

**REPORT ON REMUNERATION POLICY AND COMPENSATION PAID**

*(Prepared pursuant to Article 123-ter of Legislative Decree no. 58/98, as subsequently amended, and to Article 84-quater of Consob Regulation 11971/99, as subsequently amended, as well as to Article 5 of the Corporate Governance Code.)*

**THE ITALIAN SEA GROUP S.P.A.**

[www.theitalianseagroup.com](http://www.theitalianseagroup.com)

Approved by the Board of Directors of 24 March 2022

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## GLOSSARY

<b>Borsa Italiana:</b>	means Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari 6.
<b>Code or Corporate Governance Code:</b>	indicates the corporate governance code for listed companies prepared by the Corporate Governance Committee for listed companies, promoted by Borsa Italiana.
<b>Civil Code:</b>	indicates the Italian Civil Code.
<b>Control and Risk Committee:</b>	indicates the Control and Risk Committee of TISG.
<b>Appointment and Remuneration Committee:</b>	indicates the appointment and remuneration Committee of TISG.
<b>Consob:</b>	indicates the National Commission for Companies and the Italian Stock Exchange, based in Rome, Via G.B. Martini 3.
<b>Board or Board of Directors:</b>	indicates the Board of Directors of TISG.
<b>Report Date:</b>	indicates 24 March 2022, the date on which this Report - as defined below - was approved by the Board of Directors
<b>Trading Start Date:</b>	The first day the TISG shares were traded on Euronext Milan, i.e. 8 June 2021.
<b>Executives with Strategic Responsibilities:</b>	indicates the executives referred to in Article 65, paragraph 1- <i>quater</i> , of the Issuers' Regulation, possibly identified by the Board of Directors.
<b>Financial year:</b>	indicates the financial year ended 31 December 2021 to which the Report refers.
<b>Instructions to the Stock Exchange Regulation:</b>	indicates the Instructions for the Regulation of the Markets organised and managed by Borsa Italiana S.p.A.
<b>Remuneration Policy or Policy:</b>	indicates the company's policy on the remuneration of members of the administrative bodies, general managers and executives with strategic responsibilities approved by the Board of Directors on 24 March 2022, as described in Section I of this Report.
<b>Issuers' Regulation or RE:</b>	indicates the Regulation issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) regarding Issuers.
<b>Report:</b>	indicates this report on remuneration that companies are required to draw up pursuant to Article 123- <i>ter</i> of the TUF and Article 84- <i>quater</i> of the RE.

<b>Articles of Association:</b>	indicates the Articles of Association of TISG in force at the Report Date.
<b>TISG or the Company or the Issuer:</b>	indicates The Italian Sea Group S.p.A. with registered office in Marina di Carrara (MS), Viale Cristoforo Colombo 4-bis, registered in the Companies' Register of Massa-Carrara under no. 00096320452.
<b>TUF or Consolidated Law:</b>	indicates Legislative Decree no. 58 of 24 February 1998, as subsequently amended.

## INTRODUCTION

This report on the remuneration policy and the compensation paid (the "**Report**") was prepared pursuant to (i) Article 123-ter of the TUF; (ii) of Article 84-quater of the Issuers' Regulation and the related Annex 3A, schemes no. 7-bis and 7-ter and (iii) Article 5 of the Code.

The Report, approved by the Board of Directors on **24 March 2022**, is made up of two sections.

Pursuant to Article 123-ter, paragraph 3, of the TUF, Section I of the Report illustrates:

- (i) TISG's policy on the remuneration of members of the administrative bodies, general managers and executives with strategic responsibilities and the board of statutory auditors (the "**Remuneration Policy**" or the "**Policy**"); it should be noted that Section I does not describe the changes with respect to the remuneration policy most recently submitted to the shareholders' meeting, and how this review takes into account the votes and evaluations expressed by the shareholders during that meeting or subsequently, as the listing of the Company intervened on 8 June 2021 and during 2021 the Company was not required to and did not submit the report and the remuneration policy to the vote of the shareholders' meeting pursuant to article 123-ter of the TUF; and
- (ii) the procedures used for the adoption and implementation of this Policy.

