

*This English version is made available to provide non-Italian speakers a translation of the original document. Please note that in the event of any inconsistency or discrepancy between the English version and the Italian version, the original Italian version shall prevail.*

\*\*\*

**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 Law Decree No. 58, 24 February 1998, and subsequent amendments and integrations, and Art. 72 of the regulations adopted by CONSOB with resolution No. 11971, 14 May 1999, and subsequent amendments and integrations)*

Dear Shareholders,

Pursuant to Art. 125-ter of Law Decree 58/98 as amended and supplemented (**Consolidated Law on Finance**) and Art. 72 of CONSOB Regulation No. 11971/1999 as amended and supplemented ("**Issuers Regulation**"), as well as to Annex 3A, table 3, to the aforesaid Issuers Regulation, we are making available to you a report on the proposal concerning the amendment of the Articles of Association at the registered office and on the website of Tinexta S.p.A. ("**Company**") at [www.tinexta.com](http://www.tinexta.com) and through the *e-market SDIR-Storage* authorised storage mechanism, in order to allow the Company to make use of the so-called "increased" voting mechanism, which will be submitted to the Ordinary and Extraordinary Shareholders' Meeting, which you have been invited to attend, in Via Agnello n. 18, at the Notary Marchetti's office, on 27 April 2021 at 14:30, in single call.

**Extraordinary section**

**FIRST ITEM ON THE AGENDA**

**1. Proposal to amend Article 5 of the Articles of Association for the introduction of the increased voting rights. Related and consequent resolutions**

**Reasons for and explanation of the amendments to the Articles of Association relating to the so-called "increased voting rights"**

**Foreword**

Art. 127-quinquies of the Consolidated Law on Finance introduced the possibility for companies with shares listed on a regulated market to envisage, by means of a specific amendment to the Articles of Association, the allocation of an increased vote "up to a maximum of two votes for each share belonging to the same person, for a continuous period of not less than twenty-four months starting from the date of registration" in a special

list kept by the Company.

The purpose of the legislative amendment is to allow listed companies to adopt, where deemed appropriate, an incentive tool for Shareholders who have chosen to make a long-term investments in the listed company, strengthening their role in *governance* by increasing their voting rights.

By making it possible to deviate from the *one-share-one-vote* principle, the increased voting right enables listed companies to encourage medium/long-term investments by Shareholders (thus stabilising the equity investment of the listed issuer) who, by virtue of the benefit granted to them, would strengthen their role in the *governance* of the company.

In this regard, the Board of Directors believes that the introduction of the increased vote, by providing an incentive - through the attribution of a "bonus" - for the medium-long term investment in the share capital of Tinexta, is in the interest of the Company, as it will strengthen the stability of the shareholding structure, thus encouraging a long-lasting increase in the value of the shares.

Moreover, the stability of the shareholding structure is a strategic factor for the success of the Company's growth projects, both organic and by external lines, since these are projects that - due to the characteristics of the Group's *business* - are destined to develop over the medium-long term and therefore require the support of Shareholders, whose investment logic and return prospects are in line with the aforesaid time horizon.

Finally, the adoption of this institution will help to prevent stock volatility, which is often linked to the short-term choices of financial investors.

In the light of the above, the Board of Directors intends to propose to you the introduction of the increased voting right pursuant to Art. 127-*quinquies* of the Consolidated Law on Finance and, therefore, to amend the Articles of Association in the terms described below.

### **Increase coefficient and vesting period**

Pursuant to Art. 127-*quinquies* of the Consolidated Law on Finance, the companies are vested with the power to determine, in the Articles of Association, the extent of the increased voting rights (within a maximum of two votes for each share) and the duration of the minimum period of ownership of the shares eligible to determine the right to the increased voting rights (provided that this is not less than 24 months).

As regards the minimum period of share ownership eligible to determine the increase in voting rights, the Board of Directors has deemed it appropriate to propose that the increased voting rights be acquired upon expiry of a minimum period of 24 months, as provided for by law, and considers this sufficient to establish adequate stability of share ownership.

Similarly, with regard to the extent of the increased voting rights, the Board of Directors deemed it appropriate to make full use of the power granted by Art. 127-*quinquies* of the Consolidated Law on Finance to set the maximum limit of the increase in voting rights at two votes for each share, considering it appropriate to ensure that the increased voting rights are effectively and efficiently rewarding "stable" shareholders and seeing no reason to reduce the positive effects of the stable holding of shares by the same Shareholder.

