



**EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS  
OF SECO S.P.A.  
ON POINT 2) OF THE AGENDA  
OF THE EXTRAORDINARY SHAREHOLDERS'  
MEETING CALLED FOR DECEMBER 16<sup>TH</sup>, 2024  
IN SINGLE CALL**

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

Dear Shareholders,

the Board of Directors of SECO S.p.A. (hereafter, "**SECO**", the "**Issuer**", or the "**Company**"), has called you to the Extraordinary Shareholders' Meeting, for December 16<sup>th</sup>, 2024 at the time of 11.30AM, 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 2) on the Agenda of the Extraordinary session:

- 2. Proposal to increase the paid-in share capital, for payment, in a divisible and progressive manner, in two tranches, for a maximum nominal amount of Euro 40,000 (forty thousand), 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 (four million) 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 New 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<sup>th</sup>, 1998, as subsequently amended ("**CFA**"), and Article 72 of the Regulation adopted by Consob Resolution No. 11971 of May 14<sup>th</sup>, 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 2) 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, for payment, in a divisible and progressive manner, in two tranches, for a maximum nominal amount of Euro 40,000 (forty thousand), 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 (four million) new ordinary shares of the Company, with no indication of par value, having the same features as those in circulation, to serve the "2024-2027 Chief Executive Officer New Stock Option Plan" ("**New Plan**"), of which 3,000,000 (three million) to be reserved for subscription at a price of Euro 4.15 (four point fifteen) and 1,000,000 (one million) to be reserved for subscription at a price of Euro 10.00 (ten point zero zero).

It is hereby noted that the resolution submitted for the approval of the Extraordinary Shareholders' Meeting is subject to the following: (i) to the withdrawal of the "2024-2027 Chief Executive Officer Stock Option Plan" ("**Current SOP**") and of the related resolution approved by the Shareholders' Meeting on July 28<sup>th</sup>, 2023, as well as to the approval of the resolution of the "2024-2027 Chief Executive Officer New Stock Option Plan" referred to in point 1) of the Agenda of the Ordinary Shareholders' Meeting; and (ii) to the withdrawal of the resolution increasing the paid-in share capital approved by the Shareholders' Meeting on July 28<sup>th</sup>, 2023, to service the Current SOP referred to in point 1) of the Agenda of the Extraordinary Shareholders' Meeting.

For further information on the New 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](http://www.seco.com), in the "Investors /

Corporate Governance / Shareholders' Meetings" section, and the e-market storage mechanism [www.emarketstorage.com](http://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 December 16<sup>th</sup>, 2024, to which the Prospectus is annexed, also published on the company website [www.seco.com](http://www.seco.com), in the "Investors / Corporate Governance / Shareholders' Meetings" section, and on the [www.emarketstorage.com](http://www.emarketstorage.com) storage mechanism.

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

The proposed share capital increase submitted for your approval is aimed at creating a bank of shares necessary to service the New 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 New 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 New 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](http://www.seco.com) ("Investors / Corporate Governance / Shareholders' Meetings").

## 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 New Plan Beneficiary.

The New 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 New Plan's time horizon by recognizing the Beneficiary's contribution to increasing the value of the Company.

In this regard, the New 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 2024 Remuneration Policy (as outlined in Section I), approved by the Shareholders' Meeting of April 29<sup>th</sup>, 2024 ("**2024 Shareholders' Meeting**").

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 NEW PLAN**

For the execution of the New 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<sup>st</sup>, 2032, for a maximum nominal amount of Euro 40,000 (forty thousand), 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 (four million) 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 (three million) to be reserved for subscription at the price of Euro 4.15 (four point fifteen) each; and
- (ii) 1,000,000 (one million) to be reserved for subscription at a price of Euro 10.00 (ten point zero zero) each.

In the case of any corporate transactions affecting the company share capital structure and/or which modify the financial content of the New 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 New 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 New Plan, the number of issued shares and the maximum nominal amount of the increase, linked to the New Plan, unchanged.

At the date of this Report, SECO's subscribed and paid-in share capital amounts to Euro 1,296.944.48, comprising 132,976,117 shares, without express nominal value, of which: (i) 132,972,617 ordinary shares, (ii) 2,500 Management '20 Shares; (iii) 1,000 Management Performance Shares.

The maximum number of ordinary shares in service of the New Plan corresponds to 2.92% of the "fully diluted" share capital of the company, including the same capital increase servicing the New Plan (represented by a total of 136,976,117 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 New Plan.

For completeness, we indicate that the maximum number of ordinary shares in service of the New Plan corresponds to approx. 3% of the subscribed and paid-in share capital at the date of this Report (representing a total of 132,976,117 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 November 8<sup>th</sup>, 2024 and following on from the issue of the opinion of the Related Parties Committee of November 11<sup>st</sup>, 2024, on the basis of the New 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 November 7<sup>th</sup>, 2024 included (the day before the meeting of the Appointments and Remuneration Committee), increased by a

premium of 64% and is equal to Euro 4.15 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 November 7<sup>th</sup>, 2024 included, increased by a premium of 295%, 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. It should be recalled that the application of a large premium over the stock's price performance was previously carried out under the Current SOP.

