



**EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS
OF SECO S.P.A.
ON POINT 1) OF THE AGENDA
OF THE EXTRAORDINARY SHAREHOLDERS' MEETING CALLED FOR
JULY 28, 2023 IN SINGLE CALL**

prepared pursuant to Article 2441 Civil Code, Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as amended, and pursuant to Article 72 of the Regulations adopted by Consob Resolution No. 11971 of May 14, 1999 and subsequent amendments and supplements

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JUNE 27, 2023

*Draft for discussion
Subject to amendments and supplements*

Explanatory Report of the Board of Directors of SECO S.p.A. prepared pursuant to Article 2441 of the Civil Code, Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as amended, and pursuant to Article 72 of the Regulations adopted by Consob Resolution No. 11971 of May 14, 1999 and subsequent amendments and supplements

Dear Shareholders,

the Board of Directors of SECO S.p.A. (hereafter, “SECO” or the “Company”) (the Company, together with its subsidiaries as per Article 93 of Legislative Decree No. 58/1998, the “Group”), has called you to the Ordinary and Extraordinary Shareholders’ Meeting, for July 28, 2023 at the time of 9AM, at the offices of Notary Jacopo Sodi, in Florence, Via dei Della Robbia 38, in single call, to discuss and consider, among other matters, the following point 1) on the Agenda of the Extraordinary session:

- 1. Proposal to increase the paid-in share capital, in a divisible and progressive manner, in two tranches, for a maximum nominal amount of Euro 40,000, plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6 of the Civil Code, through the issue of a maximum 4,000,000 new ordinary shares without par value, to be reserved for subscription by the current Chief Executive Officer of Seco S.p.A. as the beneficiary of the “2024-2027 Chief Executive Officer Stock Option Plan”. Consequent amendment of Article 6 of the By-laws. Resolutions thereon.**

With this report (the “Report”) - prepared pursuant to Article 2441 of the Civil Code, Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as subsequently amended (“CFA”), and Article 72 of the Regulation adopted by Consob Resolution No. 11971 of May 14, 1999, as amended (the “Issuers’ Regulation”), as well as in compliance with Annex 3A of the Issuers’ Regulation - we wish to provide an explanation of the reasons for the proposals related to point 1) on the Agenda of the Shareholders’ Meeting, in Extraordinary session.

In particular, the Board of Directors has called you to the Extraordinary Shareholders’ Meeting to submit for your approval the proposal to increase the paid-in share capital, in a divisible and progressive manner, in two tranches, for a maximum nominal amount of Euro 40,000, plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6, of the Civil Code, by issuing up to 4,000.000 new ordinary shares of the Company, with no indication of par value, having the same features as those in circulation, to serve an incentive and loyalty plan called the “2024-2027 Chief Executive Officer Stock Option Plan” (the “Plan”) reserved for the current Chief Executive Officer of SECO (the “Beneficiary”), of which 3.000,000 to be reserved for subscription at a price of Euro 5.90 and 1,000,000 to be reserved for subscription at a price of Euro 10.00.

For further information on the Plan, reference should be made to the prospectus, drawn up as per Article 84-bis of the Issuers’ Regulation, in accordance with the indications contained in sheet No. 7 of Annex 3A of the same Regulation, published on the company website www.seco.com, in the “Investors / Corporate Governance / Shareholders’ Meetings” section, and the e-market storage mechanism www.emarketstorage.com (the “Prospectus”) and the report of the Board of Directors on point 2) of the Agenda of the Shareholders’ Meeting in ordinary session of July 28, 2023, to which the Prospectus is annexed, also published on the company website www.seco.com, in the “Investors / Corporate Governance / Shareholders’ Meetings” section, and on the www.emarketstorage.com storage

mechanism.

1. REASONS FOR AND PURPOSE OF THE CAPITAL INCREASE RESERVED FOR THE BENEFICIARY OF THE PLAN

The proposed share capital increase submitted for your approval is aimed at creating a bank of shares necessary to service the Plan reserved for the Beneficiary, to be implemented through the free assignment of options (the "**Options**") valid for the subscription of newly-issued SECO ordinary shares.

It should be noted that the Plan provides for the free grant of 4,000,000 Options, which entitle the holder to receive an amount of ordinary shares of the Company calculated as follows:

- (i) 1 (one) newly-issued SECO ordinary share for each 1 (one) Option exercised, in case of exercise of the Options with payment of the Exercise Price; or, alternatively;
- (ii) upon the Beneficiary's request to the Company, and upon the Company's consent, a variable number of SECO ordinary treasury shares without payment of the exercise price, in which case the Company will grant ordinary treasury shares free of charge, whose number will be determined according to the market price of the shares on the date of exercise of the Options, as more fully described in the Prospectus and to which reference should be made for further information.

