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**DIRECTORS' EXPLANATORY REPORT
TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS'
MEETING OF
TINEXTA S.P.A.
CALLED FOR
27 APRIL 2021 IN SINGLE CALL**

(drafted pursuant to Art. 125-ter of Legislative Decree No. 58, 24 February 1998, as amended, and Art. 84 of the regulations adopted by CONSOB Resolution No. 11971, 14 May 1999, as amended)

Dear Shareholders,

We are making available to you, at the registered office and on the website of Tinexta S.p.A. ("Company") at www.tinexta.com and through the e-market SDIR-Storage authorised storage mechanism, pursuant to Art. 125-ter of Law Decree 58/98 as amended and supplemented (Consolidated Law on Finance) and Art. 84-ter of CONSOB Regulation No. 11971/1999 as amended ("Issuers Regulation"), a report on the proposals concerning the following matters on the agenda for the ordinary and extraordinary Shareholders' Meeting, which you have been invited to attend, in Milan, Via Agnello n. 18, at the Notary Marchetti's office, on 27 April 2021 at 2:30 p.m., in single call.

FOURTH ITEM ON THE AGENDA

- 4. Appointment of the Board of Statutory Auditors. Related and consequent resolutions:**
- 4.1. appointment of three Standing Auditors and two Alternate Auditors;**
 - 4.2. appointment of the Chairperson of the Board of Statutory Auditors;**
 - 4.3. determination of the total compensation for each year in office of the members of the Board of Statutory Auditors.**

Dear Shareholders,

with the Shareholders' Meeting called to approve the financial statements at 31 December 2020, the mandate of the Board of Statutory Auditors appointed by the Shareholders' Meeting on 24 April 2018 comes to an end.

You have therefore been called to appoint the members of the new Board of Statutory Auditors for the three-

year period 2021-2023, that is, until the approval of the financial statements as at 31 December 2023, as well as the Chair of that body, and also to set the annual remuneration of the members.

Pursuant to Art. 20 of the Articles of Association, the Company's Board of Statutory Auditors is made up of 3 (three) statutory auditors and 2 (two) alternate auditors. The minority interest may elect one statutory auditor and one alternate auditor. A balance between the male and female genders must be ensured in the composition of the Board of Statutory Auditors in observance of the applicable legal and statutory provisions currently in force.

The auditors, who may be re-elected, are selected from subjects who have the requisites, also regarding plurality of offices, established by current legislation, also statutory, including professional competence in conformity with Ministry of Justice Decree No. 162 of 30 March 2000 regarding the provisions of Art. 1, Par. 2, letters b) and c) of said decree, which are to be considered strictly pertinent to the company's activity: (i) matters pertaining to commercial law; tax law; accounting; business economics; general, international and financial market economics; corporate finance; and (ii) sectors of industry and the publishing trade and pertaining to communications in general.

The Board of Statutory Auditors is appointed following the procedures set forth in Art. 20 of the Articles of Association, in observance of the applicable legal and regulatory provisions currently in force on the subject of gender balance, on the basis of lists submitted by the shareholders. Every list, which contains the names of one or more candidates, marked by a progressive number and all together in a number not exceeding the number of members to elect, indicates whether the single candidacy is submitted for the office of statutory auditor or for the office of alternate auditor. The lists that have three or more candidates must also include candidates of a different gender, according to what is set forth in the Shareholders' Meeting notice, so as to ensure that the composition of the Board of Statutory Auditors respects regulations in force on gender balance. Regarding gender balance, the quota to be reserved to the less-represented gender is at least two fifths of the elected Statutory Auditors, with rounding up to the next whole number in case the number is a fraction, by default rounding down in case of boards composed of three members.

Only those shareholders who alone or together with other submitting shareholders are holders overall of shares, as at the date the list is submitted, with voting rights in Shareholders' Meeting resolutions concerning the appointment of the Board of Directors and Board of Statutory Auditors representing a percentage of stake in the share capital made up of said shares, as subscribed on the date the list is submitted, at least equal to the percentage applicable for appointing the Board of Directors as determined or referred to by the Articles of Association are entitled to submit the lists.

In order to be entitled to submit the lists, shareholders must, alone or together with other submitting shareholders, form a total of shareholders, at the date the list is submitted, with voting rights in Shareholders' Meeting resolutions concerning the appointment of the Board of Directors and Board of Statutory Auditors representing a percentage of stake in the share capital made up of said shares, as subscribed on the date the list is submitted, at least equal to **2.5%** (two point five percent), as set forth in CONSOB Executive Decision No. 44, 29 January 2021.

