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## **REPORT ON REMUNERATION**

pursuant to Art. 123-*ter* of the TUF and Art. 84-*quater* of the Issuers' Regulations

## Section I - REMUNERATION POLICY

### **Introduction to the General Remuneration Policy Duration and changes introduced.**

Sabaf S.p.A.'s General Remuneration Policy (hereinafter also "remuneration policy"), approved by the Board of Directors on 22 December 2011, later updated on 20 March 2013, 4 August 2015, 26 September 2017, 24 March 2020 and 23 March 2021, defines the criteria and guidelines for the remuneration of members of the Board of Directors, Executives with strategic responsibilities and members of the Board of Statutory Auditors.

The remuneration policy was prepared:

- following the recommendations of the Corporate Governance Code for Listed Companies, approved in January 2020;
- in line with Recommendations 2004/913/EC and 2009/385 and with Art. 9-bis of Directive 2007/36/EC, introduced by EU Directive 2017/828, which were incorporated into law with Art. 123-ter of the Consolidated Finance Act (TUF), as last amended by Legislative Decree no. 49/19, and by Art. 84-quater of Consob Regulation no. 11971/19 (Issuers' Regulation), as last amended by Consob Resolution no. 21623/20

The remuneration policy lasts three years.

#### **1. Corporate bodies and persons involved in preparing, approving and implementing the remuneration policy.**

##### **SHAREHOLDERS' MEETING**

- Determines the remuneration due to the members of the Board of Directors
- Resolves remuneration plans based on the allocation of financial instruments with regard to directors and employees
- It casts a binding vote on the first section of the Report on remuneration policy and remuneration paid to the Board of Directors, to Executives with strategic responsibilities and, without prejudice to the provisions of Art. 2402 of the Italian Civil Code, to the members of the Board of Statutory Auditors, and a non-binding vote on the second paragraph of that Report

##### **BOARD OF DIRECTORS**

- At the suggestion of the Remuneration and Nomination Committee and subject to the opinion of the Board of Statutory Auditors, determines the fee for Directors holding specific positions
- Defines the remuneration policy of Executives with strategic responsibilities
- After obtaining the opinion of the Remuneration and Nomination Committee, resolves to sign Non-competition agreements with regard to the Chief Executive Officer and to executives
- At the suggestion of the Remuneration and Nomination Committee, defines incentive plans based on short- and long-term variable remuneration to be assigned to the Chief Executive Officer and to the Executives with strategic responsibilities
- At the suggestion of the Chief Executive Officer, defines the incentive plans based on short-term variable remuneration for company Management and other employees
- At the suggestion of the Remuneration and Nomination Committee, resolves to assign non-monetary benefits to executives

- Makes proposals to the Shareholders' Meeting on remuneration plans based on the allocation of financial instruments with regard to directors and employees
- Prepares the Report on Remuneration pursuant to Art. 123-ter of the Consolidated Law on Finance and Art. 84-quater of the Issuers' Regulations
- Ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the remuneration policy, in the light of the results achieved and other circumstances relevant to its implementation
- On termination of office and/or termination of the relationship with the Chief Executive Officer, with Directors holding specific positions or with a General Manager, discloses in a press release to the market at the end of internal processes leading to the allocation or recognition of any allowance and/or other benefits, detailed information concerning:
  - a) the allocation or recognition of allowances and/or other benefits, the circumstances justifying their accrual and the deliberative procedures followed for this purpose within the company;
  - b) the total amount of the allowance and/or other benefits, the related components (including non-monetary benefits, the maintenance of rights related to incentive plans, the fee for non-competition commitments or any other remuneration allocated for any reason and in any form) and the timing of their payment (distinguishing the part paid immediately from the part subject to deferral mechanisms);
  - c) the application of any claw-back or *malus* clause of part of the sum;
  - d) the compliance of the elements indicated in letters a), b) and c) above with what is indicated in the remuneration policy, with a clear indication of the reasons and the deliberative procedures followed in the event of even partial non-compliance with the policy;
  - e) information on any procedures that have been or will be followed for the replacement of the executive director or general manager no longer in office.

The Board of Directors is responsible for properly implementing the remuneration policy.

#### REMUNERATION AND NOMINATION COMMITTEE

- Makes proposals to the Board of Directors, in the absence of the persons directly concerned, for remuneration of the Chief Executive Officer and Directors holding specific positions
- Examines, with the support of the Human Resources Department, the policy for the remuneration of executives, with a special attention to Executives with strategic responsibilities
- Makes suggestions and proposals to the Board of Directors concerning the setting of objectives on which the annual variable component and long-term incentives for the Chief Executive Officer, Directors holding specific positions and Executives with strategic responsibilities should be dependent, in order to ensure alignment with shareholders' long-term interests and the company's strategy
- Monitors the actual application of the remuneration policy and assesses the level of achievement of the short- and long-term variable incentive objectives of Directors and executives
- Prepares the proposals to the Board of Directors of remuneration plans based on financial instruments
- Assesses the adequacy, actual application and consistency of the remuneration policy, also with reference to the actual company performance, making suggestions and proposals for change
- Follows the development of the regulatory framework of reference and best market practices on remuneration, getting inspired by them for formulating the remuneration policy and identifying aspects for improving the Report on Remuneration

The Remuneration and Nomination Committee currently in office comprises three non-executive members, the majority of them independent (Daniela Toscani, Stefania Triva, e Alessandro Potestà), with the knowledge and experience in accounting, finance and remuneration policies that is deemed adequate by the Board of Directors.

Minutes of the Committee meetings are taken and - signed by the chairman of the meeting and the secretary - are kept in chronological order together with the relevant documentation.

The Chairman of the Committee reports to the Board of Directors during the meeting immediately after with regard to the activities carried out by the Committee.

No further rules on the methods of operation of the Committee are currently envisaged.

#### BOARD OF STATUTORY AUDITORS

- The Board of Statutory Auditors expresses the opinions required by the regulations in force on proposals for remuneration of Directors holding specific positions.
- The Board of Statutory Auditors, i.e. the Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by him/her can attend the meetings of the Remuneration and Nomination Committee.

#### HUMAN RESOURCES DEPARTMENT

Actually enacts what is decided upon by the Board of Directors.

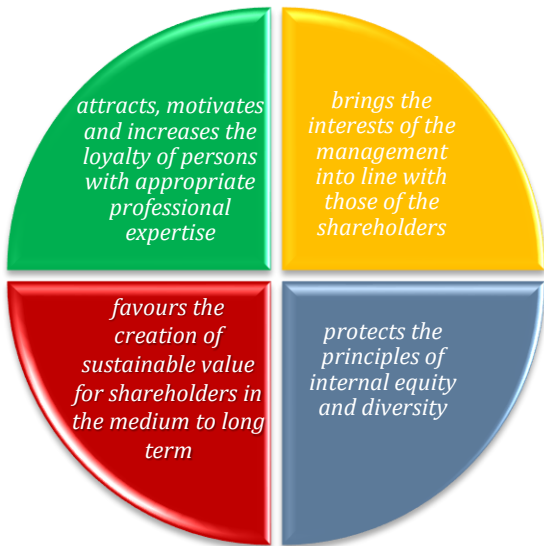
#### INDEPENDENT CONSULTANTS AND EXPERTS

No independent expert took part in the preparation of the remuneration policy. The Company availed itself of the legal advice of Studio Trifirò & Partners in Milan.

