



TESMEC S.P.A.

Registered office in Milan, Piazza S. Ambrogio 16
Share capital subscribed and paid up Euro 10,708,400.00
Tax code and enrolment number at Milan Register of Companies 10227100152
REA (Economic and Administrative Register) 1360673

REPORT OF THE BOARD OF DIRECTORS OF TESMEC S.P.A. ON THE AGENDA ITEMS FOR THE EXTRAORDINARY SESSION OF THE SHAREHOLDERS' MEETING CONVENED FOR 21 MAY 2020 IN A SINGLE CALL, PREPARED PURSUANT TO ARTICLE 125-*TER* OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS WELL AS ARTICLE 72 OF THE CONSOB ISSUER REGULATION WITH RESOLUTION NO. 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED

Dear Shareholders,

This report (“**Report**”) was prepared by the Board of Directors of Tesmec S.p.A. (“**Tesmec**”, the “**Issuer**” or the “**Company**”) in compliance with Article 125-*ter* of Legislative Decree no. 58 of 24 February 1998, as subsequently amended (the “**Consolidated Law on Finance**” or “**TUF**”), as well as Article 72 of the regulation adopted by Consob with Resolution no. 11971 of 14 May 1999, as subsequently amended (the “**Issuer Regulation**”), for purposes of the Ordinary and Extraordinary Shareholders’ Meeting, convened at the SNPZ Notai Notary’s Office in Milan, Piazza della Repubblica, 28 for 21 May 2020, at 10:30 in a single call to discuss and resolve on the following

AGENDA:

In Ordinary Session

[*omissis*]

In Extraordinary Session

1. *Elimination of the indication of the nominal value of shares and adaptation to new regulatory provisions regarding gender quotas; consequent amendments to Articles 5, 14 and 22 of the Articles of Association; related and consequent resolutions;*
2. *Attribution to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, of the delegation to increase share capital for a maximum total amount not exceeding Euro 50,000,000.00 (“Maximum Total Amount”), including any share premium, in one or more tranches, against payment and divisible, but with the right of the Board of Directors to establish the indivisibility for individual tranches of the delegation’s use, with or without warrants, also with the exclusion of the option right pursuant to Article 2441, paragraphs 4 and 5, of the Italian Civil Code and the delegation, pursuant to Article 2420-*ter* of the Italian Civil Code, within the same Maximum Total Amount, to issue bonds, including convertible, with or without warrants, also with exclusion of the option right pursuant to Article 2441 of the Italian Civil Code; amendment of Article 5 of the Articles of Association; related and consequent resolutions.*

This Report has been made available to the public at the Issuer’s operational headquarter, on the authorised storage mechanism known as eMarketStorage which can be viewed at www.emarketstorage.it, as well as on the Company’s website www.tesmec.com (the “**Website**”) on 30 April 2020.

Item 1) on the agenda of the Extraordinary Session: Elimination of the indication of the nominal value of shares and adaptation to new regulatory provisions regarding gender quotas; consequent amendments to Articles 5, 14 and 22 of the Articles of Association; related and consequent resolutions;

1. DESCRIPTION AND REASONS FOR THE PROPOSED AMENDMENTS

Elimination of the indication of the nominal value of shares

Articles 2328 and 2346 of the Italian Civil Code envisage the possibility of issuing shares with no par value. This option assumes the conservation of share capital and its division into shares; the shares, without indication of the nominal value, therefore maintain a notional or implicit book value resulting from the division of the total amount of the share capital by the number of shares issued (known as “accounting parity”).

The establishment of shares without indication of the nominal value represents a useful tool for simplification and allows greater flexibility in corporate transactions on share capital. In particular, it enables the issue of new shares for a paid share capital increase also for an amount lower than the existing accounting parity (known as “historical accounting parity”). In fact, without a nominal value, the issuer can freely determine the number of new shares in which to split the issue, requesting, for share capital, an amount that may be equal to, higher or even lower than the historical accounting parity.

In a market characterised by uncertainty and volatility, this may allow the Company greater flexibility in determining the final conditions of issue in share capital transactions, including any capital strengthening transactions referred to in the second item of the agenda for the Extraordinary Session. In fact, the elimination of the nominal value of the shares is of particular interest to the Company in relation to the proposal to delegate to the Board of Directors the power to increase share capital, which it intends to submit to the Shareholders’ Meeting to which this proposal is submitted, as it would grant the Company greater flexibility in determining the final conditions for the issue of shares deriving from the delegated share capital increase.

