

GEFRAN

BEYOND TECHNOLOGY

EXPLANATORY REPORTS BY THE BOARD OF DIRECTORS ON THE AGENDA ITEMS OF SHAREHOLDERS MEETING OF GEFRAN S.p.A. ORDINARY PART

This report has been written pursuant to article 125-ter of Legislative Decree no. 58 of 24 February 1998 and articles 72 and 73 and Annex 3A schemes no. 3 and 4 of the regulations adopted by Consob by resolution no. 11971 of 14 May 1999 as subsequently amended (the “**Issuers’ Regulations**”). The documentation on items on the agenda is available on the website <https://www.gefran.com/governance/shareholders-meetings/> in the *Investor relations / Governance / Shareholders’ Meetings* section and is published pursuant to the laws in force.

METHODS FOR HOLDING THE MEETING

Shareholders are summoned to an Ordinary Shareholders’ Meeting to be held on 23 April 2024 at 17:00 a single summons, which shall be considered to have been held in the registered office of GEFRAN S.P.A. at Via Sebina, n. 74, Provaglio d’Iseo (BS).

In compliance with article 106 of Decree-Law no. 18 of 17 March 2020 (“**Decree**”), whose applicability has been extended, lastly, pursuant to article 1, of Law no. 18 of 23 February 2024, which converted with amendments Decree Law no. 215 of 30 December 2023 (the so-called Milleproroghe Decree), the Company has established that attendance at the Shareholders’ Meeting shall take place exclusively through an appointed representative, pursuant to article 135-*undecies* of Legislative Decree no. 58 of 24 February 1998 (“**Consolidated Law on Finance**”).

The reader is referred to the summons for the Shareholders’ Meeting for more information on attendance and voting methods.

INDIVIDUAL PROPOSED RESOLUTIONS

In accordance with Consob Memorandum no. 3 of 10 April 2020 - paragraph 6, those entitled to vote may submit individual proposals for resolutions on the agenda items pursuant to art. 126-*bis*, paragraph 1, third period of the Consolidated Law on Finance in the manner and within the terms provided for by the summons for the Shareholders’ Meeting. Proposals will be published by the methods and within the deadline identified in the summons for the Shareholders’ Meeting to permit all those entitled to vote to make a conscious decision, taking the new proposals into account.

In these cases, this “Explanatory Report by the Board of Directors on the items on the agenda” may be amended and/or integrated.

1. Annual Financial Statements for the year ending 31 December 2023.

Approval of the Annual Financial Statements as of 31 December 2023, complete with the Report on Operations of the Board of Directors, the Report of the Board of Statutory Auditors and the Independent Auditor's Report. Presentation of the Consolidated Financial Statements for the year ending on 31 December 2023. Presentation of the Non-financial Statement prepared under Italian Legislative Decree no. 254/2016. Related and consequent resolutions.

Dear Shareholders,

We hereby submit for your approval the annual financial statements for the year ending 31 December 2023, which show a net profit of Euro 10,931,864.

We therefore submit for your approval the following resolution:

"The Gefran S.p.A. Shareholders' Meeting, having examined the Annual Financial Statements as at 31 December 2023, and having noted the Board of Statutory Auditors' Report and the External Auditors' Report,

resolves:

- to approve the Annual Financial Statements as at 31 December 2023 as presented by the Board of Directors, which shows a profit of Euro 10,931,864".*

Provaglio d'Iseo, 12 March 2024

For the Board of Directors
Chairwoman
Maria Chiara Franceschetti

Second and third item on the agenda

Dear Shareholders,

as stated in the first item on the agenda, the Annual Financial Statements for the year ending 31 December 2023 reveal a profit of Euro 10,931,864.

Note that the legal reserve has long since reached the limit set by the Italian Civil Code and that the available reserves amply cover the development costs recorded under non-current assets.

The figures reported in the annual financial statements reveal that distribution of the dividend will not compromise the Group's prospects for growth, as Gefran S.p.A. has the equity and financial resources to support both distribution of the dividend and its plans for growth.

The Board of Directors submits to the shareholders the proposal to distribute a dividend of 0.42 Euro for each of the shares in circulation, net of the no. 198,405 own shares held. As at 12 March 2024, the total withdrawal would amount to Euro 5,964,670 of the net profit for the year.

The Board of Directors proposes to allocate to Retained Earnings the amount corresponding to the portion of the net profit for the year which remains net of the dividend distribution, consistent with the Group's strategy of creating value for its shareholders while safeguarding the Group's growth.

We therefore submit for your approval the following proposed resolutions:

2. Allocation of profit for the year ending 31 December 2023.

Approval of the proposed distribution of dividends. Related and consequent resolutions.

"The Gefran S.p.A. Shareholders' Meeting

resolves:

- *to distribute to the shareholders, by way of dividend, gross of the legal withholdings, Euro 0.42 for each of the outstanding shares (net of own shares), using, for the necessary amount, the net profit for the year;*

3. Allocation of profit for the year ending 31 December 2023.

Allocation of the remaining portion of annual profit. Related and consequent resolutions.

"The Gefran S.p.A. Shareholders' Meeting

resolves:

- *to allocate to Retained Earnings the amount corresponding to the portion of the net profit for the year which remains net of the distribution as per the previous point".*

The dividend, in compliance with the provisions of the "Regulation of the markets organised and managed

by Borsa Italiana S.p.A.”, will be paid as follows: ex-dividend date 6 May 2024, record date 7 May 2024, in payment on 8 May 2024.

The amount of the dividend is fully covered by the profit for the period and sufficient financial funds are already available for the payment.

Provaglio d’Iseo, 12 March 2024

For the Board of Directors
Chairwoman
Maria Chiara Franceschetti

4. Report on Remuneration Policy and on the compensation paid. Approval of the first section of the Report under paragraph 3-ter of art. 123-ter of Legislative Decree no. 58/1998.

Dear Shareholders,

the Company, in compliance with the provisions of the Code of Corporate Governance of Listed Companies and article 123-ter of the Consolidated Law on Finance, has adopted a Remuneration Policy, contained in the first part of its Remuneration Report (the “**Policy**”). It is to be made available to shareholders as required by law on the company’s internet site (<https://www.gefran.com/governance/shareholders-meetings/>) in the *Investor relations / Governance / Shareholders’ Meetings* section and published in accordance with Law.

Legislative Decree no. 49 of 2019 implemented in Italian legislation, through amendments to the Civil Code and the Consolidated Law on Finance, the provisions of EU Directive 2017/828 (known as “Shareholders’ Rights II”), including the specification that Remuneration Policy must be submitted to vote in the Shareholders’ Meeting.

The Policy, approved by the Board of Directors on 12 March 2024 and published in full on the company’s website, contains the guidelines for the remuneration of General Managers and Executives with strategic responsibilities. The Policy notably defines the remuneration mix, indicating the weighting of the fixed component and the variable component.