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**2. Purposes of the remuneration policy and its contribution to the pursuit of the corporate strategy**

The Company’s intention is that the Remuneration Policy:



- Ensures the competitiveness of the company on the labour market and attracts, motivates and increases the loyalty of persons with appropriate professional expertise;
- Protects the principles of internal equity and diversity;
- Brings the interests of the management into line with those of the shareholders;
- Favours the creation of sustainable value for shareholders in the medium to long term, and maintains an appropriate level of competitiveness for the company in the sector in which it operates;
- Pursues the sustainable success of the company and takes into account the need to have, retain and motivate people with the competence and professionalism required by their role in the company.

The remuneration policy envisages the structuring of the remuneration of executive directors and Executives with Strategic Responsibilities in such a way that it is significantly made up of variable remuneration, including financial instruments: (i) whose payment is conditional on the achievement of common objectives (in particular, Group EBITDA and EBIT) and individual objectives, not only of an economic-financial nature, but also of a technical-productive and/or socio-environmental nature; (ii) subject, in part, to adequate retention and deferral mechanisms.

The objectives to which the disbursement of significant portions of variable remuneration is conditioned are structured in such a way as to prevent them from being achieved through short-term management choices that would potentially undermine the sustainability and/or the Company's ability to generate profit in the long term.

In this context, the policy aims to encourage the achievement of the strategic objectives set out in the *pro tempore* business plans in force and to create long-term value for stakeholders, also in line with the principles of corporate social responsibility.

**3. Remuneration policy guidelines and instruments**

The principles and characteristics of the remuneration package regulated by the remuneration policy for the persons to whom the policy applies follow the same approach for determining, in general, the

remuneration packages offered to employees. In defining each remuneration package proposed by Sabaf to its personnel, the following points are considered as priority elements for assessment:

- (i) the comparison with the external market and the internal equity of the Company;
- (ii) the characteristics of the position, the responsibilities assigned and the skills of the persons, taking care to avoid any form of discrimination;
- (iii) the pursuit of Sabaf's growth strategy and the strengthening of the Company's long-term interests and sustainability based on the principles of fairness, sustainability, equal opportunities, meritocracy and competitiveness in relation to the market.

In preparing the remuneration package referred to in this remuneration policy, account was therefore taken of the fact that employees are generally offered remuneration that includes, in addition to the pay envisaged by the National Collective Labour Contract for the metal and engineering industry, supplemented by second-level negotiations, an individual fixed component and variable components based on the achievement of common or individual objectives. The training opportunities provided and access to the company welfare platform are also part of the remuneration, incentive and enhancement system. Sabaf also aims to establish and maintain effective and efficient working partnerships, aimed at the pursuit of general and individual objectives and, in this perspective, also to encourage - where possible - the development of smart working conditions, including through the use of technologies that ensure continuous value for the company and for individuals and that improve work-life balance.

The definition of a fair and sustainable remuneration package takes into account three main tools:

- Fixed remuneration
- Variable remuneration (short- and medium- to long-term)
- Benefits

Each remuneration component is analysed below.

#### FIXED ANNUAL COMPONENT

The fixed component of the Directors' remuneration is such that it is able to attract and motivate individuals with appropriate expertise for the roles entrusted to them within the Board, and is set with reference to the remuneration awarded for the same positions by other listed Italian industrial groups of a similar size.

The Shareholders' Meeting determines the fixed remuneration paid to the members of the Board of Directors.

With regard to the remuneration for Directors holding special offices, the Board of Directors, at the suggestion of the Remuneration and Nomination Committee and subject to the opinion of the Board of Statutory Auditors, determines the additional fixed remuneration.

Directors who sit on committees formed within the Board (Control, Risk and Sustainability Committee, Remuneration and Nomination Committee) are paid fixed remuneration intended to reward the commitment required of them.

Executives with strategic responsibilities are paid a fixed annual remuneration, determined so that it is sufficient in itself to guarantee an appropriate basic salary level, even in the event that the variable components are not paid owing to a failure to reach the objectives.

The members of the Board of Statutory Auditors are paid a fixed remuneration, the amount of which is determined by the Shareholders' Meeting, at the time of their appointment.

COMPONENTS OF THE REMUNERATION	CORPORATE OFFICES				
	Executive Directors	Non-Executive Directors	Members of committees within the BoD	Executives with strategic responsibilities	Statutory Auditors
<b>FIXED COMPONENTS</b>	- Fixed remuneration for the office of Director - Fixed remuneration for Directors holding special positions	- Fixed remuneration for the office of Director	- Fixed remuneration for Directors members of Committees within the BoD	- Collective National Contract for Industrial Managers	- Fixed remuneration

### SHORT-TERM VARIABLE COMPONENT (ANNUAL)

The Board of Directors, at the suggestion of the Remuneration and Nomination Committee and in accordance with the budget, defines an MBO plan, for the benefit of:

- Executives with strategic responsibilities
- other persons, identified by the Chief Executive Officer, among the managers who report directly to him or who report to the aforementioned managers.

This plan sets a common objective (Group EBIT, which is considered to be the Group's main indicator of financial performance) and quantifiable and measurable individual objectives economic-financial, technical-productive and/or socio-environmental in nature. Some individual objectives refer to technical (e.g. efficiency and quality), management (e.g. meeting deadlines for completion of relevant projects) and sustainability (e.g. environmental performance) parameters. A variable portion of between 30% and 40% of the variable remuneration under the MBO plan is normally related to the common EBIT objective. The plan in question envisages, with regard to the EBIT objective, the payment of remuneration according to the objective achievement range. There is an entry threshold if 80% of the target is reached, entitling the employee to 70% of the variable remuneration, and an extra bonus if the target is exceeded by more than 15%, entitling the employee to a bonus of between 2.1% and 2.8% of gross annual remuneration. For the portion of the variable component of the MBO plan, the payment of which is linked to the achievement of the other objectives, no ranges are routinely provided according to the level of achievement of the target.

The MBO plan includes malus and/or claw back clauses in the event that the objectives of the plan were achieved on the basis of data that later proved to be incorrect.

The allocation of the variable component under the MBO plan is conditional on continued employment until the end of the vesting period.

The objectives of the Chief Executive Officer and of the Executives with strategic responsibilities are decided by the Board of Directors, at the suggestion of the Remuneration and Nomination Committee, in accordance with the budget.

The objectives of the other beneficiaries of the incentive plans are defined by the Chief Executive Officer, in accordance with the budget.

The Board of Directors, at the proposal of the Remuneration and Nomination Committee and subject to the opinion of the Board of Statutory Auditors in the cases referred to in Art. 2389 of the Italian Civil Code, may decide to pay a one-off bonus to Directors holding specific positions and/or to Executives with strategic responsibilities. The resolution must be motivated and justified by exceptional



circumstances, consistent with the objectives of the remuneration policy and, in particular, with that of pursuing the sustainable success of the company. In no case may the one-off bonus exceed 50% of the fixed annual component of the remuneration of the Director holding specific positions or the Executive with strategic responsibilities concerned.

Non-executive directors are not paid any variable remuneration.

#### LONG-TERM VARIABLE COMPONENT

The remuneration policy envisages the adoption of long-term incentive plans based on financial instruments.

The beneficiaries, if not already identified in the incentive plan, are identified by the Board of Directors among the members of the Board of Directors and/or among the managers of the Company or its Subsidiary companies who hold or will hold key positions in the implementation of the Business Plan. In the case of the Chief Executive Officer and/or Executives with strategic responsibilities of the Company, the identification is made on the suggestion of the Remuneration and Nomination Committee.