Section II of the Report, pursuant to Article 123-ter, paragraph 4, of the TUF, by name for the members of the administrative and control bodies, the general managers and, in aggregate form, for the executives with strategic responsibilities:

- a) provides an adequate representation of each of the items that make up the remuneration, including the payments envisaged in the event of termination of office or termination of the employment relationship, highlighting its consistency with the Policy relating to the Financial Year;
- b) analytically illustrates the remuneration paid in the year for any reason and in any form by the Company and subsidiaries and associates, notifying any components of the above mentioned remuneration that refer to activities carried out in financial years previous to the current financial year and also highlighting the remuneration to be paid in one or more subsequent years for the activity carried out in the reference year, possibly indicating an estimate value for the components that cannot be objectively quantified during the year.

Finally, please find attached to this Report, pursuant to Article 84-quater, paragraph 4 of the Issuers' Regulation, any shareholdings held, in the Issuer and in the companies controlled by it, by the members of the administrative and control bodies, by the general managers and by the other Executives with Strategic Responsibilities as well as by the spouses who are not legally separated and by minor children, directly or through subsidiaries, trust companies or third parties, resulting from the shareholders' register, from the communications received and from other information acquired by the same members of the administrative and control bodies, by the general managers and Executives with Strategic Responsibilities.

Pursuant to Article 123-ter, paragraph 6, of the TUF, the Shareholders' Meeting - called for the day **29 April 2022**, at **03:00 pm** in single call, at the ZNR Notai offices in Milan, via Metastasio n. 5 - will be called to resolve, in favour or against, on Section I of the Report envisaged by Article 123-ter, paragraph 3 of the TUF.

It should be noted that this Report is available at the Company's registered office and on its website at [www.theitalianseagroup.com](http://www.theitalianseagroup.com).



## SECTION I: REMUNERATION POLICY

**a) *Bodies or subjects involved in the preparation, approval and possible revision of the Policy, specifying their respective roles, as well as the bodies or subjects responsible for the correct implementation of this Policy***

The Shareholders' Meeting of the Company expresses its opinion, with a binding vote, on Section I of the Report, which illustrates the Remuneration Policy and, with a non-binding vote, on Section II of the Report.

Furthermore, the Shareholders' Meeting:

- establishes the remuneration of the members of the Board of Directors, pursuant to Article 2389 of the Civil Code and the remuneration of the members of the Board of Statutory Auditors, pursuant to Article 2402 of the Civil Code; and

- approves any compensation plans based on financial instruments pursuant to Article 114-bis of the TUF.

In particular, pursuant to Article 16 of the Articles of Association, the compensation payable to the Board of Directors and any executive committee are determined by the Shareholders' Meeting and remain valid until otherwise resolved. The remuneration of directors vested with special offices is established by the Board of Directors, after consulting the Board of Statutory Auditors. However, the Shareholders' Meeting may determine an overall amount for the remuneration of all directors, including those vested with special offices.

In accordance with the provisions on corporate governance for listed companies dictated by Borsa Italiana in the Corporate Governance Code in Article 2 and in order to increase the effectiveness and efficiency of the Board of Directors, on 18 February 2021, the latter resolved the establishment of the Appointment and Remuneration Committee, among other things, with effect from the Trading Start Date.

The Company's Board of Directors ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the Policy, in light of the results achieved and other circumstances relevant to its implementation.

The Board of Statutory Auditors is the body with supervisory functions on compliance with the law and the Articles of Association as well as management control; in particular, it expresses its opinion on the remuneration of directors.

Please refer to letter b) below for information on the Appointment and Remuneration Committee.

**b) *Intervention by the Remuneration Committee or other committee competent on the matter, describing its composition (with the distinction between non-executive and independent directors), the competences and operating methods, and any further measures aimed at avoiding or managing conflicts of interest***

The Appointment and Remuneration Committee is made up of three independent directors.

In compliance with the provisions of Article 5, Recommendation no. 29, the remuneration of non-executive directors is not - except for an insignificant part - linked to the Issuer's financial performance targets and provides for a remuneration adequate to the competence, professionalism and commitment required by the tasks assigned to them within the board of directors and in the board committees.

The Appointment and Remuneration Committee has the right to access the information and company functions necessary for the performance of its duties, have financial resources and make use of external consultants, within the terms established by the administrative body.

In line with the recommendations of the Corporate Governance Code, no director takes part in the meetings of the Appointment and Remuneration Committee in which the proposals to the Board of Directors relating to their own remuneration are formulated.

