



**ORDINARY SHAREHOLDERS' MEETING**  
**APRIL 28, 2026 – 2,30 p.m. IN SINGLE CALL**

**BOARD OF DIRECTORS' EXPLANATORY REPORT ON THE MATTERS ON THE  
AGENDA**  
*(in accordance with Article 125-ter of Legislative Decree No. 58/1998 and  
Article 84-ter of Consob Regulation No. 11971/1999)*

Dear Shareholders,

this report (the “**Report**”) was 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 24 February 1998, as subsequently amended and supplemented (the “**TUF**”), and Article 84-*ter* of the Regulation adopted with Consob Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented (the “**Issuers’ Regulation**”), to outline the matters on the Agenda of the Shareholders’ Meeting called for April 28, 2026, in single call.

Specifically, you are called to consider the following Agenda:

1. Financial Statements at December 31, 2025.
  - 1.1 Approval of the Financial Statements at December 31, 2025. Presentation of the Consolidated Financial Statements at December 31, 2025. Reports of the Board of Directors, Board of Statutory Auditors and of the Independent Audit Firm.
  - 1.2 Allocation of the net profit. Resolutions thereon.
2. Remuneration Policy and Report pursuant to Article 123-*ter*, paragraphs 3-*bis* and 6 of Legislative Decree No. 58/98.
  - 2.1 Section I: remuneration policy. Binding resolution;
  - 2.2 Section II: report on remuneration paid. Non-binding resolution.
3. Appointment of the Board of Directors. Resolutions thereon.
  - 3.1. Establishment of the duration of the mandate of the Board of Directors.
  - 3.2. Appointment of the Board of Directors.
  - 3.3 Establishment of the remuneration of the Board of Directors.
4. Appointment of the Board of Statutory Auditors for the 2026-2028 period. Resolutions thereon.
  - 4.1. Appointment of three Statutory Auditors and two Alternate Auditors.
  - 4.2. Appointment of the Chairperson of the Board of Statutory Auditors.
  - 4.3. Establishment of the remuneration of the Board of Statutory Auditors.

\*\*\*      \*\*\*      \*\*\*

## Proposals on the items on the Agenda:

### 1. Financial Statements at December 31, 2025.

#### 1.1 Approval of the Financial Statements at December 31, 2025. Presentation of the Consolidated Financial Statements at December 31, 2025. Reports of the Board of Directors, Board of Statutory Auditors and of the independent audit firm.

#### 1.2 Allocation of the net profit. Resolutions thereon.

Dear Shareholders,

the Shareholders' Meeting will be called to approve the separate financial statements at December 31, 2025 of the Company, accompanied by the Directors' Report.

The 2025 Financial Report - comprehensive of the draft of the financial statements and the consolidated financial statements, along with the Report of Directors on operations (including the Sustainability Report) and the declaration pursuant to art. 154-*bis*, paragraph 5, of the TUF - will be made available to the public, within the terms required by applicable provisions and regulations, at the registered office of the Company, on the website [www.avio.com](http://www.avio.com), and on the authorised storage mechanism "eMarket STORAGE", together with the Reports of the Board of Statutory Auditors and of the Independent Auditors on the Financial and Consolidated Financial Statements for the year ended December 31, 2025 and on the Sustainability Report, and jointly with the other documentation provided by the applicable law. The shareholders have the right to obtain a copy.

Considering the Directors' Report, we invite you to approve the separate financial statements of Avio S.p.A. at December 31, 2025, prepared as per IFRS, together with the accompanying reports, which present a net profit for 2025 of Euro 10,040,914.

In this regard, the Board of Directors of Avio S.p.A., in its meeting held on March 12, 2026, has resolved to propose to the Shareholders' Meeting to approve the destination of the net profit for 2025, equal to Euro 10,040,914, to dividend distribution for Euro 6,800,000, for the remaining 5% (equal to Euro 502,046) to legal reserve and for the remaining net profit (equal to Euro 2,738,868) to the 'Retained Profits Reserve'.

