



**EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS
OF SECO S.P.A.
ON POINT 3) OF THE AGENDA
OF THE EXTRAORDINARY SHAREHOLDERS'
MEETING CALLED FOR
DECEMBER 16TH, 2024
IN SINGLE CALL**

prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24TH, 1998, as amended, and pursuant to Articles 72 and 84-ter of the Regulations adopted by Consob Resolution No. 11971 of May 14TH, 1999 and subsequent amendments and supplements

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 24th, 1998, as amended, and pursuant to Article 72 and 84-ter of the Regulations adopted by Consob Resolution No. 11971 of May 14th, 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 16th, 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 3) on the Agenda of the Extraordinary session:

- 3) Amendments to Articles 11, 12, 18, and 24 of the By-Laws: proposal to allow the Shareholders' Meetings, as well as meetings of the Board of Directors and the Board of Statutory Auditors, to be held exclusively through telecommunication means; proposal to allow the Shareholders' Meetings to be held exclusively with participation by the appointed representative; related and consequent resolutions.**

With this report (the "**Report**") - prepared pursuant to Article 125-ter of Legislative Decree No. 58 of February 24th, 1998, as subsequently amended ("**CFA**"), and Article 72 and 83-ter of the Regulation adopted by Consob Resolution No. 11971 of May 14th, 1999, as amended (the "**Issuers' Regulation**"), as well as in compliance with the model set forth in Schedule 3 of Annex 3A of the Issuers' Regulation.

In particular, the Board of Directors has called you to the Extraordinary Shareholders' Meeting to submit for your approval:

- (i) the proposal to amend articles 11, 12, 18 and 24 of the By-Laws, to allow the Ordinary and Extraordinary Shareholders' Meetings, as well as the meeting of the Board of Directors and Board of Statutory Auditors to be held exclusively through telecommunication means;
- (ii) the proposal to amend the article 12 of the By-Laws, to allow Ordinary and Extraordinary Shareholders' Meetings to be held using the appointed representative as the exclusive method of intervention and exercise of voting rights at the Shareholders' Meeting, pursuant to art. 135-undecies.1 CFA.

1. REASONS FOR AND USE OF THE SHARE CAPITAL INCREASE

- 1.1 Conduct the Shareholders' Meeting and meetings of the Board of Directors and the Board of Statutory Auditors exclusively through telecommunication means.

Based on and in application of the recent and well-established notarial guidelines on this matter¹, the

¹ Reference is made, in particular, to Rule no. 187 "Online participation in the Shareholders' Meeting" of March 11st, 2020, and Rule no. 200 "Clauses in the Articles of Association legitimising the convening of Shareholders' Meetings exclusively online" of November 23rd, 2021, of the Council of Notaries of Milan, and to the Study of the Business Commission of the National Council of Notaries no. 41/2023, "The remote shareholders' meeting".

proposals in question have the purpose of ensuring maximum flexibility in relation to the manner in which the Company's Shareholders' Meetings, as well as the meetings of the Board of Directors and the Board of Statutory Auditors, are held, granting the authority to include in the letters convening said meetings the possibility to hold the meetings exclusively online (omitting, therefore, indication of the physical location in which the meeting is to be held).

With particular reference to the application of these methods of intervention with regard to the Shareholders' Meetings, the aforementioned proposal is also linked to that of introducing the possibility of using the appointed representative as the exclusive method of intervention and voting at the Shareholders' Meeting pursuant to art. 135-undecies.1 of the CFA. It is in fact thought that participation in the Shareholders' Meetings exclusively through telecommunication means, is well suited to the scenario in which the meeting is attended by a limited number of individuals, as is the case of intervention solely through the appointed representative pursuant to art. 135-undecies.1 of the CFA.

Having clarified this, again with a view to flexibility, it is also deemed appropriate to proceed with the elimination of the reference to the need for the Chairman and the person taking the minutes to be present in the same place if the Shareholders' Meetings or meetings of the Board of Directors or of the Management Control Committee are held through telecommunication means. Such joint presence was originally considered necessary because it simplified the simultaneous preparation of the minutes of the meeting, signed by both the Chairman and the person taking the minutes (or only by the latter in the case of minutes taken in public form). However, as it has now become well-established that, in the case of meetings held online, the minutes may be drawn up and signed sometime after the meeting, there is no longer any reason to maintain this clarification

1.2 Participation in the Shareholders' Meeting exclusively through the appointed representative

Article 11 of Law no. 21 of March 5th, 2024 ("**Capital Law**"), on participation in shareholders' meetings of listed companies, introduced the new art. 135-undecies.1, CFA, which envisages the possibility (so-called opt-in), by means of a specific clause in the By-Laws, that "*participation in shareholders' meetings and the exercise of voting rights shall take place **exclusively** through the representative appointed by the company pursuant to Article 135-undecies*".

