

**DIRECTORS' EXPLANATORY REPORT  
TO THE ORDINARY SHAREHOLDERS'  
MEETING OF TINEXTA S.P.A.  
CALLED FOR THE DAY OF  
21 APRIL 2023 AT SINGLE CALL**

*(drafted in accordance with Art. 125-ter of Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Art. 84-ter of the regulation adopted by CONSOB resolution No. 11971 of 14 May 1999, as amended and supplemented)*

Dear Shareholders,

We are making available to you, at the registered office and on the website of Tinexta S.p.A. ("**Tinexta**" or the "**Company**") at [www.tinexta.com](http://www.tinexta.com) and through the eMarket Storage authorised storage mechanism, pursuant to Art. 125-ter of Italian Legislative Decree 58/98 as amended and supplemented (the TUF, "**Consolidated Finance Act**") and Art. 73 of CONSOB Regulation No. 11971/1999 as amended and supplemented (the "**Issuers' Regulations**"), as well as Annex 3A, Schedule 4, a report on the proposals concerning the following matter on the agenda for the ordinary Shareholders' Meeting, which you have been invited to attend, in Milan, Via Agnello 18 at the Notary Marchetti's office, on 21 April 2023 at 11:30 a.m. at single call.

**FIFTH ITEM ON THE AGENDA**

**Authorisation to purchase and sell treasury shares in accordance with and for the effects of Art. 2357 et seq. of the Italian Civil Code, as well as Art. 132 of Italian Legislative Decree no. 58 of 24 February 1998 and Art. 144-bis of the CONSOB Regulation adopted with resolution no. 11971/1999 as amended, subject to prior revocation of the authorisation granted by the Shareholders' Meeting of 28 April 2022, for the part not executed. Related and consequent resolutions.**

Dear Shareholders,

please note that the authorisation to purchase treasury shares resolved by the Ordinary Shareholders' Meeting of 28 April 2022 will expire on 28 October 2023. In consideration of this deadline and of the corporate calendar, in order to allow Tinexta to retain the right to purchase and dispose of treasury shares, the Ordinary Shareholders' Meeting called for 21 April 2023 is therefore called upon to discuss and resolve this proposal of authorisation to purchase and dispose of treasury shares, for the purposes, according to the methods and terms illustrated below, subject to revocation of the previous authorisation resolved by the Ordinary Shareholders' Meeting of 28 April 2022 for the unexecuted portion.

**1. Reasons why authorisation is requested to purchase and sell treasury shares**

The request for authorisation to carry out purchase and sale transactions of treasury shares is aimed at allowing the Company to purchase and sell ordinary shares of the Company, in respect of the EU and domestic legislation in force and permitted market practices recognised by CONSOB, for the following purposes:

- to dispose of treasury shares to be allocated in service of current and future incentive plans in order to incentivise and retain employees, partners and directors of the Company, the subsidiaries and/or other categories of persons chosen at the discretion of the Board of Directors;
- to implement transactions such as the sale and/or exchange of treasury shares for acquisitions of equity investments, direct or indirect, and/or properties and/or to enter into agreements with strategic partners and/or to implement industrial projects or extraordinary finance operations, falling within the targets for expansion of the Company and of the Group;

- to carry out subsequent purchase and sale transactions of shares, within the limits of permitted market practices;
- to carry out, directly or by way of intermediaries, any stabilisation and/or support operations of the liquidity of the Company's stock in respect of permitted market practices;
- to set up a "stockpile", useful in any future extraordinary financial transactions;
- to implement a medium and long-term investment or in any case to grasp the opportunity to make a good investment, in view of the expected risk and return of alternative investments and also through the purchase and resale of shares when considered appropriate;
- to use surplus liquid resources,

it being understood that, upon any absence of the reasons that led to the purchase, the treasury shares purchased in execution of this authorisation may be allocated to one of the other purposes indicated above or sold.

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

The authorisation is requested for the purchase, even in several tranches and even on a revolving basis, of ordinary shares of the Company without nominal value, up to a maximum number that, taking account of the Company's ordinary shares *pro tempore* held in the portfolio at the time by the Company and its subsidiaries, does not exceed overall 10% of the Company's share capital *pro tempore*, in compliance with the provisions of Art. 2357, Para. 3 of the Italian Civil Code.

At the date of this report, the Company's subscribed and paid-up share capital amounts to €47,207,120.00 and is constituted by 47,207,120 ordinary shares without nominal value. At the date of this report, the Company holds 1,600,247 treasury shares, while subsidiaries do not hold shares of the Company.

