Alkemy S.p.A.

Registered office in Milan, at via San Gregorio 34, Milan - share capital Euro 595,534.32 fully paid up

Registration number with Milan Companies House, tax code and VAT number 05619950966 - Economic and Administrative Index (REA) no. 1835268

Institutional website: www.alkemy.com

REPORT ON THE REMUNERATION POLICY

AND FEES PAID

prepared pursuant to Art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998

Approved by the Board of Directors on 22 March 2022

INTRODUCTION

This document (the "**Report**") is the result of a major effort made by Alkemy S.p.A. (the "**Company**" or "**Alkemy**") to assure a transparent, full disclosure on the policies introduced for the two years 2022 - 2023 and on the remuneration recognised to senior managers for 2021, guaranteeing the tools necessary to accurately value the Company and exercise the rights on an informed basis.

The principles and guidelines taken as reference to determine and implement the Company's remuneration policies incorporate and respect the cultural values of the Alkemy Group, i.e. Alkemy and its subsidiaries (the "**Group**"), namely quality, a proactive approach in anticipating change and promoting innovative solutions, sensitivity towards sustainability topics, a sense of belonging and the appreciation of the contribution made by people to achieve the corporate objectives.

Alkemy also complies with current provisions of legislation and the recommendations made by the Code of Corporate Governance of listed companies, to which it adheres in full, as a guarantee of the correct function of its corporate governance mechanisms.

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The Report:

(i) has been prepared pursuant to Art. 123-*ter* of Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the "**Consolidated Law on Finance**" or the "**CLF**"), Art. 84-*quater* of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation""**) and Annex 3A, scheme 7-bis of the Issuers' Regulation and recommendations of the Code of Corporate Governance for listed companies approved in January 2020 by the Corporate Governance Committee instituted at Borsa Italiana S.p.A. (the "**Code of Corporate Governance**");

(ii) was approved on 22 March 2022, the Company's Board of Directors (the "**Board**" or the "**Board of Directors**", whose individual members are the "**Directors**") approved on the proposal of the Remuneration Committee (the "**Remuneration Committee**" or the "**Committee**");

(iii) will be submitted for the approval of the Shareholders' convened, in accordance with Art. 2364 of the Italian Civil Code, to approve the 2021 financial statements for 26 April 2022, at single call, to Via Pagano n. 65, Milan. To this end, in accordance with Art. 84-*quater* of the Issuers' Regulation, the Report is sent to Borsa Italiana and made available to the public at the registered office and on the website *www.Alkemy.com*, in the Governance/Shareholders' Meeting section, through publication by the twenty-first day before the Meeting date and for at least ten years, after which the Company will make sure that the personal data contained in Section II of the Report, if not already included in the obligation for non-publication pursuant to Art. 9-*ter*, paragraph 2 of Directive 2007/36/EC, is no longer publicly accessible;

(iv) it has two Sections:

1) **Section I** describes: (**i**) the policy adopted by the Company to govern the remuneration (the "**Remuneration Policy**") of the Company's Directors and key management personnel, with reference at least to the following year, thereby meaning those persons, other than the Directors, with the power and responsibility - directly or indirectly - for planning, managing and controlling the Company's activities, according to the definition given in Annex 1 to the Consob Regulation on related party transactions, adopted by resolution no. 17221 of 12 March 2010 (the "**Key Management Personnel**") - and members of the control bodies; (**ii**) the procedures used to adopt and implement the Remuneration Policy; and (**iii**) the elements of the Remuneration Policy to which derogations can be made where exceptional circumstances apply as per Art. 123-*ter*, paragraph 3-*bis* of the CLF, and the procedural conditions are met for the application of said derogations;

2) **Section II** provides, named for the Directors, the members of the control bodies and in aggregated form, without prejudice to the provisions of the Issuers' Regulation, for key management personnel: (**i**) an adequate representation of each of the items that make up the remuneration, including any benefits envisaged for termination of appointment or contract of employment, highlighting their consistency with the company's remuneration policy approved the previous year; and (**ii**) analytically illustrates the remuneration paid in the year of reference for any reason, and in any form, by the company and by subsidiaries or associates, indicating any components of these fees that are related to activities carried out in years previous to the year in question, and also highlighting the fees to be paid in one or more subsequent years against activities carried out in the year in question, and indicating an estimated value for the components that are not objectively quantifiable in the year of reference.

For the purpose of the Report:

a) the Board in office at the Report date was appointed by the Shareholders' Meeting on 25 June 2019 and will remain in office for three financial years, i.e. until the date of the shareholders' meeting called to approve the Financial Statements for the year ended at 31 December 2021, and has the following members:

Office	***Name and surname***	***Executive Director***
Chairman	Alessandro Mattiacci	X
Chief Executive Officer	Duccio Vitali	X
Director	Riccardo Lorenzini	
Director	Vittorio Massone (appointed by the Board of Directors through cooptation with resolution passed on 13 February 2020 and confirmed by resolution of the Shareholders' Meeting of 24 April 2020)	X
Director (1)	Massimo Canturi (appointed by the Board of Directors through co-optation with resolution passed on 23 July 2020 and confirmed by	X

	resolution of the Shareholders' Meeting of 26 April 2021)
Director (2)	Giorgia Abeltino
Director (2)	Giulia Bianchi Frangipane
Director (2)	Andrea Di Camillo
Director (2)	Serenella Sala

(1) appointed General Manager.

(2) meets the independence requirements in accordance with Art. 148, paragraph 3 of the Consolidated Law on Finance.

b) the Board of Auditors in office at the Report date was appointed by the Ordinary Shareholders' Meeting on 25 June 2019 and will remain in office until approval by the Shareholders' Meeting of the financial statements for the year ended at 31 December 2021 and has the following members:

- Mauro Dario Riccardo Bontempelli (Chairman);
- Gabriele Ernesto Urbano Gualeni (Regular Auditor);
- Daniela Elvira Bruno (Regular Auditor);
- Marco Garrone (Alternate Auditor);
- Mara Luisa Sartori (Alternate Auditor).

c) the 5 Key Management Personnel are the manager appointed to prepare the company's accounting documents and certain managers responsible for business areas the Company holds to be particularly strategic.

The Chairman of the Board of Directors

(Alessandro Mattiacci)

Alessandro Mattiacci

SECTION I

REMUNERATION POLICY

A) Bodies or parties involved in the preparation, approval and implementation of the Remuneration Policy

The preparation and approval of the Alkemy Remuneration Policy involves, according to their respective competences, established in accordance with the provisions of the law and regulations in force, and with the recommendations established in the Code of Corporate Governance, A.1) the Shareholders' Meeting; A.2) the Board of Directors; A.3) the Remuneration Committee; A.4) the delegated bodies; and A.5) the Board of Auditors. In detail:

A.1 The Shareholders' Meeting:

a. determines the remuneration of the members of the Board of Directors and Auditors, in accordance with Art. 2364, paragraph 1, point 3) of the Italian Civil Code;

b. resolves, with binding vote, on the Remuneration Policy pursuant to the first section of the Report in accordance with Art. 123-*ter*, paragraphs 3-*bis* and 3-*ter* of the CLF and, with non-binding vote, on the second section of the Report in accordance with Art. 12123-*ter*, paragraph 6 of the CLF;

c. receives a suitable disclosure on the implementation of remuneration policies;

d. resolves on remuneration plans based on financial instruments intended for directors, employees and collaborators, including key management personnel, in accordance with Art. 114-bis of the Consolidated Law on Finance.

A.2 The Board of Directors:

a. determines the remuneration of directors assigned specific duties, having consulted with the Board of Auditors and on the proposal of the Remuneration Committee;

b. defines, on the proposal of the Remuneration Committee, the policy for the remuneration of directors - and in particular executive directors and directors assigned specific duties - and key management personnel;

c. approves the Report on the Remuneration Policy and fees paid, in accordance with Art. 123-ter of the Consolidated Law on Finance, which must be published at least twenty-one days before the Shareholders' Meeting envisaged by Art. 2364, second paragraph of the Italian Civil Code;

d. prepares any remuneration plans based on shares or other financial instruments, with the assistance of the Remuneration Committee, submitting these plans for the approval of the Shareholders' Meeting in accordance with Art. 114-*bis* of the Consolidated Law on Finance;

e. implements remuneration plans based on financial instruments, together with - or with the assistance of - the Remuneration Committee, by delegation of the Shareholders' Meeting;

f. establishes the Remuneration Committee within its organisation (of which at least one member must have suitable knowledge and experience in financial matters or remuneration policies).

A.3 The Remuneration Committee:

a. makes proposals to the Board of Directors on the policy for the remuneration of directors and key management personnel;

b. periodically assesses the adequacy, comprehensive consistency and concrete application of the policy for remunerating directors and key management personnel, in this latter regard referring to the information supplied by the CEOs and, in particular, verifies the effective achievement of performance objectives;

c. presents proposals or gives opinions to the Board of Directors on the remuneration of executive directors and other directors holding particular duties and on the setting of the performance objectives correlated with the variable component of such remuneration.

A.4 The delegated bodies (thereby meaning the members of the Company's Board of Directors holding individual delegated powers, involved each time according to the nature of the delegations held):

a. assist the Committee in preparing proposals on how to fix the performance objectives, where envisaged, to which payment of the variable component of their remuneration will be tied;

b. submit the projects for remuneration plans based on financial instruments to the Remuneration Committee or, if applicable, assist the Committee in preparing such;

c. provide the Remuneration Committee with all information useful to enable it to assess the adequacy and effective implementation of the remuneration policy, with particular regard to the remuneration of key management personnel;

d. implement the remuneration policies adopted by the Company.

A.5 The Board of Auditors (advisory role):

a. formulates the opinions required by the law and, in particular, expresses an opinion with reference to the proposed remuneration of directors assigned specific duties, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code; in expressing an opinion, verifies the consistency of the proposals made by the Remuneration Committee to the Board of Directors with the remuneration policy;

b. attends Remuneration Committee meetings.

B) Remuneration Committee: members, competences and operating procedure

B.1 Remuneration Committee members

By resolution passed on 25 June 2019, the Board established the Remuneration Committee, approving its internal regulation (the "**Regulation**") governing the members, tasks and operating procedures of the Committee. The activities and requirements of said committee are constantly reviewed and updated so as to reflect the best practices in matters of corporate governance.