Moreover, the new art. 135-undecies.1 CFA envisages that: (i) the exclusively appointed representative may also be granted proxies or sub-proxies pursuant to art. 135-novies, as an exception to art. 135-undecies, paragraph 4, CFA; (ii) notwithstanding the provisions of art. 126-bis CFA, shareholders are not granted the power to submit proposals for resolution directly to the shareholders' meeting; (iii) those with voting rights may individually submit proposals for resolution on points on the agenda or proposals the submission of which is otherwise permitted by law by the fifteenth day preceding the shareholders' meeting held on first or single call; (iv) the proposals shall be published on the company's website within two days following the expiry of the deadline; (v) the right to submit individual resolution proposals is subject to receipt by the company of the notice envisaged in art. 83-sexies CFA; (vi) the right to ask questions is exercised only prior to the shareholders' meeting, under the terms envisaged by art. 127-ter CFA, and the company shall reply at least three days before the meeting.

As is well known, this provision is the result of the consolidation of the emergency legislation (and, in particular, of art. 106 of Decree-Law no. 18 of March 17th, 2020, converted with amendments by Law no. 27 of April 24th, 2020), which, during the Covid pandemic (the final term of which was

subsequently extended by various regulatory provisions and, as of today, will expire on December 31st, 2024), granted all listed companies the possibility, also as an exception to the provisions of the By-Laws, to allow those entitled to attend the Shareholders' Meeting to do so "exclusively through the appointed representative pursuant to art. 135-undecies of Legislative Decree no. 58 of February 24th, 1998".

Having clarified the above, the Board deems it appropriate for the Company to exercise the right envisaged by Capital Law and to introduce the possibility of making exclusive use of the representative appointed in its By-Laws as an alternative way of participating in and voting at the Shareholders' Meeting. This also follows the positive experience recorded in the Shareholders' Meetings of November 19th, 2021, April 27th, 2022, April 27th, 2023, July 28th, 2023, and lastly April 29th, 2024, especially in terms of simplifying the organizational burden of the meeting, reducing costs, speeding up the identification of participants and, in general, the conduct of the Shareholders' Meetings.

2. Amendments to Articles 11, 12, 18, and 24 of the By-Laws following the resolutions proposed in point 3) of the agenda for the extraordinary part of the Shareholders' Meeting.

As a consequence of the approval of the proposed resolutions submitted to your attention, the necessary amendments will be made to Articles 11, 12, 18 and 24 of the By-Laws, with the newly inserted words and the amendment introduced highlighted in bold, as shown in the table below, in which the text of the current Articles 11, 12, 18 and 24 are compared with the version proposed for adoption.

It should be noted that the proposed amendments to the Articles in question 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 11	Article 11
11.1 The Shareholders' Meeting is convened by means of a notice, containing the information required by the applicable <i>pro tempore</i> regulations; this notice is published within the terms set forth by law on the Company's website, as well as with the other methods provided for by the applicable <i>pro tempore</i> regulations.	(unchanged)
11.2 The Shareholders' Meeting, both ordinary and extraordinary, shall be held in single call, pursuant to and for the purposes set forth in Article 2369, paragraph 1, of the Italian Civil Code. The Board of Directors may, however, determine that the Ordinary Shareholders' Meeting be held in two calls and that the Extraordinary Shareholders' Meeting be held in two or three calls, applying the majorities respectively established by the laws and regulations in force <i>pro tempore</i> with reference to each of these cases. Notice of such	(unchanged)