Considering the above, we present for your approval the following motion on point 1.1 of the Agenda:

*"The ordinary session of the Shareholders' Meeting of Avio S.p.A.,*

- *having examined the Financial Statements of Avio S.p.A. for the year ended December 31, 2025, accompanied by the Directors' Report, Board of Statutory Auditors' Report, Independent Auditors' Report and additional documentation required by law,*

RESOLVES

- 1) *to approve the Financial Statements of Avio S.p.A. for the year ended December 31, 2025."*

We therefore present for your approval the following motion on point 1.2 of the Agenda:

*"The ordinary session of the Shareholders' Meeting of Avio S.p.A.,*

- *having examined the Financial Statements of Avio S.p.A. for the year ended December 31, 2025, accompanied by the Directors' Report, Board of Statutory Auditors' Report, Independent Auditors' Report and additional documentation required by law,*

RESOLVES

- 1) *to allocate the net profit for 2025 totalling Euro 10,040,914, as follows:*

- *Euro 502,046, amounting to 5% of the net profit, to legal reserve;*
- *Euro 2,738,868, to the 'Retained Profits Reserve';*
- *Euro 6,800,000 to Shareholders in the form of a dividend, corresponding to Euro 0.14846 per share owned and outstanding at the ex-dividend date, excluding treasury shares on that date.*

*The payment of such amounts will be made on May 20, 2026, with an ex-dividend date on May 18, 2026 and record date on May 19, 2026;*

- 2) *to confer upon the Chairperson and the Chief Executive Officer, freely and severally, all the powers to execute this resolution.”*

## **2. Remuneration Policy and Report pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree No. 58/98.**

### **2.1 Section I: remuneration policy. Binding resolution.**

### **2.2 Section II: report on remuneration paid. Non-binding resolution.**

Dear Shareholders,

the Shareholders' Meeting will be called to approve, as per Article 123-ter, paragraphs 3-bis and 6, of the TUF, the Remuneration Policy and Report of the company, prepared pursuant to the aforementioned article of the TUF and Article 84-ter of the Issuers' Regulation No. 11971/1999, which illustrates (i) in the Section I, the remuneration policy regarding the members of the Board of Directors, the General Managers and the Senior Executives, in addition to the procedures utilised for the adoption and implementation of this policy and (ii) in the Section II, by name for members of Boards of Directors and Boards of Statutory Auditors, General Managers and, in collective form, Senior Executives, an adequate, clear and comprehensible representation of the items making up their remuneration, including the treatments provided for in the event of termination of office or termination of employment, highlighting their compliance with the Remuneration Policy and the way in which the remuneration contributes to the long-term results of the Company, and the compensation paid during the reporting year in any capacity and in any form by the Company and by its associates and subsidiaries, together with an illustration of the compensation to be paid in one or more subsequent years for service rendered during the reporting year.

For further information, reference should be made to the text made available to the public at the registered office of the Company on its website at [www.avio.com](http://www.avio.com), in the “*Investors - Shareholders' Meeting April 28, 2026*” Section, on the Borsa Italiana S.p.A. website, and on the authorised storage mechanism “eMarket STORAGE”, at least 21 days before the date fixed for the Shareholders' Meeting.

The shareholders are reminded that:

- pursuant to Article 123-ter, paragraph 3, of the TUF, will be called to vote on Section I of the Remuneration Policy and Report (in favour or against). The resolution is binding;
- pursuant to Article 123-ter, paragraph 6 of the TUF, will be called to vote on Section II of the “Remuneration Policy and Report” (in favour or against). The resolution is not binding. The results of the vote will be made available to the public in accordance with Article 125-quater, paragraph 2 of the TUF.