At the date of this report, the Remuneration Committee numbers 3 independent directors in accordance with the combined provisions of Articles 147-ter, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance and Recommendation 26 of the Code of Corporate Governance:

- **Serenella Sala** (Independent Director with duties of Chairman of the Remuneration Committee), appointed by resolution of the Board of Directors passed on 25 June 2019;
- **Giulia Bianchi Frangipane** (Independent Director), appointed by resolution of the Board of Directors passed on 13 February 2020;
- **Andrea Di Camillo** (Independent Director), appointed by resolution of the Board of Directors passed on 25 June 2019.

The Directors Serenella Sala and Andrea Di Camillo have suitable knowledge and experience in financial matters and remuneration policies; this was assessed by the Board at the time of appointment.

The Remuneration Committee meets when convened by its Chairman, each time the Chairman believes it to be appropriate and in any case at least once every six months, or whenever directors assigned specific duties and powers by the Board of Directors (the "**Executive Directors**") so request, or the Chairman of the Board of Auditors or the Chairman of the Board of Directors.

The Remuneration Committee works are coordinated by its chairman. The chairman of the Board of Auditors (or another auditor designated by said chairman) takes part in the meetings of the Remuneration Committee and the other auditors may participate in any event. The chairman of the Remuneration Committee has the right to invite other subjects to the meetings, whose presence may help assure the best pursuit of the Committee's functions. In accordance with the recommendations of the Code of Corporate Governance, no Director shall participate in meetings of the Remuneration Committee in which proposals are submitted to the Board relating to his/her own remuneration.

Minutes are taken of Committee meetings. The chairman and the secretary sign the meeting minutes, which are kept on file by the secretary in chronological order.

B.2 Remuneration Committee duties

In compliance with the recommendations of the Code of Corporate Governance and by virtue of the Regulation, in going about its duties of making proposals and offering consultancy, the Remuneration Committee:

a) proposes and expresses opinions to the Board of Directors: (**i**) on the remuneration of Executive Directors and any other directors assigned specific duties, having consulted with the Board of Auditors for an opinion; and (**ii**) on the setting of performance objectives correlated with a potential variable component of said remuneration, monitoring the application of the decisions made and the effective achievement of performance objectives;

b) assesses the proposals of the chief executive officers relative to the general criteria of remuneration and incentive, as well as development systems and plans for the management and Company key management personnel;

c) periodically assesses the adequacy, comprehensive consistency and concrete application of the policy for remunerating directors and key management personnel, adopted by the Company, making proposals and general recommendations on the matter to the Board;

d) submits the Remuneration Report and, in particular, the policy for the remuneration of directors and key management personnel, to the Board of Directors, for its approval and presentation to the Shareholders' Meeting convened for the approval of the year's financial statements, under the terms provided for by law.

The Remuneration Committee has the faculty to access all information and corporate structures and departments, ensuring suitable functional and operative connections with such for the carrying out of its duties. It may use external consultants, at the expense of the Company and in any case within the limits of the budget approved by the Board of Directors, after verifying that such consultants are not in any situation that would concretely compromise their independence of judgement and, in particular, do not provide the HR Department, directors or key management personnel services of significance that would concretely compromise the independent judgement of said consultants.

In order to sterilise any conflicts of interest, in compliance with Recommendation 26 of the Code of Corporate Governance, no director may attend meetings of the Committee during which proposals are made relative to their remuneration, except where they are proposals regarding members of the Committees established within the Board of Directors.

The Chairman of the Remuneration Committee reports (**i**) to the Board of Directors, at least once every six months, on the activity carried out and (**ii**) to the Shareholders' Meeting, once a year, during approval of the financial statements, on the manner by which it goes about its duties.

C) Consideration of the fees and working conditions of company employees in determining the policy on remuneration, fees and working conditions of Company employees.

The criterion for defining each economic package is based on (i) professional specialisation; (ii) organisational role held; and (iii) key responsibilities of the role.

In determining the Remuneration Policy of Key Management Personnel, due fair and consistent consideration was given to the salaries and working conditions of employees, avoiding generating any situations of unjustified imbalance.

In addition, the Company undertakes to offer fixed and variable remuneration that is in line with the external market, which reflects the job responsibilities of the role held and which optimises the individual skills and professional experience of each employee.

Furthermore, in order to further pursue the objective of promoting Alkemy as a "best-place-to-work-for", as well as aligning the interests of workers with those of the Group, increasing their sense of belonging, participation and involvement, in during 2022, the Company intends to adopt the Share Plan, as better described in Paragraph E.2 below.

D) Independent experts involved in the preparation of the Remuneration Policy

In order to prepare the Remuneration Policy, the Remuneration Committee sought the assistance of external consultants who it had assessed for requirements of (i) independence, (ii) professionalism and (iii) confidentiality, with whom it met to analyse the activities carried out by them, acquiring the necessary documented support for their assessments.

E) Purposes pursued with the Remuneration Policy, underlying principles, duration and, in the event of revision, description of any changes to the Remuneration Policy with respect to the previous year and of how such revision takes into account the votes and assessments expressed by shareholders during or after that shareholders' meeting.

E.1 Purpose

The Remuneration Policy intends to guarantee Alkemy and the Group companies in the various business segments and geographic markets on which it operates, a suitable level of competitiveness on the employment market, so as to attract, develop and gain the loyalty of highly-qualified profiles with strong leadership skills. These results are pursued through the periodic determination of targets that can be objectively measured and which are of general application.

In order to reflect the Company’s new operative organisation, these objectives are differentiated for each business area and refer to the growth of revenues insofar as regards the “GoToMarket” area and growth of the gross profit in respect of the “Delivery” area (Gross profit = revenues - external costs directly related to sales - costs of staff of the Delivery area), then converging these parameters into the Group’s EBITDA, which year-on-year is identified with increasing values with respect to those of the previous year, which is the starting point for the recognition of the variable remuneration. The LTI Plan (as defined herein), in particular establishes by way of objective the increase in Group EBITDA, according to parameters that are in line with the growth targets set by the Company in its business plan for the three years 2021/2023 and, with reference to Key Management Personnel, a retention objective until the end of the vesting period. This incentive is one of the main tools through which the Company intends to strengthen its business strategy and pursue its long-term interests and sustainability.

The Remuneration Policy also aims to strengthen the involvement of those holding key positions in the pursuit of the Company and Group’s operating performance goals, with the aim of maintaining a constant alignment between the interests of the management and those of shareholders generally.

The Alkemy Remuneration Policy is therefore defined with the aim of:

a) attracting, retaining and motivating people having the individual and professional qualities required to pursue the Group's business development objectives;

b) aligning the company’s and management’s interests with those of the shareholders;

c) supporting the creation of value for shareholders in the medium-long term;

d) ensuring the accountability of the various competent bodies involved in the definition of the remuneration of Directors and Key Management Personnel;

e) identifying, in particular, the subjects and/or bodies involved in the adoption and implementation of the policies and procedures on remuneration, which - according to the respective competences - propose, resolve and/or determine the remuneration of the Directors and Key Management Personnel, express opinions on the matter or are called to verify the correct implementation of that resolved or determined by the competent bodies;

f) guaranteeing greater transparency in matters of remuneration in regard to both current and potential investors, through a suitable formalisation: (i) of the related decision-making processes; and (ii) of the criteria on which the remuneration policies and procedures are hinged.

To this end, the definition of the Remuneration Policy aims to align the interests of the Company's management team with those of the shareholders, through a close link between the remuneration and results achieved on an individual level and by the Company.

Under the scope of its sustainable growth path that has been launched since its foundation, the Company pursues its objectives, namely promoting the "Alkemy values" (EPIC: Excellence, Passion, Integrity and Concreteness) and the promotion of Alkemy as "best-place-to-work-for" (NPS detector). In line with the above, Alkemy has identified the principles and values of Diversity & Inclusion and improvement of the work-life balance as its very own path towards sustainable growth taking full account of the interests of the Company's key stakeholders.

In addition, in order to identify concrete KPIs with which to measure the sustainability objectives connected with the variable component of remuneration recognised in accordance with the Remuneration Policy and thereby pursue the sustainable growth of the Company in order to generate long-term value, the Company has appointed the external consultant that already monitors the Group for the NFS, to support the Company in its gradual, organic sustainability route and, therefore, to define the ESG policies, also with the intervention of a third company under assessment, with the aim of identifying a medium-term Sustainability Plan.

E.2 Principles

The Remuneration Policy of Executive Directors and Key Management Personnel is therefore based on the following principles:

a) the fixed component and variable component of remuneration are adequately balanced according to the strategic objectives and the risk management policy adopted by Alkemy, also taking into account the business segment in which it operates and the characteristics of the business concretely carried out, in any case establishing that the variable part of the remuneration shall constitute a significant portion of the total.

b) the fixed component suffices to remunerate the performance of the Executive Directors and Key Management Personnel if the variable component is not disbursed due to failure to achieve the performance objectives set by the Board. This principle is held to be essential in order to discourage any conduct focussed entirely on the short-term and which may not be aligned with the risk appetite defined by the Group;

c) the performance objectives - i.e. the economic results and any other specific objectives to which the disbursement of the variable components is linked (including objectives defined for remuneration plans based on financial instruments), are predetermined, measurable and connected with the purpose of creating value for shareholders over the medium/long-term;

d) the variable component of remuneration consists (i) of a portion linked to short-term criteria (MBO based on the achievement of Group annual results in terms of EBITDA and individual targets correlated with the role, function and business areas) and (ii) a portion linked to long-term criteria. The duration of the deferral is consistent with the characteristics of the business carried out and the related risk profiles;

e) maximum limits are envisaged for the variable components or parametrised to the Company's effective profitability;

f) the variable component of remuneration consists of a part that is disbursed immediately and/or a part that is deferred;

g) the variable component of remuneration for immediate disbursement aims to motivate beneficiaries to achieve the objectives defined by the annual budget and is defined according to the degree to which they are achieved or surpassed;

h) the variable component of the remuneration for deferred payment, consists of incentive plans based on financial instruments, which seek to pursue both the above objectives, through annual maturity mechanisms, and the objectives of achieving medium/long-term loyalty and alignment with the interests of all shareholders, typical of such instruments;

i) the Company can acknowledge an indemnity to its Executive Directors and Key Management Personnel for early termination or failure to renew, respectively, the administration position and the contract of employment.

E.3 Changes in the Remuneration Policy with respect to that approved in the previous year

With respect to the Remuneration Policy approved by the Shareholders' Meeting on 26 April 2021, the following changes have been made.

<u>In connection with the 2022 MBO</u>:

(i) in order to improve the transparency of the relevant quantification, the objective on which beneficiaries are measured and the Group's pre-bonus EBITDA, identified to avoid any recursion of calculations included in the EBITDA target, including bonuses.