It is also proposed to authorise the Board of Directors to dispose of the treasury shares in the portfolio, even before the purchases for the purposes indicated in Para. 1 above have been completed.

In the event of the disposal of treasury shares in the portfolio, the Company may proceed with further purchase transactions until the expiry of the shareholders' meeting authorisation, without prejudice to legal limits on quantities, also relating to the number of treasury shares that, at the time, may be held by the Company or by its subsidiaries, as well as the conditions established by the Shareholders' Meeting.

## **3. Useful information for a comprehensive assessment of respect of the provision envisaged by Art. 2357, Para. 3 of the Italian Civil Code**

In accordance with Art. 2357 of the Italian Civil Code, purchases of treasury shares must occur within the limits of the distributable profits and available reserves recorded by the last financial statements approved at the time of carrying out each transaction. In accordance with Art. 2357, Para. 3 of the Italian Civil Code, the nominal value of the treasury shares that the Company may purchase may not exceed one-fifth of the share capital, also taking account of the shares held by subsidiary companies. Only fully paid-up shares may be purchased.

The consistency of the available reserves and distributable profits, as well as the verification of the information for assessing respect of the maximum purchase limit to which the authorisation will refer, will be analysed by the Board of Directors upon implementing each transaction.

It is noted that in the draft financial statements as at 31 December 2022 submitted for approval by the Shareholders' Meeting called at single call on 21 April 2023 (assuming that the approval of the Shareholders' Meeting takes place within the terms proposed by the Board), available and freely distributable reserves are recorded in the amount of €180,439,393. It is understood that the consistency of the available reserves and distributable profits, as well as the verification of the information for assessing respect of the maximum purchase limit to which the authorisation will refer, will be analysed by the Board of Directors upon implementing the transaction.

On the occasion of each purchase, sale, exchange, contribution or devaluation transaction of treasury shares, the Company will make the appropriate accounting registrations, in respect of Art. 2357-ter, final paragraph of the Italian Civil Code and the applicable accounting standards.

To facilitate audits on the subsidiary companies, they will be given specific directives for the prompt communication to the Company of any purchase of treasury shares of the parent company made in accordance with Art. 2359-bis of the Italian Civil Code.

#### 4. Duration for which the authorisation is requested

The authorisation to purchase treasury shares is requested for the maximum duration envisaged by applicable legislation, currently fixed by Art. 2357, Para. 2 of the Italian Civil Code, at 18 months from the date of the shareholders' meeting resolution approving the proposal.

Within the period of duration of any authorisation granted, the Company may carry out repeated and successive purchase transactions and, without time limits, sale transactions (or other acts of disposal) of treasury shares at any time, even on a revolving basis and even for fractions of the maximum authorised quantity, in a gradual nature considered appropriate in the Company's interests, in any case so that, at any time, the quantity of shares subject to the proposed purchase and owned by the Company does not exceed the limits envisaged by the law and the authorisation of the Shareholders' Meeting and in conformity with applicable legislative and regulatory provisions in force at the time.

The authorisation to dispose of any purchased treasury shares is, on the other hand, requested without time limits, based upon the absence of time limits in accordance with the provisions in force and the advisability of allowing the Board of Directors to have the maximum flexibility, also in terms of time, to carry out acts of disposal of the shares.

#### 5. Minimum and maximum fee of the purchased treasury shares

The request for authorisation envisages that purchases of treasury shares must be made in compliance with legislative and regulatory requirements, including the rules set out in Regulation (EU) 596/2014 and Commission Delegated Regulation 2016/1052, as well as with accepted market practices in force at the time, if applicable.

In any case, the purchases must be made:

- at a price per share that may not deviate downwards and upwards by more than 10% with respect to the reference price recorded by the stock at the trading session prior to each individual transaction;
- at a price that is not higher than the highest price between the price of the last independent transaction and the price of the highest current independent purchase offer present in the trading venue where the purchase is made;

Share purchase transactions may also be carried out in respect of the conditions envisaged by Art. 3 of Commission Delegated Regulation (EU) No. 2016/1052 in order to benefit, if the presuppositions are in place, from the exemption under Art. 5, Para. 1 of Regulation (EU) No. 596/2014 on market abuse with reference to the abuse of inside information and market manipulation.

Purchases relating to activity of supporting market liquidity will be made in conformity with the conditions envisaged by permitted market practice.

Pursuant to Art. 2357-*ter* of the Italian Civil Code, the Board of Directors also proposes to be authorised to sell treasury shares at the price or, in any case, according to criteria and conditions determined by the Board of Directors, having regard to the implementation methods to be used in practice, as well as the trend of share prices in the period prior to the transaction and in the best interests of the Company, in respect of the terms, conditions and requirements established by the applicable legislation, including EU legislation, and/or the permitted market practices in force at the time.