As better described in the specific report on the second agenda item for the Extraordinary Session of the Shareholders’ Meeting, to which reference is made, the proposal to delegate powers for a share capital increase would be granted to the Board of Directors for a period of 5 (five) years starting from the related shareholders’ meeting resolution and the terms for the issue and subscription of the newly issued Tesmec shares would be defined by the Board of Directors when exercising the aforementioned powers.

It is understood that, given the period of time elapsing between the granting of the delegated powers and their exercise, as well as the right that would be attributed to the Board of Directors to establish the methods, terms and conditions of the delegated share capital increase (in compliance with the limits indicated by the shareholders’ meeting resolution), the elimination of the nominal value of the shares is of critical interest for the Company, including in order to provide the Board of Directors with a tool to handle the volatility and uncertainties that characterise the stock market at certain times.

Naturally, this power does not in any way diminish the protection of the integrity of share capital; in fact, the new shares must be issued for a total amount not exceeding the value of the contributions made against the share issue (Article 2346, fifth paragraph, Italian Civil Code).

If this proposed resolution is approved, in the future the rules that refer to the nominal value of shares must be applied with regard to their number in relation to the total number of shares issued (Article 2346, third paragraph, Italian Civil Code).

Adaptation to new regulatory provisions regarding gender quotas

Recall that Law no. 120 of 12 July 2011 (known as the “**Golfo–Mosca Law**”) codified the principle according to which, in the composition of corporate bodies, listed companies (as well as publicly controlled companies) must comply with a criterion ensuring balance between genders. In particular, paragraphs 1–*ter* of Article 147–*ter* and 1–*bis* of Article 148 of the TUF required listed companies to guarantee at least one third of the members of administrative and control bodies were from the less represented gender. In addition, the allocation criterion established by the aforementioned law applied for three consecutive mandates (“sunset clause”).

Law no. 160 of 27 December 2019 (“**2020 Budget Law**”), which became effective on 1 January 2020, has modified the rules regarding gender balance in corporate bodies of listed companies, envisaged by the aforementioned Articles 147–*ter* and 148 of the TUF.

The 2020 Budget Law made the following principal changes to the system described above:

- i) increase in the percentage of members to be reserved for the less represented gender from at least one–third to at least two–fifths, for both the administrative body and the control body;
- ii) increase in the period of validity of the new allocation criterion of at least two–fifths for six consecutive mandates rather than three mandates; and
- iii) gradual application of the rules only for newly listed companies and not for already listed companies, providing that the percentage to be reserved for the less represented gender for the first renewal of the corporate bodies after the start date of trading is equal to at least one–fifth of the members.

Hence, without prejudice to the concurrent competence of the Board of Directors in these matters pursuant to Article 19 of the Articles of Association, we submit for your approval the new text of Articles 14 and 22 of the Articles of Association, which we propose to adopt for the Company in compliance with the provisions contained in the 2020 Budget Law regarding gender balance in the corporate bodies of listed companies, and in compliance with applicable Consob guidelines.

2. STATUTORY AMENDMENTS

Upon approval of the proposal to eliminate the indication of the nominal value of the Company’s ordinary shares, Article 5 of the Articles of Association will be modified as follow.

Below is the current text of Article 5 of Tesmec’s Articles of Association compared with the text of the version that the Board of Directors proposes to adopt.

Current text	Proposed text
<p>1. The share capital amounts to Euro 10,708,400.00 thousand and is divided into 107,084,000 shares with a nominal value of Euro 0.10 (zero point ten) each.</p> <p>[omissis]</p>	<p>1. The share capital amounts to Euro 10,708,400.00 thousand and is divided into 107,084,000 shares with no nominal value.</p> <p>[omissis]</p>

The adaptation to the new regulation on gender balance in the corporate bodies of listed companies envisaged by the law entails the need to amend Articles 14 and 22 of the Articles of Association, concerning, respectively, the Company's Board of Directors and Board of Statutory Auditors.

Below is the current text of Articles 14 and 22 of Tesmec's Articles of Association compared with the text of the version that will become effective should the proposal to amend the Articles of Association be approved.