Considering the above, we present for your approval the following motion on point 2.1 of the Agenda:

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

- *having reviewed the Remuneration Policy and Report pursuant to Article 123-ter of the TUF, made available to the public within the terms and modalities provided by the applicable law and regulatory provisions,*

**RESOLVES**

- 1) *to approve Section I of the Remuneration Policy and Report, drawn up as per Article 123-ter of the TUF, paragraph 3, containing the remuneration policies of Avio S.p.A..”*

We present for your approval the following motion on point 2.2 of the Agenda:

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

- *having examined the Remuneration Policy and Report pursuant to Article 123-ter of the TUF, made available to*

*the public within the terms and modalities provided by the applicable law and regulatory provisions,*

## RESOLVES

- 1) *in favour, pursuant to Article 123-ter of the TUF, paragraph 6 (consultative, non-binding vote), of Section II of the Remuneration Policy and Report, drawn up as per Article 123-ter, paragraph 4 of the TUF.”*

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

#### 3.1 Establishment of the duration of the mandate of the Board of Directors.

#### 3.2 Appointment of the Board of Directors.

#### 3.3 Establishment of the remuneration of the Board of Directors.

Dear Shareholders,

the approval of the financial statements at and for the year ended December 31, 2025 marks the end of the term of office of the Company's Directors appointed by the Shareholders' Meeting of April 28, 2023.

As we extend our heartfelt gratitude and appreciation to the members of the Board of Directors for their valuable efforts on the Company's behalf, you are called upon to resolve, pursuant to Article 11 of the By-Laws, on the appointment of a new Board of Directors, to remain in office until the date of actual holding of the Shareholders' Meeting that is to be called to approve the financial statements at and for the year ending on December 31, 2028.

The members of the Board of Directors - determined to be nine (9) in accordance with the By-Laws - are appointed by the Shareholders' Meeting in accordance with Article 11 of the By-Laws, on the basis of slates presented by shareholders, and, where applicable, by the outgoing Board of Directors, in which the candidates must be listed by progressive numbering.

In this regard - ahead of the renewal of the corporate bodies - on a favourable opinion from the Appointments and Remuneration Committee, the Board of Directors has also formulated its position on the quantitative and qualitative composition of the new Board for the shareholders (the “**Opinion**”), available on the Company's website at the address [www.avio.com](http://www.avio.com), in the Section “*Investors/Shareholders' Meeting April 28, 2026*”.

In view of the strategic importance of the Company's activity for the Italian national security and defence system, the renewal of the Board of Directors must comply with the Golden Power rules established by Decree- Law No. 21 of March 15, 2012, converted by Law No. 56 of May 11, 2012. In accordance with these rules, Prime Ministerial Decree of November 24, 2016 requires that the Chief Executive Officer of Avio be an Italian citizen appointed in consultation with the Italian government.

Finally, it should be noted that the next Board of Directors' meeting will be called upon to consider the appointment of the Company's Chief Executive Officer, as per Article 12.2 of the By-Laws, and, unless otherwise resolved by the Shareholders' Meeting, on the appointment of the Chairperson of the Board of Directors, pursuant to Article 11.1 of the By-Laws.

With respect to the above, the outgoing Board, in line with the considerations set out in its Opinion calls for that managerial stability and continuity will be guaranteed, and that the administrative body be strengthened - where possible - the administrative body with profiles of international standing and with specific expertise in the Defence sector. In particular, continuity in management will enable the Company to leverage the institutional knowledge developed by Avio's current management, which is necessary to sustaining the Company's ongoing development and growth in foreign markets (*i.e.*, the United States of America), as well as to achieving Avio's business objectives.

Furthermore, with further reference to the composition of the corporate bodies, please also refer to the document called “*Diversity Policies of the Administrative and Control Bodies*” most recently approved by the Board of Directors on 14 March 2022 and available on the Company's website at [www.avio.com](http://www.avio.com), Corporate Governance Section.

