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

*(drafted pursuant to Art. 125-ter of Law Decree No. 58, 24 February 1998, and subsequent amendments and integrations, and Art. 84 of the regulations adopted by CONSOB with resolution No. 11971, 14 May 1999, and subsequent amendments and integrations)*

Dear Shareholders,

We are making available to you, at the registered office and on the website of Tinexta S.p.A. ("**Company**") at [www.tinexta.com](http://www.tinexta.com) and through the *e-market SDIR-Storage* authorised storage mechanism, pursuant to Art. 125-ter of Law Decree 58/98 as amended and supplemented (**Consolidated Law on Finance**) and Art. 84-ter of CONSOB Regulation No. 11971/1999 as amended and supplemented ("**Issuers Regulation**"), a report on the proposals concerning the following matters on the agenda for the ordinary and extraordinary Shareholders' Meeting, which you have been invited to attend, in Milan, Via Agnello n. 18, at the Notary Marchetti's office, on 27 April 2021 at 14:30, in single call.

**THIRD ITEM ON THE AGENDA**

- 3. Appointment of the Board of Directors. Related and consequent resolutions:**
- 3.1. determination of the number of members;**
  - 3.2. determination of the term in office;**
  - 3.3. appointment of the Directors;**
  - 3.4. appointment of the Chairperson of the Board of Directors;**
  - 3.5. determination of the total compensation for each year in office of the members of the Board of Directors.**

Dear Shareholders,

in regard to the third point on the agenda, you have been called to decide, pursuant to Art. 2364, Par. 1(2) and (3) of the Italian Civil Code, on the appointment of the Board of Directors. In this regard, it should be noted that, with the approval of the financial statements as at 31 December 2020, the mandate of the directors

currently in office ends due to the expiry of the term.

In terms of renewing the Board, the Shareholders' Meeting has been called:

- to set the number of members of the Board of Directors, within the limits specified by the Articles of Association (between five and thirteen).
- to set the term of office of the Board;
- to appoint them, with the procedure set forth in the Articles of Association;
- to appoint the Chairperson of the Board of Directors;
- to set the amount of their remuneration.

In this regard, we point out that pursuant to Art. 10 of the Articles of Association, the Company is managed by a Board of Directors with a minimum of 5 (five) up to a maximum of 13 (thirteen) members, who remain in office for three years, with their term ending on the date of the Shareholders' Meeting called to approve the financial statements for the last year of term. The ordinary Shareholders' Meeting sets the number of members of the Board of Directors, within the afore-mentioned limits, at the time of the nomination.

Pursuant to Art. 10 of the Articles of Association, Directors must meet the requirements specified in the applicable legal, regulatory and statutory provisions in force and they may be re-elected. At least three directors must meet the independence requirements set forth in Art. 148, Par. 3 of the Consolidated Finance Act. The composition of the Board of Directors must ensure a balance between male and female genders in compliance with all applicable regulations or other provisions in force. If a Director no longer meets the independence requirements, his/her office is terminated, unless the minimum number of Directors who must meet these requirements, as set forth in the Articles of Association, continue to meet the independence requirements, without prejudice to the obligation to immediately inform the Board of Directors of said condition. Shareholders should also take into account the requirements in terms of independence and number of independent directors set forth, respectively, in Recommendation No. 5 and No. 7 of the Corporate Governance Code approved on 30 January 2020 ("Governance Code"), which the Company has adopted.

The Board of Directors is appointed by the Shareholders' Meeting based on the lists in which a sequential number is assigned to each candidate.

Each candidate may appear on only one list, under penalty of ineligibility. Each list must indicate the number of candidates who meet the independence requirements, as set forth in Art. 148, Par. 3 of the Consolidated Finance Act, and that number cannot be less than the minimum specified in the Articles of Association.

Pursuant to the combined provisions of article 10 of the Articles of Association and article 147-ter of the Consolidated Finance Act for the purposes of appointment of the "minority lists", lists with less than three independent directors are also allowed, if that list has a single or two names.

The lists that have three or more candidates must also include candidates of a different gender, according to what is set forth in the Shareholders' Meeting notice, so as to ensure that the composition of the Board of Directors respects regulations in force on gender balance. Regarding gender balance, the quota to be reserved to the less-represented gender is at least two fifths of the elected Directors, with rounding up to the next whole number in case the number is a fraction.

