



**FIERA MILANO**

## Report on the Remuneration Policy and Remuneration paid

Drawn up pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998 and Article 84-quarter of the Issuers' Regulation adopted by Consob with resolution no. 11971 of 14 May 1999

This document contains a true translation in English of the document "Relazione sulla Politica in materia di remunerazione e sui compensi corrisposti". However, for information about Fiera Milano reference should be made exclusively to the original document in Italian. The Italian version of the document "Relazione sulla Politica in materia di remunerazione e sui compensi corrisposti" shall prevail upon the English version.

15 March 2022

**Fiera Milano S.p.A.**

Registered office: Piazzale Carlo Magno, 1 - 20149 Milan

Operational and administrative office: S.S. del Sempione, 28 - 20017 Rho (Milan)

Share Capital: Euro 42,445,141 fully paid up.

Companies Register, Tax Reference and VAT no. 13194800150 Economic Administrative Register 1623812

## METHODOLOGICAL NOTE

### Regulatory sources

This Report on the Remuneration Policy and Remuneration Paid (hereinafter, the "**Report**" or the "**Remuneration Report**") has been prepared by Fiera Milano S.p.A. (hereinafter "**Fiera Milano**" or also the "**Company**") pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998 (hereinafter, the "**Consolidated Law on Finance**" or "**TUF**") and art. 84-quarter of the Issuers' Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (hereinafter, the "**Issuers' Regulation**") and was drawn up in accordance with Annex 3A, Schedule 7-bis, of the same Issuers' Regulation. The aforementioned Article 123-ter, Consolidated Law on Finance, was lastly amended by Legislative Decree no. 49/ 2019 ("**Legislative Decree no. 49/2019**") - implementing Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholders' Right Directive II), amending Directive 2007/367/EC on the exercise of certain rights of shareholders in listed companies with regard to the encouragement of long-term shareholder engagement (the "**SHRD**" or the "**Directive**").

The Remuneration Report prepared by the Company complies with the recommendations contained in the Corporate Governance Code (the "**Corporate Governance Code**"), as well as in the new edition of the Corporate Governance Code for listed companies approved by the *Corporate Governance* Committee in January 2020 (the "**Corporate Governance Code**" or also "**CG Code**") to which the Company adheres.

This Remuneration Report consists of the following sections.

In light of the above, Section One - in accordance with Articles 123-ter TUF and 9-bis of the Directive - describes and illustrates in detail:

- 1) the Company's policy on the remuneration of the members of the Board of Directors ("**Board of Directors**" or also "**BoD**") of the Company, of the general managers, of the executives with strategic responsibilities, and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, of the members of the Board of Statutory Auditors of the Company, which is valid for one year (the "**Remuneration Policy**" or also the "**Policy**"); and
- 2) the procedures used for the adoption, review and implementation of this Policy, including measures to avoid or manage possible conflicts of interest.

Section Two sets out by name the remuneration attributed to the Company's Directors and to the members of the Board of Statutory Auditors and, in aggregate form, the remuneration

attributed to executives with strategic responsibilities of Fiera Milano (the "**Executives with Strategic Responsibilities**" or the "**Top Management**")<sup>(1)</sup>:

- a) in the first part, it provides an adequate, clear and comprehensible representation of each of the items that make up the remuneration, including payments in the event of termination of office or termination of employment (where applicable), highlighting compliance with the company's remuneration policy for the year in question and the way in which the remuneration contributes to the Company's long-term results;
- b) in the second part, it illustrates (i) in detail the remuneration paid, in the relevant year, for any reason and in any form, by the Company, its subsidiaries or affiliates (hereinafter, the "**Group**"), indicating those components that refer to activities carried out in previous years and highlighting the remuneration to be paid in one or more subsequent years for activities carried out in the reporting year, possibly indicating an estimated value for components that cannot be objectively qualified in the reporting year; (ii) how the Company has taken into account the vote expressed the previous year by the Shareholders' Meeting on Section Two of the Report.

### **Procedure for adopting the Remuneration Policy**

The Remuneration Policy illustrated in this Report (the "**Remuneration Policy**") is also adopted in compliance with the provisions of Consob Regulation of 12 March 2010 on related party transactions and article 12.3 of the "*Procedure for Related Party Transactions*" (the "**Procedure for Related Party Transactions**" or also the "**RPT Procedure**") approved by the Board of Directors of the Company on 16 June 2021, effective as of 1 July 2021 (available on the Company's website at [www.fieramilano.it](http://www.fieramilano.it), Investors/Governance section); according to the above procedure, the approval of the Remuneration Policy by the Shareholders' Meeting exempts the Company from applying the aforementioned RPT Procedure in resolutions regarding the remuneration of directors and Executives with Strategic Responsibilities when:

- (i) the company has adopted a Remuneration Policy approved by the Shareholders' meeting;
- (ii) a committee consisting exclusively of non-executive directors, the majority of whom are independent, was involved in defining the Remuneration Policy;
- (iii) the remuneration awarded is determined in accordance with that policy and quantified on the basis of criteria that do not involve discretionary assessments.

This Report was approved by the Board of Directors, on the proposal of the Nomination and Remuneration Committee, at its meeting of 15 March 2022. Section One will be submitted to

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<sup>(1)</sup> These are the persons identified by the Board of Directors of Fiera Milano who, pursuant to the Appendix to Consob Regulation no. 17221 of 12 March 2010 on related party transactions, as subsequently amended and supplemented, have the power and responsibility, directly or indirectly, for planning, directing and controlling the Company's activities. In the remaining part of the document, they are also referred to as "**Top Management**" as per the definition given in the Corporate Governance Code.

the binding vote of the Ordinary Shareholders' meeting convened for 22 April 2022, on a single call. Section Two will be submitted to an advisory vote during the same Ordinary Shareholders' meeting.

This Report is filed at the Company's registered office and its operational and administrative headquarters, and made available on the authorised storage mechanism *eMarket Storage* ([www.emarketstorage.com](http://www.emarketstorage.com)) and is available on the Company's website at [www.fieramilano.it](http://www.fieramilano.it) Investors/*Governance* section.

## DEFINITIONS

The main definitions used in this Report are listed below, in a non-exhaustive list, in order to facilitate reading and with a view to maximum transparency and clarity; in any case, they are to be considered as complemented by the definitions contained in the body of the document. Terms and expressions referred to in the plural shall be deemed to be defined also in the singular, and vice versa.

- **"Executive Directors"** or **"Directors holding special offices"** - are those directors to whom Fiera Milano has granted operating or management powers or special duties;
- **"Shareholders' Meeting"** - identifies the shareholders' meeting of Fiera Milano S.p.A.;
- **"Non-monetary benefits"** - consist of the provision of goods and/or services allocated in accordance with market practice and in compliance with the legislation in force;
- **"Borsa Italiana"** - means Borsa Italiana S.p.A., with registered office in Milan, 6 Piazza degli Affari;
- **"Corporate Governance Code"; "Corporate Governance Code"**- means the recommendations of Borsa Italiana's Corporate Governance Committee and - with regard to the latter - those applicable from 1 January 2021;
- **"Control and Risk and Related Party Committee"** - is the internal committee of Fiera Milano S.p.A. responsible - inter alia - for transactions with related parties and appointed in accordance with the provisions of the Consob RPT Regulation and the Procedure on Related Party Transactions;
- **"Corporate Governance Committee"** - is made up of Business associations (ABI, ANIA, Assonime, Confindustria), Professional Investors associations (Assogestioni) and

Borsa Italiana. The institutional purpose of the Committee is to promote good corporate governance in Italian listed companies and to monitor the application of the codes of conduct issued, disseminated and periodically updated by the Committee (see Corporate Governance Code);

- **"Nomination and Remuneration Committee"** - is the committee set up by Fiera Milano for remuneration matters and in implementation of the recommendations of the Corporate Governance Code;
- **"Board of Directors or BoD"** - is the board of directors of Fiera Milano S.p.A.;
- **"Consob"** - Commissione Nazionale per le Società e la Borsa;
- **"Executives with Strategic Responsibilities"** or **"ESR"** - these are individuals identified by the Board of Directors of Fiera Milano who, pursuant to the Appendix to Consob Regulation 17221 of 12 March 2010 on related party transactions, as subsequently amended and supplemented, have the power and responsibility, directly or indirectly, for planning, directing and controlling the Company's activities; they may also be identified as **"Top Management"** as per the definition referred to in the Corporate Governance Code;
- **"EBITDA"** - with respect to the financial statements, as the difference between: (i) total revenues from sales and services and other revenues and income; and (ii) total operating expenses;
- **"Gate"** or **"access gate"** - are the preconditions identified in the Remuneration Policy that allow access to the bonus system;
- **"LTI"** - *Long Term Incentive* - means the long-term variable component, aimed at incentivising beneficiaries to act with a view to maximising the Company's value, aligning their interests, according to a long-term and sustainable development logic. the long-term remuneration is paid on a deferred basis, at the end of a multi-year observation period. Specifically, the Report refers to the medium-long-term incentive plan approved by the Shareholders' Meeting of the Company on 28 April 2021, the "2021-2022 Performance Shares Plan";
- **"MBO"** - *Management by Objectives* - means the set of annual strategic objectives to be achieved, in line with the interests of the Company and its stakeholders;
- **"Performance and Leadership Management"** **"PLM"** - is the performance evaluation system adopted by the Company and aimed at promoting the achievement

of the Group's strategic objectives (MBO) and at assessing the expected conduct on the basis of the Group's leadership model;