The Board of Directors identifies the total number of rights to be assigned to each beneficiary (within the limits set by the Shareholders' Meeting).

The incentive plan normally provides for a multi-year vesting period, with subsequent allocation of the financial instruments.

On the basis of the remuneration policy, the total or partial allocation of financial instruments is made by the Board of Directors; for the Chief Executive Officer and Executives with strategic responsibilities, the allocation is made at the suggestion of the Remuneration and Nomination Committee.

The allocation of financial instruments is related to predetermined financial and non-financial performance targets measurable (also year by year) and linked to the creation of value for shareholders over a long-term horizon, based on business plans approved by the Board of Directors.

The incentive plan envisages a lock-up period, lasting at least one year, of a portion of the financial instruments allocated to each beneficiary, normally not less than 40% of the total.

The allocation of the shares related to a specific performance target is not envisaged, not even partially, in case of failure to achieve the performance target, within a minimum threshold set by the Board of Directors, which is normally not less than 80%.

The plan can contain catch-all clauses that allow, if the average or cumulative objective or the objective for the last year of the plan is achieved, the allocation of the shares - related to that objective - envisaged for all periods of measurement of that objective set out in the plan.

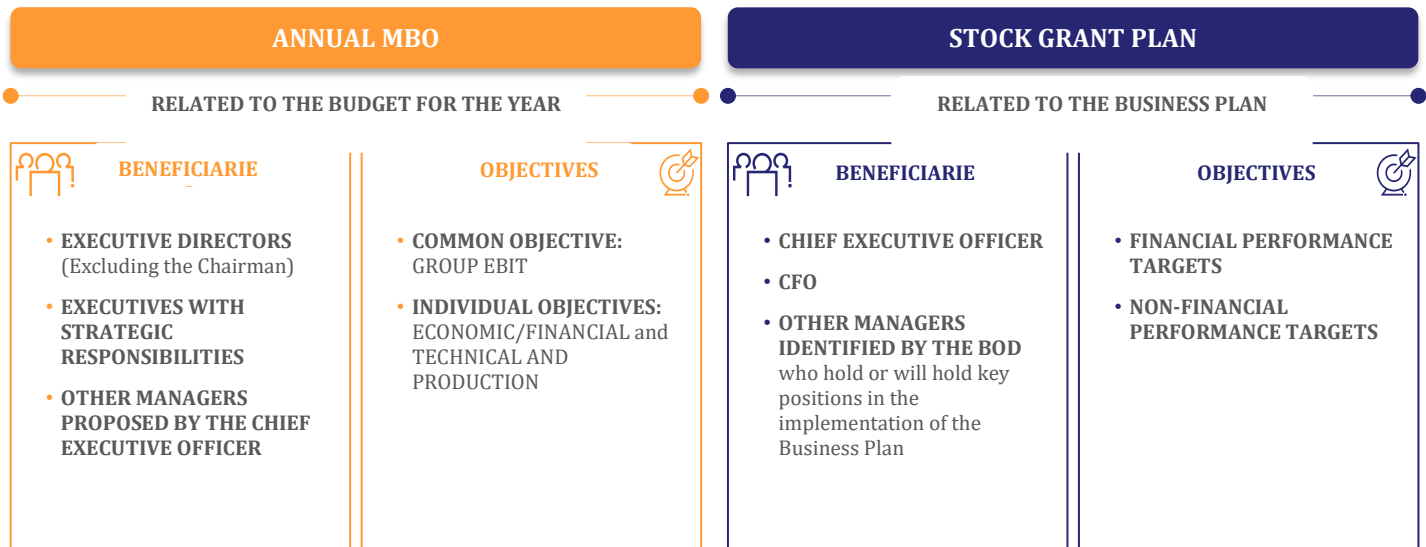
The allocation of the shares is conditional on the continuation of the employment and/or collaboration and/or administration relationship between the beneficiary and the company at the date of approval of the financial statements for the year in which the allocation is envisaged, according to the criteria established by the incentive plan.

The incentive plan provides for malus and/or claw back clauses in the following cases:

- a) the Beneficiary has engaged in fraudulent or grossly negligent behaviour that has caused damage to the assets or image of the Company or its Subsidiaries or the Group;
- b) the beneficiary has affected, by its own fraudulent or grossly negligent behaviour, the achievement of the objectives of the plan;
- c) the objectives of the plan were achieved based on data that later proved to be manifestly incorrect.



Following the Shareholders' Meeting of 6 May 2021, at the suggestion of the Remuneration and Nomination Committee, and after obtaining the opinion of the Board of Statutory Auditors, on 13 May 2021, the Board of Directors approved the regulation of a long-term share-based incentive plan (stock grants) related to performance targets for the three-year period 2021 to 2023. The incentive plan includes the following objectives: an objective based on the Group's EBITDA, to the achievement of which 40% of the attributable shares are linked; an objective based on Return on Investments (ROI), to the achievement of which 35% of the attributable shares are linked; social and environmental sustainability objectives, to the achievement of which 25% of the attributable shares are linked.



COMPONENTS OF THE REMUNERATION		CORPORATE OFFICES	
		Executive directors and Other executives with strategic responsibilities	Other persons identified by the CEO/BoD
<b>VARIABLE COMPONENTS</b>	<b>SHORT-TERM VARIABLE COMPONENT</b>	- Annual MBO plan based on achieving a common objective and individual objectives  - Possible one-off bonus	- Annual MBO plan based on achieving a common objective and individual objectives  - Possible one-off bonus
	<b>LONG-TERM VARIABLE COMPONENT</b>	- Stock Grant Plan based on achieving financial and non-financial performance targets (and possibly individual objectives)	- Stock Grant Plan based on achieving financial and non-financial performance targets

**ALLOWANCE FOR EARLY TERMINATION OF EMPLOYMENT**

The current Chief Executive Officer entered into a permanent employment contract with the Company, effective as from 12 September 2017. The managerial employment relationship is regulated by the National Collective Bargaining Agreement for Managers of Companies producing goods and services. In case of early termination of employment at the Company's initiative not due to just cause, a fixed allowance for termination of employment shall be paid, as a redundancy incentive, equal to twice the remuneration including the fixed component and the short-term variable component (MBO). The same allowance is also envisaged in case of resignation for just cause from the office of chief executive officer or from the executive position. There are no specific provisions linking the payment of the termination allowance and the performance of the Company.

Without prejudice to the relationships already in place, the remuneration policy envisages, as a general rule, that the contractual termination-of-employment allowances for the Chief Executive Officer shall not exceed, as a general rule, a maximum of 24 months of the total gross remuneration (including both the gross remuneration as an executive and any gross remuneration for the management position) paid to the chief executive officer, without prejudice to more favourable provisions of any applicable collective bargaining agreement. The remuneration policy also envisages that future agreements with chief executive officers will specify the portion of the termination-of-employment allowance based on the fixed component of remuneration and the portion of the termination-of-employment allowance based on the Company's performance, and provide for specific cases of exclusion of the payment of the termination-of-employment allowance due to the failure to achieve, within pre-defined minimum thresholds, the objectives of the business plan.

There are no agreements for other Directors or other Executives with strategic responsibilities regulating *ex ante* the economic part concerning the early termination of the employment relationship. In case of termination of the relationship for reasons other than just cause or justified reasons by the employer, the Company's remuneration policy allows for consensual agreements to end the relationship in compliance with legal and contractual obligations. These agreements must be approved by the Board of Directors at the suggestion of the Remuneration and Nomination Committee.