The Gefran S.p.A. Shareholders’ Meeting is therefore asked to express a binding vote regarding the Policy adopted by the Company and contained in the first section of the relevant Remuneration Report. Therefore, we submit for your approval the following resolution:

“The Gefran S.p.A. Shareholders’ Meeting:

having examined the Report on Remuneration Policy and on the compensation paid under article 123-ter of the Consolidated Law on Finance,

resolves:

- to approve Section I prepared pursuant to article 123-ter of the Consolidated Law on Finance, paragraph 3, containing the remuneration policies of Gefran S.p.A.”.*

Provaglio d’Iseo, 12 March 2024

For the Board of Directors
Chairwoman
Maria Chiara Franceschetti

5. Report on Remuneration Policy and on the compensation paid. Consultation on the second section of the Report under paragraph 6 of art. 123-ter of Legislative Decree no. 58/1998.

Dear Shareholders,

the Company, in compliance with the provisions of the Code of Corporate Governance of Listed Companies and article 123-ter of the Consolidated Law on Finance, has prepared a report on its remuneration policy and on the compensation paid in year 2023 (the “**Report**”), contained in the second part of its Remuneration Report. It is to be made available to shareholders as required by law, in the shareholders’ meetings section of the company’s website (<https://www.gefran.com/governance/shareholders-meetings/>) under the section [Investor relations / Governance / Shareholders’ Meetings](#) and published in accordance with the law.

Legislative Decree no. 49 of 2019 implemented in Italian legislation, through amendments to the Civil Code and the Consolidated Law on Finance, the provisions of EU Directive 2017/828 (known as “Shareholders’ Rights II”), including the specification that the Report on Remuneration and on the compensation paid must be submitted to vote in the Shareholders’ Meeting.

The second section of the Report, approved by the Board of Directors at its meeting on 12 March 2024, provides a summary of the compensation paid as per the remuneration policy adopted by the Group during the financial year 2023, in accordance with legislative schemes. It is provided to members of the board of directors and control body, the General Manager and, in aggregate form, Executives with Strategic Responsibilities.

The person in charge of carrying out the statutory audit of the Group financial statements verifies that the directors have prepared the second section of the Report.

The Gefran S.p.A. Shareholders’ Meeting is therefore asked to express an opinion, in an advisory capacity, in favour of or against the second section of the Report, and we therefore submit the following proposed resolution for your approval:

“The Gefran S.p.A. Shareholders’ Meeting:

having examined the Report on Remuneration Policy and on the compensation paid under article 123 ter of the Consolidated Law on Finance,

resolves:

- to adopt, pursuant to article 123-ter of the Consolidated Law on Finance, paragraph 6 (non-binding advisory vote), Section II prepared pursuant to article 123-ter of the Consolidated Law on Finance, paragraph 4”.*

Provaglio d’Iseo, 12 March 2024

For the Board of Directors
Chairwoman
Maria Chiara Franceschetti

Introduction

Dear Shareholders,

with the approval of the Financial Statements as at 31 December 2023, the Board of Statutory Auditors of Gefran S.p.A., appointed by the Shareholders' Meeting of 27 April 2021 for the three-year period 2021-2023, is due to expire after completing its term of office.

The Ordinary Shareholders' Meeting is therefore called to appoint the new Board of Statutory Auditors, subject to establishment of the number of its members, of their term of office, and of the related fee.

In this regard, Article 23 of the Company's Articles of Association (which may be consulted at the link: <https://www.gefran.com/governance/documents-and-procedures/>) states that the Company's Board of Statutory Auditors shall be composed of three standing auditors and two deputy auditors, who remain in office for three years, until the date of the Shareholders' Meeting summoned to approve the financial statements for their last year in office. The Articles of Association expressly provide that the Statutory Auditors may be re-elected.

The composition of the Board of Statutory Auditors, as provided for by article 23 of the Articles of Association attached hereto, must comply with the applicable regulations in terms of gender diversity, and in particular with the provisions of Law 120/2011, in its present version, which stipulates that the percentage of the least represented gender shall be 2/5 elected Auditors.

Gefran S.p.A.'s Board of Statutory Auditors, in view of the body's renewal, provided the Shareholders with its assessments regarding the composition of the new control body considered optimal and the characteristics of its members (in addition to the regulatory requirements) for it to function effectively. This document is attached and made available to the public at the same time as this report. Shareholders who intend to submit lists for the election of members of the Board of Statutory Auditors are therefore invited to also consider the aforementioned indications of the outgoing Board to choose candidates.

6. Appointment of the Board of Statutory Auditors for the three-year period 2024-2026.

Appointment of the members of the Board of Statutory Auditors and its Chair.

Appointment of the standing Auditors and deputy Auditors and appointment of the Chair.

The appointment shall be made by voting for the lists submitted by the Shareholders and filed at the registered office at least 25 days before the date set for the Shareholders' Meeting. Consob set the shareholding required to submit candidate lists at 2.5%. The terms and conditions for the submission of lists, as well as the mechanisms for the election of members of the Board of Statutory Auditors by list voting, are set forth in Article 23 of the Articles of Association, as well as in the notice of the Shareholders' Meeting published on the company's website (<https://www.gefran.com/governance/shareholders-meetings/>).

Below is a summary of the procedures for the appointment of the standing and deputy Auditors, as well as the Chairman of the Board of Statutory Auditors.

The appointment of Auditors shall be conducted as follows: (i) from the list that obtained the highest number of votes ("**Majority List**"), two standing Auditors and one deputy Auditor are taken, based on their progressive number on the list; (ii) from the list that received the second highest number of votes ("**Minority List**"), which is not linked, even indirectly, to the shareholders who submitted or voted for the Majority List pursuant to applicable provisions, one standing auditor, who shall be the chairman of the Board of Statutory Auditors ("**Minority Auditor**"), and one deputy Auditor ("**Minority Deputy Auditor**") are taken, based on their progressive number on the list. If the lists receive an equal number of votes, the winning list shall be the one submitted by the shareholders with the highest shareholding at the time the list is submitted or, subordinately, by the highest number of shareholders.

If only one list is submitted, the Shareholders' Meeting shall vote on it and if it obtains a relative majority of votes, without considering abstentions, all candidates on the list shall be elected to their positions as standing and deputy Auditors.

The Chair of the Board of Statutory Auditors shall be the first candidate for the position of standing Auditor.

Term of office

The Board of Statutory Auditors will remain in office for the three years 2024-2025-2026, that is, until the Shareholders' Meeting approves the financial statements for the year ending on 31 December 2026.

7. Appointment of the Board of Statutory Auditors for the three-year period 2024-2026.

Determination of the annual remuneration of the effective members of the Board of Statutory Auditors.

The Shareholders are also called to resolve with regard to the determination of the annual overall remuneration, of the members of the Board of Statutory Auditors. The gross annual fee for the current standing members of the Board of Statutory Auditors is Euro 30,000.00 for the Chair of the Board of Statutory Auditors and Euro 20,000.00 for each standing Auditor.

The outgoing Board of Statutory Auditors summarised in the orientation its considerations in line with the Rules of Conduct of the Board of Statutory Auditors of Listed Companies of the National Council of Chartered Accountants and Accounting Experts in the attached report.

The Shareholders, also in view of the considerations expressed by the outgoing Board of Statutory Auditors, are invited to submit proposals regarding the remuneration for the Chair of the Board of Statutory Auditors and for each standing Auditor.