(ii) the possibility is envisaged of increasing the variable remuneration from the MBO up to 125% if the Group's pre-bonus EBITDA should also increase by 125% (therefore the maximum amount of the variable remuneration that can be disbursed may increase by 25%).

In connection with the general policy for the remuneration of Alkemy employees:

(i) during 2022 a new share ownership plan will be introduced in favor of the employees of the Company and of the Group companies (other than the Directors, the Key Management Personnel and the beneficiaries of the LTI Plan) pursuant to art. 114-bis TUF (the "Share Plan"), with the aim of providing employees with a participatory tool that allows them to align the interests of workers with those of the Group, increase the sense of belonging, participation and involvement of the Group's employees, as well as to retain each employee and increase the average duration of the employment relationship.

The Share Plan will provide for the possibility for employees, on a voluntary basis, to acquire Company shares, at market values, through monthly deductions from the paycheck for a maximum period of 36 months for each implemented tranche of the Share Plan; Employees who have invested in the Share Plan will therefore have the right to receive one free share for every n. 4 shares purchased on condition that these shares are held for a minimum period equal, with reference to each calendar year of adhesion to the plan, to at least 3 consecutive years, the employment relationship with the Company or a company of the Group persists for the entire period and the shares are deposited in the securities deposit account opened by the Company.

F) Description of the policies on fixed and variable components of the remuneration with specific regards to the indication of the relevant weight under the scope of comprehensive remuneration and distinguishing between short and medium-long term material variable components

Considering the purpose and criteria pursued by the Remuneration Policy, the remuneration of Directors and Key Management Personnel is structured into the following components:

(i) for Directors and Key Management Personnel - fixed part, which must recompense the responsibilities assigned, the experience and distinctive skills held and must be competitive on the market, so as to guarantee a suitable retention level;

(ii) for Executive Directors - annual variable part defined within maximum limits and aimed at remunerating expected short-term performance (annual Group EBITDA growth);

(iii) for Key Management Personnel - annual variable part, which must guarantee a direct link between the remuneration and performance results and is aimed at rewarding the achievement of company and individual objectives (referred to as "MBO" - Management by Objectives);

(iv) for Executive Directors and Key Management Personnel - medium-term variable part that assures growth of business value and the achievement of sustainable results over time, even beyond that defined year-by-year, during budget preparation, the loyalty of key resources and the alignment of management objectives with those of Shareholders. To help create medium/long-term value, the Executive Directors and Key Management Personnel may be allocated incentive plans based on financial instruments in accordance with Art. 114-*bis* of the Consolidated Law on Finance, prepared in line with the best market practices, which tie payment of a suitable portion of variable component to measurable, predetermined performance objectives that are tied to the creation of value for shareholders in the medium/long-term, as described in paragraph 6 of Section II of this Report.

F.1.1. The MBO Plan for Key Management Personnel

The annual incentive of the remuneration for those entitled serves a short-term purpose and aims to assure the achievement, for 50% of the Company's annual results, mainly in terms of profitability and for 50% individual results. The incidence of the incentive on total remuneration averages out as 33%, without prejudice to some senior sales figures, for whom it may account for up to 66% of their basic salary.

The guidelines and policies of the reward system are defined by the Board of Directors, consistently with the 2021-2023 Business Plan. The economic indicators on which the assessment of corporate performance is based in order to identify the variable remuneration are differentiated by Company business areas and therefore (i) first margin for the GoToMarket area (ii) margins objective for the Delivery area.

The incentive is disbursed after approval of the reference annual financial statements and the amounts due may vary proportionally to the result achieved, up to the maximum value of the incentive envisaged by the MBO.

Below are the main conditions of the MBO plan for 2022 (the "**2022 MBO**"):

(i) MBO value: up to 125% with a cap of a maximum of Euro 200.00 per beneficiary;

(ii) quantification parametrised to the Group's pre-bonus EBITDA;

(iii) in order to verify results, procured sales are also considered on all Group companies.

F.1.2. Medium-term incentive plans

In 2022, the medium-term incentive plan (the "2019-2021 Stock Option Plan") will be in place, a description of which is given in Paragraph 4.3 of Section II of the Report.

F.1.3. Long-term incentive plan

The Company has a long-term incentive plan in place for Executive Directors and Key Management Personnel, a description of which is given in Paragraph 5 of Section II of the Report.

F.2. THE REMUNERATION POLICY WITH REFERENCE TO THE INDIVIDUAL SIGNIFICANT POSITIONS

F.2.1. Long-term incentive plan remuneration of the Chairman and Director

<u>Fixed part</u>

The fixed component of the remuneration of the Chairman and Chief Executive Officer is resolved by the Shareholders' Meeting and Board of Directors in accordance with Art. 2389, paragraph 3 of the Italian Civil Code and envisages a gross annual remuneration, which is predetermined for the entire term and commensurate with the delegations assigned them. If holding the position of Director in subsidiaries, additional remuneration and indemnities for the office may also be envisaged in an amount such as to adequately remunerate the commitment required of the office.

<u>Annual variable part</u>

For the Chairman and Chief Executive Officer, an annual variable component is envisaged of the predetermined remuneration in its maximum amount and subject to the achievement of pre-established Group economic results and profitability (for 2022 set as the achievement of consolidated post-bonus EBITDA that exceeds the approved budget value by at least 16%).

<u>Medium/long-term incentives</u>

The Chairman and Chief Executive Officer are expected to take part in the long-term incentive plan approved by the company.

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F.2.2. Remuneration of Executive Directors (other than the Chairman and Chief Executive Officer).

Fixed part

The fixed part of the remuneration of Executive Directors (other than the Chairman and Chief Executive Officer) is resolved by the Shareholders' Meeting and Board of Directors in accordance with Art. 2389, paragraph 3 of the Italian Civil Code and envisages a gross annual remuneration, which is predetermined for the entire term of office of the Director and commensurate with the commitment required. If holding the position of Director in subsidiaries, additional remuneration and indemnities for the office may also be envisaged in an amount such as to adequately remunerate the commitment required of the office.

Annual variable part

For Executive Directors, an annual variable component is envisaged of the remuneration, which is predetermined and measurable, commensurate to the Group's economic results and profitability.

Medium/long-term incentives

Executive Directors are expected to take part in the long-term incentive plan approved by the company.

F.2.3. The remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors and Independent Directors is determined as a fixed amount and, in compliance with Recommendation 29 of the Code, envisages a fee that is adequate to the skill, professionalism and commitment required by the duties assigned them in the administrative body and board committees; this fee is not linked to performance objectives.

F.2.4. Remuneration of Key Management Personnel

Fixed part

The fixed part of the remuneration is consistent with the salaries identified by the Company in line with the market and is structured in such a way as to adequately remunerate the competences, commitment and work carried out continuously by the Key Management Personnel.

For Key Management Personnel holding the position of Director in subsidiaries, additional remuneration and indemnities for the office may also be envisaged in an amount such as to adequately remunerate the commitment required of the office.

Annual variable part

For some positions - amongst the Key Management Personnel - participation is envisaged in the annual 2022 MBO incentive plan, as described in Paragraph F.1.1; for others, due to the duties carried out - also by way of alternative to the 2022 MBO - an annual variable component of the remuneration is envisaged, which is predetermined and measurable and commensurate with the Group's economic results and profitability.

Medium/long-term incentives

Key Management Personnel are expected to take part in the long-term incentive plan approved by the company.

F.2.5. The remuneration of members of the control bodies

The Chairman of the Board of Auditors and the Standing Auditors are remunerated with gross annual remuneration resolved by the Shareholders' Meeting at the time of appointment for the entire term of office, in an amount that is adequate to the competence, professionalism and commitment required by the importance of the role held, the dimensional and sector characteristics of the Company and its position, to be paid on a *pro rata temporis* basis according to the effective term of office. The Chairman of the Board of Auditors and the Standing Auditors shall also be entitled to receive reimbursement of expenses incurred by virtue of their office.

No variable components of remuneration, bonuses, attendance tokens and other incentives are envisaged, nor non-monetary benefits.

G) Policy on non-monetary benefits

Executive Directors and Key Management Personnel shall be assigned non-monetary benefits that may include life policies, accident policies and supplementary medical cover.

Benefits may also include use of the company telephone, PC and car, as well as reimbursement (for a predefined maximum amount) of costs incurred by virtue of the office. These benefits are attributed - in respect of principles of sobriety and in a context of cost limitation - taking into account the roles and responsibilities held, in line with reference remuneration market practice and consistently with legislation in force over time, in order to complete and optimise the overall remuneration package.

The Company shall also stipulate suitable D&O insurance for all members of the Board of Directors, Key Management Personnel and members of the control body, covering third party liability of directors and managers.

H) With reference to the variable components, a description of the performance objectives on which basis they are assigned, drawing a distinction between the short- and medium/long-term variable component and information on the link between the change in results and the change in remuneration.

Refer to the information given under paragraph F) above.

I) Criteria used for the assessment of the achievement of performance objectives on which basis shares, options, other financial instruments or other variable components of remuneration are awarded and measurement of the variable component to be disbursed according to achievement of the objectives.

As mentioned, the standard structure of the remuneration package assigned to Executive Directors and Key Management Personnel envisages, in addition to a fixed component, a short-term and/or long-term variable component.

The short-term variable component is only assigned upon achieving certain predetermined financial objectives established each year, the amount of which is determined according to the degree to which these objectives are achieved or surpassed, with a maximum limit parametrised in respect of the fixed component.

In order to proceed with a suitable measurement of the achievement of the objectives, the Committee and Board examine all atypical components seen during the reference year.

In any case, the choice of parameters aims to assure a natural balance, in order to prevent decisions focussed on the short-term that are not consistent with the risk level considered acceptable by the Company and Group.

The criteria used to assess the performance objectives on which basis shares, options, other financial instruments or other variable components of remuneration are awarded, is based on the economic results and profitability recorded by the Group. Assessment (in the form of the "**Performance Review**") is carried out from November to February each year, involving the individual beneficiary, the head of the related business unit and the Chief Executive Officer.

The LTI Plan (as defined herein) is intended for those working in the Group companies and whose leadership activities have a significant impact on a Group level. This plan aims to offer incentive to those holding key positions, including Key Management Personnel, where the Company and Group achieves specific results through the alignment of the long-term incentives with the interest in creating value for most shareholders.

J) Information aimed at highlighting the contribution of the Remuneration Policy and, in particular, the Policy on the variable components of remuneration, business strategy, the pursuit of long-term interests and sustainability.