The Company does not provide Directors other than the Chief Executive Officer with benefits subsequent to the end of their service.

Non-competition agreements concerning employment relationships are entered into by the Company in accordance with Art. 2125 of the Italian Civil Code.

The Chief Executive Officer in office is bound, as a manager, by a post-contractual non-competition agreement for a period of 12 months following the termination of his employment, which provides for a fixed annual fee paid during the term of employment in monthly instalments, with a fixed guaranteed minimum threshold equal in total to slightly less than half of the gross annual fee paid to the Chief Executive Officer as a manager. The non-competition agreement is protected by a fixed penalty for breach, without prejudice to the possibility of compensation for greater damages. There is no link between the corporate performance and the payment of the fee for the non-competition agreement.

Based on the remuneration policy, non-competition agreements are also envisaged with certain Executives with strategic responsibilities, the terms of which were approved by the Board of Directors, after obtaining the opinion of the Remuneration and Nomination Committee. These agreements have a duration of 24 months following the termination of the employment relationship and provide for annual fees, paid during the employment relationship in monthly instalments, equal to 10% of the gross annual remuneration. There is no link between the corporate performance and the payment of fees for non-competition agreements.

The termination of the employment or collaboration relationship with the Chief Executive Officer, the other Directors and the Executives with Strategic Responsibilities - if they are beneficiaries of incentive plans based on financial instruments - determines the effects indicated above under "LONG-TERM VARIABLE COMPONENT".

The remuneration policy does not envisage the assignment or maintenance of non-monetary benefits, nor the signing of consultancy contracts, for periods after the termination of the relationship with the Chief Executive Officer, other Directors or Executives with Strategic Responsibilities.

COMPONENTS OF THE REMUNERATION	CORPORATE OFFICES				
	Executive Directors	Non-Executive Directors	Members of committees within the BoD	Executives with strategic responsibilities	Statutory Auditors
<b>ALLOWANCE FOR EARLY TERMINATION OF EMPLOYMENT</b>	- Remuneration for non-competition agreement (only for Chief Executive Officer)	N/A	N/A	- Remuneration for non-competition agreement	N/A

### NON-MONETARY BENEFITS

**Third-party civil liability insurance policy:** The Company has taken out a third-party civil liability insurance policy in favour of directors, statutory auditors and executives for unlawful acts committed in the carrying-out of their respective duties, in violation of obligations established by law and the Articles of Association, with the sole exclusion of deliberate intent. The taking-out of this policy is approved by the Shareholders' Meeting.

**Life insurance policy and cover for medical expenses:** The Company also provides a life insurance policy and cover for medical expenses (FASI) for executives, as established by the Collective National Contract for Industrial Managers; moreover, it has taken out an additional policy to cover medical expenses not covered by FASI reimbursements.

**Company cars:** At the suggestion of the Remuneration and Nomination Committee, the Board of Directors also assigns company cars to executives.

**Accommodation costs:** At the suggestion of the Remuneration and Nomination Committee, the Board of Directors can provide for housing to be made available to executives, for the possibility to reimburse the rent of the house or for the temporary reimbursement of the costs of accommodation in a hotel.

### ENTRY BONUS

With the aim of attracting highly professional individuals, the Board may decide to give entry bonuses to newly hired executives.

### CLAW BACK AND MALUS CLAUSES

As from 2018, the Company established mechanisms for the ex-post adjustment of the variable remuneration component or claw back clauses to demand the return of all or part of the variable components of remuneration paid out (or to withhold deferred sums), which were determined on the basis of data subsequently found to be clearly incorrect. In this regard, please see item "SHORT-TERM VARIABLE COMPONENT" and "LONG-TERM VARIABLE COMPONENT" of the remuneration policy.

### REMUNERATION FOR OFFICES IN SUBSIDIARIES

Directors and other executives with strategic responsibilities may be paid remuneration – exclusively as a fixed amount – for offices held in subsidiaries. In addition to the approval of the subsidiaries' corporate bodies, this remuneration is subject to the favourable opinion of the Remuneration and Nomination Committee.

**RATIOS BETWEEN FIXED AND VARIABLE COMPONENT AND BETWEEN SHORT-TERM AND LONG-TERM VARIABLE COMPONENT**

Based on the remuneration policy, where a variable component is recognised due to the total achievement of objectives, the overall remuneration is structured as follows:

- (i) the gross annual fixed component of <sup>1</sup> remuneration varies between a minimum of 44% and a maximum of 59%, with an average incidence of 51.5%;
- (ii) the short-term variable component varies between a minimum of 11% and a maximum of 14%, with an average incidence of 12.5%;
- (iii) the long-term variable component, in the event of achieving the highest of the expected performance targets, varies between a minimum of 30% and a maximum of 42%, with an average incidence of 36%.

COMPONENTS OF THE REMUNERATION		CORPORATE OFFICES			
		Executive Directors	Non-Executive Directors	Executives with strategic responsibilities	Statutory Auditors
<b>BENEFITS AND OTHER COMPONENTS</b>	<b>NON-MONETARY BENEFITS</b>	> Third-party liability insurance policy	> Third-party liability insurance policy	> Third-party liability insurance policy  > Life insurance policy to cover medical expenses (FASI), supplementary medical expenses  > Company cars	> Third-party liability insurance policy
	<b>OFFICES IN SUBSIDIARIES</b>	> Fixed remuneration for offices in subsidiaries	N/A	> Fixed remuneration for offices in subsidiaries	N/A

<sup>1</sup> To be intended as the result of the sum of the fixed component established by the remuneration policy (including the remuneration in case of director and/or gross annual remuneration for employees), fringe benefits, remuneration for offices held in subsidiaries and annual payments for non-competition agreements.

#### **4. Remuneration of the Board of Directors, Chairman and Vice Chairmen of the Board of Directors, Chief Executive Officer, Executives with strategic responsibilities and Board of Statutory Auditors**

##### **REMUNERATION OF THE BOARD OF DIRECTORS**

The Shareholders' Meeting is responsible for determining the annual gross remuneration (maximum amount) due to the Directors, which consists of a fixed amount.

The members of the Board of Director are covered by a third-party civil liability insurance policy for unlawful acts committed in the exercise of their respective duties, in violation of obligations established by law and the Articles of Association, with the sole exclusion of deliberate intent. The taking-out of this policy is approved by the Shareholders' Meeting.

There are no specific remuneration schemes for independent directors.

There is an additional fixed remuneration for directors participating in committees.

##### **REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, OF THE VICE CHAIRMAN AND OF THE HONORARY CHAIRMAN**

No variable remuneration is paid to the Chairman and Vice Chairman of the Board of Directors, but only fixed remuneration in addition to those of directors for special offices held.

There is a fixed remuneration set by the Board of Directors for the Honorary Chairman.

##### **REMUNERATION OF THE CHIEF EXECUTIVE OFFICER**

The remuneration of the Chief Executive Officer includes the following components:

**Fixed remuneration for the office of Director:** the Chief Executive Officer is the recipient of the fixed remuneration for the office of Director (pursuant to Art. 2389 paragraph I Italian Civil Code) and an additional fixed remuneration for the office held.

**Third-party civil liability insurance policy:** The Company has taken out a third-party civil liability insurance policy for unlawful acts committed in the carrying-out of their respective duties, in violation of obligations established by law and the Articles of Association, with the sole exclusion of deliberate intent. The taking-out of this policy is approved by the Shareholders' Meeting.