- **"Remuneration Policy"** - means Section I of the Report, which sets out in a clear and comprehensible manner: (a) the Company's remuneration and incentive policy for the year 2022 and (b) the bodies involved and the procedures used for its adoption. Section I of the Report is submitted to the binding vote of the Shareholders' meeting;
- **"Target Bonus"**: means the value of the Target Bonus defined by the applicable contracts;
- **"Annual Bonus"**: means the value of the individual bonus for the year (calculated on the basis of the strategic objectives). It is calculated according to the incentive scheme whereby an economic parameter (EBITDA of the 2022 Budget) is applied to the Target Bonus Value, acting as an Access Gate and multiplication/demultiplication factor;
- **"RPT Procedure"** - is the procedure on related party transactions adopted by the Company in accordance with the provisions of Consob RPT Regulation, i.e. the "Regulation containing provisions on related party transactions" adopted by CONSOB with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented;
- **"Issuers' Regulations"** - is the implementing regulation of the Consolidated Law on Finance, concerning the regulation of issuers, approved by CONSOB Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented;
- **"RAL"** – gross annual remuneration;
- **"Report"** or **"Remuneration Report"** - identifies this Report on the remuneration policy and remuneration paid, drawn up pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998 and Article 84-quater of the Issuers' Regulation adopted by Consob with resolution no. 11971 of 14 May 1999;
- **"Remuneration"** - any element of the remuneration, emolument or entitlement referred to in this Report and identified therein in the (i) fixed remuneration components; (ii) variable remuneration components and (iii) non-monetary benefits;
- **"STI"** - *Short Term Incentive* - means the short-term variable component, aimed at incentivising beneficiaries to pursue the key objectives identified in the strategic plan. The short-term remuneration is paid on an annual basis;

- **"Articles of Association"** - means the Articles of Association of Fiera Milano S.p.A, as most recently approved by the Shareholders' Meeting and available on Fiera Milano's website at [www.fieramilano.it](http://www.fieramilano.it) in the Investors/Governance section;
- **"TUF"** - is Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented.

## BACKGROUND

### The 2022 Remuneration Policy

Fiera Milano believes that a careful remuneration and incentive policy is functional to the pursuit of the Company's sustainable success, taking into account the need to have in the Company, retain and motivate people with the skills and professionalism required by the position held.

The principles and guidelines for determining and implementing the Company's remuneration policy incorporate and respect Fiera Milano's values, culture and historical mission and contribute to the pursuit of the Company's long-term interests and sustainability, including through the integration of ESG (Environmental, Social, Governance) factors, fairness and equality in the roles performed, as well as in the overall remuneration, including in terms of gender.

The 2022 Remuneration Policy is substantially in line with the policy approved in 2021, thus confirming the remuneration structure and the main features of the variable remuneration systems, consistent with the corporate governance model adopted by the Company and the recommendations of the Corporate Governance Code as well as the most recent regulatory developments and best practices.

Given the persisting Covid 19 pandemic, Fiera Milano takes into account the health emergency as well as the conflict in Ukraine in defining and implementing its Remuneration Policy through specific measures - see below - aimed at reconsidering certain conditions of access to the bonus system and the target objectives in this different context.

Through this Report on the Remuneration Policy and Remuneration Paid Fiera Milano intends to:

- inform its stakeholders in a clear and transparent manner about the main elements and rationale of its implemented remuneration and incentives policy;
- ensure accessibility to the relevant information through straightforward and non-misleading wording;

- represent key information in a timely manner, such as performance indicators, company results and remuneration mechanisms.

### **Key elements of the Remuneration Policy**

The Remuneration Policy, summarised in this Report, identifies inter alia and consistently with the aforementioned Corporate Governance Code:

- a balance between the fixed and variable components that is appropriate and consistent with the company's strategic objectives and risk management policy, taking into account the characteristics of its business and sector of operation;
- the maximum limits on the disbursement of variable components;
- the performance objectives, to which the payment of the variable components is linked, predetermined, measurable and linked to a significant extent to a long-term horizon, incorporating both income and other non-financial elements;
- the deferral periods for the payment of variable remuneration components and the claw-back mechanisms provided for under certain circumstances;
- the rules governing the payment of compensation for termination of employment with the Company.

### **Relationship between performance and sustainability**

Sustainability is a key strategic element for Fiera Milano. The decision to adopt sustainable policies, taking into account social and environmental factors in addition to purely financial ones, stems from the awareness that synergies must be developed with the local community in order to make the most of its specific features and potential.

The Remuneration Policy is aimed at attracting and motivating qualified professional resources for the pursuit of the key objectives identified by the strategic plan, and at providing incentives to retain said resources, thereby ensuring stable professional relationships with the Company.

The variable remuneration components, both short- and long-term, are directly linked to defined performance targets and to the results achieved, through predetermined, measurable performance objectives linked to the Company's strategic objectives in the medium-long term, calculated mainly through financial indicators, but also through qualitative and non-financial parameters.

In this way, remuneration reflects sustainable results and value creation for the stakeholders in the medium to long term.

The bonus system of Fiera Milano requires that incentive systems be related to a broad concept of performance, consistent with the strategy and objectives identified in the strategic plan and in line with industry best practices.



The Remuneration Policy is a fundamental tool to retain and strengthen the Company's management and to ensure they comply with its goals and are strongly oriented towards the pursuit of objectives and willing to take up new challenges and opportunities, in order to further improve the Company's competitive position.

The remuneration package of the Company's management is characterised by a significant portion linked to the achievement of objectives defined ex-ante on the basis of the results obtained and designed to favour an increasing alignment of interests between the Company and its managers.

The balance of the different remuneration components is defined according to the role held.

## **SECTION ONE**

### **(a) Bodies and persons involved in the preparation, approval, review and implementation of the Remuneration Policy**

The approval of the Remuneration Policy is the result of a structured and transparent process that involves various corporate bodies such as the Board of Statutory Auditors, the Nomination and Remuneration Committee, with approval by the Board of Directors and submission to the Shareholders' Meeting for the necessary resolutions.

The definition of the Remuneration Policy is the result of a linear and coherent process. The policy is prepared annually by the Nomination and Remuneration Committee, with the support of the relevant departments of the Company, and subsequently submitted to the Board of Directors of the Company for approval. The Nomination and Remuneration Committee also submits the application criteria of the Policy to the BoD for approval and oversees their application. Once the Policy has been examined and approved, the BoD submits it to the binding vote of the Ordinary Shareholders' Meeting, in accordance with Article 123-ter of the Consolidated Law on Finance.

The Policy, together with this Report, was approved by the Board of Directors at its meeting on 15 March 2022, on the proposal of the Nomination and Remuneration Committee in order, inter alia, to incorporate the adjustments to the Issuers' Regulations (see Article 84-quater and Annex 3A, Schedule 7-bis) made by Consob with Resolution no. 21623 of 10 December 2020 in implementation of the SHRD.

### **(b) Persons involved in the preparation and approval of the Remuneration Policy**

The main persons and bodies involved in the preparation and approval of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Nomination and Remuneration Committee and the Board of Statutory Auditors.