The issue price of the newly-issued shares subject to the capital increase in service of the New 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 New Plan will be carried out.

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 one month, (b) of 3 months, and (c) of 6 months preceding the date of November 7<sup>th</sup>, 2024 included, noting that the said average stood at Euro 1.6736 per share, Euro 2.0713 per share, and Euro 2.5301 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 equal to: Euro 2.19 and Euro 2.09, respectively for SECO's consolidated and separate shareholders' equity at December 31<sup>st</sup>, 2023; (ii) Euro 2.17 and Euro 2.06 respectively for SECO's consolidated and separate shareholders' equity at June 30<sup>th</sup>, 2024, (iii) Euro 2.14 and Euro 2.03 respectively for SECO's consolidated and separate shareholders' equity at September 30<sup>th</sup>, 2024.

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 New 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 New 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.

The premium applied, as well as the increase applied over the Current SOP, is aimed at promoting the achievement of operational and financial results that contribute to lead the Company's strategic choices toward solid and sustainable growth, as well as value creation in the interests of the Company and all shareholders. Moreover, if the conditions for the exercise of the Options by the Beneficiary were met, it would also benefit the shareholders excluded from the option right, who would therefore not have their interests affected by the information available to date.

Finally, the exercise price of Euro 4.15, although it implies a premium over the most recent share price, also influenced by the current market contingency related to the destocking phenomenon developed in the post-Covid period, and higher than that used for the purposes of the Current SOP, is consistent with the logic of value creation and medium to long term incentive that underlies the New Plan, since it has already been recorded by Seco's stock in the past on a repeated basis in the period between August 2021 and September 2023.

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 4.15, of which Euro 4.14 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 (forty thousand), 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 (four million) 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 New 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 New 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 New Plan Beneficiary following the exercise of the Options, according to the terms and conditions of the New Plan.

## **6. COMPANY PERFORMANCE**

With regards to the Company's performance, reference should be made to the financial statements for the year ended on December 31<sup>st</sup>, 2023, accompanied by the reports of the Board of Directors, the Board of Statutory Auditors and the Independent Audit Firm, and approved by the 2024 Shareholders' Meeting, in addition to the interim report consolidated at June 30<sup>th</sup>, 2024, approved by the Board of Directors on September 12<sup>th</sup>, 2024 and furthermore to the nine-month financial consolidated report as of September 30<sup>th</sup>, 2024, approved by the Board of Directors today. The documents are available on the Company's website ([www.seco.com](http://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 New Plan Beneficiary.

## **8. PERIOD SET FOR THE EXECUTION OF THE TRANSACTION**

Pursuant to the provisions of the New 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, starting from April 30<sup>th</sup>, 2025;
- b) a further 1 million Options, starting from April 30<sup>th</sup>, 2026;
- c) an additional 1 million Options, starting from April 30<sup>th</sup>, 2027;

the full first tranche;

- d) an additional 1 million Options, comprising the second tranche of the New Plan, starting from April 30<sup>th</sup>, 2027.

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 approve the New Plan. Therefore, the capital increase should be executed by the deadline of December 31<sup>st</sup>, 2032. It is believed that the above terms facilitate the achievement of the incentive and retention objectives of the Beneficiary under the New 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 New Plan corresponds to 2.92% of the "fully diluted" share capital of the company, including the same capital increase servicing the New Plan (represented by a total of 136,976,117 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 New Plan.

For completeness, we indicate that the maximum number of ordinary shares in service of the New Plan corresponds to approx. 3% of the subscribed and paid-in share capital at the date of this Report (representing a total of 132,976,117 shares).

The increase to service the Plan, in the event that the New 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 2.83% 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
<p>6.1 The share capital is Euro 1,296,944.48 (one million two hundred and ninety-six thousand nine hundred and forty-four thousand and forty-eight cents), divided into 132,976,117 Shares (one hundred and thirty-two million nine hundred and seventy-six thousand one hundred and seventeen) with no express par value, of which: (i) 132,737,318 (one hundred thirty-two million nine hundred seventy-two thousand six hundred and seventeen) Ordinary Shares; (ii) 2,500 (two thousand five hundred) Management '20 Shares; (iii) 1,000 (one thousand) Management Performance Shares.</p>	(unchanged)
<p>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.</p>	(unchanged)
<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"> <li>- 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</li> </ul>	(unchanged)



<p>placed no later than November 30, 2030;</p> <ul style="list-style-type: none"> <li>- 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;</li> <li>- 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;</li> <li>- 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;</li> </ul> <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>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"> <li>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 (fifty-four thousand) by issuing a maximum of 5,400,000 (five million four hundred thousand) ordinary shares, to be executed at the latest by December 31, 2024;</li> <li>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 (fifty-four thousand), 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 (five million four hundred thousand) Ordinary Shares, to be executed by the maximum term of December 31, 2024.</li> </ul> <p>These increases may be carried out for a total maximum nominal amount of Euro 54,000 (fifty-four thousand), by issuing/granting a maximum of 5,400,000 (five million four hundred thousand) Ordinary Shares,</p>	