For further details on the proposal to adopt the Plan, reference should be made to the Explanatory Report drawn up as per Article 114-*bis* of the CFA, available to the public in accordance with law and on the company website www.seco.com (Investors' section).

It should also be noted that the Plan is resolutely conditional on the event that, at the Shareholders' Meeting called to appoint the new Board of Directors for the 2024-2026 three-year period ("**New Board of Directors**"), on the approval of the financial statements for 2023, the Beneficiary is not elected as a member of the New Board of Directors and that he/she is not entrusted with the office and delegated powers as Chief Executive Officer by the New Board of Directors; therefore, the same termination condition should be considered to be attached to this capital increase also.

2. REASONS FOR THE EXCLUSION OF THE OPTION RIGHT

The exclusion of option rights is a direct result of the purpose of the capital increase transaction, which is to reserve newly-issued ordinary SECO shares for the Plan Beneficiary.

The Plan has the function of (i) involving and incentivizing the Beneficiary, whose activity is deemed of fundamental importance to the achievement of the Group's strategic objectives, (ii) building the Beneficiary's loyalty by incentivizing his/her retention in the Group, and (iii) aligning the Beneficiary's interests with those of the Company and the shareholders over the Plan's time horizon by recognizing the Beneficiary's contribution to increasing the value of the Company.

In this regard, the Plan represents the instrument for achieving the above objectives, supplementing the fixed component and the variable component of a short-term monetary nature (linked to annually defined objectives), through a medium-to-long-term variable component based on financial instruments, to be granted according to the achievement of certain objectives for the growth of the Company's value, in accordance with the best market practice approach, while maintaining the principle of sound and prudent management of the Group's activities and of the related risks.

With regards to incentivized remuneration based on stock option plans, we indicate, among other matters, that the adoption of share-based remuneration plans is in line with that recommended by Article 5 of the Corporate Governance Code promoted by the Corporate Governance Committee of Borsa Italiana S.p.A. and the principles of the 2023 Remuneration Policy (as outlined in Section I), approved by the Shareholders' Meeting of April 27, 2023.

In light of the above, the exclusion of the option right is therefore justified by the Company's interest, such as the incentive and retention of the Beneficiary.

3. FEATURES OF THE CAPITAL INCREASE RESERVED FOR THE BENEFICIARY OF THE PLAN

For the execution of the Plan, it is proposed therefore to increase the paid-in share capital, in a divisible and progressive manner, in two tranches, by the deadline of December 31, 2032, for a maximum nominal amount of Euro 40,000, plus share premium, with the exclusion of the option right as per Article 2441, paragraphs 5 and 6, of the Civil Code, through the issue of a maximum 4,000,000 new ordinary SECO shares, without an expressed par value, with the same features as those outstanding and with full rights, to be reserved for subscription by the Beneficiary, of which:

- (i) 3,000,000 to be reserved for subscription at the price of Euro 5.90 each; and
- (ii) 1,000,000 to be reserved for subscription at a price of Euro 10.00 each.

In the case of any corporate transactions affecting the company share capital structure and/or which modify the financial content of the Plan, extraordinary and/or non-recurring and/or non-core activity events, significant changes to the economic environment and/or other events which may affect the shares and, more generally, the Plan, the Board of Directors shall make any change necessary to the resolution and/or supplementation necessary or beneficial, within the limits of the applicable regulation and according to the applicable adjustment criteria and generally-accepted financial market methodologies, in order to adjust the resolution to the altered situation and reflect the above changes, and/or the relevant exercise price per share, while keeping the substantial content and economic content of the Plan, the number of issued shares and the maximum nominal amount of the increase, linked to the "2024-2027 Chief Executive Officer Stock Option Plan", unchanged.

At the date of this Report, SECO's subscribed and paid-in share capital amounts to Euro 1,296.325.89, comprising 132,914,258 shares, without express nominal value, of which: (i) 132,910,758 ordinary shares, (ii) 2,500 Management '20 Shares; (iii) 1,000 Management Performance Shares.

The maximum number of ordinary shares in service of the Plan corresponds to 2.9% of the "fully diluted" share capital of the company, including the same capital increase servicing the Plan (represented by a total of 136,914,258 shares). The "fully diluted" share capital refers to the share capital issued and subscribed in the case of the full exercise of the stock options granted under the Plan.