## **I. Board of Directors**

The Board of Directors:

- sets up an internal Nomination and Remuneration Committee;
- defines, with the assistance of the Nomination and Remuneration Committee, the Remuneration Policy, oversees its implementation, as well as its review and approves the Remuneration Report, pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Issuers' Regulation;
- in line with the Remuneration Policy, with regard to the total remuneration to be attributed to Executive Directors or to Directors holding special offices, it determines, upon proposal of the Nomination and Remuneration Committee and after hearing the opinion of the Board of Statutory Auditors - pursuant to Article 2389, paragraph 3, of the Italian Civil Code - the amount of the remuneration of the Chairman of the Board of Directors and of the Chief Executive Officer;
- determines, on the proposal of the Nomination and Remuneration Committee and after hearing the opinion of the Board of Statutory Auditors, the remuneration of Directors called upon to serve on committees set up within the Board of Directors;
- prepares remuneration plans based on shares or other financial instruments for Directors, employees and collaborators, including Executives with Strategic Responsibilities, submits them to the approval of the Shareholders' Meeting pursuant to Article 114-bis of the Consolidated Law on Finance and oversees their implementation;
- appoints, among others, the *Top Management* <sup>(2)</sup> on the proposal of the Chief Executive Officer, if appointed, or of the Chairman, and determines their powers in accordance with Article 17.2 (J) of the Company's Articles of Association, available on Fiera Milano's website at [www.fieramilano.it](http://www.fieramilano.it) in the Investors/*Governance* section.

## II. Nomination and Remuneration Committee

The BoD of the Company has established an internal "Nomination and Remuneration Committee" whose function is to make analyses, provide advice and submit proposals. The Committee is composed of 3 non-executive Directors, the majority of whom is independent. As regards remuneration matters in particular, the Nomination and Remuneration Committee, in line with the recommendations of the Corporate Governance Code, has the task of assisting

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<sup>(2)</sup> Top management means senior managers who are not members of the Board of Directors and who have the power and responsibility for planning, directing and controlling the activities of the company and its group in line with the CG Code. In the document it is alternatively identified with Executives with Strategic Responsibilities (pursuant to Consob).

the Board of Directors, by performing analyses, providing advice and making proposals; specifically:

- a. assists the Board of Directors in drawing up the Remuneration Policy, for its presentation to the Shareholders' Meeting called to approve the financial statements as required by law;
- b. submits proposals and expresses opinions on the remuneration of executive directors, directors holding special offices and top management, regarding the various forms of remuneration and economic treatment;
- c. assists the Board of Directors in drawing up share-based remuneration plans for executive directors, directors holding special offices and top management;
- d. presents proposals and expresses opinions on the setting of performance targets (MBO, LTI Plans and/or stock option plans, if any) connected to the determination of the variable remuneration of executive directors, directors holding special offices and top management;
- e. proposes the definition, in relation to executive directors and directors holding special offices, of end-of-office indemnities for Directors, as well as non-competition agreements;
- f. monitors the practical implementation of the Remuneration Policy, in particular, verifying the actual achievement of performance targets;
- g. periodically assesses the adequacy and overall consistency of the Remuneration Policy for executive directors, directors holding special offices and top management;
- h. informs the shareholders' meeting about procedures for exercising its functions in reports to be presented in compliance with applicable law.

In carrying out its functions, the Committee has the right to access the information and company departments necessary for the performance of its duties, and to have access to financial resources and make use of external consultants according to the terms established by the Board of Directors.

If the Nomination and Remuneration Committee intends to use the support of a consultant in order to obtain information on market practices concerning remuneration policies, it selects such a consultant by verifying in advance that he/she is not in a situation that could compromise its independence of judgement.

Pursuant to Recommendation 26 of the CG Code, in order to manage situations of possible conflict of interest, no Director takes part in the meetings of the Nomination and Remuneration Committee in which proposals are made to the Board of Directors regarding his/her remuneration.

The Directors shall abstain from voting during Board of Directors' resolutions concerning their own remuneration, without prejudice to the rules on transactions with related parties set out in the RPT Procedure (where applicable).

The Chairman of the Committee reports to the Board of Directors on the Committee's activities.

Following its appointment by the Shareholders' Meeting on 20 April 2020, the Board of Directors, on the same date, set up an internal Nomination and Remuneration Committee, appointing the following Directors as members, all of whom were in office at the date of this Report:

- i. Elena Vasco, independent director pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance and pursuant to Article 2, Recommendation 7, of the Corporate Governance Code, Chairman of the Nomination and Remuneration Committee;
- ii. Alberto Baldan, independent director pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance and pursuant to Article 2, Recommendation 7, of the Corporate Governance Code;
- iii. Marina Natale, independent director pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance and pursuant to Article 2, Recommendation 7, of the Corporate Governance Code.

For further details on the composition and functioning of the Committee, please refer to the "Report on Corporate Governance and Ownership Structures" prepared pursuant to Article 123-bis of the Consolidated Law on Finance and published annually by the Company on its website [www.fieramilano.com](http://www.fieramilano.com) in the Investors/Governance section.

The Nomination and Remuneration Committee is also supported by the Legal Compliance and Corporate Affairs Department of Fiera Milano in carrying out its activities. The members of the Board of Statutory Auditors and the Chief Corporate Staff of Fiera Milano may attend Committee meetings.

During the year ended 31 December 2021, the Committee held seven duly minuted meetings and carried out its responsibility to table proposals to the Board of Directors. The average duration of the meetings of this Committee was approximately 1 and a half hours. At the date of approval of this Report, two meetings had been held in the current financial year.

For more details on the activities carried out by the Nomination and Remuneration Committee during the 2021 financial year, please refer to the "Report on Corporate Governance and Ownership Structure" prepared pursuant to Article 123-bis of the Consolidated Law on Finance and published annually by the Company on its website [www.fieramilano.com](http://www.fieramilano.com) in the Investors/*Governance* section.

### III. Shareholders' Meeting

With regard to remuneration matters, the Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors and of the Board of Statutory Auditors pursuant to Article 2364, paragraph 1(3), of the Italian Civil Code;
- casts (i) a binding vote on Section I of the Remuneration Report (on the proposal of the Nomination and Remuneration Committee) at such intervals as is required by the duration of the Remuneration Policy (i.e. annually) and, in any case, whenever the Policy<sup>3</sup> is amended and (ii) a non-binding vote on Section II of the Remuneration Report (on the proposal of the Nomination and Remuneration Committee) on an annual basis;
- resolves on any remuneration plans based on shares or other financial instruments for directors, employees and collaborators, including Executives with Strategic Responsibilities, pursuant to Article 114-bis of the Consolidated Law on Finance.

Any temporary deviation from the Remuneration Policy approved by the Shareholders' Meeting is only allowed in exceptional circumstances, i.e. when the 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 continue operating on the market. On this point, reference is made to the following paragraph "Elements of the policy which may be waived in exceptional circumstances" in this Section I.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will be required to pay remuneration in accordance with the most recent Remuneration Policy approved by the Shareholders' Meeting or, failing that, in accordance with current practice. The Company will have to submit a new Remuneration Policy to the next Shareholders' Meeting convened to approve the financial statements.

### IV. Board of Statutory Auditors

The Board of Statutory Auditors expresses its opinion on remuneration proposals for the executive directors, and more generally, for directors holding special offices, verifying that the proposals are consistent with the Remuneration Policy.

(c) **How the Company has taken into account the remuneration and working conditions of its employees in determining the Remuneration Policy**

Please refer to letter (e) below.

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<sup>3</sup>The Shareholders' vote is always required on changes to the Remuneration Policy that are not merely formal or mere clarifications.

(d) **Independent experts**

The Company did not engage the services of any independent expert in the preparation of the Remuneration Policy.

(e) **Principles and aims of the Remuneration Policy and description of the policies on the fixed and variable components of the remuneration**

The purpose of the Remuneration Policy is to ensure an overall remuneration structure in line with Fiera Milano's current and future needs, capable of enhancing the contribution provided by those involved in the company's growth and in accordance with their respective skills.

The Company believes that remuneration and incentive policies contribute to achieving the strategic objectives identified in BoD-approved long-term plans as, through a careful balance of fixed and variable remuneration components and, within the latter, between the portion paid for short-term and that for long-term objectives, it contributes to the pursuit of long-term sustainable results.

The Remuneration Policy is determined by taking into account the remuneration and working conditions of employees; it comprises principles and tools applied to the entire organisation for the purpose of attracting, motivating and retaining people with the professional skills necessary to contribute to Fiera Milano's growth strategy and long-term interests and sustainability, in line with market best practices.

The Fiera Milano Group has confirmed its focus on people by trying to identify alternative tools that can promote the well-being of employees, regardless of elements such as percentage of employment, length of service, job description or professional qualifications.

In particular, a Company Welfare plan has been designed for all Group employees, which, by recognising a specific credit and through a specific platform, grants access to supplementary pension benefits, personal services for the improvement of the work-life balance of employees; it also promotes the purchasing power of workers who can use the welfare credit in the form of benefits or spending vouchers (e.g. shopping vouchers, petrol coupons, etc.). The '*WellFair*' portal offers opportunities in various thematic areas, such as: education, health insurance, supplementary pension funds, babysitters and social workers, sports, holiday packages, culture, transport subscriptions, repayment of loan/mortgage interest, legal advice, home maintenance, etc.