The establishment of this Committee guarantees the widest possible information and transparency on the remuneration due to the chief executive officers and top management, as well as on the respective methods of determination. However, it is understood that, in accordance with Article 2389, third paragraph, of the Civil Code, the Appointment and Remuneration Committee has only propositional functions while the power to determine the remuneration of directors vested with special offices remains in any case with the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

On 18 February 2021, the Board of Directors appointed as members of the Appointment and Remuneration Committee, subject to listing, the independent directors:

- Fulvia Tesio (as Chairman);
- Antonella Alfonsi; and
- Massimo Bianchi,

all in possession of adequate knowledge and experience in financial matters or remuneration policies, as confirmed by the Board of Directors on 28 April 2021.

On 18 February 2021, the Board of Directors adopted the Appointment and Remuneration Committee regulation, subsequently approved by the newly created committee in July 2021 (the "**Appointment and Remuneration Committee Regulation**").

In particular, the Appointment and Remuneration Committee Regulation provides for the Committee to be appointed by the Board of Directors which also appoints the Chairman of the Committee itself.

The Appointment and Remuneration Committee Regulation provides for the Committee to be made up of three non-executive directors, of which at least two are independent, who remain in office until the expiry of the entire Board of Directors. At least one member of the Committee has adequate knowledge and experience in financial matters or remuneration policies, as assessed by the Board of Directors at the time of appointment.

If, during the term of office, one (or more) of the Directors making up the Committee are no longer available, the Board of Directors will replace them; the replacement, thus appointed, will remain in office until the expiry of the entire Board of Directors. The early termination of the Board of Directors, for any reason, determines the immediate forfeiture of the Committee.

For the constitution and resolutions of the Committee to be valid, the presence of the majority of its members in office is required and, in the absence of a call, the presence of all members in office. The members of the Committee will act collectively by deciding by majority.

The members of the Committee meet collectively whenever the Chairman deems it necessary or when the other two Directors make a written request and, in any case, with the frequency necessary for the performance of their functions, usually on the dates provided for in the annual meetings calendar approved by the Committee itself.

The board meeting may be held in any place, even different from that of the Company's registered office, in Italy or abroad, including by teleconference or videoconference, provided that all participants are identifiable and are effectively able to follow the meeting and to participate in the discussion.

The call is made by the Chairman or, on their behalf, by the Secretary of the Committee by fax and/or e-mail, sent at least three days before the date set for the meeting or, in case of urgency, at least one day before.

The notice of call includes details of the place, day and time of the meeting, as well as the list of matters to be discussed.

The meetings are chaired by the Committee Chairman or, in the event of their absence or impediment, by another member of the same, appointed for this purpose by those present.

The Committee Chairman annually reports to the Board on the activities carried out by the Committee and is domiciled at the Company's registered office.

The work of the Committee is coordinated by the Chairman and the Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by the same participates in them; however, the other Statutory Auditors may also participate.

The Committee's meetings are attended by the secretary of the Committee.

The Appointment and Remuneration Committee may access the information and company functions necessary for the performance of its duties as well as avail itself of external consultants, adequately bound to confidentiality, within the terms established by the Board of Directors.

Therefore, persons who are not members of the Committee may participate in the Committee meetings, at the invitation of the Committee itself, with reference to individual items on the agenda. No director takes part in the meetings of the Appointment and Remuneration Committee in which the proposals to the Board of Directors relating to their own remuneration are formulated.

The minutes of the resolutions passed are drawn up by the secretary of the Committee and signed by the secretary themselves and by all the directors attending the meeting.

The Directors, if absent, may sign the minutes for acknowledgement.

The Committee's book of meetings and resolutions is kept by the Secretary of the Committee.

Pursuant to Recommendation 26 of the Corporate Governance Code, in order to manage possible conflict of interest situations, no director takes part in the meetings of the Appointment and Remuneration Committee in which the proposals to the Board of Directors relating to their own remuneration are formulated.

Directors abstain from voting on the occasion of the resolutions of the Board of Directors concerning their own remuneration, all without prejudice to the regulations on transactions with related parties pursuant to the RPT Procedure (where applicable).

The Committee Chairman reports on the meetings held by the Committee itself to the first possible meeting of the Board of Directors.

The directors who are part of the Committee will abide by the strictest confidentiality and secrecy with regard to all data, information and news provided and discussed in relation to the activities of the Committee itself and undertake not to disclose them in any way or to issue press releases and/or statements regarding their work.

