

DANIELI & C. OFFICINE MECCANICHE S.p.A.

Registered Office: Buttrio (UD), via Nazionale 41

Share Capital Euro 81.304.566 I.V.

Number of Registration in the Companies Register of Udine and Taxpayer's Id. Code: 00167460302.

**ORDINARY AND EXTRAORDINARY MEETING OF THE SHAREHOLDERS OF 28
OCTOBER 2020
ON A SINGLE CALL**

**EXPLANATORY REPORT ON THE ISSUE UNDER ITEM 2 OF THE AGENDA FOR THE
ORDINARY PART OF THE MEETING
PROPOSAL OF APPOINTMENT OF A DIRECTOR AFTER CONFIRMING THE NUMBER
OF MEMBERS**

Dear Shareholders,

the Ordinary Meeting of the Shareholders, convened on October 28, 2020, is called to decide on the appointment of a Director to integrate the Board of Directors of Danieli & C. Officine Meccaniche S.p.A. ("Danieli" or the "Company") following co-optation.

We wish to point out that the Board of Directors in office at the date of this Report was appointed by the Meeting of the Shareholders held on October 26, 2018, with effect until the date of approval of the Financial Statements as at June 30, 2021.

Mr. Alessandro Trivillin resigned from the office of Director and from the assignment as Managing Director on December 17, 2019 for professional reasons. On September 24, 2020, after thorough consideration, the Board of Directors proceeded, through a resolution that was also approved by the Company's Board of

Auditors, to co-opt Mr. Antonello Mordeglia to the office of director as per Art. 2386, para. 1 of the Italian Civil Code and art. 15 of the Company Charter.

Therefore, as at the date of this Report, the composition of the Board of Directors of the Company is as follows:

- Gianpietro Benedetti, Chairman
- Camilla Benedetti, Vice-Chairman
- Alessandro Brussi, Vice-Chairman
- Giacomo Mareschi Danieli, Chief Executive Officer
- Carla de Colle, Director
- Antonello Mordeglia, Director
- Chiara Mio, Independent Director
- Giulio Capocaccia, Independent Director

Please note, moreover, that all Directors must meet the requirements of professional experience and honorability imposed by the applicable legislation and the Company Charter.

The Company's Board of Directors has carried out appropriate verifications to ensure that Mr. Mordeglia meets the above requirements. After completing such verifications, the Board of Directors has unanimously concluded that Mr. Mordeglia has a suitable profile to fill the role of Director of the Company and has the necessary requirements of professional experience and honorability.

We inform you that Mr. Antonello Mordeglia is currently a manager with the subsidiary Danieli Automation S.p.A., where he also holds the role of Chairman of the Board of Directors. Mr. Mordeglia has gained considerable experience in the engineering industry and it is precisely because of his knowledge and professional characteristics that he has become the ideal candidate to hold the role of Director in

Danieli's Board.

In view of the considerations regarding the characteristics, expertise, experience and requirements of Mr. Antonello Mordegia, already made when the presence of the necessary requirements was verified before co-opting him, the Board of Directors therefore recommends that the Meeting confirm the appointment of the co-opted Board Member, Mr. Antonello Mordegia, as Director of the Company. His *curriculum vitae*, attached to this Report, has already been made available to the shareholders on the Company's website (Section Investors/Communication/Corporate Documents).

We also inform you that at the date of this Report, Mr. Mordegia owns 3750 ordinary shares of Danieli.

In this regard, we wish to point out that: (i) as stated in art. 2386 of the Italian Civil Code, Directors appointed by co-optation remain in office until the first Meeting of the Company after such co-optation, (ii) the number of directors under the current art. 15 of the Company Charter consists of a range between a minimum of 5 and a maximum of 11; (iii) the Company Meeting held on October 26, 2018 resolved to appoint a Board of Directors comprised of 8 members; (iv) the present composition of the administrative body already ensures compliance with the restrictions imposed by the laws and by the Company Charter with regard to gender balance and presence of a suitable number of independent Directors.

Therefore, the Meeting will have to appoint a Director, which may be made by confirming the Director previously co-opted. In this way, he will remain in office until the expiration of the term of the entire Board of Directors, namely the date of the Meeting to be called to approve Danieli's financial statements as at June 30, 2021.

Lastly, please note that as to the appointment of the Director, the Meeting will resolve with the majority required by the law, without applying the procedure of vote from a list, also taking into account the current provision of the company Charter under art. 15.

Dear Shareholders, in view of the above, we invite you to approve the following resolution:

“The ordinary meeting of Danieli & C. Officine Meccaniche S.p.A.

resolves

to appoint the previously co-opted director Antonello Mordegli as Director of Danieli & C. Officine Meccaniche S.p.A.

