



INFORMATION DOCUMENT RELATING TO A TRANSACTION OF GREATER IMPORTANCE WITH RELATED PARTIES

Prepared pursuant to Article 5 of the Regulation containing provisions on related party transactions (adopted by CONSOB with Resolution no. 17721 of 12 March 2010, as subsequently amended and supplemented)

This information document was made available to the public at the administrative offices of Tesmec S.p.A. in Grassobbio (BG), Via Zanica, n. 17/O, on the website of Tesmec S.p.A. www.tesmec.com, on the eMarket-Storage authorised storage device at www.emarketstorage.com, as well as at Borsa Italiana S.p.A. (Milan, Piazza degli Affari n. 6)

Milan, 20 March 2020

DEFINITIONS

A list of the main terms used in this Information Document is provided below.

| | |
|--|--|
| Borsa Italiana (Italian Stock Exchange) | Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari n. 6. |
| Committee | The Control, Risk and Sustainability Committee as Committee for Related Party Transactions of Tesmec composed by the independent directors Emanuela Basso Petrino, Simone Andrea Crolla, Guido Traversa. |
| Date of the Information Document | The date of publication of this Information Document. |
| Information Document | This information document relating to a transaction of greater importance with related parties. |
| Fi. Ind. | Fi. Ind. S.p.A., with registered office in Milan, Piazza S. Ambrogio 16. |
| Borrower | Tesmec |
| Lenders | TTC and MTS. |
| Tesmec Group or Group | The Issuer and the companies controlled by it pursuant to Article 2359 of the Italian Civil Code. |
| MTS | MTS – Officine Meccaniche di Precisione S.p.A., with registered office in Sirone (LC), Via Provinciale, n. 26/28. |
| Transaction or Shareholder Loan | The loan agreement taken out on 13 March 2020 under which the Lenders undertook to make available to Tesmec – directly or through parent companies, subsidiaries or associates – a total amount up to a maximum of Euro 7,000,000, to be disbursed in one or more tranches at the Issuer's request, expiring on 13 March 2023, at an interest rate equal to 200 (two hundred) basis points per year. |
| Parties | The Borrower and the Lenders, jointly. |
| Related parties | The subjects included in the definition of the Related Party Regulation and the Related Party Procedure. |
| RPT Procedure or Related Party | The Procedure for regulating related party transactions approved by the Issuer's Board of Directors. |

**Transaction
Procedure**

**CONSOB Issuer
Regulation**

The regulation adopted by CONSOB on issuers with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.

**RPT Regulation or
Related Party
Regulation**

The Regulation containing provisions on related party transactions adopted by CONSOB with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented.

**Tesmec or the
Company or the
Issuer or the
Borrower**

Tesmec S.p.A., with registered office in Milan, Piazza Sant'Ambrogio, n. 16 and secondary offices in Grassobbio (BG), Via Zanica, n. 17/O.

**Consolidated Law or
TUF**

Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance), as subsequently amended and supplemented.

TTC

TTC S.r.l., with registered office in Milan, Via Fara Gustavo n. 35.

INTRODUCTION

This Information Document was prepared by the Company pursuant to Article 5 of the RPT Regulation and in compliance with annexe 4 of the Regulation itself, as well as pursuant to Article 5 of the Related Party Transaction Procedure of the Company, in order to ensure the transparency and substantial and procedural correctness of the taking-out of a shareholder loan agreement between TTC and MTS, as Lenders, on the one hand, and Tesmec, as Borrower, on the other. The Shareholder Loan consists of a loan of maximum Euro 7 million, payable in one or more tranches at the Company's request, has a duration of 36 months and bears interest at an annual rate of 2%.

