



**REMUNERATION POLICY AND REPORT**

**Prepared pursuant to Article 123-ter of Legislative Decree No. 58/1998  
and Article 84-quater of Consob Regulation No. 11971/1999**

**SECO S.p.A.**

[www.seco.com/it](http://www.seco.com/it)

**Approved by the Board of Directors on March 21, 2023**

## INTRODUCTION

This Remuneration Policy and Report (the “**Remuneration Report**” or the “**Report**”) has been prepared pursuant to Article 123-*ter* of Legislative Decree No. 58 of February 24 1998 (the “**CFA**”), as most recently amended by Legislative Decree No. 49 of May 10, 2019 (“**Legislative Decree No. 49/2019**”) - implementing Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017 (so-called Shareholders' Right Directive II), amending Directive 2007/36/EU on the exercise of certain rights of shareholders in listed companies with regard to the encouragement of long-term commitment of shareholders (hereinafter, the consolidated text of Directive 2007/36/EU, the “**Directive**” or “**SHRD**”) - and Article 84-*quater* of the Consob Regulation adopted by Resolution No. 11971 of May 14, 1999 (“**Issuers' Regulation**”) and has been prepared in accordance with Annex 3A, Schedule 7-*bis* and Schedule 7-*ter* of the Issuers' Regulation, as last amended. The Remuneration Report is organized into the following sections:

- Section I, in compliance with Articles 123-*ter* of the CFA and 9-*bis* of the Directive, illustrates the policy of SECO S.p.A. (“**SECO**”, the “**Company**” or also the “**Issuer**”) approved by the Board of Directors on March 21, 2023, on the proposal of the Appointments and Remuneration Committee regarding the remuneration of the members of the Board of Directors and Other Senior Executives (as defined below) and, subject to the provisions of Article 2402 of the Civil Code, of the members of the Board of Statutory Auditors of the Company (the “**Remuneration Policy**” or the “**Policy**”), as well as the procedures used for the adoption, review and implementation of said Policy, including the measures aimed at avoiding or managing any conflicts of interest;
- Section II, by individual for the remuneration attributed to Directors and Statutory Auditors and in aggregate form for the remuneration attributed to Other Senior Executives of SECO<sup>1</sup>:
  - provides an adequate, clear and understandable representation of each of the items comprising remuneration, including treatment provided in the event of termination of office or termination of employment, highlighting their compliance with the relevant Remuneration Policy and the ways in which remuneration contributes to the long-term results of the Company;
  - describes analytically the compensation paid by the Company, its subsidiaries or associated companies for any reason and in any form during the year, indicating any components of the aforementioned compensation that refer to work carried out in financial years prior to the year of reference. It also highlights the compensation to be paid in one or more subsequent years for work carried out in the year of reference, indicating where necessary

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<sup>1</sup> We underline that, in compliance with Annex 3A, Schedule 7-*bis* of the Issuers' Regulation, SECO, since it qualifies as a “small” company pursuant to Article 3, paragraph 1, letter f) of the Related Parties Regulation (as defined below) provides: (i) information on the remuneration received by the other Senior Executives (other than the General Manager, if any), in aggregate form; and (ii) any information on the agreements providing for indemnities in case of early termination of the relationship only with reference to the Executive Directors and the Chairperson of the Board of Directors.

an estimated value for components that cannot be objectively quantified in the year of reference.

Moreover, Section II indicates - according to the criteria set out in Annex 3A, Schedule 7-ter of the Issuers' Regulation - the equity investments held in the Issuer and its subsidiaries by the members of the management and control boards and by Other Senior Executives, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or nominees, pursuant to Article 84-quater of the Issuers' Regulation.

## SECTION I - REMUNERATION POLICY

The Remuneration Policy adopted by the Company and illustrated in this Section of the Report defines the principles and guidelines to which SECO adheres when determining the remuneration practices for Directors, Other Senior Executives (as defined below) and subject to the provisions of Article 2402 of the Civil Code, members of the Board of Statutory Auditors, as well as monitoring its application.

The Remuneration Policy was approved by the Board of Directors of the Company on March 21, 2023, on the proposal of the Appointments and Remuneration Committee (the "**Committee**"). In this regard, it should be noted that the Company's ordinary shares were admitted to trading on Euronext STAR Milan as of May 5, 2021 ("**Trading Commencement Date**"). The Company's Remuneration Policy, described in this section of the Remuneration Report, is prepared by SECO in compliance with the regulations applicable to companies with financial instruments listed on a regulated market and with the involvement of the Committee.

The Remuneration Policy has also been drafted in light of the recommendations set out in the Corporate Governance Code promoted by the Corporate Governance Committee, 2020 edition and in force at the Reporting Date, (the "**Corporate Governance Code**" or "**CG Code**") and also takes into account the provisions of Article 2.2.3 of the Regulations of the markets organized and managed by Borsa Italiana S.p.A. (the "**Stock Exchange Regulation**") and the related Instructions for issuers with STAR qualification.

As provided for in Consob Regulation No. 17221 of March 12, 2010 regarding related party transactions as subsequently amended (the "**Related Parties Regulation**"), as implemented in the internal procedure adopted by the Company (the "**RPT Procedure**"), available on the website [www.seco.com/en](http://www.seco.com/en) in the Corporate Governance/Documents and Procedures/Procedures section, the Company is exempt from applying the RPT Procedure in the motions of the Board of Directors regarding the remuneration of Directors and Other Senior Executives when:

- i. the Company has adopted a Remuneration Policy that has been approved by the Shareholders' Meeting;
- ii. in the drawing up of the Remuneration Policy a committee exclusively made up of Non-Executive Directors, the majority of whom independent, was involved;
- iii. the remuneration awarded is set in accordance with this Policy and quantified according to criteria that do not involve discretionary assessments.

Pursuant to Article 13, paragraph 1, of the Related Parties Regulation, the RPT Procedure does not apply to Shareholders' Meeting motions pursuant to Article 2389, paragraph 1, of the Civil Code concerning the remuneration of the Board of Directors of the Executive Committee, nor to motions concerning the remuneration of Directors holding specific offices, within the overall amounts previously determined by the Shareholders' Meeting in accordance with Article 2389, paragraph 3, second paragraph, of the Civil Code.

“Other Senior Executives” are those with the authority and responsibility, directly or indirectly, for planning, directing and controlling the Company’s activities, pursuant to Article 65, paragraph 1-*quater*, of the Issuers’ Regulation, which refers to the Annex of the Related Parties Regulation. It should be noted that these individuals correspond to top management within the meaning of the Corporate Governance Code.

At the Reporting Date (i) within the Issuer's corporate organizational chart, there are 4 Other Senior Executives (in addition to Directors and Statutory Auditors); (ii) the Company did not appoint General Managers.

**a) Boards or parties involved in the preparation, approval and revision of the Remuneration Policy and their respective roles, and the Boards or Parties responsible for the correct implementation of the policy**

The principal parties and boards involved in the preparation, approval and revision of the Remuneration Policy are the Board of Directors, the Committee, the Shareholders' Meeting and the Board of Statutory Auditors.

**Board of Directors**

The Board of Directors:

- sets up an internal committee with responsibility for remuneration;
- determines - in line with the Remuneration Policy - the remuneration of Directors holding specific offices, subject to the opinion of the Board of Statutory Auditors and upon proposal of the Appointments and Remuneration Committee, and where applicable within the overall remuneration set by the Shareholders' Meeting pursuant to Article 2389, paragraph 3 of the Civil Code and Article 22.1 of the By-Laws;
- defines, with the assistance of the Committee, the Remuneration Policy, as well as any revision;
- prepares the Remuneration Report pursuant to Article 123-ter of the CFA and Article 84-quater of the Issuers' Regulation and submits it to the approval of the Shareholders' Meeting pursuant to Article 123-ter, paragraph 3-bis of the CFA and oversees its implementation;
- prepares any share-based remuneration plans or other financial instruments for Directors, employees and consultants, including Other Senior Executives, submitting such for the approval of the Shareholders' Meeting in accordance with Article 114-bis of the CFA and oversees its implementation.

**Committee**

The Committee, established within the Board of Directors in accordance with the provisions of the Corporate Governance Code and the Stock Exchange Regulation, is composed of Non-Executive Directors, the majority of whom are independent, with the Chairperson chosen from among the Independent Directors.

With regard to remuneration the Committee:

- (i) assists the Board of Directors in developing the Policy;
- (ii) present proposals or express opinions to the Board of Directors on the remuneration of the Executive Directors<sup>2</sup> and Directors who hold specific offices in addition to

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<sup>2</sup> It should be noted that pursuant to the CG Code, "Executive Directors" means: "(a) the Chairperson of the company or of a subsidiary with strategic importance, when he/she is delegated powers in the management or in the elaboration of corporate strategies;

establishing the performance targets related to the variable component of this remuneration;

- (iii) monitor the concrete application of the remuneration policy, verifying, in particular, the effective achievement of the performance objectives;
- (iv) periodically evaluates the adequacy and the overall application of the Policy for the remuneration of Directors and other Senior Executives, utilizing for this latter the information provided by the Chief Executive Officers; draws up for the Board of Directors related proposals;
- (v) carries out additional duties assigned by the Board of Directors.

In performing its functions, the Appointments and Remuneration Committee has access to the company functions necessary for the undertaking of their duties, and may draw on financial resources and utilize external consultants, according to the terms established by the Board of Directors.

The Chairperson of the Committee reports to the Board of Directors with regard to the activities of the Committee.

