



SHAREHOLDERS' MEETING
APRIL 28, 2023 - 11.00AM IN SINGLE CALL

BOARD OF DIRECTORS' MOTION ON ITEM 3.4 ON THE AGENDA

Dear Shareholders,

In accordance with Decree-Law No. 18 of March 17, 2020 (the “Decree”), converted by Law No. 27 of April 24, 2020 (the effects of which were extended by Decree-Law No. 198 of December 29, 2022, converted by Law No. 14 of February 24, 2023, until July 31, 2023), the Company has decided to avail itself of the option, introduced by Article 106 of the Decree, to call Shareholders’ Meetings without the physical participation of shareholders and exclusively through the presence of the Designated Agent.

In view of the renewal of the corporate boards, the Company commissioned an independent external expert to conduct a benchmark analysis against a panel of listed Italian companies comparable to Avio S.p.A. (“Avio”) in terms of size. In light of the changes within Avio, the challenges it will have to face in the future, and its need to secure the contribution of outstanding professionals who can devote to the performance of their function the time necessary to ensure that the decisions taken collectively are effective, the outgoing Board of Directors - both through the relative Reports prepared pursuant to Article 125-*ter* of Legislative Decree No. 58 of February 24, 1998, as amended, and through the Agenda Motion Summary Document – proposed to refer to the Shareholders the formulation - alongside the presentation of a possible slate of candidates - of the proposed emolument to be attributed to the Chairperson of the Board of Directors (not exceeding Euro 130,000.00 gross per annum) and to each Director (not exceeding Euro 40,000.00 gross per annum), in addition to the reimbursement of expenses incurred in the performance of the office. These figures refer to the entire three-year term of office of the Board of Directors and therefore until the date of approval of the financial statements for the year ending December 31, 2025, and are in addition to any additional compensation due to Directors holding special offices that may be established pursuant to Article 2389, paragraph 3 of the Civil Code.

You are reminded that the Shareholders’ Meeting of December 1, 2016 set the remuneration for the Directors for the three-year period 2017-2019 at Euro 35,000.00 gross per annum for each Director and Euro 120,000.00 gross per annum for the Chairperson of the Board of Directors, and that the Shareholders’ Meeting of May 6, 2020 set the remuneration for the Directors for the three-year period 2020-2022 at Euro 35,000.00 gross per annum for each Director and Euro 120,000.00 gross per annum for the Chairperson of the Board of Directors.

We note that the slate of candidates submitted by certain institutional investors on March 31, 2023 - i.e. the only slate submitted for the renewal of the Company's Board of Directors in addition to that of the outgoing Board of Directors itself published on March 14, 2023 - was not accompanied by a proposal regarding the remuneration of the members of the Board.

As stated in the March 13, 2023 Shareholders’ Meeting call notice published on March 14, 2023, the deadline to file any motions to be submitted to the Company's Shareholders' Meeting concluded on April 13, 2023.

In view of the above, and since the share capital is expected to participate in the Shareholders’ Meeting exclusively through the Designated Agent, in order to safeguard the exercise of the voting rights of those entitled to vote in relation to item 3.4 on the Shareholders’ Meeting Agenda and to prevent, as a result of the absence of motions, the inability of the Shareholders’ Meeting to express an opinion on the Board of Directors' remuneration, the Board of Directors proposes that the Company’s Shareholders' Meeting adopt the following resolution.

For a full summary of the motions regarding the items on the Agenda of the Shareholders' Meeting, please refer to the relevant Reports prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as amended, made available through the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com) and filed at the Company's registered office within the time limit set out in Article 125-ter of the CFA. Shareholders have the right to request a copy. The Reports are also available on the Company's website www.avio.com in the "Investors/Shareholders' Meeting 2023" section.

Please also refer to the Agenda Motion Summary Document, which is also available through the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com), is filed at the Company's registered office, and can be found on the Company's website www.avio.com in the "Investors/Shareholders' Meeting 2023" section.

This Motion is available through the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com), is filed at the Company's registered office, and can be found on the Company's website www.avio.com in the "Investors/Shareholders' Meeting 2023" section.

*** *** ***

Motion on establishment of the remuneration of the members of the Board of Directors:

3. Appointment of the Board of Directors. Resolutions thereon.

OMITTED

3.4. Establishment of the remuneration of the members of the Board of Directors.

The Board of Directors submits the following motion for approval by the ordinary Shareholders' Meeting:

"The Shareholders' Meeting of Avio S.p.A.:

- *having examined the Reports prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998 as amended;*
- *having examined the Agenda Motion Summary Document;*
- *having examined the document prepared by the Company entitled "Board of Directors' motion on item 3.4 on the Agenda" dated April 17, 2023;*

RESOLVES

to award the Directors remuneration for the three-year period 2023-2025 of Euro:

- *40,000.00 gross per annum to each of the Directors;*
- *130,000.00 gross per annum to the Chairperson of the Board of Directors"*

Rome, April 17, 2023
The Board of Directors