



TECHNOGYM S.P.A.  
REGISTERED OFFICE IN CESENA, VIA CALCINARO, 2861  
SHARE CAPITAL EURO 10.066.375,00 FULLY SUBSCRIBED AND PAID IN  
REGISTRATION WITH THE FORLÌ-CESENA COMPANIES' REGISTRY NO. 315187, TAX CODE 06250230965

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE PROPOSAL UNDER POINT  
NO. 4 OF THE AGENDA OF THE ORDINARY PART OF THE TECHNOGYM S.P.A. SHAREHOLDERS'  
MEETING CONVENED FOR 4 MAY 2022 IN A SINGLE CALL**

## **Appointment of the Board of Statutory Auditors for three financial years:**

### **1. Appointment of the members of the Board of Statutory Auditors.**

### **2. Appointment of the Chairman.**

### **3. Determination of the remuneration of the standing members of the Board of Statutory Auditors.**

Dear Shareholders,

The term of office of the Board of Statutory Auditors appointed by the Shareholders' Meeting of 8 May 2019 expires with the Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2021. Therefore, you have been called to an ordinary session to discuss and deliberate, inter alia, on the appointment of the Board of Statutory Auditors for the three-year period 2022-2024. In particular, you are called upon to: (i) appoint three Standing Auditors and two Alternate Auditors, (ii) appoint the Chairman of the Board of Statutory Auditors, and (iii) determine the remuneration of the Statutory Auditors.

It should be noted that the outgoing Board of Statutory Auditors drew up its own guidelines for the Shareholders on the renewal of the Board of Statutory Auditors. For the purposes of the decisions referred to in points (i) and (ii) above, Shareholders are invited to take into account these guidelines, which will be made available to the public within the time limits and according to the same procedures set out for this Report on item no. 4 on the Agenda of the Ordinary part of the Shareholders' Meeting, including publication on the Company's website at <http://corporate.technogym.com>, in the "Governance/Shareholders Meeting" section.

### ***1. Appointment of the members of the Board of Statutory Auditors.***

We remind you that the appointment of the Board of Statutory Auditors takes place not only on the basis of the applicable legal and regulatory provisions, but also according to the procedures indicated in Article 29 of the Articles of Association, published on the Company's website [www.technogym.com](http://www.technogym.com) in the *Investor Relations/Governance/Corporate documents* section, as well as in the Shareholders' Meeting call notice, to which full reference should be made. The following concerning the composition of the Board of Statutory Auditors and the list filing and election procedures should in any case be noted.

The Board of Statutory Auditors consists of three standing and two alternate members who remain in office for three financial years and whose term in office expires at the time of the Shareholders' Meeting called for the approval of the financial statements related to their third year of office. They may be re-elected. The members of the Board of Statutory Auditors must meet the requirements of integrity, professionalism, independence and must respect the limit on the accumulation of positions set by the *pro tempore* legal and regulatory provisions in force. With regard to the professional requirements, it should be remembered that at least one Standing Auditor and one Alternate Auditor must be registered in the Register of Statutory Auditors and must have carried out statutory auditing activities for a period of no less than three years, while Statutory Auditors who are not registered in the Register of Statutory Auditors must have at least three years' experience in carrying out the activities and functions indicated in *pro tempore* legislation in force, as specified in Art. 27.3 of the Articles of Association.

Shareholders are invited to also take into account the independence requirements pursuant to Recommendation no. 7 - specified for directors and also applicable to Statutory Auditors in accordance

with the provisions of Recommendation no. 9 - of the Corporate Governance Code of listed companies approved in January 2020 (the "**Governance Code**"), which the Company adopts. Without prejudice to the independence criteria envisaged for Statutory Auditors pursuant to law, it should be noted that, with reference to the aforesaid requirements of the Governance Code, the Board of Directors of Technogym has determined, as a rule and for the purposes of the provisions of letters c) and d) of the aforesaid Recommendation no. 7, to consider significant any additional relationship/remuneration indicated therein involving annual revenue greater than or equal to Euro 70,000.00.

The Board of Statutory Auditors is elected by the Ordinary Shareholders' Meeting on the basis of lists submitted by the shareholders, in which candidates must be listed with a sequential number not exceeding the number of members to be elected.