As described in Paragraphs E) and F) above, the Remuneration Policy pursues the sustainable creation of value for the Company and its shareholders over the medium/long-term. In line with that purpose, the remuneration of Executive Directors and Key Management Personnel is structured in such a way as to:

(i) balance the fixed remuneration and variable remuneration with the objective of creating sustainable value in the medium/long-term for the company;

(ii) coordinate the variable remuneration, linking it to the achievement of operative and financial objectives, aligned with the creation of value over the medium/long-term and the effective results achieved by the company;

(iii) recognise suitable remuneration to attract, motivate and withhold in the medium/long-term, persons with the individual and professional qualities necessary to pursue the business objectives and assure business growth over the medium/long-term.

K) Vesting period, deferred payment systems, with indication of the deferment period and criteria used to determine these periods and *ex post* correction mechanisms of the variable component.

With reference to the vesting period of the right to remuneration pursuant to the medium-term incentive plans, reference is made to the indications given in Paragraph F.1.2 and Paragraph 5 of Section II.

With reference to the vesting period of the rights pursuant to the LTI Plan runs for multiple years and is divided up into four short-term vesting periods, each lasting one year, coinciding with each corporate year of plan duration (the "**Annual Vesting Periods**") and a medium/long-term vesting period lasting four years (the "**Long-Term Vesting Period**"), after which the shares of the reference period will be assigned. In greater details, the vesting periods are as follows:

- Annual Vesting Periods: from 1 January 2020 to 31 December 2020 (the "**2020 Vesting Period**"); from 1 January 2021 to 31 December 2021 (the "**2021 Vesting Period**"); from 1 January 2022 to 31 December 2022 (the "**2022 Vesting Period**"); from 1 January 2023 to 31 December 2023 (the "**2023 Vesting Period**");
- Long-Term Vesting Period: from 1 January 2020 to 31 December 2023.

The right to receive the shares concerned by the LTI Plan is attributed at the end of each Annual Vesting Period, while the consequent assignment of the shares is envisaged as follows:

- as regards the Executive Directors who benefit from the LTI Plan: for 50% within 30 days of approval of the Company's consolidated financial statements relative to each Annual Vesting Period and for the remaining 50% within 30 days of approval of the Company's consolidated financial statements relative to the Long-Term Vesting Period;
- as regards the Key Management Personnel benefiting from the LTI Plan: in full within 30 days of approval of the Company's consolidated financial statements relative to the Long-Term Vesting Period[1].

The LTI Plan envisages the application of the claw-back. More specifically, if in the 12 months following the Date of Assignment, it should be found that the Beneficiary has acted wilfully (i) to alter the data used to determine the Performance Objective or (ii) has significantly damaged (financially or otherwise) the Company and/or Group, the beneficiary shall return the shares assigned to the Company or an amount equal to their value at the date of assignment.

L) Information on the clauses for keeping financial instruments in the portfolio after their acquisition, with indication of the holding periods and the criteria used to determine such periods.

The 2018 Stock Options Plan establishes that beneficiaries shall also make the irrevocable commitment to the Company to continuously hold at least 20% of the shares subscribed or purchased following exercise of the options, until expiry of the following terms:

- for Executive Directors, until the definitive cessation of the mandate;

[1] In both cases, this is without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution of the individual beneficiary).

- for Key Management Personnel, for a period of 3 (three) years from expiry of the exercise period during which they exercised the related options.

The LTI Plan does not specify any limits to transfers (lock-ups) of shares once they have been assigned to their respective beneficiaries. The subsequent transfer of shares will be regulated by applicable legislative and regulatory provisions. The rights assigned in accordance with the LTI Plan cannot instead be transferred (except, once accrued, in the event of the beneficiary's death).

M) Policy on benefits in the event of resignation or termination of employment.

The Remuneration Policy envisages the possibility for the Company to enter into agreements (i) with Directors, regulating *ex ante* the economic aspects in the event of cessation from office or in relation to any early termination of the contract by the Company or party concerned, except as better specified at the next paragraph; and (ii) with Key Management Personnel, which envisage indemnity in the event of resignation or dismissal/revocation without just cause or if the contract of employment ceases following a public takeover bid.

Severance indemnity for Key Management Personnel consists of the indemnity accrued in accordance with national collective bargaining agreements. Moreover, in the event of mutual agreement to terminate the contract of employment, the collective bargaining agreements applied by the Group in Italy, envisage the disbursement of severance indemnity at terms and conditions that are predetermined and not discretionary, to the managers to whom said agreements apply. Key Management Personnel whose contract of employment with the Group is not regulated by such collective bargaining agreements are assigned severance indemnity programmes at terms and conditions that are not discretionary and are prepared by the Group.

In addition, the Company may also sign after seeking the opinion of the Remuneration Committee and in line with regulations governing related party transactions, non-compete agreements with the members of the Board of Directors and with Key Management Personnel, as well as with other senior managers holding particularly important roles; these may envisage the payment of an indemnity commensurate to the terms and extension of the non-compete clause included in said contract. The obligation refers to the segment in which the Company operates at the time of stipulation and the relevant geographic market. The extension of the obligation varies according to the role held by the obliged subject at the date of stipulation.

N) Information on the presence of additional, non-mandatory insurance, welfare or pension provisions

As indicated in Paragraph G above, non-monetary benefits may include insurance policies covering the third party liability of directors and managers (termed “D&O” insurance), life policies, accident policies and supplementary, non-mandatory medical cover.

O) Remuneration policy applied for: (i) Independent Directors, (ii) participation in committees and (iii) performance of particular duties.

As indicated in Paragraph F.2.3 above, the Policy envisages the attribution of an additional fixed fee to Non-Executive Directors and Independent Directors who are part of Board Committees, to suitably remunerate the additional work and commitment they carry out and assure to the benefit of the Company.

If the Executive Directors are members of the Committees established within the Board, it is the Board itself, which, having consulted with the Committee and the Board of Auditors, assesses the possibility of attributing additional fixed fees or one-off extraordinary fees, depending on the additional commitment and work made available to the Company’s benefit.

For more information and for information about the remuneration of Directors assigned specific duties, please refer to the description given in Paragraph F) above.

P) Indications on the potential use, by way of reference, of remuneration policies of other companies

The Company's Remuneration Policy has been prepared in respect, in particular, to the remuneration paid to Executive Directors, the policies applied by the main listed Italian companies comparable to the Company in terms of size and business segment.

Q) Elements of the Remuneration Policy from which, in exceptional circumstances, derogations can be made and any procedural conditions on which basis the derogation can be made

Where exceptional circumstances apply - thereby meaning, in accordance with Art. 123-*ter*, paragraph 3-*bis* of the Consolidated Law on Finance, only situations in which the derogation to the Remuneration Policy is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or assure its capacity to operate on the market - the Company may derogate to the following elements of the Remuneration Policy:

a) variation of the ratio of fixed component and variation component of the remuneration;

b) variation of the performance objectives, in relation to MBOs and medium/long-term monetary incentives, where such are resolved;

c) attribution of an annual bonus (in lieu of or in addition to the MBO), parametrised to the objectives set by the Board of Directors, on the proposal of the Remuneration Committee, and, if applicable, having consulted with the Board of Auditors;

d) attribution of a one-off monetary bonus;

e) type of benefits recognised;

f) variation of remuneration plans based on shares or other financial instruments in accordance with Art. 114-bis of the Consolidated Law on Finance and, in particular, variation of the performance objectives set out therein.

These derogations must be adopted by means of specific resolution of the Board of Directors, on the proposal or in any case having first obtained the favourable opinion of the Remuneration Committee, expressed by grounded resolution and after consultation with the Board of Auditors, according to the Related Party Transactions Procedure adopted by the Company.

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SECTION II

REMUNERATION RECEIVED IN 2020 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF AUDITORS AND BY KEY MANAGEMENT PERSONNEL

This Section II, which in turn is structured into two Parts, provides a named indication of the remuneration assigned to the administrative and auditing bodies and, in aggregate form, the remuneration of Key Management Personnel paid in 2020. In compliance with Annex 3A, Scheme 7-bis of the Issuers' Regulation, the remuneration of Key Management Personnel is specified in aggregate form insofar as none received a comprehensive remuneration in 2020 that exceeded the comprehensive remuneration attributed to Directors.

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PART I - ITEMS MAKING UP THE REMUNERATION

Part I of Section II offers a complete explanation of the items making up the remuneration of the members of the Board of Directors, the Board of Auditors and Key Management Personnel.

1. Remuneration

As approved by the Shareholders' Meeting, each member of the Board of Directors receives a fixed remuneration. In accordance with Article 2389, third paragraph of the Italian Civil Code, the Board of Directors has resolved to attribute to Non-Executive Directors who are also members of the Committees established by the Board of Directors, an additional fixed fee. Executive Directors receive additional fixed remuneration as resolved by the Board of Directors. The remuneration of Key Management Personnel is determined by the related contracts of employment. The practice applied in terms of remuneration in 2020 is in line with the principles described in Paragraph E above.

1.1 Fixed and variable remuneration of Directors

The Ordinary Shareholders' Meeting held on 25 June 2019 resolved to attribute the Board of Directors that had taken up office on that same date, comprehensive annual gross fixed remuneration of Euro 1,500,000.00, including emoluments relative to specific duties, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code and Art. 22 of the Articles of Association.

By resolution passed on 26 April 2021, after seeking the opinion of the Remuneration Committee and the Board of Auditors, the Board of Directors allocated the following gross comprehensive remuneration for FY 2021, as follows:

(i) a gross annual Euro 15,000.00 for each director;

(ii) a gross annual Euro 7,000.00 for each director member of the Control, Risks and Sustainability Committee, the RPT Committee and the Remuneration Committee;

(iii) the following gross annual fees in the favour of the Executive Directors:

BoD ALKEMY S.p.A. - 2021	Fixed	Variable
	Gross annual remuneration	**Gross annual remuneration**
Duccio Vitali (CEO)	-	-
Mattiacci Alessandro (Chairman)	226600	100000
Vittorio Massone (Deputy Chairman)	50000	
Massimo Canturi (GM)	250000	

specifying that:

a) the Chief Executive Officer of the Company, Duccio Vitali, has **not** been attributed fixed emoluments for this role, insofar as they are included in the gross annual remuneration of Euro 250,000 (equal to Euro 350,000 in terms of business cost) assigned by way of fixed emoluments and a gross variable Euro 100,000 (equal to Euro 128,400 in terms of the business cost) he receives as Company manager, and which is inclusive of the gross annual fee of Euro 15,000 by way of member of the board of directors;

b) the variable fees assigned to the directors Duccio Vitali and Alessandro Mattiacci will accrue subject to the Company's achieving the business objectives established in the 2021-2023 Business Plan, approved by resolution passed on 11 December 2020 (achievement of FY 2021 consolidated EBITDA of Euro 8,042 million);

c) the variable fees assigned to the director Vittorio Massone, relative to 2021, will be determined as 20% of the Gross Margin of new customers.