The Transaction qualifies as a related party transaction, as better specified in paragraph 2.2 below, in that TTC and MTS qualify as Tesmec's related parties pursuant to paragraph 1, letter (a) (i) of Annexe 1 of the RPT Regulation. In fact, (i) TTC exercises control over Tesmec, being the owner of a total shareholding equal to 44.609% of its share capital, of which 30.301% held directly and 14.308% held indirectly through Fi. Ind.; (ii) and MTS and Tesmec are controlled by TTC, since TTC also holds approximately 57.09% of the share capital of Fi. Ind., which in turn holds 95.27% of the share capital of MTS. The share capital of TTC is held as follows: (i) Ambrogio Caccia Dominioni, for an amount accounting for 28.62%; (ii) Ellida Pittaluga, for an amount accounting for 8.62%; (iii) Carlo Caccia Dominioni, for an amount accounting for 18.62%; (iv) Caterina Caccia Dominioni, for an amount accounting for 18.62%; (v) Lucia Caccia Dominioni, for an amount accounting for 18.62% and (vi) Unione Fiduciaria S.p.A. for an amount accounting for 6.90%. Moreover, it should be noted that (i) the Chairman and Chief Executive Officer of Tesmec Ambrogio Caccia Dominioni holds the office of non-executive director of MTS; and (ii) the Vice Chairman of Tesmec Gianluca Bolelli holds the office of director of TTC.

The Shareholder Loan is a transaction of greater importance with related parties in that the total amount of the equivalent value of the entire transaction, in application of the equivalent-value relevance ratio referred to in paragraph 1.1., letter a) of Annexe 3 to the RPT Regulation, is higher than the threshold of relevance currently applicable that is equal to Euro 2.249.710, corresponding to 5% of the shareholders' equity of the Tesmec Group resulting from the most recent consolidated balance sheet published by the Company which, as of today's date, is contained in the Interim Consolidated Report on Operations as at 30 September 2019.

With reference to the application of the Procedure, the Issuer, in that a "smaller company", avails itself of the possibility to apply to the transactions the procedure established for transactions with related parties of lesser importance, as envisaged by Article 10 of the Related Party Regulation.

The Transaction was subject to approval by the Board of Directors of Tesmec on 13 March 2020, after obtaining the reasoned approval of the Committee on 12 March 2020.

The Board of Directors of Tesmec believes that the Transaction is in the interest of the Group, that it does not prejudice the preservation of the company's assets and that all the necessary controls have been activated to guarantee the substantial and procedural correctness of the Transaction and of the related terms and conditions, due to the correlation between the contractors. This is because the Shareholder Loan was granted in order to provide Tesmec with the necessary means for its operating and investment requirements through a liquidity reserve to face the possible lack of funds that could be caused by the slowdown of production and commercial activities of the Group due to the health emergency resulting from the spread of the Covid-19 virus (known as Coronavirus).

This Information Document was sent to CONSOB and Borsa Italiana and filed at the company's registered office and administrative offices within the time limits required by law, in accordance with the procedures indicated in Part III, Title II, Chapter I, of the Issuer Regulation. A copy of the Information Document can also be found in the Investor Relations/Governance/Related Party Transactions section of Tesmec's website www.tesmec.com.

1 WARNINGS

The Transaction qualifies as a related party transaction, in accordance with the RPT Regulation and the RPT Procedure, in that TTC and MTS qualify as Tesmec's related parties pursuant to paragraph 1, letter (a) (i) of Annexe 1 of the RPT Regulation. In fact, (i) TTC exercises control over Tesmec, being the owner of a total shareholding equal to 44.609% of its share capital, of which 30.301% held directly and 14.308% held indirectly through Fi. Ind.; (ii) and MTS and Tesmec are controlled by TTC, since TTC also holds approximately 57.09% of the share capital of Fi. Ind., which in turn holds 95.27% of the share capital of MTS. The share capital of TTC is held as follows: (i) Ambrogio Caccia Dominioni, for an amount accounting for 28.62%; (ii) Ellida Pittaluga, for an amount accounting for 8.62%; (iii) Carlo Caccia Dominioni, for an amount accounting for 18.62%; (iv) Caterina Caccia Dominioni, for an amount accounting for 18.62%; (v) Lucia Caccia Dominioni, for an amount accounting for 18.62% and (vi) Unione Fiduciaria S.p.A. for an amount accounting for 6.90%. Moreover, it should be noted that (i) the Chairman and Chief Executive Officer of Tesmec Ambrogio Caccia Dominioni holds the office of non-executive director of MTS; and (ii) the Vice Chairman of Tesmec Gianluca Bolelli holds the office of director of TTC.