Within the Board of Statutory Auditors, a gender balance (male and female) must be ensured pursuant to *pro tempore* legislation in force, i.e. at least two fifths of the Statutory Auditors elected, rounded down to the nearest whole number, must be reserved for the less represented gender.

The lists are divided into two sections: one for candidates for the office of Standing Auditor, the other for candidates for the office of Alternate Auditor, indicating up to three candidates for the position of Standing Auditor and up to two candidates for the position of Alternate Auditor, respectively. The first of the candidates of each section must be registered in the register of statutory auditors and have performed statutory auditing activities for a period of at least three years. The other candidates, if they have not met this requirement in the period immediately prior, must meet the other requirements of professionalism set forth by legislation and regulations in force *pro tempore*, as indicated above. If these obligations are not met, the list shall be considered as if it had not been submitted.

In the lists that submit a number of candidates greater than or equal to three, each list for the appointment of a standing auditor and an alternate auditor must include a number of candidates belonging to the less represented gender which ensures, within such list, respect for gender balance at least to the minimum extent required by legislation and regulations in force at the time. If these obligations are not met, the list shall be considered as if it had not been submitted.

Every shareholder, the shareholders adhering to a shareholders' agreement relating to the Company, relevant for the purposes of Art. 122 of the TUF, the parent company, the subsidiaries and the companies subject to joint control and the other parties amongst which there is a relationship, even indirect, pursuant to *pro tempore* legislation and regulations in force, cannot submit or contribute to the submission, even through a third party or trust company, of more than one list, nor may they vote for different lists.

Each candidate may be included in one list only, under penalty of ineligibility.

Candidate lists must be filed at the registered office of the company, according to the procedures indicated in the call notice, at least twenty-five days prior to the date set for the Shareholders' Meeting (i.e. by 9 April 2022) and must be accompanied by:

- a) information on the identity of the shareholders who have submitted the lists, with an indication of the total percentage of their shareholding. The certification proving ownership of the minimum shareholding required to submit the list - equal to 1% of the share capital consisting of shares with voting rights at the Ordinary Shareholders' Meeting, calculated with regard to the shares registered in favour of the shareholder/s on the date on which the lists are filed with the Company - may be

submitted to the Company also after the filing, provided that this takes place at least twenty-one days prior to the date of the Shareholders' Meeting (i.e. by 13 April 2022);

- b) a statement of the shareholders other than those holding, alone or jointly, a controlling interest or a relative majority, certifying the absence of relations of affiliation, even indirect, pursuant to the legal and regulatory provisions in force *pro tempore*, with the latter (in this regard, reference should be made to the recommendations of Consob Communication no. DEM/9017893 of 26 February 2009);
- c) exhaustive information on the personal and professional characteristics of the candidates, with specification of the administration and control positions held in other companies (requesting that this list be updated, if necessary, at the date of the Shareholders' Meeting, in particular with regard to the provisions of Art. 2400, last paragraph of the Italian Civil Code), as well as a statement by the candidates that the requirements set by the *pro tempore* legal and regulatory provisions in force and by the Articles of Association, including those of integrity, professionalism, independence and limit on the accumulation of positions are met, and that they accept the candidature and, if elected, the office;
- d) any other additional or different statement, information and/or document required by the *pro tempore* legal and regulatory provisions in force.

Lists that do not comply with the above-mentioned provisions shall be considered as not having been submitted.

If at the deadline for the filing of lists, only one list or only lists submitted by shareholders who are connected pursuant to *pro tempore* legislation and regulations in force, have been submitted, further lists may be submitted up to the third day subsequent to such date. In this case, the threshold for submitting lists - equal to 1% of the Company's share capital - is reduced by half. The Company shall give notice of such circumstances without delay and in the manner established by the laws and regulations in force.

The lists filed shall be made available to the public at the Company's registered office, on the Company's website and by other means provided for by the applicable legal and regulatory provisions, as indicated above, at least twenty-one days before the date set for the Shareholders' Meeting (i.e. by 13 April 2022).

