



EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING

OCTOBER 23, 2025 – 10:00 A.M. IN SINGLE CALL

REPORT OF THE BOARD OF DIRECTORS ON THE MATTERS ON THE AGENDA

***(IN ACCORDANCE WITH ARTICLE 125-TER, LEGISLATIVE DECREE NO.
58/1998 AND ARTICLE 84-TER OF CONSOB REGULATION NO. 11971/1999)***

Dear Shareholders,

this report (the “**Report**”) has been prepared by the Board of Directors of Avio S.p.A. (“**Avio**” or the “**Company**”) in accordance with Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented (the “**CFA**”) and Article 84-ter of the Regulation adopted with Consob Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented (the “**Issuers’ Regulation**”), to outline the matters on the Agenda of the Extraordinary and Ordinary Shareholders’ Meeting convened for October 23, 2025, in single call.

In particular, you are called to consider the following Agenda:

Ordinary session:

1. **Appointment pursuant to Article 2386, paragraph 1, of the Italian Civil Code (confirmation or replacement of the Director co-opted by the Board of Directors on May 15, 2025).**
2. **Consensual termination of the engagement for the certification of the compliance of the sustainability reporting with Deloitte & Touche S.p.A. in relation to 2026 and clarifications with regard to the appointment of engagement for the certification of the compliance of the sustainability reporting granted to KPMG S.p.A. by the ordinary shareholders’ meeting held on December 20, 2024: Related and consequent resolutions.**

Extraordinary session:

1. [omissis]
2. [omissis]

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Ordinary session

1. Appointment pursuant to Article 2386, paragraph 1, of the Italian Civil Code (confirmation or replacement of the Director co-opted by the Board of Directors on May 15, 2025).

Dear Shareholders,

the Shareholders' Meeting will be called upon to approve the proposal to confirmation of Ms Milena Lerario as Director, pursuant to Article 2386, paragraph 1, of the Italian Civil Code, as well as Article 11.15 of the By-Laws.

As previously communicated, Director Luigi Pasquali, appointed at the Shareholders' Meeting of April 28, 2023 and taken from the slate submitted by the outgoing Board of Directors, resigned with effect from April 30, 2025.

As there were no other candidates remaining on the aforementioned slate, on May 15, 2025 the Company's Board of Directors, having obtained the opinion of the Appointments and Remuneration Committee and with the approval of the Board of Statutory Auditors, resolved to appoint, by co-optation, pursuant to Article 2386, paragraph 1, of the Italian Civil Code and Article 11.15 of the Articles of Association, of Milena Lerario as a non-executive Director to replace the resigning Director.

The Director Milena Lerario will cease to be Director at the Shareholders' Meeting to which this report refers. The Board of Directors therefore proposes that you confirm her as Director of the Company until the expiry of the term of office of the other Directors currently in office and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending on December 31, 2025. Please also note that the current composition of the Board of Directors already ensures the gender balance provided for by the law, the bylaws and the Corporate Governance Code.

As this is simply a supplementation of the Board of Directors, the Shareholders' Meeting shall pass the related motion with the majorities required by law, without slate voting.

The professional profile of the Director Milena Lerario ensures an adequate balance of skills within the Board and, consequently, the efficient functioning of the administrative body. In compliance with current legislation and in accordance with the recommendations of the Corporate Governance Code, the Board of Directors invites you to examine the curriculum vitae of Milena Lerario and the statement in which she accepts her candidacy and attests, under her own responsibility, to the absence of causes of ineligibility or incompatibility, and the possession of the requirements of integrity as per the combined provisions of Articles 147- quinquies, paragraph 1, and 148, paragraph 4, of the CFA. The above documents, attached to this Report, are made available to the public in accordance thin the terms of the law on the Company's website.

Each shareholder may submit, with reference to item 1 of the agenda, proposals for the replacement of the Director

co-opted by the Board of Directors on May 15, 2025 – accompanied by the necessary documentation – within the deadline and in the same manner as set out in the call notice made available to the public in accordance with the law on the Company’s website.

Considering that stated above, we submit the following proposal:

“The Ordinary session of the Shareholders’ Meeting of Avio S.p.A.:

- having acknowledged the termination of office, on today's date, of the Director Marcella Logli, appointed by co-option pursuant to Article 2386, paragraph 1, of the Civil Code and Article 11.15 of the By-Laws, at the meeting of the Board of Directors on December 21, 2021 to replace the Director Luigi Pasquali;*
- having reviewed the Board of Directors’ Illustrative Report;*
- having noted the proposed motion and application submitted*

RESOLVES

- to appoint as member of the Board of Directors of the Company Milena Lerario, born in Tricarico on 13 June 1980, tax code LRRCMN80H53L418U, until the expiry of the term of office of the other directors currently in office and, therefore, until the date of the Shareholders’ Meeting called to approve the financial statements for the financial year ending December 31, 2025;*
- to grant her the all-inclusive gross base remuneration of Euro 40,000 (forty thousand/00), as already as previously determined by the Shareholders’ Meeting of May 2, 2023 for each Director.*

2. **Consensual termination of the engagement with Deloitte & Touche S.p.A. for the certification of compliance of the sustainability report for the year 2026 and clarifications regarding the engagement for the certification of compliance of the sustainability report conferred on KPMG S.p.A. by the ordinary shareholders' meeting of 20 December 2024: related and consequent resolutions.**

Dear Shareholders,

On September 25, 2024, Legislative Decree 125/2024 (the “**Sustainability Decree**”) came into force, transposing into national law the provisions on sustainability reporting in implementation of European Directive No. 2022/2464 “*Corporate Sustainability Reporting Directive*” (“**CSRD**”), which replaced the previous provisions on non-financial reporting referred to in Legislative Decree 254/2016.