determination shall be given in the call notice.	
11.3 The Shareholders' Meeting may also be convened outside the registered office, provided it is in a European Union country.	11.3 The Shareholders' Meeting may also be convened outside the registered office, provided it is in a country of the European Union, subject to Section 11.5 below.
11.4 The Ordinary Shareholders' Meeting must be convened by the Board of Directors at least once a year, within one hundred and twenty days from the end of the financial year, or, in the cases provided for in Article 2364, second paragraph, of the Italian Civil Code, within one hundred and eighty days from the end of the financial year, without prejudice to any further term provided for by the applicable laws and regulations.	<i>(unchanged)</i>
	11.5 In the call notice, it may be established that the Shareholders' Meeting, whether ordinary or extraordinary, may be held (i) also, or (ii) exclusively by means of telecommunications, in the manner and within the limits set forth in the <i>pro tempore</i> regulations in force, with the omission, in the case (ii), the indication of the physical location of the meeting. In any event, the Shareholders' Meeting may be held in the manner (i) and (ii) set forth above, provided that (a) the Chairman of the Shareholders' Meeting is allowed to ascertain the identity and legitimacy of those present, to regulate the proceedings of the meeting, and to ascertain and proclaim the results of the vote; (b) the person taking the minutes is allowed to adequately perceive the events of the meeting that are included in the minutes; (c) those present are allowed to participate in the discussion and in the simultaneous vote on the items on the agenda, as well as to view, receive or transmit documents.

Existing Text	Proposed text
Article 12	Article 12
12.1 The entitlement to participate in the Shareholders' Meeting and to exercise voting rights is governed by the law in force at the time and by this By-Laws.	<i>(unchanged)</i>
12.2 Those who are entitled to vote may be represented at the Shareholders' Meeting pursuant to the law, by means of a proxy issued in accordance with the procedures set forth by the regulations in force. The proxy may also be notified to the Company electronically by means	<i>(unchanged)</i>

of transmission by electronic certified mail according to the procedures indicated in the call notice.	
12.3 The Board of Directors may appoint, from time to time for each Shareholders' Meeting, one or more persons to whom those entitled to vote may grant proxy in accordance with the applicable laws and regulations in force <i>pro tempore</i> , giving notice thereof in compliance with the said provisions.	The Board of Directors may appoint, from time to time for each Shareholders' Meeting, one or more persons to whom those entitled to vote may grant proxy in accordance with the applicable laws and regulations in force at the time, giving notice thereof in compliance with the said provisions.
	12.4 Shareholders' Meetings, both ordinary and extraordinary, may be held with the sole participation of the designated representative, where permitted by, and in compliance with, the applicable laws and regulations in force <i>pro tempore</i>.
	12.5 The Board of Directors shall give appropriate notice in the notice of the meeting relating to the choices made pursuant to paragraphs 12.3 and 12.4 above.

Existing Text	Proposed text
Article 18	Article 18
18.1 The Board of Directors meets, also outside the registered office but within the European Union, whenever the Chairman or the Vice Chairman (if appointed) deems it necessary, as well as when requested by a Director with delegated powers, the executive committee (if appointed), pursuant to Article 20 below, or by at least two other serving Directors, without prejudice to the convening powers granted to other parties under the law.	18.1 The Board of Directors meets, also outside the registered office but within the European Union, unless otherwise provided in Paragraph 18.3 below , whenever the Chairman or the Vice Chairman (if appointed) deems it necessary, as well as when requested by a Director with delegated powers, the executive committee (if appointed), pursuant to Article 20 below, or by at least two other serving Directors, without prejudice to the convening powers granted to other parties under the law.
18.2 The Board of Directors is convened by the Chairman or, in the event of his absence or impediment, by the Vice Chairman (if appointed), with a notice – including the items on the agenda – sent by mail or email at least 3 (three) days before the meeting, or, in case of urgency, at least 24 (twenty-four) hours before the meeting. The Board of Directors is regularly constituted if, even in the absence of the notice in the form and manner provided above, all serving Directors and	(unchanged)