The same Director will remain in office for the remaining period of the current term of office, and therefore until the date of the Meeting called to approve the Financial Statements as at June 30, 2021.”

This is an English courtesy translation of the original documentation prepared in Italian language. Please consider that only the original version in Italian language has legal value

September 24, 2020

For the Board of Directors: The Chairman (signed)

Antonello Mordeglia

Curriculum Vitae

Born in Celle Ligure (Savona), in 1966, in 1985 he obtained an industrial engineering diploma, with specialization in electronics, from the I.T.I. [Industrial-Technical School] “Don Bosco” of Genoa. During his long stay in Thailand for professional reasons, he completed his studies by receiving a PhD in Electronic Engineering at the Assumption University of Bangkok.

In 1985, he started working as an Electronic project engineer and tester with North Electronic System. He specialized in the design of high-voltage feeders for the CERN of Geneva. In the same period, he was in charge of the design of prototypes of voltage source inverters to IGBT semiconductors. 3M Group entrusted him with implementing HW and SW for electronic controls of automatic x-ray developers for medical applications.

From 1986 to 1992 he was power electronics designer and plant start-up technician at Ansaldo Industria of Genoa. He took part in the design of several industrial and ship automation plants and processes, including propulsion and dynamic stabilization of the SSCV Micoperi 7000, the Seamless Pipe Manufacturers of Siderca in Argentina and Tamsa in Mexico, the tandem cold mill of Isfahan, in Iran, the feeding and propulsion system for the South Korean Navy submarines at Korea Takoma Marine Industries. He achieved important experience in the design of the first voltage source inverters for low-voltage asynchronous engines with power up to 1MW.

From 1992, Ansaldo Industria moved him to Thailand, initially as a sales engineer and later as a Branch Manager, in charge of the Asian subsidiary. This period was important for him in terms of professional development and knowledge of the Asian

market. At the time, Ansaldo Industria was entering the Area for the first time with its products and systems. Important references are worth mentioning, such as the hot strip rolling train of Sahaviriya Steel Industries and the rolling mill of Bangkok Steel Industry in Thailand, the cold rolling complex for Phil Steel in the Philippines. In Thailand, he created a local after sale service and maintenance group of 40 units.

In 1996, he decided to move to the ABB Group where he was assigned the role of Regional Manager Asia-Pacific for low voltage products.

In 2000, he joined the Danieli Group of Udine as sales manager for iron and steel plants in South-Eastern Asia, a role he successfully held until 2004. In the same year, he became Manager of the Area Sales Department of the Group, a position he held for the following eight years. In 2012, he moved to Danieli Automation SpA, at first as Operations Director and then as Managing Director.

His multifaceted international experience has led him to this consideration: power electronics is, once again, the dominant element in his soul. In addition to promoting high-voltage feeders for control of medium-voltage motors, in fact, he gave impulse to the development within the company of electromagnetic induction heating systems.

He is the promoter and co-inventor of the only power supplier in the world for control and melting in electric arc furnaces with the advantage of annulling all reactive power, harmonics and flickers.

Fascinated by simulation, artificial and robot vision as well, he is constantly in search of new ideas to make life easier for plant operators while at the same time increasing production and quality efficiency, with a strong focus on environmental protection and taking full control of processing costs. He believes that the development of increasingly high-performing SW with a predictive approach needs to be

accompanied by a similar development of supporting HW and that computational as well as Human-Machine interaction skills will bring about a deep change in the next few years, not just in industry, but in all areas of human life. He is convinced that big technological change will take place as soon as it becomes possible to store large amounts of energy in a small volume, or to produce energy with technologies and from sources that are still unknown. Any electrical or mechanical device needs energy to operate. This is the basis of everything: energy, its generation, transmission and storage, are key strategic factors for upcoming technological developments.

From 1995 to 2004, he was the director of the Thai-Italian Chamber of Commerce. In 2004, he was awarded by the President of the Italian Republic, Carlo Azeglio Ciampi, with the title of Knight, Order of Merit of the Italian Republic.

In June 2017, he received an Honorary Degree in Electrical and Systems Engineering from the University of Studies of Trieste.

He is currently a member of the Group Executive Board of Danieli SpA, Chairman of Danieli Automation's Board of Directors. He also holds the roles of Chairman of Danieli Engineering Japan, CEO of Danieli Rotelec (France), Managing Director of Danieli Automation in Thailand, member of the Board of Directors of Danieli Fata and CEO of AIS Automazione.