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

"The Gefran S.p.A. Shareholders' Meeting, having noted the provisions of the Articles of Association regarding the composition and methods of appointment of the Board of Statutory Auditors and considering the Orientation of the Board of Statutory Auditors on the size and composition of the new Board of Statutory Auditors

resolves:

- *to appoint the Board of Statutory Auditors for a term of 3 (three) financial years, ending on the date of approval of annual financial statements as of 31 December 2026, expressing its preference for one of the lists filed;*
- *to grant the total remuneration of the Board of Statutory Auditors for the Chair of the Board of Statutory Auditors and for each standing Auditor, expressing its preference for one of the proposals submitted by the Shareholders."*

Article 23 of the current Articles of Association is attached for sake of full disclosure.

Provaglio d'Iseo, 12 March 2024

For the Board of Directors
Chairwoman
Maria Chiara Franceschetti

ANNEX

Article 23 of the Articles of Association

The Board of Auditors is comprised of three Statutory Auditors and two Alternate Auditors.

Auditors hold office for three financial years, up to the Meeting convened to approve the financial statement covering the last year of their period of office, and they are eligible for re-election. Their fee is determined by the Meeting for the whole period in which they hold office.

Auditors must possess the requisites established by the law and other applicable provisions. As regards the requisite of professional qualification, the subjects and business sectors strictly associated with that of the Company are: electronic automation for the sensor manufacturing industry and components for industrial automation.

The maximum number of administration and auditing assignments established by the CONSOB Regulation also applies to the Board of Auditors.

The Board of Auditors is elected by the Meeting from lists presented by the Shareholders, according to the procedure detailed in the following subsections, subject to different and further provisions established by mandatory laws or statutory provisions.

The minority – provided it has no significant direct or indirect connections pursuant to art. 148, subsection 2 of Legislative Decree no. 58/1998 and associated regulatory standards - is entitled to elect a Statutory Auditor as Chairman of the Board, and an Alternate Auditor. The election of minority auditors takes place at the same time as the election of the other members of the Board of Auditors, subject to cases of replacement, which are detailed below.

A list of candidates for the post of auditor may be presented by Shareholders who, when the list is presented, hold – alone or together with other presenting shareholders - a shareholding equal to that established by CONSOB pursuant to art. 147-ter, subsection 1, of Legislative Decree no. 58/1998 and to the provisions of the Issuers Regulation approved under resolution no. 11971 of 14th May 1999 and subsequent amendments. The lists must be presented to the registered office at least twenty-five days prior to the date set for the General Meeting called to appoint the Auditors and will be published pursuant to regulations in force at least twenty-one days prior to said date.

The lists must contain the names of one or more candidates for the post of Statutory Auditor and one or more candidates for the post of Alternate Auditor. The candidates' names are progressively numbered and must not exceed the number of members to be elected.

If mandatory gender division criteria are applicable, each list presenting at least three candidates must contain a number of candidates of the less represented gender at least equal to the minimum number required by the provisions of applicable law.

The lists must also contain, within them or attached thereto the information, statements and other documents required by law and the applicable regulatory standards.

If at the deadline for presenting the lists only one list or lists presented by Shareholders having connections between the applicable provisions are presented, lists can be presented up to the deadlines set by the applicable law. In such cases, the deadlines envisaged above for presenting the lists are reduced by half.

A Shareholder may not present or vote more than one list, whether directly, indirectly or through trust companies. Shareholders belonging to the same group and ones entering a Shareholders' agreement covering the issuer's shares may not present or vote more than one list, whether directly, indirectly or through trust companies. A candidate may only be present in one list, under penalty of ineligibility.

Auditors are elected as follows: (i) from the list obtaining the highest number of votes (the "Majority List") are taken, according to the progressive number under which they are listed, two Statutory Auditors and one Alternate Auditor; (ii) from the list that obtained the second highest number of votes and which is not directly or indirectly connected with the Shareholders who presented or voted the Majority List pursuant to the applicable provisions (the "Minority List") are taken, according to the progressive number under which they are listed, one Statutory Auditor, who is appointed Chairman of the Board of Auditors (the "Minority Auditor") and one Alternate Auditor (the "Alternate Minority Auditor"). If there is a tied vote between lists, the one presented by Shareholders with the largest shareholding upon presentation of the list, or subordinately, the highest number of Shareholders, will prevail.

If, in the Board of Auditors thus formed, a statutory auditor of the less represented gender is not present, if

imposed by the provisions of applicable law, the last candidate elected in the majority list will be replaced by the first non-elected candidate in the list belonging the less represented gender. If this is not possible, the statutory auditor of the less represented gender will be appointed by the general assembly, with the ordinary majorities established by law, in replacement of the last candidate in the single list.

If only one list has been presented, the Meeting votes that list, and if the list obtains a relative majority of votes, not counting abstentions, all the candidates for these posts who appear in the list will be elected as Statutory and Alternate Auditors. The Chairman of the Board of Auditors is the first candidate for the post of Statutory Auditor.

If, in the Board of Auditors thus formed, a statutory auditor of the less represented gender is not present, if imposed by the provisions of applicable law, the statutory auditor of the less represented gender will be appointed by the general assembly with the ordinary majorities established by law, in replacement of the last candidate in the single list.

If there are no lists, the Board of Auditors and the Chairman are appointed by the general assembly with the ordinary majorities established by law, subject to the obligation to appoint at least one statutory auditor of the less represented gender, where this is required by the provisions of applicable law.

If the post of Majority Auditor becomes vacant for any reason, he/she is replaced by the Alternate Auditor taken from the Majority list.

If the post of Minority Auditor becomes vacant for any reason, he/she is replaced by the Alternate Auditor taken from the Minority list.

When the Meeting is called upon to make up the Board of Auditors, in replacement of auditors elected from the Minority List, the ballot requires a relative majority, which will not include the votes of Shareholders who, according to the statements rendered in accordance with current provisions, hold, directly, indirectly or jointly with other Shareholders who have entered into a relevant Shareholders' Agreement pursuant to art. 122 of Legislative Decree no. 58/1998, a relative majority of votes exercisable at the Meeting, and of Shareholders who control, are controlled by or are subject to joint control of the same.

In this case, too, the new Minority Auditor is designated Chairman of the Board of Auditors.

In the event of replacement of a statutory auditor, the gender equality obligation must be fulfilled in accordance with the provisions of applicable law.

Board of Auditors' Meetings may be held using means of telecommunication, pursuant to article 17.

Eighth and ninth items on the agenda

8. Appointment of the External Auditors.

Appointment of the External Auditor for the financial years 2025 to 2033, pursuant to Article 13, paragraph 1 of Legislative Decree No. 39 of 27 January 2010, as amended and integrated.

9. Appointment of the External Auditor

Determination of the remuneration.

Dear Shareholders,

with the approval of the Financial Statements as at 31 December 2024, the appointment of the external auditor company PriceWaterhouseCooper S.p.A. ("**PwC**") for the years 2016-2024 by the Shareholders' Meeting of 21 April 2016 will expire after completing its term of office.

In this regard, you are called upon to appoint a new External Auditor, determining the relative remuneration and the relative adjustment criteria for the entire duration of the engagement, which, in accordance with the provisions of Legislative Decree no. 39 of 27 January 2010 ("**Legislative Decree 39/2010**"), will last for 9 (nine) years and specifically for the fiscal years ended on 31 December 2025-2033.