In the performance of its functions, the Appointment and Remuneration Committee had the chance to access the information and company functions necessary for the performance of its duties, to have financial resources and to make use of external consultants, within the terms established by the Board. In this regard, please note that the Board of Directors of 18 February 2022 established the annual budget available to the Appointment and Remuneration Committee at Euro 10,000 and, subsequently, on 24 March 2022 has confirmed the aforementioned budget for 2022.

### **Functions of the Remuneration Committee**

The Appointment and Remuneration Committee, with advisory and propositional functions, in its capacity as the remuneration committee, has the task of assisting the administrative body in the activities of:

- preparation of the Remuneration Policy;
- submission of proposals or expression of opinions on the remuneration of executive directors and other directors who hold particular offices as well as on the setting of performance targets related to the variable component of this remuneration;
- monitoring of the actual application of the Remuneration Policy and verification, in particular, of the effective achievement of the performance targets;
- periodic assessment of the adequacy and overall consistency of the Remuneration Policy for directors and top management.

c) ***How the Company took into account the remuneration and working conditions of its employees in determining the Policy.***

The Remuneration Policy is determined taking into account the role, remuneration and working conditions of employees. In particular, the Policy is made up of tools and logics, applied to almost the entire company population, aimed at attracting, motivating and retaining resources with the professional qualities necessary to contribute to the definition of the Company's growth strategy and the strengthening of its long-term interests and sustainability. In particular, the Policy is defined on the basis of specific criteria, including comparison with the reference market, the characteristics of the role and the responsibilities assigned, as well as the people's distinctive skills, always with a view to maximum objectivity, in order to avoid any form of discrimination. The Policy is based on principles of meritocracy, equity, equal opportunities and competitiveness with respect to the reference market.

The Company organises training courses for both apprentices and more senior resources through the TISG Academy, the project launched in March 2021, dedicated to the creation of excellent courses for company employees and for undergraduates of Italian universities. This project is dedicated to topics of great interest to the nautical world, such as the prevention of fires on board, the analysis of noise phenomena or the transmission of vibrations to safety on board, without neglecting ongoing training on technical and aesthetic qualities, the fundamental value of the company philosophy. However, the training programs are diversified and also address mental coaching and legal issues that can be useful for improving the preparation and efficiency of employees.

In preparing the Remuneration Policy, the Company did not avail itself of the support of independent experts.

d) ***Purposes pursued with the Policy, its underlying principles, duration and, in case of revision, the description of the changes with respect to the Policy last submitted to the shareholders' meeting and how this revision takes into account the votes and evaluations expressed by the shareholders during that meeting or subsequently***

The Issuer's Board of Directors, listed a few months ago, aware that the Remuneration Policy contributes to the corporate strategy to pursue the long-term interests and sustainability of the Company, is evaluating, with the support of the HR Department and the Appointment and Remuneration Committee, the adequacy, overall consistency of its system for the remuneration of directors and executives with strategic responsibilities in order to calibrate it to the nature, size and specific operational characteristics of the Company in order to be able, progressively, to align it with the models adopted by listed companies. The Issuer intends to pursue the objective of attracting, motivating and retaining resources with the professional qualities necessary for the pursuit of the Company's objectives, as well as aligning the interests of top management with those of shareholders and investors. With this in mind, please note that the Issuer's shareholders' meeting, on 18 February 2021, approved a capital increase functional to incentive plans, also approving the guidelines of a possible stock option plan aimed at executive directors, general managers, executives with strategic responsibilities and/or personnel with an open-ended employment contract of the Company or of any companies controlled by it pursuant to Article 2359, paragraph 1, no. 1 of the Civil Code; these guidelines were briefly illustrated in the listing prospectus.