#### 3.1 Establishment of the duration of the mandate of the Board of Directors

Dear Shareholders,

pursuant to Article 11.1 of the By-Laws, “*the Directors remain in office for 3 (three) years, unless a lesser term is set out by the appointment motion, with the term concluding on the date of the Shareholders' Meeting called to approve the financial statements pertaining to the last financial year of their term, and may be reappointed.*”

In light of the above, in inviting you to pass a motion on the establishment of the duration of mandate of the Board of Directors, we note that the text of the relevant Shareholders' Meeting motion will reflect the outcome of the vote.

### 3.2 Appointment of the Board of Directors

Dear Shareholders,

pursuant to Article 11.3 “*the Board of Directors is appointed by the Shareholders' Meeting on the basis of slates presented by the outgoing Board of Directors or the shareholders [...] unless otherwise or further provided by mandatory provisions of law or regulations.*”

Slates may be presented, in addition to the outgoing Board of Directors, by shareholders who, at the time of presentation of the slate, hold – alone or together with other shareholders – a shareholding of at least 1.0%. Ownership of the minimum shareholding is determined according to the shares that are registered in favour of the shareholder on the day in which the slates are filed with the issuer; certification can also be presented subsequent to the filing provided that it is within the deadline for the publication of the slates.

Each slate containing (i) no more than 4 (four) candidates must include and indicate at least one (1) candidate board member who meets the independence requirements set forth in applicable regulations and the Corporate Governance Code of Borsa Italiana S.p.A., or (ii) a number of candidates exceeding 4 (four) must include and designate at least 2 (two) candidates board member who meet the independence requirements set forth in applicable regulations and by the Corporate Governance Code of Borsa Italiana S.p.A.. Slates containing a number of nominees equal to or greater than three cannot be made up of nominees belonging to the same gender (male or female).

Specifically, with regard to gender quotas, Avio's By-Laws provide that the appointment of the Board of Directors shall be made in such a way as to ensure that the composition of the Board complies with the provisions of the applicable gender balance law and regulations. In this regard, in accordance with Article 147-ter of the TUF, as amended by Law No. 160/2019, the under-represented gender should account for at least two-fifths of the Directors to be elected. If application of the gender equality criterion does not result in an even number, the latter must be rounded up to the higher unit.

The slates, signed by the entitled shareholders, must be filed – in the manner provided for in the notice of call – twenty-five days before the date fixed for the Shareholders' Meeting in first call and must be accompanied by the following documentation:

- i. the *curricula vitae* of the candidates;
- ii. declarations of the individual candidates, in which they accept their candidature and certify, under their own responsibility, the inexistence of any cause of ineligibility or incompatibility, as well as the satisfaction of the requirements prescribed by applicable regulations for the office of Director of the Company, including where applicable, declarations on the independence of candidates;
- iii. the shareholders who have presented the slates and their total shareholding;
- iv. any other further declaration, disclosure and/or document required by law and applicable regulatory rules.

As provided for by Article 11.2 of the By-Laws, pursuant to Article 147-ter, paragraph 4, of the TUF, at least two Directors must meet the independence requirements set forth therein.

Shareholders are also invited to take into account the independence requirements for Directors set out

in Recommendation No. 7 of the Corporate Governance Code approved by the Corporate Governance Committee, to which the Company adheres, indicating whether the candidates are suitable to qualify as independent pursuant to the same Corporate Governance Code. For this purpose, in assessing the materiality of relationships that may compromise, or appear to compromise, independence (pursuant to letters c) and d) of the aforementioned Recommendation No. 7, Shareholders are invited to consult Avio's Independence Requirements Policy, available on the website [www.avio.com](http://www.avio.com), in the "Corporate Governance" Section.

Furthermore, it is recalled that the Corporate Governance Code recommends to those shareholders submitting a list for the appointment of the Board of Directors that contains a number of candidates higher than half of the members to be elected, to provide adequate information, in the documentation submitted for the filing of the slate, regarding the compliance of the slate with the Opinion expressed by the Board of Directors.

