



LANDI RENZO S.p.A.

**ANNUAL REPORT ON THE REMUNERATION POLICY AND COMPENSATION
PAID**

provided pursuant to article 123-*ter* of the Consolidated Finance Act and article 84-*quater* of
the Issuers' Regulations

Issuer: **Landi Renzo S.p.A.**

Website: www.landirenzogroup.com/it/

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GLOSSARY

Audit, Risk and Sustainability Committee or ARSC: means the audit, risk and sustainability committee of the Company currently in office.

Board of Statutory Auditors: the Company's Board of Statutory Auditors.

Board or Board of Directors: the Company's Board of Directors.

Borsa Italiana: Borsa Italiana S.p.A.

By-laws: the by-laws of Landi Renzo S.p.A. currently applicable.

Civil Code: the Italian Civil Code.

Committee/CG Committee/Corporate Governance Committee: the Corporate Governance Committee of listed companies, promoted not only by Borsa Italiana S.p.A., but also by ABI, Ania, Assogestioni, Assonime and Confindustria.

Consolidated Finance Act: Legislative Decree No. 58 of 24 February 1998, as amended.

Corporate Governance Code or CG Code: the corporate governance code for listed companies approved by the Corporate Governance Committee in January 2020 available to the public on the Corporate Governance Committee's website at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

Financial Year 2023 or Financial Year: the financial period ending on 31 December 2023.

Group: Landi Renzo Group.

Instructions to the Market Rules: the instructions accompanying the market rules applicable to the markets organised and operated by Borsa Italiana.

Issuer or Landi Renzo or the Company: Landi Renzo S.p.A.

Issuers' Regulation: the Regulation issued by Consob under its Resolution No. 11971 of 1999 (as amended), concerning Issuers' regulation.

Market Rules: the market rules applicable to the markets organised and managed by Borsa Italiana S.p.A.

Performance Shares Plan 2022-2024: long-term incentive scheme known as the "*Performance Shares Plan 2022-2024*", approved by the Shareholders' Meeting on 29 April 2022, pursuant to article 114-*bis* of the Consolidated Finance Act.

Plan Rules: terms and conditions setting out the implementing regulations and rules for the Performance Shares Plan 2022-2024.

Nomination and Remuneration Committee or NRC: means the nomination and remuneration committee of the Company currently in office.

Report: this report on the remuneration policy and the compensation paid, prepared pursuant to article 123-*bis* of the Consolidated Finance Act, and article 84-*quater* of Issuers' Regulations.

Shareholders' Meeting or Meeting: the meeting of the shareholders of the Issuer.

SECTION I

1. INTRODUCTION

The Company establishes and applies a general remuneration policy aimed at attracting, motivating and retaining human resources with the professional skills required for the successful pursuit of the objectives of the Landi Renzo Group.

The policy is the result of a well-defined and transparent process in which a central role is assigned to the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors, and the Nomination and Remuneration Committee.

2. CORPORATE BODIES INVOLVED IN THE DRAFTING, APPROVAL, IMPLEMENTATION AND REVIEW OF THE REMUNERATION POLICY

(a) *Shareholders' Meeting*

In respect of remuneration, the Shareholders' Meeting:

- at the time of their appointment, determines the compensation due to the members of the Boards of Directors (including by determining an overall amount pursuant to article 2389, third paragraph of the Civil Code) and to the Board of Statutory Auditors, pursuant to article 2364, first paragraph, part (3), of the Civil Code;
- pursuant to article 123-*ter*, third paragraph *bis*, of the Consolidated Finance Act, resolves (i) with binding vote on the first section of the Report concerning the remuneration policy for the members of the Board of Directors, general managers and other executives with strategic responsibilities, and without prejudice to the provisions of article 2402 of the Civil Code, the members of the audit bodies, as determined by the Board of Directors (on proposal of the Nomination and Remuneration Committee) for the following year; and (ii) with non-binding vote, in favour or against, on the second section of the Report, setting forth an adequate description of each of the items that comprise the remuneration and analytical description of the compensation paid during the previous financial year; and
- approves by resolution any compensation schemes based upon shares or other financial instruments that are addressed to members of the Board of Directors, employees, including executives with strategic responsibilities, pursuant to article 114-*bis* of the Consolidated Finance Act.

(b) *Board of Directors*

In respect of remuneration, the Board of Directors, *inter alia*:

- establishes a Nomination and Remuneration Committee from among its members, which must include at least one member with appropriate expertise and experience in financial matters or remuneration policies, the Board of Directors assess the relevant individual's knowledge upon appointment of same;

- determines, and reviews where suitable, upon proposal of the Nomination and Remuneration Committee, the policy regarding the remuneration of directors and executives with strategic responsibilities;
- determines the remuneration of those directors with special offices, having consulted with the Board of Statutory Auditors and upon proposal of the Nomination and Remuneration Committee;
- approves the Report prepared pursuant to article 123-ter of the Consolidated Finance Act;
- with the support of the Nomination and Remuneration Committee, draws up the terms of any compensation schemes based upon shares or other financial instruments, and puts them to the Shareholders' Meeting for approval pursuant to article 114-bis of the Consolidated Finance Act; and
- with the support of the Nomination and Remuneration Committee, implements any compensation schemes based upon shares or other financial instruments, in accordance with instructions delegated by the Shareholders' Meeting.

(c) ***Board of Statutory Auditors***

In respect of remuneration, the Board of Statutory Auditors has an advisory role, under which it provides those opinions required by relevant legislation, in particular opinions on proposals for the remuneration of executive directors, and more generally of directors with special offices in accordance with article 2389, third paragraph of the Civil Code; as part of that process, the Board of Statutory Auditors assesses the proposals that the Nomination and Remuneration Committee submits to the Board of Directors for consistency with the general remuneration policy.

(d) ***Nomination and Remuneration Committee***

Proposals for the remuneration policy for the directors with special offices, both in relation to fixed compensation and variable compensation, are submitted each year by the Nomination and Remuneration Committee for approval by the Board of Directors, after having received the favourable opinion of the Board of Statutory Auditors. Further information regarding the duties and the role of the Nomination and Remuneration Committee may be found in paragraph 3 below.

(e) ***Executive directors***

In respect of remuneration, the executive directors:

- submit any compensation schemes based upon shares or other financial instruments to the Nomination and Remuneration Committee, and if appropriate assist the Nomination and Remuneration Committee with the preparation of such schemes;
- provide the Nomination and Remuneration Committee with such information as it requires for the purpose of assessing the appropriateness and effective application of the general remuneration policy, with regard in particular to the remuneration of executives with strategic responsibilities; and
- implement the Company's remuneration policies in a manner consistent with this Report.

Finally, the Board of Directors, the Board of Statutory Auditors and the Nomination and Remuneration Committee are responsible for ensuring that the remuneration policy is properly implemented and correctly applied.

3. NOMINATION AND REMUNERATION COMMITTEE

3.1 Composition and functioning of the Nomination and Remuneration Committee (pursuant to article 123-bis, second paragraph, item (d) of the Consolidated Finance Act)

As at the date of this Report, the Nomination and Remuneration Committee is composed of three directors, namely Pamela Morassi, chair of the Committee, and Anna Maria Artoni, both non-executive independent directors of the Company, as well as Massimo Lucchini, non-executive director.