It should be noted that, pursuant to article 17 of Legislative Decree no. 39/2010, as amended by Legislative Decree no. 135 of 17 July 2016 and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (the "**Regulation**"), the external audit engagement may not be renewed or entrusted on the same outgoing auditor.

The new external audit engagement must be entrusted by the Shareholders' Meeting on a reasoned proposal from the Board of Statutory Auditors in its capacity as Internal Control and Audit Committee, pursuant to article 19 of Legislative Decree no. 135/2016, following a specific selection procedure according to the criteria and procedures referred to in article 16 of the Regulations as well as the Internal Procedure adopted by the Group.

Starting in July 2023, Gefran initiated, well in advance of the expiration of PwC's mandate, the procedure to select a new External Auditor to be appointed for the fiscal years ending 31 December 2025-2033. It should be noted that pushing forward the procedure is now common practice among listed issuers and firstly allows the incoming External Auditor to comply with the time limits set to safeguard the auditor's independence, and secondly facilitates the handover between the outgoing and incoming auditors.

The Board of Statutory Auditors, pursuant to articles 13 and 17 of Legislative Decree no. 39/2010, was therefore called upon to draw up the Reasoned Recommendation in accordance with the provisions of Community legislation *pro tempore* in force.

In light of the above, we report below an extract from the Reasoned Recommendation as prepared by the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee (it is fully attached to this report, which also contains the economic conditions applied by the identified companies). The extract indicates that Deloitte & Touche S.p.A. is selected as favourite and EY S.p.A. as second favourite company in the audit engagement for the fiscal years ended 31 December 2025-2033.

"(...) given the above, the Board of Statutory Auditors, with the exception of Standing Auditor

Primo Ceppellini who is exempt from the process because he is in a situation of conflict of interest, in relation to the appointment of the external auditor of Gefran S.p.A.'s accounts for the nine-year period 2025-2023, based on the selection procedure, the bids received, the evaluations carried out and the results thereof, considering that article 16 of the EU Regulation stipulates that the reasoned proposal to the Shareholders' Meeting of the audited entity to appoint the external auditor should contain the reasoned recommendation containing at least two possible appointment alternatives and the expression of a duly substantiated statement of preference for one of them, makes the following Recommendation to the Board.

Recommendation of the Board of Statutory Auditors

The Board of Statutory Auditors of Gefran S.p.A., in the persons of the Chair Roberta Dell'Apa and the Standing Auditor Luisa Anselmi, excluding the Standing Auditor Primo Ceppellini because he is in a situation of conflict of interest, based on the procedure carried out, the bids received, the evaluations carried out and the results thereof, and taking into account that article 16, paragraph 2, of the Regulations provides that the reasoned recommendation of the Board of Statutory Auditors must contain at least two possible alternatives and a duly substantiated statement of preference for one of them,

RECOMMENDS

*that the Board of Directors propose that the Shareholders' Meeting entrust the external audit of Gefran S.p.A. for the years 2025-2033 to the external auditor **Deloitte & Touche SpA** as favorite, or to the external auditor **EY SpA** as second favorite.*

The Board of Statutory Auditors

EXPRESSES ITS PREFERENCE

for Deloitte & Touche S.p.A. not only on account of the higher overall score achieved, but also considering the following additional reasons:

- the care with which the Company's representatives made the bid, on a personal level and in terms of documentation.*
- The company is recognised as an IFRS centre of excellence in Italy and its representatives participate in decision-making centres on the subject at international level.*
- Gefran and the Group acquired knowledge through the recent provision of specific IFRS training courses and the accounting, tax, and legal support provided during the recent sale of the Motion Control Business Unit.*
- Recognised expertise in the field of sustainability.*
- Maximum attention to innovation, investments in technology, their "Innovation Labs" and the fact they share tools that are useful in carrying out audit assignments and when dealing with audited companies.*

The Board of Statutory Auditors, in compliance with article 16, paragraph 2 of the EU Regulation, declares that this recommendation has not been influenced by third parties and that none of the clauses of the type referred to in paragraph 6 of the aforementioned article 16 of the EU Regulation aimed at limiting the decisions of Shareholders Meetings have been

applied.

There, 22 February 2024

The Board of Statutory Auditors

Roberta Dell'Apa – Chair

Luisa Anselmi – Standing Auditor

For subsequent acknowledgement

Primo Ceppellini – Standing Auditor

”

In relation to the above, we therefore submit for your approval the following proposed resolution:

“The Gefran S.p.A. Shareholders’ Meeting,

- having noted the reasoned recommendation of the Board of Statutory Auditors regarding the appointment of the External Auditor for the fiscal years 2025-2033 for the performance of external audit activities;*
- having noted that the selection activity has met all the requirements of Legislative Decree no. 39 of 27 January 2010 (as amended by Legislative Decree no. 135 of 17 July 2016) and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014; and*
- having examined the Explanatory Report of the Board of Directors,*

resolves:

- to approve the Board of Statutory Auditors’ proposal according to the terms and procedures indicated in the Recommendation and, by virtue of the reasoned preference expressed,*
- to appoint Deloitte & Touche S.p.A. as External Auditor of Gefran S.p.A.’s accounts, pursuant to article 13, paragraph 1 of Legislative Decree no. 39 of 27 January 2010;*
- to determine that the appointment shall last for a period of nine fiscal years (2025-2033), that is, from the approval of the financial statements ending 31 December 2024 until the approval of the budget ending 31 December 2033;*
- to pay Deloitte & Touche S.p.A. an annual fee of Euro 353,850.00 corresponding to a average hourly rate of Euro 66.40, plus expenses incurred for specific needs, contributions (Social Security Funds, Consob or other supervisory authorities), VAT and the adjustment according to the change in the ISTAT cost of living index;*
- to confer on the Chairwoman and the Chief Executive Officer, severally between them, the broadest powers necessary and/or appropriate for the implementation of this meeting resolution.*

Provaglio d’Iseo, 12 March 2024

For the Board of Directors
Chairwoman
Maria Chiara Franceschetti

Recommendation of the Board of Statutory Auditors of Gefran S.p.A. to appoint the external auditor pursuant to article 19, paragraph 1, of Legislative Decree no. 39/2010 and article 16, paragraph 2, of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

With the approval of the Financial Statements as at 31 December 2024, the appointment of the external auditor PriceWaterhouseCoopers S.p.A. (hereinafter “PWC” or “the outgoing auditor”) as external auditor of Gefran S.p.A. and the group companies (hereinafter also “Gefran” or the “Company”) for the period 2016-2024 by the Shareholders’ Meeting of 21 April 2016 for the fiscal years 2016-2024 will come to a natural end.

Given the size and structure of the Gefran Group, the Group CFO and executive in charge of financial reporting, Paolo Beccaria, (hereinafter Group CFO) together with the relevant corporate functions, in agreement with the Board of Statutory Auditors, considered it appropriate to start the selection procedure from July 2023 to assign the mandate for the statutory audit for 2025-2033 in order to submit the appointment of the new external auditor to the Shareholders Meeting called to approve Gefran S.p.A.’s consolidated financial statements as at 31 December 2023.