In this regard, note that on 13 March 2020, on the occasion of the adoption by the Board of Directors of the Company of the resolution concerning the Transaction, the Chairman and Chief Executive Officer Ambrogio Caccia Dominioni, pursuant to Article 2391 of the Italian Civil Code, abstained – also in consideration of the office of non-executive director held in MTS – while the directors Lucia Caccia Dominioni, Caterina Caccia Dominioni and Gianluca Bolelli declared their interest in carrying out the transactions.

In relation to the Transaction, at the date of the Information Document, there are no other situations of potential conflict of interest other than those typical of related party transactions, nor risks other than those typically concerning loan transactions.

The Committee, called upon to express its opinion pursuant to article 5 of the RPT Procedure, was involved in the transaction by means of adequate information flows and documentary support and, following the in-depth investigation of the Transaction, on 12 March 2020, approved the Company's interest in carrying it out and the convenience and substantial correctness of the related conditions, attached to this Information Document as Annexe 1.

2 INFORMATION RELATED TO THE TRANSACTION

2.1 Description of the characteristics, methods, terms and conditions of the Transaction

The subject matter of the Transaction is the taking-out of a shareholder loan agreement between TTC and MTS, as Lenders, on the one hand, and Tesmec, as Borrower, on the other. Pursuant to the Shareholder Loan, the Lenders undertook to make available to Tesmec – directly or through parent companies, subsidiaries or associates – a total amount up to a maximum of Euro 7,000,000, to be disbursed in one or more tranches at the Issuer's request, expiring on 13 March 2023, at an interest rate equal to 200 (two hundred) basis points per year, payable on 13 March of each year.

The Shareholder Loan was granted in order to provide Tesmec with the necessary means for its operating and investment requirements through a liquidity reserve that will allow the Group to face any lack of funds that may arise from the slowdown in production and commercial activities of the Group due to the health emergency resulting from the spread of the Covid-19 virus (known as Coronavirus).

The Shareholder Loan expires on 13 March 2023, with the option to renew it on expiry for an additional period of 36 months.

It is envisaged that Tesmec may repay the Shareholder Loan, in whole or in part, together with the interest accrued, at any time.

The Parties agreed that, if within the term of the Shareholder Loan, a share capital increase of the Company is completed and the Lenders agree to subscribe to it, they will have the right to offset the loan in terms of principal deriving from the Shareholder Loan with the corresponding amount due to Tesmec by them as a result of the subscription of the aforesaid share capital increase, it being understood that the interest accrued on the amounts received by Tesmec under the Shareholder Loan until the date of this offsetting will be settled in cash at the same time.

Pursuant to the Shareholder Loan, the occurrence of each of the following circumstances:

- (a) the failure of Tesmec to repay the Shareholder Loan within 15 working days from the repayment date (*i.e.* 13 March 2023), unless a request for renewal by the Borrower;
- (b) the non-fulfilment by Tesmec of any other obligation under the Shareholder Loan that continues for more than 15 working days after the communication of such violation by the Lenders;

will determine the obligation for Tesmec to repay in full the Shareholder Loan, together with the interest accrued. Should one of the above events occur, interest on the Shareholder Loan will be increased by an additional 100 basis points per year compared to the interest rate in force.

On the Date of the Information Document, the first tranche of the Shareholder Loan of Euro 2,000,000 was disbursed.