**Long-term variable component:** the long-term incentive is dependent on the achievement of performance targets, proposed by the Remuneration and Nomination Committee to the Board of Directors, and extends over three years, coinciding with the mandate of the Board of Directors.

If the Chief Executive Officer is also assigned an executive management role within the Sabaf Group, the Board decides on the assignment of the following additional remuneration instruments:

- **Fixed annual gross salary:** the fixed remuneration is determined so that it is sufficient in itself to guarantee an appropriate basic salary level, even in the event that the variable components are not paid owing to a failure to reach the objectives.
- **Non-competition agreement:** assignment of a fixed annual remuneration against the signing of a Non-competition Agreement with the Company.
- **Short-term variable component:** annual incentive, dependent on the achievement of the objectives envisaged by the MBO plan, approved by the Board of Directors at the suggestion of the Remuneration and Nomination Committee. On the occasion of the annual approval, the Board of Directors decides on the maximum amount of the annual variable component, the methods and timing for its payment. The Chief Executive Officer may be paid a one-off bonus under the conditions and within the limits set out in the remuneration policy.

- **Benefits:** the benefits envisaged for the management of the Company can be assigned: Life insurance policy and cover for medical expenses, assignment of company car; reimbursement of the rent for the house.

#### REMUNERATION OF EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

**Fixed annual gross remuneration:** Employment relationships with Executives with strategic responsibilities are regulated by the Collective National Contract for Industrial Managers. In this regard, fixed remuneration is determined so that it is sufficient in itself to guarantee an appropriate basic salary level, even in the event that the variable components are not paid owing to a failure to reach the objectives.

**Short- and long-term variable components:** Executives with strategic responsibilities are the recipients of short- and long-term incentive plans (cf. paragraph 3). At the time of approval of short- and long-term incentive plans, the Board of Directors is responsible for setting the maximum amounts of variable remuneration, the methods and timing for the payment of this remuneration. Executives with strategic responsibilities can be paid a one-off bonus under the conditions and within the limits set out in the remuneration policy.

**Benefits:** Executives with strategic responsibilities receive the benefits envisaged for the executives of the Company (Life insurance policy and cover for medical expenses); assignment of company car) and are covered by an occupational risk policy.

#### REMUNERATION OF THE BOARD OF STATUTORY AUDITORS

The amount of remuneration for Statutory Auditors is set by the Shareholders' Meeting, which establishes a fixed amount for the Chairman and the other Standing Auditors.

The members of the Board of Statutory Auditors are covered by a third-party civil liability insurance policy for unlawful acts committed in the exercise of their respective duties, in violation of obligations established by law and the Articles of Association, with the sole exclusion of deliberate intent. The taking-out of this policy is approved by the Shareholders' Meeting.

The commitment required of the Board of Statutory Auditors for the performance of its duties can be inferred from the Report on the Corporate Governance System to which reference should be made.

#### **5. Departures from the remuneration policy**

Pursuant to Art. 123-ter (3)- bis of the TUF, in the presence of exceptional circumstances (as defined below), the company may temporarily depart from the remuneration policy, with regard to the provisions concerning long-term variable remuneration and allowance for early termination of employment, referred to in paragraph 4 of the remuneration policy.

The departure may only be made in compliance with the procedures of Consob Regulation no. 17221 of 12 March 2010 (Related party Transactions).

Exceptional circumstances are only situations where the departure from the remuneration policy is required to pursue the long-term interests and sustainability of the company as a whole or to ensure its ability to stay in the market (such as, for example, the need to attract and/or retain key management figures or the need to incentivise key management figures in office with regard to specific industrial objectives that, in contingent conditions, are of particular importance).

#### **6. Further details of the remuneration policy**

The remuneration of the directors, both executive and non-executive, and of the members of the control body was defined taking into account the remuneration practices of industrial companies of similar size listed on the STAR segment, including in particular the following: Reno De Medici S.p.A., La Doria S.p.A., Aquafil S.p.A., Retelit S.p.A., GEDI S.p.A., Elica S.p.A., Massimo Zanetti Beverage Group S.p.A., Aeffe S.p.A.,

Prima Industrie S.p.A., B&C Speakers S.p.A., Emak S.p.A., Openjobmetis S.p.A., Landi Renzo S.p.A., Gefran S.p.A. .

The current remuneration policy was approved by the Shareholders' Meeting on 6 May 2021 and will last three years. No changes were made to the version submitted to this Shareholders' Meeting during 2021.



## Section II – REMUNERATION PAID

This section, by name of Directors and Statutory Auditors:

- describes each of the items that make up the remuneration, showing their consistency with the remuneration policy of Sabaf and the ways in which remuneration contributes to the Company's long-term results;
- analytically illustrates the remuneration paid in the financial year under review (2021), for any reason and in any form, by the Company or by subsidiaries or affiliates, identifying any components of this remuneration that relate to activities undertaken in previous years to the year under review.

### FIRST PART

#### **The components of the remuneration paid to directors for 2021**

The Directors in office for the year 2021 have been paid a fixed annual gross remuneration of €22,000 per unit. The following additional remuneration was also paid for the offices held or attendance to Committees set up within the Board:

- €80,000 to the Chairman Claudio Bulgarelli;
- €10,000 to the Vice Chairman Nicla Picchi;
- €8,000 to the Chief Executive Officer Pietro Iotti;
- €21,000 to each member of the Control, Risk and Sustainability Committee (Nicla Picchi, Carlo Scarpa and Daniela Toscani)
- €16,000 to each member of the Remuneration and Nomination Committee (Daniela Toscani, Alessandro Potestà and Stefania Triva).

A fixed remuneration component for employment and a fixed remuneration for offices in subsidiaries are paid to executive directors appointed as executives.

With reference to variable components, which are intended only for executive directors, the following is pointed out:

- a) In relation to the annual variable incentive plan established for 2020, remuneration of €94,721 accrued in the previous financial year (and disbursed in 2021). Specifically:
  - the Chief Executive Officer, Pietro Iotti, accrued variable remuneration of €70,000 for the partial achievement of the objectives of the 2020 MBO plan. The business objective, represented by the budget EBIT, was achieved in the 100% range of the budget accruing remuneration equal to 100% of the total EBIT component; individual objectives were achieved at 50%.
  - the Director, Gianluca Beschi, accrued variable remuneration of €24,721 for the partial achievement of the objectives of the 2020 MBO plan. The business objective, represented by the budget EBIT, was achieved in the 100% range of the budget accruing remuneration equal to 100% of the total EBIT component; individual objectives were achieved at 50%.
- b) With reference to the annual variable incentive plan established for 2021, remuneration of €130,900 accrued in 2021. Specifically:

- the Chief Executive Officer, Pietro Iotti, accrued variable remuneration of €86,800 for the partial achievement of the objectives of the 2021 MBO plan. The business objective, represented by the budget EBIT, was achieved in the highest range (exceeding the budget by more than 15%), individual objectives were achieved at 33.33%.
  - the Director, Gianluca Beschi, accrued variable remuneration of €44,100 for the partial achievement of the objectives of the 2021 MBO plan. The business objective, represented by the budget EBIT, was achieved in the highest range (exceeding the budget by more than 15%), individual objectives were achieved at 33.33%.
- c) With reference to the 2018-2020 stock grant plan, whose beneficiaries include the Chief Executive Officer and Director Gianluca Beschi, following the partial achievement of the objectives and the verification of the existence of the conditions set out in the Regulations of the plan, in May 2021 the shares were allocated to the beneficiaries of Cluster 1.
- d) With reference to the 2021-2023 stock incentive plan, whose beneficiaries include the Chief Executive Officer and Director Gianluca Beschi, rights to receive shares have been assigned, the allocation of which is subject to the achievement of company targets (based on EBITDA, ROI and sustainability targets) over the three-year period 2021 to 2023 consistent with the objectives of the Business Plan. For further details, please refer to the information contained in the Information Document prepared pursuant to Art. 114-*bis* of Legislative Decree no. 58 of 24 February 1998, of Art. 84-*bis* of Consob resolution no. 11971/99, submitted to the Shareholders' Meeting on 6 May 2021.