More specifically, the Guidelines provide for the Incentive Plan to have an equity nature, be supported by a specific share capital increase and be characterised by at least the following main features:

(i) *the recipients of the Incentive Plan may be executive directors, general managers, executives with strategic responsibilities and/or employees with an open-ended employment contract with the Company and any companies controlled by it pursuant to Article 2359, paragraph 1, no. 1 of the Civil Code (the "Recipients");*

(ii) *the beneficiaries of the Incentive Plan will be identified among the Recipients, also with separate and subsequent resolutions, by the board of directors, subject to the favourable opinion of the remuneration committee, if already appointed, and subject to consultation with the board of statutory auditors (the individuals thus identified, the "Beneficiaries");*

(iii) *the Beneficiaries will be assigned a specific number of options which, if exercised, will give the right to subscribe one share of the Company for each individual option (the "Options");*

(iv) the maximum total number of shares that will be issued to service the Incentive Plan will in any case not exceed 3.65% of the share capital of the Company after listing;

(v) the number of Options assigned to each Beneficiary will be established by the board of directors, subject to the favourable opinion of the remuneration committee, if already appointed, and having consulted the board of statutory auditors, based on the role held in the Company, the responsibilities and competences of each Beneficiary;

(vi) the exercise price of the Options will be equal to the placement price of the Company's Shares on the MTA;

(vii) an average vesting period of at least three years is envisaged;

(viii) the number of Options accrued in favour of each Beneficiary at the end of the vesting period may also depend on predetermined and measurable performance targets set by the Incentive Plan, referring *inter alia* to the EBITDA margin and cash generation;

(ix) as regards the exercise period, the Options actually accrued in favour of the Beneficiaries at the above-mentioned deadlines may be exercised by the Beneficiary for three years from their vesting date.

The Shareholders' Meeting also granted the Board of Directors any and all power to, *inter alia*, formulate and implement the Incentive Plan by approving and, if necessary, modifying the related regulation within the limits indicated by the Shareholders' Meeting.

The aforementioned guidelines were brought to the attention of the Remuneration Committee by the Chairman of the same Committee in the meeting of 12 July 2021, in order to provide the Board of Directors with the required support for its implementation; however, since the prerequisites for the implementation of the incentive plan were not met during the Company's activity after the listing and until the close of the financial statements, at the Report Date the Issuer has not yet initiated and developed the guidelines indicated above.

***Description of the policies regarding fixed and variable components of remuneration, with particular regard to the indication of the relative proportion within the overall remuneration and differentiating between short and medium-long term variable components***

The Directors' remuneration is established to an extent suitable for attracting, retaining and motivating people with the professional qualities required to successfully manage the Company, taking into account its size and the sector in which it operates; however, outside of personal incentive systems, which have been assigned to some managers on the basis of individual agreements, at present a Policy has not yet been established that regulates variable incentive remuneration quotas assigned to the achievement of targets, applicable to all managerial levels and, with particular reference to senior executives, which provides for the formal definition of targets for the reference year and their subsequent evaluation on the basis of previously identified parameters and result indicators.

The Issuer is therefore evaluating, with the support of the HR Department and the Appointment and Remuneration Committee, a procedural and contractual reorganisation as well as the establishment of a Regulation for the determination of remuneration.

**Chairman and members of the Board of Directors**

The remuneration of the Chairman and Directors consists only of a fixed annual remuneration established pursuant to Article 2389 of the Civil Code.

**Executive directors**

The remuneration of directors vested with special offices is established by the Board of Directors, after consulting the Board of Statutory Auditors pursuant to Article 2389 of the Civil Code.

**Non-executive and independent directors**

The remuneration of non-executive and independent Directors consists of a fixed annual remuneration commensurate with the commitment required of each of them (also for participation in the activities of each internal board committee, as members of the same). This remuneration is currently determined to the same extent for all non-executive and independent Directors. The remuneration of non-executive and independent Directors is determined on a fixed basis, in line with the Governance guidelines for listed companies.

### **Senior Executives**

For the purpose of identifying which subjects fall into the category of "Strategic Executives", the Company refers to the definition of "executives with strategic responsibility" as per Annex 1 of Consob Regulation no. 17221/2010 as amended, excluding the directors. Annex 1 of Consob Regulation no. 17221/2010 provides that: "Executives with strategic responsibilities are those individuals who have the power and responsibility, directly or indirectly, for the planning, management and control of the company's activities, including the directors (executive or otherwise), of the company itself". The figures that fall within the definition of Strategic Executives are identified by the Board of Directors or by the Chief Executive Officer and are classified, within the general classification of the Company's roles. It should be noted that, with the support of the Appointment and Remuneration Committee, in its role as the appointment and remuneration committee, the Chairman of the Board of Statutory Auditors and the Human Resources and Organisation Department, five Strategic Executives were identified for the year 2021 as communicated in the IPO Prospectus (excluding the Chief Executive Officers who also hold the role of Strategic Executive). The remuneration of the Strategic Executives consists of:

- a fixed annual remuneration determined on the basis of the role and responsibilities assigned, considering the remuneration positioning in the context of national and international executive markets references for roles of similar level of responsibility and managerial complexity;
- a variable component of the remuneration linked to (i) the achievement of commercial/company results in each single reference year, and only and exclusively on condition that both the achievement of annual targets and the absence of prejudicial conduct by the executive occur jointly, and whose amount is established as a percentage of economic parameters (turnover and/or operating margin) established annually by the Company, or (ii) linked to the managerial contribution provided with reference to a specific company project.