The Company implements a policy aimed at promoting fairness and equality, including gender equality, through a conduct that excludes all forms of discrimination. Regarding the diversity policies applied by the Company within its own organisation, please also note that, in line with the provisions of its Code of Ethics, Fiera Milano offers all workers the same work opportunities, ensuring that everyone can enjoy fair treatment based on merit criteria, without any discrimination.

As far as the Fiera Milano Group is concerned, offering all employees the same opportunities to develop their own skills and capabilities, avoiding any form of discrimination based on race, sex, age, nationality, religion or personal beliefs, is considered a key pillar of its management policy. With regard to female employment in particular, Fiera Milano produces a biennial report on gender equality in terms of the situation regarding recruitment, training, promotions and other factors, in compliance with Legislative Decree no. 198 of 11 April 2006.

In addition, in November 2021, the CEO announced to Group employees the appointment of a Diversity Manager. The inclusion of this new figure confirms the Company's continued commitment to promoting diversity and inclusion, oriented towards a change of perspective that focuses on the centrality of the individual, their needs and their uniqueness as an essential value for the corporate community.

For more details on the diversity policies adopted by the Company, please refer to the Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree no. 254/2016, made available on the Company's website, [www.fieramilano.it](http://www.fieramilano.it) in the Investors/Governance section.

Remuneration policies also pursue the objectives of integrating ESG factors, alignment with best and good practices and limiting overall business risk.

The Company's governance model is based on a system of clear and strict rules also intended to ensure adequate control of remuneration policies in line with the criteria established by the BoD and in compliance with ethical, transparency, impartiality, belonging and empowerment principles. The Policy sets out the principles and guidelines for defining the remuneration of:

1. members of the Board of Directors and in particular the Chief Executive Officer;
2. members of the Committees;
3. members of the Board of Statutory Auditors, without prejudice to the provisions of Article 2402 of the Italian Civil Code.
4. Group Executives with Strategic Responsibilities;
5. Group managers selected on the basis of the importance of the position held.

The Remuneration Policy is valid for one year.

This Policy is substantially in line with the provisions incorporated in the previous year's document.

The Company's Remuneration Policy - and, in particular, the policy on variable remuneration components - contributes to the Company's strategy, the pursuit of its long-term interests and sustainability (in accordance with Article 123-ter, paragraph 3-bis, of the Consolidated Law on Finance). In particular, the Remuneration Policy of the Company aims to:

- attract, motivate and retain staff with the high professional qualities needed to profitably pursue the Group's objectives;
- align the interests of management with those of shareholders, by pursuing the priority objective of creating sustainable value in the medium to long term, through the development of a strong link between remuneration, on the one hand, and individual and Group performance, on the other;
- recognise individual merit, in order to adequately value each person's contribution to the Group.

With specific regard to the remuneration of executive Directors, it is believed that the type of work performed by them - along with their role and functions in contributing to the Company's growth - makes their work, and the related remuneration, not comparable with that of other employees of the Company.

The balance between the fixed and variable components of the remuneration, which is appropriate and consistent with the Company's strategic objectives and risk management policy, was determined in light of the characteristics of the activity carried out and the reference sector.

In particular, the remuneration of Executive Directors and the Top Management consists of:

- a fixed component, which is determined by taking into account the role held, the personal characteristics and strategic skills and the ability to contribute to the Company's results. It is sufficient to remunerate performance even in the absence of the variable component, in order to discourage behaviour that is not consistent with the applicable regulatory framework or with Fiera Milano's risk appetite;
- a short-term variable component - STI - linked to specific performance targets, which aims to incentivise beneficiaries to achieve annual objectives in line with the interests of the Company and its stakeholders. The appropriate balance with the other remuneration components helps discourage abnormal behaviour or opportunistic actions to the detriment of medium-long-term strategies that would undermine business sustainability;
- a long-term variable component - LTI - aimed at incentivising beneficiaries to act with a view to maximising the Company's value, aligning their interests, according to a long-term and sustainable development logic. the long-term remuneration is paid on a deferred basis, at the end of a multi-year observation period;
- Non-monetary benefits which consist in providing goods and/or services allocated in accordance with market practice and in compliance with the legislation in force.



As of the 2018 financial year, the Company has implemented a *Performance and Leadership Management* (hereinafter "**PLM**") system to promote the achievement of the Group's strategic objectives and assess the expected behaviours on the basis of the Group's leadership model. It consists of the annual management by objectives programme (hereinafter, "**MBO**") addressed to (i) Group executives - including Executives with Strategic Responsibilities. The variable annual incentives (STI) are calculated and paid on the basis of the specific conditions set out below.

The value of the target incentive bonus for executives is expressed as a percentage (%) of their Gross Annual Salary ("**RAL**") according to the role held and is linked to a company performance target ("Gate") that determines the value of the Annual Bonus, depending on the % of achievement.

Specifically for the year 2022, the Gate is expected to be linked to the 2022 Budget post-IFRS Consolidated EBITDA:

- no bonus will be paid if the value achieved is below 85%;
- if the value achieved is between 85% and 120%, the Target Bonus will be multiplied linearly (up to 120%).

For the sales department, specific fixed incentive target values were defined according to specific roles and responsibilities. The MBO payment will only be triggered when a company performance target (hereinafter, "**Gate**" or "**Access Gate**") is reached, below which no payment will be made.

The final overall assessment of performance and leadership behaviours - of equal weight - will determine the positioning in a 9-quadrant matrix, each of which corresponds to a multiplication or de-multiplication factor of the Annual Bonus, on a scale ranging from 0% to 120%. Incentives for the year 2022, even if reached, will be paid after the approval of the Financial Statements by the Ordinary Shareholders' Meeting.

The Group's Policy on this matter provides for the activation of claw-back clauses that stipulate that the variable remuneration components may have to be returned if there is a material breach of company rules or of laws or regulations or in the event of wilful or grossly negligent conduct aimed at altering the data used for the achievement of the objectives.

With regard to the medium-long-term incentive scheme, on 15 March 2021, the Board of Directors, on the proposal of the Nomination and Remuneration Committee, approved the long-term incentive plan called "*2021-2022 Performance Shares Plan*", based on shares (the "**LTI Plan**"). The LTI Plan was approved by the Shareholders' Meeting of Fiera Milano on 28 April 2021 and subsequently revised (limited to the duration of the lock-up period) and approved by the Shareholders' Meeting of Fiera Milano on 5 October 2021.

The LTI Plan is instrumental in achieving the following objectives:

- (i) aligning the interests of management with those of the shareholders and contributing to the creation of sustainable value in the medium to long term, promoting a stable participation of management in the Company's capital;
- (ii) encouraging the retention and motivation within the Group of individuals with high professional skills, who are necessary for the pursuit of the corporate strategy;
- (iii) linking the overall remuneration and especially the incentive system of the Group's management and key figures to the actual performance of the Company and the creation of new value for the Group.

The LTI Plan has a two-year time horizon and will therefore cover the years 2021-2022. This timeframe is considered consistent with the objective of measuring the sustainable value growth of the Group in the medium term.

As specified in more detail in the Information Document prepared and published pursuant to Scheme 7 of Annex 3A of the Issuers' Regulations available on the website of Fiera Milano, at [www.fieramilano.it](http://www.fieramilano.it) Investors/ *Governance* Section, the LTI Plan is addressed to the Company's or Group's Executive Directors, to the Executives with Strategic Responsibilities and to Group's employees identified by the Board of Directors from among those who hold or perform significant roles or functions in, or for, the Group. The plan provides for the free allocation of ordinary shares of Fiera Milano upon the achievement by the beneficiaries of certain performance objectives of a financial and non-financial nature to be identified by the Board of Directors in a specific regulation (the "**Plan Regulation**"). The Plan Regulation shall also identify, by name, the beneficiaries of the LTI Plan as well as the additional features of the Plan, including retention mechanisms and claw-back clauses.

The shares covering the LTI Plan shall consist of shares directly or indirectly held by the Company, which for this purpose may also purchase them pursuant to Article 2357 et seq. of the Italian Civil Code.

The plan also provides that Fiera Milano's executives, including Executives with Strategic Responsibilities, who at the same time act as non-executive members of the governing body in other Group companies, waive any remuneration due for such positions, since the related gross annual remuneration received as part of their employment with Fiera Milano is deemed to include the activities carried out in relation to these additional positions.

(f) **Fixed and variable, short and medium to long-term components of remuneration**

(f.1) **Members of the Board of Directors**

With regard to policies on fixed and variable remuneration components of members of the BoD, the Company distinguishes between Executive Directors and Non-Executive Directors.