For completeness, we indicate that the maximum number of ordinary shares in service of the Plan corresponds to approx. 3% of the subscribed and paid-in share capital at the date of this Report (representing a total of 132,914,258 shares).

4. CALCULATION OF THE ISSUE PRICE OF THE ORDINARY SHARES FOLLOWING THE EXERCISE OF THE OPTIONS

The issue price of the new ordinary company shares subject to the proposed capital increase of SECO and, consequently, the exercise price of the Options, was fixed by the Board of Directors, on the basis of the proposal of the Appointments and Remuneration Committee, meeting on June 16, 2023 and following on from the issue of the opinion of the Related Parties Committee of June 21, 2023, on the basis of the Plan's features. More specifically, the issue price was identified as equal to the arithmetic average of the closing prices recorded by SECO's ordinary shares on the market organized and managed by Borsa Italiana S.p.A. in the 6 (six) months preceding the date of June 15, 2023 inclusive (the day before the meeting of the Appointments and Remuneration Committee), increased by a premium of 17% and is equal to Euro 5.90 per newly-issued SECO ordinary share, except for the shares arising from the exercise of the Options covered by the second tranche - as better explained in the Prospectus - for which an issue price is set equal to the arithmetic average of the closing prices recorded by SECO's ordinary shares on the market organized and managed by Borsa Italiana S.p.A. in the 6 (six) months preceding the date of June 15, 2023 inclusive, increased by a premium of 99%, therefore equal to Euro 10.00 per share. The directors also verified that the values derived from the calculation using the arithmetic average did not deviate significantly from the weighted average.

The issue price of the newly-issued shares subject to the capital increase in service of the Plan should comply with the legal requirements, in particular Article 2441, paragraph 6 of the Civil Code. This provision states that the issue price of shares is determined by the directors *"based on the value of shareholders' equity, taking into account for shares listed on regulated markets also the price movements over the last six months."*

It is considered that, according to best practice, this provision should be interpreted to mean that the issue price of the shares need not be equal to the equity value, to be understood as the "economic" value of the Company, also in light of the overall context in which the capital increase transaction is considered, although its determination should be made "based on" this value; this leaves a margin of discretion to the Directors, who may issue the new shares at a price that does not coincide with the value of shareholders' equity. Similarly, it is considered that the rule's reference to the share price movements over the last six months leaves the directors the freedom of choice in identifying the value of the share which may be considered most representative. In this context, the issue price of the share should take due consideration of the specific nature of the transaction. Specifically, for the transaction in question, the issue price is determined by taking as a reference the present value of the Company at the time the Options are granted, which, in line with the features and incentive purposes of the stock option plans, precedes the timeframe over which the capital increase to service the Plan will be carried out.

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The Board of Directors, in order to determine the issue price of the new shares for the capital increase, examined the closing prices of SECO's ordinary shares on the regulated Euronext Milan market, STAR segment, organized and managed by Borsa Italiana S.p.A. over several time horizons, taking into account the arithmetic average of recorded closing prices in the periods (a) of 30 days, (b) of 3 months, and (c) of 6 months preceding the date of June 15, 2023 inclusive, noting that the said average stood at Euro 4.83 per share, Euro 4.77 per share, and Euro 5.04 per share, respectively. Subsequently, an update of the analyses was conducted up to the date hereof, which did not reveal any significant changes. The directors also verified that the values derived from the calculation using the arithmetic average did not deviate significantly from the weighted average.

For completeness, it is indicated that the shareholders' equity values per share are Euro 1.99 and Euro 1.78, respectively for SECO's consolidated and separate shareholders' equity at December 31, 2022.

In particular, the Board of Directors considered it appropriate to consider, as the method to determine the issue price, the stock market price criterion, which is considered the most appropriate method to indicate the real economic value of the company share capital, as it incorporates in the price the expectations developed by investors in relation to the Company's strategic initiatives and performance. In addition, the Plan's purposes were considered of (i) engaging and incentivizing the Beneficiary, (ii) retaining the Beneficiary; and (iii) aligning the interests of the Beneficiary with those of the Company and the shareholders over the Plan's time horizon, recognizing them for their contribution in increasing the value of the Company.

The adoption of the stock price criterion is in line with the provisions of Article 2441, paragraph 6, of the Civil Code and with market practice followed in transactions involving the issuance of shares as part of stock incentive plans reserved for employees and Directors.