The members of the Committee have suitable knowledge and experience on accounting and financial matters. Upon their appointment, the Board of Directors evaluated and deemed adequate the background and experience of the Nomination and Remuneration Committee's members.

The Nomination and Remuneration Committee has adopted its own internal rules, which were updated on 30 November 2022, which govern the composition, tasks and procedures for operation of the Committee.

3.2 Duties and procedures of the Nomination and Remuneration Committee

With regard to remuneration, the Nomination and Remuneration Committee is responsible for:

- helping the Board of Directors to prepare the remuneration policy;
- presenting proposals and providing opinions to the Board of Directors regarding the remuneration of the executive directors, directors with special offices and top management of the Company and the Group as well as the establishment of performance objectives in connection with the variable component of such remuneration,
- monitoring the application, in practice, of the remuneration policy, verifying especially the actual achievement of performance objectives; and
- periodically assessing the adequacy and overall consistency of the remuneration policy for the executives and for the top management.

In connection with the performance of its duties, the Committee may access to such information deemed necessary for the performance of its duties and may also rely on the Company's organizational functions as well as on external advisors at the expenses of the Company.

4. REMUNERATION POLICY

4.1 Policy, purpose and duration

The remuneration policy implemented by the Company reflects the criteria set out in the Consolidated Finance Act and the Issuers' Regulations. In particular:

- (i) it contributes to the corporate strategy because it aims to attract, motivate and retain the human resources who have the professional skills required to profitably pursue the Group's objectives;
- (ii) it contributes to the pursuit of short to medium and long-term interests of the Issuer because (i): the variable part of the remuneration of the directors with special offices and of the executives with strategic responsibilities has a considerable percentage of incidence on the overall compensation also in relation to the fixed component, and (ii) a major portion of the variable component of the remuneration of the directors with special offices and of the executive managers with strategic responsibilities is linked to strategic, and highly challenging performance objectives, such as (a) for example, Adjusted EBITDA, Operating Cash Flow for the short-term variable compensation, and (b) Total Shareholder Return and Operating Cash Flow (OCF) for the Performance Shares Plan 2022-2024, all of this financial and performance data can be clearly appreciated by the market;
- the consistency with the pursuit of **short- to medium-term interests** of the Issuer is also guaranteed by the terms of payment of the variable component, which is paid according to progressive thresholds based on the performance objectives reached; and
 - the consistency with the pursuit of the **long-term interests** of the Issuer is also guaranteed by the Performance Shares Plan 2022-2024, *i.e.* by a remuneration plan based on the free assignment of ordinary shares of the Company, according to the level of achievement of the established performance targets, to be verified upon termination of a three-year vesting period;
- (iii) it contributes to the sustainability of the Company, because it provides for a large part of the remuneration to be dependent on the creation of long-term value for the shareholders and for the Company as a whole, thus promoting behaviour intended to increase the Company's overall value and to align the interests of the management to the interests of the shareholders, with a view of generating value over the medium to long term;
- (iv) it is determined by taking into account the compensation and work conditions of, the Company's employees, because it is based on the principles of fairness, equal treatment and meritocracy, taking into account the commitment and the responsibilities related to the role and the powers granted to each addressee, with the objective of not creating any unjustified imbalance between the compensation granted to the members of the corporate bodies and executives with strategic responsibilities and the compensation granted to employees.
- (v) it provides that all the directors be paid compensation as determined upon appointment of the Shareholders' Meeting, which determines the gross amount payable to each director or to the entire Board for the term of office. Such gross annual compensation is not based on the achievement of economic results, but on the skills, professionalism and efforts requested from each director to perform the duties of the office;

(vi) it provides that the executive directors with special offices, in addition to the fixed compensation due to them as members of the Board of Directors as determined by the Shareholders' Meeting at the time of their appointment, may receive, upon proposal of the Nomination and Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, additional compensation that includes a fixed component and a variable component, which are to be adequately balanced in light of the Company's strategic objectives and risk management policy, also taking into account the sector in which the Issuer operates:

- the **fixed component** of this compensation is sufficient to compensate the performance of the beneficiary should the variable component not be paid because of non-achievement of the performance objectives set by the Board for executive directors;
- the **variable component** is a significant portion of the Executive directors' compensation and provides for an incentive compensation that is conditional upon the achievement of predefined, highly challenging, performance objectives (described in more detail below) that take into account the role of the executive directors, the commitment requested for performance of their duties, as well as the Company's position in the market, its size and prospects for development; for the year 2024 only for the Chief Executive Officer and General Manager a variable component of remuneration is envisaged, such component having been expressly waived by the Chairman in light of the challenges facing the group in the coming months;

(vii) it provides that the executives with strategic responsibilities receive compensation that is composed of a fixed component and of a variable component (the latter being a significant part of the overall compensation), similarly to what is provided for the executive directors with special offices, as described in more detail in paragraph 4.2 1(1)F below;

- the **fixed component** of this remuneration is sufficient to compensate the performance of the beneficiary should the variable component not be paid because of the non-achievement of the corporate or individual performance objectives;
- the **variable component** is a significant portion of the compensation for executives with strategic responsibilities and is an incentive, providing for compensation that is conditional upon the achievement of predefined, highly challenging performance objectives (described in more detail below) that take into account the role of the executives with strategic responsibilities, the commitment requested for performance of their duties, as well as the Company's position in the market, size and prospects for development; moreover, the variable component is linked to the achievement of both short and medium-long term performance objectives (Performance Shares Plan 2022-2024), with the exclusion of only one case where the role was assumed during 2023 and therefore with the plan already in progress;

- (viii) it provides that the Board of Directors has the right to adopt specific procedures intended to prevent any disputes and to limit the risk of litigation in the event of early termination of their directorship or employment for specific causes (for instance, resignation and/or revocation for cause or without cause, etc.).

This remuneration policy, approved by the Board of Directors' meeting on 5 August 2024, is consistent with the previous one. The amendments made, on the one hand, are aimed at a continuous improvement in the clarity of presentation and, on the other hand, were deemed necessary in light of the developments in the Company's business and organization, also in light of the revenues of the Chief Executive Officer and General Manager and one of the executives with strategic responsibilities. In defining the remuneration policy, the votes cast during the Shareholders' Meeting held on 26 April 2023, during which 99.444891% of the Shareholders in attendance (equal to 68.677895% of the overall voting rights) approved the first section of the Report, and expressed a favourable opinion on the second section of the Report were also taken into account.

The remuneration policy refers to an annual duration.

4.2 The components of the remuneration

The remuneration policy adopted by the Company follows different principles and modalities in relation to the fixed component and to the short and medium-long term variable component for each type of addressee. The main features and aspects of the remuneration policy for directors with special offices and executives with strategic responsibilities are summarized in the table below.