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

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

Moreover, the Shareholders that:

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

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

The lists, complete with the curricula vitae of the candidates containing exhaustive information on the personal and professional characteristics of each one of them and signed by the shareholders who have submitted the lists, or by their agent, with indication of the respective identity and percentage of stake altogether held as at the date of submission must be filed **at least by the twenty fifth day prior to the date scheduled for the Shareholders' Meeting, in first or single call (that is, by 2 April 2021), (i) at the registered office of the Company in Piazza Sallustio No. 9, in Rome or (ii) via e-mail to the certified e-mail address tinextra@legalmail.it together with the information that allows identification of the party that proceeds with filing the lists, also indicating a telephone number.** The relevant certification(s) or communication(s) certifying the aforesaid stake issued by the intermediary authorised pursuant to the applicable legal or statutory provisions may also be delivered afterwards, as long as it is within twenty-one days before the date set for the Shareholders' Meeting in single call (that is, by **6 April 2021**).

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

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

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

Reference is also to be made to the CONSOB Communication No. DEM/9017893 of 26 February 2009, with which the Supervisory Authority reminded the Shareholders submitting a minority list stating that there are no relationships of association pursuant to Art. 144-quinquies of CONSOB Regulation No. 11971/1999 to certify in said statement also the absence of the significant relationships set out in that Communication with the Shareholders that hold, even jointly, a controlling or relative majority interest, or otherwise, to indicate the existing significant relationships and the reasons why they were not considered decisive for the existence of the relationships of association.

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

The appointment of the Directors takes place as follows:

- a) from the list that has obtained, at the Shareholders' Meeting, the majority of votes (hereinafter "**Majority List**"), a number of Directors, representing the total number of Board members, as previously resolved on by the Shareholders' Meeting (rounding down to the lower unit, in the event of a fraction number lower than the unit) minus two members to be appointed from the minority list as stated in subsequent letter b), shall be appointed according to the consecutive numbers assigned to them on the list, without

prejudice to the provisions regarding a gender balance in compliance with all applicable regulations or other provisions in force;

- b) from the lists, other than the one under previous letter a), not related in any way, not even indirectly, pursuant to all applicable regulations or other provisions in force, with the shareholders who have submitted or voted for the list described in previous letter a), two Directors shall be appointed, proportionally to the percentage of votes obtained: to this purpose, the votes obtained by each list will be subsequently divided by one and by two. The quotients obtained are then progressively assigned to the candidates of each list, in accordance with their respective order. The quotients assigned to the candidates of the different lists shall be grouped together in one decreasing ranking list. Those who have obtained the highest quotients will be appointed. If more than one candidate obtains the same quotient, the one belonging to the list from which no Director has been appointed - or with the smallest number of appointed Directors - shall be elected. If no Director or the same number of Directors has been appointed from any of these lists, the candidate of the list with the highest number of votes shall be elected. In the event of a tie of the list votes - and therefore of the quotients - the Shareholders' Meeting shall vote again and the candidate who obtains the simple majority of votes is elected.

For the purpose of the above, the lists that have not obtained a percentage of votes at least equal to half of the percentage required for the submission of the lists to be voted on, will not be taken into consideration.

If, after following this procedure:

- the composition of the Board of Directors does not comply with all applicable regulations or other provisions in force in terms of gender balance, the candidate of the more represented gender, elected last based on the sequential number in the list that has obtained the highest number of votes, shall be replaced by the first candidate, based on sequential numbers, of the least represented gender not elected from the same list. This substitution procedure will be adopted until the composition of the Board of Directors is compliant with all applicable regulations or other provisions in force in terms of gender balance. Finally, if this procedure does not ensure the aforementioned results, the replacement will be based on a resolution issued by the Shareholders' Meeting, with a relative majority, upon submission of candidates belonging to the least represented gender;
- the number of appointed Directors meeting the independence requirements under Art. 148, Par. 3 of the Consolidated Finance Act, does not reach the minimum number versus the total number of Directors, as stated in the Articles of Association, the candidate(s) who does(do) not meet these requirements, and was(were) elected last according to the consecutive numbers of the list that has obtained the highest number of votes, under previous letter a), shall be replaced by the first candidate(s) based on the same consecutive order, who meets/meet these requirements and was/were not elected from the same list, or, if for any reason, this is not sufficient, from the lists that have obtained the second highest number of votes, starting from the list under previous letter b), and continuing with the following lists based on the number of votes obtained, in decreasing order, provided that compliance with all applicable all applicable regulations or other provisions in force in terms of gender balance is ensured. Lastly, if this procedure does not produce the aforementioned results, the Shareholders' Meeting shall carry out the election in accordance with the majority required by law, upon submission of the candidacies of subjects who meet the set-out requirements, in such a manner as to ensure compliance, in all cases, with all applicable regulations or other provisions in force in terms of gender balance.

