



TESMEC S.P.A.
ORDINARY SHAREHOLDERS' MEETING OF 21 APRIL 2022
ON SINGLE CALL
REPORT OF THE BOARD OF DIRECTORS
ON THE PROPOSALS PRESENTED TO THE SHAREHOLDERS' MEETING

Report of the Board of Directors of Tesmec S.p.A., drawn up pursuant to Articles 125-*ter* of Italian Legislative Decree no. 58 of 24 February 1998, as subsequently supplemented and amended (“T.U.F.”) and 84-*ter* of the Regulation adopted with CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (“Issuers' Regulation”).

Dear Shareholders,

This report shows the draft resolutions that the Board of Directors of Tesmec S.p.A. (hereinafter referred to as “**Tesmec**” or the “**Company**”) intends to submit for your approval in relation to the items on the agenda of the ordinary Shareholders' Meeting that will be held on 21 April 2022, at 10:30 at Notary Practice SNPZ Notai a Milano, in Milan, Piazza della Repubblica, 28 on single call.

1. Approval of the financial statements as at 31 December 2021 and presentation of the Tesmec Group's consolidated financial statements and relevant reports, including the consolidated non-financial statement; allocation of result for the period; related and consequent resolutions.

1.1 Approval of the financial statements as at 31 December 2021 and the Board of Directors' report on operations;

1.2 Allocation of profit or loss for the period.

Dear Shareholders,

The Company, within the term established by Article 154-*ter* of the Consolidated Law on Finance (T.U.F.), must publish the annual financial statements comprising the draft financial statements, the consolidated financial statements, the directors' report (which includes the consolidated non-financial statement containing information, referred to Tesmec and its subsidiaries, relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters) and the certification set forth in Article 154-*bis*, paragraph 5, of the Consolidated Law on Finance (T.U.F.). The audit reports prepared by the independent auditors as well as the reports indicated in Article 153 of the Consolidated Law on Finance (T.U.F.) are made fully available to the public together with the annual financial statements.

The draft financial statements were approved by the Board of Directors of the Company on 11 March 2022.

The directors' report will be available to the public, together with the draft financial statements of Tesmec as at 31 December 2021, the consolidated financial statements of the Tesmec Group as at 31 December 2021, the certification of the Executive responsible for preparing the Company's accounting documents, the report of the Board of Statutory Auditors and the Independent Auditors' Report, at the registered office and Borsa Italiana S.p.A. (“**Borsa Italiana**”), as well as on the website of the Company www.tesmec.com and in accordance with the other methods prescribed by CONSOB within the methods and terms provided by the regulations in force.

For complete information on the subject in hand, reference is made to the directors' report and to the additional documents made available to the public, according to the methods the terms prescribed by the law, at the registered office and Borsa Italiana, as well as on the Company website at the address www.tesmec.com (Investors section) and in accordance with the other methods prescribed by the CONSOB regulation.

You are invited to approve the financial statements as at 31 December 2021 of Tesmec that closed with a net loss of 752,412.23 Euro.

With reference to the results achieved, the Board of Directors proposes that you resolve the coverage of the loss through the use of the Extraordinary Reserve.

* * *

In light of the above, in relation to this item on the agenda, there will be two separate votes at the Shareholders' Meeting, based on the proposals formulated hereunder.

1.1 Approval of the financial statements as at 31 December 2021 and the Board of Directors' report on operations.

In light of the above, with regard to the approval of the financial statements as at 31 December 2021, the Board therefore invites the Shareholders' Meeting called to pass the following resolution:

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

- having examined the Company's draft financial statements as at 31 December 2021 and the Board of Directors' report on operations, as well as the consolidated non-financial statement included therein and drafted in accordance with Legislative Decree 254/2016;*
- having examined the Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Art. 153 of Legislative Decree no. 58 of 24 February 1998;*
- having examined the Independent Auditors' Report relating to the draft financial statements as at 31 December 2021;*

decides:

- to approve the financial statements as at 31 December 2021 and the Board of Directors' report on operations;*
- to confer to the Chairman of the Board of Directors and the Chief Executive Officer, with the right to sub-delegate, the mandate to carry out all the activities regarding, consequent to or connected with the implementation of this resolution".*

1.2 Allocation of profit or loss for the period.

In light of the above, with regard to the allocation of the profit or loss for the period, the Board therefore invites the Shareholders' Meeting called to pass the following resolution:

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

- having examined the Company's draft financial statements as at 31 December 2021 and the Board of Directors' report on operations, as well as the consolidated non-financial statement included therein and drafted in accordance with Legislative Decree 254/2016;*
- having examined the Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Art. 153 of Legislative Decree no. 58 of 24 February 1998;*
- having examined the Independent Auditors' Report relating to the draft financial statements as at 31 December 2021;*

decides:

- *to cover the net loss recorded at 31 December 2021, equal to Euro 752,412.23 through the use of the Extraordinary Reserve;*
- *to confer to the Chairman of the Board of Directors and the Chief Executive Officer, with the right to sub-delegate, the mandate to carry out all the activities regarding, consequent to or connected with the implementation of this resolution”.*

2. Resolutions regarding the report on the policy of remuneration and compensation paid pursuant to Article 123-*ter*, of Legislative Decree 58/1998 and Article 84-*quater* of CONSOB Regulation no. 11971/1999; related and consequent resolutions.
 - 2.1 Binding vote on the remuneration policy relating to 2022 illustrated in the first section of the report;
 - 2.2 Consultation on the second section of the report regarding the fees paid in 2021 or relating to them.

Dear Shareholders,

in relation to the second item on the agenda, the Board of Directors intends to present to the Shareholders' Meeting the report on the policy of remuneration and compensation paid relating to members of the administration and control bodies, general manager and executive with strategic responsibilities (the "**Report**"). The Report was prepared according to Articles 123-*ter* of the Consolidated Law on Finance (T.U.F.) and 84-*quater* of the Issuers' Regulation and was prepared in compliance with Annex 3A, Schedules 7-*bis* and 7-*ter*, of the Issuers' Regulation.

Pursuant to Article 123-*ter* of the Consolidated Law on Finance (T.U.F.) and Article 84-*quater* of the Issuers' Regulation, the aforementioned Report is structured into two sections.

The first section illustrates, in a clear and easy-to-understand manner, the Company's policy on the remuneration of members of the administration and control bodies, the general manager and the executives with strategic responsibilities, at least with reference to the next year, as well as the procedures used for the adoption and implementation of said policy. The remuneration policy illustrated in said section, pursuant to Article 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of the Consolidated Law on Finance (T.U.F.), is subject to the binding vote of the ordinary Shareholders' Meeting.