Type of compensation	Features	Details
Fixed remuneration	It is sufficient to remunerate performance in the event that the variable component is not paid out due to failure to achieve the performance targets of the variable remuneration	<p><u>Chairman</u></p> <p>Gross annual compensation: Euro 400,000 (of which Euro 100,000 as director and Euro 300,000 as director with special offices)</p> <p><u>CEO-GM</u></p> <p><u>Compensation as CEO:</u> Euro 100,000 annual gross (of which Euro 12,500 as director and Euro 87,500 as director with special offices)</p> <p><u>Compensation as GM:</u> Euro 320,000 gross annually</p> <p><u>DSR</u></p> <p>Appropriate to the role held and responsibilities assigned.</p>
Short-term variable incentive (MBO)	<p>Plan based on short-term results achieved within the annual time frame against set targets.</p> <p><u>Economic and financial performance indicators</u></p> <ul style="list-style-type: none"> ○ Adjusted EBITDA (Group's Adjusted EBITDA for those with a Group function, Automotive's Adjusted EBITDA for those with an Automotive function) ○ Operating Cash Flow <p>CEO - GM: weight 60%</p> <p>DSR: weight 50%</p>	<p><u>CEO-GM</u></p> <p>Target incentive: 100%</p> <p>Overperformance: 120% of fixed compensation as CEO and gross annual compensation as GM</p> <p><u>DSR</u></p> <p>Target incentive differentiated according to assigned role up to 50% of fixed salary. In case of</p>

	<p>Performance indicators related to specific functions, assessments, responsibilities, and/or special projects</p> <p>CEO - GM: weight 40% DSR: weight 50%</p>	<p>overperformance 120% of target incentive.</p>
<p>Long-term variable incentive (Performance Shares Plan 2022-2024)</p>	<p>DSR</p> <p>Variable incentive plan providing for the assignment of rights to receive for free ordinary shares of the Company based on performance criteria over a medium to long term period.</p> <ul style="list-style-type: none"> o Performance period: three years o Entry Threshold (Entry Gate): Total Shareholder Return (TSR) \geq 50% of TSR Target o Performance Indicators: <ul style="list-style-type: none"> - (50%) Monetary Flow from Operations. - (50%) Total Shareholder Return (TSR) o Allocation of vested shares (at the request of the beneficiary) <ul style="list-style-type: none"> - Up to 50% by 31/12/2025 - The remainder from 1/1/2026 to 31/12/2026 o Holding Period: <p>CEO-GM: 3 years for 30% of the shares delivered DSR: 2 years 30% of the shares delivered</p> o Malus and clawback clauses. 	<p>DSR</p> <p>Target incentive differentiated according to assigned role up to 2.5 times the fixed salary</p>
<p>Benefits</p>	<p>Benefits represent a component of the compensation package. They differ according to the recipients in line with the relevant regulations.</p>	<p>Main types:</p> <ul style="list-style-type: none"> - supplementary pension plans; - supplementary health care; - insurance coverage (medical expenses, death, permanent disability); - mixed-use car; - housing.
<p>Further elements <u>Only for DSR (no CEO-GM and Chairman)</u></p>	<p><u>Special treatments in the event of termination of office/employment relationship:</u> recognized under certain conditions and upon execution of a settlement agreement containing extensive waivers in relation to the past relationship.</p> <p><u>Non-competition covenants.</u></p> <p><u>Only for DSR (no CEO-GM or Chairman):</u> extraordinary one-time bonus to strengthen attraction, retention, or in cases where it is deemed to reward the most distinctive performance, as well as to remunerate particularly significant efforts within operations or projects of an extraordinary nature.</p>	<p>DSR</p> <p>24 monthly salaries in case of termination without cause</p> <p>PNC: 12 months</p>

A Remuneration policy for the office as director

Pursuant to article 20 of the By-laws and article 2389 of the Civil Code, the compensation for all the members of the Board of Directors is determined by the Shareholders' Meeting at the time directors are appointed.

The Shareholders' Meeting on 29 April 2022 determined the annual gross compensation payable to the Board for the 2022-2024 mandate, as overall Euro 200,000, to be divided among all the members of the Board of Directors and to be on a

pro rata temporis basis, and resolved that each director would receive an attendance fee of Euro 500 for each meeting of the Board he or she attends, which is inclusive of any expense or cost that the director may incur to attend the meeting.

On the same date, the Board of Directors approved the break-down among its members of the compensation approved by the Shareholders' Meeting, thus attributing an annual gross compensation of Euro 100,000 to the Chairman of the Board of Directors, Stefano Landi and an annual gross compensation of Euro 12,500 to each of the other directors, consistently with the precedent office.

B Remuneration policy for non-executive directors

The compensation of the non-executive directors is commensurate on their skills, professionalism and the commitment required of each of them for the performance of their role. Non-executive directors are not entitled to any variable remuneration or to remuneration plans based on shares or other financial instruments.

C Remuneration policy in relation to membership in Committees

Non-executive directors who are members of Committees within the Board of Directors receive further compensation for such role, in addition to the compensation for the office of director.

With resolution of the Board on 29 April 2022, the Company determined to pay a compensation equal to Euro 7,500, on an annual basis, to directors who are also members of an internal Committee within the Board of Directors, namely the Audit, Risk and Sustainability Committee and the Nomination and Remuneration Committee and an amount equal to Euro 15,000, on an annual basis, for the Chairman of the Committees.

Furthermore, each member of the Committee for transactions with related parties receive an amount equal to Euro 500 for each attended meeting of Committee.

D Remuneration policy for independent directors

The remuneration of independent directors, like the one for other non-executive directors, it is commensurate with their skills, professionalism and the commitment required of each of them for the performance of their role. Independent directors are not entitled to variable remuneration or to remuneration plans based on shares or other financial instruments.

E Compensation policy for the executive directors

Pursuant to the combined provisions of article 2389, third paragraph of the Civil Code and article 20 of the By-laws, the compensation for directors with special offices is determined by the Board of Directors, upon proposal of the Nomination and Remuneration Committee and after having heard the opinion of the Statutory Board of Auditors. The compensation is composed of:

- a **fixed component**, determined congruously in light of the special offices and mandates assigned;

- an **annual variable component**, up to a pre-defined maximum amount, based upon achievement of specific performance objectives and/or to the economic results achieved by the Company in the **short term**.

The *fixed component* of the compensation is sufficient to compensate the activity of the beneficiary should the variable component not be paid because of the non-achievement of the performance objectives set by the Board for executive directors.

The Board of Directors determined the fixed, annual, gross compensation payable in financial year 2024 to directors with special offices as Euro 387,500, divided as follows, consistently with the previous financial year: Euro 300,000 to the Chairman of the Board of Directors and Euro 87,500 to the Chief Executive Officer, in each case in addition to the compensation as directors mentioned above.

The Chief Executive Officer and General Manager, Annalisa Stupenengo, also receives, as remuneration for the role as General Manager in the context of an executive employment relationship with the Company, a gross fixed annual remuneration of Euro 320,000.

The *variable component* provides for an incentive compensation that is conditional upon achievement of short and medium-long term performance objectives.

In relation to the *short-term variable remuneration*, the Board of Directors, upon proposal of the Nomination and Remuneration Committee and with the Board of Statutory Auditors' favourable opinion, determined the variable remuneration to be awarded only in favour of the CEO and General Manager, having the Chairman expressly waived such component for the year 2024 in light of the challenges facing the group in the coming months.

With reference to the short-term variable remuneration:

- (a) for the Chief Executive Officer and the General Manager, the amount of said variable remuneration will be equal to 100% of the gross fixed annual remuneration (inclusive of the fixed compensation earned as General Manager of the Company, as well as the fixed remuneration earned as Chief Executive Officer) in case of achievement of the objectives at target and equal to 120% in case of achievement of all objectives at 120%;

The short-term variable remuneration for the Chief Executive Officer and General Manager is conditional upon achievement of the following qualitative and quantitative objectives.

