



**TESMEC S.P.A.**  
ORDINARY SHAREHOLDERS' MEETING OF 20 APRIL 2023  
ON SINGLE CALL  
REPORT OF THE BOARD OF DIRECTORS  
ON THE PROPOSALS PRESENTED TO THE SHAREHOLDERS' MEETING

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

Dear Shareholders,

This report shows the draft resolutions that the Board of Directors of Tesmec S.p.A. (hereinafter referred to as “**Tesmec**” or the “**Company**”) intends to submit for your approval in relation to the items on the agenda of the ordinary Shareholders' Meeting that will be held on 20 April 2023, at 10:30 at the operational headquarters in Grassobbio (BG), Via Zanica 17/O, 24050, on single call.

**1. Approval of the financial statements as at 31 December 2022 and presentation of the Tesmec Group's consolidated financial statements and relevant reports, including the consolidated non-financial statement; allocation of result for the period; related and consequent resolutions.**

**1.1 Approval of the financial statements as at 31 December 2022 and the Board of Directors' report on operations;**

**1.2 Allocation of profit or loss for the period.**

Dear Shareholders,

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

The draft financial statements were approved by the Board of Directors of the Company on 11 March 2023.

The directors' report will be available to the public, together with the draft financial statements of Tesmec as at 31 December 2022, the consolidated financial statements of the Tesmec Group as at 31 December 2022, the certification of the Executive responsible for preparing the Company's accounting documents, the report of the Board of Statutory Auditors and the Independent Auditors' Report, at the registered office and Borsa Italiana S.p.A. (“**Borsa Italiana**”), as well as on the website of the Company [www.tesmec.com](http://www.tesmec.com) and in accordance with the other methods prescribed by CONSOB within the methods and terms provided by the regulations in force.

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

You are invited to approve the financial statements as at 31 December 2022 of Tesmec that closed with a with an operating profit of Euro 4,133,552.

With reference to the results achieved, the Board of Directors proposes that you resolve to carry forward the operating profit and allocate it to the legal reserve for Euro 206,678.

\* \* \*

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

### ***1.1 Approval of the financial statements as at 31 December 2022 and the Board of Directors' report on operations.***

In light of the above, with regard to the approval of the financial statements as at 31 December 2022, the Board therefore invites the Shareholders' Meeting called to pass the following resolution:

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

- having examined the Company's draft financial statements as at 31 December 2022 and the Board of Directors' report on operations, as well as the consolidated non-financial statement included therein and drafted in accordance with Legislative Decree 254/2016;*
- having examined the Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Art. 153 of Legislative Decree no. 58 of 24 February 1998;*
- having examined the Independent Auditors' Report relating to the draft financial statements as at 31 December 2022;*

***decides:***

- to approve the financial statements as at 31 December 2022 and the Board of Directors' report on operations;*
- to confer to the Chairman of the Board of Directors and the Chief Executive Officer, with the right to sub-delegate, the mandate to carry out all the activities regarding, consequent to or connected with the implementation of this resolution”.*

### ***1.2 Allocation of profit or loss for the period.***

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

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

- having examined the Company's draft financial statements as at 31 December 2022 and the Board of Directors' report on operations, as well as the consolidated non-financial statement included therein and drafted in accordance with Legislative Decree 254/2016;*
- having examined the Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Art. 153 of Legislative Decree no. 58 of 24 February 1998;*
- having examined the Independent Auditors' Report relating to the draft financial statements as at 31 December 2022;*

***decides:***

- *to carry forward the profit for the year for Euro 3,926,874, and allocate it to the legal reserve for Euro 206,678;*
- *to confer to the Chairman of the Board of Directors and the Chief Executive Officer, with the right to sub-delegate, the mandate to carry out all the activities regarding, consequent to or connected with the implementation of this resolution”.*

2. **Resolutions regarding the report on the policy of remuneration and compensation paid pursuant to Article 123-ter, of Legislative Decree 58/1998 and Article 84-quater of CONSOB Regulation no. 11971/1999; related and consequent resolutions.**

2.1 **Binding vote on the remuneration policy relating to 2023 illustrated in the first section of the report;**

2.2 **Consultation on the second section of the report regarding the fees paid in 2022 or relating to them.**

