item the Chairman noted that no questions were submitted by shareholders before or after the opening of the AGM.

The Chairman stated that there were no further items to discuss or to resolve on and noted that the voting results would be published on the Company's website within 15 days.

**8. Closing**

The Chairman thanked everyone for attending the AGM and closed the meeting.