### **Policy followed with regard to non-monetary benefits**

There are currently no non-monetary benefits except for the personal use of the assigned mobile phone.

**e) *Information aimed at highlighting the contribution of the Policy, and in particular of the policy regarding variable remuneration components, to the corporate strategy, to the pursuit of long-term interests and to the sustainability of the Company***

The overall remuneration structure is able to recognise the managerial value of the individuals involved and the contribution made to the growth of the company in relation to their respective skills and functions in such a way as to attract, retain and motivate people with the professional qualities required to successfully manage the Company. To this end, the composition of the remuneration package for strategic executives is defined in accordance with criteria aimed at guaranteeing:

- (a) a direct link between remuneration and performance through mechanisms that establish the payment of bonuses only in the event of achievement of the objectives and overall profitability of the company;
- (b) overall remuneration levels capable of recognising people's professional worth and their contribution to value creation.

***Vesting period, any deferred payment systems, with indication of the deferral periods and the criteria used to determine these periods and, if applicable, the ex post correction mechanisms of the variable component (malus or return of "claw-back" of variable compensation)***

The Remuneration Policy does not provide for deferred payment systems as of the Report Date.

**f) *Information on the possible provision of clauses for maintaining the financial instruments in the portfolio after their acquisition, with indication of the retention periods and the criteria used to determine these periods***

At the Report Date, no clauses relating to the retention of financial instruments in the portfolio after their acquisition are envisaged.

**g) *Policy relating to the treatments envisaged in the event of termination of office or termination of the employment relationship, specifying:***

As of the Report Date, the Company does not have a policy relating to the treatments envisaged in the event of termination of the office or termination of the employment relationship but reserves the right to implement it.

**(i) *Duration of any employment contracts and further agreements, notice period, if applicable, and what circumstances determine the onset of the right***

The duration of employment contracts is generally indefinite. Contracts are subjected to the probationary period provided for in the contract except in cases of particular complexity or strategic importance of the role for which the duration is extended upon agreement of the parties. Executives with Strategic Responsibilities relevant for the purposes of this Policy within the Issuer's corporate organisation chart are required to comply with the notice period provided for by the National Collective Labour Agreement for managers of industrial companies applicable to the company.

**(ii) *Criteria for determining the remuneration payable to directors, general managers and, at aggregate level, to managers with strategic responsibilities, differentiating, where applicable, the components assigned by virtue of the office of director from those relating to employment relationship, as well as the components for any non-competition commitments. If such remuneration is expressed on the basis of the annuity, indicate in detail the components of this annuity (fixed, variable, etc.)***

The Company has non-competition agreements in place with some executives which provide for the Company to pay a certain annual sum divided into 12-month payments of the same amount, every year until the termination of the relationship, therefore for the duration of the agreement.

**(i) *Possible effects of the termination of the relationship on the rights assigned as part of incentive plans based on financial instruments or to be disbursed in cash***

As of the Report Date, the company does not have any incentive plans based on financial instruments.

**(ii) *Possible provision for the assignment or retention of non-monetary benefits in favour of the subjects or the stipulation of consultancy contracts for a period subsequent to the termination of the relationship***

As of the Report Date, there is no provision for the assignment or retention of non-monetary benefits in favour of interested parties after the termination of the employment relationship.

***Information on the presence of any insurance coverage, or social security or pension provisions, other than mandatory ones***

In line with best practices, a Civil Liability insurance policy is envisaged for the benefit of Directors, Executives, Middle Managers (D&O policy) and members of the Board of Statutory Auditors.

For each of its employees at all levels, the Company has a life and serious accident insurance policy, both at work and in everyday life.

