

DANIELI & C. OFFICINE MECCANICHE S.p.A.

Headquarters: Buttrio (UD), via Nazionale 41

Fully-Paid Share Capital of Euro 81,304,566

Tax and Registration Number with the Register of Companies of Udine: 00167460302.

**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF
OCTOBER 28, 2020
SINGLE CONVOCAZIONE**

**EXPLANATORY REPORT ON ITEM 4 ON THE AGENDA FOR THE ORDINARY
SESSION OF THE MEETING
PROPOSAL TO AUTHORIZE THE PURCHASE AND DISPOSITION OF OWN
SHARES**

Ref. art. 73 of Regulation Implementing Legislative Decree 58 of 24.2.1998.

Dear Shareholders,

the request to authorize the purchase and disposition of own shares is primarily due to the need to provide the company with a so-called “securities warehouse” for potential extraordinary transactions; the shares that are purchased, such as those in the portfolio for the year ended 30.6.2020, are to be considered financial assets for the company. Moreover, it should be noted that the authorization to dispose of own shares is required for the shares acquired with each shareholders’ authorizations to purchase, as well as for the own shares which the Company could possibly purchase by virtue of the savings shareholders’ right to withdraw following the

approval of the proposed compulsory conversion of savings shares (cf. also item 9 on the agenda).

It should be noted that as of today the Company holds n. 2,961,213 ordinary shares and n. 3,945,363 savings shares in the portfolio and that, at the moment, no subsidiary company holds shares in the parent company.

Limits on maximum number, category and par value of shares referred to in the request are provided for in art. 2357 of the Italian Civil Code and, specifically:

- a) The maximum number of purchased Danieli shares shall not exceed one fifth of the capital share at face value, including the shares in the portfolio and the shares held by subsidiary companies.
- b) the purchase of own shares shall be made within the limits of the distributable profits and available reserves resulting from the last Financial Statements;
- c) the minimum and maximum purchase prices will be fixed at a unit price of between +20% and -20% of the official stock exchange price on the day preceding the one on which the transaction takes place;
- d) the shares purchased according to the above procedures and the shares currently in the portfolio (as well as the own shares purchased as a result of the exercise of the withdrawal right of the savings shareholders following the approval of the proposed compulsory conversion of saving shares - cf. also item 9 on the agenda) can be subject to acts of disposition at a price - or a valorization - that is not lower than the stock exchange value and/or official price at the time

of the transaction.

- e) the authorization to purchase and dispose of own shares will be valid until the shareholders' meeting to approve the financial statements at 30.06.2021; in the event that the said financial statements are not approved within 18 months from the date of the shareholders' meeting to approve the financial statements at 30.06.2020, the authorization will be valid up to 18 months from the date of the shareholders' meeting to approve the financial statements on 30.06.2020.

Except in exceptionally particular situations regarding, for instance, extraordinary transactions, purchases and dispositions will be negotiated on markets regulated according to art. 144-bis, item 1, lett. b), of Consob's Regulation on Issuers, following a resolution of the Board of Directors and within the limits of the applicable pro-tempore regulation.

Purchases and sales shall be made according to equal treatment of shareholders pursuant to art. 132 of Legislative Decree no. 58 of February 24, 1998.

The purchase transaction will not be instrumental in reducing the share capital by cancelling purchased own shares.

The Board of Directors therefore proposes the following draft resolution:

“The shareholders of Danieli & C. Officine Meccaniche S.p.A.,

resolve

- to authorize the Board of Directors to purchase and dispose of, in

one or more operations, the Company's shares, according to the procedures set forth above

- (i) the maximum number of Danieli shares acquired must not exceed, at nominal value, the fifth part of the share capital, also taking into account portfolio shares and shares held by subsidiaries;
- (ii) the purchase of treasury shares must be made within the limits of distributable profits and available reserves resulting from the last Financial Statements;
- (iii) the minimum and maximum consideration of purchase will correspond to a unit price comprised between +20% and -20% regarding the official price of exchange of the day precedence to that in which the operation will be carried out;
- (iv) the shares purchased as described above and the shares currently held (as well as any treasury shares acquired as a result of the exercise of the right of withdrawal originated by savings shareholders from the approval of the proposal for mandatory conversion of savings shares - cf. also point nine on the agenda) may be the subject of acts of provision for a corresponding- or a valuation - not less than the official value and/ or price of the stock exchange at the time of the transaction.
- (v) the authorization to purchase and dispose of own shares will be valid until the shareholders' meeting to approve the financial statements at 30.6.2021; in the event that the said financial statements are not approved within 18 months from the date of the shareholders' meeting to approve the financial statements at 30.6.2020, the

authorization will be valid up to 18 months from the date of the shareholders' meeting to approve the financial statements on 30.6.2020;

(vi) except in special situations, for example in relation to the completion of extraordinary transactions, purchases and disposition acts will be carried out on regulated markets in the manner provided for by art. 144-bis, point 1, lett. b), of the Consob Issuers Regulation, after resolution of the Board of Directors and to the extent permitted by the current pro-tempore regulations.

This is an English courtesy translation of the original documentation prepared in Italian language. Please consider that only the original version in Italian language has legal value.”

September 24, 2020

On behalf of the Board of Directors: The Chairman (signed)