- Group Adjusted Ebitda (weight 30%)
- Group Operating Cash Flow (weight 30%)
- Strategic Plan Implementation (weight 30%)
- Backlog Safe Orders 2024 vs 2025 (weight 10%)

The minimum achievement threshold will be 90% of the target performance objective to which corresponds the payment of 90% of the portion of the variable remuneration linked to such objective. In case of failure to reach the 90% threshold, no variable remuneration in relation to such objectives will be paid.

If the objective is achieved between 100% and 119%, payment of 100% of the portion of variable remuneration linked to that objective will be made. In case of achieving all objectives at 120%, 120% of the objective MBO will be recognised.

The Chief Executive Officer and General Manager does not participate in the 2022-2024 Performance Shares Plan referred to in paragraph G below having assumed the role in the year 2023 with the Plan already largely underway. The implementation of a new long-term incentive plan effective from the year 2025 is being studied and will be submitted to the relevant corporate bodies for approval.

F Remuneration policy for executives with strategic responsibilities

The Company has identified no. 3 executives with strategic responsibilities, other than the Chief Executive Officer and General Manager, Mrs. Annalisa Stupenengo, *i.e.* the Chief Operating Officer, the Chief Financial Officer and the Chief Technology Officer.

The compensation for executives with strategic responsibilities who are not executive directors is composed of a fixed component and a variable component.

The *fixed component* is sufficient to compensate the activity of the executive should the variable component not be paid because of the non-achievement of the company and individual performance objectives. With respect to the remuneration paid to the General Manager of the Company, please see paragraph E above.

The *variable* component is linked to the achievement of short and medium-long term performance objectives.

With reference to short-term variable remuneration, the amount of remuneration payable upon achievement of 100% of the predetermined objectives (*i.e.*, target value) is determined on the basis of a percentage of the gross fixed annual salary differentiated on the basis of the role held and the responsibilities assigned: for executives with strategic responsibilities, a target value of up to 50% of the fixed annual salary is envisaged.

The award of the variable remuneration is conditional upon achievement:

- of corporate objectives (with a weight equal to 50%);
 - Group's objectives: for those which have a Group function;
 - Automotive's objectives: for those which have an Automotive function;
- of functional/individual objectives (with a weight equal to 50%);

Corporate objectives have been identified as follows:

- Adjusted EBITDA
- Operating Cash Flow

With the application of the following payout curves:

- Percentage of the achievement of the objective between 90% and 99% --> payment of 90% of the MBO quota linked to the objective;

- Percentage of the achievement of the objective between 100% and 119% --> payment of 100% of the MBO quota linked to the objective.

In case of over performance at 120% of all the corporate and individual/functional objectives, 120% of the objective MBO will be recognised.

In case of failure to reach the 90% threshold, no variable remuneration will be paid in relation to the objective of reference.

With the specific purpose of strengthening the attraction, retention and loyalty of key resources for the Group's growth and development, or in the event that it is deemed necessary to reward the most distinctive performance, as well as to remunerate particularly significant efforts in the context of operations or projects of an extraordinary nature, the Company reserves the possibility of awarding extraordinary forms of remuneration (so-called *bonus una tantum*) and subject to approval by the Board of Directors upon the proposal of the Nomination and Remuneration Committee, without prejudice to the safeguards on related party transactions, where applicable.

G Stock-based incentive plans for executives with strategic responsibilities

On 29 March 2022 the Board of Directors and on 29 April 2022 the Shareholders' Meeting approved the "Performance Shares Plan 2022-2024" (the "**Performance Shares Plan 2022-2024**" or the "**Plan**") which provides for the assignment to beneficiaries of rights to receive ordinary shares in the Company (in the amount of one share assigned for each right allocated), free of charge, subject to fulfilment of the entry gate condition and achievement of performance objectives, upon termination of a three-year vesting period.

(a) Addressees of the plan, reasons supporting adoption of the plan, and main characteristics

The Plan represents a valid instrument for the purpose of retaining the loyalty of Beneficiaries, as persons who hold key roles for the achievement of the Company objectives and more in general, those of the Group, and of aligning the interests of key company resources with those of shareholders.

The Plan intends to:

- align the interests of beneficiaries with those of shareholders and investors;
- link the remuneration of beneficiaries, in consideration of their role and duties within the Company or its subsidiaries, to actual performance by the Company and to the creation of new value and the achievement of specific previously established medium-long term objectives;
- implement retention policies to generate loyalty amongst beneficiaries and incentivise them to remain with the Company or its subsidiaries;
- implement attraction policies for talented managers and professionals.

The Performance Shares Plan 2022-2024 provides – subject to fulfilment of the entry gate condition and conditional upon achievement of the performance objectives, at the

terms and conditions set out in the Plan Rules – for the assignment of rights to receive for no consideration an aggregate of up to 1,963,001 ordinary shares of the Company (in the amount of one share assigned for each right allocated), to be assigned to the executives with strategic responsibilities (except for one executive who assumed the role during 2023 with the Plan already largely underway) and other executives identified by the Board of Directors having heard the opinion of the Nomination and Remuneration Committee, on the basis of their contribution to the business, degree of autonomy and the complexity of their role. The value of the initial assignment of rights to receive shares does not exceed an amount equal to 2.5 times the gross fixed annual salary for executives with strategic responsibilities.

The Board of Directors is competent for the implementation of the Performance Shares Plan 2022-2024 and is in charge of the management and implementation of the plan, availing itself of the procedural and advisory support of the Nomination and Remuneration Committee.

(b) ***Performance objectives***

The assignment of Landi Renzo ordinary shares is subject to fulfilment of the entry gate condition and to achievement of the performance objectives set out below.

The achievement of these performance objectives will be assessed by the Board of Directors, having heard the opinion of the Nomination and Remuneration Committee, upon expiry of the vesting period on the terms provided by the Plan Rules.

The assignment of the shares is primarily conditional upon achievement - upon expiry of the vesting period - of the objective linked to TSR in an amount equal to at least 50% (entry gate). No shares will therefore be assigned if the entry gate condition is not fulfilled, even if, for example, the OCF is higher than the minimum accrual threshold.

Subject to fulfilment of the entry gate condition, the assignment of shares is further conditional upon the achievement of performance objectives, upon expiry of the vesting period, that have been identified as follows:

- Total Shareholder Return (weight 50%);
- Operating Cash Flow or OCF (weight 50%).

The achievement of the performance objectives will determine the assignment of shares as follows:

TSR	Percentage of shares assignable
Lower than 50% of Target TSR	0%
Equal to or higher than 50% and lower than 75% of the Target TSR	50%
Equal to or higher than 75% and lower than 100% of the Target TSR	75%

TSR	Percentage of shares assignable
Equal to or higher than 100% of the Target TSR	100%

OCF	% of Shares assignable
Lower than 70% of Target OCF	0%
Equal to or higher than 70% and lower than 90% of the Target OCF	50%
Equal to or higher than 90% and lower than 100% of the Target OCF	75%
Equal to or higher than 100% of the Target OCF	100%

Starting from the date in which the Company will communicate to the beneficiaries the achievement of the performance objectives and the number of assignable shares, the beneficiaries may request the assignment of all or part of the assignable shares as follows:

- a) up to 31/12/2025 the beneficiary may request the assignment of maximum 50% of the assignable shares;
- b) from 1/1/2026 to 31/12/2026 the beneficiary may request the assignment of all remaining assignable shares in respect of which they have not already requested assignment pursuant to point (a) above.