The reference to the time horizon of 6 months, referred to in the aforementioned Civil Code Article, makes it possible to take into consideration a period of time sufficiently long to neutralize from the result thus obtained the factors of volatility that may affect the financial markets, thus reflecting the value that the market attributes to the Company's share.

Finally, the mechanism of adopting a reward is designed to incentivize the Beneficiary to increase the value of the Company and is protective of all shareholders.

In light of the foregoing, the Board of Directors has decided to determine (i) the unit issue price per newly-issued SECO ordinary share as Euro 5.90, of which Euro 5.89 as share premium, except for the shares arising from the exercise of the Options covered by the second tranche - as better explained in the Prospectus - for which an issue price of Euro 10.00, of which Euro 9.99 as share premium, per share is stipulated; (ii) the capital increase for a maximum nominal amount of Euro 40.000, plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6, of the Civil Code; and (iii) the issue of a maximum total number of 4,000,000 new ordinary shares of the Company, with no indication of the expressed par value, having the same features as those in circulation, to be reserved for subscription by the Chief Executive Officer of Seco S.p.A, as the beneficiary of the "2024-2027 Chief Executive Officer Stock Option Plan".

In addition, the Board of Directors states that, as per Article 2441, paragraph 6 of the Civil Code and Article 158 of the CFA, the independent audit firm Deloitte & Touche S.p.A. (the "**Independent Audit**

Firm”), tasked with the legal audit of the accounts of the company in accordance with Legislative Decree No. 39/2010, shall express its opinion on the appropriateness of the issue price of the shares. The opinion of the Independent Audit Firm shall be made available to the public according to the legally-established deadline and means.

The Plan also establishes an alternative means to grant the shares to the Beneficiary - on the request of the Beneficiary to the Company, and following the latter’s consent - without the payment of the exercise price. In this case, the number of ordinary SECO treasury shares granted for free shall be variable and established on the basis of the market price of the shares at the date of exercise of the Options.

5. UNDERWRITING AND/OR PLACEMENT CONSORTIUMS AND ANY OTHER FORMS OF PLACEMENT

No underwriting and/or placement consortiums are in place, nor other forms of placement, as the shares to be issued as part of the capital increase are reserved for subscription by the Plan Beneficiary following the exercise of the Options, according to the terms and conditions of the Plan.

6. COMPANY PERFORMANCE

With regards to the company’s performance, reference should be made to the financial statements for the year ended December 31, 2022, accompanied by the reports of the Board of Directors, the Board of Statutory Auditors and the Independent Audit Firm, and approved by the Shareholders’ Meeting of April 27, 2023, in addition to the interim report at March 31, 2023, approved by the Board of Directors on May 11, 2023. The documents are available on the Company’s website (www.seco.com) in the “Investors” section.

7. AVAILABILITY TO SUBSCRIBE TO THE NEW SHARES FROM THE CAPITAL INCREASE

Not applicable as the capital increase is reserved for the Plan Beneficiary.

8. PERIOD SET FOR THE EXECUTION OF THE TRANSACTION

Pursuant to the provisions of the Plan, the exercise of the total Options granted to the Beneficiary will be governed, subject to the Beneficiary’s continued directorship with the Company, as follows:

- a) 1 million Options, 12 (twelve) months after the Shareholders' Meeting called to appoint the New Board of Directors;
- b) a further 1 million Options, 24 (twenty-four) months after the Shareholders' Meeting called to appoint the New Board of Directors;
- c) an additional 1 million Options, effective on the earlier of (i) 36 (thirty-six) months from the date of the Shareholders' Meeting called to appoint the New Board of Directors and (ii) the date on which the Board of Directors is reappointed by the Shareholders' Meeting at the time of the approval of the financial statements for fiscal year 2026;

the full first tranche;

- d) an additional 1 million Options, comprising the second tranche of the Plan, effective on the earlier of (i) 36 (thirty-six) months from the date of the Shareholders' Meeting called to appoint the New Board of Directors and (ii) the date on which the Board of Directors is reappointed by the Shareholders' Meeting at the time of the approval of the financial statements for fiscal year 2026.

The Options granted may be exercised by the Beneficiary in arrears in the years following vesting, within eight years of the Shareholders' Meeting called to appoint the New Board. Therefore, the capital Increase should be executed by the deadline of December 31, 2032. It is believed that the above terms facilitate the achievement of the incentive and retention objectives of the Beneficiary under the Plan.

9. FEATURES OF THE NEWLY-ISSUED ORDINARY SHARES

The ordinary company shares subscribed by the Beneficiary shall have the same rights as the ordinary company shares at the issue date and shall therefore be linked with the coupons in place at that date.