The second section of the report, in a clear and easy-to-understand manner and, on a named basis for the members of the administration and control bodies, the general manager and, in aggregated form, for the executives with strategic responsibilities, instead, must (i) provide an adequate representation of each of the items that make up the remuneration, including the entitlements envisaged in the event of the cessation of office or termination of the employment contract, by highlighting their consistency with the Company's remuneration policy relating to the reference year; (ii) provide a detailed outline of the fees paid in the reference year in any capacity and in any form by the Company or its subsidiaries or associates, reporting any components of the aforementioned fees which relate to the activities carried out in years prior to the reference year and also highlighting the fees to be paid in one or more subsequent years in relation to the activities performed in the reference year; (iii) illustrate that the Company has taken account of the vote expressed in the previous year on the second section of the report. This section, pursuant to the new paragraph 6 of Article 123-*ter* of the Consolidated Law on Finance (T.U.F.), is subject to the sole advisory and non-binding vote of the ordinary Shareholders' Meeting, which is required to issue an opinion in favour or against said section.

Finally, any equity investments held by the subjects mentioned above in the Company and in its subsidiaries are indicated in the Report.

For a complete disclosure on the subject in hand, reference is made to the Board of Directors' report pursuant to Articles 123-*ter* of the Consolidated Law on Finance (T.U.F.) and 84-*quater* of the Issuers' Regulation, which will be made available to the public, according to the methods and terms prescribed by the law, at the registered office and Borsa Italiana, as well as on the Company website at the address www.tesmec.com (Investors section), and with the other methods prescribed by the CONSOB regulation.

* * *

In light of the above, in relation to this item on the agenda, there will be two separate votes at the Shareholders' Meeting, based on the proposals formulated hereunder.

2.1 Binding vote on the remuneration policy relating to 2022 illustrated in the first section of the report.

In light of the above, the Board of Directors submits for your approval the following proposal relating to the first section of the aforementioned Report:

“The Ordinary Shareholders’ Meeting of Tesmec S.p.A.,

- having examined the first section of the “Report on the policy of remuneration and compensation paid” set forth in Article 123-ter, paragraph 3, of Legislative Decree no. 58 of 24 February 1998, prepared by the Board of Directors on the proposal of the Remuneration and Appointments Committee, regarding the illustration of the Company’s policy on the remuneration of members of the administration and control bodies, the general manager and the executives with strategic responsibilities with reference to the year 2022, as well as the procedures used for the adoption and implementation of said policy;*
- considering that the first section of the report on the policy on remuneration and compensation paid and the remuneration policy described therein conform to the law and regulatory provisions applicable to the remuneration of the members of administration and control bodies, the general manager and the executives with strategic responsibilities; and*
- considering that the policy on remuneration and compensation paid was made available to the public according to the methods and terms set out in the legislation in force,*

decides:

to approve, pursuant to and in accordance with the provisions of Article 123-ter, paragraphs 3-bis and 3-ter, of the Consolidated Law on Finance (T.U.F.), the policy on remuneration described in the first section of the “Policy on remuneration and compensation paid”, prepared by the Company’s Board of Directors on 11 March 2022’.

2.2 Consultation on the second section of the report regarding the fees paid in 2021 or relating to them.

With reference to the second section of the aforementioned Report, the Board of Directors submits for your approval the following proposal:

“The Ordinary Shareholders’ Meeting of Tesmec S.p.A.,

- having examined the second section of the “Report on the policy of remuneration and compensation paid” set forth in Article 123-ter, paragraph 4, of the Consolidated Law on Finance (T.U.F.) prepared by the Board of Directors on the proposal of the Remuneration and Appointments Committee, regarding the indication of the fees paid to members of the administration and control bodies, to the general manager and to the executives with strategic responsibilities in the year 2021 or relating to it;*
- considering that the second section of the report on the policy on remuneration and compensation paid conforms to the law and regulatory provisions applicable to the remuneration of the members of administration and control bodies, the general manager and the executives with strategic responsibilities; and*
- considering that the policy on remuneration and compensation paid was made available to the public according to the methods and terms set out in the legislation in force;*

decides:

to rule favourably, pursuant to and in accordance with the provisions of Article 123-ter, paragraph 6 of the Consolidated Law on Finance (T.U.F.), on the second section of the “Report on the policy on remuneration and compensation paid”, prepared by the Company's Board of Directors on 11 March 2022”.

3. Proposal of authorisation to purchase and dispose of treasury shares, subject to the withdrawal of the resolution passed by the Shareholder's Meeting of 22 April 2021; related and consequent resolutions.

Dear Shareholders,

with reference to the third item on the agenda, this section of the report, drafted in accordance with Article 73 and Annex 3A, Schedule no. 4, of the Issuers' Regulation, illustrates the proposed authorisation to purchase and dispose of treasury shares, that Tesmec's Board of Directors intends to submit for your approval.

It should be noted that the authorisation to purchase and dispose of treasury shares granted to the Board of Directors by the Shareholders' Meeting of 22 April 2021 will expire on 22 October.

In view of the expiry of the authorization to purchase and dispose of treasury shares, in order to allow the Company to retain the right to purchase and dispose of its own shares, the Board of Directors proposes to the shareholders to issue a new authorization within the terms illustrated in this Report, unless revoked, for the remaining period, of the authorization approved by the Ordinary Shareholders' Meeting of April 22, 2021.

Therefore, below are the reasons and methods of purchase and disposal of treasury shares of the Company pursuant to which the Board proposes that the shareholders approve the new authorisation.

Reasons for the proposed authorisation to purchase treasury shares

The request for the authorisation to purchase and dispose of treasury shares, subject to the authorisation proposal to be submitted to the ordinary Shareholders' Meeting, is aimed at providing the Company with a useful strategic investment opportunity for all purposes permitted by the legislative and regulatory provisions in force, national and EU, including therein the purposes incorporated in the "permitted market practices" in force from time to time.

In particular, the Board of Directors considers it is useful for the authorisation to purchase and dispose of treasury shares, including through subsidiaries, to be granted to pursue the following objectives:

- a. fulfilling the obligations deriving from programmes involving options on shares or other allocations of shares to employees or members of the administration and control bodies of the Company or subsidiaries or associates, in order to offer incentives to and develop loyalty of employees (including any categories that, by the same standard as the law, in force each time, are treated as equivalent), collaborators, directors of the Company and/or companies controlled by it and/or other categories of entities (such as one-firm agents) chosen at the discretion of the Board of Directors, as deemed appropriate each time by the Company;
- b. satisfying any obligations deriving from debt instruments that are convertible to equity instruments;
- c. carrying out subsequent share purchases and sales, within the limits of the permitted market practices, including therein market liquidity support operations, in order to promote the regular performance of trading and avoid price movements not in line with the market trend;

- d. allowing the use of treasury shares in transactions connected with current management and business or financial projects consistent with the strategic guidelines that the Company intends to pursue or other extraordinary transactions in the Company's interest, in relation to which an opportunity materialises for the exchange, swap, contribution, transfer or other acts of disposal of shares;
- e. proceeding with the purchases of treasury shares held by employees of the Company or its subsidiaries and assigned or subscribed in accordance with Articles 2349 and 2441, paragraph 8, of the Italian Civil Code or stemming from payment plans approved pursuant to Article 114-*bis* of the Consolidated Law on Finance (T.U.F.);
- f. seizing market opportunities also through the purchase and resale of shares whenever appropriate on the market (as regards disposal) and in so-called over-the-counter markets or also outside the market provided under market conditions.