### **Shareholders' Meeting**

With regards to remuneration, the Shareholders' Meeting:

- establishes the remuneration of the members of the Board of Directors and the Board of Statutory Auditors in accordance with Article 2364, paragraph 1, No. 3) of the Civil Code, also in accordance with Article 2389, paragraph 3 of the Civil Code and Article 22 of the By-Laws;
- casts: (i) a binding vote on Section I of the Remuneration Report prepared by the Board of Directors, with the frequency required by the duration of the Remuneration Policy (i.e. on an annual basis) and, in any case, on the occasion of amendments to the Policy<sup>3</sup>; and (ii) a non-binding vote on Section II of the Report, on an annual basis;
- establishes any share-based remuneration plans or other financial instruments for Directors, employees or collaborators, including Other Senior Executives, in accordance with Article 114-*bis* of the CFA.

Temporary deviation from the Remuneration Policy approved by the Shareholders' Meeting is permitted only in exceptional circumstances, i.e., when the deviation from the Policy is necessary in

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*(b) the Directors conferred management powers and/or hold managerial positions in the company or in a subsidiary with strategic importance, or in the parent company when the position also concerns the company; (c) the Directors who are members of the Executive Committee of the company and, in companies adopting the "two-tier" model, the Directors who are members of the board to which management powers are attributed (for Italian companies adopting the two-tier model, the members of the management board).*

<sup>3</sup> A vote of the Shareholders' Meeting is required on changes to the Remuneration Policy that are not merely formal or editorial clarifications.

order to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to remain in the market. On this point, please refer to paragraph q) below.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will be required to pay remuneration in accordance with the most recent Remuneration Policy approved by the Shareholders' Meeting or, failing that, in accordance with current practices. At the next Shareholders' Meeting to approve the Annual Accounts, the Company must submit a new Remuneration Policy to a vote of the Shareholders' Meeting.

### **Board of Statutory Auditors**

The Board of Statutory Auditors expresses an opinion upon the remuneration proposals of the Directors holding specific offices, in accordance with Article 2389, paragraph 3 of the Civil Code, verifying the consistency of such with the Remuneration Policy adopted by the Company.

**b) Involvement of a remuneration committee or other committee competent in the matter, describing its composition (with the distinction between Non-Executive and Independent Directors), its powers and operating procedures, and any additional measures aimed at avoiding or managing conflicts of interest**

In light of the requirements of Article 2.2.3, paragraph 3, letters n) and o), of the Stock Exchange Regulation, applicable to issuers with STAR qualification, and in accordance with the CG Code, the Company has established a remuneration committee within its Board of Directors. On March 10, 2021, the Board of Directors of the Issuer appointed - with effect from the Trading Commencement Date - as members of the Committee:

- Diva Tommei: Independent Director, acting as Chairperson;
- Elisa Crotti: Independent Director;
- Claudio Catania: Non-Executive Director.

At the time of their appointment, the Board of Directors ascertained that the Directors Elisa Crotti and Claudio Catania had adequate knowledge and experience in financial matters and remuneration policies, in compliance with Recommendation 26 of the CG Code.

The Committee has advisory and proposing functions with reference to the Remuneration Policy as specified in paragraph a) above.

The meetings of the Committee are held as a collegial body and are coordinated by the Chairperson and are duly recorded in minutes. The Committee meets validly with the presence of the majority of its members and motions are taken by a majority of those present.

Appointments and Remuneration Committee meetings were sometimes attended by the Director of Human Resources at the invitation of the Committee Chairperson, after informing the Chief Executive Officer.



In order to avoid or manage potential conflicts of interest, and in accordance with Recommendation 26 of the CG Code, no Director shall attend Committee meetings at which proposals are made to the Board of Directors regarding his or her own compensation, unless such proposals involve the generality of the members of the Board of Directors.

The Committee has the right to access the information and corporate functions necessary to perform its duties and may draw on financial resources and avail of external consultants, within the terms established by the Board of Directors.

In performing its functions, the Committee has access to the company functions necessary for the undertaking of their duties, and may draw on financial resources and utilize external consultants, according to the terms established by the Board of Directors.

For further details on the composition and functioning of the Committee, reference should be made to the "*Corporate Governance and Ownership Structure Report*" prepared by the Company pursuant to Article 123-bis of the CFA and published on the website [www.seco.com/en](http://www.seco.com/en), in the *Investor Relations/Corporate Governance* section.

**c) How the Company has taken into account the compensation and working conditions of its employees in determining its remuneration policy**

The Remuneration Policy is determined by considering the compensation and working conditions of its employees. In particular, the Policy is composed of tools and logic, applied to a large part of the Company's population, aimed at attracting, motivating and retaining people with the professional qualities necessary to contribute to the definition of the Company's growth strategy and to the strengthening of SECO's long-term interests and sustainability.

In particular, the Policy is defined on the basis of specific criteria, including the characteristics of the role and responsibilities assigned, as well as the distinctive skills of the persons, always with a view to maximum objectivity, in order to avoid any form of discrimination. In fact, the Policy is based on the principles of fairness, equal opportunities, meritocracy and competitiveness with respect to the reference market.

**d) Independent experts involved in the preparation of the Remuneration Policy**

In preparing the Remuneration Policy, the Company has not used the support of independent experts.

**e) Purpose of the Remuneration Policy, its underlying principles, its duration, and, in the event of a review, a description of the changes from the Remuneration Policy last submitted to the Shareholders' Meeting and how such review takes into account the votes and evaluations cast by shareholders at that Meeting or thereafter**

The Company's Remuneration Policy - and, in particular, the policy on the variable remuneration component - contributes to the Company's strategy and to the pursuit of not only short-term ("STI") but also medium-/long-term ("LTI") interests and the sustainability of the Company; it pursues the

aim of attracting and retaining people with the professional qualities needed to manage and operate successfully within the Company.

The Policy is functional to the pursuit of the sustainable success of the Company and takes into account the need to employ, retain and motivate people with the competence and professionalism required by their role in the Company. Within this framework, the Policy is drawn up so as to ensure an overall remuneration structure which recognizes the managerial value of the beneficiaries and their contribution to the growth of the business in terms of their respective competences and functions.

A significant part of the remuneration of Executive Directors and Other Senior Executive is linked - also in the form of cash incentive plans and/or based on financial instruments - to the economic results of the Issuer and/or to the achievement of specific targets set not exclusively in the short term, and/or to the role played in the results of the Company and the Group, the strategic importance of the position, the potential of the resource and any other useful element, within the limits set out by the laws and regulations in force from time to time.

Moreover, clear and pre-determined rules are provided for the payment of any indemnities for the termination of the mandate with the Executive Directors, which define the maximum limit of the total amount that can be paid, linking it to the fixed remuneration received by the Executive Directors.

The Remuneration Policy shall be in effect for one year.

We note that the Remuneration Policy, while substantially a continuation of the one approved by the Shareholders' Meeting of SECO on April 27, 2022, contains some changes. These are in the pursuit of the sustainable success of the Company and the Group and strengthen the link between the variable remuneration of Executive Directors and the sustainability strategy of the Company and the Group. Specifically, changes were made regarding the increase in the short-term variable component of remuneration paid to Executive Directors. For more details, please refer to letter f), paragraph 2 of the Report below.

At the aforementioned Shareholders' Meeting, the Remuneration Policy was approved by the shareholders with 83.897% of the exercisable voting rights; no assessments or comments on its contents were offered.

- f) Description of the policies concerning fixed and variable remuneration components, with specific regard to the identification of the relative proportion to the total salary and the distinction between the short and medium/long-term variable components**

#### **REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

Pursuant to Article 22.1 of the By-Laws, the Directors are entitled to the reimbursement of the expenses incurred in the exercise of their functions and the remuneration determined by the Shareholders' Meeting, subject to that provided for in Article 22.2 of the By-Laws (described below). The Ordinary Shareholders' Meeting may also grant Directors a termination indemnity, also in the

form of an insurance policy. The remuneration of Directors holding specific offices is determined by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors.

Article 22.2 of the By-Laws provides that, pursuant to Article 2389, paragraph 3 of the Civil Code, the Shareholders' Meeting may determine an overall amount for the remuneration of all Directors, including those holding specific offices, to be allocated by the Board of Directors.

The Board of Directors is also responsible for setting the remuneration of Other Senior Executives.

The Company deems it appropriate to distinguish the remuneration structure according to the role held within the Board and the executive powers and responsibilities granted to the persons concerned and, consequently, to define independently the criteria for determining the remuneration of: (i) Non-Executive Directors and Independent Directors; and (ii) Executive Directors.

### **1) Non-Executive Directors and Independent Directors**

"Non-Executive Directors" are those Directors who do not hold individual management powers and do not hold managerial positions.

"Independent Directors" are those Directors who meet the independence requirements set out in Article 148, paragraph 3 of the CFA and Article 2 of the Corporate Governance Code.

The Non-Executive Directors and the Independent Directors are recognized a remuneration established by the Shareholders' Meeting in accordance with Article 2389 of the Civil Code.

As illustrated above, pursuant to Article 22.1 of the By-Laws, the Directors are entitled to be reimbursed for the expenses incurred in the performance of their duties. If the Shareholders' Meeting has not done so, the Board of Directors shall allocate the total remuneration established by the Shareholders' Meeting.

The remuneration of Non-Executive Directors and Independent Directors is appropriate to the competence, professionalism and commitment required by the tasks assigned to them within the Board and Board Committees.

Non-Executive Directors and Independent Directors do not receive variable remuneration and are not beneficiaries of remuneration plans based on financial instruments.

Non-Executive Directors and Independent Directors may receive an additional fixed annual remuneration as members of committees set up within the Board of Directors, with an additional amount if the Director holds the position of Chairperson of the Committee.

See paragraph o) below for information regarding the remuneration of Directors who serve on internal Board Committees.

### **2) Executive Directors**

The remuneration of the Executive Directors is appropriately balanced in relation to the strategic targets and in order to ensure consistency between the short-term development targets and the

sustainability of the creation of value for shareholders in the medium/long term as established by the Board of Directors, upon proposal of the Committee.