Based on current legislation, **European Regulation 537/2014** – the “**EU Regulation**”, which regulates the specific requirements relating to the statutory audit of Public Interest Entities (EIP), and **Legislative Decree no. 39 of 27 January 2010** (supplemented by Legislative Decree no. 135/2016 which transposed Directive 2014/56/EU) – **Legislative Decree 39/2010**, this mandate is not renewable and the new external audit engagement must be entrusted by the Shareholders’ Meeting on a reasoned proposal from the Board of Statutory Auditors in its capacity as Internal Control and Audit Committee, pursuant to article 19 of Legislative Decree no. 39/2010, following a specific selection procedure according to the criteria and procedures referred to in article 16 of the EU Regulation.

Appointing the external auditor early – a common practice among major listed companies – notably allows a more efficient handover between the outgoing auditor and the new auditor while also allowing compliance with the time limits set to safeguard the auditor’s independence.

Consistent with the approach adopted for some time, and having consulted with the Board of Statutory Auditors in any case, Gefran S.p.A. (the Parent Company) has chosen to entrust the external audit of

Gefran and the Group companies to a single auditor. This has also been done to make the process of auditing the Gefran Group more efficient since the company in charge of auditing the consolidated financial statements is entirely responsible for expressing its assessment, taking into account the provisions of article 10-quinquies of Legislative Decree no. 39 of 27 January 2010, which clarify that *“Where a statutory audit is carried out on the consolidated financial statements of a group of undertakings, the group auditor assumes full responsibility for the audit report referred to in article 14 or, where applicable, for the audit report referred to in article 10 of the European Regulation and for the additional report to the Internal Control and Audit Committee referred to in article 11 of the European Regulation”*.

In the current regulatory context, the Board of Statutory Auditors, in its role as “Internal Control and Audit Committee”, has been assigned a central role. In fact, according to the provisions of article 19, paragraph, 1 letter f), of Legislative Decree no. 39/2010 and of article 16, paragraph 2, of the EU Regulation, it is responsible for the procedure aimed at selecting the external auditor after which it is required to submit to the administrative body a reasoned recommendation for the external audit engagement, containing at least two possible alternatives, but must express a duly justified preference for one of them.

This document has been drawn up by the auditors Roberta Dell’Apa, Chair and Luisa Anselmi, Standing Auditor, excluding the Standing Auditor Primo Ceppellini who was found to be in a position of conflict of interest as his firm is part of the network of one of the firms to that applied for the assignment (Deloitte & Touche S.p.A.). Likewise all discussions between the CFO and candidate external auditors and supervisory boards concerning the selection process was overseen by the same auditors.

In the following, therefore, when the Board of Statutory Auditors is cited, reference is made to the statutory auditors Roberta Dell’Apa and Luisa Anselmi.

The selection procedure

The procedure, initiated in accordance with current legislation, was carried out in accordance with the provisions of article 16, paragraph 3, of the EU Regulation, and was divided into the phases listed below illustrated and detailed hereinafter.

- 1.Pre-selection of companies to be invited to make a proposal
- 2.Invitation to make a proposal to selected companies.
- 3.Carrying out the selection activity
- 4.Outcome of the selection.

1. Pre-selection of companies to be invited to make a proposal

During the month of July 2023, the Group CFO and executive in charge of financial reporting, Paolo Beccaria, (hereinafter Group CFO) in agreement with the Board of Statutory Auditors, carried out an initial market survey aimed at identifying the External Auditor who should be sent the invitation to make a proposal.

The pre-selection was carried out on the basis of the following guiding principles:

- significant number of audit assignments carried out in favour of public-interest entities (2022 turnover to PIE greater than 15% of relevant domestic turnover, as declared to Consob);
- membership in a network whose extension is consistent with the multinational character of the Gefran Group and, in any case, a direct and indirect presence in countries where Gefran S.p.A. has its own subsidiaries;
- in compliance with the provisions of article 16, paragraph 3, letter a) of the EU Regulation, the invitation was also extended to a company that, although not presenting the turnover requirements for activities vis-à-vis EIP, still belonged to an international network.

It should be noted that, as of today, the only external auditors that, according to the list published by Consob (<https://www.consob.it/web/consob-and-its-activities/auditing-firms>) have earned revenues from EIP exceeding 15 percent of their respective domestic turnover in the calendar year 2022, are: **Deloitte & Touche S.p.A., EY S.p.A., KPMG S.p.A. and Pricewaterhousecoopers S.p.A.** (the “Big 4”).

Please note that, in accordance with the provisions of article 17, paragraph 3, of the EU Regulation, at the end of the nine-year assignment, neither the outgoing external auditor, nor any member of the same network, may be awarded the engagement in the following four years.

Of the “Big 4”, only the first two were invited by the Company to make a proposal, as Pricewaterhousecoopers is the outgoing auditor and KPMG, in addition to being in charge of the Internal Audit activity, is the company to which Gefran has given consulting assignments in ERM and CSRD.

Among other audit firms on the Consob list that did not meet the 15 percent domestic turnover to PIE requirement in 2022, the company **BDO Italia SpA** was invited to make a proposal, as a company with important clients that belongs to an international network.

Therefore, on the basis of the parameters illustrated above, the selected companies were as follows:

BDO Italia S.p.A. (hereinafter also more simply **BDO**),

Deloitte & Touche S.p.A. (hereinafter also more simply **Deloitte**),

EY S.p.A. (hereinafter also more simply **EY**).

2. The letter of invitation to make a proposal

At the end of the pre-selection phase, the Group CFO first made contact and held a debriefing meeting with each selected company, working with the stakeholders involved to delve into the scope of activities required and the information to be provided. Subsequently, on 30 October 2023, it sent each selected company a letter of invitation to make a proposal, which was then shared with the Board of Statutory Auditors, attaching the documentation relevant to the assessments.

The activities for which a proposal was requested (“Audit Scope”) are detailed in a table attached to the letter of invitation, the core elements of which are shown in the following table.

Audit Scope

Company	Location		Statutory Obligation	Current scope	Scope desired	Activity required		
						Statutory	Package	Limited Review Half-yearly
Gefran SpA	Provaglio d'Iseo	Italy	YES	statutory	statutory	YES	Full Audit	
Gefran SpA	Provaglio d'Iseo	Italy		consolidated	consolidated			
Gefran SpA	Provaglio d'Iseo	Italy		consolidated ESEF	consolidated ESEF			
Gefran SpA	Provaglio d'Iseo	Italy		half-yearly report	half-yearly report			Limited Review
Gefran SpA	Provaglio d'Iseo	Italy		R&D	R&D			
Gefran SpA	Provaglio d'Iseo	Italy		non-financial declaration	non-financial declaration			
Gefran Soluzioni Srl	Provaglio d'Iseo	Italy	YES	statutory	statutory	YES	Full Audit	
Elettropiemme Srl	Trento	Italy	YES	half-yearly	half-yearly	YES	Full Audit	
Elettropiemme Srl	Trento	Italy		statutory				Limited Review
Gefran Deutschland GmbH	Seligenstadt	Germany	NO	half-yearly	half-yearly	NO	Full Audit	
Gefran Deutschland GmbH	Seligenstadt	Germany		rep pack				Limited Review
Gefran Benelux	Olen	Belgium	NO	rep pack	rep pack		Full Audit	
Sensormate AG	Aadorf	Switzerland	YES	repack + half-yearly	repack + half-yearly statutory		Full Audit	
Gefran Asia	Singapore	Singapore	NO	repack + half-yearly	repack + half-yearly statutory		Full Audit	
Gefran Inc. (US)	North Andover	United States	NO	rep pack	rep pack		Full Audit	
Gefran Brasil Eletroeletronica Ltda	São Paulo	Brazil	NO	rep pack	rep pack		Full Audit	
Gefran Automation Technology	Shanghai	China	YES	rep pack + half-yearly	rep pack + half-yearly statutory		Full Audit	
	Shanghai	China		statutory				Limited Review
Gefran France SA	Lyon	France	YES	half-yearly	half-yearly		Full Audit	
	Lyon	France		rep pack				Limited Review
Gefran India Private Limited	Pune	India	YES	half-yearly	half-yearly		Full Audit	
	Pune	India		rep pack				Limited Review
Gefran UK Ltd	Uxbridge	UK	NO	None	None		None	

With reference to the above services, a quotation was requested in terms of hours and fees (broken down by professional category) for the 2025-2033 fiscal years, for each company and activity.