The Sustainability Decree, in particular, amended, *inter alia*, Article 13 of Legislative Decree 39/2010 (containing provisions on statutory auditing), providing that the shareholders' meeting, upon a reasoned proposal by the control body, shall appoint the auditor to attest the compliance of the sustainability reporting, determining the auditor's remuneration for a term of three financial years – expiring on the date of the shareholders' meeting called to approve the financial statements for the third financial year of the appointment – and, for public interest entities, such as the Company, this appointment may be renewed no more than twice and, therefore, may be entrusted for a maximum period of nine years.

By virtue of these legislative amendments, under the transitional provisions of Article 18 of the Sustainability Decree, the Company and Deloitte & Touche S.p.A. (“**Deloitte**”), Avio's current independent auditors responsible for the statutory audit of the accounts and already responsible for certifying the non-financial statement, have also formalised the engagement for sustainability reporting for each of the financial years from December 31, 2024 to December 31, 2026.

Furthermore, it should be noted that on December 20, 2024, Avio's shareholders' meeting, based on the reasoned proposal of the Board of Statutory Auditors pursuant to Article 13 of Legislative Decree 39/2010, appointed KPMG S.p.A. (“**KPMG**”) as the independent auditors responsible for auditing the Company's financial statements, referring entirely to the reasoned proposal of the Board of Statutory Auditors, which included, *inter alia*, the audit activity aimed at issuing the compliance certificate relating to sustainability reporting, for the nine-year period 2026-2034 and for the fees indicated in the Board's reasoned proposal in relation to the entire period.

Following the shareholders' meeting resolution and the finalisation of the appointment of KPMG, the Company had the opportunity to examine in detail the amendments made to Legislative Decree 39/2010 by the Sustainability Decree, with particular reference to the express conferral of the assignment relating to the certification of

compliance of the sustainability reporting and the maximum duration of the aforementioned assignment, ascertaining that this assignment must be conferred by means of a specific resolution and for a period not exceeding three years (with the possibility of renewal for up to a maximum of nine years).

In this context, therefore, the Board of Directors invites you, in order to further clarify what was already resolved by the Avio shareholders' meeting on 20 December 2024, and considering the interpretations of the new legislation on sustainability reporting that have since emerged, to resolve expressively upon the appointment of KPMG to certify the compliance of sustainability reporting for a period of three financial years, starting from the 2026 financial year and expiring at the shareholders' meeting called to approve the financial statements for the year ending December 31, 2028.

As a result of this appointment, KPMG will be the auditing firm responsible for certifying the compliance of sustainability reporting from January 1, 2026. However, it should be noted that the same appointment formalised with Deloitte is valid until 2026, with the consequent overlap between the activities of the two auditing firms.

Therefore, it is proposed to terminate by mutual agreement, in advance, the assignment relating to the certification of compliance of the sustainability reporting carried out by Deloitte with reference to the 2026 financial year only, in order to avoid the aforementioned overlap with the activities carried out by KPMG during the same period.

With regard to this proposal for early consensual termination, (i) the external auditor has not submitted any observations and (ii) the Company's Board of Statutory Auditors expressed its opinion on the early termination, with reference to the 2026 financial year only, of the assignment concerning the certification of compliance of the sustainability reporting performed by Deloitte.

Considering that stated above, we submit the following proposal for your approval:

“The Ordinary session of the Shareholders' Meeting of Avio S.p.A.:

- having acknowledged the current regulations introduced by Directive 2022/2464/EU (“CSRD Directive”) and Legislative Decree No. 125/2024 regarding the obligation to prepare sustainability reporting and submit it for certification of compliance by a statutory auditor/auditing firm;*
- having taken note of the reasoned proposal of the Board of Statutory Auditors for the purposes of the shareholders' meeting of December 20, 2024 ;*
- having regarded to the additional documents issued - in accordance with the law, including current regulations - by the auditing firm and the control body;*
- having reviewed the explanatory report prepared by the Board of Directors;*
- having noted of the proposed resolution;*

RESOLVES

- the early consensual termination, for the 2026 financial year only, of the engagement relating to the certification of compliance of the sustainability reporting carried out by Deloitte & Touche S.p.A.;
- to further clarify what was already resolved by the shareholders' meeting on December 20, 2024, that the assignment of KPMG S.p.A. at that meeting also includes the assignment of certifying the compliance of the consolidated sustainability reporting of Avio S.p.A. for the financial years 2026, 2027 and 2028, except for in the event of early termination; this assignment is conferred for the performance of the activities and under the conditions, including the fee payable to the auditing firm and the criteria for its adjustment during the term of office, set out in the offer made by the aforementioned auditing firm, the economic terms of which are summarised in the proposal made by the Board of Statutory Auditors and prepared in the context of the shareholders' meeting of December 20, 2024;
- to grant the Chairman and the Chief Executive Officer, freely and separately, all powers to implement this resolution, also carrying out all related formalities and, in general, to take all necessary steps for the complete implementation of the resolutions themselves, with all powers necessary and appropriate for this purpose, without exception or limitation”