### *Non-Executive Directors*

With regard to non-executive directors and directors not holding special offices (including independent directors), the remuneration consists of a fixed remuneration determined by the Shareholders' Meeting at the time of their appointment.

As suggested by best practice, non-executive directors are not remunerated on the basis of the achievement of financial objectives by the Company, nor are they beneficiaries of remuneration plans based on financial instruments. The expenses incurred in the performance of their duties are reimbursed by the Company.

The remuneration of Non-Executive Directors (including Independent Directors) is appropriate to the competence, professionalism and commitment required by the tasks assigned to them within the Board of Directors and Board Committees.

Non-Executive Directors and Independent Directors may be granted an additional fixed annual remuneration in their capacity as members of committees established within the Board of Directors. For further information, please refer to point n) of this Section I of the Report.

### *Chief Executive Officer*

The remuneration package of the Chief Executive Officer consists of the following elements:

- (i) a fixed gross annual component consisting of the emoluments as Director and Chief Executive Officer plus remuneration as an employee in his capacity as Company Executive;
- (ii) a short-term cash variable component (STI) granted on the basis of his/her employment as Company Executive, which will be paid only upon achievement of a company performance target acting as Gate. The actual payment of the individual annual Bonus, once the Gate has been passed, is subject to the achievement of pre-determined objectives set by the BoD, i.e. subject to the achievement of annual objectives closely related to the targets set in the budget approved by the BoD. For the 2022 financial year, the MBO scorecard provides for the assignment of four objectives of a different nature (two financial, one strategic and one ESG), namely: **(a)** 2022 Budget post-IFRS Consolidated EBITDA (weighting equal to 30% of the variable cash component). **(b)** Net Financial Position, net of any unforeseen State or Third Party Aid (weighting equal to 30% of the variable cash component). **(c)** Submission of the International, Digital and Nolostand Business Plan by December 2022 (weighting equal to 30% of the variable cash component). **(d)** ESG rating certification by a major specialised company (weighting equal to 10% of the variable cash component). Upon reaching the Access Gates - the payout of the objectives will be 70% and will increase linearly thereafter.

- (iii) a medium-long-term variable component, represented by participation in the LTI Plan, the payment of which is subject to the achievement of the performance targets set out in the Plan Regulation.

For the above purposes, the Nomination and Remuneration Committee verifies on an annual basis the achievement of the Company's and the Group's performance targets set for the previous year and makes its proposals to the Board of Directors accordingly. On this basis, the Board of Directors, having consulted with the Board of Statutory Auditors, decides on the variable components of the Chief Executive Officer's remuneration. No bonus is paid unless the minimum levels of the objectives set by the BoD are met.

In addition, on the proposal of the Nomination and Remuneration Committee, the Board of Directors may grant extraordinary bonuses to the Chief Executive Officer which are linked to the success of transaction of particular strategic importance for the Company and the Group.

As regards the weight of the fixed component within the remuneration, it should be noted that the CEO remuneration package complies with the following criteria: **(a)** the fixed component is 46% of the total annual remuneration (including the remuneration arising from participation in the medium-long-term incentive plans that may be approved by the Company, on an annual basis) expected if the targets underlying the variable remuneration schemes are punctually achieved and **(b)** the variable component, also taking into account the overachievement of targets underlying the variable remuneration schemes, is 54% of the total annual remuneration (including the remuneration arising from participation in the medium-long-term incentive plans that may be approved by the Company, on an annual basis; in particular, 25% represents the remuneration that can be received by way of MBO and 29% the remuneration that can be received from participation in the medium-long-term incentive plans).

#### (f.2) **Other Executive Directors**

If Executive Directors are appointed other than the Chief Executive Officer, their remuneration, in addition to a fixed component determined by the Shareholders' Meeting, may include a short- or long-term variable component, as determined by the Board of Directors, on the proposal of the Nomination and Remuneration Committee.

#### (f.3) **Executives with Strategic Responsibilities**

The remuneration of Executives with Strategic Responsibilities consists of fixed and variable remuneration. The objective is to attract, motivate and retain highly qualified executives, by offering them a competitive remuneration package that rewards their managerial skills and their contribution to the growth of the Company and the Group. The remuneration of these Executives, comprising a fixed component and a variable component, is intended to create sustainable value in the medium and long term and to ensure a direct link between the remuneration and the specific objectives of the Company and the Group. These emoluments

are decided by the Board of Directors, after consulting with the Nomination and Remuneration Committee.

In general terms, the remuneration package for Executives with Strategic Responsibilities consists of the following elements: **(i)** a gross annual fixed component; **(ii)** a short-term variable cash component, the payment of which is subject to the achievement of pre-determined targets (i.e. MBO, as part of the PLM system, referred to in paragraph d) above); **(iii)** a medium-long-term variable component, as a result of participation in any medium-long-term incentive plans; **(iv)** benefits granted under the applicable National Collective Labour Agreement and company practices, in line with the best market practices for companies comparable to Fiera Milano.

The fixed remuneration component of Executives with Strategic Responsibilities is established in an amount sufficient to remunerate performance even if the variable components are not paid due to non-achievement of the pre-established performance objectives. As for the short-term cash variable component, this allows performance to be assessed on an annual basis. In particular, MBO targets for Executives with Strategic Responsibilities are set by the Chief Executive Officer in line with the corporate policies. The accrual of the short-term variable component is subject to satisfying an access condition ("Gate") established by the Board of Directors on the basis of annual planning objectives (see paragraph d) above).

For Executives with Strategic Responsibilities: **(a)** the fixed remuneration component represents an average 58% of the total annual remuneration (including the remuneration arising from participation in the medium-long-term incentive plans which may be approved by the Company, on an annual basis) expected if the targets underlying the variable remuneration schemes are punctually achieved; and **(b)** the variable component, also taking into account the overachievement of targets underlying the variable remuneration schemes, is an average 42% of the total annual remuneration (including the remuneration arising from participation in the medium-long-term incentive plans that may be approved by the Company, on an annual basis; in particular, 25% represents the remuneration that can be received by way of MBO and 17% the remuneration that can be received from participation in the medium-long-term incentive plans).

Lastly, in addition to the incentive plans (STI) and the medium-long-term variable component (LTI), the Chief Executive Officer may, exceptionally, grant bonuses to Executives with Strategic Responsibilities for the completion of corporate transactions that are deemed of great strategic relevance for the Company.

#### **(f.4) Remuneration of the members of the control body**

Pursuant to Article 2402 of the Italian Civil Code, the remuneration of the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting at the time of their appointment for the entire period of their office in a fixed annual amount. The Statutory

Auditors are also entitled to reimbursement of documented expenses incurred in the performance of their duties.

The members of the Control Body receive remuneration commensurate with the competence, professionalism and commitment required by the importance of their role, and with the size and sector of the Company. On this point, the majority shareholder - from whose list the entire Board of Statutory Auditors was drawn in the absence of minority lists - proposed that in determining the remuneration of the Board of Statutory Auditors, the Shareholders' meeting take due account of the "Considerations on remuneration" of the "Guidelines for Shareholders on the renewal of the Board of Statutory Auditors" drawn up by the outgoing Board of Statutory Auditors.

(f.5) **Other beneficiaries**

Other Group executives (other than Executives with Strategic Responsibilities) are also subject to a performance evaluation system, based on incentive plans, in line with company policies. The Group establishes a maximum limit to the incentive payable if the objectives are exceeded, which is 50% of the RAL for Bonuses granted to executives (other than Executives with Strategic Responsibilities).

(g) **Non-monetary benefits**

In addition to the reimbursement of expenses incurred in the performance of their duties, the Company may take out insurance policies for the benefit of the Directors, such as civil liability insurance and policies covering occupational and non-occupational accidents.

The Company may also grant non-monetary benefits to its executives, including a company car for mixed business-personal use, legal protection, life insurance, accident insurance, permanent disability insurance due to illness, reimbursement of medical expenses, travel policy, in line with best market practices and taking into account their role and/or reasons for service. Please refer to Section II of this Report for a description of insurance benefits.

(h) **Criteria for determining the variable remuneration component**

Please refer to point (f) above.

(i) **Criteria used for assessing the achievement of performance objectives underlying the award of variable remuneration components**

Please refer to paragraph (f) above with regard to the performance objectives set for the short and medium to long-term variable remuneration components.

(j) **Contribution of the Remuneration Policy to the corporate strategy and to the pursuit of the long-term interests and sustainability of the Company**

Please refer to point (f) above.