### **Special list: registration and waiver**

Pursuant to art. 127-*quinquies*, paragraph 2 of the Consolidated Law on Finance, the legitimacy to benefit from the increased vote requires the registration of the shareholders who intend to benefit from this increase in a specific list (the "**Special List**"), whose contents are governed by Art. 143-*quater* of the Issuers' Regulations.

This Special List does not constitute a new Company register, but is complementary to the Shareholders' register; therefore, the disclosure rules laid down for the Shareholders' register apply to it, including the right of inspection by shareholders pursuant to Art. 2422 of the Italian Civil Code.

Therefore, the Board of Directors proposes to set up this Special List at the Company's registered office and to grant the Board of Directors the mandate and all related powers in order to (i) determine the procedures for its maintenance, in compliance with the applicable law and, in particular, with the provisions of Art. 143-*quater* of the Issuers' Regulations; and (ii) appoint the person in charge of maintaining the Special List.

The Board of Directors also proposes that the following be specified in the Articles of Association:

- i. the holder of the shares - or the holder of the real right conferring the right to vote - (the "**Holder**") who intends to enrol in the Special List shall submit a related application to the Company in the manner and within the terms provided for by specific regulations published on the Company's *website*. In particular, said regulation shall specify that the application for registration in the Special List (i) shall indicate the number of shares for which registration is requested (also limited to only some of the shares owned); (ii) shall be accompanied by the communication of the intermediary on whose accounts the shares are registered; (iii) if the applicant is not a natural person, shall indicate whether it is subject to the direct or indirect control of third parties and the identification data of the parent company, if any, pursuant to Art. 93 of the Consolidated Law on Finance;
- ii. after verifying the necessary prerequisites, the Company enrolls in the Special List in a timely manner and in any case within the terms envisaged for updating the Special List itself (see vii);
- iii. after the application for registration, the Holder must promptly notify the Company, directly or through his/her intermediary, of any termination of the increased voting rights or of the related conditions;
- iv. from the date of registration in the Special List, the proposed vesting period of 24 months begins, during which the registered shares must belong permanently to the registered Holder in order to allow him/her to automatically obtain the benefit of the increase on maturity;
- v. the person who has the right to vote can irrevocably waive, in whole or in part, the increased vote right for the shares owned by him/her, through a notice to be sent to the Company according to the terms and conditions set out in a specific regulation published on the Company's *website*. The waiver is irrevocable and is acknowledged in the Special List, without prejudice to the right of re-registration by the person who subsequently intends to benefit from the increased voting rights;
- vi. the Company will remove shareholders from the Special List, not only in case of waiver, but also in the following cases: (a) communication by the interested party or by the intermediary proving the loss of the prerequisites for the increased voting rights or the loss of ownership of the legitimating real right and/or of the relative voting right; (b) automatically, when the Company is informed of the occurrence of facts that entail the loss of the prerequisites for the increased voting rights or the loss of ownership of the legitimating real right and/or of the relative voting right;
- vii. The Special List is updated by the Company no later than the fifth trading day after the end of each calendar month and, in any case, no later than the date indicated in Art. 83-*sexies*, paragraph 2, of the Consolidated Law on Finance (*record date*).

#### **Legitimizing real right and possible transfer**

The Board of Directors proposes to specify, in the Articles of Association that, for the purpose of granting the increased voting right, the circumstance that the "*share [is] owned by the same person*" provided for by Art. 127-*quinquies* of the Consolidated Law on Finance should be construed as the voting right in relation to a given share is owned by the same person by virtue of one of the following legitimating real rights:

- a) full ownership of the share with voting rights;
- b) bare ownership of the share with voting rights;
- c) usufruct of the share with voting rights.

Moreover, in compliance with the provisions set out in the third paragraph of the above-mentioned Art. 127-

*quinquies* of the Consolidated Law on Finance, the proposed amendment to the Articles of Association identifies the cases that entail the loss of the increased voting right already acquired, thus envisaging the loss of the related benefit:

- the transfer of the shares, for free or against payment, including constitution or sale, even temporary, of partial rights (also in the absence of transfer events), concerning the shares by virtue of which the Holder, enrolled in the Special List, is (*by law* or by contract) deprived of the right to vote;
- the direct or indirect sale of controlling equity investments in companies or entities that own shares with a higher voting right than the threshold set out in Art. 120, paragraph 2 of the pro-tempore Consolidated Law on Finance.