Current text	Proposed text
ARTICLE 14	ARTICLE 14
<p>[omissis]</p> <p>Lists with a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that at least one-fifth belong to the less represented gender (for the first mandate subsequent to 12 August 2012), and then one-third (rounded up) of the candidates.</p> <p>[omissis]</p>	<p>[omissis]</p> <p>Lists with a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that the number of candidates belonging to the less represented gender is equal to the percentage required by applicable <i>pro tempore</i> regulations concerning the balance between genders, which must be calculated based on the criteria established each time.</p> <p>[omissis]</p>
ARTICLE 22	ARTICLE 22
<p>[omissis]</p> <p>Lists with a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that at least one-third (rounded up) of the candidates for the office of Statutory Auditor and at least one-third (rounded up) of the candidates for the office of Alternate Auditor</p>	<p>[omissis]</p> <p>Lists with a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so that the number of candidates belonging to the less represented gender for the office of Statutory Auditor and the number of candidates for the office of Alternate Auditor is at least equal to the percentage required by</p>

belong to the less represented gender.	applicable <i>pro tempore</i> regulations concerning the balance between genders, which must be calculated based on the criteria established each time.
<p>The lists presented without observing the provisions above are considered as not presented. In the event in which, on the deadline for the presentation of the lists, only one list has been presented or only lists presented by shareholders related to one another on the basis of the applicable regulations, lists may be presented up until the fifth day following said date. In this case, the thresholds provided above for presenting lists are reduced by half.</p> <p>[omissis]</p>	<p>The lists presented without observing the provisions above are considered as not presented. In the event in which, on the deadline for the presentation of the lists, only one list has been presented or only lists presented by shareholders related to one another on the basis of the applicable regulations, lists may be presented up until the fifth third day following said date. In this case, the thresholds provided above for presenting lists are reduced by half.</p> <p>[omissis]</p>

3. RIGHT OF WITHDRAWAL

The proposed statutory amendments do not attribute the right of withdrawal for shareholders who do not participate in the relative approval.

4. DRAFT RESOLUTIONS

Dear Shareholders,

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

“The Shareholders’ Meeting of Tesmec S.p.A., meeting in Extraordinary Session:

- *having reviewed the Report of the Board of Directors on the agenda item;*
- *agreeing with the reasons for the proposal contained therein,*

RESOLVES

- (1) *to eliminate the indication of the nominal value of the Company’s ordinary shares, pursuant to Articles 2328 and 2346 of the Italian Civil Code;*
- (2) *to amend, consequently, Article 5 of the Articles of Association, replacing the first paragraph, which will therefore be worded as follows:*

“1. The share capital amounts to Euro 10,708,400.00 thousand and is divided into 107,084,000 shares with no nominal value.”;
- (3) *to amend the text of Articles 14 and 22 of the Articles of Association and to approve the new text as described in the Report of the Board of Directors, annexed to this resolution forming an integral and substantial part of it;*

- (4) *to grant to the Board of Directors and, for it, the Chairman and Chief Executive Officer and/or executive directors, including by means of special proxies appointed for this purpose, all broader powers, without any exclusion, necessary or appropriate to execute the resolutions above and exercise the rights that are the subject of these resolutions, as well as to carry out the formalities necessary for all resolutions adopted today to obtain legal and regulatory approvals, including all broader powers to make any changes, additions or deletions, not substantial, that may become necessary to the shareholders' meeting resolutions, as well as the text of these minutes and attached Articles of Association, at the request of any competent authority or upon registration with the Register of Companies, in representation of the Company".*

Item 2) on the agenda of the Extraordinary Session: Attribution to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, of the delegation to increase share capital for a maximum total amount not exceeding Euro 50,000,000.00 (“Maximum Total Amount”), including any share premium, in one or more tranches, against payment and divisible, but with the right of the Board of Directors to establish the indivisibility for individual tranches of the delegation’s use, with or without warrants, also with the exclusion of the option right pursuant to Article 2441, paragraphs 4 and 5, of the Italian Civil Code and the delegation, pursuant to Article 2420-*ter* of the Italian Civil Code, within the same Maximum Total Amount, to issue bonds, including convertible, with or without warrants, also with exclusion of the option right pursuant to Article 2441 of the Italian Civil Code; amendment of Article 5 of the Articles of Association; related and consequent resolutions.