As an alternative to the transfer of assignable shares, the beneficiary may request that all or part of the shares – at terms and conditions to be indicated in the Plan Rules – are sold on the market, enabling the beneficiary to receive an amount corresponding to the sale price for the shares, net of statutory withholdings, and subject to the settlement terms provided by market regulations, within the limits and at the terms provided by applicable regulations and by the Internal Dealing Code from time to time applicable (cash settlement).

Without prejudice to cash settlement provisions, beneficiaries will be required to retain at least 30% of the shares assigned (lock-up) for all other beneficiaries, for 2 years following the date of delivery of the shares.

In case of a cash settlement, the Plan Rules establishes suitable mechanisms to ensure that beneficiaries retain an investment in shares equal to 30% (thirty percent) of the shares delivered and/or of net income collected.

If, at the date of delivery of the Shares, the Beneficiary already holds shares, the beneficiary may provide evidence of this to the Company and those shares will be calculated for the purposes of compliance by the beneficiary with lock-up obligations, according to terms and procedures established in the Plan Rules.

(c) ***Effects due to the termination of employment relationship of the beneficiaries***

The Performance Shares Plan 2022-2024 provides, as a condition for participation in the plan, for the existence of an employment relationship between the beneficiary and the Company or the relevant subsidiary.

For this purpose, distinction is made between:

- the “**Bad Leaver**” scenario, *i.e.* any termination of employment relationship for reasons other than (i) voluntary resignation for the purposes of retirement and admission to a pension scheme or (ii) dismissal without cause or justified reason.
- the “**Good Leaver**” scenario, *i.e.* all termination scenarios other than the Bad Leaver scenarios

In case of termination in a Bad Leaver scenario before the shares are delivered, the beneficiary will fully and irrevocably lose the right to receive shares.

In case of termination in a Good Leaver scenario, the beneficiary will retain the right to participate in the Plan, however if termination occurs:

- during the course of the vesting period, the rights to receive shares will accrue *pro-rata temporis*, proportional to the duration of the relationship during the vesting period, without prejudice to verification of fulfilment of the entry gate condition and achievement of the performance objectives, upon expiry of the vesting period;
- subsequent to expiry of the vesting period the beneficiary may request the assignment all assignable shares in a single instalment.

The above is without prejudice to the right for the Board of Directors to regulate particular cases, from time to time establishing the number of rights to receive shares that may still be assigned and the related terms and conditions.

(d) ***Claw-back***

The Plan includes claw-back clauses. In particular if, within the 3rd (third) year following notification of accrual of the rights to receive shares, it is found on the basis of objective conditions that the entry gate and performance objectives have been calculated by the Board of Directors on the basis of data that has been revealed to be clearly erroneous or that the Beneficiary has engaged in conduct in breach of legal provisions and/or company rules (breach of Organisational, Management and Control Model and/or Code of Ethics pursuant to Legislative Decree 231/2001 or internal procedures for the Company or its Subsidiaries) and/or the Rules – the Company may exercise the right of claw-back, requiring the beneficiary to return all or part of the shares delivered or to transfer to the Company an amount equal to their value at the time of notification of accrual of the rights, or in case of a cash settlement, the return of all or part of the sums collected by the beneficiary.

Moreover if, within the 12th (twelfth) month following the date of expiry of the Plan:

- (a) the Beneficiary has been dismissed for just cause; or

- (b) the Company finds, in relation to a beneficiary whose employment has terminated following the date on which notification of accrual of the rights to receive shares was made, that there are circumstances which, if known, would have entitled the Company to terminate the relationship for cause prior to the date of notification of accrual of the rights to receive shares,

the Company may exercise the right of claw-back, requiring the Beneficiary to return all or part of the shares delivered, or to transfer to the Company an amount equal to their value at the date of delivery of the shares or, in case of a cash settlement, the return all or part of the sums receive by the Beneficiary for that purpose.

For further information on the Plan, please refer to the information document prepared pursuant to article 84-*bis* and Scheme 7 of Annex 3A to the Issuers' Regulations, and to the communication pursuant to article 84-*bis* (5) of the Issuers' Regulations, available on the Company website at <http://www.landirenzogroup.com/it/>, Investors section.

H Benefits in kind

Under the Company's remuneration policy, some members of the Board of Directors and the executives with strategic responsibilities receive benefits in kind.

In particular, benefits in kind are provided such as a company car and mandatory insurance, the accommodation, life and health insurance policies additional to the mandatory ones or provided by the national collective labour agreement (CCNL). The terms of such arrangements are agreed with the human resources department.

The Company's remuneration policy does not provide for any insurance or pension provision in addition to those mandatory by law compared to those mentioned above.

I Lock-up agreements regarding financial instruments

As at the date of this Report, the Company has not entered into any agreements with provisions that restrict the sale or disposal of financial instruments following their acquisition, save for provisions relating to the lock-up period under the Performance Shares Plan 2022-2024.

J Policy relating to the remuneration provided for in the event of termination of office or employment relationship and non-competition agreements (including indemnities for directors in the event of resignation, dismissal or termination of employment following a tender offer, pursuant to article 123-*bis*, first paragraph, letter i) of the Consolidated Finance Act

No treatments for the Chief Executive Officer and General Manager of the Company are provided in the event of termination of his office and/or his executive employment relationship with the Company other than those provided by law or by the applicable national collective labour agreement (CCNL).

With regard to certain the executives with strategic responsibilities, agreements are in place providing for, in the event of termination of employment not supported by just cause (*giusta causa*), the payment of an agreed severance, including the indemnity in

lieu of notice and any other indemnity provided for by the national collective labour agreement (CCNL) in the event of termination of employment (with the sole exception of the mandatory severance pay (TFR) and other termination payments provided for by law) in an amount equal to 24 months' remuneration. Only in one case, the 24 months' pay is additional to the indemnity in lieu of notice provided for in the CCNL. These benefits are granted upon execution of a settlement agreement in a protected setting containing extensive waivers in relation to the employment relationship and any intervening corporate positions.

For certain executives with strategic responsibilities, a 12-month non-compete agreement is also in place with a consideration equal to, approximately, 30% of the gross annual remuneration in the event that the executive is simultaneously paid, upon termination of employment, the agreed treatment referred to in the previous paragraph, and equal to, approximately, 60% of the gross annual remuneration in the event that such treatment is not paid.

In any case, it is possible to enter into non-compete agreements with executives with strategic responsibilities of a maximum term of 12 months and with a maximum consideration equal to one year's gross fixed remuneration.

Assignment or retention of benefits in kind for a period subsequent to termination of their relationship is not contemplated.

Consulting agreements may be entered into for a period subsequent to termination of the office of director.

K Remuneration policies of other companies potentially used as reference and criteria used for the choice of such companies. Independent experts who have contributed to the definition of the remuneration policy

In defining the remuneration policy, the Company has not used as reference the remuneration policies of other companies.

For the definition of the long-term policy, the Company has not been assisted by independent experts in the field.

L Remuneration of the Board of Statutory Auditors

Pursuant to article 2402 of the Civil Code the annual compensation of all members of the Board of Statutory Auditors is determined by the Shareholders' Meeting, for the entire term of their office, upon their appointment.