<p>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 (fifty-four thousand).</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 (five) 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 April 29, 2024 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</p>	<i>(unchanged)</i>

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 (two hundred million), resulting in a capital increase to service the conversion by 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 (two hundred million), 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 April 29, 2024;

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

<p>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 April 29, 2024;</p> <p>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 detailed in Board of Directors' explanatory report prepared for Shareholders' Meeting of April 29, 2024;</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>6.11 In service of the stock option plan called the "2024-2027 Plan for Employees, Senior Executives and Collaborators", the Extraordinary Shareholders' Meeting on July 28, 2023 resolved:</p> <p>a) to increase the paid-in share capital, in a divisible and progressive manner, by a maximum nominal amount of Euro 70,000 (seventy thousand), 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 of 7,000,000 (seven million) Ordinary Shares with no indication of par value, to be executed by the deadline of December 31, 2030.</p> <p>b) to increase the share capital free of charge, for a maximum nominal amount of Euro 70,000 (seventy thousand), in a divisible manner, by allocating to capital, pursuant to Article 2349 of the Civil Code, a corresponding amount taken from profits and/or retained earnings, by issuing a maximum of 7,000,000 (seven million) Ordinary Shares, to be executed by the deadline of December 31, 2030.</p> <p>These increases may be carried out for a total maximum nominal amount of Euro 70,000 (seventy</p>	<p>(unchanged)</p>

<p>thousand), by issuing/granting a maximum of 7,000,000 (seven million) Ordinary Shares, within the same deadline of December 31, 2030; therefore, the resolved share capital of the Company, as a result of both the transactions referred to in letters a) and b), shall therefore increase by a total maximum amount of Euro 70,000 (seventy thousand).</p>	
	<p><b>6.12 In service of a stock option plan called the "2024-2027 Chief Executive Officer New Stock Option Plan", the Extraordinary Shareholders' Meeting of December 16, 2024 resolved to increase for payment, in a divisible and progressive manner, in two tranches - 1,000,000 (one million) shares starting from April 30<sup>th</sup>, 2025, 1,000,000 (one million) shares starting from April 30<sup>th</sup>, 2026, 1,000,000 (one million) shares starting from April 30<sup>th</sup>, 2027, in total the first tranche, and an additional 1,000,000 (one million) shares starting from April 30<sup>th</sup>, 2027 - the share capital for a maximum nominal amount of Euro 40.000 (forty thousand), 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 (four million) Ordinary Shares with no indication of par value to be executed by the deadline of December 31, 2032.</b></p>

\* \* \*

Dear Shareholders,

in consideration of that established above, should you agree with the above proposal, 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 withdraw today the "2024-2027 Chief Executive Officer Stock Option Plan", that has been already approved by the Shareholders' Meeting on July 28<sup>th</sup>, 2023;*
- taking into account furthermore the resolution of the Shareholders' Meeting that approved today the "2024-2027 Chief Executive Officer New Stock Option Plan";*
- taking into account lastly the resolution of the Shareholders' Meeting that approved today the withdrawal of the resolution increasing the paid-in share capital approved by the Shareholders' Meeting on July 28<sup>th</sup>, 2023, in service of the "2024-2027 Chief Executive Officer Stock Option Plan" approved by the Shareholders' Meeting in the same day;*

**resolves**

1. *to increase the paid-in share capital, in a divisible and progressive manner, in two tranches, by the deadline of December 31<sup>st</sup>, 2032, for a maximum nominal amount of Euro 40,000 (forty thousand), 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 (four million) 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 New Stock Option Plan", of which 3,000,000 (three million) to be reserved for subscription at a price of Euro 4.15 (four point fifteen), of which Euro 4.14 (four point fourteen) as share premium, and 1,000,000 (one million) to be reserved for subscription at a price of Euro 10.00 (ten point zero zero), of which Euro 9.99 (nine point ninety nine) as share premium;*
2. *as a result of the above resolution, to amend the Article 6 of the By-Laws by including the following new paragraph:*

*"6.12 In service of a stock option plan called the "2024-2027 Chief Executive Officer New Stock Option Plan", the Extraordinary Shareholders' Meeting of December 16, 2024 resolved to increase for payment, in a divisible and progressive manner, in two tranches - 1,000,000 (one million) shares starting from April 30, 2025, 1,000,000 (one million) shares starting from April 30, 2026, 1,000,000 (one million) shares 30 (thirty) months starting from April 30, 2027, in total the first tranche, and an additional 1,000,000 (one million) shares starting from April 30, 2027 - the share capital for a maximum nominal amount of Euro 40.000 (forty thousand), 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 (four million) Ordinary Shares with no indication of par value to be executed by the deadline of December 31, 2032."*

\* \* \*

Arezzo, November 13<sup>rd</sup>, 2024

For the Board of Directors  
The Chairman  
Daniele Conti