In compliance with point no. 3 of the remuneration policy, the Board of Directors, at the suggestion of the Remuneration Committee, resolved to award a one-off bonus of €142,400 to the Chief Executive Officer Pietro Iotti and €79,400 to director Gianluca Beschi for their efforts to limit the impact of the pandemic crisis and for achieving results that far exceeded targets.

The proportion of fixed and variable remuneration paid during the 2021 financial year within the total remuneration of executive directors is as follows:

- Chief Executive Officer Pietro Iotti: fixed remuneration 89%, variable remuneration 11%;
- Director Gianluca Beschi: fixed remuneration 93%, variable remuneration 7%.

For details of the elements included in this calculation, please refer to the Tables contained in the second part of this Report.

Note that, during 2021, with regard to executive directors:

- no indemnity and/or other benefits were granted for the transfer of office or termination of employment;
- no ex-post correction mechanisms were applied to the variable remuneration component;
- there were no departures from the remuneration policy.

### **Remuneration to the Honorary Chairman for 2021**

On 6 May 2021, the Board of Directors appointed Giuseppe Saleri, the founder and historical Chairman of the Company, as permanent Honorary Chairman, awarding him a gross annual remuneration of €70,000.

### **Remuneration of Statutory Auditors for 2021**

The remuneration paid to the Statutory Auditors consists of a fixed remuneration determined by the Shareholders' Meeting of 6 May 2021, amounting to a total of €77,000, 8/12 of which accrued during the first year of office (€51,333). For the first four-month period, the remuneration accrued by the Statutory Auditors in office until 6 May 2021 was €23,517.

### **The remuneration of other executives with strategic responsibilities for 2021**

The remuneration of other executives with strategic responsibilities (Technical Director and two Sales Managers) consists of a fixed remuneration for employment totalling €420,743, and following variable remuneration:

- a) With reference to the variable incentive plan (MBO) of 2020, during 2021, remuneration totalling €76,359 was paid for the partial achievement of the objectives of the 2020 MBO plan. The business objective, represented by the budget EBIT, was achieved in the 100% range of the budget accruing remuneration equal to 100% of the total; individual objectives were achieved on average by 80%.
- b) With reference to the variable incentive plan (MBO) for 2021, remuneration totalling €110,584 accrued for the partial achievement of the objectives of the 2021 MBO plan. Its payment is deferred and dependent upon the continuation of the employment relationship. The business objective, represented by the budget EBIT, was achieved in the highest range (exceeding the budget by more than 15%), individual objectives were achieved on average by 93%.
- c) With reference to the 2018-2020 stock grant plan, whose beneficiaries include the Executives with Strategic Responsibilities, following the partial achievement of the objectives and the verification of the existence of the conditions set out in the Regulations of the Plan, in May 2021 the shares were allocated to the beneficiaries of Cluster 1.
- d) With reference to the 2021-2023 stock incentive plan, whose beneficiaries include the Executives with Strategic Responsibilities, rights to receive shares have been assigned, the allocation of which is subject to the achievement of company targets (based on EBITDA, ROI and sustainability targets) over the three-year period 2021 to 2023 consistent with the objectives of the Business Plan. For further details, please refer to the information contained in the Information Document prepared pursuant to Art. 114-*bis* of Legislative Decree no. 58 of 24 February 1998, of Art. 84-*bis* of Consob resolution no. 11971/99, submitted to the Shareholders' Meeting on 6 May 2021.

In compliance with point no. 3 of the remuneration policy, the Board of Directors, at the suggestion of the Remuneration Committee, during 2021 resolved to award a one-off bonus to Executives with

strategic responsibilities amounting to €74,200 for their efforts to limit the impact of the pandemic crisis on the Group's results.

Remuneration totalling €93,500 was also disbursed by subsidiaries.

The proportion of fixed and variable remuneration paid during the 2021 financial year within the total remuneration is as follows; fixed remuneration 89%, variable remuneration 11%.

For details of the elements included in this calculation, please refer to the Tables contained in the second part of this Report.

Note that, during 2021, with regard to Executives with Strategic Responsibilities:

- no indemnity and/or other benefits were granted for the termination of employment;
- no ex-post correction mechanisms were applied to the variable remuneration component;
- there were no departures from the remuneration policy.

### **Comparison with previous years**

<i>(amounts in €/000)</i>	<b>% change 2020 vs. 2019</b>	<b>% change 2021 vs. 2020</b>
Chief Executive Officer Pietro Iotti <i>Total remuneration (a)</i>	+6.8%	+24.8%
Director Gianluca Beschi <i>Total remuneration (b)</i>	+17.9%	+22.3%
Executives with strategic responsibilities <i>Total remuneration (c)</i>	+10.1%	+5.8%
Sabaf Group turnover	+18.6%	+42.4%
Sabaf S.p.A. turnover	+8.1%	+40.4%
Sabaf Group EBITDA	+37.2%	+45.9%
Sabaf S.p.A. EBITDA	+20.5%	+45.9%
Sabaf Group EBIT	+68.9%	+86.7%
Sabaf S.p.A. EBIT	+124.2%	+109.3%
Sabaf Group Profit	+40.8%	+71.2%
Sabaf S.p.A. Profit	+67.7%	+56.7%
Average gross annual remuneration of employees <i>(excluding persons marked with a), b), and c) in this table)</i>	+0.1%	+10.3%

### **2021 Shareholders' voting**

The Ordinary Shareholders' Meeting, held on 6 May 2021, approved the second section of the Report on remuneration policy and remuneration paid for 2020, with an advisory vote pursuant to and for the purposes of Art. 123 paragraph 6 of Legislative Decree No. 58/1998, as amended by Legislative Decree 49/19.

<b>Result of the voting</b>	<b>2021</b>
For	84.8%
Against	15.2%
Abstention	0%
Non-voters	0%

There were no indications from Shareholders to be considered for the purposes of this Report.

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## SECOND PART

For a breakdown of the remuneration paid in 2021, please refer to the tables below (Table 1, Table 2 and Table 3), which contain remuneration paid to Directors and Statutory Auditors, and, at the aggregate level, to other executives with strategic responsibilities, taking into account any office held for a fraction of a year. Remuneration received from subsidiaries and/or affiliates, with the exception of that waived or paid back to the Company, is also indicated separately.

With particular reference to **Table 1**, the column:

- "Fixed remuneration" shows, for the portion attributable to 2021, the fixed remuneration approved by the Shareholders' meeting (and distributed with resolution of the Board of Directors), including the remuneration received for the carrying-out of special offices (pursuant to Art. 2389, paragraph 3, Italian Civil Code. attendance fees as approved by the Board of Directors; employee salaries due for the year gross of social security contributions and income taxes owed by the employee.
- "Remuneration for attendance at Committee meetings", shows, for the portion relating to 2021, the remuneration due to directors who attended the meetings of the Committees set up within the Board and the related attendance fees.
- "Bonus and other incentives" includes the variable remuneration accrued during the year, for monetary incentive plans. This value corresponds to the sum of the amounts provided in Table 3 in the "Bonus for the year - payable/paid", "Bonus of previous years - payable/paid" and "Other bonuses" columns.
- "Non-monetary benefits" shows, according to accrual and tax liability criteria, the value of outstanding insurance policies and the company cars assigned.
- "Other remuneration" shows, for the portion attributable to 2021, any other remuneration resulting from other services provided.
- "Total" shows the sum of the amounts provided under the previous items.