Always in line with the applicable regulatory provisions, it is proposed to specify in the Articles of Association that the loss of the right to cast the majority vote (or removal from the Special List) does not occur:

- (i) in the event of succession by reason of death in favour of the beneficiaries;
- (ii) as a result of transfer by virtue of a donation in favour of legitimate heirs, a family pact, the constitution and/or endowment of a trust, an estate fund or a foundation of which the transferor him/herself or his/her legitimate heirs are beneficiaries;
- (iii) in case of merger and demerger of the Holder of shares;
- (iv) under pledge or other collateral right with the retention of voting rights by the Holder.

In the case referred to in (i) and (ii) above, the successors in title shall be entitled to apply for registration with the same seniority as the natural person in title. Limited to the case of a merger or demerger, to which a subject already registered in the Special List is a party, the legal entity or body which, as a result of this transaction, becomes the owner of shares with an increased voting right, is entitled to be registered in the Special List with the same seniority of registration as the previously enrolled party and assignor, while retaining the benefit of the increased voting right already accrued.

### **Retention and extension of increased voting rights**

With reference to capital increases, the Board of Directors deems it appropriate to envisage the proportional extension of the benefit of the increased voting right also to the new shares that are issued at the time of the capital increase, whether free of charge or against payment, with new contributions made upon exercise of the pre-emption right. This seems fully consistent with the institution's reward function for "loyal" shareholders. The latter, in fact, at least with regard to the non-free capital increase, are in favour not only of maintaining, but even of further investing in the Company.

With regard to mergers or demergers of the Company, in compliance with the provisions of Art. 127- *quinquies*, paragraph 4 of the Consolidated Law on Finance, it is proposed that the increased voting right be also granted to shares assigned in exchange of those with an increased vote right, if this is provided for by the related merger or demerger plan.

More specifically, in relation to the aforesaid cases, the new shares assigned in exchange acquire the increased voting right (i) for the newly issued shares to which the Holder is entitled in exchange of shares which have already accrued the additional voting right, from the time of their registration in the Special List, with no need for a further continuous vesting period, and (ii) for newly issued shares, to which the Holder is entitled in exchange of shares for which the increased voting right has not yet accrued (but is being accrued), starting from the completion of the vesting period calculated as from the original date of registration in the Special List.

### **Calculation of meeting *quorums***

With reference to the effects of the increased voting rights, the proposed amendment to the Articles of

Association is in line with the solution envisaged by the law as the increased voting rights are also taken into account for the determination of the *quorums* for the constitution and passing of resolutions that refer to percentages of the share capital. These voting rights, however, do not affect the rights, other than the voting rights, related to the ownership of certain percentages of the share capital.

### **Effects of the introduction of the increased voting rights on the Company's properties.**

As at the date of this Report, the Company is legally controlled, pursuant to Art. 93 of the Consolidated Law on Finance, by Tecno Holding S.p.A., which holds 55.75% of the Company's share capital but does not exercise management and coordination activities pursuant to Art. 2497 et seq. of the Italian Civil Code.

The Board of Directors proposes to amend the Company's Articles of Association in order to provide that a double voting right be assigned for each share that has belonged to the same person for a continuous period of not less than 24 months, starting from the registration in the Special List that will be set up by the Company.

In the event that Tecno Holding S.p.A. requires the increased voting rights with respect to its entire equity investment and no other shareholder asks for increased voting rights, at the end of the 24 continuous months of holding Tecno Holding S.p.A. could exercise, overall, a percentage of voting rights equal to 71.59%.

### **Decision-making process followed in formulating the proposals to amend the Articles of Association**

The proposal to amend the Articles of Association, referred to herein, was approved by the Board of Directors on 12 March 2021. The decision was taken unanimously as it was deemed to be in line with the Company's interest in rewarding shareholder loyalty and medium- to long-term investments. The reasons for this positive assessment are given in the preceding paragraphs of this Report.

### **Amendment to article 5 of the Articles of Association**

According to the draft resolution that we submit for your approval, article 5 of the Articles of Association will have to be amended as per the table attached herewith under Annex *sub A*.

Please note that, in compliance with Art. 127-*quinquies*, paragraph 6 of the Consolidated Law on Finance, the amendments to the Articles of Association proposed to today's extraordinary Shareholders' Meeting do not imply the recurrence of the withdrawal right provided for by Art. 2437 of the Italian Civil Code.