Each candidate may appear on only one list, under penalty of ineligibility.

The shareholders may not submit individually or jointly, nor, as for any other shareholder with the right to vote, may they vote on, not even through a third party or trustee, more than one list.

Moreover, the shareholders that:

- (i) belong to the same group (or pursuant to Art. 93 of the Consolidated Law on Finance, are in a control relationship with each other or are subject to joint control, even if the controlling party is a physical person), or
- (ii) participate in a shareholders' agreement under Art. 122 of the Consolidated Law on Finance concerning the shares of the Company, or

- (iii) participate in such shareholders' agreement and are, pursuant to the law, controlling or controlled by, or subject to a joint control by, one of these participating shareholders,

may not submit, individually or jointly with others, more than one list, nor, as for any other shareholder with the right to vote, may they vote on different lists. The agreements and votes expressed in breach of said prohibition shall not be attributed to any list.

The lists, complete with the curricula vitae of the candidates containing exhaustive information on the personal and professional characteristics of each one of them with the list of any administration and control positions held in other companies, and signed by the shareholders that submitted them, or their agent, with indication of the respective identity and percentage of stake altogether held as at the date of submission must be filed together with a statement of the submitting shareholders, when different from those that hold, also jointly, a control or majority stake in the share capital, certifying the absence of relationships of association with the latter as required by the legislation, including statutory, currently in force at least by the twenty-fifth day prior to that set for the Shareholders' Meeting in single call (that is, by **2 April 2021**), **(i) at the registered office of the company** in Rome, Piazza Sallustio No. 9, or **(ii) via email to the certified email address tinexta@legalmail.it** together with the information that permits the identification of the party filing the lists, also giving a telephone number. The relevant certification(s) or communication(s) certifying the aforesaid stake issued by the intermediary authorised pursuant to the applicable legal or statutory provisions may also be delivered afterwards, as long as it is within twenty-one days before the date set for the Shareholders' Meeting in single call (that is, by **6 April 2021**).

When submitting the list, statements must be submitted in which single candidates accept their candidacy and declare, under their own responsibility:

- 1) the non-existence of causes for ineligibility for election and incompatibility, as well as the existence of the requisites required based on what is set out in current primary and secondary legislation;
- 2) compliance with the independence requirements as set forth in Art. 148 Par. 3 of Consolidated Law on Finance.

Reference is also to be made to the CONSOB Communication No. DEM/9017893 of 26 February 2009, with which the Supervisory Authority reminded the Shareholders submitting a minority list stating that there are no relationships of association pursuant to Art. 144-quinquies of the Issuers Regulation to certify in said statement also the absence of the significant relationships set out in that Communication with the Shareholders that hold, even jointly, a controlling or relative majority interest, or otherwise, to indicate the existing significant relationships and the reasons why they were not considered decisive for the existence of the relationships of association, as referred to in Art. 148, Par. 2, of Consolidated Finance Act and Art. 144-quinquies of the Issuers Regulation.

Lists submitted without the forgoing provisions being observed are considered as not submitted.

If, by the twenty-fifth day before the date of the Shareholders' Meeting in single call (that is, by **2 April 2021**), only one list is submitted, or lists have been presented only by shareholders associated with each other pursuant to the legal and regulatory regulations in force at the time, additional lists can be submitted until the third day after said date (that is, by **5 April 2021**) and the minimum percentage of stake for submitting lists shown on the notice of call will be considered reduced by half (that is, equal to 1.25% of the share capital). Even in the case of such a submission, the relevant certification(s) or communication(s) certifying the aforesaid necessary stake issued by the intermediary authorised pursuant to the applicable legal or statutory provisions may also be delivered afterwards as long as it is at least twenty-one days before the date set for the Shareholders' meeting in single call (that is, by **6 April 2021**).

The Company will make the lists available to the public at least twenty-one days prior to the date of the Shareholders' Meeting in single call (that is, by **6 April 2021**), according to the procedures required by current regulations.

The auditors are elected as follows:

- a) two statutory members and one alternate member are taken from the list that obtained the highest number of votes at the shareholders' meeting, based on the progressive order with which they are respectively listed, except for what is provided for hereunder to ensure a balance between genders in observance of the applicable legal and statutory provisions currently in force;
- b) the remaining statutory auditor, who is entitled to the chairmanship of the Board of Statutory Auditors, and the other alternate member are taken from the second list obtaining the highest number of votes at the Shareholders' Meeting and that is not associated, not even indirectly, pursuant to the legal and statutory regulations currently in force, with those who submitted or voted the list that obtained the highest number of votes as described in letter a) above.