Maximum number, category and nominal value of shares to which the authorisation refers

The authorisation refers to the purchase, including through subsidiaries, on one or more occasions, of ordinary treasury shares with no nominal value up to 10% of the Company's *pro-tempore* share capital, taking account of the treasury shares held by the Company and its subsidiaries. Purchase transactions will be carried out within the limits of the distributable profits and available reserves resulting from the latest set of financial statements duly approved by the Company or by the company controlled by it that would proceed with the purchase.

The authorisation also includes the right to dispose of (in whole or in part and also on several occasions) the shares in the portfolio subsequently, even before having reached the maximum amount of shares that can be purchased and to possibly repurchase the shares to the extent that the treasury shares held by the Company and, if necessary, by its subsidiaries, do not exceed the limit established by the authorisation.

Further useful information for the assessment of compliance with Article 2357, paragraph 3, of the Italian Civil Code

At the date of this report, the Company's share capital is represented by 606,460,200 ordinary shares with no nominal value, for a total value of Euro 15,702,162 fully subscribed and paid-in. At the date of this report, the Company owns 4,711,879 treasury shares also taking account of the shares held by subsidiaries.

As specified, the maximum number of treasury shares held must never exceed 10% of the Company's share capital, also taking account of the shares held by subsidiaries.

The authorisation to purchase is therefore compliant with the limit set by Article 2357, paragraph 3, of the Italian Civil Code, given that it concerns a number of shares that cannot exceed one-fifth of the share capital.

The amount of available reserves and distributable profits, as well as the verification of the information for the assessment of respect for the maximum purchase limit to which the authorisation refers, will be subject to verification at the time each transaction is carried out.

Duration for which the authorisation is requested

The authorisation to purchase treasury shares, including through subsidiaries, is requested for a period of 18 (eighteen) months from the Shareholders' Meeting authorisation resolution, equal to the maximum amount of time allowed by Article 2357, paragraph 2, of the Italian Civil Code. During said period, the Board of Directors can carry out the authorised transactions on one or more occasions and at any time, based on amounts and time frames which can be determined freely in respect of the currently applicable law and regulatory provisions and the permitted market practices currently in force, where applicable, with the graduality considered appropriate in the Company's interest.

In consideration of the absence of regulatory restrictions, as well as the need to ensure maximum flexibility for the Company from an operating perspective, the authorisation to dispose of treasury shares is requested without any time limits.

Minimum and maximum consideration

The Board of Directors proposes that purchases of treasury shares be carried out in respect of the legislative and regulatory provisions as well as the operating conditions established for the permitted market practices in force from time to time, where applicable, and in particular at a price that does not exceed the highest value between the price of the last independent transaction and the price of the current higher independent offer in trading venues where the purchase is made, without prejudice to the fact that the purchase transactions must be carried out at a price that does not deviate down and up for more than 10% compared to the reference price recorded by the security at the close of the trading session before each individual transaction.

Disposals of treasury shares purchased on the basis of the Shareholders' meeting authorisation approval or of those held in the portfolio by the Company as a result of purchases already made based on previous authorisations will be carried out, without time limits, on one or more occasions, also before having reached the quantity of treasury shares that can be purchased, in the manners deemed most appropriate in the Company's interest and, in any case, in observance of the applicable legislation, of the permitted market practices in force from time to time, where applicable, and the regulations issued by Borsa Italiana, according to the methods specified below:

- (i) at a price established from time to time by the Board of Directors in relation to opportunity criteria, without prejudice to the fact that said price must optimise the economic effects on the Company, where said security is allocated: (i) to service incentive plans (with the methods and terms indicated in the regulations of said plans) in relation to the exercise by the associated beneficiaries of options for the purchase of shares granted to them; (ii) to service the issuing of debt instruments that are convertible to equity instruments; (iii) to allow the use of treasury shares in relation to transactions connected with current management and business or financial projects consistent with the strategic guidelines that the Company intends to pursue or other extraordinary transactions in the Company's interest, in relation to which an opportunity materialises for the exchange, swap, contribution, transfer or other acts of disposal of shares; (iv) to carry out market liquidity support operations, in order to promote the regular performance of trading and avoid price movements not in line with the market trend; and (v) to seize market opportunities also through the purchase and resale of shares

whenever appropriate on the market (as regards disposal) and in so-called over-the-counter markets or also outside the market provided under market conditions;

- (ii) at a price that does not deviate down and up for more than 10% compared to the reference price recorded by the security at the close of the trading session before each transaction for subsequent purchase and disposal transactions.

Methods through which the purchases and disposals of treasury shares will be carried out

Purchases will be made, also through subsidiaries, in compliance with the provisions of Articles 2357 et seq. of the Italian Civil Code, Article 132 of the Consolidated Law on Finance (T.U.F.), Article 144-*bis* of the Issuers' Regulation, and any other applicable rule, including therein the rules set out in (EU) Regulation 596/2014 and Delegated Regulation (EU) 1052/2016, as well as any permitted market practices recognised by CONSOB in force from time to time, where applicable, according to the operating methods established in the regulations for the organisation and management of said markets, so ensure equal treatment between shareholders as set out in Article 132 of the Consolidated Law on Finance (T.U.F.).

It should be noted that, pursuant to the provisions of Article 132, paragraph 3, of the Consolidated Law on Finance (T.U.F.), the operating methods pursuant to Article 132 of the Consolidated Law on Finance (T.U.F.) and Article 144-*bis* of the Issuers' Regulation do not apply to purchases of treasury shares held by employees of the Company or its subsidiaries and assigned or subscribed in accordance with Articles 2349 and 2441, paragraph 8, of the Italian Civil Code or stemming from payments plans approved pursuant to Article 114-*bis* of the Consolidated Law on Finance (T.U.F.).

The maximum number of treasury shares that may be purchased each day shall be no more than 25% of the average daily volume of "Tescmec" shares traded on the market.