It was also requested to include some explicit statements and considerations in the proposal:

- declaration of independence;
- description of the company with particular reference to geographical presence, specialist teams, references;
- description of the procedures and the review plan;
- knowledge of Gefran's sector;
- presentation of foreign teams;
- example of revision packages;
- illustration of the audited companies;
- opinion on the latest financial statements of the Gefran Group, with reference to the completeness of information, areas for improvement and the application of IFRS;
- attention and propensity for continuing education activities regarding rules and regulations;
- willingness to give support for updating the Gefran Group's accounting standards manual.

For the evaluation of proposals, qualitative elements were determined to be given a maximum score of 60 points (in turn broken down into 4 groupings, with each grouping being given a maximum score of 15 points), while quantitative elements (broken down into two groupings) were determined to be given a maximum score of 40 points (with the former 25 and the latter 15).

Qualitative parameters

Phase 1		Qualitative assessment					
	Evaluation areas		Points of reference				
		Maximum score per point			EY	DELOITTE	BDO
1	Revision plan (max 10 points)	2.5	1.1	Risk assessment processes and techniques	2.50	2.50	2.50
		2.5	1.2	Review methodology adopted	2.50	2.50	2.50
		2.5	1.3	Electronic tools used	2.50	2.50	2.50
		2.5	1.4	Number of hours planned per staff involved with distinction of seniority level	2.50	1.67	0.83
2	Business/sectoral skills (max 30 points)	5	2.1	Previous knowledge of the company granting the office and its group from previous auditing and/or consulting assignments	2.00	2.50	2.00
		5	2.3	Previous knowledge of the business sector, gained in auditing activities	5.00	4.00	3.00
		5	2.4	Expertise and authority in the IFSR field	5.00	5.00	3.33
		5	2.5	Expertise and authority in the CSRD field	5.00	5.00	3.33
		5	2.6	Availability of appropriate support and specialists in IT, financial instruments, valuation and impairment	5.00	5.00	5.00
3	Organizational structure (max 10 points)	5	3.1	Adequate geographical coverage in relation to the group's international presence	5.00	5.00	5.00
		5	3.2	Audit management of foreign subsidiaries (local team)	5.00	5.00	5.00
4	Market reputation (max. 5 points)	5	4.1	Membership of a prestigious network and customer portfolio	5.00	5.00	3.33
5	Completeness of the proposal in relation to what was requested in the letter of invitation (Max 10 points)	10	5.1	Completeness of the proposal in relation to what was requested in the letter of invitation (Max 10 points)	9.25	10.00	8.00
		60.0	TOTAL		56.25	55.67	46.33

Quantitative parameters

Phase 2 Quantitative evaluation								
SOCIETY	TOTAL AMOUNT HONORARIES	CERTIFIED DECLARATION R&D	FEES %	TOTAL	OVERALL COMPENSATION SCORE	AVERAGE HOURLY RATE	SCORE AVERAGE HOURLY RATE	TOTAL SCORE
EY	331,000.00	3,000.00	8%	360,720.00	6.67	72.78	13.33	20.00
DELOITTE	330,000.00	7,000.00	5%	353,850.00	13.33	66.40	20.00	33.33
BDO	325,500.00	7,500.00	3%	342,990.00	20.00	81.68	6.67	26.67

MAXIMUM SCORE FOR TOTAL FEES	20
MAXIMUM SCORE FOR AVERAGE FEE	20
TOTAL	40

In the letter of invitation to make a proposal, the required specifications corresponding to the minimal content of the proposal were specified in detail, the details and quality of the same being evaluated as follows:

REQUESTS MADE IN THE LETTER OF INVITATION	EY	DELOITTE	BDO
- Confirmation of independence	1	1	1
- Describe the auditing company in terms of: - geographical presence - specialist teams - References	1	1	1
- Description of the audit procedures and plan (for example, but not limited to, in terms of time development, analysis and identification of identified risks, description of the internal quality control process);	1	1	1
- Analysis of an example of an audit package;	1	1	1
- Illustration of the companies personally audited by the proposed team, both listed and unlisted, and their size;	1	1	1
- Presentation of the foreign team, describing the CV and specifying whether it has already collaborated with an Italian team	1	1	1
— Opinion on the latest balance sheet of the Gefran Group in terms of: — Completeness of information — Areas for improvement	0.75	1	0
- Support in updating the Gefran Group's accounting standards manual	0.75	1	0.5
- Ongoing training activities on standards and regulations	0.75	1	0.5
- Economic component (number of hours envisaged in relation to the different fields of activity and to those employed by the outgoing auditor, breakdown of hours by individual professional figures, hourly rate per professional category, total fee for the assignments with breakdown for the different companies and activities net of VAT and Consob supervisory fee - if required and separate indication of any requests for reimbursement of	1	1	1
TOTAL	9.25	10	8

Another significant evaluation element was the composition of the dedicated teams.

Composition of dedicated teams

Professional Category	EY	EY	DELOITTE	BDO
	GEFRAN	CHECK		
Partners	9%	6%	6%	5%
Manager	19%	17%	16%	15%
Senior	35%	38%	40%	35%
Staff Accountant	37%	39%	38%	45%
Ranking	1		2	3
Score				
	2.5		1.67	0.83
MAXIMUM SCORE		2.5		
MINIMUM SCORE		0		

Finally, the letter of invitation included the possibility for bidding companies to send in any requests for clarification, an option that some of the invited companies made use of.

3. Carrying out the selection

By the deadline set in the letter of invitation, namely 15 December 2023, **Deloitte** and **EY** both submitted their proposal after promptly requesting and obtaining a further explanatory meeting with the CFO. **BDO**, on the other hand, sent the Group CFO an email on the expiry day to request a meeting to present its proposal and, following the meeting, only on 22 December 2023 did it present it.

The documentation received confirmed that the manner in which the proposal activities were carried out was adequate in relation to the scope and complexity of the engagement and the bidding companies' membership in major international networks.

All candidate companies have attested that there are no grounds for incompatibility pursuant to current legislation (article 10, Legislative Decree no. 39/20190 and articles 149-bis et seq. of the Issuers' Regulation), also with reference to the other Italian and foreign companies that are part of the network and, at the moment, Gefran S.p.A. does not have suitable evidence to question the statements made by the candidate companies.