For the 2022-2024 period, the Shareholders' Meeting on 29 April 2022 determined annual, gross compensation, *pro rata temporis*, as follows: Euro 35,000 for the Chair of the Board of Statutory Auditors, Euro 25,000 for the standing members of the Board of Statutory Auditors, for the financial years ending on 31 December 2022, 2023 and 2024, plus reimbursement of documented expenses incurred during exercise of their office, in accordance with the By-laws. The compensation was determined taking into account criteria such as the professional skills and experience of each member and of the commitment, in terms of time, required to perform the duties of the office.

M Exceptional circumstances

As provided by paragraph 3-*bis* of article 123-*ter* of the Consolidated Finance Act, the Board of Directors, subject to the favourable opinion of the Nomination and Remuneration Committee and after consulting the Board of Statutory Auditors as well as in compliance with the procedure for transactions with related parties, may, in exceptional circumstances, temporarily waive the elements of remuneration provided for in paragraph 4.2, of this Section I of the remuneration policy. Exceptional circumstances are defined as situations in which deviation from the remuneration policy is necessary to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay on the market.

To this purpose, some cases to be considered exceptional circumstances are given as examples only and not exhaustive:

- the necessity/opportunity to insert/replace, an apical role for the Company and/or the Group, having to negotiate rapidly the remuneration treatment, where the constraints contained in the approved policy could limit the possibility of attracting managers with the professional skills required and more appropriate to the achievement of the objectives of the Company and/or the Group;
- the occurrence of changes in the scope of the business activity during the period of validity of this Report, such as, for example, the acquisition/disposal of a significant business whose impact could not be foreseen in advance;
- the possibility of paying entry bonuses and/or retention bonuses in order to facilitate the acquisition and/or retention of top resources deemed necessary for the achievement of the strategic objectives of the Company and/or the Group. Any waivers, which may relate to one or more elements of this Report, will be disclosed through the subsequent report on the remuneration policy and compensation paid, accompanied by the reasons that prompted the Company to exercise this waiver option.

SECTION II

FIRST PART

1. COMPENSATION OF THE BOARD OF DIRECTORS

Stefano Landi, Chairman of the Board of Directors and executive director

During the Financial Year 2023, the Chairman of the Board of Directors, Mr. Stefano Landi, received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 400,000, non-monetary benefits for Euro 4,014 and Euro 4,500 as attendance fees for his attendance at the meetings of the Board of Directors.

With regard to short term variable remuneration, no compensation was paid, having the Chairman waived such remuneration component for year 2023.

The table below sets out and compares information for the financial years started as from 1st January 2019 and shows, for each financial year: (i) the overall compensation of Mr. Stefano Landi, (ii) the Group's results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section¹:

Financial Year	2019	2020	2021	2022	2023
Total compensation for Mr. Stefano Landi	526,326	407,305	408,249	411,415	408,514
Group revenues	191,851,965	142,454,705	241,994,319	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	41,367	42,719	42,391	44,917	48,093

Cristiano Musi, executive director, chief executive officer and general manager (relationship terminated on 11 July 2023)

During the Financial Year 2023, the Chief Executive Officer, Mr. Cristiano Musi, held the office of Chief Executive Officer and General Manager until 11 July 2023. Consistently with the remuneration policy adopted by the Company – until such date he has received a compensation of Euro 52,955, non-monetary benefits for Euro 3,189,

¹ The values set in the table are in Euro.

and Euro 3,000 as attendance fees for his attendance at the meetings of the Board of Directors.

Until the date of termination indicated above, Mr. Cristiano Musi received a gross compensation of Euro 174,648, for his role as executive and General Manager of the Company.

On 11 July 2023, the Board of Directors, with the favourable opinion of the Nomination and Remuneration Committee, approved the agreement for consensual termination of the relationship with Mr. Musi. For and upon the termination of his employment as General Manager, Mr. Musi was paid, in line with the relevant remuneration policy, a gross remuneration of Euro 576,000, in addition to the statutory severance pay. The Company has also waived its claim against Mr. Musi for a residual amount of Euro 28,983.00 in relation to contributions due to INPS for the years 2016, 2017, 2018, 2019 and 2020.

The above was agreed and acknowledged within the framework of a private writing having as its object a general and novative settlement with extensive mutual waivers in relation not only to the employment relationship that took place, but also in relation to the position of Managing Director, ratified in the appropriate venues, in which the Parties also terminated the post-contractual non-competition agreement agreed upon with the termination of all mutual obligations in this regard. As part of the same agreement, the termination of all corporate positions attributed to Mr. Musi within Landi Renzo Group (with extensive mutual waivers) was also regulated, with the sole exception of the positions attributed in SAFE&CEC S.r.l., Safe S.p.A. and Idro Meccanica S.r.l., which were retained.

Concurrently with the signing of the above-mentioned private writing, Mr. Musi initiated a new contract of employment with Safe S.p.A. for the role of General Manager of the latter with a term ending on 31 December 2023, unless renewed.

With regard to short term variable remuneration, no compensation was paid; in the context of the private writing, indeed, Mr. Cristiano Musi has waived the recognition of any and all variable compensation with reference to both the 2023 MBO and the 2022-2024 Performance Shares Plan.

The table below sets out and compares information for the financial years started as from 1st January 2019 and shows, for each financial year: (i) the overall compensation of Mr. Cristiano Musi, (ii) the Group's results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section²:

Financial Year	2019	2020	2021	2022	2023

² The values set in the table are in Euro.

Total compensation for Mr. Cristiano Musi	582,287	367,874	368,613	371,794	971,923
Group revenues	191,851,965	142,454,705	241,994,319	306,297	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	41,367	42,719	42,391	44,917	48,093

Annalisa Stupenengo, executive director, chief executive officer and general manager (since 12 July 2023)

Mrs. Annalisa Stupenengo has been in office as Chief Executive Officer and General Manager since 12 July 2023. Since that date, she has received compensation as Chief Executive Officer for an amount of Euro 47,041 and Euro 1,500 in attendance fees for taking part at the Board of Directors meetings.

As of the same date, Mrs. Stupenengo received a gross remuneration of Euro 152,233 and non-monetary benefits of Euro 2,768 for her role as an executive and General Manager of the Company.

With reference to the short-term variable compensation by resolution of the Board of Directors, the following short-term objectives had been assigned to Mrs. Stupenengo:

A - *qualitative* (i) drafting and approval of the new strategic plan of the Group; (ii) implementation of the new organizational structure of the Group;

B – *quantitative*, related to Automotive results of revenues, gross margin and inventory Landi Renzo and Metatron.

with the clarification that the first two *qualitative* KPIs represented an entry gate and that therefore for the disbursement of the variable remuneration it was necessary that both be met, while for the other three *quantitative* KPIs two of the three objectives of which 100% revenues and the remaining at 90%, would have to be met, it being understood that any variable remuneration would be paid *pro rata temporis*.

The Board of Directors' meeting of 23 July 2024, proceeded to finalise the above objectives by acknowledging that all KPIs, both qualitative and quantitative, had been achieved at 100% with the consequent payment of short-term variable remuneration for

a total amount of Euro 210,000 gross determined on a *pro rata temporis* basis for the year 2023.

Silvia Landi, non-executive director

During the Financial Year 2023, non-executive director Silvia Landi received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 12,500 and Euro 4,000 as attendance fees for her attendance at the meetings of the Board of Directors.