The Chairman of the Board of Directors, the Chief Executive Officer and the General Manager are all Beneficiaries of the LTI Plan, the characteristics of which are described in the related regulation and summarised in paragraph 5 below in this Section II. Below is the summary of the LTI Plan for FY 2021, compared with FY 2020.

Allocation no. shares CEO + Chairman		2020 as per plan	2020 as per plan	2021 assigned	2021 as per plan
€ 112,500	no. of shares EBITDA	13522	6761	18029	22536
€ 37,500	no. of shares EBITDA Margin[1]	4507	4507		
€ 150,000		**18029**	**11268**	**18029**	**22536**

beneficiaries	2		**22536**		**45073**
Allocation no. of shares GM		as per plan	as per plan	as per plan	as per plan
€ 112,500	no. of shares EBITDA			15789	19736
€ 37,500	no. of shares EBITDA Margin[1]				
€ 150,000		**-**	**-**	**15789**	**19736**
beneficiaries					**19736**

[1] Note that starting FY 2021, the EBITDA margin is no longer a parameter for determining performance in terms of the LTI Plan.

Each member of the Board of Directors has the right to receive reimbursement of costs incurred by virtue of the office held. The practice applied in terms of remuneration in 2021 is in line with the principles described in Paragraph E above.

1.2 Remuneration of Auditors

The Shareholders' Meeting held on 25 June 2019 determined the remuneration due to the board of auditors, as follows:

a) the Chairman of the Board of Auditors shall receive Euro 12,000.00 per year, without prejudice to the fact that the gross remuneration due to the Chairman for 2019 will be increased to Euro 20,000.00 and for 2020 and 2021, to Euro 24,000.00, subject to the listing of the company’s shares on the telematic stock market (MTA);

b) each Regular Auditor shall receive Euro 9,000.00 per year, without prejudice to the fact that the gross remuneration due to each Regular Auditor for 2019 will be increased to Euro 15,000.00 and for 2020 and 2021, increased to Euro 18,000.00, subject to the listing of the company’s shares on the telematic stock market (MTA).

No monetary and non-monetary benefits are envisaged in the Auditors’ favour, nor any variable fees.

2. Remuneration of Key Management Personnel

Key Management Personnel received the fixed portion of remuneration determined by the respective contracts of employment, including emoluments due in accordance with applicable provisions of law and contract (holidays, transfer indemnities, etc.).

In line with the 2021 Remuneration Policy, Key Management Personnel took part in the annual MBO incentive plan. As the Company has exceeded the Group’s target EBITDA results for FY 2021, which was the condition for recognition of the variable remuneration linked to the MBO, the latter will be assigned in full.

Key Management Personnel are beneficiaries of the LTI Plan. Below is the summary of the LTI Plan for FY 2021, compared with FY 2020.

Allocation of no. of shares		2020 as per plan	2020 assigned	2021 as per plan	2021 assigned
€ 40,000	no. of shares EBITDA	4807	2404	7211	9014
€ 20,000	no. of shares EBITDA Margin[1]	2404	2404		
€ 15,000	no. of grant shares	1803	1803	1803	1803
€ 75,000	total no. of shares[1]	**9014**	**6611**	**9014**	**10817**
beneficiaries			**19833**		**32450**

[1] Note that starting FY 2021, the EBITDA margin is no longer a parameter for determining performance in terms of the LTI Plan.

3. Non-monetary benefits

For executive directors, the Company has stipulated an insurance policy to cover the third party liability of directors and managers (termed D&O).

Executive Directors and Key Management Personnel are entitled to company cars for both personal and professional use, life policies, injury policies and supplementary medical cover. The related benefits are calculated in compliance with tax legislation and form part of their gross remuneration. The practice applied in terms of remuneration in 2021 is in line with the principles described in Paragraph E above.

The items comprising the remuneration are detailed in Table 1, as per Annex 3A, Scheme 7-bis, of the Issuers' Regulation, given in the appendix to Part II of this Section.

4. Incentive plans based on financial instruments

Below are the Stock Option Plans and other incentive plans based on financial instruments implemented and/or to be implemented by the Company.

4.1. 2018 awards

On 16 November 2017, the Company's shareholders' meeting resolved to increase the share capital in exchange for payment, in a divisible fashion and with the exclusion of the option right pursuant to Article 2441, fifth paragraph and eighth paragraph, of the Italian Civil Code, for a maximum amount of Euro 22,798.00 (plus premium), by means of the issue, in one or more tranches, of up to 222,200 Shares in the Company, for use for stock option plans to be defined by the Board of Directors.

In implementation of this delegation, on 12 June 2018 the Board of Directors approved the stock option plan (the "**2018 Stock Option Plan**") reserved for subscription to employees and key management personnel of the Company and/or the other Group companies, to be identified at the sole discretion of the Issuer's Board of Directors (the "**Beneficiaries**"). The 2018 Stock Option Plan envisages the attribution, free of charge, in the favour of the Beneficiaries identified by the Board of Directors, of non-transferable options (the "**Options**") for the subscription of Shares in exchange for payment of a strike price of Euro 11.75 per Share. In accordance with the Regulation, Options can be attributed to Beneficiaries in three attribution cycles and, during each attribution of Options, the Board will determine, for each Beneficiary, the number of Options attributed and the objectives to which the accrual of the Options is subject. In particular, as regards the objectives to which exercise of the Options is subject, during attribution, each Beneficiary will receive (i) a number of Options equal to 70% of the total, accrual of which - and of the consequent possibility of exercise - is subject to the achievement of gross operating profit objectives and (ii) a number of Options equal to 30% of the total, accrual of which - and of the consequent possibility of exercise - is subject to the achievement of the individual performance objectives to be assigned to each Beneficiary by the Board. The number of Options that can effectively be exercised will be proportional to the degree of achievement of the gross operating profit and individual performance objectives established by the board of directors, in application of a list to be communicated to Beneficiaries when the Options are attributed.

The right of Beneficiaries to exercise the Options, conditional on their maturation at the end of the Vesting Period (as defined in the 2018 Stock Option Plan regulations) is tied to the continuation of the relationship between the Beneficiaries and the Company or the other Group companies, until expiry of the Exercise Period. In the event that the relationship should cease prior to that date, for any reason, all Options not yet exercised will be definitively forfeited, unless otherwise determined by the Board of Directors. The Beneficiaries shall also make the irrevocable commitment to the Company to continuously hold at least 20% of the Shares subscribed or purchased following exercise of the Options, until expiry of the following terms:

(i) for Beneficiaries who are executive directors, until the definitive cessation of the mandate;

(ii) for Beneficiaries who are key management personnel, for a period of 3 years from expiry of the Exercise Period during which they exercised the related Options.

If objective circumstances should arise, showing that the data on which basis the achievement of the objectives was verified on which the maturation of the Options depends, was clearly incorrect, the Company may revoke (all or part of) the Beneficiaries' right to exercise the Options, with the consequent definitive extinguishing of all rights of the Beneficiaries to exercise the Options in this regard, or it may ask the Beneficiaries - insofar as possible in accordance with applicable regulations - to return all or part of an amount equivalent to the benefit received following exercise of the Options, determined on the basis of the value of IRPEF taxable income and net of legal withholdings, including through offsetting against any amount due for any reason by the Company to the Beneficiaries.

Again on 12 June 2018, as part of the 2018 Stock Option Plan, the Alkemy Board of Directors resolved the attribution of 74,700 options (for the subscription of an equal number of new ordinary shares in the Company for a price of Euro 11.75 each), for a share capital increase of up to a nominal Euro 7,663.72 (plus premium). In accordance with the related regulation, it is envisaged that the maturation period of the Options shall end at the end of the second corporate year after that in progress when the Options were attributed (the "**Vesting Period**") and that the Options can be exercised within 90 calendar days from the date of approval of the financial statements relative to the last corporate year included in the Vesting Period (the "**Exercise Period**"). These options have been attributed, for a total of 74,700 options, of which 63,000 to three key management personnel (Paolo Fontana, Enrico Meacci and Oscar Zoggia), and for the remainder to 3 employees and/or directors of Bizup (a subsidiary of the Issuer).

Options accrued under the scope of the 2018 Stock Option Plan were exercised during the second half of 2021.

4.2. 2019 award

On 10 July 2019, the Board resolved to issue up to 147,500 new ordinary shares with no par value and regular dividend (applicable to the share capital increase resolved on 16 November 2017), to be reserved for subscription by the beneficiaries of a 24-month stock option plan (the "**2019-2020 Stock Option Plan**"), in respect of the award of an equal number of options that can be exercised in respect of the payment by beneficiaries of said nominal value, plus a premium of Euro 1,717,991.50.

In accordance with the 2019-2020 Stock Option Plan Regulation, the Options are divided up into two categories: (i) gross operating profit Options, which can only be exercised if the gross operating profit targets established by the Board of Directors at the end of the Vesting Period are achieved and in the amount of 70% of all Options assigned to each Beneficiary; and (ii) the Performance Options, which can be exercised, again at the end of the Vesting Period in a number equal to the residual 30%, upon achieving the performance objectives assigned individually to each Beneficiary.

In accordance with the 2019-2020 Stock Option Plan Regulation, it is envisaged that the maturation period of the Options shall end at the end of the second corporate year after that in progress when the Options were attributed (the "**Vesting Period**") and that the Options can be exercised within 90 calendar days from the date of approval of the financial statements at 31 December 2020.

The 147,500 Options concerned by the Plan have been assigned to 31 employees of the Company and the Alkemy Group, as well as (in the amount of 51,000) to 3 key management personnel (Claudio Benasso, Oscar Zoggia and Ciro Morra).

On 27 August 2019, the Board of Directors partially amended the 2019/2020 Stock Option Plan to approve an extension of its duration to 36 months but only in connection with the Key Management Personnel, ruling that for such subjects, a new plan, the "**2019-2021 Stock Option Plan**" would be adopted, governed by a regulation with the exact same contents as that of the 2019/2020 Stock Option Plan, apart from, naturally, the term.