Finally, it is recalled that Principle XII of the Corporate Governance Code requires each director to ensure adequate time to diligently fulfill the duties assigned. In this regard, it is noted that the Board of Directors, in the Opinion, defined its guidelines regarding the maximum number of assignments on administrative or supervisory bodies in other companies that can be considered compatible with an efficient performance of the role of director of Avio. This Opinion is available on the Company's website at [www.avio.com](http://www.avio.com), in the Section "*Investors/Shareholders' Meeting April 28, 2026*".

The outgoing Board of Directors does not intend to exercise the right to submit its own list of candidates.

The procedure for electing the Directors is – therefore – set out in Article 11 of the By-Laws. Where only one slate is presented, the Shareholders' Meeting will vote on that slate and, where this slate receives the majority of the votes, all the members of the Board of Directors will be taken from this slate in compliance with legal and regulatory dispositions on the matter of gender equality and equal opportunity (for men and women), including rounding up to the higher unit in the event application of the gender equality criterion does not result in an even number.

However, if two or more slates are presented, the appointment of Directors shall take place as follows: (i) according to the order of submission a number of directors equal to the total number of members to be elected except two shall be taken from the slate that obtained the highest number of votes (the "**Majority Slate**"); and (ii) the remaining two (2) Directors shall be drawn, according to the order submitted, from the slate that ranked second in terms of number of votes obtained (the "**First Minority Slate**") and, if any, from the slate that ranked third in terms of number of votes obtained (the "**Second Minority Slate**" and, together with the First Minority Slate, the "**Minority Slates**"), provided that the Minority Slates are not, respectively, connected - even indirectly - with the Shareholders who submitted or voted for the Majority Slate, in accordance with the following procedures: (a) if the ratio between the total votes obtained by the Second Minority Slate and the total votes obtained by the First Minority Slate is equal to or greater than 25% of the total votes obtained by the First Minority Slate, one (1) Director shall be appointed from the First Minority Slate and one (1) Director shall be appointed from the Second Minority Slate; (b) if the ratio between the total votes obtained by the Second Minority Slate and the total votes obtained by the First Minority Slate is less than 25% of the total votes obtained by the First Minority Slate, two (2) Directors shall be drawn from the First Minority Slate.

Slates presented without complying with Article 11 of the By-Laws are considered as not presented.

In addition, those wishing to present slates for the appointment of the Board of Directors are requested to comply with the recommendations drawn up by Consob in Communication No. DEM/9017893 of 26.2.2009 concerning linked slates as per Article 147-ter, paragraph 3 of the TUF and Article 144-quinquies of the Issuers' Regulation, to which reference should be made.

For all matters not expressly mentioned in this Report, reference should be made to Article 11 of the By-Laws.

In light of the above, in inviting you to pass a motion on the appointment of the members of the Board of Directors, and, among them, of the Chairman, expressing your preference for one of the slates submitted by the parties entitled to do so in accordance with the By-Laws as described above, we note that the text of the relevant Shareholders' Meeting motion will reflect the outcome of the vote.

### 3.3 Establishment of the remuneration of the members of the Board of Directors

Dear Shareholders,

pursuant to Article 15.1 By-Laws: *“members of the Board are entitled to a fixed annual fee that is wholly determined by the Shareholders’ Meeting and distributed by the Board itself among its members, in addition to the provisions of Article 2389 of the Civil Code for Senior Directors, in addition to the reimbursement of expenses incurred by them in the course of their duties.*

*The Shareholders’ Meeting may determine the total amount of the remuneration for all Directors, including Senior Directors.”*

You are reminded that, in implementation of Article 15.1 of the By-Laws, as cited above, on April 28, 2023 the Shareholders’ Meeting had set the remuneration for the Directors for the three-year period 2023-2026 at Euro 40,000.00 per Director and Euro 130,000.00 for the Chairperson of the Board of Directors.