The table below sets out and compares information for the financial years started as from 1st January 2019 and shows, for each financial year: (i) the overall compensation of Ms. Silvia Landi, (ii) the Group’s results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section³:

Financial Year	2019	2020	2021	2022	2023
Total compensation for Mrs. Silvia Landi	14,500	16,000	16,500	19,000	16,500
Group revenues	191,851,965	142,454,705	241,994,319	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	41,367	42,719	42,391	44,917	48,093

Sara Fornasiero, independent and non-executive director and Lead Independent Director

During the Financial Year 2023, independent director Ms. Sara Fornasiero received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 12,500, Euro 4,500 as fees for attendance at the meetings of the Board of Directors, as well as Euro 15,000 as compensation for her role as Chairman of the

³ The values set in the table are in Euro.

Audit, Risk and Sustainability Committee and Euro 500 for her role as member of the Related Parties Committee.

Furthermore, during the Financial Year 2023 Ms. Sara Fornasiero received compensation of Euro 2,500 as member of the Supervisory Body (*Organismo di Vigilanza*) of the controlled company Safe S.p.A.

The table below sets out and compares information for the financial years started as from 1st January 2019 and shows, for each financial year: (i) the overall compensation of Ms. Sara Fornasiero, (ii) the Group's results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section⁴:

Financial Year	2019	2020	2021	2022	2023
Total compensation for Ms. Sara Fornasiero	40,000	43,500	42,000	43,140	35,000
Group revenues	191,851,965	142,454,705	241,994,319	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	41,367	42,719	42,391	44,917	48,093

Sergio Iasi, non-executive director

During the Financial Year 2023, the non-executive director, Mr. Sergio Iasi, received – consistently with the remuneration policy adopted by the Company – compensation equal to Euro 12,500, as well as Euro 3,500 as attendance fees for participation in the Board of Directors' meetings and an amount equal to Euro 7,500 as remuneration for attendance at the Audit, Risk and Sustainability Committee.

⁴ The values set in the table are in Euro.

Financial Year	2022	2023
Total compensation for Mr. Sergio Iasi	18,980	23,500
Group revenues	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	44,917	48,093

Massimo Lucchini, non-executive director

During the Financial Year 2023, the non-executive director, Mr. Massimo Lucchini, received – consistently with the remuneration policy adopted by the Company – compensation equal to Euro 12,500, as well as Euro 4,500 as attendance fees for his participation in the Board of Directors’ meetings and an amount equal to Euro 7,500 as remuneration for attendance at the Nomination and Remuneration Committee.

Financial Year	2022	2023
Total compensation for Mr. Massimo Lucchini	18,980	24,500
Group revenues	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	44,917	48,093

Andrea Landi, non-executive director

During the Financial Year 2023, the non-executive director, Mr. Andrea Landi, received – consistently with the remuneration policy adopted by the Company – compensation equal to Euro 12,500, as well as Euro 3,500 as attendance fees for participation in the meetings of the Board of Directors.

Financial Year	2022	2023
Total compensation for Mr. Andrea Landi	13,425	16,000
Group revenues	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	44,917	48,093

Pamela Morassi, independent non-executive director

During the Financial Year 2023, the independents non-executive director, Ms. Pamela Morassi, received – consistently with the remuneration policy adopted by the Company – a compensation equal to Euro 12,500, as well as Euro 4,500 as attendance fees for participation in the meetings of the Board of Directors, Euro 15,000 as remuneration as Chairman of the Nomination and Remuneration Committee and Euro 500 as member of the Related Parties Committee.

Financial Year	2022	2023
Total compensation for Ms. Pamela Morassi	25,534	32,500
Group revenues	306,297,000	303,339,000
Annual average gross remuneration for full-time	44,917	48,093

employees other than the persons listed in this section		
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Anna Maria Artoni, independent non-executive director

During the Financial Year 2023, the independent non-executive director, Ms. Anna Maria Artoni, received – consistently with the remuneration policy adopted by the Company – a compensation equal to Euro 12,500, as well as Euro 4,500 as attendance fees for participation in the meetings of the Board of Directors, Euro 7,500 as remuneration as attendance fees for participation in the meetings of the Audit, Risk and Sustainability Committee, Euro 7,500 for participation in the meetings of the Nomination and Remuneration Committee, and Euro 500 as attendance fees for participation in the meetings of the Related Parties Committee.

Financial Year	2022	2023
Total compensation for Ms. Anna Maria Artoni	25,534	32,500
Group revenues	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	44,917	48,093

2. COMPENSATION TO THE BOARD OF STATUTORY AUDITORS

Fabio Zucchetti, Chair of the Board of Statutory Auditors

During the Financial Year 2023, Mr. Fabio Zucchetti received – consistently with the remuneration policy adopted by the Company – compensation of Euro 35,000 and Euro 3,264 as reimbursement for expenses.

The table below sets out and compares information for the full period during which Mr. Fabio Zucchetti was in office and shows, for each financial year: (i) the overall compensation of Mr. Fabio Zucchetti, (ii) the Group's results and (iii) the annual

average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section⁵:

Financial Year	2019	2020	2021	2022	2023
Total compensation for Mr. Fabio Zucchetti	23,685	35,744	35,652	36,000	38,264
Group revenues	191,851,965	142,454,705	241,994,319	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	41,367	42,719	42,391	44,917	48,093

Diana Rizzo, Standing Statutory Auditor

During the Financial Year 2023, Ms. Diana Rizzo received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 25,000.

Furthermore, Diana Rizzo received, by virtue of her role of auditor for the subsidiary Metatron S.p.A., a compensation equal to Euro 5,000.

The table below sets out and compares information for the financial years started as from 1st January 2019 and shows, for each financial year: (i) the overall compensation of Ms. Diana Rizzo, (ii) the Group's results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section⁶:

Financial Year	2019	2020	2021	2022	2023
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⁵ The values set in the table are in Euro.

⁶ The values set in the table are in Euro.

Total compensation for Ms. Diana Rizzo	25,000	25,000	25,000	28,897	30,000
Group revenues	191,851,965	142,454,705	241,994,319	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	41,367	42,719	42,391	44,917	48,093

Luca Aurelio Guarna

During the Financial Year 2023, Mr. Luca Aurelio Guarna received– consistently with the remuneration policy adopted by the Company – a compensation equal to Euro 25,000.

Financial Year	2022	2023
Total compensation for Mr. Luca Aurelio Guarna	16,849	25,000
Group revenues	306,297,000	303,339,000
Annual average gross remuneration for full-time employees other than the persons listed in this section	44,917	48,093

3. COMPENSATION TO GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

During Financial Year 2023, fixed compensation for a total amount equal to Euro 646,923 was paid to executive directors with strategic responsibilities other than the Chief Executive Officer and General Manager.

With regard to short-term variable remuneration, no amount was paid as the relevant objectives were not achieved. Only with reference to one of the executives with strategic responsibilities who took on the role during the year and to whom specific objectives had been assigned, short-term variable remuneration was paid in the gross amount of Euro 39,375.00 based on the achievement of 100% of the assigned objectives, on a *pro-rata temporis* basis.

The executive employment relationship with one of the key executive directors with strategic responsibilities also ended in 2023.