1. EXPLANATION OF THE DELEGATION, REASONS AND INTENDED USE OF THE SHARE CAPITAL INCREASE

The Board of Directors has started a process of updating the Company’s business plan (the “**Business Plan**”) to take into account both the effects of the pandemic caused by the Covid-19 virus and the opportunities that characterise the sectors in which the Company’s businesses operate (energy, telecommunications, transport and mining), whose guidelines will be presented to the market before the summer holidays.

In order to establish the foundations to implement the new Business Plan, the Board of Directors accordingly convened the Shareholders’ Meeting in Extraordinary Session to submit for your approval the proposal to attribute to the Board the power, pursuant to Article 2443 of the Italian Civil Code and under the terms, conditions and within the criteria more fully described in Paragraph 2 below, to increase share capital against payment, with or without warrants, in one or more tranches, no later than 21 May 2025 for a maximum of Euro 50,000,000.00 including share premium (the “**Maximum Total Amount**”) in compliance with the option right pursuant to Article 2441 of the Italian Civil Code, or also with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Italian Civil Code and pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence of the Italian Civil Code, where applicable), as well as the power, pursuant to Article 2420-*ter* of the Italian Civil Code, to issue bonds that can be converted into ordinary shares of the Company, with or without warrants, for the same period of time within the same maximum value indicated above and, therefore, for a maximum amount of Euro 50,000,000.00 together with the right to resolve the related share capital increase to service the conversion, in compliance with the option right pursuant to Article 2441 of the Italian Civil Code or also with the exclusion of the option right pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence where applicable), all in compliance with each provision of law applicable at the time of the resolution of the share capital increase and/or issue of convertible bonds (the “**Delegation**”).

The proposed Delegation has the aim of pursuing the following strategic purposes (hereinafter, collectively, the “**Strategic Objectives**”):

- to finance the investments envisaged in the new Business Plan in the strategic sectors of energy (digitalisation and automation of grids), telecommunications (new fibre optic networks), transport (secure diagnostic systems and line maintenance in the railway sector) and mining (new extraction systems). For more information on the acquisition of 4 Service S.r.l., please

refer to the press release of 14 April 2020 and the information document on significant transactions with related parties, available on the Website and made available to the public according to the procedures and deadlines established by applicable regulations; and

- strengthen the capital structure, rebalancing the sources of financing (risk capital and third-party funding) and improving the Company's economic and financial indicators.

Once the Business Plan has been finalised, the Board of Directors will evaluate the effective amount of the share capital increase within the limit of the Maximum Total Amount, also to be offered as an option to Shareholders, and define the relative timing. It is in this perspective that the Delegation tool applies, which allows to accelerate the execution times for the share capital increase and to obtain, with adequate timing, better conditions for pursuing the Strategic Objectives, through: (i) the attribution to the Board of Directors of the power to determine the conditions of the share capital increase (including the maximum number of shares to be issued and the share issue price) taking into account the prevailing market conditions at the time of the effective launch of the transaction; and (ii) the decrease in the (significantly longer) technical times envisaged by applicable legislation for the shareholders' meeting resolution to increase share capital, with a consequent reduction in the risk that, between the time of the announcement and that of the execution, exchange rates may fluctuate, even significantly.

Furthermore, with reference to the share capital increase transactions pursuant to Article 2441, paragraphs 4 and 5, and Article 2420-*ter* of the Italian Civil Code, the Delegation has the objective of ensuring the Board of Directors the necessary flexibility and timeliness in carrying out one or more increases in share capital, as well as in sourcing new funding on the market by choosing the most appropriate forms, in order to take advantage of the most favourable conditions for pursuing the Strategic Objectives.

2. EXECUTION PROCEDURE FOR THE DELEGATION

The terms for the issue and subscription of the newly issued shares will be defined by the Board of Directors when the Delegation is exercised, with reference to each tranche of the share capital increase.