Disposals and uses of treasury shares may be made, on one or more occasions, also before having reached the quantity of treasury shares that can be purchased, in the manners deemed most appropriate in the Company's interest and, in any case, in observance of the applicable legislation, of the permitted market practices in force from time to time, where applicable, and the regulations issued by Borsa Italiana. Purchases and disposals of treasury shares made will be disclosed to the market in accordance with the terms and methods set out in the regulatory provisions in force.

Information on the instrumental nature of the purchase for the reduction of share capital

Bear in mind that the purchase of the treasury shares forming the object of this authorisation request is not instrumental in the reduction of the share capital.

Effectiveness exempt from the take-over bid obligation deriving from approval of the authorisation to purchase treasury shares according to the methods indicated in Article 44-*bis* of the Issuers' Regulation

It should be noted that, generally, the treasury shares held by the Company, including indirectly, are excluded from the share capital on which the relevant shareholding is calculated for the purposes of Article 106, paragraphs 1, 1-*bis* and 1-*ter*, as far as applicable, and 3, letter b) of the Consolidated Law on Finance (T.U.F.) for the purposes of regulation of take-over bids.

However, pursuant to Article 44-bis, paragraph 2, of the Issuers' Regulation, the above-mentioned provision does not apply in the event in which exceeding the thresholds indicated in Article 106, paragraphs 1, 1-bis, 1-ter, as far as applicable, and 3, letter b) of the Consolidated Law on Finance (T.U.F.), follows purchases of treasury shares made, including indirectly, by the Company in execution of a resolution that, without prejudice to the provisions of Articles 2368 and 2369 of the Italian Civil Code, has also been approved with the favourable vote of the majority of the Company's shareholders present at the Shareholders' Meeting, other than the shareholder or shareholders (i.e. TTC S.r.l. and Fi.Ind. S.p.A.) that hold, also jointly, the majority shareholding, including relative, provided that it is above 10% (*Whitewash*).

Consequently, in the event in which the draft resolution is also approved with the favourable vote of the majority of the Company's shareholders present at the Shareholders' Meeting, other than TTC S.r.l. and Fi.Ind. S.p.A., the latter would be exempt from the obligation of launching a take-over bid in the event in which, due to the purchase of treasury shares authorised, they exceeded, individually or jointly, the relevant shareholding thresholds for the purposes of Article 106, paragraphs 1, 1-bis, 1-ter, as far as applicable, and 3, letter b), of the Consolidated Law on Finance (T.U.F.).

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In light of the above, the Board therefore invites the Shareholders' Meeting called to pass the following resolution:

"The Ordinary Shareholders' Meeting of Tesmec S.p.A., having examined the Board of Directors' Report; and

having acknowledged

that, where the resolution indicated below is also approved with the favourable vote of the majority of the shareholders of Tesmec S.p.A. present in the Shareholders' Meeting, other than the shareholder or shareholders that hold, also jointly, the majority shareholding, including relative, provided that it is above 10% (i.e. TTC S.r.l. and Fi.Ind. S.p.A.) the exemption set out in the combined provisions of Article 106, paragraphs 1, 1-bis, 1-ter, as far as applicable, and 3, letter b), of the Consolidated Law on Finance (T.U.F.) and Article 44-bis, paragraph 2, of the Issuers' Regulation will apply to TTC S.r.l. and Fi.Ind. S.p.A.;

decides:

- 1. to revoke, with effect from the date of approval of this resolution, the previous resolution authorizing the purchase and disposal of treasury shares adopted by the Ordinary Shareholders' Meeting of 22 April 2021;*
- 2. to authorise the Board of Directors, with the right of sub-proxy, to purchase and dispose of, also through subsidiaries on one or more occasions, up to the maximum of the Company's ordinary shares with no nominal value, equal to 10% of the pro-tempore share capital, taking account of the treasury shares held by the Company and its subsidiaries, within the limits and for the pursuit of the purposes set out in the Board of Directors' Report and in observance of the applicable legislative and regulatory provisions and the permitted market practices, where applicable, for a*

maximum period of 18 months from the date of this resolution. The purchase of treasury shares will be carried out within the limits of the distributable profits and available reserves resulting from the latest set of financial statements duly approved by the Company or the subsidiary that would proceed with the purchase.

Purchase and disposal transactions must be carried out according to the following methods:

- i) purchases must be made, also through subsidiaries, in compliance with the provisions of Articles 2357 et seq. of the Italian Civil Code, Article 132 of the Consolidated Law on Finance (T.U.F.) (also taking account of the specific exemption set out in the relevant paragraph 3 of said article), Article 144-bis of the Issuers' Regulation, and any other applicable rule, including therein the rules set out in (EU) Regulation 596/2014 and Delegated Regulation (EU) 2016/1052, as well as any permitted market practices recognised by CONSOB in force from time to time, where applicable, according to the operating methods established in the regulations for the organisation and management of said markets, so as to ensure equal treatment between shareholders as set out in Article 132 of the Consolidated Law on Finance (T.U.F.) and must be made at a price that does not exceed the highest value between the price of the last independent transaction and the price of the current higher independent offer in trading venues where the purchase is made, without prejudice to the fact that the purchase transactions must be carried out at a price that does not deviate down and up for more than 10% compared to the reference price recorded by the security at the close of the trading session before each transaction;*
- ii) disposals of treasury shares held in the portfolio by the Company as a result of purchases already made based on previous authorisations, as well as shares that are purchased in relation to the authorisation granted herein, will be carried out, without time limits, on one or more occasions, also before having reached the quantity of treasury shares that can be purchased, in the manners deemed most appropriate in the Company's interest and, in any case, in observance of the applicable legislation, of the permitted market practices in force from time to time, where applicable, and the regulations issued by Borsa Italiana, according to the methods specified below:*
 - at a price established from time to time by the Board of Directors in relation to opportunity criteria, without prejudice to the fact that said price must optimise the economic effects on the Company, where the said security is allocated: (i) to service incentive plans (with the methods and terms indicated in the regulations of said plans) in relation to the exercise by the associated beneficiaries of options for the purchase of shares granted to them; (ii) to service the issuing of debt instruments that are convertible to equity instruments or incentive plans in respect of the exercise by the associated beneficiaries of options for the purchase of the shares granted to them; (iii) to allow the use of treasury shares in relation to transactions connected with current management and business or financial projects consistent with the strategic guidelines that the Company intends to pursue or other extraordinary transactions in the Company's interest, in relation to which an opportunity materialises for the exchange, swap, contribution, transfer or other acts of disposal of shares; (iv) to carry out market liquidity support operations, in order to promote the regular performance of trading and avoid price movements not in line with the market trend; and (v) to seize market opportunities also through the purchase and resale of shares whenever appropriate on the market (as regards disposal) and in so-*

called over-the-counter markets or also outside the market provided under market conditions;

- at a price that does not deviate down and up for more than 10% compared to the reference price recorded by the security at the close of the trading session before each transaction for subsequent purchase and disposal transactions;*

iii) the maximum number of treasury shares that may be purchased each day shall be no more than 25% of the average daily volume of “Tesmec” shares traded on the market.