If two or more lists obtain an equal number of votes, the Shareholders' Meeting shall resort to a ballot with a resolution based on a relative majority, while ensuring compliance with all applicable regulations or other provisions in force in terms of gender balance.

If only one list is submitted, the aforementioned procedure shall not be implemented and the Shareholders' Meeting shall resolve on the basis of the majorities required by law, with all Directors being elected from this

one list, according to their sequential order and until the number previously set out by the Shareholders' Meeting is reached, without prejudice to the minimum number of Directors meeting the independence requirements as set forth in the Articles of Association and pursuant to Art. 148, Par. 3 of the Consolidated Finance Act, while also ensuring compliance with all applicable regulations or other provisions in force in terms of gender balance.

In the absence of lists and if through the vote mechanism per list, the number of elected candidates is lower than the minimum number set forth in these Articles of Association, the Board of Directors is respectively appointed or supplemented through a Shareholders' Meeting resolution based on the majorities required by law. Also pursuant to the provisions of the previous paragraph, the Shareholders' Meeting must ensure the appointment of Directors who meet the independence requirements under Art. 148, Par. 3, of the Consolidated Finance Act, reaching at least the minimum total number set forth in the Articles of Association and in compliance with all applicable regulations or other provisions in force in terms of gender balance. Other and additional provisions provided for by binding legal or statutory rules however remain valid.

- **Determination of the number of members**

With reference to the composition of the Board, it should be noted that, after a self-assessment performed at the Board meeting held on 12 March 2021, the Chairperson presented a summary report on the results of the self-assessment, previously shared also with the directors, which shows that, in regard to the composition of the Board, the current number of Directors was believed to be adequate overall.

The outgoing Board of Directors, while noting the results of the self-assessment, has not made specific proposals on this point on the agenda and has therefore invited the Shareholders to make proposals to set the number of members of the Board of Directors with the procedures and in the terms indicated in the notice of call and in any case within the statutory limits.

- **Determination of the term in office**

In conformity with Art. 10 of the Articles of Association, it has been proposed to set the term of the mandate of the Board of Directors at three years, considering this to be adequate in view of the need to specify the Company's policies over a multi-year horizon.

- **Appointment of the Directors**

With reference to the appointment of the Directors, in light of the above, the Board of Directors has invited the Shareholders to appoint the Company's Board of Directors, casting their vote for one of the lists of candidates for membership of the Board of Administration of Tinexta S.p.A. to be presented and published in compliance with the afore-mentioned provisions.

- **Appointment of the Chairperson of the Board of Directors**

Due to the inability of the shareholders to take part and intervene physically in the Shareholders' Meeting and in line with the guidelines published by Assonime on 26 March 2020, with regard to the office of Chairperson of the Board of Directors, the Board of Directors has invited the Shareholders to indicate their candidate for the office of Chairman and therefore to appoint the Chairman of the Board of Directors from among the Directors who will be elected as a result of the voting described in the previous section.

- **Determination of the total compensation for each year in office of the members of the Board of Directors.**

Finally, with regard to the remuneration of the new directors, Art. 15 of the Articles of Association states: "*The*

*Board of Directors shall be reimbursed for the expenses incurred because of their office. The Shareholders' Meeting may also grant the Board an overall amount for the remuneration of all directors, including those vested with special offices, pursuant to Art. 2389, Section 3, second paragraph of the Italian Civil Code, which may consist in participation in the company profits."*

The Board of Directors has abstained from presenting a draft proposal for the Directors' remuneration for the duration of their mandate. In fact, the right of those entitled to submit draft resolutions on the remuneration of directors remains valid.

The outgoing Board of Directors of Tinexta S.p.A. has therefore recommended that the shareholders promptly exercise the right to put forward candidatures for the office of Director of the Company granted by the law and the Articles of Association and submit, together with the lists, where appropriate, reasoned proposals on:

- the number of members of the Board of Directors;
- the term of the mandate;
- the appointment of members of the Board of Directors based on the candidates' lists to be presented and published in compliance with the regulatory and statutory provisions mentioned above;
- the appointment of the Chairperson of the Board of Directors;
- the determination of the corresponding remuneration,

to allow an informed exercise of voting rights by the Shareholders who will take part in the Meeting on this item on the agenda through their Designated Representative.

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Dear Shareholders,

in light of the above, we therefore invite you to decide, within the terms and according to the procedures set out above, on:

- (i) the determination of the number of members of the Board of Directors;
- (ii) the determination of their term in office;
- (iii) the appointment of the Directors;
- (iv) the appointment of the Chairperson of the Board of Directors;
- (v) the determination of the total compensation for each year in office of the members of the Board of Directors.

Rome, 18 March 2021

For the Board of Directors  
The Chairman