Also in light of the changes within Avio, the challenges it will have to face in the future, and its need to ensure the availability of skills and commitment aligned with the Company’s management needs and characteristics, in light of the increased organizational complexity, greater international exposure, and the need for additional and more sophisticated expertise, the outgoing Board of Directors proposes to refer to the Shareholders the formulation - alongside the presentation of a slate of candidates - of the proposed remuneration for the Chairperson of the Board of Directors (consistent with the benchmark findings, for an amount equal to Euro 225,000.00 gross per annum) and to each Director (consistent with the benchmark findings, for an amount equal to Euro 55,000.00 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, 2028, and are in addition to any additional compensation due to Directors holding special offices that may be established pursuant to Article 2389, paragraph three of the Civil Code.

In addition, Shareholders who wish to submit any alternative proposals on the determination of the remuneration of the Board of Directors are requested to submit them well in advance together with the submission of the slates for the renewal of the management body.

In light of the above, in inviting you to pass a motion on the establishment of the remuneration of the Board of Directors and of the Chairperson of the Board of Directors, we note that the text of the relevant Shareholders' Meeting motion will reflect the outcome of the proposals made and the related vote.

## 4. Appointment of the Board of Statutory Auditors for the 2026-2028 period. Resolutions thereon.

### 4.1 Appointment of three Statutory Auditors and two Alternate Auditors.

### 4.2 Appointment of the Chairperson of the Board of Statutory Auditors.

### 4.3 Establishment of the remuneration of the Board of Statutory Auditors.

Dear Shareholders,

the approval of the financial statements at and for the year ended December 31, 2025 marks the end of the term of office of the Company’s Board of Statutory Auditors appointed by the Shareholders’ Meeting of April 28, 2023.

As we extend our heartfelt gratitude and appreciation to the members of the Board of Statutory Auditors for their valuable efforts on the Company’s behalf, you are called upon to resolve, pursuant to Article 17 of the By-Laws, on the appointment of a new Board of Statutory Auditors, to remain in office until the date of actual holding of the Shareholders’ Meeting that is to be called to approve the financial statements at and for the year ending on December 31, 2028.

In this regard - ahead of the renewal of the corporate bodies - the Board of Statutory Auditors has

issued its position on the composition and remuneration of the new Board of Statutory Auditors for the shareholders, available on the Company's website at [www.avio.com](http://www.avio.com), in the Section "Investors/ Shareholders' Meeting April 28, 2026".

#### 4.1 Appointment of three Statutory Auditors and two Alternate Auditors

Dear Shareholders,

pursuant to Article 17.1 of the By-Laws, "*the Board of Statutory Auditors is composed of 3 (three) Statutory Auditors and 2 (two) Alternate Auditors, elected by the Shareholders' Meeting on the basis of slates presented by shareholders [...] subject to any differing and additional provisions provided for by mandatory laws or regulations*".

In particular, slates may be presented by shareholders who, at the time of presentation of the slate, hold – alone or together with other shareholders – a shareholding of at least 1.0%. Ownership of the minimum shareholding is determined according to the shares that are registered in favour of the shareholder on the day in which the slates are filed with the issuer; certification can also be presented subsequent to the filing provided that it is within the deadline for the publication of the slates.

Each slate must include the names of one or more candidates for the position of Statutory Auditor and one or more candidates for the position of Alternate Auditor. The names of candidates are marked in each section ("statutory auditors" section, "alternate auditors" section) by progressive order and are, in any case, not greater in number than the members of the body to be elected.