Specifically, the remuneration structure for Executive Directors consists of a fixed component and a variable component described below.

The aforementioned remuneration (fixed and variable) is determined also on the basis of what is practiced in the market by companies comparable to the Company in terms of size, profitability and growth rates and take into account the value generated in terms of improvement of equity and profitability and/or increase in the Company's capitalization.

In the event that the Company carries out transactions that are particularly exceptional due to (i) their strategic importance; and/or (ii) their effects on the results of the Company and/or the Group; and/or (iii) significant changes in the scope of the Company's activity, such as the acquisition of a significant business, the Board of Directors - upon proposal of the Committee - has the power to award, on a discretionary basis, specific bonuses and/or increases in fixed remuneration (within the limits of the total amount for remuneration set by the Shareholders' Meeting) to Executive Directors and to Directors holding special offices, strictly related to their specific contribution to such transactions, subject to compliance with the controls on related party transactions set out in the RPT Procedure (if applicable).

- Fixed remuneration component

The fixed component is commensurate with the responsibilities, skills and professional specialization associated with the position/function held by the person concerned.

This component, which is not linked to the achievement of performance targets, is determined in an amount sufficient to remunerate the performance of the persons concerned in the event that the variable components are not paid due to the failure to achieve the targets indicated by the Board to which these variable remuneration components are subordinate and based.

- Short- and medium-/long-term variable component

The short-term variable component of Executive Directors is recognized on the basis of a monetary incentive plan which, in order to establish a link between the change in corporate results and the change in remuneration and thus provide an incentive to achieve pre-established and shared corporate performance targets, envisages that the monetary bonus varies according to the level of achievement of a number of different performance targets (KPIs), also at consolidated Group level, to which the bonus is linked (see below).

The medium-/long-term variable component may consist of cash and/or equity-based incentive plans in line with the best comparable market practices, which may also provide for vesting periods.

The performance targets (KPIs) are annual and/or multi-year (as applicable).

The annual targets are chiefly (and therefore at least more than 50%) quantitative in nature, and constitute profitability and economic-financial parameters (which may include, by way of example,

(i) value of net sales, (ii) Adjusted EBITDA, (iii) turnover generated by IoT software, (iv) free cash flow), taking into account the reference budget approved by the Board of Directors. However, we note that the short-term target structure includes a minimum EBITDA target of Euro 47,000,000, below which no bonus linked to quantitative results will be paid. The remainder consists of non-quantitative parameters (among which, by way of example, (i) enhancement of the number and quality of new products, in comparison with the previous year, (ii) introduction of incentive programs to reduce emissions, (iii) installation of at least 10 electric charging stations at the Company's headquarters in Arezzo (as opposed to the two existing ones), (iv) adoption of a Diversity and Inclusion policy to raise staff awareness of related issues, (v) organization of interviews between the first and second lines of managers, the Chairperson and the HR manager, (vi) organization of meetings and interviews with the Company's stakeholders and the members of the Board of Directors, (vii) evaluation of the results of M&A activity through an opinion of the members of the Board of Directors and the Risk Committee).

The multi-year targets are linked to the Company's long-term performance in terms of enhancing the value of the Company and achieving the targets of the business plan).

The performance targets are set by the Board of Directors, upon proposal of the Committee, taking into account the budget approved by the Company and may be modified during the financial year considered from time to time, in the event that operating conditions change during this period.

The short-term variable component may not exceed 55% of the Executive Directors' total compensation, except in the case of overperformance where the short-term variable component may not exceed 65% of total compensation. Specifically, the variable component may be up to 118% of the fixed remuneration should the aforementioned performance targets be achieved, and up to 167% of the fixed remuneration in case of over-performance of these targets.

The medium-/long-term monetary variable component may not exceed 50% of the cumulative total compensation of the Executive Directors for the multi-year reporting period.

With reference to short-term variable remuneration, the Policy provides that, in the event of failure to achieve the company targets, a lower variable remuneration or no variable remuneration at all is paid (“underperformance”), while in the event of exceeding the company targets, a higher variable remuneration (“overperformance”) is paid up to a pre-established maximum amount.

Again with regard to short-term variable remuneration, the Policy envisages that the *ex post* verification and measurement of the level of achievement of the KPIs (as indicated above) is carried out on an annual basis by the Board of Directors, upon proposal of the Committee on the basis of the consolidated financial statements of the reference Company and approved by the Board of Directors, as well as on the basis of the other parameters, including the KPIs; upon completion each beneficiary will be paid the monetary bonus due (if the conditions and terms indicated above are met). Short-term variable remuneration is disbursed within 30 days of verification of eligibility, up to 100% of the amount established. In addition, we note that the portion of variable compensation

exceeding 100%, due in the event of overperformance, will be paid at the end of the following three years.

With reference to medium-/long-term variable remuneration, where consisting of monetary incentive plans, the Policy envisages that the verification and measurement of the level of achievement (as indicated above) is carried out on a three-year basis by the Board of Directors, upon proposal of the Committee on the basis of the consolidated financial statements of the reference Company and approved by the Board of Directors, as well as on the basis of the other parameters, including the KPIs; upon completion each beneficiary will be paid the monetary bonus due (if the conditions and terms indicated above are met). Medium-/long-term variable compensation is paid within 30 days.

The Remuneration Policy provides that the recognition of the variable remuneration component is subject to the retention of the role and functions conferred on the plan beneficiaries and to assumptions of quantification in the event of termination due to good leavers, bad leavers and leavers (in line with market practice).

The medium-/long-term variable component of Executive Directors may also be recognized through participation in incentive plans based on financial instruments, such as, by way of example, special category shares such as Management Performance Shares (governed by the By-Laws) having the following main characteristics: (i) do not grant the right to vote at either the Ordinary or Extraordinary Shareholders' Meetings of the Company, except in the cases provided for by law and the By-Laws and in any case in which a motion affecting the rights of the Management Performance Shares must be passed; (ii) until May 11, 2030, do not confer the right to distribute dividends of the Company; (iii) grant the right of conversion into ordinary shares after three years from the Trading Commencement Date according to the conditions and the formula set out in Article 8.3 of the By-Laws and grant the right, at the same time as the conversion, to subscribe a certain number of ordinary shares according to the terms and the formula set out in Article 8.3 of the By-Laws. This conversion right may be exercised in advance in case of (i) submission of public tender offer and/or exchange offer (from the date of communication to Consob pursuant to Article 102 of the CFA) and/or (ii) interruption of employment relationship or administration for reasons/circumstances other than death and such as not to qualify as a bad leaver<sup>4</sup>. For further information on the Management Performance Shares, please refer to SECO's By-Laws, which are available at the following website [www.seco.it/com](http://www.seco.it/com) in the *Investor Relations/Corporate Governance/Articles of Incorporation and By-Laws* section.

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<sup>4</sup> Pursuant to the By-Laws, "Bad Leaver" means one of the following cases: (a) dismissal and/or revocation and/or termination of employment or directorships and/or revocation of offices for just cause as provided for by law and/or previously defined as such by case law and/or ascertained in judicial/arbitration proceedings (including violation of the obligations and commitments deriving from the relationship or from the law committed with wilful misconduct or gross negligence by the employee or Director); (b) resignation from employment or renunciation of directorships or powers voluntary, except in the case of serious illness and/or any other circumstance which is recognized in court as just cause for resignation or renunciation.

## Executive Summary of CEO and Executive Director remuneration for 2023

Director	Fixed rem.	STI	% STI/fixed	LTI	% STI/fixed
Daniele Conti, Executive Chairperson;	€ 200,000	N/A	N/A	€ 100,000	50%
Massimo Mauri (*); Chief Executive Officer	€ 600,000	€ 1,000,000	167%	N/A	N/A

(\*) Subject to approval of the proposal made by the Board of Directors to the Shareholders' Meeting of April 27, 2023, in single call.

### REMUNERATION OF OTHER SENIOR EXECUTIVES

As illustrated in point f) above, the Board of Directors is responsible for setting the remuneration of Other Senior Executives.

Specifically, the remuneration structure of the Other Senior Executives consists of a fixed component and a variable component described below.

The aforementioned remuneration (fixed and variable) is determined also on the basis of what is practiced in the market by companies comparable to the Company in terms of size, profitability and growth rates.

In the event that the Company carries out transactions that are particularly exceptional due to their strategic importance and/or their effects on the results of the Company and/or the Group, the Board of Directors has the power to award, on a discretionary basis, specific bonuses to the Other Senior Executives, strictly related to their specific contribution to such transactions, subject to compliance with the controls on related party transactions set out in the RPT Procedure (if applicable).

#### a) *Fixed remuneration component*

The fixed component of the remuneration of Other Senior Executives, the GAR - Gross Annual Remuneration, i.e. the contractually guaranteed annual remuneration, meets the criteria of retention and appropriate remuneration at a level that is competitive with the market.

#### b) *Short-term variable component*

The short-term variable component of Other Senior Executives is recognized on the basis of an annual monetary incentive plan which provides that the monetary bonus varies according to the level of achievement of a number of pre-determined and shared performance targets.

The performance targets are annual and chiefly (and therefore at least more than 50%) quantitative in nature, and constitute profitability and economic-financial parameters (which may include, by way of example, (i) value of net sales, (ii) Adjusted EBITDA, (iii) turnover generated by IoT software, (iv) free cash flow); the remainder are non-quantitative parameters (e.g. specific objectives assigned with respect to the relevant business function).

The performance targets are established by the Board of Directors, taking into account the budget approved by the Company.

The short-term variable component may not exceed 50% of the Other Senior Executives total compensation, except in the case of overperformance where the short-term variable component may not exceed 60% of total compensation.

The Policy provides that, in the event of failure to achieve the company targets, a lower variable remuneration or no variable remuneration at all is paid (so-called underperformance), while in the event of exceeding the company targets, a maximum variable remuneration (so-called overperformance) is paid up to a pre-established amount.