In particular, in exercising the Delegation through a share capital increase in option, the Board of Directors shall have the power to establish the procedures, terms and conditions for the share capital increase and its execution, in compliance with the instructions below, and therefore to determine, also just before the start of the offer in option:

- i) the amount of the share capital increase, however not higher than the Maximum Total Amount, also taking into account any share premium, which may also be realised in several tranches;
- ii) the issue price of the shares, including any share premium, taking into account, among other things, the prevailing market conditions at the time the terms of the share capital increase are determined, stock exchange prices of the Tesmec share, economic and financial performance of the Company, as well as market practice for similar transactions. It is expected that the issue price may also be determined by applying, according to the same practices, a discount on the theoretical ex-right price ("TERP") of Tesmec shares, calculated – according to current methodologies – taking into account, *inter alia*, the closing price of the Tesmec share on the trading day prior to the determination date or, if available, based on the closing price of the Tesmec share on the trading day on which the determination will

be made and on the basis of averages of Tesmec share prices in periods of time preceding the determination;

- iii) the number of shares subject to the issue and the related option ratio, with the understanding that the newly issued shares will have the same characteristics – including in terms of entitlement – as those in circulation and will be offered in option to the shareholders in proportion to the equity investment held.

If the Delegation is exercised, to the extent admissible, pursuant to Article 2441, paragraph 4 of the Italian Civil Code, the criteria to be followed by directors in exercising the Delegation are determined with regard to the type of assets to be contributed, in terms of movable or immovable assets, and transferring companies with the business purpose of the Company and its subsidiaries or connected to the sector of design, development and marketing of systems, technologies and integrated solutions for building, maintaining and optimising infrastructures for the transport and distribution of electricity, data and materials, as well as company assets and complexes designed to offer services to support these activities.

If the Delegation is exercised pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence of the Italian Civil Code, where applicable), the criteria to be followed by directors in exercising the Delegation are determined with reference to the criteria for identifying the parties to which the offer of the shares should be reserved, in terms of potential business, financial, and strategic partners or medium/long-term investors (including natural persons) and institutional investors, in the context of transactions consistent with the Company's growth strategy.

Therefore, the Delegation subject of the proposed statutory amendment envisages the attribution to the Board of Directors of any broader power to identify, at any given time, the recipients of the increase within the categories indicated above and to establish, in compliance with the procedures required by legal and regulatory provisions applicable at a given time, as well as the limits indicated above, the share issue price (including any share premium), the issue price, the exchange ratio and the procedures for converting bonds; the interest rate, the maturity date and the repayment methods for the bonds, including in advance.

More generally, the Board of Directors would have all broader powers to define terms and conditions of the share capital increase and the transaction and to draft the regulation of the convertible bond and warrants. In addition, the Board of Directors would have the power to decide whether to proceed with the request for admission to trading of the newly issued financial instruments and whether to activate a guarantee and/or placement consortium.

The explanatory documentation relating to the share capital increase resolution that will eventually be taken on the basis of the Delegation will be made available to the public in accordance with the law.

3. FINANCIAL INFORMATION

On 13 March 2020, the Company's Board of Directors approved the draft financial statements as at 31 December 2019. For additional information on the Company's operating performance in the year ended 31 December 2019 and the business outlook, please refer to the financial statements as at 31 December 2019 made available to the public at the registered office, on the Website, as well as with the additional procedures envisaged by applicable legislation.

4. GUARANTEE AND/OR PLACEMENT CONSORTIA

In exercising the Delegation, the Company's Board of Directors may assess the possibility of granting a mandate to one or more financial institutions to establish a guarantee and/or placement consortium in relation to the share capital increase, also possibly for individual instances of exercising the Delegation.

Any appointment of a guarantee consortium will be promptly communicated to the market in the disclosure that will be drafted in accordance with the law when exercising the Delegation.

5. CRITERIA FOR DETERMINING THE ISSUE PRICE OF NEW SHARES

The new shares will be offered at the price and/or conversion ratio that will be established at a given time by the Board of Directors (including any share premium) when exercising the Delegation.

6. SHAREHOLDERS WHO HAVE EXPRESSED THEIR WILLINGNESS TO SUBSCRIBE THE NEWLY ISSUED SHARES AND ANY UNEXERCISED OPTION RIGHTS

The majority shareholder of the Company, TTC S.r.l., owner of a total of 44.609% of Tesmec's share capital, has expressed, for itself and for the companies of the group headed by it, the willingness to subscribe the shares to which it is entitled in the proposed share capital increase.