3. to confer to the Chairman and Chief Executive Officer all the necessary and broadest powers to execute the resolutions adopted and fulfil all the necessary tasks for implementing them, also through special agents, in compliance with the applicable provisions in force from time to time issued by the competent authorities”.

4. Appointment of the Board of Directors; related and consequent resolutions;

4.1 Determination of the number of members of the Board of Directors;

4.2 Determination of their term in office;

4.3 Appointment of the Board of Directors;

4.4 Appointment of the Chairperson of the Board of Directors;

4.5 Determination of Directors' compensation;

Dear Shareholders,

With reference to the fourth point on the agenda, with the approval of the financial statements as of 31 December 2021, the term of the Board of Directors currently in office, which was appointed at the Company's Shareholders' Meeting on 16 April 2019, expires. Therefore, the Shareholders are requested to set the number of such directors and appoint the new members of the Board of Directors, determine the length of their term, appoint the Chairperson and determine their compensation.

Finally, please note that, pursuant to art. 19 of the Articles of Association, the next Board of Directors will be called to decide on the appointment of the Chief Executive Officer of the Company, as well as, if not provided by the Shareholders' Meeting, the appointment of the Chairman of the Board of Directors and, where appropriate, of a Vice Chairman.

The Board of Directors therefore invites you to make the decisions of competence for the appointment of the Board of Directors.

4.1 Determination of the number of members of the Board of Directors;

Dear Shareholders,

pursuant to art. Article 14 of the Articles of Association, to which reference is made in full, provides that the Board of Directors shall consist of 5 (five) to 15(fifteen) members. The Assembly, before proceeding with the appointment of the Board of Directors, determines the number of its members.

The expiring Board of Directors refrains from making specific proposals on the subject and therefore invites you to determine the number of members of the Board of Directors in compliance with the limits indicated above.

4.2 Determination of the term of office of the Board of Directors

Dear Shareholders,

pursuant to art. Article 14 of the Articles of Association, to which reference is made in full, provides that the members of the Board of Directors may hold office for a period, to be determined by the Shareholders' Meeting before making the appointment, for no more than three financial years, and their term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term and they may be re-elected.

The expiring Board of Directors refrains from making specific proposals on the subject and therefore invites you to determine the term of office of the new Board of Directors in compliance with the limits indicated above.

4.3 Appointment of the Board of Directors and 4.4 Appointment of the Chairperson of the Board of Directors;

Dear Shareholders,

Pursuant to current legislation, the appointment of the Board of Directors will be based on the list vote, in accordance with Article 14 of the Article of Association, to which reference is made in full

Article 14 of the Articles of Association, to which reference is made in full, provides that the Board of Directors shall consist of five to fifteen members. Directors may hold office for no more than three years and their term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term and they may be re-elected. All Directors must satisfy the eligibility, professional and integrity requirements imposed by law and other applicable regulations.

The Board of Directors must be composed in such a manner as to ensure its independence in accordance with requirements under current law. Pursuant to Article 147-ter, paragraph 4 of the TUF, at least one director or, at least two if the Board has more than seven members, must satisfy the independence requirements specified therein ("**Independent Director pursuant to Article 147-ter**"). Pursuant to art. IA.2.10.6 of the Instructions for the Regulations of the Markets organized and managed by Borsa Italia SpA, the number of independent directors for companies listed on the STAR segment of Euronext Milan, such as Tesmec, is considered adequate when there are: at least 2 independent directors for administrative bodies with up to 8 members; at least 3 independent directors for administrative bodies composed of 9 to 14 members; at least 4 independent directors for administrative bodies made up of more than 14 members. The independent directors must be different from the chairman.

Shareholders at an Ordinary Shareholders' Meeting elect the members of the Board of Directors on the basis of lists submitted by shareholders in the manner indicated below.

Lists may contain no more than 15 candidates, each of which shall be assigned a sequential number. Each list must contain and expressly indicate at least one Independent Director under Article 147-ter, with a sequential number no higher than "7." If the list contains more than seven candidates, it must contain and expressly indicate a second Independent Director under Article 147-ter. Each list may also expressly indicate, if applicable, directors satisfying the independence requirements under codes of conduct produced by regulated market management companies or trade associations.

It is required pursuant to article Article 14 of the Articles of Association, shareholders who intend to submit a list for the renewal of the Board of Directors containing a number of candidates equal to or greater than three are required to include a number of candidates belonging to the least represented gender equal to at least two-fifth of the candidates (rounding up, if necessary, to the higher integer), also in accordance with the Diversity Policy adopted by the Company's Board of Directors on 1 March 2018 as subsequently amended and supplemented.

Only shareholders who, on the date the list is submitted, hold alone or with others shares with voting rights that in total represent at least 4.5% (as per Consob executive resolution no. 60 of 28 January 2022) of the subscribed and paid-in capital with the right to vote at Ordinary Shareholders' Meetings for Company offices may submit a list. Each shareholder may submit (or submit with others) and vote for, including via an intermediary or trust company, no more than one list. A candidate may appear in only one list or such candidate will be ineligible.

Lists must be filed at the Company's headquarters or sent to the Company by e-mail to: tesmecspa@pec.it (Attn: Mr Marco Paredi), at least 25 (twenty-five) days before the date set for the Meeting, i.e., by Sunday 27 March 2022, to be understood as extended to Monday 28 March 2022, the first day following a non-holiday day.

The Company shall make the lists available to the public on the "Shareholders' Meetings" section of the website www.tesmec.com and in the manner required by current law without delay and, in any event, at least 21 (twenty-one) days before the date set for the Shareholders' Meeting, i.e., Thursday 31 March 2022.

The lists must also contain the following, which may appear in an annex:

- (a) a *curriculum vitae* for each candidate that provides personal and professional information;
- (b) statements in which each candidate accepts his or her candidacy and certifies, under his or her own responsibility, that there are no grounds for ineligibility or incompatibility and that he or she satisfies the requirements under current law to serve as a director of the Company, including a statement, if applicable, that he or she satisfies the requirements to be considered an "Independent Director under Article 147-ter" and, if applicable, any additional requirements under codes of conduct produced by regulated market management companies or trade associations;
- (c) the names of the shareholders that submitted the lists and their total percentage ownership, as evidenced by a specific communication issued by a broker, subject to Article 147-ter, paragraph 1-bis of the TUF;
- (d) any other additional or different statements, disclosures and/or documents required by applicable law and regulations.