10. EFFECTS OF THE INCREASE

The maximum number of ordinary shares in service of the Plan corresponds to 2.9% of the “fully diluted” share capital of the company, including the same capital increase servicing the Plan (represented by a total of 136,914,258 shares). The “fully diluted” share capital refers to the share capital issued and subscribed in the case of the full exercise of the stock options granted under the Plan.

For completeness, we indicate that the maximum number of ordinary shares in service of the Plan corresponds to approx. 3% of the subscribed and paid-in share capital at the date of this Report (representing a total of 132,914,258 shares).

The increase to service the Plan, in the event that the Plan is fully subscribed following the exercise of all the Options and assuming that no further capital increases are carried out, would result in a maximum dilution of 2.6% of the current share capital for the Company's shareholders.

11. AMENDMENTS TO ARTICLE 6 OF THE BY-LAWS

As a consequence of the approval of the proposal submitted to you, the consequent changes indicated below shall be made to Article 6 of the By-Laws, highlighting in bold the newly inserted words, as indicated in the following table, whereby the text of Article 6 of the existing By-Laws is compared to the proposed text.

It should be noted that these amendments to the By-Laws do not confer the right to withdrawal to shareholders refusing to accept them, as they do not fall within the scope of circumstances for withdrawal set out in Article 2437 of the Civil Code.

Existing Text	Proposed text
Article 6	Article 6
6.1 The share capital is Euro 1,294,591.49, divided into 132,740,818 Shares with no express par value, of which: (i) 132,737,318 Ordinary Shares; (ii) 2,500 Management '20 Shares; (iii) 1,000 Management Performance Shares.	<i>(unchanged)</i>
6.2 The share capital may be increased by Shareholder Meeting motion even through the issue of shares having different rights and through conferment other than cash, within the legal limits permitted.	<i>(unchanged)</i>

<p>6.3 Pursuant to a resolution of the Extraordinary Shareholders' on November 30, 2020, as amended on March 1, 2021 and March 25, 2021 the following was resolved:</p> <ul style="list-style-type: none"> - to issue free of charge, subject to the conversion referred to below, Ordinary Shares, in a number determined pursuant to Section 8.1.1 of the By-Laws referred to below, without an increase in the share capital, with regular dividend entitlement, intended to service the conversion of Management '20 class shares into Ordinary Shares, with the consent to such placement and the waiver of any subscription/option/pre-emption rights by current Shareholders, under the terms and conditions set forth in Section 8.1 of the By-Laws referred to below, to be placed no later than November 30, 2030; - to issue, subject to the conversion referred to below, without share capital increase, Ordinary Shares, in a number determined pursuant to Section 8.2, without an increase in the share capital, with regular dividend entitlement, intended to service the conversion of Management Performance class shares into Ordinary Shares and the related subscription right as per Section 8.2.3, with the consent to such placement and the waiver of any subscription/option/pre-emption rights by current Shareholders, under the terms and conditions set forth in Section 8.2, to be placed within the maximum period permitted; - without further payment, in the case of Shares issued for the purpose of conversion into Ordinary Shares on the basis of the ratio referred to in Section 8.2.1; - against payment, in the event of exercise of the subscription right referred to in Section 8.2.3, of the sum indicated therein and full allocation of the same to share premium; <p>upon expiry of the aforesaid term, a number of Shares equal to the conversions and subscriptions made up to that moment shall be issued, with the specification that those entitled shall acquire the status of Shareholder, with the consequent right to exercise all the related rights upon exercise of the conversion and subscription right due to him/her.</p>	<p><i>(unchanged)</i></p>
<p>6.4 To service a stock option plan called "SECO S.p.A. Stock Option Plan" the Extraordinary Shareholders' Meeting:</p> <ul style="list-style-type: none"> a) on March 1, 2021 resolved to increase the share capital for cash, on a divisible basis, by a maximum nominal amount of Euro 54,000 by issuing a maximum of 5,400,000 ordinary shares, to be executed at the latest by December 31, 2024; b) on April 27, 2022, resolved the free share capital increase, to be reserved for employees and senior executives of SECO S.p.A. or one of its subsidiaries, for a maximum nominal amount of Euro 54,000, on a divisible basis, through the granting, pursuant to Article 2349 of the Civil Code, of a corresponding amount taken from retained earnings reserves, by issuing a maximum of 5,400,000 Ordinary Shares, to be executed by the maximum term of December 31, 2024. <p>These increases may be carried out for a total maximum nominal amount</p>	