For the purpose of appointing the auditors described in letter b) above, if there is parity between lists, the one submitted by shareholders having the largest stake or, subordinately, the largest number of shareholders, prevails. In the case of parity of votes between two or more lists that obtained the highest number of votes, the Shareholders' Meeting will go to second ballot with resolution taken with relative majority.

If a party associated with a shareholder that has submitted or voted for the list that obtained the highest number of votes has voted for a minority list, the existence of said relationship of association takes on importance only if the vote determined the election of the auditor to take from said minority list.

If a single list is submitted, all candidates belonging to that list are elected with the majority vote of the share capital represented at the Shareholders' Meeting.

If following the voting by lists or voting of the single list, the composition of the Board of Statutory Auditors is not ensured, in compliance with the applicable legal and regulatory provisions currently in force on the subject of balance between genders, the statutory member candidate of the most represented gender elected last in progressive order from the list that obtained the highest number of votes or from the single list will be excluded, and will be replaced by the next candidate according to the progressive order with which the candidates are listed, taken from the same list and belonging to the other gender.

If no list at all is submitted, the Shareholders' Meeting appoints the Board of Statutory Auditors with majority vote relating to the share capital represented at the Shareholders' Meeting, in such a way that observance of the applicable legal and statutory provisions currently in force on the subject of balance between genders is ensured.

The chairmanship of the Board of Statutory Auditors in these latter cases lies with the head of the only list submitted or with the person appointed by the Shareholders' Meeting if no list has been submitted. If the legal and statutory requirements are not met, the auditor ceases to hold office.

Furthermore, in compliance with the Rules of Conduct of the Board of Statutory Auditors of listed companies issued by the National Council of Chartered Accountants and Accounting Experts (CNDCEC) on 26 April 2018, it is noted that the members of the outgoing Board of Statutory Auditors sent to Tinexta S.p.A. a document summarising the activities carried out. This document was made available on the Company's website [www.tinexta.com /Governance/Shareholders' Meeting section](http://www.tinexta.com/Governance/Shareholders%20Meeting%20section)".

- Appointment of three Standing Auditors and two Alternate Auditors;

With reference to the appointment of the Board of Statutory Auditors, the outgoing Board of Directors has refrained from making specific proposals in this regard and invited the Shareholders to appoint, pursuant to the applicable legal, regulatory and statutory provisions, three Statutory and two Alternate Auditors for the 2021-2023 period, casting a vote in favour of one of the lists of candidates for membership of the Board of Statutory Auditors of Tinexta S.p.A., which will be presented and published in compliance with the aforementioned provisions.

- **Appointment of the Chairperson of the Board of Statutory Auditors;**

With reference to the appointment of the Chairperson of the Board of Statutory Auditors, in light of current legal, regulatory and statutory provisions, the outgoing Board of Directors has recommended that Shareholders who intend to submit a list should specify that the first name indicated is meant to be a candidate for the position of Chairperson of the Board of Statutory Auditors.

- **Determination of the total compensation for each year in office of the members of the Board of Statutory Auditors. Related and consequent resolutions**

Besides the appointment of the Board of Statutory Auditors, the Shareholders' Meeting is called to rule on the annual remuneration due the members of the Board of Statutory Auditors for the entire term of their mandate. It should be noted that, under the *Corporate Governance* Code of Borsa Italiana, which the Company has adopted, the Board of Statutory Auditors' remuneration should be appropriate to the competence, professionalism and commitment required by the relevance of the position, as well as the size, sector and situation of the Company.

The outgoing Board of Directors of the Company has refrained from making specific proposals in this regard and has therefore invited the Shareholders to set the remuneration of the Board of Statutory Auditors of Tinexta S.p.A. according to the proposals made by those entitled.

The outgoing Board of Directors of Tinexta S.p.A., therefore, recommends that Shareholders promptly exercise the rights of candidatures for the office of Statutory Auditors of the Company granted them by the law and the Articles of Association and submit with the lists ancillary proposals indicating the Chairperson and the auditors' remuneration, to permit the informed exercise of the right to vote by the Shareholders who will take part in the Meeting on this item on the agenda through their Designated Representative.

Dear Shareholders,

in light of the above, we therefore invite you to resolve, in the terms and with the procedures set out above, on:

- (i) the appointment of three Standing Auditors and two Alternate Auditors;
- (ii) the appointment of the Chairperson of the Board of Statutory Auditors;
- (iii) the remuneration of the Statutory Auditors and the Chairperson of the Board of Statutory Auditors.

Rome, 18 March 2021

For the Board of Directors

The Chairman