In addition, the Company has formalised a risk management policy, details of which are provided in the chapter "Risk factors relating to the Fiera Milano Group" included in the Board of Directors' Report on operations in the Annual Financial Report, which is available at [www.fieramilano.it](http://www.fieramilano.it) investors/Governance section.

(k) **Deferred payment systems and claw-back mechanisms**

The Company may apply claw-back mechanisms for the purpose of risk containment and as ex-post corrective measures to the variable remuneration linked to both short and medium-long-term incentive schemes.

The claw-back mechanisms operate irrespective of whether the employment is still in place or it has been terminated, allowing the Company to demand the return, in whole or in part, of variable remuneration components the amount of which was determined on the basis of data which subsequently proved to be manifestly incorrect due to the beneficiary's breach of corporate, contractual or legal regulations, or due to his or her individual wilful or grossly negligent conduct aimed at altering the data used to measure the achievement of objectives

With regard to the medium-long-term variable component of remuneration and therefore to the principles contained in the LTI Plan, the Plan Regulation contains adequate retention mechanisms as well as appropriate claw-back clauses that enable the Company to request the return of variable remuneration components already paid upon occurrence of the conditions expressly identified under the aforementioned Plan Regulation.

(l) **Clauses for holding financial instruments in the portfolio**

In line with comparable best market practices, the LTI Plan provides that 50% of the Company's shares vested upon achievement of the performance targets set out in the Plan Regulation may not be transferred or restricted or be the subject of other inter vivos acts of disposals for any reason whatsoever for a specified period from the date the vested shares are received (lock-up period).

(m) **Compensation in the event of resignation, dismissal or termination of employment**

The Company is not expected to enter into agreements with Directors, Executives with Strategic Responsibilities and other managers regulating ex ante the financial aspects of early termination of the employment at the initiative of either the Company or of the employee ("good leaver" or "bad leaver" clauses). In the event of termination of the relationship with Fiera Milano and/or other Group companies for reasons other than just cause, the practice is to reach a mutual agreement for the termination. Without prejudice, in any case, to the



applicable legal and/or contractual obligations, such agreements shall be based on best market practice, also taking into account the country where the agreement is entered into.

With specific reference to the Chief Executive Officer and the Executives with Strategic Responsibilities, in the event of early termination of the mandate/employment on the Company's initiative for just cause, the right to short (STI) and medium-long-term variable remuneration (relating to participation in any medium-long-term incentive plans) is forfeited. In addition, the MBO shall **(i)** not be paid if, during the first half of each reference year, the Chief Executive Officer and/or the Executives with Strategic Responsibilities resign or withdraw from their office before expiration, without just cause, and **(ii)** shall be paid *pro rata temporis* if, during the second half of each reference year, the Chief Executive Officer and/or the Executives with Strategic Responsibilities resign or withdraw from their office prior to expiration, without just cause.

As regards the LTI Plan, the good leaver and bad leaver clauses and their respective consequences on beneficiaries of the LTI Plan are governed by the specific Plan Regulation.

(n) **Insurance covers, social security or pension indemnities other than compulsory insurance**

As mentioned in paragraph f) above, non-monetary benefits may include, by way of example, insurance and pension policies. Please refer to Section II of this Report for a description of existing policies.

(o) **Remuneration policy for special offices**

The BoD may decide to grant the members of the committees established within the BoD (i.e. Control and Risk Committee and Nomination and Remuneration Committee) a fixed remuneration in addition to the remuneration they receive as members of the Board of Directors. Each member of the Committees is also entitled to the reimbursement of expenses incurred in the performance of his/her duties.

The Chairman of the Board of Directors does not receive any variable remuneration component.

(p) **Group Policy**

Fiera Milano's remuneration policy was defined using the remuneration policies of its peers as a reference. Fiera Milano's subsidiaries and associates apply the policies laid down by the Company.

(q) **Elements of the policy that can be waived in exceptional circumstances**

Pursuant to the provisions of Article 123-ter, paragraph 3-bis, of the Consolidated Law on Finance, in exceptional circumstances the Company may waive the following elements of the Remuneration Policy:



- awarding of one-off cash bonuses;
- allocation of special indemnities;
- change in the ratio of fixed to variable remuneration;
- reconfiguration of performance targets to which the variable remuneration component is linked and frequency for setting such targets, as well as review of criteria used to assess these targets.

Exceptional circumstances are of an exceptional, non-recurring nature and are part of a process for waiving other variable remuneration instruments. As such, they must be justified by objective and measurable reasons, described and justified appropriately.

More generally, the term "*exceptional circumstances*" refers to situations in which a deviation from the Remuneration Policy is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to continue operating on the market, such as but not limited to **(i)** the occurrence, at national or international level, of extraordinary and unforeseeable events concerning the Company or the sectors and/or markets in which it operates, which significantly affect the Company's results, including the occurrence of significant adverse effects not only of a financial nature, such as those resulting from the Covid-19 health emergency and the recent conflict in Ukraine; **(ii)** substantial changes in the organisation of business activities, both objective (such as corporate transactions, mergers, disposals, etc.) and subjective, such as changes in the Top Management team and the identification of persons (other than directors and statutory auditors) qualifying as executives with strategic responsibilities with relevance for the Remuneration Policy; or **(iii)** significant changes in the Company's scope of business during the period of validity of the Policy, such as the disposal of a company/business unit whose activities were used for measuring performance objectives under the Policy or the acquisition of a significant business that was not considered when drafting the Policy.

Waivers shall be subject to prior examination by the Nomination and Remuneration Committee and subject to the application of the rules set out in the Procedure for Related Party Transactions, where applicable.

Please note that the Remuneration Policy prepared in FY2021 was approved by a majority of 95.86% of the votes cast by the Shareholders attending the Shareholders' Meeting of 28 April 2021, who did not express any opinion regarding the Remuneration Policy, either at the meeting or subsequently.

This Remuneration Policy - as previously noted - is substantially in line with the one previously approved by the Shareholders' Meeting of 28 April 2021.

## **SECTION TWO**

The guidelines described above have been changed for FY2021. The Board of Directors, in line with article q) *Elements of the policy that can be waived under exceptional circumstances*, provided for in last year's Remuneration Report, at the meeting of the Nomination and Remuneration Committee on 20 September 2021, notwithstanding the uncertainty caused by the pandemic and given the imperative of a restart based on structural actions designed to ensure adequate performance in the future and to mitigate and improve current performance in the last quarter of 2021, approved the incentive scheme for the year 2021.

The system was revised, specifically providing for: (i) elimination of the Access Gate, (ii) reconfiguration of management objectives (iii) reduction in the target bonus initially expected (30% reduction in the value of the target bonus of Executives and Commercial roles, including the Chief Executive Officer and the Executives with Strategic Responsibilities).

This section, with a breakdown by name for the remuneration attributed to Directors, Statutory Auditors and General Managers, and as an aggregate for the remuneration attributed to Executives with Strategic Responsibilities:

- in the first paragraph (i) provides an adequate, clear and comprehensible representation of each of the items that make up the remuneration, including payments in the event of termination of office or termination of employment (where applicable), highlighting compliance with the company's remuneration policy approved in the prior year and the way in which the remuneration contributes to the Company's long-term results; (ii) describes how the Company has taken into account the vote expressed the previous year by the Shareholders' Meeting on Section Two of the Remuneration Report;
- in the second paragraph, it describes in detail the remuneration paid in the relevant year (i.e. 2021, hereinafter "**Financial Year**"), for any reason and in any form, by the Company, its subsidiaries or affiliates, indicating those components that refer to activities carried out in previous years and highlighting the remuneration to be paid in one or more subsequent years for activities carried out in the reporting year, possibly indicating an estimated value for components that cannot be objectively quantified in the reporting year;
- in the third paragraph, is specifies, in accordance with the criteria set out in Annex 3A, Schedule 7-ter of the Issuers' Regulation, the shareholdings held in the Issuer and its subsidiaries by members of the governing and control bodies, the general manager and other executives with strategic responsibilities (where identified) as well as by their spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or intermediaries, as they result from the shareholders' register, from communications received and from other information obtained from the members of the governing and control bodies, from the general manager and from the other executives with strategic responsibilities (where identified).

## I. Remuneration of members of the governing and control bodies

The fixed remuneration of BoD members is in line with the market. The aggregate remuneration determined by the Shareholders' Meeting on 20 April 2020 was allocated as follows:

- to the Chairman of the Board of Directors, a fixed annual remuneration of Euro 107,000.00 (one hundred and seven thousand/00);
- to all the other Directors (including the Independent Directors), a fixed annual remuneration of Euro 35,000.00 (thirty-five thousand/00) and an attendance fee of Euro 350.00 (three hundred and fifty/00) for each Board meeting attended by the Director, in addition to the reimbursement of documented expenses incurred by them in the performance of their duties.