The slates, if they contain, in both sections, a number of candidates equal to or greater than 3 (three), must contain a number of candidates in both sections to ensure that the composition of the Board of Statutory Auditors, both for Statutory Auditors and Alternate Auditors, complies with the legal and regulatory provisions that are in force in relation to gender equality (male and female). In this regard, in accordance with Article 148-ter, paragraph 1-bis, of the TUF, as amended by Law No. 160/2019, the under-represented gender should account for at least two-fifths of the standing members of the Board of Statutory Auditors. In respect of this requirement, pursuant to Consob Communication No. 1/20 of January 30, 2020, where the Board of Statutory Auditors is composed of three standing members, the rounding-up criterion set out in paragraph 3 of Article 144-undecies of the Issuers' Regulation, will be regarded as inapplicable. Accordingly, where the Board of Statutory Auditors is composed of three members, Consob has indicated that it will consider rounding-down to be in compliance with the new rule.

The slates, signed by the entitled shareholders, must be filed twenty-five days before the date fixed for the Shareholders' Meeting in first call and must be accompanied by the following documentation:

- i. information relating to the identities of the shareholders presenting the slates and of their shareholdings;
- ii. the declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, stating the absence of connecting relationships with these latter in accordance with applicable legislation;
- iii. comprehensive information on the personal and professional characteristics of the candidates, as well as a declaration from these candidates attesting that they have the requisites provided by law and their acceptance of the candidature, complete with the list of the appointments of administration and control they have with other companies;
- iv. any other further declaration, disclosure and/or document required by law and applicable regulatory rules.

Candidates for the office of Statutory Auditor must meet the legal requirements. Specifically, they must satisfy the requirements of professionalism and integrity, as established by the Decree of the Minister of Justice of March 30, 2000, No. 162.

Candidates should also be considered independent as per the applicable law (Article 148, paragraph 3 of the TUF). With reference to situations of ineligibility and the limits on the number of administration and control positions that may be held by members of the Board of Statutory Auditors, Article 148, paragraph 3 of the TUF and Article 148-bis of the TUF apply, respectively, in addition to the implementing provisions of Articles 144-duodecies and subsequent of the Issuers' Regulation.

Shareholders are invited to take into account the independence requirements for statutory auditors set out in the combined provisions of Recommendations No. 7 and 9 of the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A., to which the Company adheres, indicating whether the candidates are suitable to qualify as independent pursuant to the same Corporate Governance Code. For this purpose, in assessing the materiality of relationships that may compromise, or appear to compromise, independence (pursuant to letters c) and d) of the aforementioned Recommendation No. 7, Shareholders are invited to consult Avio's Independence Requirements Policy, available on the website [www.avio.com](http://www.avio.com), in the "Corporate Governance" Section.

The procedure for electing Statutory Auditors is as set out in Article 17 of the By-Laws. In the event that only one slate is presented, the Shareholders' Meeting shall vote on it and should this slate obtain the statutory majority, the candidates listed in progressive order shall be elected as Statutory Auditors.

Where, on the other hand, two or more slates are presented, the candidates elected Statutory Auditors shall be those on the two slates that have obtained the higher number of votes, with the following criteria: (i) based on the order in which their names are printed on the slate two acting auditors and one substitute shall be taken from the slate that obtained the highest number of votes; (ii) based on the order in which their names are printed on the slate, the third acting auditor (Minority Auditor), who is due the office of chairman of the board of statutory auditors, and the second substitute auditor (Minority Substitute Auditor) shall be taken from the slate that obtained the second highest number of votes and is not even indirectly connected with the shareholders which submitted or voted for the slate referred to in point (i) above.

Finally, in the absence of slates, or where it is not possible for whatever reason to appoint the Board of Statutory Auditors with the procedures indicated above and in line with Article 17 of the By-Laws, the three Statutory Auditors and the two Alternate Auditors will be appointed by the Shareholders' Meeting on the basis of nominations proposed by the Shareholders within the timeframes and in the manner provided under the applicable regulations for the submission of proposals for resolutions on matters already on the Agenda, in accordance with the laws and regulations in force also in relation to the gender equality quota (male or female).

Slates presented without complying with Article 17 of the By-Laws and the applicable regulation are considered as not presented.