For a breakdown of other items, see attachment 3A, statement 7-bis and 7-ter of Consob Regulation 11971 of 14 May 1999.

**Table 2** shows the information relating to the stock grant plan approved by the Shareholders' Meeting and aimed at the Group's executive directors and executives who hold or will hold key positions in the implementation of the Business Plan. Specifically, the column:

- "Financial instruments assigned in previous financial years not vested during the financial year" shows the financial instruments assigned in previous years and not vested during the year, indicating the vesting period;
- "Financial instruments assigned during the financial year" shows the financial instruments assigned during the year, indicating the fair value at the assignment date, the vesting period, the assignment date and the market price at the assignment;
- "Financial instruments vested during the year and not assigned" shows the number and type of instruments vested during the financial year and not assigned;
- "Financial instruments vested during the year and attributable" contains information on instruments vested during the financial year of reference and attributable, indicating the value at the vesting date.

"Vesting period" means the period between the time when the right to participate in the incentive scheme is assigned and the time when the right accrues. Financial instruments vested during the financial year and not assigned are financial instruments for which the vesting period ended during the financial year and which were not assigned to the recipient for failure to meet the conditions under which the assignment of the instrument was conditional (for example, failure to meet performance targets).

The value at the vesting date is the value of the financial instruments accrued, even if not yet paid (for example, due to the presence of lock up clauses), at the end of the vesting period.

For a breakdown of other items, see attachment 3A, statement 7-bis and 7-ter of Consob Regulation 11971 of 14 May 1999.

**Table 3** contains information on monetary incentive plans for members of the administration body and other executives with strategic responsibilities; in particular, it shows:

For the section "Bonus for the year"

- In the column "payable/paid", the bonus accrued for the year for the objectives reached during the year and paid or payable because not subject to further conditions (known as upfront fee).
- The column "Deferred" shows the bonus dependent on the objectives to be reached during the year but not payable because subject to further conditions (known as deferred bonus).

For the section "Bonus of previous years"

- The column "No longer payable" shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and no longer payable for failure to meet the conditions to which they are subject.
- The column "Payable/Paid" shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and paid during the year or payable.

- The column “Still deferred” shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and still deferred.

Lastly, the column “Other bonuses” shows the bonuses for the year not explicitly included in specific ex ante defined plans.

Finally, pursuant to Art. 84-*quater*, paragraph four of the Consob Issuers' Regulations, Table 4 shows shareholdings in Sabaf S.p.A. held by directors and executives with strategic responsibilities, as well as their non-separated spouses and dependent children, directly or through subsidiaries, trust companies or third parties, as shown in the shareholder register, communications received and other information acquired from the same parties. This includes all persons who held office during the year, even for only part of the year. The number of shares held is shown by individual director and in aggregate form for executives with strategic responsibilities.



TAB. 1 - Remuneration paid to members of the Board of Directors and Board of Statutory Auditors and other executives with strategic responsibilities in 2021

(figures in euro)

Name and surname	Office	Period of office	Expiry of office	Fixed remuneration	Remuneration for attendance at Committee meetings	Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Allowance for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
<b>Board of Directors</b>												
<b>Claudio Bulgarelli</b>	<b>Chairman</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				102,000 <sup>(a)</sup>	0	0	0	0	0	102,000	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				102,000	0	0	0	0	0	102,000	0	0
<i>(a) of which €20,000 as Director and €80,000 as Chairman</i>												
<b>Nicla Picchi</b>	<b>Vice Chairman</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				32,000 <sup>(a)</sup>	21,000 <sup>(b)</sup>	0	0	0	15,000	68,000	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	5,000	5,000	0	0
(III) Total				32,000	21,000	0	0	0	20,000 <sup>(c)</sup>	73,000	0	0
<i>(a) of which €22,000 as Director and €10,000 as Vice Chairman</i>												
<i>(b) of which €21,000 as a member of the Control, Risk and Sustainability Committee</i>												
<i>(c) of which €15,000 as member of the Sabaf S.p.A. Supervisory Body and €5,000 as member of the Supervisory Body of the subsidiary Faringosi Hinges S.r.l.</i>												
<b>Pietro Iotti</b>	<b>Chief Executive Officer</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				380,000 <sup>(a)</sup>	0	70,000	0	9,966	142,400	602,366	0	0
(II) Remuneration from subsidiaries and affiliates				60,000	0	0	0	0	0	60,000	0	0
(III) Total				440,000	0	70,000	0	9,966	142,400	662,366	0	0
<i>(a) of which €22,000 as director, €8,000 as Chief Executive Officer, and €350,000 as General Manager (including €30,000 relating to Remuneration for non-competition agreement)</i>												

Name and surname	Office	Period of office	Expiry of office	Fixed remuneration	Remuneration for attendance at Committee meetings	Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Allowance for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
<b>Gianluca Beschi</b>	<b>Director</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				222,000 <sup>(a)</sup>	0	24,721	0	5,189	79,400	331,310	0	0
(II) Remuneration from subsidiaries and affiliates				74,000	0	0	0	0	0	74,000	0	0
(III) Total				296,000	0	24,721	0	5,189	79,400	405,310	0	0
<i>(a) of which €22,000 as director and €200,000 as CFO</i>												
<b>Carlo Scarpa</b>	<b>Director</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				22,000 <sup>(a)</sup>	21,000 <sup>(b)</sup>	0	0	0	0	43,000	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				22,000	21,000	0	0	0	0	43,000	0	0
<i>(a) of which €22,000 as Director</i>												
<i>(b) of which €21,000 as a member of the Control, Risk and Sustainability Committee</i>												
<b>Alessandro Potestà <sup>(c)</sup></b>	<b>Director</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				22,000 <sup>(a)</sup>	16,000 <sup>(b)</sup>	0	0	0	0	38,000	0	0
(I) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				22,000	16,000	0	0	0	0	38,000	0	0
<i>(a) of which €22,000 as director</i>												
<i>(b) €16,000 as a member of the Remuneration and Nomination Committee</i>												
<i>(c) the remuneration paid to the Director Alessandro Potestà is paid to the company Quaestio Capital Management SGR S.p.A.</i>												
<b>Cinzia Saleri</b>	<b>Director</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				22,000 <sup>(a)</sup>	0	0	0	0	0	22,000	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				22,000	0	0	0	0	0	22,000	0	0
<i>(a) of which €22,000 as director</i>												