In addition to the remuneration determined by the Shareholders' Meeting, Directors who are also members of the Committees set up within the Board of Directors receive an additional fixed remuneration as detailed below.

For the purposes of remuneration, a distinction is made among the members of the BoD:

- Directors holding special offices who may also be given specific delegated powers;
- Directors not holding special offices.

### 1. **Directors holding special offices**

#### *Chairman of the Board of Directors*

Following his appointment initially by the Board of Directors on 25 April 2020, subsequently confirmed by the Shareholders' Meeting on 2 October 2020, Mr Carlo Bonomi was appointed Chairman of Fiera Milano, and was granted the remuneration already approved by the Shareholders' Meeting of 20 April 2020 of Euro 107,000.00 (one hundred and seven thousand/00) on an annual basis.

In addition to the above, as from 1 January 2021, by virtue of BoD resolution of 15 December 2020, the Chairman of the Board of Directors, Mr Carlo Bonomi, has been tasked with overseeing and implementing the Company's external relations also in the international arena.

In view of the specific and additional tasks carried out for the benefit of the Company and not included in those typically associated with the position of Chairman of the Board of Directors, and also taking into account the additional activities required to deal with the adverse impact of the current pandemic on Fiera Milano, the Board of Directors, having consulted with the Nomination and Remuneration Committee and the Board of Statutory Auditors, has approved

the payment to the Chairman of the Board of Directors, as from 1 January 2021, of an additional annual emolument of Euro 45,000.00 (forty-five thousand/00).

Under no circumstances have the chairmen of the Board of Directors been attributed variable remuneration components.

### Chief Executive Officer

Following his appointment by the Board of Directors on 15 December 2020, Mr Luca Palermo took over as Chief Executive Officer and General Manager from 1 January 2021. With effect from 1 January 2021, Mr Luca Palermo receives a remuneration of Euro 360,000.00 (three hundred and sixty thousand/00) in his capacity as Executive with duties as General Manager of the Company. In addition to this remuneration Mr Palermo receives an emolument for his position as Director, which was determined in Euro 35,000 (thirty-five thousand/00) by the Company's Shareholders' Meeting; hence, his total fixed remuneration amounts to Euro 395,000.00 (three hundred and ninety-five thousand/00).

## **2. Directors not holding special offices, members of Committees and members of the Board of Statutory Auditors**

### Directors not holding special offices

The Directors who do not hold special offices are:

- Alberto Baldan;
- Francesca Golfetto;
- Stefania Chiaruttini;
- Marina Natale;
- Elena Vasco;
- Anna Gatti;
- Angelo Meregalli.

The emoluments paid to the Directors not holding special offices and to Committee members amount to Euro 35,000.00 (thirty-five thousand/00) for each Director respectively.

In addition, the Board of Directors, at its meeting of 25 April 2020, resolved to grant an additional fixed remuneration to the Directors who are also members of one or more of the committees set up within the Board of Directors. In this regard, due to the different functions carried out by the Risk and Sustainability Committee and the Nomination and Remuneration

Committee respectively, as well as the activities and duties required of these Committees, the Nomination and Remuneration Committee proposed to differentiate the emoluments paid to the Directors who are also members of the Risk and Sustainability Committee and the Nomination and Remuneration Committee as follows:

- Euro 25,000.00 (twenty-five thousand/00) for each member of the Risk and Sustainability Committee, excluding the Chairman; and
- Euro 22,500.00 (twenty-two thousand five hundred/00) for each member of the Nomination and Remuneration Committee, excluding the Chairman.

Taking into account the commitment, also in terms of time, required from the Chairmen of the Risk and Sustainability Committee and of the Nomination and Remuneration Committee respectively, it has been proposed to increase their remuneration as follows:

- Euro 30,000.00 (thirty thousand/00) for the Chairman of the Risk and Sustainability Committee, excluding the Chairman; and and
- Euro 25,000.00 (twenty-five thousand/00) for the Chairman of the Nomination and Remuneration Committee.

Therefore, the above amounts refer to the emoluments received as of 1 January 2021.

Each member of the BoD is also entitled to the reimbursement of expenses incurred in the performance of his/her duties.

In line with best practice, no variable remuneration component is granted to Directors not holding special offices.

#### Board of Statutory Auditors

The Ordinary Shareholders' Meeting of 28 April 2021 appointed the Board of Statutory Auditors. The standing members of the Board of Statutory Auditors are:

- Monica Mannino (Chairperson);
- Daniele Federico Monarca (standing auditor);
- Piero Antonio Capitini (standing auditor).

Their gross annual remuneration was defined as follows:

- up to and including 31 December 2021, Euro 50,000.00 (fifty thousand/00) to the Chairman of the Board of Statutory Auditors and Euro 35,000.00 (thirty-five thousand/00) to each Standing Auditor;

- from 1 January 2022, Euro 55,000.00 (fifty-five thousand/00) to the Chairman of the Board of Statutory Auditors and Euro 40,000.00 (forty thousand/00) to each Standing Auditor.

## **II. Remuneration of Executives with Strategic Responsibilities**

For the period from 1 January 2021 to 31 May 2021, Mr Marco Pacini served as Chief Financial Officer and Financial Reporting Officer, as well as Chief Operating Officer. In consideration of the roles assigned, his gross annual remuneration, *pro-rata temporis*, amounted to Euro 250,000.00 (two hundred and fifty thousand/00), in addition to his remuneration as Financial Reporting Officer, set at Euro 50,000.00 (fifty thousand/00).

Following the resignation of Mr Marco Pacini from his role as Chief Financial Officer and Financial Reporting Officer, the Board of Directors of the Company, after receiving the favourable opinion of the Board of Statutory Auditors, appointed - effective from 1 June 2021 - Mr Andrea Maldì as Chief Financial Officer, qualifying as Executive with Strategic Responsibilities and as Financial Reporting Officer.

As per resolution of the Board of Directors' meeting on 29 July 2020, the Company has continued its search for a Commercial Director, assessing various market candidates. On 15 March 2021, the Board of Directors resolved to appoint Mr Mario Franci as Chief Revenues Officer and as Executive with Strategic Responsibilities of the Company, with effect from 6 April 2021. On 3 May 2021, the Board of Directors of Made Eventi also appointed Mr Mario Franci as Board Member and Director of the Company.

In accordance with the provisions of the last paragraph of letter (f.3) of the Remuneration Policy approved by the Shareholders' Meeting of 28 April 2021, the Chief Financial Officer was also granted a one-off bonus of Euro 30,000.00 (thirty thousand/00) for the significant input to the completion during the year ended 31 December 2021 of an extraordinary transaction that is particularly significant for the Company's internationalisation strategy and in line with the goal of developing the Company's business in the long term.

## **III. Insurance covers, social security or pension indemnities other than compulsory insurance**

in line with best practices, a civil liability insurance policy is also in place for: the Directors (including the Directors of Group Companies); the members of the Boards of Statutory Auditors of Group Companies; the members of the Supervisory Boards of Group Companies; employees qualifying as Health and Safety Managers of Group Companies; and for the Company's Risk Manager. The policy covers acts committed in the exercise of their duties, excluding cases of wilful misconduct and gross negligence. Finally, a policy covering professional and non-professional accidents is provided for the Company's Directors.

#### IV. Comparative information

Comparative information is provided below for FY 2020 and FY 2021 regarding the annual change:

- (i) in the total remuneration of each of the persons for whom the information in this Section of the Report is provided by name;
- (ii) of the Company's results;
- (iii) in the average gross annual remuneration, on an FTE basis, of employees other than those whose remuneration is disclosed by name in this section of the Report.

	2020	2021
<b><u>Total remuneration of persons for whom information is provided by name</u></b>		
<i>Executives with Strategic Responsibilities</i>		
Luca Albino Palermo		Euro 560,499
Fabrizio Curci	Euro 417,208	
2 Strategic Executives		Euro 483,958
Strategic executive no longer in office	Euro 335,429	Euro 229,419
Board members	Euro 584,401	Euro 573,897
Board of Statutory Auditors	Euro 121,256	Euro 120,410
Total	Euro 1,458,295	Euro 1,968,183
<b><u>Company Results</u></b>		
Consolidated EBITDA post-IFRS 16	Euro 10,443,000	Euro 77,170,000
<b><u>Average gross annual remuneration of full-time employees other than those whose remuneration is disclosed by name</u></b>		

Total remuneration of full-time employees of the Group	Euro 31,852,000	Euro 41,489,000
Average remuneration of full-time employees of Fiera Milano	Euro 48,164	Euro 47,406

\* \* \*

For the sake of completeness, please note that the remuneration paid in FY 2021 is consistent, in terms of its amount and items, with the Remuneration Policy defined by the Company and approved by the Shareholders' Meeting most recently on 28 April 2021. The aforementioned Shareholders' Meeting also voted in favour of Section II of the Report, with a non-binding resolution approved by a majority of 95.86%-of the voting participants; therefore, the Company believes that it has adequately represented the items making up the remuneration of the relevant persons specified in this Section II in accordance with the requirements of the applicable regulations.