No shareholder or group of shareholders that are parties to the same shareholders' agreement under Article 122 of the TUF may submit and vote for more than one list, including via an intermediary or trust company.

At the conclusion of voting, the candidates from the two lists that received the highest number of votes shall be deemed elected, with the following criteria:

- (i) a number of directors equal to the total number of Board members, as previously determined by the shareholders, less one, shall be taken from the list that received the highest number of votes (the "**Majority List**"). Within those numerical limits, the candidates shall be deemed elected in the sequential order shown on the list;
- (ii) one director, namely, the candidate listed in the first position, shall be taken from the list that received the second highest number of votes and that is not associated, directly or indirectly,

with the shareholders that submitted or voted for the Majority List under applicable law and is not the list submitted by the Board of Directors (the “**Minority List**”). However, if no Independent Director under Article 147-*ter* was elected from the Majority List, for a Board that has no more than seven members (or if only one Independent Director under Article 147-*ter* was elected for a Board of more than seven members), the first Independent Director under Article 147-*ter* appearing on the Minority List shall be elected, rather than the candidate in the first position on the Minority List.

In addition, if the composition of the Board of Directors with the candidates elected as indicated above does not comply with current *pro tempore* law on gender balance, the candidate from the most represented gender elected last in sequential order from the Majority List shall be replaced by the first candidate from the least represented gender on that list in sequential order. That procedure shall be repeated until the composition of the Board of Directors complies with current *pro tempore* law on gender balance. If that procedure does not result in gender balance, the replacement shall be made by resolution adopted by Shareholders by plurality vote, upon the submission of candidacies of individuals belonging to the least represented gender.

Lists that did not receive a percentage of votes equalling at least one-half of the percentage required to submit those lists will be ignored.

If lists receive an equal number of votes, the list submitted by shareholders holding the highest equity ownership percentage when the list was submitted or, alternatively, the list submitted by the largest number of shareholders shall prevail.

If only one list is submitted, the shareholders shall vote on it and, if it receives a plurality of votes cast, not counting abstentions, the candidates elected in sequential order, up to the number set by the shareholders, shall be deemed elected as directors, provided that, if the Board has more than seven members, the second Independent Director under Article 147-*ter* (in addition to the Independent Director under Article 147-*ter* who necessarily appeared in the first seven positions) shall be deemed elected, subject to compliance with current *pro tempore* law on gender balance.

If no lists are submitted, or if the number of directors elected on the basis of the lists submitted is less than the number set by the shareholders, the members of the Board of Directors shall be appointed by the shareholders with the majorities required by *pro tempore* law. The shareholders must appoint at least the minimum number of Independent Directors under Article 147-*ter* required by law and must comply with current law on gender balance.

The Independent Directors under Article 147-*ter* who were indicated as such when they were appointed must immediately notify the Board of Directors if the requirements for independence are no longer satisfied. Any such Independent Director shall leave office if the Board no longer contains the minimum number of directors satisfying the independence requirements under law.

The candidate deemed elected as the Chairperson of Board of Directors will be the individual indicated as such on the Majority List or on the only list that was submitted and approved.

Otherwise, the Chairperson shall be appointed by shareholders with the normal majorities required by law or shall be appointed by the Administrative Body.

Lists that do not comply with all of the rules above shall be treated as if they were never submitted.

Shareholders who intend to submit a list may contact Tesmec's Investor Relator, Mr Marco Paredi, in advance to obtain the necessary administrative details.

Shareholders submitting a Minority List are subject to the Consob's recommendations in its Communication No. DEM/9017893 of 26 February 2009.

In addition, in accordance with the provisions of the Self-Regulatory Code of Conduct for listed companies, which Tesmec abides by, the Board of Directors, during its annual self-evaluation process, with a view to the upcoming election of the Board of Directors, expressed its goals for the composition of the Board, stating that it hoped that shareholders, when submitting lists, would maintain a comparable qualitative level of the Board in terms of expertise and experience represented, while also considering candidates' gender and the criteria set forth in the Diversity Policy. It also pointed out that it would be appropriate for shareholders to consider, with the goal of further enhancing the personal characteristics/professionalism and knowledge of Board members, potentially adding individuals who have gained management experience with listed companies or companies whose size, complexity, international scope and/or business are similar to the Company's.

Specifically, in accordance with the Diversity Policy:

- in regard to the size of the Board of Directors, it was felt that a number of members of the Board of Directors between a minimum of 5 (five) and a maximum of 15 (fifteen) permits an adequate balance of expertise and experience necessitated by the complexity of the Company and the Group, including within Board committees;
- in regard to the professional requirements, to cite the recommendations of the Self-Regulatory Code of Conduct: (i) at least one member should have adequate knowledge and experience in financial matters or compensation policies and (ii) at least one member should have adequate experience in accounting and financial matters or risk management. In addition, the Board should include individuals with varied expertise and experience in different sectors (finance, management and control, legal, strategy, engineering, sustainability) and directors should be proficient in English, in part given the Tesmec Group's international presence;
- in relation to age and seniority in office, the Board of Directors should include individuals of varying ages, generations and seniority, in order to encourage a proper balance between experience, continuity, innovation and propensity for risk;
- as to gender representation, the Diversity Policy requires that the Board of Directors reflect adequate representation of both genders. Specifically, in accordance with the requirements of current law and the Company's Articles of Association, at least one-third (rounded up) of the Board of Directors must consist of individuals of the "least represented" gender which, based on past experience, is typically female;

- in regard to geographic origin and international experience, it is recommended that directors have gained educational and professional experience in international settings that will further enhance the quality of Board dynamics, especially considering the Group's international presence.

Please notice that it is hoped that shareholders, when submitting lists and appointing directors, in light of the opinion issued by the Board on the topic and the issuer's diversity criteria, will assess the professional characteristics, managerial and other experience and gender of the candidates in relation to the issuer's size and complexity and the specific nature of the industry in which it operates, as well as the size of the Board of Directors.

Specifically, for the appointment of the Board of Directors, the shareholder who submits a list containing more than half of the candidates to be elected is required to provide adequate information, in the documentation submitted for filing the list, about the compliance of the list with the orientation expressed by the Board of Directors, also with reference to the diversity criteria adopted by the Issuer, and to indicate their candidate for the office of Chairman of the Board of Directors, whose appointment takes place according to the methods identified in the Articles of Association.

We therefore invite you to appoint the Board of Directors and the Chairman of the Board of Directors by expressing your preference for one of the lists presented by the legitimate parties in accordance with the statutory provisions and pointing out that, in the event of failure to submit lists, the Assembly will deliberate with the legal majorities, in compliance with the pro tempore regulations in force concerning the balance between genders.