Name and surname	Office	Period of office	Expiry of office	Fixed remuneration	Remuneration for attendance at Committee meetings	Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Allowance for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
<b>Daniela Toscani</b>	<b>Director</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				22,000 <sup>(a)</sup>	37,000 <sup>(b)</sup>	0	0	0	0	59,000	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				22,000	37,000	0	0	0	0	59,000	0	0
<i>(a) of which €22,000 as director</i>												
<i>(b) of which €21,000 as a member of the Control, Risk and Sustainability Committee and €16,000 as a member of the Remuneration and Nomination Committee</i>												
<b>Stefania Triva</b>	<b>Director</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				22,000 <sup>(a)</sup>	16,000 <sup>(b)</sup>	0	0	0	0	38,000	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				22,000	16,000	0	0	0	0	38,000	0	0
<i>(a) of which €22,000 as director</i>												
<i>(b) €16,000 as a member of the Remuneration and Nomination Committee</i>												
<b><u>Directors no longer in office during the year under review</u></b>												
<b>Giuseppe Saleri</b>	<b>Chairman</b>	1 Jan - 6 May 2021	Approval of 2020 financial statements									
(I) Remuneration at Sabaf S.p.A.				0	0	0	0	0	0	0	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				0	0	0	0	0	0	0	0	0

Name and surname	Office	Period of office	Expiry of office	Fixed remuneration	Remuneration for attendance at Committee meetings	Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Allowance for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
<b>Board of Statutory Auditors</b>												
<b>Alessandra Tronconi</b>	<b>Chairman</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				32,000	0	0	0	0	0	32,000	0	0
(II) Remuneration from subsidiaries and affiliates				9,000	0	0	0	0	0	9,000	0	0
(III) Total				41,000	0	0	0	0	0	41,000	0	0
<b>Mauro Giorgio Vivenzi</b>	<b>Statutory Auditor</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				21,333	0	0	0	0	0	21,333	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				21,333	0	0	0	0	0	21,333	0	0
<b>Maria Alessandra Zunino de Pignier</b>	<b>Statutory Auditor</b>	1 Jan - 31 Dec 2021	Approval of 2023 financial statements									
(I) Remuneration at Sabaf S.p.A.				14,667	0	0	0	0	0	14,667	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				14,667	0	0	0	0	0	14,667	0	0
<b>Auditors no longer in office during the year under review</b>												
<b>Luisa Anselmi</b>	<b>Statutory Auditor</b>	1 Jan - 6 May 2021	Approval of 2020 financial statements									
(I) Remuneration at Sabaf S.p.A.				6,850	0	0	0	0	0	6,850	0	0
(II) Remuneration from subsidiaries and affiliates				0	0	0	0	0	0	0	0	0
(III) Total				6,850	0	0	0	0	0	6,850	0	0

**Other executives with strategic responsibilities**

Name and surname	Office	Period of office	Expiry of office	Fixed remuneration	Remuneration for attendance at Committee meetings	Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Allowance for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
<b>Other executives with strategic responsibilities (3)</b>		1 Jan - 31 Dec 2021	N/A									
(I)	Remuneration at Sabaf S.p.A.			420,743 <sup>(a)</sup>	0	76,359	0	14,866	72,400	584,368	0	0
(II)	Remuneration from subsidiaries and affiliates			93,500	0	0	0	0	0	93,500	0	0
(III)	Total			514,243	0	76,359	0	14,866	72,400	677,868	0	0

*(a) remuneration including €44,613 related to Remuneration for non-competition agreement*

**TAB. 2 - Incentive plans based on financial instruments, other than stock options, for members of the board of directors, general managers and other executives with strategic responsibilities**

(figures in euro)

Name and surname	Office	Plan	Financial instruments assigned in previous financial years not vested during the financial year		Financial instruments assigned during financial year					Financial instruments vested during financial year and not assigned	Financial instruments vested during financial year and assigned		Financial instruments pertaining to the financial year
			Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair Value at the assignment date	Vesting period	Assignment date	Market price on assignment	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Pietro Iotti	Chief Executive Officer	2018 Stock Grant Plan (May 2018)	0	-	-	-	-	-	-	99,478 rights corresponding to 99,478 shares	10,545 rights corresponding to 10,545 shares	233,814	-
		2021 Stock Grant Plan (May 2021)	0	-	62,000 rights corresponding to 62,000 shares	932,480	3 years	13/05/2021	€23.60 / share	0	0	-	222,019
Gianluca Beschi	Director	2018 Stock Grant Plan (May 2018)	0	-	-	-	-	-	-	59,687 rights corresponding to 59,687 shares	6,327 rights corresponding to 6,327 shares	140,289	-
		2021 Stock Grant Plan (May 2021)	0	-	30,000 rights corresponding to 30,000 shares	451,200	3 years	13/05/2021	€23.60 / share	0	0	-	107,429

**Other executives with strategic responsibilities (3)**

Remuneration at Sabaf S.p.A.	2018 Stock Grant Plan (May 2018)	0	-	-	-	-	-	-	95,925 rights corresponding to 95,925 shares	10,167 rights corresponding to 10,167 shares	225,433	-
	2021 Stock Grant Plan (May 2021)	0	-	45,000 rights corresponding to 45,000 shares	676,800	3 years	13/05/2021	€23.60 / share	0	0	-	161,143
<b>TOTAL</b>					<b>2,060,480</b>						<b>599,536</b>	<b>490,591</b>



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**TAB. 3 - Monetary incentive plans for members of the administration body and other executives with strategic responsibilities**

*(figures in euro)*

Name and surname	Office	Plan	Bonus for the year			Bonus of previous years			Other bonuses
			Payable / Paid	Deferred	Deferment period	No longer payable	Payable / Paid	Still deferred	
<b>Pietro Iotti</b>	<b>Chief Executive Officer</b>								
Remuneration at Sabaf S.p.A.		2020 MBO Plan (March 2021)	0	0		0	70,000	0	0
Remuneration at Sabaf S.p.A.		2021 MBO Plan (March 2022)	0	86,800	March 2022	0	0	0	0
<b>Gianluca Beschi</b>	<b>Executive Director</b>								
Remuneration at Sabaf S.p.A.		2020 MBO Plan (March 2021)	0	0		0	24,721	0	0
Remuneration at Sabaf S.p.A.		2021 MBO Plan (March 2022)	0	44,100	March 2022	0	0	0	0
<b>Other executives with strategic responsibilities (3)</b>									
Remuneration at Sabaf S.p.A.		2020 MBO Plan (March 2021)	0	0		0	76,359	0	0
Remuneration at Sabaf S.p.A.		2021 MBO Plan (March 2022)	0	110,584	March 2022	0	0	0	0
<b>Total</b>			<b>0</b>	<b>241,484</b>		<b>0</b>	<b>171,080</b>		<b>0</b>

**TAB. 4 - Shareholdings of members of the administration and control bodies and other executives with strategic responsibilities**

Surname and Name	Office	Type of Ownership	Investee Company	No. shares held	No. shares acquired	No. shares sold	No. shares held
				At 31 December 2020			At 31 December 2021
Iotti Pietro	Chief Executive Officer	Indirect through the subsidiary Petrae S.r.l.	Sabaf S.p.A.	122,300	1,000	-	123,300
		Direct	Sabaf S.p.A.	23,700	12,945	-	36,365
Toscani Daniela	Director	Indirect through spouse	Sabaf S.p.A.	2,419	-	-	2,419
		Direct	Sabaf S.p.A.	498	-	-	498
Bulgarelli Claudio	Director	Indirect through the company Fintel S.r.l.	Sabaf S.p.A.	868,827	9,124	-	877,951
		Direct	Sabaf S.p.A.	1,567	-	-	1,567
Vivenzi Mauro Giorgio	Statutory Auditor	Indirect through spouse	Sabaf S.p.A.	600	-	-	600
Gianluca Beschi	Director	Direct	Sabaf S.p.A.	-	6,327	-	6,327
No. 3 Executives with Strategic Responsibilities		Direct	Sabaf S.p.A.	-	10,167	6,000	4,167