*c) Medium/long-term variable component*

For the purpose of creating value for the Company in the medium/long term, the Policy provides for the possibility of paying Other Senior Executives a medium-/long-term variable component that may consist of cash incentive plans and/or incentive plans based on financial instruments pursuant to Article 114-bis of the CFA which, in line with the best comparable market practices, may provide for vesting periods.

The Remuneration Policy envisages that the medium-/long-term incentive plans provide that participation is subject to the retention of the role and functions assigned to the beneficiaries of the plans and to assumptions of leavership (in line with market practice).

For information on the medium/long term incentive plan known as the "SECO S.p.A. Stock Option Plan" approved by the Shareholders' Meeting of March 1, 2021, and subsequently amended by the Shareholders' Meeting of March 27, 2022 on the proposal formulated by the Board of Directors on March 21, 2022, aimed at employees or Other Senior Executives who have a permanent employment relationship (or in any case a comparable relationship pursuant to the regulations applicable from time to time) with SECO or with some of the companies belonging to the SECO Group, please refer to Part One of Section II of the Report.

The medium-/long-term variable component of Other Senior Executives may also be recognized through the allocation of special categories of shares, such as, by way of example, Management '20 Shares (governed by the By-Laws) having the following main characteristics: (i) do not grant the right to vote at either the Ordinary or Extraordinary Shareholders' Meetings of the Company, except in the cases provided for by law and the By-Laws and in any case in which a motion affecting the rights of the Management '20 Shares must be passed; (ii) until May 11, 2030, do not confer the right to distribute dividends of the Company; (iii) grant the right of conversion into ordinary shares



according to what is set out in the By-Laws (and in particular for 33% as from the first anniversary of the Trading Commencement Date and up to 100% as from the third anniversary of the Trading Commencement Date) upon fulfilment of the conditions and according to the terms and in compliance with the formula set out in Section 8.2 of the By-Laws. This conversion right may be exercised in advance in the case of a public tender and/or exchange offer (from the date of communication to Consob pursuant to Article 102 of the CFA) and will concern 100% (and not less) of the Management '20 Shares. The provisions on the limitation of the right of conversion in the event of termination of the relationship due to circumstances qualifying it as a bad leaver are regulated in the By-Laws.

We note that 2,500 Management '20 Shares were outstanding as of the Reporting Date. For further information on the Management '20 Shares, please refer to SECO's By-Laws, which are available at the following website [www.seco.it/com](http://www.seco.it/com) in the *Articles of Incorporation and By-Laws* section.

#### REMUNERATION OF THE MEMBERS OF THE CONTROL BODY

The members of the Board of Statutory Auditors receive a remuneration commensurate with the competence, professionalism and commitment required by their role, considering the characteristics and sector of the Company.

Pursuant to Article 2402 of the Civil Code, the remuneration of the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting upon appointment for the entire duration of their office.

#### **g) the policy applied with regards to non-monetary benefits**

The Remuneration Policy provides for the attribution of non-monetary benefits currently recognized in remuneration practice and in any case consistent with the position/function held by the person concerned.

In particular, members of corporate bodies and employees may benefit from a number of benefits, with varying degrees of gradation in relation to their role in the Company and/or reasons for service, such as, by way of example, a company car, fuel cards, insurance policies covering the risk of accident, illness, life and D&O policies.

#### **h) With reference to the variable components, a description of the performance and financial and non-financial targets, and where appropriate taking into account the criteria relating to corporate social responsibility, on the basis of which they are assigned, distinguishing between short-term and medium/long-term variable components, and information on the link between the change in results and the change in remuneration**

For a description of the short and medium-/long-term variable components of the variable incentive scheme for Executive Directors and Other Senior Executives, reference should be made to paragraph f) above.

- i) Criteria used for the evaluation of the performance objectives underlying the assignment of shares, options, other financial instruments or other variable remuneration components, specifying the variable component to be paid according to the level of achievement of the objectives**

With reference to the short and medium-/long-term variable component of Executive Directors and Other Senior Executives, the Remuneration Policy provides for:

- i. the definition and sharing of the targets for the reference period, annual or multi-year, as the case may be, as established by the Board of Directors, with the opinion of the Committee; (for the indication of the targets, reference should be made to paragraph f above);
  - ii. the assessment and measurement of performances by the Board of Directors, upon proposal of the Committee, with any support necessary of the competent function of the target, and the communication of the degree of achievement of the targets assigned (for the indication of the methods and timing of the (a) assessment and measurement of performances; and (b) payment of the variable component, reference should be made to paragraph f above).
- j) Information highlighting the contribution of the remuneration policy, and in particular the policy on variable remuneration components, the Company's strategy, the pursuit of long-term interests and the sustainability of the Company**

As previously indicated in paragraph d) above, the Company's Remuneration Policy - and, in particular, the policy on the variable remuneration component - contributes to the Company's strategy and to the pursuit of not only short-term but also medium/long-term interests and the sustainability of the Company; it pursues the aim of attracting and retaining people with the professional qualities needed to manage and operate successfully within the Company.

This contribution is made, among other things, through:

- a greater and more conscious involvement of the Shareholders who are called upon to express their binding vote on the Remuneration Policy, which describes each of the items that make up the remuneration of Directors and Other Senior Executive and which therefore has a different and broader role than the motions on remuneration pursuant to Articles 2364, 2389 and 2402;
- the definition of an overall remuneration structure capable of recognizing the managerial value of the persons involved and their contribution to the Company's growth, having regard to the sustainability of the same, in relation to their respective skills and functions in such a way as to attract, retain and motivate persons with the professional qualities required to manage the Company successfully;
- the definition of sustainability targets - alongside those of company performance - on which certain variable remuneration components are based.

For the purposes of all the above, the composition of the remuneration package of Executive Directors and Other Senior Executives is defined in line with the criteria aimed at ensuring:

- a direct link between remuneration and performance, of an economic/financial, strategic and sustainability nature (depending on the case), by means of mechanisms that establish the non-payment of bonuses in the event of failure to achieve the Company's targets and overall profitability;
- overall remuneration levels which recognize the professional value of individuals and their contribution to the creation of sustainable value, over the short and medium-/long-term period.

**k) the terms for the maturity of rights (“Vesting periods”), any systems of deferred payment and indexing of deferred payments and the criteria utilized for the determination of these periods and, if established, *ex-post* correction mechanisms of the variable component (malus or reimbursement of variable components, “clawback”).**

The Remuneration Policy envisages the possibility that the medium-/long-term remuneration of Executive Directors and Other Senior Executives, in line with best market practices, may include multi-year vesting periods.

The Remuneration Policy also provides for the payment of a significant portion of the deferred variable component within an appropriate time frame from the time of vesting.

The Remuneration Policy envisages, with reference to the medium-/long-term variable components, that the agreements between the Company, the Executive Directors and the Other Senior Executives may allow the Company to request the repayment, in whole or in part, of the variable components of remuneration paid (or to withhold any amounts subject to deferment), determined on the basis of data that subsequently turned out to be clearly erroneous (so-called clawback/malus clauses). We note, however, that the agreements with Executive Directors and Other Senior Executives in place at the Reporting Date do not provide for such *ex-post* adjustment mechanisms for the variable component.

**l) clauses for the maintenance in portfolio of financial instruments after their acquisition: maintenance periods and criteria utilized for the establishment of this period**

The Remuneration Policy envisages the inclusion in the incentive plans based on financial instruments, pursuant to Article 114-*bis* of the CFA, of clauses for maintaining the financial instruments in portfolio after their acquisition. We note, however, that the incentive plan based on financial instruments called “*SECO S.p.A. Stock Option Plan*” in place at the Reporting Date does not envisage any obligations on maintaining the shares acquired under the plan in portfolio (for more information on the aforesaid plan, please refer to Part One of Section II).

**m) the policy concerning the treatment in case of termination of office or employment, specifying: i) the duration of any employment contracts and further agreements, the notice period, if applicable, and which circumstances give rise to the right; ii) the criteria for determining the remuneration payable to Directors, General Managers and, on an aggregate level, to Senior Executives, distinguishing, if applicable, the components attributed by virtue of the office of Director from those relating to employment**

**relationships, as well as the components for any non-competition commitments. If such compensation is expressed on the basis of annuality, details of the components of such annuality (fixed, variable, etc.); iii) any link between such compensation and the Company's performance; iv) any effects of the termination of the relationship on the rights assigned under incentive plans based on financial instruments or to be paid in cash; v) any provision for assigning or retaining non-monetary benefits in favor of the parties or for entering into consulting agreements for a period after the termination of the relationship.**

The Remuneration Policy envisages that relations with Executive Directors and with Other Senior Executives may be conducted on the basis of contracts to be entered into, including open-ended contracts, in compliance with the contractual regulations in force and with the National Collective Bargaining Agreements applicable from time to time.

Within the framework of the aforesaid contracts, it is possible to envisage, in the case of ordinary termination, the observance of a notice period, the duration of which is determined on the basis of the provisions of the National Collective Bargaining Agreement applied to the employment relationship. The Remuneration Policy also allows the stipulation of non-competition agreements with a maximum duration of 24 months, unless otherwise resolved by the Board of Directors, starting from the termination of the employment relationship or office, against payment of a fee for the non-competition commitment.

The Remuneration Policy envisages the possibility of regulating the effects of termination of office/termination of the employment relationship on the incentive remuneration paid/to be paid under the Company's short- and/or medium-/long-term incentive plans, in the event of leavership, in line with market practice (in this regard, reference should be made to paragraph f above). With particular regard to the bad leaver inherent in the Management Performance Shares and Management 20 Shares, reference should be made to SECO's By-Laws, which are available at the following website [www.seco.en/com](http://www.seco.en/com) in the *Articles of Association and By-Laws* section.