(euro)

Surname and Name	Position held	Period position held	Position expiring on	Fixed remuneration	Employee salary	Attendance Fee	Remuneration for participation in committees	Bonus and other incentives	Non-monetary benefits	Other remuneration	Total	End-of-office employment termination indemnity TFR
<b>Carlo Bonomi</b>	Chairman in office	01/01 - 31/12	31/12/2022	152.000	-	2.450	-	-	985	-	155.435	
<b>Remuneration in the company that draws up the financial statements</b>				<b>152.000</b>	<b>-</b>	<b>2.450</b>	<b>-</b>	<b>-</b>	<b>985</b>	<b>-</b>	<b>155.435</b>	
Remuneration from subsidiaries and associates											-	
<b>Luca Albino Palermo</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	3.150	-	-	-	-	38.150	
<b>Remuneration in the company that draws up the financial statements</b>				<b>35.000</b>	<b>365.934</b>	<b>3.150</b>	<b>-</b>	<b>151.200</b>	<b>5.214</b>	<b>-</b>	<b>560.499</b>	
Remuneration from subsidiaries and associates											-	
<b>Alberto Baldan</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	3.150	-	-	410	-	38.560	
	Nomination and Remuneration Committee Member	01/01 - 31/12	31/12/2022	22.500	-	-	-	-	-	-	22.500	
<b>Remuneration in the company that draws up the financial statements</b>				<b>57.500</b>	<b>-</b>	<b>3.150</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>61.060</b>	
Remuneration from subsidiaries and associates											-	
<b>Stefania Chiaruttini</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	3.150	-	-	-	-	38.150	
	Risk and Sustainability Committee	01/01 - 31/12	31/12/2022	30.000	-	-	-	-	-	-	30.000	
<b>Remuneration in the company that draws up the financial statements</b>				<b>65.000</b>	<b>-</b>	<b>3.150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68.150</b>	
Remuneration from subsidiaries and associates											-	
<b>Anna Gatti</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	2.100	-	-	410	-	37.510	
<b>Remuneration in the company that draws up the financial statements</b>				<b>35.000</b>	<b>-</b>	<b>2.100</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>37.510</b>	
Remuneration from subsidiaries and associates											-	
<b>Francesca Golfetto</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	3.150	-	-	410	-	38.560	
	Risk and Sustainability Committee	01/01 - 31/12	31/12/2022	25.000	-	-	-	-	-	-	25.000	
<b>Remuneration in the company that draws up the financial statements</b>				<b>60.000</b>	<b>-</b>	<b>3.150</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>63.560</b>	
Remuneration from subsidiaries and associates											-	
<b>Angelo Meregalli</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	3.150	-	-	410	-	38.560	
	Risk and Sustainability Committee	01/01 - 31/12	31/12/2022	25.000	-	-	-	-	-	-	25.000	
<b>Remuneration in the company that draws up the financial statements</b>				<b>60.000</b>	<b>-</b>	<b>3.150</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>63.560</b>	
Remuneration from subsidiaries and associates											-	
<b>Marina Natale</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	3.150	-	-	410	-	38.560	
	Nomination and Remuneration Committee Member	01/01 - 31/12	31/12/2022	22.500	-	-	-	-	-	-	22.500	
<b>Remuneration in the company that draws up the financial statements</b>				<b>57.500</b>	<b>-</b>	<b>3.150</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>61.060</b>	
Remuneration from subsidiaries and associates											-	
<b>Elena Vasco</b>	Director	01/01 - 31/12	31/12/2022	35.000	-	3.150	-	-	410	-	38.560	
	Nomination and Remuneration Committee Member	01/01 - 31/12	31/12/2022	25.000	-	-	-	-	-	-	25.000	
<b>Remuneration in the company that draws up the financial statements</b>				<b>60.000</b>	<b>-</b>	<b>3.150</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>63.560</b>	
Remuneration from subsidiaries and associates											-	

(euro)

Surname and Name	Position held	Period position held	Position expiring on	Fixed remuneration	Employee salary	Attendance Fee	Remuneration for participation in committees	Bonus and other incentives	Non-monetary benefits	Other remuneration	Total	End-of-office employment termination indemnity TFR
Monica Mannino	Chairman of the Board of Statutory Auditors	01/01 - 31/12	31/12/2023	50.000	-	-	-	-	-	-	50.000	
<b>Remuneration in the company that draws up the financial statements</b>				<b>50.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.000</b>	
Remuneration from subsidiaries and associates											-	
Daniele Monarca	Standing Statutory Auditor	01/01 - 31/12	31/12/2023	35.000	-	-	-	-	410	-	35.410	
<b>Remuneration in the company that draws up the financial statements</b>				<b>35.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>410</b>	<b>-</b>	<b>35.410</b>	
Remuneration from subsidiaries and associates											9.000	
Piero Capitini	Standing Statutory Auditor	01/01 - 31/12	31/12/2023	35.000	-	-	-	-	-	-	35.000	
<b>Remuneration in the company that draws up the financial statements</b>				<b>35.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.000</b>	
Remuneration from subsidiaries and associates											6.500	
Remuneration from subsidiaries and associates											6.500	
Strategic Executives												
2 Executives with Strategic Responsibilities in office*					328.123			149.100	6.735		483.958	
Executives with Strategic Responsibilities no longer in office					126.374			100.000	3.046		229.419	8.526
<b>Remuneration in the company that draws up the financial statements</b>				<b>-</b>	<b>454.497</b>	<b>-</b>	<b>-</b>	<b>249.100</b>	<b>9.781</b>	<b>-</b>	<b>713.377</b>	<b>8.526</b>
Remuneration from subsidiaries and associates*											9.931	

Remuneration in the company that draws up the financial statements				702.000	820.431	26.600	-	400.300	18.852	-	1.968.183	8.526
Remuneration from subsidiaries and associates				31.931	-	-	-	-	-	-	31.931	-

Name and Surname	Office	Investee company	No. of Shares owned as at 31.12.2020	No. of Shares vested*	No. of Shares sold	No. of Shares owned as at 31.12.2021
<b>Directors</b>						
Carlo Bonomi	Chairman	Fiera Milano SpA	0	0	0	0
Luca Palermo	Chief Executive Officer	Fiera Milano SpA	0	81.289	0	0
Alberto Baldan	Director	Fiera Milano SpA	0	0	0	0
Stefania Chiaruttini	Director	Fiera Milano SpA	0	0	0	0
Anna Gatti	Director	Fiera Milano SpA	0	0	0	0
Francesca Golfetto	Director	Fiera Milano SpA	0	0	0	0
Angelo Meregalli	Director	Fiera Milano SpA	0	0	0	0
Marina Natale	Director	Fiera Milano SpA	0	0	0	0
Elena Vasco	Director	Fiera Milano SpA	0	0	0	0
<b>Statutory Auditors</b>						
Monica Mannino	Chairman	Fiera Milano SpA	0	0	0	0
Daniele Federico Monarca	Standing Statutory Auditor	Fiera Milano SpA	0	0	0	0
Pietro Capitini	Standing Statutory Auditor	Fiera Milano SpA	0	0	0	0
Riccardo Raul Bauer	Chairman no longer in office	Fiera Milano SpA	0	0	0	0
Mariella Tagliabue	Statutory Auditor no longer in office	Fiera Milano SpA	0	0	0	0
<b>No. of Executives with Strategic Resp.</b>						
		<b>Investee company</b>	<b>No. of Shares owned as at 31.12.2020</b>	<b>No. of Shares vested*</b>	<b>No. of Shares sold</b>	<b>No. of Shares owned as at 31.12.2021</b>
Strategic Executives no longer in office*		Fiera Milano SpA	<b>no. 1</b> 66.786	0	0	66.786
Strategic Executives in office**		Fiera Milano SpA	<b>no. 2</b> 0	50.000	0	0

\*Allotment of shares on 20 April 2020 under the 2018-2019 Performance Share Plan.  
\*\*Allotment of shares on 28 April 2021 under the 2021-2022 Performance Share Plan.