7. DURATION OF THE DELEGATION AND EXERCISE TIMING

It is proposed to establish that the Delegation can be exercised one or more times within the term of 5 years from the date of the relative resolution. Without prejudice to the above, the timing of the Delegation's exercise (which is requested to also be partial and take place in several tranches and at different times), pursuant to Article 2443 of the Italian Civil Code, as well as the terms of said exercise and execution of the share capital increase, will depend on the factual circumstances and the concrete opportunities that will arise and will be communicated to the market in accordance with the law and regulations as soon as they are determined by the Board of Directors.

8. ENTITLEMENT DATE OF NEWLY ISSUED SHARES

The entitlement of newly issued shares resulting from the share capital increase will be determined by the Board of Directors for each possible exercise of the Delegation, without prejudice to the attribution to holders of equal rights with respect to the shares already issued by the Company.

9. AMOUNT OF THE DELEGATION

The amount of the share capital increase, also in service of the delegation pursuant to Article 2420-*ter*, may not exceed a total of Euro 50,000,000.00, including any share premium. Once the Business Plan has been finalised, the Board of Directors will evaluate the effective amount of the share capital increase and define the relative timing.

10. ECONOMIC AND FINANCIAL EFFECTS OF THE TRANSACTION, EFFECTS ON THE UNIT VALUE OF SHARES AND DILUTION

Upon executing the Delegation, the Company will provide adequate information to the market, in

accordance with the law, of the economic and financial effects of the share capital increases that may be resolved in implementation of the Delegation, as well as the effects on the unit value of the shares and the dilution that may result from the transaction.

11. STATUTORY AMENDMENTS

As a result of the proposed resolutions that are submitted for your approval, it will be necessary to supplement Article 5 of the current Articles of Association by adding a clause relating to the shareholders' meeting resolution to attribute the Delegation in question.

Below is the current text of Article 5 of Tesmec's Articles of Association compared with the text of the version that will become effective should the proposal to eliminate the nominal value be approved.

Current text	Proposed text
ARTICLE 5	ARTICLE 5
<p>1. The share capital amounts to Euro 10,708,400.00 thousand and is divided into 107,084,000 shares with no nominal value.</p> <p>2. <i>[omissis]</i></p> <p>3. <i>[omissis]</i></p> <p>4. <i>[omissis]</i></p> <p>5. <i>[omissis]</i></p> <p>6. <i>[omissis]</i></p>	<i>Unchanged</i>
	<p>7. The Shareholders' Meeting held in Extraordinary Session on 21 May 2020 resolved to attribute to the Board of Directors the power, pursuant to Article 2443 of the Italian Civil Code, to increase share capital against payment, with or without warrants, in one or more tranches, no later than 21 May 2025 for a maximum of Euro 50,000,000.00 including share premium in compliance with the option right pursuant to Article 2441 of the Italian Civil Code, or also with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Italian Civil</p>

	<p>Code, with the contribution of movable or immovable assets and transferring companies with the business purpose of the Company and its subsidiaries or connected to the sector of design, development and marketing of systems, technologies and integrated solutions for building, maintaining and optimising infrastructures for the transport and distribution of electricity, data and materials, as well as company assets and complexes designed to offer services to support these activities, and, pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence of the Italian Civil Code, where applicable), to be reserved to potential business, financial, and strategic partners or medium/long-term investors (including natural persons) and institutional investors, in the context of transactions consistent with the Company's growth strategy, as well as the power, pursuant to Article 2420-ter of the Italian Civil Code, to issue bonds that can be converted into ordinary shares of the Company, with or without warrants, for the same period of time within the same maximum value indicated above and, therefore, for a maximum amount of Euro 50,000,000.00 together with the power to resolve the related share capital increase to service the conversion, in compliance with the option right pursuant to Article 2441 of the Italian Civil Code or also with the exclusion of the option right pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence where applicable), to be reserved to potential business, financial, and strategic partners or medium/long-term investors (including natural persons) and institutional investors, in the context of transactions consistent with the Company's growth strategy, all in compliance with each provision of law applicable at the time of the resolution of the share capital increase and/or issue of convertible bonds.</p>
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12. RIGHT OF WITHDRAWAL

The proposed statutory amendments do not attribute the right of withdrawal for shareholders who do not participate in the relative approval.