**h) *Remuneration policy possibly followed with reference to: (i) independent directors, (ii) participation in committees and (iii) the performance of particular offices (chairman, deputy chairman, etc.)***

In accordance with the provisions the Corporate Governance Code, the remuneration of non-executive directors is not linked to the Issuer's financial performance targets and provides for a remuneration adequate to the competence, professionalism and commitment required by the tasks assigned to them within the board of directors and in the board committees.

Pursuant to the Issuer's Articles of Association, the remuneration of directors vested with special offices is established by the Board of Directors, after consulting the Board of Statutory Auditors. However, the Shareholders' Meeting may determine an overall amount for the remuneration of all directors, including those vested with special offices.

**i) *If the remuneration policy was defined using the remuneration policies of other companies as a reference, and if so, the criteria used for the selection and indication of these companies***

In defining the Remuneration Policy, the Company did not use the remuneration policies of other companies as a reference.

***Elements of the Remuneration Policy which, in the presence of exceptional circumstances, is possible to derogate and, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any further procedural conditions on the basis of which the derogation can be applied***

In the presence of exceptional circumstances, the Company may derogate from the elements of the Remuneration Policy as illustrated below. Please note that "exceptional circumstances" means those situations in which the derogation from the Remuneration Policy is necessary for the purpose of pursuing the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay on the market, such as by way of example and not limited to:

- (i) the occurrence, at national or international level, of extraordinary and unforeseeable events concerning the Company and/or the sectors and/or markets in which it operates, which significantly affect the Company's results, including the occurrence of significant negative effects not only of an economic or financial nature;
- (ii) the intervention of substantial changes in the organisation of the business, both of an objective nature (such as extraordinary transactions, mergers, transfers, etc.), and of a subjective nature, such as changes in the top management team and the possible identification of subjects (other than directors and statutory auditors) qualifying as executives with strategic responsibilities relevant for the purposes of this Policy;
- (iii) significant changes in the perimeter of the business during the validity of the Policy, such as the sale of a business/business unit on whose business the performance targets of the reference Policy were based or the acquisition of a significant business not contemplated for the purposes of preparing the Policy itself. In any case, it is understood that any exceptions to the Policy will be subject to prior examination by the Committee and to the application of the rules provided for by the RPT Procedure. Without prejudice to the foregoing, the derogation may concern:
  - the reformulation of the performance targets to which the variable remuneration is linked and the frequency of determination of the same,
  - the review of the criteria used to evaluate the same objectives,
  - the change in the ratio between fixed and variable components of remuneration,
  - the awarding of one-off monetary bonuses,



- the attribution of particular indemnities, in order to take into account the aforementioned exceptional circumstances and only to the extent that this is instrumental to the pursuit of the aforementioned interests.

## SECTION II: COMPENSATION PAID

This section is divided into two parts and illustrates:

- in the first part, indicated by name for the compensation attributed to the members of the administrative and control bodies as well as the general managers, and in aggregate form for the compensation attributed to Executives with Strategic Responsibilities, an adequate, clear and understandable representation of each of the items that make up the remuneration, including the treatments envisaged in the event of termination of office or termination of the employment relationship, if any, and the ways in which the remuneration contributes to the long-term results of the Company;
- the second part analytically reports the compensation paid in the reference year for any reason and in any form by the Company and by subsidiaries and associates

### **First part: Items that make up the remuneration**

#### **Remuneration of members of the Administrative and Control Bodies**

On 21 October 2020, the Issuer's Shareholders' Meeting resolved to provide for a gross annual remuneration to be paid for the entire Board of Directors, equal to Euro 15,000, without prejudice to the additional compensation for directors vested with special offices that the Board of Directors itself allocates among its members pursuant to Article 2389 of the Civil Code.

On 8 May 2020, the Issuer's Shareholders' Meeting resolved to set the gross annual remuneration to be attributed to the Chairman of the Board of Statutory Auditors to Euro 13,500 and, as gross annual remuneration to be attributed to the standing auditors, Euro 9,000.

#### **Directors vested with special offices**

On 21 October 2020, with the favourable opinion of the Board of Statutory Auditors, the Issuer's Board of Directors resolved:

- to pay Giovanni Costantino the gross annual remuneration of Euro 635,000 for the office of Chief Executive Officer, to be paid in 12 deferred monthly instalments;
- to pay Filippo Menchelli the gross annual remuneration of Euro 30,000 for the office of Chairman of the Board of Directors and Employer, to be paid in 12 deferred monthly instalments.