\*\*\*

In view of the above, we submit for your approval the following draft resolution:

*"The extraordinary Shareholders' Meeting of Tinexta S.p.A.*

- *having examined the Report of the Board of Directors on the first item on the Agenda and related proposals;*
- *having shared the reasons for the proposals;*

#### **resolves**

- *to amend article 5 of the Articles of Association, as reported herein in Annex sub A;*
- *to grant the Board of Directors the mandate, with the right to sub-delegate, for the adoption of a regulation for the management of the Special List, referred to in Art. 143-*quater* of the Issuers' Regulation, which governs the procedures for its registration, maintenance and updating in compliance with both the applicable rules and regulations and Art. 5 of the Articles of Association, while ensuring the timely exchange of information between shareholders, issuer and intermediary. This regulation shall also provide for the appointment of the person in charge of maintaining the Special List;*

- *to vest the Board of Directors with the widest powers, with the right to sub-delegate, that are needed or appropriate to give implementation of the above resolutions and fulfil all obligations envisaged by the pro-tempore regulations in force, as well as to perform the actions and transactions necessary or appropriate for this purpose, including, but not limited to, those related to: (i) the management of relations with any competent body and/or Authority; (ii) the obtaining of legal approval for the resolutions referred to above, with the power to introduce any amendments that may be required by the competent Authorities and/or by the Corporate Register at the time of their registration, and to carry out any fulfilment necessary for this purpose.*

\*\*\*\*\*

Rome, 6 April 2021

For the Board of Directors  
The Chair

**Annex A**  
**Proposals to amend article 5**

TEXT PREVIOUSLY IN FORCE	AMENDED TEXT
<p>ARTICLE 5 (SHARE CAPITAL, SHARES)</p>	<p>ARTICLE 5 (SHARE CAPITAL, SHARES)</p>
<p>The share capital amounts to Euro 47,207,120 (forty-seven million two hundred seven thousand and one hundred and twenty) divided in 47,207,120 ordinary shares without nominal value.</p> <p>The legal provisions on representation, legitimation and circulation of equity investments envisaged for financial instruments traded on regulated markets apply to the shares making up the share capital, which may be registered shares or, where permitted by law, bearer shares.</p> <p>The share capital may also be increased by contributions in kind or receivables, or in any case other than in cash, within the limits allowed by the applicable provisions of law.</p> <p>In resolutions concerning a paid capital increase, pre-emption rights can be excluded to the extent of 10% of the pre-existing capital, provided that the issue price corresponds to the market value of the shares and this is certified by a specific report prepared by the Statutory Auditor or Audit Firm.</p> <p>The shares can be subject to the dematerialisation regime and entered into the centralised management system for financial instruments pursuant to articles 83-bis et seq. of Legislative Decree no. 58/1998.</p> <p>The Company may acquire from the shareholders payments and loans, against payment or free of charge, with or without obligation to repay, in compliance with the regulations in force, with particular reference to those governing the collection of savings from the public.</p>	<p>The share capital amounts to Euro 47,207,120 (forty-seven million two hundred seven thousand and one hundred and twenty) divided in 47,207,120 ordinary shares without nominal value.</p> <p>The legal provisions on representation, legitimation and circulation of equity investments envisaged for financial instruments traded on regulated markets apply to the shares making up the share capital, which may be registered shares or, where permitted by law, bearer shares.</p> <p>The share capital may also be increased by contributions in kind or receivables, or in any case other than in cash, within the limits allowed by the applicable provisions of law.</p> <p>In resolutions concerning a paid capital increase, pre-emption rights can be excluded to the extent of 10% of the pre-existing capital, provided that the issue price corresponds to the market value of the shares and this is certified by a specific report prepared by the Statutory Auditor or Audit Firm.</p> <p>The shares can be subject to the dematerialisation regime and entered into the centralised management system for financial instruments pursuant to articles 83-bis et seq. of Legislative Decree no. 58/1998.</p> <p>The Company may acquire from the shareholders payments and loans, against payment or free of charge, with or without obligation to repay, in compliance with the regulations in force, with particular reference to those governing the collection of savings from the public.</p>
	<p><b>Shares are only of the registered type. Each share is indivisible and confers one vote right, without prejudice to provisions set forth in the following paragraphs.</b></p> <p><b>Notwithstanding provisions set out in the paragraph above and pursuant to Art. 127-quinquies of the Consolidated Finance Act, 2 (two) votes are assigned to each share owned by the same party by virtue of a legitimating real right to vote (full ownership with voting rights or bare ownership with voting rights or usufruct with voting rights) for a continuous</b></p>



period of at least 24 (twenty-four) months from the date of registration on the special list.