Options accrued under the scope of the 2019-2020 Stock Option Plan were exercised during the second half of 2021.

Options accrued and accruing under the scope of the 2019-2021 Stock Option Plan can be exercised by current Beneficiaries (now 2, following the resignation of Ciro Morra), during the second half of 2022.

5. 2020-2023 Long-Term Incentive Plan

On 15 November 2019, with the favourable opinion of the Remuneration Committee and the Related Party Transactions Committee (issued respectively on 12 and 13 November 2019), having also consulted with the Board of Auditors, the Board of Directors approved a plan for the free assignment of ordinary shares in the

Issuer, called the "**2020-2023 Long-Term Incentive Plan**" (the "**LTI Plan**"), concerning the free assignment of ordinary shares in the Company, in the favour of Beneficiaries (as defined below), which will run from the Trading Start Date until 31 December 2023. The Plan is governed by a specific regulation that lays down the relevant terms and conditions (the "**LTI Regulation**").

On 26 April 2021, the Company's shareholders' meeting approved - with effect from 1 January 2021 - the changes to the LTI Plan and LTI Regulation, as approved by the Board of Directors on 11 December 2020, following the favourable opinions given by the Remuneration Committee, the RPT Committee and the Board of Auditors.

Below are the essential elements of the LTI Plan and its regulation.

5.1. LTI Plan beneficiaries

The LTI Plan is intended for the Chairman of the Board of Directors, the Chief Executive Officer, the General Manager and the 5 Key Managers of the Company, without prejudice to the fact that the Board may identify additional beneficiaries from amongst the Executive Directors and Key Management Personnel (including of Group companies) in compliance with the provisions of the LTI Regulation (jointly the "**Beneficiaries**" and, for each category, the "**Beneficiary Executive Directors**" and the "**Beneficiary Key Management Personnel**").

5.2. LTI Plan purposes and objectives

The objectives pursued through the adoption of the LTI Plan, also in terms of the purpose pursued through a long-term incentive system, are those set out hereto:

- to align the interests of the Beneficiaries with those of the shareholders and the objectives of the Company's business plan as a whole;
- to tie the remuneration of Beneficiaries, as persons playing a key role in the achievement of Alkemy's objectives, to the economic results achieved by the Company and the Group and to achieving the specific objectives set for the medium/long-term;
- to support and reward the achievement of long-term objectives, allowing for the pursuit of the priority objective of creating value of the medium/long-term;
- to support the attraction, retention and engagement of key resources in line with the business culture, at the same time pursuing an efficient choice relative to the costs generated by the Incentive Plan.

5.3. Approval process

The LTI Plan was defined in collegial form, without the key contribution by the individual directors. The Board of Directors is the body responsible for managing the LTI Plan, with the faculty to sub-delegate, in compliance with and subject to the provisions of the LTI Regulation.

5.4. Extraordinary transactions

If events take place that are not specifically regulated by the LTI Regulation, namely:

(i) extraordinary transactions involving the Company's capital, and, merely by way of example, reductions of capital for losses through the cancellation of shares, increases in the Company's capital, free of charge or in exchange for payment, in option to shareholders or with the exclusion of option rights, potentially also to be released through conferral in kind, grouping or splitting of shares that may impact shares;

(ii) mergers or spin-offs, purchase or sale of equity investments, businesses or business units;

(iii) legislative or regulatory changes or other events that may impact the rights of the LTI Plan, shares or the Company;

the Board of Directors may (but will not be required to) make all changes and supplements to the LTI Regulation, after consulting with the Remuneration Committee, as held to be necessary or appropriate in order to keep the substantive and economic contents of the LTI Plan unchanged, within the limits permitted by regulations in force over time.

5.5. Changes to the corporate structure

If, during the validity of the LTI Plan and LTI Regulation:

(i) a public takeover bid or a public bid of exchange should be submitted in regard to the shares; or

(ii) the shares should be delisted from the MTA;

the Board of Directors, at its discretion, shall have the right to grant Beneficiaries the opportunity of receiving all or part of the Shares (as defined herein) due to them early, even regardless of whether or not the Plan Objectives (as defined below) envisaged have effectively been achieved; it may also rule on the early termination of the LTI Plan. This decision will be binding on the Beneficiaries. The shares used for the LTI Plan may be obtained, at the Board of Directors's discretion, by means of (i) share capital increases in accordance with Art. 2349 of the Italian Civil Code or (ii) the purchase of treasury shares on the market, without prejudice to the fact that, at the Company's discretion, the incentive to Beneficiaries may be paid in cash (rather than in Company Shares).

During LTI Plan execution, subject to the admission to trading of the Company's Shares, the market will be informed, where envisaged by regulatory and legislative provisions in force over time. The Beneficiaries must comply with provisions on the abuse of inside information envisaged by applicable legislation and regulations, in particular with reference to the disposal of Shares, potentially assigned after verifying that the Performance Objectives have been achieved.

5.6. The characteristics of the attributed instruments

The Plan establishes that the attribution of the right to receive the Shares and the assignment of the Shares, shall take place free of charge. The Incentive Plan runs for multiple years and is divided up into four Annual Vesting Periods and one Long-Term Vesting Period, after which the Shares of the reference period will be assigned. For more details on the vesting period, refer to Paragraph K) of Section I of this Report.

The right to receive the Shares will be attributed personally to each Beneficiary. The Shares assigned in accordance with the Plan (the "**Shares**") will be of regular dividend and, therefore, equal to that of the other outstanding Shares at the date of their issue. The basic number of Shares to be assigned to each Beneficiary will be calculated taking into account the market value of the Company's Shares at the date of attribution of the right, so as to assign a basic number of Shares that, on that date, is worth Euro 75,000, in the case of Beneficiary Key Management Personnel, and Euro 150,000 in the case of Beneficiary Executive Directors, for each Annual Vesting Period. The basic number of Shares for Beneficiary Executive Directors shall consist entirely of Target Shares (as defined herein), while the basic number of Shares for Key Management Personnel will comprise 80% Target Shares and 20% Grant Shares (as defined herein).

5.7. Objectives

The assignment of shares is subject to the verification by the Board of Directors: (i) that at the Share assignment date, there is a relationship in place between the Beneficiary and the Company; and (ii) that the following Objectives have been achieved:

<u>2020 Vesting Period</u>:

- "**Gross operating profit Objective**": i.e. the achievement of certain levels of gross operating profit in terms of the consolidated Group results, determined in line with the Business Plan, using the term "gross operating profit" to mean the period profit adjusted for: period income tax, gains/losses deriving from transactions in foreign currencies, financial income, financial expense, amortisation, depreciation and impairment and provisions made, to be calculated including extraordinary transactions;
- "**Gross operating profit Margin Objective**": i.e. the achievement of certain levels of EBITDA margin on a consolidated Group level, determined in line with the Business Plan, using the term

"EBITDA margin" to mean the ratio of gross operating profit and total revenue from sales and services (together with the "gross operating profit Objective", the "**Performance Objectives**");

- "**Retention Objective**": i.e. within 30 days of the end of the Long-Term Vesting Period, the Board will verify compliance with the Retention Objective for Key Management Personnel, so as to Assign the Grant Shares (as indicated below).

Upon achieving the Performance Objectives, the target shares ("**Target Shares**") will be assigned, whilst upon achievement of the Retention Objective, the grant shares ("**Grant Shares**") will be assigned to Key Management Personnel. The basic number of Shares to be attributed to the Executive Directors will consist entirely of Target Shares, of which 75% correlated to the achievement of the gross operating profit Objective and 25% to the achievement of the gross operating profit Margin Objective. The basic number of Shares to be assigned to Key Management Personnel will comprise 80% Target Shares and 20% Grant Shares. In turn, the Target Shares will be correlated, for a "theoretical" equivalent value of Euro 40,000 to the Consolidated gross operating profit Objective and for a "theoretical" equivalent value of Euro 20,000 to the gross operating profit Margin Objective.

Performance Objectives are independent of each other and will therefore be calculated independently for each Annual Vesting Period. The effective Target Shares to be assigned to each Beneficiary in the event that the Performance Objectives are achieved, considered individually, shall be calculated as follows:

2020 gross operating profit Objective (Euro/thousand)	7500

2020 EBITDA Margin Objective	7.9%

EBITDA Objective/EBITDA Margin Objective	
Performance of the individual indicator (in terms of % of the individual Performance Objective, for each Annual Vesting Period)	*Shares to be Assigned per individual Performance Objective (as a % of the Basic Number of Shares for each Annual Vesting Period)*
less than 70%	0%
less than 80%	25%
less than 90%	50%
less than 100%	80%
greater than or equal to 100%	100%

No right shall be due to Beneficiaries in connection with the Target Shares that are not assigned due to failure to achieve all or part of the gross operating profit Objective at the end of the 2020 Vesting Period.

2021 Vesting Period. 2022 Vesting Period: and 2023 Vesting Period:

- "**gross operating profit Objective**" period: i.e. the achievement of certain levels of gross operating profit in terms of the consolidated Group results[2], determined in line with the Business Plan, using the term "gross operating profit" to mean the period profit adjusted for: period income tax, gains/losses deriving from transactions in foreign currencies, financial income, financial expense, amortisation, depreciation and impairment and provisions made, to be calculated excluding extraordinary transactions;

[2] In accordance with the LTI Plan, the term "Group" is used to refer to: Alkemy and the companies headed by it at the approval of the LTI Plan, as well as Design Group Italia S.r.l. (including options for the completion of the purchase of such companies) and XCC S.r.l.