4.5 Determination of Directors' compensation;

Dear Shareholders,

pursuant to art. 2389 of the Civil Code, you are also required to determine the compensation to be paid to the Board of Directors.

In regard to annual compensation, Article 20 of the Articles of Association provides that shareholders shall determine the annual compensation of the Board of Directors, which will remain unchanged until a different resolution by the Shareholders' Meeting itself and which may consist of a fixed and a variable portion, with the latter based on achieving specified goals. The allocation of that compensation among the members of the Board of Directors, shall be made by Board resolution if the shareholders do not do so.

The Board of Directors shall have the right, after obtaining the Board of Statutory Auditors' opinion, to determine, in addition to the total amount approved by the Shareholders' Meeting pursuant to the foregoing, the compensation for directors with specific responsibilities under Article 2389, paragraph 3 of the Italian Civil Code.

Alternatively, the shareholders may set a total amount as compensation for all directors, including those with specific responsibilities, which amount may be allocated by the Board of

Directors after obtaining the Board of Statutory Auditors' opinion, in regard to amounts payable to directors with specific responsibilities under Article 2389, paragraph 3 of the Italian Civil Code.

For informational purposes, shareholders at the Shareholders' Meeting on 16 April 2019 set base annual compensation for members of the Board of Directors of up to Euro 750,000.00, not including incentive compensation for directors given specific responsibilities in accordance with the Articles of Association.

In this regard, it is recalled that an annual basic remuneration for the members of the Board of Directors should be determined, without prejudice to the remuneration of directors vested with special offices in accordance with the Articles of Association and in line with the Company's Remuneration Policy.

Accordingly, we invite you to determine the remuneration to be paid to the Board of Directors.

5. Appointment of the Board of Statutory Auditors; related and consequent resolutions.

5.1 Appointment of three standing auditors and two alternate Auditors;

5.2 Appointment of the Chairperson of the Board of Statutory Auditors;

5.3 Determination of the compensation of the Board of Statutory Auditors;

Dear Shareholders,

In regard to the fifth point on the agenda for the ordinary portion of the Shareholders' Meeting, with the approval of the financial statements as of 31 December 2021, the term of the Board of Statutory Auditors currently in office, which was appointed at the Company's Shareholders' Meeting on 16 April 2019, consisting of a total of five statutory auditors, of which three are standing and two are alternates, is expiring. Therefore, the shareholders are requested to appoint the new members of the Board of Statutory Auditors and the Chairperson and determine their compensation.

The Board of Statutory Auditors thus appointed will remain in office for the financial years 2022–2024 and therefore until the date of the Shareholders' Meeting called to approve the financial statements for the financial year which will close on 31 December 2024.

The Board of Directors therefore invites you to take the decisions for the appointment of the Board of Statutory Auditors

5.1 Appointment of three standing auditors and two alternate Auditors;

Dear Shareholders,

Article 22 of the Articles of Association, to which reference is made in full, provides that the Board of Statutory Auditors shall consist of three standing statutory auditors and two alternate statutory auditors. Statutory auditors hold office for three financial years, until the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term and they may be re-elected.

All statutory auditors must satisfy requirements under law and other applicable regulations. In regard to the professional requirements, topics and industries closely associated with that of the Company are the same as the activities set forth in detail in the corporate purpose, as well as topics relating to private and administrative law, financial regulations and regulations relating to auditing and corporate organisation.

Members of the Board of Statutory Auditors are subject to the limits on holding multiple governance and control offices set forth in Consob regulation.

Shareholders shall appoint the Board of Statutory Auditors on the basis of lists submitted by shareholders in the manner indicated below.

Under Article 22 of the Articles of Association, shareholders intending to submit a list for the renewal of the Board of Statutory Auditors containing a number of candidates equal to or greater than three are required to include in the section of statutory auditors a number of candidates belonging to the less represented gender equal to at least two-fifth of the candidates (rounding down, if necessary, to the lower unit), as well as, should the section of alternate auditors contain two candidates, one of each gender, also in accordance with the Diversity Policy adopted by the Company's Board of Directors on 1 March 2018 as subsequently amended and integrated.

Specifically, in accordance with the Diversity Policy:

- in regard to the composition of the Board of Statutory Auditors, under current law, at least one standing statutory auditor must be registered on the registry of statutory auditors of accounts and must have engaged in statutory audit of accounts for a period of no less than three years. Statutory auditors who do not satisfy that requirement must be chosen from individuals who have gained at least three years' overall experience in:
 - governance or control activities or managerial responsibilities at corporations, limited partnerships by shares, limited liability companies or simplified limited liability companies with capital of Euro two million or more,
 - professional activity or university teaching activities in legal, economic, financial or technical/scientific fields that is closely associated with the Company's business, or
 - managerial functions at public or governmental entities or agencies operating in the lending, financial or insurance sectors or otherwise in sectors closely associated with the Company's business (i.e., subject matter relating to commercial and tax law, business economics and corporate finance, and topics and business sectors relating to energy in general, communications and network structures).
- in regard to professional requirements, the Articles of Association make reference to topics and industries closely associated with that of the Company are the same as the activities set forth in detail in the corporate purpose, as well as topics relating to private and administrative law, financial regulations and regulations relating to auditing and corporate organisation.
- in regard to gender representation, the Diversity Policy provides for adequate representation of both sexes within the Board of Statutory Auditors in accordance with the relevant pro tempore rules;
- members of the Board of Statutory Auditors must also satisfy the requirements for integrity and independence under current law and the Company's Articles of Association.

Only shareholders who, on the date the list is submitted, hold alone or with others shares with voting rights that in total represent at least 4.5% (as per Consob executive resolution no. 60 of 28 January 2022) of the subscribed and paid-in capital with the right to vote at Ordinary Shareholders' Meetings for Company offices may submit a list. Each shareholder may submit (or submit with others) and vote for no more than one list, including via an intermediary or trust company. A candidate may appear in only one list or such candidate will be ineligible.

Lists must be filed at the Company's headquarters or sent to the Company by e-mail to: tesmecspa@pec.it (Attn: Mr Marco Paredi), at least 25 (twenty-five) days before the date set for the Meeting, i.e., by Sunday 27 March 2022, to be understood as extended to Monday 28 March 2022, the first day following a non-holiday.

The lists will be available to the public on the "Shareholders' Meetings" section of the website www.tesmec.com and in the manner required by current law without delay and, in any event, at least 21 (twenty-one) days before the date set for the Shareholders' Meeting, i.e., by Thursday 31 March 2022.

