



**EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS OF SECO  
S.P.A  
ON POINT 2) OF THE AGENDA OF THE  
ORDINARY AND EXTRAORDINARY  
SHAREHOLDERS' MEETING  
CALLED FOR APRIL 29, 2024 IN SINGLE CALL**

**prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as amended**

## **Explanatory report of the Board of Directors of SECO S.P.A. prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, as amended**

Dear Shareholders,

the Board of Directors of SECO S.p.A. ("**SECO**" or the "**Issuer**" or the "**Company**") has called you to the Ordinary and Extraordinary Shareholders' Meeting, for April 29, 2024, at the time of 10:00 a.m., at Firenze, in Via Della Robbia n. 38, at the Office of Notaio Jacopo Sodi, in single call, to discuss and resolve, among other matters, on the following point 2) of the Agenda of the Shareholders' Meeting:

- 2) Remuneration Policy and Report:**
  - 2.1 Approval of the remuneration policy pursuant to Article 123-ter, paragraph 3-bis of Legislative Decree No. 58/1998;**
  - 2.2 Motion of "Section II" of the Report, pursuant to Article 123-ter, paragraph 6 of Legislative Decree No. 58/1998.**

The Remuneration Policy and Report (the "**Remuneration Report**" or the "**Report**") was 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 (the "**SHRD**" or "**Directive**") - 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 in implementing the SHRD.

The Remuneration Report is organized into the following sections:

- a) Section I, in compliance with Articles 123-*ter* of the CFA and 9-*bis* of the Directive, illustrates the policy of the Company regarding the remuneration of the members of the Board of Directors, Other Senior Executives and, subject to the provisions of Article 2402 of the Civil Code, of the members of the Board of Statutory Auditors of the Company, as well as the procedures used for the adoption, review and implementation of said Policy, including the measures in place to prevent or manage any conflicts of interest.

Moreover, pursuant to Article 84-*quater*, paragraph 2-*bis* of the Issuers' Regulation, the remuneration policy described in Section I of the Report:

- indicates how it contributes to the corporate strategy, the pursuit of long-term interests and the sustainability of the Company; and is determined taking into account the compensation and working conditions of the Company's employees;
- defines the different components of remuneration; in the case of awarding variable remuneration, it establishes clear, comprehensive and differentiated criteria for awarding such remuneration, based on financial and non-financial performance targets, where appropriate taking into account criteria relating to corporate social responsibility;

- specifies the elements of the policy from which, in the presence of exceptional circumstances indicated in Article 123-ter, paragraph 3-bis, of the CFA, it is possible to temporarily deviate and the procedural conditions according to which, subject to the provisions of Consob Regulation No. 17221/2010 concerning related party transactions, the exceptions which can be applied;
- b) Section II, which sets out the remuneration attributed to each individual Director and Statutory Auditor and, in aggregate form, other Senior Executives:
- provides an adequate, clear and comprehensible representation of each of the items comprising remuneration, including treatment provided in the event of termination of office or termination of employment (where such treatment is in place), highlighting their compliance with the Remuneration Policy of the Company for the year 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 an estimated value for components that cannot be objectively quantified in the year of reference.

In addition, Section II contains information on 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.

The Remuneration Report will be made available to the public - at the Company's registered office, on the Company's website [www.seco.com](http://www.seco.com) (in the *Investor Relations/Corporate Governance/Shareholders' Meeting* section), as well as on the authorized storage mechanism "eMarket STORAGE" available at [www.emarketstorage.com](http://www.emarketstorage.com) - at least 21 days before the date of the Shareholders' Meeting.

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We note that the Shareholders, pursuant to Article 123-ter, paragraph 3-bis of the CFA, will be called to vote on Section I of the "Remuneration Report" (in favor or against), with motions passed in accordance with the provisions of Article 123-ter, paragraph 3-ter of the CFA. Pursuant to Article 123-ter, paragraph 6, of the CFA, the Shareholders will also be called upon to resolve on Section II of the Remuneration Report, with a non-binding motion. The results of the vote will be made available to the public in accordance with Article 123-ter, paragraph 6 and 125-quater, paragraph 2, of the CFA.

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In view of the above, the Board of Directors wishes to submit to the Shareholders' Meeting the following proposals relating to point 2) on the Agenda, in Ordinary Session:

#### **Proposal on point 2.1**

*"The Ordinary Shareholders' Meeting of SECO S.p.A., having reviewed the report of the Board of Directors prepared pursuant to Article 123-ter of Legislative Decree No. 58/1998, for the purposes set out in paragraph 3-ter of the regulation, and therefore with binding motion*

#### **Resolves**

- *to approve the first section of the Remuneration Policy and Report drawn up pursuant to Article 123-ter of Legislative Decree No. 58/1998 and other applicable regulations"*

#### **Proposal on point 2.2**

*"The Ordinary Shareholders' Meeting of SECO S.p.A., having reviewed the report of the Board of Directors prepared pursuant to Article 123-ter of Legislative Decree No. 58/1998, for the purposes set out in paragraph 6-ter of the regulation, and therefore with non-binding motion,*

#### **Resolves**

- *to approve the second section of the Remuneration Policy and Report drawn up pursuant to Article 123-ter of Legislative Decree No. 58/1998 and other applicable regulations."*

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Arezzo, March 18, 2024

For the Board of Directors

The Chairperson

Daniele Conti