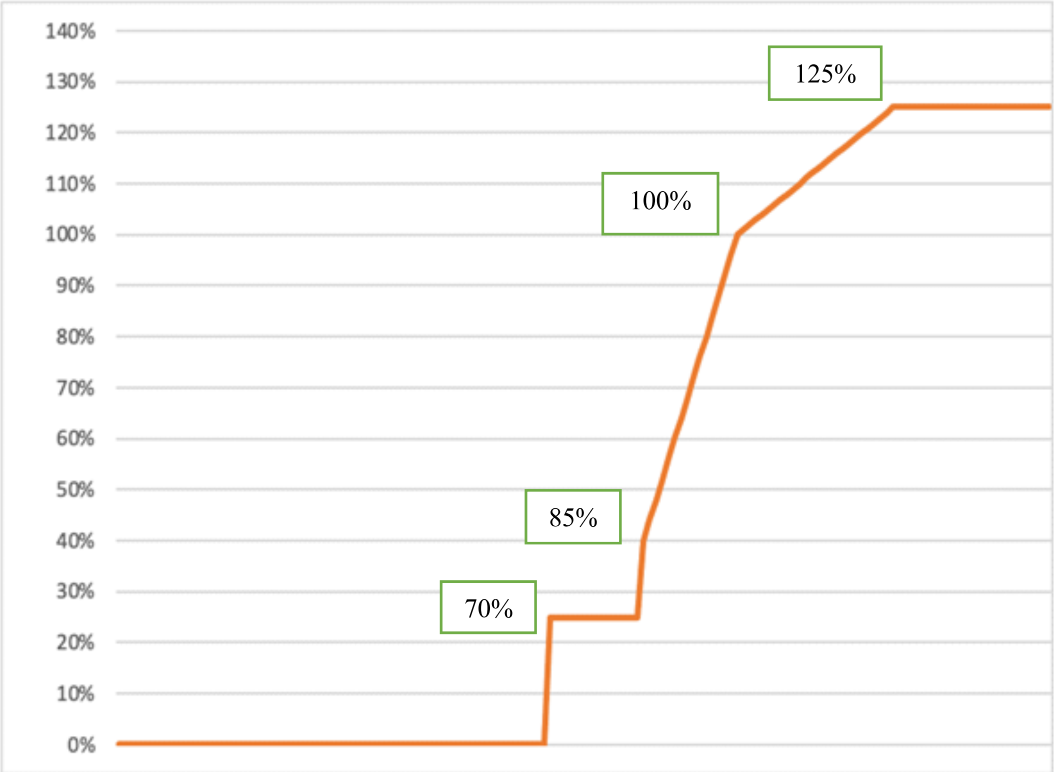
- “**Retention Objective**”: i.e. within 30 days of the end of the Long-Term Vesting Period, the Board will verify compliance with the Retention Objective for Key Management Personnel, so as to Assign the Grant Shares (as indicated below).

Upon achieving the gross operating profit Objective, those entitled will be assigned the Target Shares; upon achieving the Retention Objective, the Grant Shares will be assigned. The basic number of Shares to be attributed to the Executive Directors will consist entirely of Target Shares, of which 100% to the achievement of the gross operating profit Objective. The basic number of Shares to be assigned to Key Management Personnel will comprise 80% Target Shares and 20% Grant Shares. In turn, the Target Shares will be correlated, for a “theoretical” equivalent value of Euro 60,000, to the gross operating profit Objective.

The gross operating profit Objective will be calculated for each Annual Vesting Period. The effective Target Shares to be assigned to each Beneficiary in the event that the gross operating profit Objective is achieved, considered individually, shall be calculated as follows:

gross operating profit Objective	**2021**	**2022**	**2023**
gross operating profit (Euro/thousands)	8042	11539	15916

gross operating profit Objective	
Performance of the individual indicator (in terms of % of the gross operating profit Objective, for each Annual Vesting Period)	*Shares to be Assigned for the gross operating profit Objective (as a % of the Basic Number of Shares for each Annual Vesting Period)*
less than 70% (“**Minimum Performance Objective**”).	0%
Greater than 70% but less than 85%	25% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 85%
greater than 85% but less than 100%	40% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 100%
greater than 100% but less than 125%	100% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 125%
greater than or equal to 125%	125%



Failure to achieve the Minimum Performance Objective will prevent the assignment of Shares correlated to the achievement of the gross operating profit Objective, unless otherwise resolved by the Board of Directors in a more favourable sense for the Beneficiaries.

No right shall be due to Beneficiaries in connection with the Target Shares that are not assigned due to failure to achieve all or part of the gross operating profit Objective at the end of the 2021 Vesting Period and/or 2022 Vesting Period.

5.8. Share Assignment

Once the achievement of all or part of the Performance Objectives has been verified (as per the tables above), the Target Shares will be assigned (i) to Executive Directors, 50% at the date of assignment in relation to the individual Annual Vesting Period, and the remaining 50% at the Date of Assignment relative to the Long-Term Vesting Period, without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution to the individual Beneficiary); and (ii) to Key Management Personnel, in full, at the Date of Assignment relative to the Long-Term Vesting Period, without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution to the individual Beneficiary).

The Grant Shares will be assigned to Key Management Personnel in full, at the date of assignment relative to the Long-Term Vesting Period, without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution to the individual Key Manager).

The Plan also has *malus* and claw-back mechanisms, by virtue of which the Company shall be entitled not to assign the shares accrued or to obtain their full or partial return, if events should take place that harm the interests of the Company and/or Group.

6. Agreements envisaging indemnity in the event of the early termination of the contract of employment

6.1. On 02 December 2019, the Company entered into a directorship agreement with the Chairman of the Board of Directors, which, amongst others, envisages the recognition to the latter of indemnity in the amount of fifteen months' pay (to be increased by one month for each year of term of office, starting from any forthcoming renewal of office), calculated taking into account (i) the value of the annual fixed emoluments, (ii) 100% of the short-term variable emoluments; and (iii) the equivalent annual value of the shares concerned by the 2019 Incentive Plan, in the event of cessation of the directorship agreement, as a “good leaver” (i) revocation by the Company of office and/or delegations assigned without just cause; (ii) waiver by the Director of office for just cause; (iii) death and/or disability and/or illness making it impossible to continue the directorship agreement with the Company; (iv) failure to renew the Director in office and the delegations assigned after the first renewal of the Company’s corporate bodies (i.e. at approval of the financial statements for the year ending on 31 December 2021) for each subsequent three-year period; and (v) forfeiture of the Company’s Board of Directors occurring in any term of the mandate as director, not followed by a renewal of the Director in office and the delegations assigned, at the conditions laid down by the Directorship Agreement 1.

6.2. On 27 July 2020, the Company entered into a directorship agreement with the Executive Director Massimo Canturi that envisages, amongst others, the recognition to the latter of an all-inclusive amount that does not exceed the total fees due by virtue of the Directorship Agreement 2 (from which the amount already paid *pro rata temporis* to him up until the date of effect of termination of the office of director, must be deducted) by way of indemnity in the event of early termination of the office of director, without his being considered a “bad leaver” (he is considered a “bad leaver” in cases of: (i) revocation for gross misconduct or gross negligence in going about his duties and fulfilling obligations deriving from the law and the Company’s Articles of Association; (ii) conviction for any of the offences pursuant to Italian Legislative Decree no. 231/2001 for offences committed against the interests of the Company or other Group companies, for personal gain; (iii) breach of any of the obligations to confidentiality and prohibition of reversal envisaged by contract; (iv) existence with a director of any grounds for forfeiture of office in accordance with Art. 2382 of the Italian Civil Code and (v) resignation from office or failure to accept appointment without just cause). In addition, in derogation to this provision, the Directorship Agreement 2 establishes that in the event of death or onset impossibility of the service due to physical or psychological incapacity (due to illness or injury) of the Executive Director Mr Canturi, which entails a period of incapacity of more than 6 months and if at least 12 months have passed since the appointment, he or his heirs shall be entitled to receive 50% of the all-inclusive amount by way of indemnity indicated above.

Finally, the agreement in question envisages a prohibition of reversal for the executive director, for the entire term of office and for 12 months after cessation. The remuneration for this commitment is included in the contracted fees.

6.3. With reference to the effects of the early termination of the contract with the Chairman of the Board of Directors (and the Chief Executive Officer, Duccio Vitali), in accordance with Art. 14 of the LTI Regulation: (i) in the event of termination following a “bad leaver” hypothesis, before the Date of Assignment or in any case before delivery of the Shares for each Vesting Period, the Chairman shall definitively and fully forfeit the Right to Receive Shares, even if accrued *pro rata temporis*; (ii) in the event of cessation following a “good leave” hypothesis, before the Date of Assignment or in any case before delivery of the Shares for each Vesting Period, the Chairman and the Chief Executive Officer (or their heirs) may maintain the right to receive a pro-rata quantity, at the sole discretion of the Board of Directors on the basis of that effectively accrued and the achievement of the Plan Objectives referring to the last date of the last approved annual consolidated financial statements.

No other agreements were signed envisaging indemnity in the event of the early termination of the contract with Directors, Auditors and Key Management Personnel, save for the application to the latter of any agreements set out in applicable national collective bargaining agreements.

The Beneficiary Key Management Personnel of the LTI Plan have entered into agreements with the Company setting out commitments to confidentiality and non-solicitation for a period of 12 months from the date of termination of their relationship with the Company. The remuneration of these commitments is included in the benefits obtained from adhesion to the LTI Plan.

7. Derogations to the Remuneration Policy for FY 2021.

No derogations were made to the Remuneration Policy for FY 2021.

8. **Application of *ex post* correction mechanisms.**

In FY 2021, with reference to the variable component of remuneration, no *ex post* correction mechanisms were applied.

9. **Change to remuneration and comparative information.**

Below are comparisons and totals of the following: (a) the annual change in total remuneration (including fixed remuneration, remuneration for participating in committees, non-equity variable remuneration, non-monetary benefits, other remuneration) of the members of the Board of Directors and Board of Auditors relative to FYs 2019, 2020 and 2021 and (b) average remuneration, calculated on a full-time equivalent basis, of employees (managers and office workers) of the Company, other than those listed under letter (a) above, on the workforce at the date, respectively, of 31 December 2019 (512), 2020 (531) and 31 December 2021 (55).

The figures listed for remuneration are in euros.

Name and surname	Office	2021 remuneration	% change	2020 remuneration	% change	2019 remuneration
Alessandro Mattiacci	Chairman of the Board of Directors	326600	44%	226600	-9%	250000
Vittorio Massone	Deputy Chairman	50000	-43%	87500	-13%	100000
Duccio Vitali	Chief Executive Officer	350000	40%	250000	0%	250000
Massimo Canturi	General Manager	250000	100%	125000	=	0
Riccardo Lorenzini	Non-independent director	0	=	0	-100%	100000
Andrea Di Camillo (1)	Independent director	36000	0%	36000	163%	13700
Serenella Sala (1)	Independent director	22000	0%	22000	193%	7500
Giulia_Bianchi Frangipane (1)	Independent director	36000	0%	36000	380%	7500
Giorgia Abeltino (1)	Independent director	29000	0%	29000	287%	7500
Mauro Bontempelli	Chairman Board of Auditors	24000	0%	24000	33%	18000
Gabriele Gualeni	Regular Auditor	18000	0%	18000	20%	15000
Daniela Bruno	Regular Auditor	18000	0%	18000	20%	15000

(1) including that received as members of the Company's committees

* * *

	2021	% change	2020	% change	2019
AVERAGE EMPLOYEE REMUNERATION	57	6%	54	-6%	57

* * *

Below are comparisons and totals of the Company's results, on the basis of the data given in the statutory financial statements, relative to FYs 2019, 2020 and 2021. Figures are given in thousands of euros.