<p>of Euro 54,000, by issuing/granting a maximum of 5,400,000 Ordinary Shares, within the same maximum term of December 31, 2024; therefore, the resolved share capital of the Company, as a result of both the transactions referred to in letters a) and b), shall be deemed to have increased by a total of only Euro 54,000.</p>	
<p>6.5 The allocation of profits and/or retained earnings to employees of the Company or the subsidiaries, through the issue of shares in accordance with the first paragraph of Article 2349 of the Civil Code is permitted.</p>	<i>(unchanged)</i>
<p>6.6 The Shareholders' Meeting may confer to the Board of Directors the power to increase the share capital on one or more occasions up to an established amount and for a period of a maximum of 5 years from the date of the motion. The Extraordinary Shareholders' Meeting has the power to issue bonds convertible into newly issued shares, subject to the proxy power pursuant to Article 2420-ter of the Civil Code.</p>	<i>(unchanged)</i>
<p>6.7 In the motions for a paid capital increase, pre-emption rights may be excluded by the Shareholders' Meeting to the maximum extent established pursuant to Article 2441, paragraph 4, second sentence of the Civil Code and/or other applicable legal provisions.</p>	<i>(unchanged)</i>
<p>6.8 The Company has the right to issue other classes of shares and financial instruments, including - if the conditions required by law are present and by means of the amendments to the By-Laws - preference shares, savings shares, warrants and bonds, including convertible bonds; shares may also be issued through the conversion of other classes of shares or other securities, if permitted by law.</p>	<i>(unchanged)</i>
<p>6.9 Amounts in Euros shown in these By-Laws to four decimal places shall be used for purposes of interim calculations only. Therefore, the total amount to be paid as a result of these calculations must produce values expressed to no more than two decimal places. To this end, if the third decimal place is equal to or greater than five, the second decimal place will be increased by one unit; in any other case the second decimal place will remain unchanged and the decimal places from the third onwards will be eliminated.</p>	<i>(unchanged)</i>
<p>6.10 The Extraordinary Shareholders' Meeting of November 19, 2021 resolved to grant the Board of Directors a proxy to be exercised within 5 years from the date of the Shareholders' Meeting motion, containing powers: (i) pursuant to Article 2443 of the Civil Code, to increase the share capital for payment, and on a divisible basis, in one or more periods, through the issue of ordinary shares, with the exclusion of the option right pursuant to paragraph 5 of Article 2441 of the Civil Code and/or pursuant to paragraph 4, first sentence, of Article 2441 of the Civil Code, to be offered, at the choice of the Board of Directors, to persons identified by the Board of Directors; and/or (ii) pursuant to Article 2420-ter of the Civil Code, to issue convertible bonds (with the option of conversion also in advance at the initiative of the Company's Board of Directors) and/or convert into ordinary shares (the "Bonds") for a maximum total amount of Euro 200,000,000, resulting in a capital increase to service the conversion by</p>	<i>(unchanged)</i>

issuing ordinary shares with the same characteristics as those in circulation, to be offered, at the choice of the Board of Directors, to parties identified by the same, with the exclusion of the option right pursuant to Article 2441, paragraph 5 of the Civil Code, granting the Board of Directors all the powers needed to define the contents of the regulation of the bond loan, including the right, in the regulation the characteristics of the Bonds, to grant any request for admission to listing of the same and/or any other deed and/or document necessary for this purpose; all this provided that the total maximum amount, including any share premium, of the capital increase against payment and in a divisible way, on one or more occasions, consequent to the issues or conversions referred to in the previous points (i) and (ii) will be Euro 200,000,000, according to the following rules:

a) the motions for the share capital increase (or related individual tranches) pursuant to Article 2443 of the Civil Code, which provide for the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Civil Code, shall (a) establish that the newly issued shares - which shall be ordinary shares - are offered to qualifying investors, pursuant to Article 34-ter, paragraph 1, letter b) of the Issuers' Regulation and/or commercial, financial and/or strategic partners identified from time to time, and (b) establish the issue price of the shares (or the parameters to determine it during execution) in compliance with the procedures and criteria provided for under the applicable regulations, as detailed in the Board of Directors' explanatory report prepared for the Shareholders' Meeting of November 19, 2021;