2.2 Indication of the related parties with which the Transaction was carried out, the type of correlation and the nature and extent of the interests of such parties in the Transaction

The Transaction qualifies as a related party transaction, in accordance with the RPT Regulation and the RPT Procedure, in that TTC and MTS qualify as Tesmec's related parties pursuant to paragraph 1, letter (a) (i) of Annexe 1 of the RPT Regulation. In fact, (i) TTC exercises control over Tesmec, being the owner of a total shareholding equal to 44.609% of its share capital, of which 30.301% held directly and 14.308% held indirectly through Fi. Ind.; (ii) and MTS and Tesmec are controlled by TTC, since TTC also holds approximately 57.09% of the share capital of Fi. Ind., which in turn holds 95.27% of the share capital of MTS. The share capital of TTC is held as follows: (i) Ambrogio Caccia Dominioni, for an amount accounting for 28.62%; (ii) Ellida Pittaluga, for an amount accounting for 8.62%; (iii) Carlo Caccia Dominioni, for an amount accounting for 18.62%; (iv) Caterina Caccia Dominioni, for an amount accounting for 18.62%; (v) Lucia Caccia Dominioni, for an amount accounting for 18.62% and (vi) Unione Fiduciaria S.p.A. for an amount accounting for 6.90%. Moreover, it should be noted that (i) the Chairman and Chief Executive Officer of Tesmec Ambrogio Caccia Dominioni holds the office of non-executive director of MTS; and (ii) the Vice Chairman of Tesmec Gianluca Bolelli holds the office of director of TTC.

In this regard, note that on 13 March 2020, on the occasion of the adoption by the Board of Directors of the Company of the resolution concerning the Transaction, the Chairman and Chief Executive Officer Ambrogio Caccia Dominioni, pursuant to Article 2391 of the Italian Civil Code, abstained – also in consideration of the quality of the office of non-executive director held in MTS – while the directors Lucia Caccia Dominioni, Caterina Caccia Dominioni and Gianluca Bolelli declared their interest in carrying out the transactions.

In relation to the Transaction, at the date of the Information Document, there are no other situations of potential conflict of interest other than those typical of related party transactions, nor risks other than those typically concerning loan transactions.

The Shareholder Loan is a transaction of greater importance with related parties in that the total amount of the equivalent value of the entire transaction, in application of the equivalent-value relevance ratio referred to in paragraph 1.1., letter a) of Annexe 3 to the RPT Regulation, is higher than the threshold of relevance currently applicable that is equal to Euro 2.249.710, corresponding to 5% of the shareholders' equity of the Tesmec Group resulting from the most recent consolidated balance sheet published by the Company which, as of today's date, is contained in the Interim Consolidated Report on Operations as at 30 September 2019.

2.3 Indication of the economic reasons and advantage for the Company of the Transaction

The Shareholder Loan was granted in order to provide Tesmec with the necessary means for its operating and investment requirements through a liquidity reserve that will allow the Group to face any lack of funds that may arise from the slowdown in production and commercial activities of the Group due to the health emergency resulting from the spread of the Covid-19 virus (known as Coronavirus).

2.4 Method of calculation of the consideration for the Transaction and evaluation of its fairness with respect to the market values of similar transactions

The Shareholder Loan envisages the payment of (i) interest at an annual rate equal to 200 basis points and (ii) in case of default by Tesmec, an additional 100 basis points per year with respect to the interest rate in force, payable on 13 March 2021, 2022 and 2023.

The interest rate was determined on the basis of market values and is lower than the average of the rates applied in the medium–long term transactions carried out by the Company.

2.5 Illustration of the economic and financial effects of the Transaction

With reference to the economic and financial effects of the Transaction, considering the expected annual interest rate of 2% and assuming full use of the Shareholder Loan, the Transaction involves financial expenses of a maximum of Euro 140,000 which were calculated by assuming the entire drawn of the loan on 13 March 2020 and the full repayment at the expiry of the 36 months.