The Remuneration Policy may provide for the possibility of consulting contracts for the period following termination of employment.

The effects of the termination of the relationship on the rights assigned as part of the incentive plan called "*SECO S.p.A. Stock Option Plan*" are governed by the related regulations. Reference should be made to Part One of Section II for more information.

**n) Insurance coverage, social security or pension payments, beyond obligatory cover**

As illustrated in paragraph f) above, non-monetary benefits may include, by way of example, any insurance policies covering the risk of accident, illness, life and D&O policies.

**o) remuneration policy in relation to: (i) Independent Directors, (ii) Committee members and (iii) specific offices (Chairperson, Vice-Chairperson, etc.);**

Non-Executive Directors and Independent Directors may receive an additional fixed annual remuneration as members of committees set up within the Board of Directors, with an additional amount if the Director holds the position of Chairperson of the Committee. For further information on the remuneration of Independent Directors, reference should be made to paragraph f) above.

The Director who holds the position of Chairperson of the Board of Directors may be granted an additional fixed annual compensation as established by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors and upon proposal of the Committee, in compliance with the overall amount which may be established by the Shareholders' Meeting.

Specifically, any fixed remuneration due to the Chairperson of the Board of Directors is not linked to the achievement of targets, but is commensurate with the responsibilities and skills associated with the office of Chairperson.

**p) Whether the remuneration policy was established using the policies of other companies as a benchmark, and if so, the criteria utilized for the choice of these companies**

In defining the Remuneration Policy, the Company has drawn up market remuneration benchmarks for positions of strategic importance by analyzing the complexity of the roles and the remuneration positioning with respect to panels of companies (so-called peer groups) on the components of fixed and variable remuneration.

**q) exceptions from the Remuneration Policy in the presence of exceptional circumstances, and subject to the provisions of Regulation No. 17221 of March 12, 2010, any further procedural conditions under which departures may be applied**

In exceptional circumstances, the Company may waive the provisions of the Remuneration Policy as outlined below.

*“Exceptional circumstances”* only include situations in which a departure from the Remuneration Policy is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to compete on the market, and include but are not limited to the following situations:

- i. the occurrence, at national or international level, of extraordinary and unforeseeable events concerning the Company and/or the sectors and/or markets in which it operates, which significantly affect the Company's results;
- ii. the intervention of substantial changes in the organization of the business activity, both of an objective nature (such as corporate transactions, mergers, disposals, etc.), and of a subjective nature, such as changes in the top management;
- iii. significant changes in the perimeter of the Company's activity during the period of validity of the Policy, such as the sale of a company/business unit on whose activity the performance objectives of the Policy were based, or the acquisition of a significant business not contemplated for the purposes of the preparation of the Policy.

In any case, it is understood that any exceptions to the Policy shall be subject to prior examination by the Committee and to the application of the discipline envisaged by the RPT Procedure.

Without prejudice to the above, the exception may concern: (i) the redefinition of the performance targets to which the variable remuneration is linked and of the periodicity with which they are set; (ii) the review of the criteria used to assess the targets; (iii) the change in the ratio between fixed and variable components of remuneration (short and medium-/long-term) also with regard to the Executive Directors and the Directors with special offices; (iv) the allocation of one-off cash bonuses; (v) the allocation of special indemnities, in order to take into account the aforementioned exceptional circumstances and only if instrumental to the pursuit of the aforementioned interests.

## SECTION II: REMUNERATION PAID

On a preliminary basis, as anticipated in Section I of the Remuneration Report, it should be noted that: (i) the Company's ordinary shares were admitted to trading on Euronext STAR Milan as of May 5, 2021; (ii) the members of the Appointments and Remuneration Committee were appointed by the Issuer's Board of Directors on March 10, 2021, effective as of the Trading Commencement Date; and (iii) SECO's Remuneration Policy, described in Section I of the Remuneration Report, as well as the Remuneration Report itself, are prepared by the Company in compliance with the regulations applicable to companies with financial instruments listed on a regulated market and with the involvement of the Committee.

The remuneration represented in this Section II and referring to the year 2022 (hereinafter the "Year") was paid on the basis of a Remuneration Policy prepared (and approved by the Shareholders' Meeting of April 27, 2022) pursuant to Article 123-ter of the CFA and its determination was carried out with the involvement of the Committee.

For the purposes of greater clarity of what is set out in this Section II of the Remuneration Report, the following should also be noted.

The Board of Directors of the Issuer in office at the Reporting Date of the Remuneration Report comprises ten members and was appointed by the Ordinary Shareholders' Meeting on March 1, 2021 (based on the provisions contained in the By-Laws in force at the date of appointment and, therefore, before the Trading Commencement Date, without application of slate voting) and shall remain in office for three financial years, i.e. until the approval of the 2023 Annual Accounts.

In 2022 Independent Director Prof. Giovanna Mariani, who also held the position of Lead Independent Director, passed away. On December 22, 2022, SECO Board of Directors co-opted Ms. Valentina Montanari as Non-Executive Director and Independent Director, subject to the opinion of the Remuneration Committee, and with the approval of the Board of Statutory Auditors. Ms. Montanari was also appointed Lead Independent Director. The members of the Board of Directors in office on the Reporting Date are listed in the table below:

Name	Office	Place and date of birth
Daniele Conti	Executive Chairperson	Arezzo, February 17, 1958
Massimo Mauri	Chief Executive Officer	Rho (MI), April 9, 1971
Claudio Catania	Non-Executive Director	Messina, May 25, 1970
Luciano Lomarini	Non-Executive Director	Arezzo, July 15, 1955

Emanuela Sala	Non-Executive Director	Monza (MB), August 28, 1960
Luca Tufarelli	Non-Executive Director	Rome, June 14, 1961
Michele Secciani	Non-Executive Director	Arezzo, June 25, 1981
Elisa Crotti	Independent Director <sup>(1)</sup>	Reggio Emilia, September 25, 1974
Valentina Montanari (*)	Independent Director <sup>(1)</sup>	Milan, March 20, 1967
Diva Tommei	Independent Director <sup>(1)</sup>	Rome, April 23, 1984

<sup>(1)</sup> Independent Director pursuant to Article 148, paragraph 3 of the CFA, as referred to by Article 147-ter, paragraph 4 of the CFA, as well as pursuant to Article 2 of the Corporate Governance Code.

(\*) *Lead Independent Director.*

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Section II of the Remuneration Report lists individually the compensation awarded to the Directors and to the Statutory Auditors:

- in the first part it (i) provides an adequate, clear and understandable representation of each of the items comprising remuneration, including treatment provided in the event of termination of office or termination of employment, highlighting their compliance with the relevant Remuneration Policy and the ways in which remuneration contributes to the long-term results of the Company; (ii) provides information on any exceptions to the Policy applied in exceptional circumstances; (iii) explains how the Company took into account the vote cast the previous year by the Shareholders' Meeting on Section II of the Report;
- in the second part, it analytically illustrates – utilizing the tables as per Annex 3A, Schedule 7-bis, of the Issuers' Regulation – the compensation paid by the Company, its subsidiaries or associated companies for any reason and in any form in the Year, indicating any components of the aforementioned compensation that refer to work carried out in financial years prior to the year of reference. It also highlights the compensation to be paid in one or more subsequent years for work carried out in the Year, indicating where necessary an estimated value for components that cannot be objectively quantified in the Year;
- in the third part, it indicates - according to the criteria set out in Annex 3A, Schedule 7-ter of the Issuers' Regulation - the equity investments held in the Issuer and its subsidiaries by the members of the management and control boards, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or nominees,



as resulting from the shareholders' register, the communications received and other information acquired from the members of the management and control boards.

SECO, since it qualifies as a "small" company pursuant to Article 3, paragraph 1, letter f) of the Related Parties Regulation may provide information: (i) on the remuneration received by the Other Senior Executives, in aggregate form; and (ii) on the agreements providing for indemnities in case of early termination of the relationship only with reference to the Executive Directors and the Chairperson of the Board of Directors.

At the Reporting Date, the Issuer has not appointed any General Managers.

We note that the independent audit firm Deloitte & Touche S.p.A. has verified - in compliance with the provisions of Article 123-ter, paragraph 8-bis, of the CFA - that the Board of Directors of SECO has prepared this Section of the Remuneration Report.

## SECTION II - PART ONE - REMUNERATION PACKAGE

### 1) Remuneration of the Board of Directors

We note that on March 1, 2021, SECO's Shareholders' Meeting authorized (i) for the entire Board of Directors, a total annual gross remuneration of a maximum Euro 800,000, including the remuneration of Directors holding specific offices pursuant to Article 2389, paragraph 3 of the Civil Code, in addition to the reimbursement of expenses incurred by its members for the exercise of their functions and the severance indemnity for the Executive Directors; (ii) a further maximum remuneration of Euro 450,000 as total annual variable remuneration for the Directors holding specific offices pursuant to Article 2389, paragraph 3 of the Civil Code; and (iii) the provision, by way of severance indemnity, in favor of the Executive Directors for an amount equal to 10% per year of the fixed remuneration received by the Executive Directors.

SECO's Shareholders' Meeting of April 27, 2022 resolved:

- as an amendment to that resolved by the Ordinary Shareholders' Meeting of March 1, 2021, to supplement for the financial year 2022 and until the conclusion of the Board of Directors' term of office, set as the date of the Shareholders' Meeting called to approve the 2023 Annual Accounts, the fixed total annual remuneration of the Board of Directors by the amount of Euro 100,000 and, therefore, from Euro 800,000 to Euro 900,000, in addition to the reimbursement of expenses incurred by its members in the performance of their duties and the severance pay for the Executive Directors;
- as an amendment to that resolved by the Ordinary Shareholders' Meeting of March 1, 2021, to supplement for the financial year 2022 and until the conclusion of the Board of Directors' term of office, set as the date of the Shareholders' Meeting called to approve the 2023 Annual Accounts, the variable total annual remuneration of the Directors holding specific offices pursuant to Article 2389, paragraph 3, of the Civil Code by the amount of Euro 250,000 and, therefore, from Euro 450,000 to Euro 700,000;
- to confirm for the financial year 2022 and until the conclusion of the Board of Directors' term of office, set as the date of the Shareholders' Meeting called to approve the 2023 Annual Accounts, the motion passed by the Ordinary Shareholders' Meeting of March 1, 2021 concerning the provision, as severance indemnity, in favor of the Executive Directors for an amount equal to 10% per year of the fixed remuneration received by the Executive Directors.