b) the motions for the share capital increase (or related individual tranches) pursuant to Article 2443 of the Civil Code in relation to in-kind transfer operations pursuant to Article 2441, paragraph 4, first sentence of the Civil Code, shall (a) establish that the newly issued shares - which shall be ordinary shares - are offered to parties identified by the Board of Directors in the context of transactions that provide for the contribution in kind (wholly or in part) of equity investments, companies, company branches and/or industrial activities of interest to the Company, as part of the Group's development and growth strategy for external lines, and (b) establish the issue price of the shares (or the parameters to determine it during execution) in compliance with the procedures and criteria provided for under the applicable regulations, as detailed in the Board of Directors' explanatory report prepared for the Shareholders' Meeting of November 19, 2021;

c) motions to issue the Bonds pursuant to Article 2420-ter of the Civil Code, with the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Civil Code, shall (a) establish that said Bonds are offered, in whole or in part, to qualifying investors, pursuant to Article 34-ter, paragraph 1, letter b) of Consob Regulation No. 11971, of May 14, 1999, and subsequent amendments and supplements, and/or to commercial, financial and/or strategic partners identified as appropriate and (b) establish the issue price of the aforementioned Bonds and of shares to be issued as part of the capital increase executed to service the conversion of the same (or the parameters for determining said prices during the execution) in compliance with the procedures and criteria provided for under applicable regulations, as

<p>detailed in Board of Directors' explanatory report prepared for Shareholders' Meeting of November 19, 2021;</p> <p>d) motion or motions to increase capital shall establish the portion of the share issue price offered to be charged to capital and the portion of the issue price, if any, to be charged to share premium.</p> <p>i) On May 30, 2022, the Board of Directors, in partial execution of the power granted by the Extraordinary Shareholders' Meeting of November 22, 2021, resolved to increase the paid-in share capital by a nominal amount of Euro 77,483.78, by issuing 7,971,583 ordinary shares with no par value, with the same characteristics as those outstanding on the issue date, and regular dividend entitlement, at a price of Euro 6.27220 per share, of which Euro 6.26248 was a share premium, for a total amount of Euro 49,999,362.8926, with the increase reserved pursuant to Article 2441, paragraph 4, Civil Code to the Company Camozzi Digital S.r.l., to be released, by the deadline of September 30, 2022, by contribution in kind of the business unit for technological solutions for the digitization of industrial processes. On July 4, 2022, the increase resolved on May 30, 2022 was fully subscribed and released.</p> <p>ii) On April 2, 2023, the Board of Directors, in partial execution of the power granted by the Extraordinary Shareholders' Meeting of November 19, 2021, resolved to increase the paid-in share capital, for a maximum nominal amount of Euro 138,592.76, by issuing a maximum number of 13,859,276 ordinary shares with no par value, having the same characteristics as those in circulation on the issue date and regular dividend entitlement, at a price of Euro 4.69 per share, of which Euro 4.68 was share premium, for a maximum total amount of Euro 65,000,004.44, a divisible and progressive increase, reserved pursuant to Article 2441, paragraph 5, Civil Code to 7-Industries Holding B.V, to be released in two tranches, by the deadline of June 30, 2023. On June 13, 2023, the increase resolved on April 2, 2023 was fully subscribed and released.</p>	
	<p>6.11 In service of a stock option plan called the "2024-2027 Chief Executive Officer Stock Option Plan", the Extraordinary Shareholders' Meeting of July 28, 2023 resolved to increase for payment, in a divisible and progressive manner, in two tranches - 1,000,000 shares 12 (twelve) months from the Shareholders' Meeting called to appoint the new Board of Directors for the three-year period 2024-2026, 1,000,000 shares 24 (twenty-four) months from that date, 1,000,000 shares from</p>

*Draft for discussion
Subject to amendments and supplements*

	<p>the earliest date of (i) 36 (thirty-six) months from the Shareholders' Meeting called to appoint the new Board of Directors for the three-year period 2024-2026, and (ii) the date on which the Board of Directors will be reappointed by the Shareholders' Meeting at the time of the approval of the financial statements for the year 2026, in total the first tranche, and an additional 1,000,000 shares from the first date between (i) 36 (thirty-six) months from the Shareholders' Meeting called to appoint the new Board of Directors for the three-year period 2024-2026, and (ii) the date on which the Board of Directors will be reappointed by the Shareholders' Meeting on the occasion of the approval of the financial statements for the fiscal year 2026 - the share capital for a maximum nominal amount of Euro 40.000, plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6, of the Civil Code, by issuing a maximum of 4,000,000 Ordinary Shares with no indication of par value to be executed by the deadline of December 31, 2032.</p>
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Dear Shareholders,

in consideration of that established above, we invite you therefore to adopt the following resolution:

"The Extraordinary Shareholders' Meeting of SECO S.p.A.