#### **Executives with Strategic Responsibilities:**

		(I)	(I)	(I)	(I)
Surname and name	Qualification	Employment remuneration	Non-monetary benefits	Other compensation	Total
Greco Salvatore	Executive	149,999.97			<b>149,999.97</b>
Carniani Marco	Executive	74,067.93		70,000.00	<b>144,067.93</b>
Figara Marco	Executive	118,402.00			<b>118,402.00</b>
Protano Primiano	Executive	133,801.97			<b>133,801.97</b>
Bigagli Andrea	Executive	103,861.41			<b>103,861.41</b>
(I) Remuneration for the company that draws up the financial statements					

(II) Remuneration from subsidiaries and associates					
(III) Total		<b>580,133.28</b>	<b>0.00</b>	<b>70,000.00</b>	<b>650,133.28</b>

Notes: in column 1 "Employment remuneration": the amount indicated includes the Gross Annual Remuneration and the competition agreement compensation, both paid monthly.

**Variable components**

During the year, the Company recognised Mr. Carniani a performance bonus for the activity carried out equal to Euro 70,000.

**Tables**

**TABLE 1: Compensation paid to members of the administrative and control bodies, general managers and other executives with strategic responsibilities**

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)
Surname and name	Office	Period for which the office was held	Term of office	Fixed remuneration	Remuneration for participation in committees	Employment remuneration	Other compensation	Total	Indemnity for termination of office or termination of employment
Menchelli Filippo	Director	01/01-31/12	31/12/2022	15,000.00		120,845.05	70,000.00	235,845.05	
	Chairman of the Board of Directors	01/01-31/12	31/12/2022	30,000.00					
Taranto Giuseppe	Director	01/01-31/12	31/12/2022	15,000.00		200,000.00	289,075.00	504,075.00	
	Deputy Chairman of the Board of Directors	01/01-31/12	31/12/2022	0					
Costantino Giovanni	Director	01/01-31/12	31/12/2022	15,000.00		0	0	650,000.00	
	Chief Executive Officer	21/10/2020	31/12/2022	635,000.00					
Pennacchio Giulio	Director	01/01-31/12	31/12/2022	15,000.00		200,000.00	76,664.00	291,664.00	

Bianchi Massimo	Director	01/01-31/12	31/12/2022	15,000.00		0	0	15,000.00	
	Chairman of the Control and Risk Committee	8/06-31/12	31/12/2022						
	Chairman of the Related Party Transactions Committee	8/06-31/12	31/12/2022						
	Member of the Appointment and Remuneration Committee	8/06-31/12	31/12/2022						
Alfonsi Antonella	Director	8/06-31/12	31/12/2022	15,000.00		0	0	15,000.00	
	Member of the Appointment and Remuneration Committee	8/06-31/12	31/12/2022						
	Member of the Control and Risk Committee	8/06-31/12	31/12/2022						
Tesio Fulvia	Director	8/06-31/12	31/12/2022	15,000.00		0	0	15,000.00	
	Chairman of the Appointment and Remuneration Committee	8/06-31/12	31/12/2022						
	Member of the Control and Risk Committee	8/06-31/12	31/12/2022						
Simbolo Felice	Chairman of the Board of Statutory Auditors	01/01-31/12	31/12/2022	13,500.00		0	0	13,500.00	
Borghesi Mauro	Standing Auditor	01/01-31/12	31/12/2022	9,000.00		0	0	9,000.00	

Bortolotti Barbara	Standing Auditor	01/01-31/12	31/12/2022	9,000.00		0	0	9,000.00	
Strategic Executives (5)						580,133.28	70,000.00	650,129.31	
(I) Remuneration for the company that draws up the financial statements									

**NOTES:**

\* Column 1 "Fixed remuneration" indicates the remuneration approved for corporate offices: the amounts indicated have not been fully paid as some of the members of the Board of Directors have renounced part of the approved remuneration, **the amounts actually paid are: Costantino Giovanni Euro 370,416.69; Taranto Giuseppe Euro 12,500; Menchelli Filippo Euro 37,500.00; Pennacchio Giulio Euro 12,500.00**

\* In column 3 "Employment remuneration": the amount indicated includes the RAL and the consideration for the non-competition agreement, which is paid monthly;

\* Column 4 "Other compensation" indicates remuneration linked to individual performance targets (commissions/performance bonus).