The Board of Directors meeting held on May 12, 2022, with the abstention of the Directors concerned from time to time and with the favorable opinion of the Board of Statutory Auditors where necessary, resolved to allocate the total annual remuneration for the members of the Board of Directors resolved by the aforementioned Ordinary Shareholders' Meeting as follows:

- i. to assign to Daniele Conti:
  - a fixed annual gross remuneration of Euro 200 thousand paid in twelve equal monthly installments; and

- an annual variable remuneration of a maximum of Euro 100 thousand, for a total, on a three-year basis (2021 - 2023), of a maximum of Euro 300 thousand, the payment of which is subject to the achievement of the three-year cumulative EBITDA targets set out in the Company's business plan;
- ii. to assign to Massimo Mauri:
  - a fixed annual gross remuneration of Euro 500 thousand as from January 1, 2022 (the financial year in which trading began) paid in twelve equal monthly installments; and
  - a variable remuneration calculated on a percentage equal to 100% of the above fixed remuneration in case of achievement of corporate targets (including sales volumes, consolidated EBITDA and changes in NFP) consistent with the annual budget targets of the business plan and non-quantitative parameters (including enhancement of the corporate ESG profile, results of M&A, management of communication with the Board of Directors and stakeholders) established within the Agreement (as defined below). It should be noted that, should the aforementioned corporate targets not be achieved, a lower variable remuneration will be paid or no variable remuneration at all (so-called underperformance) and that, should the aforementioned corporate targets be exceeded, a higher variable remuneration will be paid (so-called overperformance) up to a maximum amount of Euro 600 thousand.
- iii. to all other members of the Board of Directors (i.e. Claudio Catania; Luciano Lomarini; Emanuela Sala; Luca Tufarelli; Michele Secciani; Elisa Crotti; Giovanna Mariani and Diva Tommei) a fixed annual gross remuneration of Euro 12,500 each, which will be paid in a single installment by 30 September each year.

The Board of Directors meeting of March 10, 2021 also recognized (in addition to that outlined above for the office of Directors):

- i. to the members of the Appointments and Remuneration Committee and its Chairperson<sup>5</sup> a gross annual remuneration of Euro 4 thousand and Euro 6 thousand respectively, which will be paid in a single installment by September 30 each year;
- ii. to the members of the Control and Risk Committee and its Chairperson<sup>6</sup>, a gross annual remuneration of Euro 9 thousand and Euro 12 thousand respectively, which will be paid in a single installment by September 30 of each year; and
- iii. to the members of the Related Parties Committee and its Chairperson<sup>7</sup> an annual gross remuneration of Euro 2 thousand and Euro 3 thousand respectively, which will be paid in a single installment by 30 September each year;

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<sup>5</sup> At the Reporting Date, the Appointments and Remuneration Committee is composed of Diva Tommei (Chairperson), Elisa Crotti and Claudio Catania.

<sup>6</sup> At the Reporting Date, the Control and Risk Committee is composed of Valentina Montanari (Chairperson), Luca Tufarelli and Elisa Crotti.

<sup>7</sup> At the Reporting Date, the Related Parties Committee is composed of Valentina Montanari (Chairperson), Elisa Crotti and Diva Tommei.

All remuneration is intended as *pro rata temporis* and expenses will be reimbursed in the performance of the assignment.

## 2) Remuneration of Non-Executive Directors

Non-Executive Directors are entitled to the fixed remuneration for the office held during the Year, described in point 1 above.

## 3) Remuneration of Executive Directors

### Remuneration of the Executive Chairperson

During the Year, the Company paid the following compensation to Daniele Conti (i) a fixed annual remuneration of Euro 200 thousand equal to 100% of the total remuneration; and (ii) no variable compensation as this payment is subject to the achievement of the three-year cumulative targets as specified in point 1 above.

As regards non-monetary benefits, the Company did not pay anything to Daniele Conti during the Year.

### Remuneration of the Chief Executive Officer.

Prior to the Trading Commencement Date, the Company and Massimo Mauri entered into an administration agreement (the "**Agreement**"). The Agreement regulates, *inter alia*, the economic conditions of the relationship with the Company, providing for the payment of a fixed component, a short-term variable component and the payment of non-monetary benefits. In particular, the short-term variable component varies according to the level of achievement of quantitative targets - such as consolidated EBITDA, Net Sales (sales volumes) and Change in Net Debt (changes in NFP) - with a weight equal to 75% of the variable remuneration, and non-quantitative targets - such as the quantity and quality of new design wins achieved in the reference year, the enhancement of the Company's ESG profile, the growth and satisfaction of first and second line management, results of M&A, the management of communication with the Board of Directors and stakeholders - with a weight equal to 25% of the variable remuneration).

In accordance with the Policy, the Agreement also provides for the recognition of a gross sum equal to 10% of the fixed compensation as severance pay ("**Severance Indemnity**") for each year of the term of the Agreement, to be paid on the date of termination of such office.

The Agreement also governs the effects of termination of office in the event of a bad leaver, good leaver and leaver, under which the Chief Executive Officer will be considered:

- (i) bad leaver in the event of revocation from office or powers in the presence of just cause for revocation<sup>8</sup> and/or in the event of termination at the initiative of the manager of the office in

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<sup>8</sup> Meaning: (a) serious breach of the obligations provided for in the Agreement, by motions of the Shareholders' Meeting or Board of Directors of the Company and/or other obligations imposed by law on a Director of a joint-stock company, as well as by the applicable provisions of the law and/or the By-Laws or other just cause pursuant to Article 2383, paragraph

- the absence of just cause for termination<sup>9</sup>. In such case he will be entitled to the fixed remuneration accrued *pro rata temporis* up to the date of termination;
- (ii) good leaver: in case of revocation of the office or of the powers in the absence of a just cause for revocation or termination on the initiative of the manager in the presence of a just cause for termination; in this case he/she will be entitled to the fixed remuneration that he/she should have received for the whole duration of the office, to the Severance Indemnity as well as to the variable remuneration, to the fringe benefits accrued *pro rata temporis* until the date of termination;
  - (iii) leaver: in the event of termination of office or powers due to an event that does not qualify as a good leaver or a bad leaver pursuant to the preceding points and upon the occurrence of the following events: (a) waiver, by the manager, of the office together with the relative powers due to illness and/or accident occurred to the spouse and/or children, which led to a permanent disability and/or more than 50% (fifty percent), proven by appropriate medical certification; (b) physical and/or mental incapacity that makes it impossible for the manager to exercise the office and the powers for a continuous period of more than 6 (six) months, proven by appropriate medical certification; (c) events that entail a disqualification and/or incapacity for the manager to exercise the office and/or the powers due to a physical and/or mental disability and/or incapacity on the part of the manager, proven by appropriate medical certification; in this case he/she shall be entitled to the fixed remuneration, the Severance Indemnity as well as the variable remuneration and the fringe benefits accrued *pro-rata temporis* until the date of termination.

The Agreement also provides for a non-competition obligation for the entire period of its effectiveness, and for a period of 24 (twenty-four) months starting from the occurrence of one of the cases of termination of the Agreement (defined above) and, in any case, of termination of office other than for reasons of good leaver. A portion equal to 30% (thirty percent) of the Chief Executive Officer

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3, of the Civil Code; and/or; (b) breach of the non-competition commitments undertaken pursuant to the Agreement; (c) conviction at first instance for one of the offenses referred to in Legislative Decree No. 231/2001 for offenses committed against the interests of the Company and for the purpose of personal enrichment; and/or (d) definitive conviction for deeds or offenses that could damage the image/reputation of the Company and lead to the automatic exclusion from the procedures for the assignment of public contracts; (e) issue and publication of a sentence of disqualification from holding public office or bankruptcy against the manager that leads to the disqualification from holding office and/or powers pursuant to Article 2382 of the Civil Code, or the occurrence of a cause of ineligibility or disqualification pursuant to Article 2382 of the Civil Code.

<sup>9</sup> Meaning: (a) termination due to non-payment of fees due or delayed payment for more than 60 (sixty) days; (b) revocation of the manager from the office or powers and/or reduction of the same in the absence of just cause for revocation, except in the case of changes to the office and powers required by the supervisory and investigating authorities and/or bodies involved in the listing process and/or following motions of the Board of Directors taken with the favorable vote and/or the prior consent of the manager; (c) the appointment of a person who has powers similar to those of the manager without the manager's prior written consent, without prejudice to the role of the Executive Chairperson; (d) the supervening inability to assume or complete the office due to death, disqualification or debarment (other than in cases of disqualification or debarment that constitute just cause for revocation) or due to disability as a result of illness or injury, certified by a treating physician, that results in the failure to perform the functions and duties associated with the office for a continuous period of more than 12 months.

fixed remuneration was determined on the basis of and in consideration of the non-competition obligations undertaken by him.

The Agreement does not contain any provisions regarding the termination of the relationship following a public tender offer. With reference to the Year, the remuneration due to Massimo Mauri is: (i) a fixed annual remuneration of Euro 500 thousand equal to approx. 46.85% of the total remuneration; and (ii) a short-term variable remuneration of Euro 566,118 equal to approx. 53.15% of the total remuneration, calculated on the basis of quantitative and non-quantitative parameters achieved during the Year, in addition to an extraordinary bonus, upon proposal of the Committee, and in compliance with the Policy. In particular, the following were awarded: with regard to quantitative targets (consolidated EBITDA, Net Sales and Change in Net Debt) the sum of Euro 457,785; with regard to the non-quantitative targets identified above the sum of Euro 108,333.