As a result of the Transaction in question, the Company will record in the financial statements payables for shareholder loans in the amount of Euro 7 million if the Shareholders' Loan is fully used.

2.6 Impact on the remuneration of members of the Board of Directors of the Company and/or its subsidiaries as a result of the Transaction

Following the carrying–out of the Transaction, there are no changes to the fees to be paid to the members of the Board of Directors of the Company.

2.7 Any members of the board of directors and supervisory bodies, general managers and executives of the Company involved in the Transaction

The Transaction qualifies as a related party transaction, in accordance with the RPT Regulation and the RPT Procedure, in that TTC and MTS qualify as Tesmec's related parties pursuant to paragraph 1, letter (a) (i) of Annexe 1 of the RPT Regulation. In fact, (i) TTC exercises control over Tesmec, being the owner of a total shareholding equal to 44.609% of its share capital, of which 30.301% held directly and 14.308% held indirectly through Fi. Ind.; (ii) and MTS and Tesmec are controlled by TTC, since TTC also holds approximately 57.09% of the share capital of Fi. Ind., which in turn holds 95.27% of the share capital of MTS. The share capital of TTC is held as follows: (i) Ambrogio Caccia Dominioni, for an amount accounting for 28.62%; (ii) Ellida Pittaluga, for an amount accounting for 8.62%; (iii) Carlo Caccia Dominioni, for an amount accounting for 18.62%; (iv) Caterina Caccia Dominioni, for an amount accounting for 18.62%; (v) Lucia Caccia Dominioni, for an amount accounting for 18.62% and (vi) Unione Fiduciaria S.p.A. for an amount accounting for 6.90%. Moreover, it should be noted that (i) the Chairman and Chief Executive Officer of Tesmec Ambrogio Caccia Dominioni holds the office of non–executive

director of MTS; and (ii) the Vice Chairman of Tesmec Gianluca Bolelli holds the office of director of TTC.

In this regard, note that on 13 March 2020, on the occasion of the adoption by the Board of Directors of the Company of the resolution concerning the Transaction, the Chairman and Chief Executive Officer Ambrogio Caccia Dominioni, pursuant to Article 2391 of the Italian Civil Code, abstained – also in consideration of the quality of the office of non-executive director held in MTS – while the directors Lucia Caccia Dominioni, Caterina Caccia Dominioni and Gianluca Bolelli declared their interest in carrying out the transactions.

In relation to the Transaction, at the date of the Information Document, there are no other situations of potential conflict of interest other than those typical of related party transactions, nor risks other than those typically concerning loan transactions.

2.8 Indication of the bodies or directors who carried out or participated in the negotiations

The negotiations relating to the taking-out of the Shareholder Loan were carried out, on the one hand, by the Chairman of the Board of Directors of TTC, Daniele Bernardi, and the Chairman of MTS, Alfredo Gianetti, and, on the other, by the General Manager of Tesmec, Paolo Mosconi.

As is well known, Transactions of Greater Importance with Related Parties are approved by the Board of Directors after receiving a reasoned opinion from the Committee of Independent Directors of the Company.

In compliance with the provisions of the RPT Procedure, the Company provided the Committee with suitable and complete information flows as well as documentary support in order to evaluate the Transaction; in particular, the Committee obtained from the Company's management, in addition to the draft contracts exchanged between the parties, the clarifications requested promptly and timely.

The information flows concerned, among other things, the main terms and conditions of the Transaction, the deadline for repayment, as well as any risks for the Company itself.

Therefore, the Committee met on 12 March 2020 with reference to the Shareholder Loan in order to provide the Board of Directors with the reasoned opinion required under the RPT Regulation and the RPT Procedure on the Transaction concerning the interest of the Company to carry it out as well as on the convenience and substantial correctness of the relevant conditions.