Specifically in regard to the appointment of the Board of Statutory Auditors, in the event that upon expiry of the term indicated for the filing of the lists for the appointment of the Board of Statutory Auditors (i.e. by Sunday 27 March 2022, to be understood as extended to Monday 28 March 2022, the first day after non-holiday), only one list has been submitted, or only lists submitted by shareholders who, based on the information provided and the documents filed in accordance with the above, are related pursuant to Article 144-*quinquies* of the Issuers' Regulation, the Company shall give notice thereof without delay and shareholders will be able to submit lists of candidates for appointment as statutory auditors until the third day after that date, (i.e., by Wednesday 30 March 2022). In that event: (i) the minimum ownership percentage necessary to submit lists shall be 2.25% of the subscribed and paid-in capital with the right to vote at Ordinary Shareholders' Meetings for Company offices; (ii) the documents evidencing that ownership interest at the time the list is submitted must be filed by 31 March 2022 in the manner set forth in Article 22 of the Company's Articles of Association.

The lists must contain the names of one or more candidates for the office of standing statutory auditor and one or more candidates for the office of alternate statutory auditor. In each section (standing statutory auditor section and alternate statutory auditor section), each of the candidates' names shall be assigned a sequential number and their number cannot exceed the seats on the body to be elected.

The lists must also contain the following, which may appear in an annex:

- (a) the names of the shareholders that submitted the lists, their total percentage equity ownership and a certification evidencing that ownership, subject to Article 147-*ter*, paragraph 1-*bis* of the TUF;
- (b) a statement by shareholders (other than shareholders holding, individually or jointly, a controlling or plurality stake) certifying that they are not related to the latter pursuant to Article 144-*quinquies* of the Issuers' Regulation;
- (c) thorough disclosure about the candidates' personal and professional characteristics and a statement from the candidates that they satisfy legal requirements and accept their candidacy, accompanied by a list of the management and control offices they hold in other companies;
- (d) any other additional or different statements, disclosures and/or documents required by applicable law and regulations.

Lists that do not comply with all of the rules above shall be treated as if they were never submitted. No shareholder may submit or vote for more than one list, including via an intermediary or trust company. Shareholders in a single group and shareholders who are parties to a shareholders' agreement involving shares of the issuer may not submit or vote for more than one list, including via an intermediary or trust company. Memberships and votes in violation of this prohibition will not be attributable to any list. A candidate may appear in only one list or such candidate will be ineligible. The election of Statutory Auditors shall take place as indicated below:

- (i) two standing statutory auditors and one alternate statutory auditor shall be taken from the list that received the highest number of votes (the "**Majority List**"), in the sequential order in which they are listed on the list;
- (ii) from the list that received the second highest number of votes and that is not associated, directly or indirectly, with the shareholders that submitted or voted for the Majority List under applicable law (the "**Minority List**"), one standing statutory auditor, who shall be the Chairperson of the Board of Statutory Auditors (the "**Minority Auditor**"), and one alternate statutory auditor (the "**Minority Alternate Auditor**") shall be taken in the sequential order in which they are listed on the list.

If lists receive an equal number of votes, the list submitted by shareholders holding the highest equity ownership percentage when the list was submitted or, alternatively, the list submitted by the largest number of shareholders shall prevail.

If, after applying the aforementioned procedures, the composition of the Board of Statutory Auditors (in relation to the standing members) above does not comply with current law on gender balance, they shall be replaced by candidates for the office of standing statutory auditor on the Majority List, based on the sequential order in which the candidates are listed.

If only one list is submitted, the shareholders shall vote on it and, if it receives a plurality of votes cast, not counting abstentions, all the candidates for the offices of standing and alternate statutory auditor on that list shall be deemed elected. In that case, the Chairperson of the Board of Statutory Auditors shall be the first candidate for standing statutory auditor.

If no lists are submitted, the Board of Statutory Auditors and Chairperson shall be appointed by the shareholders with the normal majorities required by law in compliance with current law on gender balance.

Shareholders who intend to submit a list may contact Tesmec's Investor Relator, Mr Marco Paredi, in advance to obtain the necessary administrative details.

Shareholders submitting a Minority List are subject to the Consob's recommendations in its Communication No. DEM/9017893 of 26 February 2009.

Furthermore it is important to note, that the Board of Statutory Auditors appointed will remain in office for the financial years 2022–2023–2024 and therefore until the date of the ordinary Shareholders' Meeting that will be called to approve the financial statements at 31 December 2024.

Based on the foregoing, we invite you to deliberate on the appointment of the members of the Board of Statutory Auditors in a number equal to 3 (three) Statutory Auditors and 2 (two) Alternate Auditors, expressing your preference for one of the lists presented by the entitled parties in compliance with the provisions of the law and the Articles of Association.

5.2 Appointment of the Chairperson of the Board of Statutory Auditors;

Dear Shareholders,

with reference to the appointment of the Chairman of the Board of Statutory Auditors, it is recalled that in accordance with that law and Article 148, paragraph 1–bis of the TUF, the Chairman of the Board of Statutory Auditors is appointed from among the statutory auditors elected from the minority list.

In the absence of lists, or if it is not possible for any reason to proceed with the appointment of the Board of Statutory Auditors in the manner provided for by art. 22 of the Articles of Association, the three Statutory Auditors and the two Alternate Auditors are appointed by the Shareholders' Meeting with the ordinary majorities required by law, in accordance with the laws and regulations, from time to time in force also on gender balance.

In relation to the above, the Shareholders' Meeting is invited to appoint the Chairman of the Board of Statutory Auditors from among the Statutory Auditors elected at the outcome of the voting on the previous point 5.1 on the agenda

5.3 Determination of the compensation of the Board of Statutory Auditors;

Dear Shareholders,

pursuant to article 2402 of the civil code, at the time of the appointment of the Board of Statutory Auditors, the Shareholders' Meeting determines the annual remuneration due to the standing auditors for the entire duration of their office.

For informational purposes, the shareholders at the Shareholders' Meeting on 16 April 2019 set standing statutory auditors' annual compensation for their entire term in office at Euro 37,500.00 (thirty–six thousand five hundred//00) for the Chairperson and Euro 25,000.00 (twenty–five thousand//00) for the other two standing statutory auditors.

In this regard, it is recalled that an annual basic remuneration for the Statutory Auditors should be determined in line with the Company's Remuneration Policy.

Accordingly, we invite you to determine the remuneration to be paid to Statutory Auditors.

* * *

Each item of the resolutions of the ordinary Shareholders' Meeting will be subject to a separate vote, in order to allow voting by each entitled party, as well as by delegates with voting instructions, based on the voting instructions received on each matter.

Grassobbio, 11 March 2022

TESMEC S.p.A.

The Chairman of the Board of Directors
Ambrogio Caccia Dominioni