We also note that Massimo Mauri is the holder of 1,000 Management Performance Shares, for a description of which reference should be made to paragraph f) of Section I of the Report and that these shares were not converted during the Year, in view of the characteristics set out in the By-Laws.

In this regard, please also refer to Table 3A of this Section II, Part Two.

As regards non-monetary benefits, the Company did not pay anything to the Chief Executive Officer during the Year.

With respect to the compensation of Executive Directors, see also Table 1 of this Section II, Part Two.

#### **Remuneration of Other Senior Executives**

The remuneration of Other Senior Executives consists of a fixed remuneration and, if requirements are met, of a short-term variable remuneration, as well as of a medium-/long-term variable remuneration, based on the "SECO S.p.A. Stock Option Plan " approved by the Shareholders' Meeting of the Company on March 1, 2021 and amended by the Shareholders' Meeting of March 27, 2022 on the proposal formulated by the Board of Directors on March 21, 2022 (for further information on the plan, as well as on the effects of the termination of the relationship on the rights assigned under the plan, reference should be made to that indicated below). Other Senior Executives are entitled to non-monetary benefits and compensation upon termination, as specified in Section II, Part Two of this Report.

In addition, we note that one Other Senior Executive holds 2,500 Management '20 Shares, a description of which is provided in paragraph f) above in Section I of the Report. In this regard, please also refer to Table 3A of this Section II, Part Two.

In this regard, please also refer to Table 1 of this Section II, Part Two.

#### **4) Remuneration of the Board of Statutory Auditors**

The remuneration of the Statutory Auditors consists of a fixed remuneration determined by the Shareholders' Meeting of March 1, 2021 in addition to the reimbursement of expenses incurred in the performance of their duties.

Specifically, the annual gross remuneration of the Board of Statutory Auditors is Euro 40,000 for the Chairperson and Euro 20,000 for each Statutory Auditor. In this regard, please also refer to Table 1 of this Section II, Part Two.

\* \* \*

For completeness, we also note the following.

During the Year, no indemnities and/or other benefits were granted to Directors and Other Senior Executives of the Company for termination of office or termination of employment.

No agreements are in place which provide for the allocation or maintenance of non-monetary benefits in favor of those who have left their position, nor consultancy contracts for periods subsequent to employment.

During the Year, no mechanisms for *ex post* correction of the variable component (so-called malus or clawback clauses) of the remuneration of Executive Directors and Other Senior Executives were applied.

This Remuneration Report is prepared by the Issuer pursuant to Article 123-ter of the CFA; the compensation paid during the year was paid on the basis of a Remuneration Policy approved by the Shareholders' Meeting of April 27, 2022 pursuant to the regulation.

\* \* \*

## SECO S.p.A. Stock Option Plan

We note that, prior to the listing of the Company and on the Trading Commencement Date, the Shareholders' Meeting of March 1, 2021 resolved to approve a stock option plan (the "SOP" or the "Plan"), subsequently modified by the Company's Shareholders' Meeting of April 27, 2022, reserved for employees or Other Senior Executives who have an employment relationship (or otherwise a comparable relationship under the regulations applicable from time to time) of indefinite duration with SECO or companies forming part of the SECO Group (the "Relationship" and the "Beneficiaries", respectively).

The SOP provides for the free assignment of options (the "Options") that grant Beneficiaries the right to subscribe to ordinary shares at a ratio of 1 ordinary share for every 1 Option, at the unit price established during the placement for the purpose of listing SECO's shares on the Euronext Star Milan (the "IPO Price").

The number of Options to be granted to each of the Beneficiaries is established by the Board of Directors, with the right to sub-delegate to the Chairperson of the Board of Directors and/or to one of the Chief Executive Officers of the Company *pro tempore* in office, also severally, upon proposal of the Committee.

The Plan has a multi-year timeframe with the Options maturing in three tranches, as illustrated in greater detail below. Options granted are subject to a vesting period as outlined below and may be exercised by Beneficiaries in arrears in the years following vesting. It is believed that the above terms facilitate the achievement of the incentive and retention objectives of Other Senior Executives and employees under the Plan.

The Plan stipulates that the Options allocated within each Tranche will mature upon completion of the vesting period, and therefore: (i) 30% twelve months after they are granted; (ii) 30% twenty-four months after they are granted; (iii) 40% thirty-six months after they are granted, subject to the power of the Board of Directors to execute the Plan, in relation to the identification of the Beneficiaries, the number of Options to be allocated, the grant date and the exercise period of the Options, as well as the power to take any other motion necessary and/or appropriate for the best administration and/or implementation of the Plan, including the contracts and the legal relations deriving from the same.

Vesting is contingent upon the continued existence of the Relationship between the Beneficiaries and the Company or other Group companies on the vesting date of each Tranche.

The granting of Options under the Plan is not linked to the achievement of performance targets, being linked instead to the position held by the Beneficiary, except in the cases of good leavers and bad leavers (in line with market practice).

Specifically, good leaver events under the Plan Regulation are assumed to be: (i) dismissal of the Beneficiary, without just cause (meaning (a) the breach by the Beneficiary of legal regulations pertaining to the Relationship; (b) definitive criminal conviction of the Beneficiary for malicious or negligent crimes; (c) the performance of acts that irreparably damage the bond of trust that



characterizes the relationship and do not allow its continuation); (ii) revocation or substantial diminution without cause of the powers or duties held by the Beneficiaries as of the date of grant of the Options, without the written consent of the said Beneficiaries, where provided for in the relevant option agreement; (iii) removal from the office held by the Beneficiary, or dismissal of the Beneficiary, as a result of permanent physical or mental incapacity (due to illness or injury) of the Beneficiary resulting in more than 50% inability to work; (iv) death of the Beneficiary. On the other hand, bad leaver cases under the Plan Regulation are assumed on the termination of the Relationship for (i) revocation of the office held by the Beneficiary, or dismissal of the Beneficiary, upon the occurrence of a just cause; (ii) voluntary resignation of the Beneficiary not justified by the occurrence of a good leaver event.

In the event of termination of the Relationship prior to exercise of the Options, due to one of the good leaver scenarios, the Beneficiary (or the Beneficiary's heirs) will retain the right to exercise the Options accrued at the date of termination of the Relationship. All unvested Options shall automatically lapse and be deprived of any effect and validity, thereby releasing the Company from any obligation or liability to the Beneficiary. In the event of termination of the Relationship before the Options are exercised, due instead to a bad leaver scenario, all the Options allocated to the Beneficiary shall automatically lapse and be deprived of any effect and validity, regardless of the date of termination of the Relationship, with consequent release of the Company from any obligation or liability towards the Beneficiary.

Finally, the SOP provides for the following events to accelerate the exercise of the Options: (a) promotion of a public tender offer or exchange for the Company's Ordinary Shares pursuant to Article 102 of the CFA; and (b) resolution of transactions that may result in the withdrawal of the listing of the Company's shares on a regulated market.

We note that, as set out above, the Shareholders' Meeting of the Company held on April 27, 2022 amended the Plan with the characteristics illustrated in the relevant Prospectus prepared pursuant to Article 84-*bis* of Consob Regulation No. 11971/1999, as subsequently amended and supplemented, filed at the registered office and available, as an attachment to the relevant Directors' Explanatory Report to the Shareholders' Meeting of April 27, 2022, on the Company's website at [www.seco.com/it](http://www.seco.com/it) in the "*Investor Relations/Corporate Governance/Shareholders' Meeting*" section. Specifically, the Shareholders' Meeting resolved that the beneficiaries of the Plan may exercise the options granted by requesting, as an alternative to subscribing to the paid capital increase, the allocation free of charge, and therefore without payment of the Exercise Price, of a variable number of shares determined according to the market price on the date of exercise of the options. The Shareholders' Meeting then instructed the Board of Directors to adjust the Plan Regulation accordingly, giving the Board all powers necessary or appropriate to implement the Plan as amended by the Shareholders' Meeting. For additional information regarding the Plan, please refer to the aforementioned Prospectus.

For information on the allocation and exercise of Options during the Year, please refer to the Prospectus and to the table attached to table No. 1 as per Schedule 7, Annex 3 of this Section II, part two.

SECTION II - PART TWO - COMPENSATION PAID DURING THE YEAR

**Table 1**

The table below reports the remuneration paid to the members of the management and control boards, and other Senior Executives.