Dear Shareholders,

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

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

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

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

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

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

\* \* \*

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

## **2.1 Binding vote on the remuneration policy relating to 2023 illustrated in the first section of the report.**

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

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

- having examined the first section of the “Report on the policy of remuneration and compensation paid” set forth in Article 123-ter, paragraph 3, of Legislative Decree no. 58 of 24 February 1998, prepared by the Board of Directors on the proposal of the Remuneration and Appointments Committee, regarding the illustration of the Company’s policy on the remuneration of members of the administration and control bodies, the general manager and the executives with strategic responsibilities with reference to the year 2023, as well as the procedures used for the adoption and implementation of said policy;*
- considering that the first section of the report on the policy on remuneration and compensation paid and the remuneration policy described therein conform to the law and regulatory provisions applicable to the remuneration of the members of administration and control bodies, the general manager and the executives with strategic responsibilities; and*
- considering that the policy on remuneration and compensation paid was made available to the public according to the methods and terms set out in the legislation in force,*

***decides:***

*to approve, pursuant to and in accordance with the provisions of Article 123-ter, paragraphs 3-bis and 3-ter, of the Consolidated Law on Finance (T.U.F.), the policy on remuneration described in the first section of the “Policy on remuneration and compensation paid”, prepared by the Company’s Board of Directors on 10 March 2023”.*

## 2.2 Consultation on the second section of the report regarding the fees paid in 2022 or relating to them.

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

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

- having examined the second section of the “Report on the policy of remuneration and compensation paid” set forth in Article 123-ter, paragraph 4, of the Consolidated Law on Finance (T.U.F.) prepared by the Board of Directors on the proposal of the Remuneration and Appointments Committee, regarding the indication of the fees paid to members of the administration and control bodies, to the general manager and to the executives with strategic responsibilities in the year 2022 or relating to it;*
- considering that the second section of the report on the policy on remuneration and compensation paid conforms to the law and regulatory provisions applicable to the remuneration of the members of administration and control bodies, the general manager and the executives with strategic responsibilities; and*
- considering that the policy on remuneration and compensation paid was made available to the public according to the methods and terms set out in the legislation in force;*

***decides:***

*to rule favourably, pursuant to and in accordance with the provisions of Article 123-ter, paragraph 6 of the Consolidated Law on Finance (T.U.F.), on the second section of the “Report on the policy on remuneration and compensation paid”, prepared by the Company's Board of Directors on 10 March 2023’.*

### **3. Proposal of authorisation to purchase and dispose of treasury shares, subject to the withdrawal of the resolution passed by the Shareholder’s Meeting of 21 April 2022; related and consequent resolutions.**

Dear Shareholders,

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

It should be noted that the authorisation to purchase and dispose of treasury shares granted to the Board of Directors by the Shareholders' Meeting of 21 April 2022 will expire on 21 October 2023.

In view of the expiry of the authorization to purchase and dispose of treasury shares, in order to allow the Company to retain the right to purchase and dispose of its own shares, the Board of Directors proposes to the shareholders to issue a new authorization within the terms illustrated in this Report, unless revoked, for the remaining period, of the authorization approved by the Ordinary Shareholders' Meeting of April 21, 2022.

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

#### **Reasons for the proposed authorisation to purchase treasury shares**

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

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

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



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

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

Pursuant to art. 2357, third paragraph of the civil code, the authorisation refers to the purchase, including through subsidiaries, on one or more occasions, of ordinary treasury shares with no nominal value up to 10% of the Company's share capital, taking account of the treasury shares held by the Company and its subsidiaries.

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

Purchase transactions will be carried out within the limits of the distributable profits and available reserves resulting from the latest set of financial statements duly approved by the Company or by the company controlled by it that would proceed with the purchase. The authorisation also includes the right to dispose of (in whole or in part and also on several occasions) the shares in the portfolio subsequently, even before having reached the maximum amount of shares that can be purchased and to possibly repurchase the shares to the extent that the treasury shares held by the Company and, if necessary, by its subsidiaries, do not exceed the limit established by the authorisation.

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

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

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

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

### **Duration for which the authorisation is requested**

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

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

### **Minimum and maximum consideration**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***having acknowledged***

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

***decides:***

*1. to revoke, with effect from the date of approval of this resolution, the previous resolution authorizing the purchase and disposal of treasury shares adopted by the Ordinary Shareholders' Meeting of 21 April 2022;*

*to authorise the Board of Directors, with the right of sub–proxy, to purchase and dispose of, also through subsidiaries on one or more occasions, up to the maximum of the Company's ordinary shares with no nominal value, equal to 10% of the share capital at the date of this resolution, taking account of the treasury shares held by the Company and its subsidiaries, within the limits and for the pursuit of the purposes set out in the Board of Directors' Report and in observance of the applicable legislative and regulatory provisions and the permitted market practices, where*

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

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

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

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

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

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

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

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

Grassobbio, 16 March 2023

TESMEC S.p.A.

The Chairman of the Board of Directors  
Ambrogio Caccia Dominioni