After the proposals were first examined, there were further talks between the candidate companies and the CFO and on 5 February and 7 February 2024 the partners and managers involved in each external auditor had a specific meeting with the Group CFO, the CEO and the Chairman of Gefran, in the presence of the Board of Statutory Auditors. Following these meetings, all three candidate companies submitted an update to their bids.

In light of the in-depth investigations and the meetings held with all the partners proposed by the bidding companies as potential auditors, the Group CFO, under the supervision of the Board of Statutory Auditors, analysed the bids in detail and in a comparative way, noting, for each evaluation profile, the distinctive and characteristic aspects of each company.

4. Selection result

At the end of the overall selection process carried out in the terms summarised above and taking into account, in particular, the outcome of the procedure for weighting the qualitative and quantitative aspects, the Group CFO issued his report on 14 February 2024, pursuant to article 16, paragraph 3, of the EU Regulation, called the “Process for identifying the new external auditor – accounting period 2025-2033”, containing the results of the evaluations and his preference for the proposal submitted by the company **Deloitte & Touche S.p.A.**

Below is the overall score obtained by the three companies participating in the selection.

SUMMARY			
	EY	DELOITTE	BDO
QUALITATIVE ASSESSMENT	56,25	55,67	46,33
QUANTITATIVE EVALUATION	20,00	33,33	26,67
	76,25	89,00	73,00

As can be seen from the summary table, **BDO ranked last in the selection process.**

In addition to the numerical evaluation parameters, a further non-positive evaluation element for BDO was the failure to meet the deadline for submitting the bid.

As for the other two companies, while they essentially achieved the same score under the qualitative aspect, for the quantitative evaluation **Deloitte** achieved a higher score, with a proposal totalling 353,850.00 euros (against a proposal from EY of 363,960.00 euros) which corresponds to an average hourly rate of 66.40 euros, against 71.90 euros from EY.

* * *

Given the above, the Board of Statutory Auditors, with the exception of Standing Auditor Primo Ceppellini who is exempt from the process because he is in a situation of conflict of interest, in relation

to the appointment of the external auditor of Gefran S.p.A.'s accounts for the nine-year period 2025-2023, based on the selection procedure, the bids received, the evaluations carried out and the results thereof, considering that article 16 of the EU Regulation stipulates that the reasoned proposal to the Shareholders' Meeting of the audited entity to appoint the external auditor should contain the reasoned recommendation containing at least two possible appointment alternatives and the expression of a duly substantiated statement of preference for one of them, makes the following Recommendation to the Board.

Recommendation of the Board of Statutory Auditors

The Board of Statutory Auditors of Gefran S.p.A., in the persons of the Chairman Roberta Dell'Apa and the Standing Auditor Luisa Anselmi, excluding the Standing Auditor Primo Ceppellini because he is in a situation of conflict of interest, based on the procedure carried out, the bids received, the evaluations carried out and the results thereof, and taking into account that article 16, paragraph 2, of the Regulations stipulates that the reasoned recommendation of the Board of Statutory Auditors must contain at least two possible alternatives and a duly substantiated statement of preference for one of them,

RECOMMENDS

that the Board of Directors propose that the Shareholders' Meeting entrust the external auditor of Gefran S.p.A. for the years 2025-2033 to the external auditor **Deloitte & Touche SpA as favourite, or to the external auditor EY SpA as second favourite.**

The Board of Statutory Auditors

EXPRESSES ITS PREFERENCE

for **Deloitte & Touche S.p.A.** not only on account of the higher overall score achieved, but also on account of the following additional factors:

- The care with which the Company’s representatives made the bid, on a personal level and in terms of documentation.
- The company is recognised as an IFRS centre of excellence in Italy and its representatives participate in decision-making centres on the subject at international level.
- Gefran and the Group acquired knowledge through the recent provision of specific IFRS training courses and the accounting, tax, and legal support provided during the recent sale of the Motion Control Business Unit.
- Recognised expertise in the field of sustainability.
- Maximum attention to innovation, investments in technology, their “Innovation Labs” and the fact they share tools that are useful in carrying out audit assignments and when dealing with audited companies.

The Board of Statutory Auditors, in compliance with article 16, paragraph 2 of the EU Regulation, declares that this recommendation has not been influenced by third parties and that none of the clauses of the type referred to in paragraph 6 of the aforementioned article 16 of the EU Regulation aimed at limiting the decisions of Shareholders Meetings have been applied.

Date: 22 February 2024

The Board of Statutory Auditors

Roberta Dell’Apa – Chair

Luisa Anselmi – Standing Auditor

For subsequent acknowledgement

Primo Ceppellini – Standing Auditor

10. Withdrawal as far as non-used of the previous authorisation to buy and sell own shares and release of new authorisation.

Dear Shareholders,

At its meeting on 12 March 2024, the Board of Directors resolved to submit to the Shareholders' Meeting of the Company – to be held in ordinary session on 23 April 2024 – the approval pursuant to article 2357 and 2357-ter of the Italian Civil Code and article 132 of Legislative Decree no. 58 of 24 February 1998 ("The Consolidated Law on Finance") of the authorisation to purchase and dispose, in one or more instalments, of a number of ordinary shares in the Company representing a maximum of 10% of the share capital (as of the date of this Report, therefore, equal to a maximum of 1,440,000.00 ordinary shares with a par value of Euro 1.00 each).

It is also proposed to revoke the previous authorisation granted by the Shareholders' Meeting held on 21 April 2023, which will be replaced by the new authorisation mentioned in this report.

There therefore follows a brief outline of the reasons and procedures for purchasing and selling own shares in the company for which the Board of Directors seeks authorisation.

1. Reasons for requesting authorisation to purchase and sell own shares

The request for authorisation to purchase and sell own shares is in order to give the company a valuable tool providing strategic and operational flexibility that would enable it to:

- act directly or through authorised brokers to limit any irregular movement in trading of the share and to regulate trading performance and runs due to excessive volatility or lack of liquidity in trading; these measures shall be taken without prejudice to the equal treatment of shareholders;
- offer shareholders an additional tool to monetise investments.

The Board of Directors recommends that the company has this option at its disposal, particularly when disposing of the own shares purchased, also in order to capitalise on opportunities to maximise value that may arise on the market, therefore for the purpose of trading.

2. Maximum number, category and nominal value of the shares to which the authorisation relates

As of the date of this Report, the share capital is equal to Euro 14,400,000.00 and is represented by no. 14,400,000 ordinary shares, with a nominal value of Euro 1.00 each.

The maximum of 1,440,000.00 own shares is to be purchased, or a maximum of 10% of the share capital, considering the own shares held directly and any shares held by subsidiaries in the case of resolutions for increases and reductions while this authorisation remains effective.

In any case, the number of own shares that may be purchased shall not exceed the amount that can be covered, in relation to the purchase price, by the available reserves shown in the last set of approved financial statements.

In this regard, it should be noted that the following figures were shown in the Financial Statements for the year ending 31 December 2022, duly approved on 23 April 2023:
available reserves: Euro 49,941,593 (as at 31 December 2023: Euro 53,748,367).

3. Provisions provided for by article 2357 third paragraph of the Italian Civil code

In order to assess compliance with the limits set out in section 2357, paragraph three, please note that, as of today's date the company and its subsidiaries hold 198,405 own shares in their portfolio.