Upon termination of the employment relationship, in the context of a general and novative settlement with extensive reciprocal waivers ratified in a protected venue, the executive director was paid (in addition to the severance pay foreseen by law) an all-inclusive indemnity of Euro 412,500 gross, equal to 22 months of fixed compensation, including the indemnity in lieu of notice foreseen by the CCNL for Euro 112,500 gross, lower than what was foreseen by the remuneration policy of reference.

4. TEMPORARY EXCEPTIONS TO THE REMUNERATION POLICY

For the Financial Year 2023, in consideration of the termination of the relationship with the Chief Executive Officer and General Manager, Mr. Cristiano Musi, and with an executive director with strategic responsibilities and the need to find an adequate replacement in a short time in order to ensure continuity of management by attracting the best skills, the Board of Directors, with the support of the Nomination and Remuneration Committee and having consulted the Board of Statutory Auditors to the extent of its competence, has temporarily waived the remuneration policy. In particular, for the new Chief Executive Officer and General Manager, as described in Section I of this report, the overall remuneration package (*pro-rata* for 2023 from the time of appointment) provided a different quantification of fixed and variable short-term remuneration as General Manager and the elimination of any severance pay in the event of early termination of the relationship. Short-term remuneration objectives, different from those envisaged in the reference remuneration policy in consideration of the assumption of the role as of July 2023, were included.

Since the remuneration for the new Chief Executive Officer and General Manager was higher than that previously in place for Cristiano Musi, as well as different conditions in the event of exit of the new executive with strategic responsibilities, it was necessary to submit to the Shareholders' Meeting the necessary amendments to the report on the remuneration policy previously adopted; therefore, until the date of approval of the amendments to the policy, the remuneration of the Chief Executive Officer and General Manager, as well as of the executive with strategic responsibilities, remained in line with the remuneration policy in force at the time, without prejudice to the right to any adjustments.

The Company took into account the favourable opinion expressed by the Shareholders' Meeting held on 26 April 2023 on the second section of the remuneration policy and the compensation paid in the Financial Year 2022, which passed by a 68.677895%

favourable vote, and used the same criteria used to award compensation for the Financial Year 2023.

SECTION II

SECOND PART

The following tables set forth details of remuneration paid in Financial Year 2023, on any basis and in any form, by the Company or subsidiaries and affiliates of the Issuer.

TABLE 1 (Form 7-bis): Compensation paid to members of the Board of Directors, Board of Statutory Auditors, the General Manager and other executives with strategic responsibilities⁷

(A)	(B)	(C)	(D)									
Full name	Office held	Period for which office is held	Expiry of term of office	Fixed compensation	Compensation for participation in committees	Variable <i>non-equity</i> compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or upon termination
Sergio Iasi	Vice Chairman	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			12,500 (emoluments)	7,500					20,000		
				3,500 (attendance fees)						3,500		
	Compensation from subsidiaries and affiliates											
	Total			16,000	7,500				0	23,500		
Stefano Landi	Chairman of the Board of Directors	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			100,000 (emoluments for his role as Chairman of the Board)				4,014		408,514		

⁷ Figures shown in the tables are in Euro.

				300,000 (emoluments for his role as director with special office)							
	Compensation from subsidiaries and affiliates			4,500 (attendance fees)							
	Total			404,500			4,014		408,514		
Cristiano Musi	Chief Executive Officer and General Manager	01/01/2023 – 11/07/2023	11/07/2023			Bonus and other incentives	Profit sharing				
	Compensation from the company preparing the financial statements			6,619 (emoluments for the office of director) 46,335 (emoluments for the office of executive director) 174,648 (emoluments as an employee) 3,000 (attendance fees)		576,000	3,189		809,791		
	Compensation from subsidiaries and affiliates			59,101		101,549	1,482		162,132		
	Total			289,703		677,549	4,671		971,923		
Annalisa Stupenengo	Chief Executive Officer and General Manager	11/07/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing				
	Compensation from the company preparing the financial statements			5,880 (emoluments for the office of director) 41,161 (emoluments for the office of executive director)			2,768		203,542		

				152,233 (emoluments as an employee)								
				1,500 (attendance fees)								
	Compensation from subsidiaries and affiliates											
	Total			200,774				2,768		203,542		
Silvia Landi	Director	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			12,500 (emoluments) 4,000 (attendance fees)						16,500		
	Compensation from subsidiaries and affiliates											
	Total			16,500						16,500		
Massimo Lucchini	Director	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			12,500 (emoluments) 4,500 (attendance fees)	7,500					24,500		
	Compensation from subsidiaries and affiliates											
	Total			17,000	7,500					24,500		
Sara Fornasiero	Independent director	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			12,500 (emoluments) 4,500 (attendance fees)	15,500					32,500		
	Compensation from subsidiaries and affiliates				2,500					2,500		
	Total			17,000	18,000					35,000		

Andrea Landi	Director	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			12,500 (emoluments) 3,500 (attendance fees)							16,000		
	Compensation from subsidiaries and affiliates			140,664				36,410			177,074		
	Total			156,664				36,410			193,074		
Pamela Morassi	Independent director	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			12,500 (emoluments) 4,500 (attendance fees)	15,500						32,500		
	Compensation from subsidiaries and affiliates												
	Total			17,000	15,500						32,500		
Anna Maria Artoni	Independent director	01/01/2023 – 31/12/2023	Approval of financial statements 2024										
	Compensation from the company preparing the financial statements			12,500 (emoluments) 4,500 (attendance fees)	11,610						28,610		
	Compensation from subsidiaries and affiliates												
	Total			17,000	11,610						28,610		
Fabio Zucchetti	Chairman of the Board of Statutory Auditors	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			35,000 (emoluments) 1,000 (expense reimbursement)							36,000		
	Compensation from subsidiaries and affiliates												
	Total			36,000							36,000		

Diana Rizzo	Statutory Auditor	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			25,000 (emoluments)						25,000		
	Compensation from subsidiaries and affiliates			5,000						5,000		
	Total			30,000						30,000		
Luca Aurelio Guarna	Statutory Auditor	01/01/2023 – 31/12/2023	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			25,000						25,000		
	Compensation from subsidiaries and affiliates											
	Total			25,000						25,000		
Strategic Executives	Strategic Executives	01/01/2023 – 31/12/2023				Bonus and other incentives	Profit sharing					
	Compensation in the company preparing the financial statements			646,923		39,375				686,298		412,500
	Compensation from subsidiaries and affiliates											
	Total			646,923		39,375				686,298		412,500

TABLE 3 A (Form 7-bis): Incentive plans based on financial instruments other than stock options for the Executive Director and for the General Manager and other Executives with Strategic Responsibilities

A	B	-1	Financial instruments granted in the previous years not vested during the fiscal year		Financial instruments assigned during the financial year					Financial Instruments vested during the financial year and not granted	Financial instruments vested during the financial year and grantable		Financial instruments within the financial year
			-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12
Full name	Office held	Plan	Number and kind of financial instruments	Vesting period	Number and kind of financial instruments	Fair value as of the assignment date	Vesting period	Assignment date	Market price as of the date of assignment	Number and kind of financial instruments	Number and kind of financial instruments	Value as of the vesting date	Fair value
	Executive directors with strategic responsibilities	Performance Shares Plan 2022-2024	750,000 Units ⁸ (rights to potentially receive shares)	2022-2024									

⁸ Data updated as of 31 December 2023.