* * * * *

Milan, 20 March 2020

The Chairman of the Board of Directors
Ambrogio Caccia Dominioni

ANNEXE 1

Opinion of the Committee for Related Party Transactions

For the attention of the Board of Directors of Tesmec S.p.A.

and, for information, for the attention of the Board of Statutory Auditors of Tesmec S.p.A.

OPINION PURSUANT TO ARTICLE 8, PARAGRAPH 1 OF CONSOB REGULATION NO. 17221/2010 ON RELATED PARTY TRANSACTIONS AND ARTICLE 5 OF THE RELATED PARTY TRANSACTION PROCEDURE OF THE TESMEC GROUP

Dear Sirs,

The Control, Risk and Sustainability Committee, as Committee for Related Party Transactions (hereinafter also referred to as the "**Committee**") of Tesmec S.p.A. (hereinafter also referred to as "**Tesmec**", the "**Company**", the "**Issuer**" or the "**Borrower**") prepared this opinion pursuant to Article 8, paragraph 1, of CONSOB Regulation no. 17221 of 12 March 2010 as amended and supplemented (hereinafter also referred to as the "**RPT Regulation**"), as well as Article 5 of the Related party transaction Procedure adopted by the Company (hereinafter also referred to as the "**RPT Procedure**"), in compliance with the provisions – at the level of primary law – of Article 2391–*bis* of the Italian Civil Code.

WHEREAS

- TTC S.r.l. ("**TTC**") and MTS – Officine Meccaniche di Precisione S.p.A. ("**MTS**" and, together with TTC, the "**Lenders**") qualify as related parties of Tesmec pursuant to par. 1, letter (a) (i) of Annex 1 of the RPT Regulation. In fact, (i) TTC exercises control over Tesmec, being the owner of a total shareholding equal to 44.609% of its share capital, of which 30.301% held directly and 14.308% held indirectly through Fi. Ind. S.p.A. ("**Fi. Ind.**"); (ii) and MTS and Tesmec are controlled by TTC, since TTC also holds approximately 57.09% of the share capital of Fi. Ind., which in turn holds 95.27% of the share capital of MTS. The share capital of TTC is held as follows: (i) Ambrogio Caccia Dominioni, for an amount accounting for 28.62%; (ii) Ellida Pittaluga, for an amount accounting for 8.62%; (iii) Carlo Caccia Dominioni, for an amount accounting for 18.62%; (iv) Caterina Caccia Dominioni, for an amount accounting for 18.62%; (v) Lucia Caccia Dominioni, for an amount accounting for 18.62% and (vi) Unione Fiduciaria S.p.A. for an amount accounting for 6.90%. Moreover, it should be noted that (i) the Chairman and Chief Executive Officer of Tesmec Ambrogio Caccia Dominioni holds the office of non-executive director of MTS; and (ii) the Vice Chairman of Tesmec Gianluca Bolelli holds the office of director of TTC;
- on 13 March 2020, the Issuer, after obtaining the approval of the Committee issued on 12 March 2020, took out a shareholder loan agreement with TTC and MTS under which the Lenders undertook to make available to Tesmec – directly or through parent companies, subsidiaries or associates – a total amount up to a maximum of Euro 7,000,000, to be disbursed in one or more tranches at the Issuer's request, expiring on 13 March 2023, at an interest rate equal to 200 (two hundred) basis points per year, payable on 13 March of each year (the "**Transaction**" or the "**Shareholder Loan**");

- The Shareholder Loan is a transaction of greater importance with related parties in that the total amount of the equivalent value of the entire transaction, in application of the equivalent-value relevance ratio referred to in paragraph 1.1., letter a) of Annexe 3 to the RPT Regulation, is higher than the threshold of relevance currently applicable that is equal to Euro 2.249.710, corresponding to 5% of the shareholders' equity of the Tesmec Group resulting from the most recent consolidated balance sheet published by the Company which, as of today's date, is contained in the Interim Consolidated Report on Operations as at 30 September 2019;
- With reference to the application of the Procedure, the Issuer, in that a "smaller company", avails itself of the possibility to apply to transactions the procedure established for transactions with related parties of lesser importance, as envisaged by Article 10 of the Related Party Regulation.