With regard to the shares in service of share incentive plans, these will be assigned to the recipients of those plans by the methods and in the terms indicated by the regulations of those plans.

#### 6. Methods by which purchases and sales are made

In view of the different purposes that may be pursued by way of transactions on treasury shares, the Board of Directors proposes that the authorisation be granted for purchases to be made, in compliance with the principle of equal treatment of shareholders envisaged by Art. 132 of the Consolidated Finance Act, according to any of the methods set out in Art. 144-bis of the Issuers' Regulations (even by way of subsidiaries), to be identified, each time, at the discretion of the Board itself and, therefore, at present:

(a) by way of public purchase or exchange offer;

(b) with purchases made on the regulated markets or on multilateral trading systems, according to the procedures established by Borsa Italiana S.p.A., which do not permit direct matching of purchase trading

proposals with pre-determined sale trading proposals;

(c) through the purchase and sale of derivative instruments traded on the regulated markets or on multilateral trading systems, which involve the physical delivery of the underlying shares and under conditions established by Borsa Italiana S.p.A.;

(d) by way of proportional attribution to the shareholders of the sale option to be exercised within the period of duration of the authorisation.

(d-ter) by the methods established by market practices permitted by CONSOB in accordance with Art. 13 of Regulation (EU) No. 596/2014.

In addition, the purchase of shares may also be carried out in the manner envisaged by Art. 3 of the Commission Delegated Regulation (EU) No. 2016/1052 in order to benefit – if the presuppositions are in place – from the exemption under Art. 5, Para. 1 of Regulation (EU) No. 596/2014 on market abuse with regard to the abuse of inside information and market manipulation.

With regard to disposal transactions, the Board of Directors proposes that the authorisation allows for the adoption of any method considered appropriate to correspond to the purposes pursued – therein including the use of treasury shares in service of share incentive plans and/or the transfer of real and/or personal rights and/or securities lending – to be carried out both directly and by way of intermediaries, in respect of the legal and regulatory provisions in force in that regard.

It is noted that, in accordance with the exemption indicated in Art. 132, Para. 3 of the Consolidated Finance Act, the operating procedures indicated above do not apply in circumstances of the purchase of treasury shares by employees of the Company, of the subsidiaries and of the parent company, that are assigned to those employees as part of a share incentive plan in accordance with Art. 2349 and 2441, Para. 8 of the Italian Civil Code, or originating from remuneration plans approved in accordance with Art. 114-*bis* of the Consolidated Finance Act.

Purchase and sale transactions of treasury shares will be reported to the market in the terms and by the methods indicated in the regulatory rules in force.

#### **7. Additional information, where the purchase transaction is instrumental to reducing the share capital by cancellation of purchased treasury shares**

The purchase of treasury shares is not instrumental to reducing the share capital, without prejudice to the right for the Company, if a share capital reduction is approved in future by the Shareholders' Meeting, to execute it also by way of cancellation of treasury shares held in the portfolio.

#### **8. Exempting effectiveness from the public takeover bid obligation deriving from the approval of the resolution to authorise the purchase of treasury shares according to the methods indicated in Art. 44-bis of the Issuers' Regulations**

It is noted that, in general, the treasury shares held by the Company, even indirectly, are excluded from the share capital on which the relevant investment is calculated for the purposes of Art. 106, Para. 1, 1-bis and 1-ter, insofar as they are applicable, and 3 (b) of the Consolidated Finance Act, for the purposes of the rules on public takeover bids.

However, in accordance with Art. 44-bis, Para. 2 of the Issuers' Regulations, the aforementioned provision does not apply if the exceeding of the thresholds indicated in Art. 106, Para. 1, 1-bis and 1-ter, insofar as they are applicable, and 3 (b) of the Consolidated Finance Law, results from purchases of treasury shares made, even indirectly, by the Company in execution of a resolution that, without prejudice to the provisions of Art. 2368 and 2369 of the Italian Civil Code, has also been approved with the favourable vote of the majority of the shareholders of the Company, present at the shareholders' meeting, other than the shareholder or shareholders that hold, even jointly, the majority investment, even relative, provided that it is greater than 10% (known as whitewash).