	2021	% change	2020	% change	2019
REVENUE	95185	27%	74932	-11%	84520
NET PROFIT	4443	144%	1822	659%	-240

10. Vote cast by the Shareholders' Meeting on this section for last year

The Ordinary Shareholders' Meeting held on 26 April 2021 resolved in favour of Section II of the Report on Remuneration and Fees Paid relative to FY 2020, with 4,736,572 votes in favour, accounting for 94.518% of those in attendance (274,742 votes not in favour, accounting for 5.482% of those in attendance, zero abstentions and no votes expressed in a manner that was not compliant with the instructions received or without instructions).

PART II - TABLES

Part II of this Section II provides an analytical report of the remuneration paid in 2020 by any title and in any form to Directors, Auditors and Key Management Personnel by the Company and the other Group companies, using Table 1, envisaged by Annex 3, Scheme 7-bis of the Issuers' Regulation. The information is supplied separately with reference to the appointments in the Company and those held in subsidiaries and associates of the Group.

This Report also includes Table 1 and Table 2, envisaged by Annex 3, Scheme 7-ter of the Issuers' Regulation, which sets out the equity investments held in the Company and its subsidiaries, by the Directors, Auditors and Key Management Personnel, in compliance with Art. 84-quater, paragraph 4 of the Issuers' Regulation.

* * *

TABLE 1: Remuneration paid to the Directors and the Statutory Auditors, to the General Managers and to the others Key Managment Personnel.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Surname and Name	position	Period for which the office was held (months)	Term of office (1)	Fixed remuneration	Remuneration for participation in committees	Variable remuneration non-equity		Non-monetary benefits	Other remuneration	total	Fair Value of equity remuneration	Indemnity for termination of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Mattiacci Alessandro	Chairman	12	31/12/21	226.600	=	100000	=	company car	=	=	158.653	(2)
Vitali Duccio	CEO	12	31/12/21	(4)	=	=	=	company car	=	=	158.653	(3)
Massone Vittorio	Vice President	12	31/12/21	50.000	=	-	=	=	=	=	=	=
Lorenzini Riccardo	Director	12	31/12/21	-	=	=	=	company car	=	=	=	=
Di Camillo Andrea	Director	12	31/12/21	15.000	21.000	=	=	=	=	=	=	=
Abeltino Giorgia	Director	12	31/12/21	15.000	14.000	=	=	=	=	=	=	=
Bianchi Frangipane Giulia	Director	12	31/12/21	15.000	21.000	=	=	=	=	=	=	=
Sala Serenella	Director	12	31/12/21	15.000	7.000	=	=	=	=	=	=	=
Massimo Canturi	Director + General Manager	12	31/12/21	250.000	=	-	=	=	=	=	187.492	=
Key Management Personnel	4	12	(5)	615.000	=	202.769	=	company car	=	=	237.980	(5)
(I) Remuneration in the company that draws up the financial statements				**1.201.600**	=	=	=	=	=	=	=	
(II) Remuneration from Subsidiaries and associates (8)				-	=	=	=	=	=	=	=	
(III) Total				**1.201.600**	=	=	=	=	=	=	**742.779**	

(1)	the expiry date of the office is that of approval of the financial statements relating to the date shown
(2)	15 months of fixed remuneration + 100% Short term annual incentive plan + 100% Longterm annual incentive plan
(3)	terms envisaged by the CCNL trade for managers + 100% Short term annual incentive plan + 100% Longterm annual incentive plan
(4)	remuneration as director is absorbed in that recognized as manager (RAL 250,000 euros, company cost 354,000 euros) + 100,000 euros gross of variable
(5)	terms envisaged by the CCNL trade for managers

TABLE 2: Stock-option assigned to the Directors, the General Managers and the Key Management Personnel

			Options held at the beginning of the FY			Option assigned during the FY									Option exercised during the FY			Option expired during the FY	Options held at the end of the FY	Options pertaining to the FY
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)		(9)	(10)		(11)	(12)	(13)	(14)	(15) =(2)+(5)-(11)-(14)	(16)
Name and surname	Position	Plan	Number of options	Price of exercise	Possible exercise period (from-to)	Number of options	Price of exercise	Possible exercise period (from-to)		Fair Value at the assignment date		Assignment date	Market price of the shares underlying the assignment of the options		Number of options	Prezzo di esercizio	Market price of the underlying shares on the exercise date	Number of options	Number of options	Fair Value
Mattiacci Alessandro	Chairman	=	=	=	=	=	=	=	=	=	=	=	=		=			=	=	=
Vitali Duccio	CEO	=	=	=	=	=	=	=	=	=	=	=	=		=			=	=	=
Massone Vittorio	Vice President	=	=	=	=	=	=	=	=	=	=	=	=		=			=	=	=
Lorenzini Riccardo	Director	=	=	=	=	=	=	=	=	=	=	=	=		=			=	=	=
Beraldi Francesco	Director	=	-	=	=	=	=	=	=	=	=	=	=		-		=	=	=	=
Di Camillo Andrea	Director	=	=	=	=	=	=	=	=	=	=	=	=		=		=	=	=	=
Abeltino Giorgia	Director	=	=	=	=	=	=	=	=	=	=	=	=		=		=	=	=	=
Bianchi Frangipane Giulia	Director	=	=	=	=	=	=	=	=	=	=	=	=		=		=	=	=	=
Sala Serenella	Director	=	=	=	=	=	=	=	=	=	=	=	=		=		=	=	=	=
Claudio Benasso	Director	=	=	=	=	=	=	=	=	=	=	=	=		=		=	=	=	=
Soldi Marinella	Director	=	=	=	=	=	=	=	=	=	=	=	=		=		=	=	=	=
Matteo de Brabant	Director	=	=	=	=	=	=	=	=	=	=	=	=		=		=	=	=	=
4 Key Management Personnel			**62.000**												**-**			**-**	**20.000**	**0**
		Plan 2018-2021 (BoD resolution dated 12/6/2018)	-	11,75 €	1/(4/2021-31/12/2021										42000	11,75 €	18,37 €	0,00 €		0
(II) Compensation FROM Subsidiaries and associates		Plan A (date of the applicable resolution) Plan B (date of the applicable resolution)	=	=	=	=	=	=	=	=	=	=	=	=	=					
Total			62.000																20.000	

TABLE 3A: Incentive plans based on financial instruments, other than stock option, in favor of the Directors, the General Managers and other Key Management Personnel

			Financial instruments assigned in previous FY vested during the year		Financial instruments assigned during the FY						Financial instruments vested during the FY and not assigned	Financial instruments vested and assigned during the FY		Financial Instruments pertaining to the FY
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)	(11)	(12)
Name and Surname	Position	Plan	Number and type of financial instrument	Price of exercise	Number and type of financial instrument	Fair Value at the assigment date	vesting period	Assignment date		Market price on assignment	Number and type of financial instrument	Number and type of financial instrument	Value at the vesting date	Fair Value
Mattiacci Alessandro	Chairman	LTP 2020-2023	18.029		22.536 shares	158.653	2021	50% upon approval of the 2021 financial statements	50% upon approval of the 2023 financial statements	511.567	- shares	11.268 shares	255.784	79.327
Vitali Duccio	CEO	LTP 2020-2023	18.029		22.536 shares	158.653	2021	50% upon approval of the 2021 financial statements	50% upon approval of the 2023 financial statements	511.567	- shares	11.268 shares	255.784	79.327
Massimo Canturi	General Manger	LTP 2020-2023	-		19.736 shares	187.492	2021	50% upon approval of the 2021 financial statements	50% upon approval of the 2023 financial statements	448.007	- shares	11.268 shares	255.784	107.046
3 Key Management Personnel		LTP 2020-2023	27.042		33.804 shares	237.980	2021	100% upon approval of the 2023 financial statements	=	767.351	- shares	33.804 shares	767.351	237.980
(I) Remuneration in the company that draws up the financial statements		Plan A (date of the applicable resolution)												
		Plan B (date of the applicable resolution)												
(II) Remuneration from Subsidiaries and associates		Plan A (date of the applicable resolution)												
		Plan B (date of the applicable resolution)												
(III) Total			63.100		98.612	742.779				2.238.492		67.608	1.534.702	503.680

TABLE 3B: Monetary incentive plans in favor of the Directors, the General Managers and other Key Management Personnel

A	B	(1)	(2)					(3)					(4)
Surname and name	Position+	Plan	2020 Bonus					Previous years Bonus					other bonuses
			(A)		(B)		(C)	(A)	(B)			(C)	
			Payable/Paid	**deferred**		**Deferral period**		**No longer payable**		**Payable/ Paid**	**Still deferred**		
Mattiacci Alessandro	Chairman		**100.000**	**100.000**		**lug-22**				=	=		=
Vitali Duccio	CEO		**100.000**	**100.000**		**lug-22**				=	=		=
Key Management Personnel	4		**200.000**	**202.769**		**lug-22**		=		=	=		=
(I) Remuneration in the company that draws up the financial statements		Plan A (date of the applicable resolution)	=					=					
		Plan B (date of the applicable resolution)											
		Plan C (date of the applicable resolution)											
(II) Remuneration from Subsidiaries and associates		Plan A (date of the applicable resolution)	=					=					
		Plan B (date of the applicable resolution)											
(III) Total			**400.000**	**402.769**								**-**	

TABLE 4: Equity of the Directors and the Statutory Auditors, General managers and Key Management Personnel						
Surname and name	**Position**	**Company**	**Number of shares held at the end of the prevoius FY**	**Number of shares purchased**	**Number of shares sold**	**Number of shares held at the end of the FY**
Alessandro Mattiacci (*)	Chairman	Alkemy spa	209.580		- 100.100	109.480
Duccio Vitali	Director	Alkemy spa	570.861	24.633		595.494
Riccardo Lorenzini	Director	Alkemy spa	344.220	11.000		355.220
Vittorio Massone	Director	Alkemy spa	113.890		- 113.890	-
Key Management Personnel	4	Alkemy spa	19.680	42.500	- 35.965	78.215
Totale			**1.258.231**	**78.133**	**- 249.955**	**1.138.409**
(*) shares held through Lappentrop S.r.l.						
(**) resigned from 7/2020 - shares held through O2E S.r.l.						
(***) resigned from 2/2020 - shares held through Jakala Holding S.p.A.						