



**The Wellness Company**

**TECHNOGYM S.p.A.**

*Registered office in Cesena (FC), Via Calcinaro no. 2861 - Share Capital Euro 10,066,375.00,  
fully paid-up*

*Register of Companies of Forlì-Cesena, tax code and VAT number 06250230965*

*Institutional website: [corporate.technogym.com](http://corporate.technogym.com)*

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

**Pursuant to Art. 123-ter of Italian Legislative Decree no. 58/1998**

**Approved by the Board of Directors on 23 March 2022**

## INTRODUCTION

This Report on the remuneration policy and compensation paid (the “**Report**”) of Technogym S.p.A. (the “**Company**” or “**Technogym**”), approved on 23 March 2022 by the Board of Directors on the proposal of the Remuneration Committee - in compliance with Art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the “**TUF**”, or the Consolidated Finance Law), Art. 84-*quater* of the regulation on issuers adopted by Consob by Resolution no. 11971 of 14 May 1999, as amended and supplemented (the “**Issuers’ Regulation**”), *as well as taking into account the recommendations of the Corporate Governance Code of listed companies, approved in January 2020 (the “Corporate Governance Code” or “Code”)*, which Technogym has adopted - includes:

- (i) in the first section, the illustration of the remuneration policy for the year 2022 (the “**Policy**” or “**Remuneration Policy**”) for (a) the members of the Board of Directors of Technogym (the “**Directors**”), distinguishing between executive and non-executive directors, (b) the standing members of the Board of Statutory Auditors of the Company (the “**Statutory Auditors**”), and (c) the key managers of the Company and of the Technogym Group (the “**Group**”), i.e., the parties that have the power and responsibility - directly or indirectly - for planning, managing and controlling the activities of the Company and of the Technogym Group, according to the definition pursuant to Annex 1 of the CONSOB Regulation on transactions with related parties adopted by resolution No. 17221 of 12 March 2010 (the “**Key Managers**”);
- (ii) in the second section, the representation in summary form and in table form of the remuneration for 2021 of Directors, Statutory Auditors and, in aggregate form, Key Managers.

The Policy is one of the main management tools with regard to the remuneration systems of the Company and the Group, in line with *Technology's* governance model.

The Policy also illustrates the procedures adopted by the Company to prepare and approve the Remuneration Policy, the bodies and parties responsible for its implementation.

Based on Art. 84-*quater* of the Issuers’ Regulation, this Report will be made available to the public at the Company’s registered office and on the Company’s website <http://corporate.technogym.com>, Governance/Shareholders’ Meeting 2022 section, as well as at the storage mechanism “eMarket STORAGE”, available at [www.emarketstorage.com](http://www.emarketstorage.com), no later than the twenty-first day prior to the date of the Shareholders’ Meeting called to approve the financial statements for the year 2021.

## **SECTION I - REMUNERATION POLICY FOR THE YEAR 2022**

### **A. COLLECTIVE BODIES AND PARTIES INVOLVED IN THE PREPARATION, APPROVAL AND POSSIBLE REVIEW OF THE REMUNERATION POLICY**

The Remuneration Policy is defined through a process involving the Board of Directors of the Company, the Nomination and Remuneration Committee comprising members of the Board (the “**Nomination and Remuneration Committee**” or the “**Committee**”) and the Ordinary Shareholders’ Meeting of the Company (the “**Shareholders’ Meeting**”).

The bodies involved in terms of remuneration, for the areas for which they are responsible, are the Shareholders’ Meeting, the Board of Directors, the Nomination and Remuneration Committee and the Board of Statutory Auditors.

#### ***SHAREHOLDERS’ MEETING***

With regard to remuneration, the Shareholders’ Meeting:

- (i) resolves, with a binding vote, with respect to the Remuneration Policy referred to in the first section of the Report pursuant to Art. 123-ter, paragraph 3-bis and paragraph 3-ter, of the Consolidated Finance Law and, with a non-binding vote, on the second section of the Report pursuant to Art. 123-ter, paragraph 6, of the Consolidated Finance Law;
- (ii) determines, at the time of appointment and for the entire duration of the mandate, the remuneration of the members of the Board of Directors and the Board of Statutory Auditors;
- (iii) resolves, upon proposal of the Board of Directors, on any remuneration plans based on financial instruments pursuant to Art. 114-bis of the Consolidated Finance Law.

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

The Board of Directors defines the Policy on the basis of the proposal made by the Nomination and Remuneration Committee, and along with the Committee, monitors its implementation, determining, consistently with the policy, the remuneration of Directors holding specific offices, under the proposal of the Committee and with the input of the Board of Statutory Auditors in accordance with Art. 22 of the Articles of Association. In particular, the Board ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the Policy, in light of the results achieved and the other circumstances relevant to its implementation.

In addition, the Board resolves on any remuneration plans based on shares or other financial instruments pursuant to Art. 114-bis of the Consolidated Finance Law and submits them for approval to the Shareholders’ Meeting and, upon authorisation from the latter, sees to their implementation.

#### ***BOARD OF STATUTORY AUDITORS***

With regard to remuneration, the Board of Statutory Auditors expresses the opinions required by the regulations in force with reference, in particular, to the remuneration of Directors vested with special duties pursuant to Art. 2389 of the Italian Civil Code, also verifying the consistency with the remuneration policy adopted by the Company.

