DIRECTORS' EXPLANATORY REPORT TO THE ORDINARY SHAREHOLDERS' MEETING OF 8 SEPTEMBER 2026

Amendment of Section I of the remuneration policy approved by the Ordinary Shareholders' Meeting on 28 April 2026: related and consequent resolutions.

Dear Shareholders,

the Board of Directors has convened you to resolve on the proposal to amend Section I of the "Report on the 2026 remuneration policy and 2025 compensation paid" approved by the Shareholders' Meeting on 28 April 2026 (the "**Remuneration Report**) in the terms described in the new Section I of the aforementioned Remuneration Report made available to the public, also highlighting the amendments made, in the manner and within the timeframes provided by applicable regulations.

In particular, the Board of Directors intends to submit for approval by the Shareholders' Meeting the proposed amendment that is the subject of this item on the agenda in order to take into account the introduction:

(i) of an inventive plan named "Stock Options Plan 2026-2031" - for the benefit of the Chief Executive Officer, the Chairman of the Board of Directors, the Executives with Strategic Responsibilities and other Avio managerial personnel - based on free-of-charge grant of stock options granting the right to subscribe for newly issued Avio ordinary shares;

(ii) of an incentive plan named "Performance Share Plan 2026-2028" - for the benefit of the Chief Executive Officer, the Executives with Strategic Responsibilities and other Avio managerial personnel - based on the free grant of Avio shares, replacing the cash-based 2026-2028 incentive plan, as provided for under the 2026 Remuneration Policy approved by the Shareholders' Meeting on 28 April 2026;

(iii) of an incentive plan named "Restricted Share Plan 2027-2029" - for the benefit of Avio managerial personnel other than the Chief Executive Officer, the Chairman of the Board of Directors and the Executives with Strategic Responsibilities - based on the free grant of Avio shares, and

(iv) of an additional incentive plan - serving as an investment instrument - named "Warrant Plan 2026-2031", for the benefit of the Chief Executive Officer, the Chairman of the Board of Directors and the Executives with Strategic Responsibilities - based on the allocation, for consideration, of warrants granting the right to subscribe for newly issued Avio ordinary shares.

Please note that Section II of the Remuneration Report - containing the information required by applicable regulations on the compensation of the members of the Board of Directors and the Board of Statutory Auditors, and, in aggregate form, of the key management personnel with reference to financial year 2025 - remains unchanged and will not be the subject of a resolution by the Shareholders' Meeting. The information regarding that section will therefore continue to be available within Section II of the Remuneration Report, to which reference is made for completeness.

The Remuneration Report as so updated, reviewed by the Nomination and Compensation Committee and approved by the Board of Directors of the Company on 29 July 2026, to which reference is made, has been made available to the public, within the timeframes and in the manner prescribed by law.

In light of the foregoing, we therefore submit for your approval the following resolution proposal:

"*The Ordinary Shareholders' Meeting of Avio S.p.A.,*

- *having examined the Explanatory Report of the Board of Directors on this item on the agenda;*
- *having reviewed the proposed amendments to Section I of the "Report on the 2026 remuneration policy and 2025 compensation paid" approved by the same Shareholders' Meeting of 28 April 2026;*
- *taking into account the provisions on remuneration policy set forth in art. 123-ter of Legislative Decree no. 58 of 24 February 1998 and art. 84-quater of Consob Regulation no. 11971/1999,*

RESOLVES

1. *to approve the amendment of Section I of the "Report on the 2026 remuneration policy and 2025 compensation paid" approved by the same Shareholders' Meeting of 28 April 2026, in the terms described in the Explanatory Report of the Board of Directors relating to this item on the agenda and in the related documentation made available to the public in the manner and within the timeframes provided by applicable regulations;*
2. *to grant the Board of Directors, with the power to sub-delegate, all powers necessary for the effective implementation of the resolutions adopted pursuant to the preceding item.*"

Rome, July 31, 2026

On behalf of the Board of Directors

The Chairman