**1. Remuneration paid to members of the Board of Directors**

Board of Directors												
Name	Office	Period of office	Conclusion of office	Fixed remuneration	Compensation for participation in committees	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity termination of office/employment
						Bonuses and other incentives	Profit sharing					
<b>Daniele Conti</b>	Chairperson	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 200,000	-					€ 200,000		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 200,000	-					€ 200,000		
<b>Massimo Mauri</b>	Chief Executive Officer	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 500,000	-	€ 500,000				€ 1,000,000		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 500,000	-	€ 500,000				€ 1,000,000		
<b>Luciano Lomarini</b>	Director	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 12,500	-					€ 12,500		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 12,500	-					€ 12,500		

<b>Claudio Catania</b>	Director	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 12,500	€ 4,000					€ 16,500		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 12,500	€ 4,000					€ 16,500		
<b>Luca Tufarelli</b>	Director	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 12,500	€ 9,000					€ 21,500		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 12,500	€ 9,000					€ 21,500		
<b>Michele Secciani</b>	Director	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 12,500	-			€ 1,800		€ 14,300		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 12,500	-			€ 1,800		€ 14,300		
<b>Emanuela Sala</b>	Director	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 12,500	-			€ 1,800		€ 14,300		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 12,500	-			€ 1,800		€ 14,300		
<b>Elisa Crotti</b>	Director	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 12,500	€ 15,000					€ 27,500		
(II) Remuneration from subsidiaries and associated companies				-	-							
(III) Total				€ 12,500	€ 15,000					€ 27,500		
<b>Giovanna Mariani</b>	Director	1/01/2022-4/11/2022	Approval 2023 Accounts									

(I) Remuneration from Company preparing the accounts				€ 10,416	€ 12,500				€ 22,916		
(II) Remuneration from subsidiaries and associated companies				-	-						
(III) Total				€ 10,416	€ 12,500				€ 22,916		
<b>Diva Tommei</b>	Director	1/01/2022-31/12/2022	Approval 2023 Accounts								
(I) Remuneration from Company preparing the accounts				€ 12,500	€ 8,000				€ 20,500		
(II) Remuneration from subsidiaries and associated companies				-	-						
(III) Total				€ 12,500	€ 8,000				€ 20,500		

## 2. Remuneration of the Board of Statutory Auditors

Board of Statutory Auditors												
Name	Office	Period of office	Conclusion of office	Fixed remuneration	Compensation for participation in committees	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity termination of office/employment
						Bonuses and other incentives	Profit sharing					
<b>Pierpaolo Guzzo</b>	Chairperson	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 40,000						€ 40,000		
(II) Remuneration from subsidiaries and associated companies												
(III) Total				€ 40,000						€ 40,000		
<b>Gino Faralli</b>	Statutory Auditor	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 20,000						€ 20,000		
(II) Remuneration from subsidiaries and associated companies												
(III) Total				€ 20,000						€ 20,000		
<b>Fabio Rossi</b>	Statutory Auditor	1/01/2022-31/12/2022	Approval 2023 Accounts									
(I) Remuneration from Company preparing the accounts				€ 20,000						€ 20,000		
(II) Remuneration from subsidiaries and associated companies												
(III) Total				€ 20,000						€ 20,000		

### 3. Remuneration paid to Other Senior Executives

Senior Executives												
Name	Office	Period of office	Conclusion of office	Fixed remuneration	Compensation for participation in committees	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity termination of office/employment
						Bonuses and other incentives	Profit sharing					
<b>Senior Executives (4)</b>		2022	Permanent									
(I) Remuneration from Company preparing the accounts				€ 520,000		€ 194,658		€ 11,166		€ 725,824	€ 202,431.16	
(II) Remuneration from subsidiaries and associated companies				€ 12,500						€ 12,500		
(III) Total				€ 532,500		€ 194,658		€ 11,166		€ 738,324	€ 202,431.16	

**Table 2**

The following table reports the options granted to Senior Executives.

Name	Office	Plan	Options held at beginning of the year (01/01/22)			Options granted in the year						Options exercised in the year			Expired options in 2022	Options held at year-end 2022	Options accruing in 2022
			Number of options	Exercise price	Possible exercise period (from - to)	Number of options	Exercise price	Possible exercise period (from - to)	Fair value at grant date	Grant date	Market price of the underlying shares at the grant date	Number of options	Exercise price	Market price of the underlying shares at the exercise date	Number of options	Number of options	Fair Value
(I) 2 Other Senior Executives		2021 – 2024 Plan (March 1, 2021)	550,000	€ 3.70	April 26, 2022 – May 30, 2024	/	/	/	/	/	/	75,000	€ 3.70	€ 6.27	/	475,000	€ 200,351.34
(II) Total			550,000									75,000			/	475,000	€ 200,351.34



**TABLE 3A**

The table below reports the financial instrument-based incentive plans, other than stock options, in favor of members of the Board of Directors and other Senior Executives

Name	Office	Plan	Financial instruments granted in previous years not vested in the year		Financial instruments granted in the year					Financial instruments vested in the year and not exercised	Financial instruments vested in the year and exercisable		Financial instruments vested in the year
			Number and type financial instruments	Vesting period	Number and type financial instruments	Fair value at grant date	Vesting period	Grant date	Market price on grant date	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
<b>Massimo Mauri</b>	Chief Executive Officer	Management performance shares											
Remuneration from Company preparing the accounts			1,000	05/05/2021 – 05/05/2024	-	-	-	-	-	-	-	-	€ 189,054
Remuneration from subsidiaries and associated companies													
Total													€ 189,054
<b>Senior Executives - 1</b>		Management '20 shares											
Remuneration from Company preparing the accounts			1,675 (*)	05/05/2022 - 05/05/2024	-	-	-	-	-	825	-	-	€ 2,079.82
Remuneration from subsidiaries and associated companies													
Total													€ 2,079.82

(\*) For the conversion mechanism of the Management '20 Shares, please refer to that illustrated above.

**Table No. 1 of Schedule 7, Annex 3A**

Remuneration schemes based on financial instruments

Category	Office	FRAMEWORK 2						Market price of the financial instruments at the grant date	Maturity of the Options
		Stock Options							
		SECTION I							
		Options related to valid plans approved on the basis of previous Shareholders' Meeting motions							
		Date of the Shareholders' Meeting motion	Description of instrument	Number of financial instruments underlying the options granted but not exercisable	Number of financial instruments underlying the options granted but not exercised	Date granted by competent organ	Exercise price		

Other Executives (2)	/	March 1, 2021	Share options	385,000 Shares	90,000 Shares	April 26, 2021	Euro 3.70	N/A <sub>1</sub>	May 30, 2024
Employees (29)	/	March 1, 2021	Share options	2,440,000 Shares	562,500 Shares	April 26, 2021	Euro 3.70	N/A <sub>2</sub>	May 30, 2024
Employees (1)	/	March 1, 2021	Share options	21,000 Shares	0 Shares	May 17, 2021	Euro 3.70	Euro 3.75	June 30, 2024
Employees (32)	/	March 1, 2021	Share options	233,000 Shares	61,000 Shares	September 29, 2021	Euro 3.70	Euro 5.80	June 30, 2024
Employees (7)	/	March 1, 2021	Share options	38,500 Shares	16,500 Shares	October 12, 2021	Euro 3.70	Euro 7.08	June 30, 2024
Employees (22)	/	March 1, 2021	Share options	581,000 Shares	121,000 Shares	October 25, 2021	Euro 3.70	Euro 8.19	June 30, 2024
Employees (3)	/	March 1, 2021	Share options	59,500 Shares	23,500 Shares	November 19, 2021	Euro 3.70	Euro 8.36	June 30, 2024
Employees (1)	/	March 1, 2021	Share options	7,000 Shares	0 Shares	December 10, 2021	Euro 3.70	Euro 9.46	June 30, 2024

<sup>1</sup> At the grant date, the shares were not yet traded on the regulated market

<sup>2</sup> At the grant date, the shares were not yet traded on the regulated market

**Table 3B**

Monetary incentive plans in favor of members of the Board of Directors and Other Senior Executives.

Name	Office	Plan	Bonus for the year			Prior year bonuses			Other Bonuses
			Issuable/Issued	Deferred	Reference period	No longer issuable	Issuable/Issued	Still Deferred	
<b>Daniele Conti</b>	Chairperson BoD	Three-year incentive							
Remuneration from Company preparing the accounts				€ 100,000	01/01/2022 – 31/12/2022				
Remuneration from subsidiaries and associates									
Total									
<b>Massimo Mauri</b>	Director Proxy holder	Annual incentive MBO 2022							
Remuneration from Company preparing the accounts			€ 500,000	€ 66,118	01/01/2022 – 31/12/2022				
Remuneration from subsidiaries and associates									
Total			€ 500,000	€ 66,118					
<b>Senior Executives - 4</b>		Annual incentive MBO 2022							
Remuneration from Company preparing the accounts			€ 194,658		01/01/2022 – 31/12/2022				
Remuneration from subsidiaries and associates									
Total									

**SCHEDULE 7-TER Information on Holdings of the Board of Directors, Board of Statutory Auditors, and Senior Executives**

**TABLE 1:** Shareholdings of the Board of Directors and Statutory Auditors

<b>Name</b>	<b>Office held</b>	<b>Method held</b>	<b>Company</b>	<b>Number of shares held at the end of the previous year</b>	<b>Number of shares purchased</b>	<b>Number of shares sold</b>	<b>Number of shares held at the end of the present year</b>
<b>Daniele Conti</b>	Chairperson BoD	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					22,315,000
<b>Massimo Mauri</b>	Chief Executive Officer	Direct Ordinary Shares	<b>SECO S.p.A.</b>				2,596,000
		Indirect Ordinary Shares					989,200
		Direct Management Performance Shares					1,000
<b>Luciano Lomarini</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					1,205,500
<b>Claudio Catania</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					
<b>Luca Tufarelli</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					451,500
<b>Michele</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				558

<b>Secciani</b>		Indirect Ordinary Shares					
<b>Emanuela Sala</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				45,558
		Indirect Ordinary Shares					
<b>Elisa Crotti</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					
<b>Giovanna Mariani</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					
<b>Valentina Montanari</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					
<b>Diva Tommei</b>	Director	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					
<b>Pierpaolo Guzzo</b>	Chairperson Board of Statutory Auditors	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					
<b>Gino Faralli</b>	Statutory Auditor	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					
<b>Fabio Rossi</b>	Statutory Auditor	Direct Ordinary Shares	<b>SECO S.p.A.</b>				
		Indirect Ordinary Shares					

**TABLE 2:** Shareholdings of Other Senior Executives

Number of Senior Executives	Method held	Company	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
4	Direct Ordinary Shares	SECO S.p.A.		27,953		550,085
	Indirect Ordinary Shares					
	Direct Management '20 Shares		2,500			2,500

(\*\*) 2,500 Management '20 Shares were converted into ordinary shares during the year