<p>all members of the Board of Statutory Auditors are present, or if the majority of both the Directors and the Statutory Auditors are present, and the absent members have been properly and adequately informed of the meeting in advance and have not opposed the discussion of the items on the agenda.</p>	
<p>18.3 Meetings of the Board of Directors may also be held by audio conference or video conference, provided that: (a) the Chairman and the Secretary of the meeting, if appointed, are present in the same location, and will ensure the preparation and signing of the minutes, with the meeting deemed to take place at that location; (b) the Chairman of the meeting is able to verify the identity of the participants, manage the conduct of the meeting, and ascertain and announce the results of the voting; (c) the person taking the minutes is able to adequately perceive the events of the meeting to be recorded; (d) participants are allowed to take part in the discussion and simultaneous voting on the agenda items, as well as to review, receive, or transmit documents.</p>	<p>Meetings of the Board of Directors may also or exclusively be held by audio conference or video conference, provided that: (a) the Chairman and the Secretary of the meeting, if appointed, are present in the same location, and will ensure the preparation and signing of the minutes, with the meeting deemed to take place at that location; (b) the Chairman of the meeting is able to verify the identity of the participants, manage the conduct of the meeting, and ascertain and announce the results of the voting; (eb) the person taking the minutes is able to adequately perceive the events of the meeting to be recorded; (dc) participants are allowed to take part in the discussion and simultaneous voting on the agenda items, as well as to review, receive, or transmit documents.</p>
<p>18.4 For all resolutions of the Board of Directors, the actual presence of the majority of the serving Directors and the favorable vote of the majority of the Directors present are required.</p>	<p><i>(unchanged)</i></p>
<p>18.5 At the meetings or in writing, and at least quarterly, the Board of Directors and the Statutory Auditors are informed, including by the delegated bodies, of the activities carried out by the Company and its subsidiaries, of its planned development, and the most significant economic, financial and capital transactions, with particular attention to those transactions in which the directors have a personal interest or an interest of third parties, or are influenced by any entity exercising management and coordination activities.</p> <p>The information of the Board of Statutory Auditors may also be provided, for reasons of timeliness, either directly or at meetings of the executive committee (if constituted).</p>	<p><i>(unchanged)</i></p>

Existing Text	Proposed text
Art. 24	Art. 24
<p>24.1 The Board of Statutory Auditors is composed of 3 (three) actual members and 2 (two) alternates, appointed and operating in accordance with the law. The members of the Board of Statutory Auditors remain in office for 3 (three) years and expire on the date of the Assembly convened to approve the budget relating to the third year of the office. They are eligible for re-election. The attributions and duties of the Board of Statutory Auditors and the Mayors are those established by the current law.</p>	(unchanged)
<p>24.2 The Statutory Auditors must meet the requirements established by the applicable laws, including regulatory provisions, in force from time to time, including those concerning the limit on the accumulation of offices as prescribed by the relevant legislation. For the purposes of Article 1, paragraph 2, letters b) and c) of the Decree of the Minister of Justice of March 30, 2000, No. 162, as subsequently amended and supplemented, the following subjects are considered closely related to the Company's business activities: commercial law, corporate law, tax law, business economics, corporate finance, fields with similar or comparable subjects, as well as the subjects and sectors related to the business activity carried out by the Company, as outlined in Article 3 of this Statute.</p>	(unchanged)
<p>24.3 The meetings of the Board of Statutory Auditors may also be held by teleconference and/or videoconference provided that: (a) the Chairman and the person making the minutes are present at the same place as the summons; and (b) All participants can be identified and allowed to follow the discussion, receive, transmit and view documents, and speak on all subjects in real time. If these requirements are met, the Board of Statutory Auditors shall be deemed to have been held at the place where the Chairman and the person making the record are located</p>	<p>24.3 The meetings of the Board of Statutory Auditors may also be held by teleconference and/or videoconference provided that: (a) the Chairman and the person making the minutes are present at the same place as the summons; and (b) All participants can be identified and allowed to follow the discussion, receive, transmit and view documents, and speak on all subjects in real time. If these requirements are met, the Board of Statutory Auditors shall be deemed to have been held at the place where the Chairman and the person making the record are located</p>

3. Proposed resolution to the Extraordinary Shareholders' Meeting.

In view of the above, the Board of Directors intends to submit the following proposal to the Shareholders' Meeting regarding point 3) on the agenda of the Extraordinary session Shareholders' Meeting:

"The Shareholders' Meeting of SECO S.p.A., convened in an extraordinary session, having taken note of the explanatory report of the Board of Directors drafted in accordance with the applicable laws and regulations,

resolves

1. *to approve the amendments to the text of Articles 11, 12, 18, and 24 of the By-laws, according to the text and the changes outlined in the explanatory report drafted by the Board of Directors;*
2. *to grant the Board of Directors, and through it the Chairman and the CEO, also acting separately, full and broad authority to carry out all necessary formalities to have the adopted resolutions registered with the Companies Register, accepting and incorporating any non-substantial changes, additions, or deletions that may be requested by the competent authorities, as well as any powers to carry out the regulatory and legal requirements resulting from the adopted resolutions, and to make any changes and/or additions to the resolution as necessary or appropriate, within the limits permitted by applicable law.*

Arezzo, November 13^d 2024

For the Board of Directors
The Chairman
Daniele Conti