Pursuant to the Articles of Association, the election of the members of the Board of Statutory Auditors takes place as follows, in the event that several lists are submitted and voted on:

- (i) two standing auditors and one alternate auditor are taken from the list that came first in terms of votes, in the order in which they are listed in the corresponding sections of the list; the remaining Standing Auditor and the remaining Alternate Auditor are taken - based on the sequential order in which they are listed in the corresponding sections of the list - from the list that obtained the second highest number of votes, votes cast by shareholders who are not connected in any way, not even indirectly, pursuant to the *pro tempore* law and regulations in force, with the shareholders who submitted or voted for the list that obtained the highest number of votes;
- (ii) in case of parity between lists, priority is given to the list submitted by the shareholders with the largest equity investment or, subordinately, by the largest number of shareholders;
- (iii) if, at the end of the voting, the composition of the Board of Statutory Auditors does not comply with the *pro tempore* legal and regulatory provisions on gender balance in force, among the candidates for the office of Standing Auditor, the candidate of the most represented gender elected last in sequential order in the corresponding section of the list that obtained the highest number of votes shall be excluded and replaced by the first unelected candidate of the less represented gender of

this section according to the sequential order. If, at the end of this replacement process, the composition of the Board of Statutory Auditors still does not comply with the *pro tempore* legal and regulatory provisions in force on gender balance, the replacement shall take place with resolution of the Shareholders' Meeting, with the relative majority of the votes represented there, subject to the presentation of the candidates belonging to the less represented gender;

- (iv) if the number of candidates elected on the basis of the lists submitted is less than the number of the Statutory Auditors to be elected, the remaining Statutory Auditors shall be elected at the Shareholders' Meeting, with the relative majority of the votes represented there and, in any case, so as to ensure compliance with the *pro tempore* legal and regulatory provisions in force on gender balance. In case of parity of votes among several candidates, a second ballot between the same shall take place at the Shareholders' Meeting, with the candidate obtaining most votes prevailing.

If a single list is submitted, the Shareholders' Meeting shall vote on this list and, if it obtains the relative majority of the votes represented there, all members of the Board of Statutory Auditors shall be taken from this list in compliance with the *pro tempore* legal and regulatory provisions in force, also in regard to gender balance.

In the event that (a) no list is submitted or (b) a single list is submitted without obtaining the relative majority of the votes represented in Shareholders' Meeting or (c) it is not possible for any reason to appoint the Board of Statutory Auditors with the procedures provided for in the Articles of Association, the members of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting, with the ordinary procedures and the relative majority of the votes represented there, without using the list vote mechanism and, in any case, so as to ensure compliance with the *pro tempore* legal and regulatory provisions in force on gender balance.

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## ***2. Appointment of the Chairman.***

Pursuant to Art. 148, paragraph 2-bis of the TUF and Art. 29.7 of the Articles of Association, the Chairman of the Board of Statutory Auditors is the Standing Auditor elected by the minority.

Without prejudice to the foregoing, in the case in which a single list was voted or no list was submitted, the Chairman of the Board of Statutory Auditors is appointed by the Shareholders' Meeting that resolves with the relative majority of the votes represented there.

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## ***3. Determination of the remuneration of the standing members of the Board of Statutory Auditors.***

Pursuant to Art. 2402 of the Italian Civil Code and Art. 27.4 of the Articles of Association, the Shareholders' Meeting shall determine the remuneration of the Standing Auditors and, again on the basis of the above-mentioned article of the Articles of Association, the same shall be entitled to reimbursement of the expenses incurred in connection with their office.

It should be noted that the gross annual remuneration of the members of the outgoing Board of Statutory Auditors was set by the Ordinary Shareholders' Meeting of 8 May 2019 at Euro 30,000 for the Chairman and Euro 20,000 for the other Standing Auditors. In this regard, the recommendations of the Governance Code regarding the adequacy of the remuneration of members of the Board of Statutory Auditors should also be noted. The Shareholders' Meeting is invited to determine the remuneration of the standing members of the Board of Statutory Auditors.

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Now, therefore, the Shareholders' Meeting is invited to appoint the members of the Board of Statutory Auditors and its Chairman for the financial years 2022-2024 (i.e. until the Shareholders' Meeting for the approval of the financial statements for the last of those financial years) and to determine the remuneration of the standing members of the Board of Statutory Auditors, pursuant to the applicable legal and regulatory provisions and the Articles of Association.

For the Board of Directors  
The Chairman  
Nerio Alessandri