CONSIDERING THAT

- in application of the RPT Procedure and current regulations, the Committee and the Board of Directors were provided with complete and adequate information on the Transaction, allowing both of them to carry out an in-depth and documented examination – in the preliminary investigation and decision-taking phase – of the reasons for the Transaction, as well as of the convenience and substantial correctness of its conditions;

CONSIDERING

- the following characteristics of the Transaction:

| CONDITIONS OF THE SHAREHOLDER LOAN | |
|------------------------------------|--|
| AMOUNT | Euro 7,000,000 |
| REPAYMENT | No later than 13 March 2023, with the option to renew it on expiry for an additional period of 36 months. |
| INTEREST RATE | 200 <i>basis points</i> per year, payable on 13 March 2021, 2022 and 2023. |
| DISBURSEMENT CONDITIONS | The Shareholder Loan may be disbursed in one or more tranches, upon request of the Company. |
| OFFSETTING | If, within the term of the Shareholder Loan, a share capital increase of the Borrower is completed and the Lenders agree to subscribe to it, they will have the right to offset the loan in terms of principal deriving from the Shareholder Loan with the corresponding amount due to Tesmec by them as a result of the subscription of the aforesaid share capital increase, it being understood that the interest accrued on the amounts received until |

| CONDITIONS OF THE SHAREHOLDER LOAN | |
|------------------------------------|---|
| | the offsetting date will be settled in cash at the same time. |
| BREACH | <p>The occurrence of any of the following circumstances constitutes a Breach:</p> <p>(a) the failure of Tesmec to repay the Shareholder Loan within 15 working days from the repayment date (<i>i.e.</i> 13 March 2023), unless a request for renewal by the Borrower;</p> <p>(b) the non-fulfilment by Tesmec of any other obligation under the Shareholder Loan that continues for more than 15 working days after the communication of such violation by the Lenders;</p> <p>In such cases, the Company will have to repay the full amount of the Shareholder Loan, together with accrued interest, within 5 (five) working days of the Lenders' written request. In case of breach, interest on the expired Shareholder Loan will be increased by an additional 100 (one hundred) basis points per year compared to the interest rate in force.</p> |

- The Shareholder Loan was granted in order to provide Tesmec with the necessary means for its operating and investment requirements through a liquidity reserve that will allow the Group to face any lack of funds that may arise from the slowdown in production and commercial activities of the Group due to the health emergency resulting from the spread of the Covid-19 virus (known as Coronavirus).

All this being stated and considered, the Control, Risk and Sustainability Committee of Tesmec, as Committee for Related Party Transactions, in the meeting of 12 March 2020,

- Favourably assessed the interest of the Company in consideration of current operating and investment requirements;
- Favourably assessed the economic conditions in consideration of the applicable interest rate, equal to 200 basis points per year, lower than the average of the rates applied in the medium-long term loans stipulated by the Company;

CONSIDERED

- that the Company has an interest in carrying out the Transaction and in particular in taking out the Shareholder Loan, in that, the aim of the Shareholder Loan is to provide Tesmec with the necessary means for its operating and investment requirements through a liquidity reserve that will allow the Group to face any lack of funds that may arise from the slowdown in production

and commercial activities of the Group due to the health emergency resulting from the spread of the Covid-19 virus (known as Coronavirus);

and, therefore,

UNANIMOUSLY APPROVES

the interest of the Company in carrying out the Transaction relating to the conclusion of the Shareholder Loan and the convenience and substantial correctness of its conditions in the terms set out above.

Milan, 12 March 2020

**For the Control, Risk and Sustainability Committee as
Committee for Related Party Transactions**

The Chairman

Emanuela Teresa Basso Petrino