Therefore, the Shareholders are hereby informed that, in application of Art. 44-bis of the Issuers' Regulations, where the Shareholders – asked to express themselves on the authorisation to purchase and sell treasury shares – approve the respective proposal with the majorities envisaged by Art. 44-bis, Para. 2 of the Issuers' Regulations, the treasury shares purchased by the Company in execution of that authorisation resolution will not be excluded from the share capital (and will therefore be calculated within it) if, by virtue of purchases of treasury shares, the thresholds relevant for the purposes of Art. 106 of the Consolidated Finance Act are

exceeded by a shareholder.

This is in any case without prejudice to the provisions of Art. 44-bis, Para. 4 of the Issuers' Regulations, in accordance with which treasury shares purchased by virtue of transactions implemented to fulfil the obligations deriving from remuneration plans approved by the Shareholders' Meeting in accordance with Art. 114-bis of the Consolidated Finance Act are not excluded from the share capital on which the investment relevant for the purposes of Art. 106 of the Consolidated Finance Act is calculated.

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In light of the above, we therefore submit for your approval the following resolution proposal:

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

*- having examined the Report of the Board of Directors prepared in accordance with Art. 125-ter of the Consolidated Finance Act, as well as Art. 73 of the Issuers' Regulations and in conformity with Annex 3A - Schedule 4 of those Issuers' Regulations;*

*- having seen the financial statements closing as at 31 December 2022 approved by today's Shareholders' Meeting;*

*- having ascertained the opportunity to grant the authorisation to purchase and dispose of treasury shares, for the purposes and with the methods illustrated above,*

*resolves*

*1) to revoke, from the date of this resolution, the authorisation to purchase and dispose of treasury shares granted by the Shareholders' Meeting of 28 April 2022 for the part not executed;*

*2) to authorise the Board of Directors, in accordance with and for the effects of Art. 2357 of the Italian Civil Code, to purchase, even in several tranches and even on a revolving basis, ordinary shares of the Company without nominal value, up to a maximum number that, taking account of the ordinary shares of the company held at the time in the Company portfolio and by the subsidiaries, does not exceed overall 10% of the Company's share capital, in accordance with Art. 2357, Para. 3 of the Italian Civil Code, to pursue the purposes indicated in the Report of the Board of Directors and under the following terms and conditions:*

*a. the purchase may be carried out in one or several tranches and even on a revolving basis within 18 months from the date of this resolution;*

*b. the purchase may be carried out by any of the methods permitted by the legislative and regulatory provisions, even EU ones, in force at the time and, in particular, currently by Art. 132 of the Consolidated Finance Act and Art. 144-bis of the Issuers' Regulations, thus also in respect of the equality of treatment of shareholders, as well as in conformity with permitted market practices;*

*c. the purchases must be carried out in respect of regulatory and legislative requirements, therein including the rules indicated in Regulation (EU) 596/2014 and Commission Delegated Regulation 2016/1052, as well as with permitted market practices in force at the time, where applicable. In any case, the purchases must be made:*

- at a price per share that may not deviate downwards and upwards by more than 10% with respect to the reference price recorded by the stock at the trading session prior to each individual transaction;*
- at a price that is not higher than the highest price between the price of the last independent transaction and the price of the highest current independent purchase offer present in the trading venue where the purchase is made;*

*Share purchase transactions may also be carried out in respect of the conditions envisaged by Art. 3 of Commission Delegated Regulation (EU) No. 2016/1052 in order to benefit, if the presuppositions are in place, from the exemption under Art. 5, Para. 1 of Regulation (EU) No. 596/2014 on market abuse with reference to the abuse of inside information and market manipulation.*

*Purchases relating to activity of supporting market liquidity will be made in conformity with the conditions envisaged by permitted market practice.*

*3) to authorise the Board of Directors so that, in accordance with and for the effects of Art. 2357-ter of the Italian Civil Code, it may dispose, in whole or in part, on one or more occasions, of the purchased treasury*

*shares, to pursue the purposes indicated in the Report of the Board of Directors and under the following terms and conditions:*

- a. the shares may be alienated or otherwise sold at any time and without time limits;*
- b. the unitary fee for the alienation of the shares and/or the criteria, methods, terms and conditions of use of all treasury shares in the portfolio that are appropriate to correspond to the purposes pursued may be established by the Board of Directors;*

*4) to grant to the Chairman of the Board of Directors and to the acting Chief Executive Officer, even separately between them, with the right of sub-delegation for individual acts or categories of acts, all the widest powers necessary, without exclusions or exceptions, to make the purchases and alienations/disposals of all or part of the purchased treasury shares and in any case to implement the above resolutions, even by way of attorneys, in compliance with the applicable provisions in force at the time and with anything requested by the competent authorities".*

Rome, 9 March 2023

For the Board of Directors

The Chairman

*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*