13. DRAFT RESOLUTIONS

Dear Shareholders,

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

“The Shareholders’ Meeting of Tesmec S.p.A., meeting in Extraordinary Session:

- *having reviewed the Report of the Board of Directors on the agenda item and agreeing with the reasons for the proposal contained therein;*
- *having acknowledged that the share capital of Euro 10,708,400.00 is fully subscribed and paid up and that the Company is not in the situations referred to in Articles 2446 and 2447 of the Italian Civil Code, as confirmed by the Board of Statutory Auditors;*
- *having reviewed Articles 2443 and 2420-ter of the Italian Civil Code*

RESOLVES

- (1) *to attribute to the Board of Directors the power, pursuant to Article 2443 of the Italian Civil Code, to increase share capital against payment, with or without warrants, in one or more tranches, no later than 21 May 2025 for a maximum of Euro 50,000,000.00 including share premium in compliance with the option right pursuant to Article 2441 of the Italian Civil Code, or also with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Italian Civil Code, with the contribution of movable or immovable assets and transferring companies with the business purpose of the Company and its subsidiaries or connected to the sector of design, development and marketing of systems, technologies and integrated solutions for building, maintaining and optimising infrastructures for the transport and distribution of electricity, data and materials, as well as company assets and complexes designed to offer services to support these activities, and, pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence of the Italian Civil Code, where applicable), to be reserved to potential business, financial, and strategic partners or medium/long-term investors (including natural persons) and institutional investors, in the context of transactions consistent with the Company’s growth strategy, as well as the power, pursuant to Article 2420-ter of the Italian Civil Code, to issue bonds that can be converted into ordinary shares of the Company, with or without warrants, for the same period of time within the same maximum value indicated above and, therefore, for a maximum amount of Euro 50,000,000.00 together with the power to resolve the related share capital increase to service the conversion, in compliance with the option right pursuant to Article 2441 of the Italian Civil Code or also with the exclusion of the option right pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence where applicable), to be reserved to potential business, financial, and strategic partners or medium/long-term investors (including natural persons) and institutional*

investors, in the context of transactions consistent with the Company's growth strategy, all in compliance with each provision of law applicable at the time of the resolution of the share capital increase and/or issue of convertible bonds.

- (2) *to consequently amend Article 5 of the Articles of Association, introducing the following seventh paragraph "7. The Shareholders' Meeting held in Extraordinary Session on 21 May 2020 resolved to attribute to the Board of Directors the power, pursuant to Article 2443 of the Italian Civil Code, to increase share capital against payment, with or without warrants, in one or more tranches, no later than 21 May 2025 for a maximum of Euro 50,000,000.00 including share premium in compliance with the option right pursuant to Article 2441 of the Italian Civil Code, or also with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Italian Civil Code, with the contribution of movable or immovable assets and transferring companies with the business purpose of the Company and its subsidiaries or connected to the sector of design, development and marketing of systems, technologies and integrated solutions for building, maintaining and optimising infrastructures for the transport and distribution of electricity, data and materials, as well as company assets and complexes designed to offer services to support these activities, and, pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence of the Italian Civil Code, where applicable), to be reserved to potential business, financial, and strategic partners or medium/long-term investors (including natural persons) and institutional investors, in the context of transactions consistent with the Company's growth strategy, as well as the power, pursuant to Article 2420-ter of the Italian Civil Code, to issue bonds that can be converted into ordinary shares of the Company, with or without warrants, for the same period of time within the same maximum value indicated above and, therefore, for a maximum amount of Euro 50,000,000.00 together with the power to resolve the related capital increase to service the conversion, in compliance with the option right pursuant to Article 2441 of the Italian Civil Code or also with the exclusion of the option right pursuant to Article 2441, paragraph 5 of the Italian Civil Code (and Article 2441, paragraph 4, second sentence where applicable), to be reserved to potential business, financial, and strategic partners or medium/long-term investors (including natural persons) and institutional investors, in the context of transactions consistent with the Company's growth strategy, all in compliance with each provision of law applicable at the time of the resolution of the share capital increase and/or issue of convertible bonds."*

Each point of the resolutions of the Extraordinary Shareholders' Meeting will be submitted for a separate vote, in order to allow the vote to each entitled party, as well as to the delegates with voting instructions, on the basis of the voting indications received on each point.

Grassobbio, 30 April 2020

For the Board of Directors
The Chairman and Chief Executive Officer
Ambrogio Caccia Dominioni