In addition, those wishing to present slates for the appointment of the Board of Statutory Auditors are requested to comply with the recommendations drawn up by Consob in Communication No. DEM/9017893 of 26.2.2009 concerning linked slates, without prejudice to compliance with Articles 144-*quinquies et seq.* of the Issuers' Regulation, to which reference should be made.

Furthermore, with further reference to the composition of the corporate bodies, please also refer to the document called "*Diversity Policies of the Administrative and Control Bodies*" most recently approved by the Board of Directors on 14 March 2022 and available on the Company's website at [www.avio.com](http://www.avio.com), "Corporate Governance" Section.

For all matters not expressly mentioned in this Report, reference should be made to Article 17 of the By-Laws.

In light of the above, in inviting you to pass a motion on the appointment of the Statutory Auditors and Alternate Auditors, expressing your preference for one of the three slates presented by the competent parties entitled to do so in accordance with the By-Laws as described above, we note that the text of the relevant Shareholders' Meeting motion will reflect the outcome of the vote.

## 4.2 Appointment of the Chairperson of the Board of Statutory Auditors

Dear Shareholders,

it bears recalling that, pursuant to Article 148, paragraph 2-*bis*, of the TUF and Article 17.8 of the By-Laws, the Chairperson of the Board of Statutory Auditors is appointed by the Shareholders' Meeting from among the Statutory Auditors elected by the minority.

The shareholders are also reminded that, in the event that several minority slates have obtained the same number of votes, the oldest candidate on the slate, standing auditor, and alternate auditor shall

be elected. In the case of an equal number of votes between one or more slates (majority or minority slates) from which the Board of Statutory Auditors is elected, a fresh ballot shall take place, considering only the slates receiving the same number of votes and, in any case, ensuring compliance with the gender parity regulation (rounding down where required, since the Board consists of three members).

Where only one slate is presented, the Shareholders' Meeting shall vote on it and should this slate obtain the statutory majority, the candidates listed in progressive order shall be elected as Statutory Auditors.

In light of the above, in inviting you to pass a motion on the appointment of the Chairperson of the Board of Statutory Auditors, in compliance with Article 148, paragraph 2-*bis* of the TUF and Article 17.8 of the By-Laws, we note that the text of the relevant Shareholders' Meeting motion will reflect the outcome of the vote.

#### **4.3 Establishment of the remuneration of the Board of Statutory Auditors**

Dear Shareholders,

pursuant to Article 2402 of the Civil Code “*the annual remuneration of Statutory Auditors, where not established in the By-Laws, should be set by the Shareholders' Meeting on their appointment for the entire duration of office*”.

It bears recalling that the remuneration of the Board of Statutory Auditors now at the end of their term was originally set by the ordinary session of the Shareholders' Meeting on April 28, 2023 at Euro 55,000.00 per annum for the Chairperson and at Euro 38,000.00 per annum for the other Statutory Auditors.

In light of the changes within Avio and the challenges it will have to face in the future and taking into account the changed complexity of Avio's business and the level of commitment required of the supervisory body, the outgoing Board of Directors proposes to refer to the Shareholders the formulation - alongside the presentation of a slate of candidates - of the proposed remuneration for the Chairperson of the Board of Statutory Auditors (consistent with the benchmark findings, for an amount equal to Euro 65,000.00 gross per annum), and to each Statutory Auditor (consistent with the benchmark findings, for an amount equal to Euro 45,000.00 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 Statutory Auditors and therefore until the date of approval of the financial statements for the year ending December 31, 2028.

In addition, Shareholders who wish to submit any alternative proposals on the determination of the remuneration of the Board of Statutory Auditors and its Chairman are requested to submit them well in advance together with the submission of the slates for the renewal of the control body.

In light of the above, in inviting you to pass a motion on the remuneration of the Board of Statutory Auditors, we note that the text of the relevant Shareholders' Meeting motion will reflect the outcome of the proposals made and the related vote.

Rome, March 19,2026

For the Board of Directors

The Chairman