4. Duration of authorisation

The authorisation to purchase own shares is requested for a period of 18 months from the date of the Shareholders' Meeting that voted to grant the authorisation.

Authorisation to dispose of any own shares purchased is requested without a time limit.

5. Minimum and maximum payments and market valuation

The Board of Directors proposes that own shares should be purchased at a unit price that is no less than their nominal value and no higher than the average price over the last three trading days prior to the purchase date plus 15%.

Concerning the price at which to sell own shares purchased, the Board of Directors shall have discretionary power to determine at the time any additional condition, procedure and deadline, while taking into consideration the procedures used, the share prices in the period prior to the transaction and the company's best interests. The minimum price may not be more than 10% lower than the price registered during the trading session prior to each disposal.

This minimum price shall not be applied in the case of disposal by means of exchange, transfer or any other means possible for acquiring shareholdings, implementing industrial projects and other extraordinary financial transactions that involve assigning or disposing of own shares (such as mergers, spin-offs, etc.). The Board of Directors also proposes that, based on a prudent appraisal, own shares may be assigned, in full or partially, as dividends.

6. Procedures for the purchase and sale of shares

Purchase transactions shall start and end within the time frame established by the Board of Directors following this authorisation.

Own shares shall be purchased in compliance with applicable law and regulatory provisions in force and, in particular, with Article 132 of the Consolidated Law on Finance and Article 144-bis, letters a) and b) of the Issuers' Regulations:

- a) through a public tender or exchange offer;
- b) on regulated markets in accordance with the operational procedures set out in the rules of the markets in question, which do not allow direct association of purchase proposals with pre-determined sales offers.

Amongst the various procedures allowed by the Issuers' Regulations, conducting purchases on regulated

markets is considered preferable for the purposes mentioned above, particularly with a view to stabilising the share price. This objective can be achieved more effectively through a simple, flexible mechanism such as direct purchase on the market in a timely and gradual manner according to need. Possible recourse to a public tender or exchange offer is therefore not ruled out.

Own shares may be purchased in a different manner from those set out above were allowed by Article 132, paragraph 3 of the Consolidated Law on Finance or other provisions applicable as of the date of the transaction.

In addition, share purchase transactions may also be carried out in the manner provided for by article 3 of Regulation (EC) No. 2273/2003, in order to benefit, where possible, from the exception to the provisions on market abuse, pursuant to article 183 of the Consolidated Law on Finance, concerning abuse of inside information and market rigging.

Shareholders and the market shall be given timely information pursuant to Article 144-bis, paragraphs 3 and 5 of the Issuers' Regulations.

Concerning sales transactions, the Board proposes that the authorisation should enable these to be conducted, on one or more occasions, without time limits, and in the manner deemed appropriate to achieve the objective in question, including selling on the stock market, lot trading, institutional placement, through the placement of structured securities of any kind and nature or as payment for the acquisition of shareholdings in companies and/or goods and/or assets.

It should be pointed out that the request for authorisation concerns the ability to carry out repeated and consecutive transactions to buy, sell or dispose of own shares in a revolving manner (meaning the maximum amount of own shares held in the portfolio at the time) also for fractions of the maximum amount authorised.

The Board proposes that the authorisation should provide an obligation for the Board of Directors to carry out transactions to buy and sell own shares while guaranteeing not to jeopardise the company's capacity to maintain the minimum amount of floating securities required for STAR qualification.

7. Other business

The purchase of own shares shall not be used to reduce share capital by cancelling the own shares purchased.

For the reasons set out above, the Board of Directors of Gefran S.p.A. asks you to adopt the following resolutions:

"The Gefran S.p.A. Shareholders' Meeting,

having acknowledged the Board of Directors' Report;

having regard to articles 2357 et seq. of the Italian Civil Code, article 132 of Legislative Decree no. 58 of 24 February 1998, article 144-bis of the regulation adopted by Consob resolution no. 11971 of 14 May 1999 as subsequently amended;

having taken into consideration the no. 198,405 own shares in the portfolio of Gefran S.p.A. and its subsidiaries as of 12 March 2024;

having considered the annual financial statements for the year ending 31 December 2023,

resolves:

- *to revoke, as far as it is not used, the previous authorisation to purchase and sell own shares, approved by the Shareholders' Meeting of 21 April 2023, lasting 18 months;*
- *to authorise the Board of Directors, pursuant to and for the purposes of articles 2357 et seq. of the Italian Civil Code, to purchase a maximum number of 1,440,000.00 ordinary shares or a different amount representing 10% of the share capital in the case of resolutions to increase and/or reduce the share capital during the authorisation period, also taking into account shares that may be held by the company's subsidiaries, and in any case in compliance with the limits laid down by law, in order to pursue the objectives set out in the Board of Directors' Report, and in accordance with the following terms and conditions:*
 - *transactions to buy own shares may be conducted on one or more occasions in a revolving manner (meaning the maximum amount of own shares held in the portfolio at the time), until the end of the eighteenth month starting from the date of this resolution;*
 - *the purchase may be made according to one of the methods provided for in article of Legislative Decree no. 58 of 24 February 1998, and article 144-bis, letters a) and b) of the Issuers' Regulations adopted by Consob Resolution no. 11971/1999 taking into account – where appropriate – the exemption provided for in paragraph 3 of the same article 132 of Legislative Decree no. 58/1998, and in any case using any other method provided for by the laws and regulatory provisions in force at the date of the purchase;*
 - *the unit price to purchase own shares may not be less than their nominal value and may not be higher than the average price over the last three trading days prior to the purchase date plus 15%;*
 - *transactions to buy and sell own shares shall be conducted by the Board of Directors in a manner so as not to jeopardise the company's capacity to maintain the minimum amount of floating securities required for STAR qualification;*
- *to authorise the Board of Directors, pursuant to and for the purposes of article 2357-ter of the Italian Civil Code, to sell, on one or more occasions, the own shares purchased from time to time and held in the portfolio, in accordance with the regulatory provisions and legal rules in force at the time and to pursue the objectives set out in the Board of Directors' Report to the shareholders, and under the following terms and conditions:*
 - *the shares may be disposed of or sold at any time and without any time limit, and may also be assigned, also partially, as dividends;*
 - *transactions may be conducted even before all purchases have been made, and may be conducted on one or more occasions in the manner deemed appropriate to achieve the objective in question, including selling on the stock market, lot trading, institutional placement, through the placement of structured securities of any kind and nature or as payment for the acquisition of shareholdings in companies and/or goods and/or assets;*
 - *the minimum price may not be more than 10% lower than the price registered during the trading session prior to each disposal. This price limit shall not be applied in the case of a disposal other than sale, and in particular, in the case where the disposal is by exchange, transfer or other means possible for acquiring shareholdings, implementing industrial projects or other extraordinary financial transactions that involve assigning or disposing of own shares;*
- *to grant the Board of Directors, with the express right to delegate, the broadest powers, without*

exception, necessary and useful for the execution of this resolution, also approving all provisions of the purchase plan, in accordance with any requirements set by the competent authorities; as well as the introduction in the wording of the resolutions passed of any amendments required by the aforementioned authorities, the Notary or the competent Companies' Register for registration."

Provaglio d'Iseo, 12 March 2024

For the Board of Directors
Chairwoman
Maria Chiara Franceschetti