The assessment of the prerequisites for the attribution of the increased voting right is carried out by the Company on the basis of the results of a specific list ("Special List") kept by the Company, in compliance with the law and regulations in force, to which the holder of the shares - or the holder of the real right conferring the right to vote - (the "Holder") who intends to benefit from the increased voting right must refer, according to the following provisions:

(a) the Holder who intends to enrol in the Special List shall apply to the Company in the manner and within the terms provided for by specific regulations published on the Company's website;

(b) once the necessary conditions have been verified, the Company enters the data in the Special List in a timely manner and in any case within the terms envisaged for updating the Special List, i.e. by the fifth trading day from the end of each calendar month and, in any case, by the date indicated in Art. 83-sexies, paragraph 2, of the Consolidated Law on Finance (*record date*);

(c) after the application for registration, the Holder must promptly notify the Company, directly or through his/her intermediary, of any termination of the increased voting rights or of the related conditions;

The assessment of the prerequisites for the attribution of the increased voting right is carried out by the Board of Directors, and on its behalf by Directors appointed for this purpose, also availing itself of assistants specifically appointed in the manner and within the terms set out in a specific regulation published on the Company's website.

The increased voting rights will be automatically effective twenty-four months after the date of registration in the Special List, without the conditions for the increase in rights having ceased to exist in the meantime.

With no prejudice to the above, the transfer of the shares, for free or against payment, including constitution or sale, even temporary, of partial rights (also in the absence of transfer events), concerning the shares by virtue of which the Holder, enrolled in the Special List, is (*by law* or *by contract*) deprived of the right to vote or the direct or



indirect sale of controlling equity investments in companies or entities that own shares with a higher voting right than the threshold set out in Art. 120, paragraph 2 of the pro-tempore Consolidated Law on Finance, will entail the immediate loss of the increased voting right.

The person who has the right to vote can irrevocably waive, in whole or in part, the increased vote right for the shares owned by him/her, through a notice to be sent to the Company according to the terms and conditions set out in a specific regulation published on the Company's website. The waiver is irrevocable and is acknowledged in the Special List, without prejudice to the right of re-registration by the person who subsequently intends to benefit from the increased voting rights.

In addition to the foregoing, the Company will remove shareholders from the Special List in the following cases:

- (a) communication by the interested party or by the intermediary proving the loss of the prerequisites for the increase in voting rights or the loss of ownership of the legitimating real right and/or of the relative voting right;
- (b) automatically, when the Company is informed of the occurrence of facts that entail the loss of the prerequisites for the increased voting rights or the loss of ownership of the legitimating real right and/or of the relative voting right.

The Special List is updated by the Company no later than the fifth trading day after the end of each calendar month and, in any case, no later than the date indicated in Art. 83-*sexies*, paragraph 2, of the Consolidated Law on Finance (*record date*).

The increased voting right is maintained (i) in the event of succession by reason of death, (ii) as a result of transfer by virtue of a donation in favour of legitimate heirs, a family pact, the constitution and/or endowment of a trust, an estate fund or a foundation of which the transferor him/herself or his/her legitimate heirs are beneficiaries, (iii) in case of merger and demerger of the Holder of shares and (iv) under pledge or other collateral right with the retention of voting rights by the Holder. In the case referred to in (i) and (ii) above, the successors in title shall be entitled to apply for registration with the same seniority as the natural person in title. Limited to the case of a merger or demerger, to which a subject

already registered in the Special List is a party, the legal entity or body which, as a result of this transaction, becomes the owner of shares with an increased voting right, is entitled to be registered in the Special List with the same seniority of registration as the previously enrolled party and assignor, while retaining the benefit of the increased voting right already accrued.

The increased voting right proportionally extends to newly issued shares (the "Newly Issued Shares"): (i) in connection with a free capital increase pursuant to Art. 2442 of the Italian Civil Code, to which the Holder is entitled in relation to the shares for which the voting rights have already accrued or are in the process of accruing (the "Existing Shares"); (ii) to which the Holder is entitled in exchange for the Existing Shares in the event of a merger or demerger, provided that the merger or demerger plan so provides; (iii) subscribed by the Holder of the Existing Shares as part of a capital increase through new contributions. In relation to cases (i), (ii) and (iii), the newly issued shares will acquire the additional voting right from the time of their registration in the Special List, with no need for a further continuous vesting period of 24 (twenty-four) months. Conversely, if the increased voting right refers to already existing shares, for which the increased voting rights have not yet accrued (but are being accrued), the increased voting right will be assigned to the newly issued shares from the time of completion of the period of membership calculated, with reference to the already existing shares, from the time of the original registration in the Special List.

The increased voting rights are also taken into account for the determination of the *quorums* for the constitution and passing of resolutions that refer to percentages of the share capital. These voting rights, however, do not affect the rights, other than the voting rights, related to the ownership of certain percentages of the share capital.