- having noted the Board of Directors' Explanatory Report,*
- having noted the fairness opinion issued by the independent audit firm Deloitte & Touche S.p.A.,*
- taking into account the resolution of the Shareholders' Meeting that approved today the "2024-2027 Chief Executive Officer Stock Option Plan".*

RESOLVES

- 1. to increase the paid-in share capital, in a divisible and progressive manner, in two tranches, by the deadline of December 31, 2032, for a maximum nominal amount of Euro 40,000, plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6, of the Civil Code, by issuing up to 4,000,000 new ordinary shares of the Company, with no indication of par value, having the same features as those in circulation, to be reserved for subscription by the chief executive officer of SECO S.p.A., as the beneficiary of the "2024-2027 Chief Executive Officer Stock Option Plan", of which 3,000,000 to be reserved for subscription at a price of Euro 5.90, of which Euro 5.89 as share premium, and 1,000,000 to be reserved for subscription at a price of Euro 10.00, of which Euro 9.99 as share premium;*
- 2. as a result of the above resolution, to amend Article 6 of the By-Laws by inserting the following new paragraph:*

"6.11 In service of a stock option plan called the "2024-2027 Chief Executive Officer Stock Option Plan", the Extraordinary Shareholders' Meeting of July 28, 2023 resolved to increase for payment, in a divisible and progressive manner, in two tranches - 1,000,000 shares 12 (twelve) months from the Shareholders' Meeting called to appoint the new Board of Directors for the three-year period 2024-2026, 1,000,000 shares 24 (twenty-four) months from that date, 1,000,000 shares from the earliest date of (i) 36 (thirty-six) months from the Shareholders' Meeting called to appoint the new Board of Directors for the three-year period 2024-2026, and (ii) the date on which the Board of Directors will be reappointed by the Shareholders' Meeting at the time of the approval of the financial statements for the year 2026, in total the first tranche, and an additional 1,000,000 shares from the first date between (i) 36 (thirty-six) months from the Shareholders' Meeting called to appoint the new Board of Directors for the three-year period 2024-2026, and (ii) the date on which the Board of Directors will be reappointed by the Shareholders' Meeting on the occasion of the approval of the financial statements for the fiscal year 2026 - the share capital for a maximum nominal amount of Euro 40.000, plus share premium, with the exclusion of option rights pursuant to Article 2441, paragraphs 5 and 6, of the Civil Code, by issuing a maximum of 4,000,000 Ordinary Shares with no indication of par value to be executed by the deadline of December 31, 2032.";

*Draft for discussion
Subject to amendments and supplements*

3. *to take note that the above resolutions are subject to the relevant registration in the Companies Register pursuant to Article 2436 of the Civil Code and are resolutely conditional on the event that, at the Shareholders' Meeting called to appoint the new Board of Directors for the 2024-2026 three-year period, on the approval of the financial statements for 2023, the Beneficiary is not elected as a member of the New Board of Directors and that he/she is not entrusted with the office and delegated powers as Chief Executive Officer by the New Board of Directors;*
4. *to grant the Board of Directors, and on its behalf the pro tempore legal representatives, jointly and severally, any and all powers to execute the above-mentioned capital increase, as well as to: a) make to Article 6 of the By-Laws the changes consequent to the execution and completion of the capital increase, carrying out all the requirements and publicity necessary in accordance with law, also in terms of its development; b) fulfill the formalities necessary for the adopted resolutions to be filed at the Companies Register, accepting and introducing in the same any non-substantial amendments, additions or deletions that may be required by the competent authorities, as well as every power to carry out the legal and regulatory fulfillments consequent to the adopted resolutions, in addition to any power to make any necessary or appropriate amendments and/or additions to the resolution, within the limits allowed by the applicable regulations and according to the applicable adjustment criteria and generally-accepted financial market methods, also in the case of any corporate transactions affecting the company share capital structure and/or which modify the financial content of the Plan, extraordinary and/or non-recurring and/or non-core activity events, significant changes to the economic environment and/or other events which may affect the shares and, more generally, the Plan, in order to adjust the resolution to the altered situation and reflect the above changes, and/or adjust the relevant exercise price per share, while keeping the substantive and economic content of the Plan, the number of issued shares and the maximum nominal amount of the increase, linked to the "2024-2027 Chief Executive Officer Stock Option Plan, unchanged."*

Arezzo, June 27, 2023

For the Board of Directors
The Chairman
Daniele Conti