## ***NOMINATION AND REMUNERATION COMMITTEE***

With regard to remuneration, the Nomination and Remuneration Committee has also been assigned the following tasks:

- a) to make proposals to the Board of Directors on the remuneration policy for Directors and Key Managers;
- b) to assess, at regular intervals, the appropriateness, overall consistency and practical application of the remuneration policy for Directors and Key Managers, making use in this regard of the information provided by the delegated Directors, and verify, in particular, the actual achievement of the performance objectives;
- c) to make proposals or express opinions to the Board of Directors on the remuneration of the Executive Directors and the other Directors holding specific offices, as well as on the specification of performance objectives for the variable component of such remuneration.

## **B. REMUNERATION AND APPOINTMENT COMMITTEE AND ANY ADDITIONAL MEASURES INTENDED TO AVOID OR MANAGE CONFLICTS OF INTEREST**

By Resolution of 16 March 2016, the Board of Directors of the Company established, with effect from the first day of trading of the shares on the Stock market (i.e., 3 May 2016), the Appointment and Remuneration Committee, approving the related internal regulation (last amended on 7 May 2021 to take into account the provisions of the Corporate Governance Code) – available to the public and on the Company's website <https://corporate.technogym.com/en/governance/committees> and <https://corporate.technogym.com/en/governance/rules-and-procedures> – which governs the composition, duties and operating methods of the Committee.

The Board of Directors of the Company appointed by the Ordinary Shareholders' Meeting of 5 May 2021, proceeded, during the Board meeting of 7 May 2021, to appoint the new members of the internal board committees; therefore, the Appointment and Remuneration Committee in office, at the date of approval of this Policy, is composed of the following three non-executive Directors, two of whom are independent: Vincenzo Giannelli (Independent Director, appointed as Chair), Melissa Ferretti Peretti (Independent Director, appointed as Deputy Chair of the Committee) and Luca Martines (Independent Director). It should be noted that, in its capacity as a Committee established within the Board of Directors, the Appointment and Remuneration Committee has the same duration as the Board itself and, therefore, its expiry date coincides with the date of approval of the Financial Statements for the year that ended 31 December 2023, unless otherwise decided.

In addition to the remuneration duties indicated in the previous paragraph, the Appointment and Remuneration Committee is entrusted with the following duties regarding appointments:

- a) to formulate opinions to the Board of Directors on the size and composition of the same - as well as on the composition of the internal board committees - and make recommendations regarding the professional figures whose presence within the Board of Directors is deemed appropriate, if requested by the Board of Directors;
- b) to express opinions to the Board of Directors regarding the maximum number of offices as Director or Statutory Auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large companies that can be considered compatible with the effective performance of the office of Director of the Issuer, taking into account the participation of the Directors in the committees established within the Board of Directors;

- c) to make recommendations to the Board of Directors if difficulties arise in the application of the non-competition obligation specified for the Directors by Art. 2390 of the Civil Code;
- d) pursuant to the regulatory and statutory provisions in force, propose to the Board of Directors candidates for the office of Director in cases of co-optation; and
- e) to conduct evaluations on the preparation (and update) of a succession plan for the Executive Directors of the Company, if the Board of Directors decides to adopt this plan and, in this case, assist the Board of Directors in the implementation of such plan;
- f) to examine and evaluate the adequacy of the procedures for the succession of Top Management, if the Board of Directors decides to adopt them;
- g) to conduct the preliminary investigation, formulating opinions and proposals, in order to identify the candidates from which those who will make up the list presented by the outgoing Board will be chosen, if the outgoing Board of Directors, pursuant to regulatory and statutory provisions in force, decides to submit a list of candidates for the renewal of the administrative body; and
- h) to assist the Board in relation to the self-assessment of the Board of Directors and the internal board committees.

The Appointment and Remuneration Committee may access corporate information and departments as necessary to conduct its tasks, and may make use of external consultants, to the extent specified by the Board of Directors.

In order to neutralise any conflicts of interest, in accordance with Recommendation no. 26 of the Corporate Governance Code, no Director takes part in the meetings of the Committee in which proposals relating to their remuneration are formulated, except in the case of proposals concerning the members of the Committees established within the Board of Directors.

### **C. CONSIDERATION OF THE COMPENSATION AND WORKING CONDITIONS OF THE COMPANY EMPLOYEES IN DETERMINING THE REMUNERATION POLICY**

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

In determining the Remuneration Policy for Key Managers, account was taken, in a harmonious and consistent manner, of employees' salaries and working conditions, avoiding the creation of unjustified imbalances.

Technogym also undertakes to offer fixed and variable remuneration, in line with the external market, which reflects the Job Responsibilities of the role held, which enhances the individual skills as well as the professional experience of each employee. The Company periodically monitors the internal fairness of working and remuneration conditions, verifying the consistency of the remuneration packages of similar resources and external competitiveness through comparison with the market.

**D. NAME OF ANY INDEPENDENT EXPERTS WHO CONTRIBUTED TO THE PREPARATION OF THE REMUNERATION POLICY**

For the purpose of defining this Policy, the Company analysed market practices and salary levels, including through data provided by independent experts in aggregate form and without making specific reference to other companies.

**E. PURPOSES PURSUED THROUGH THE REMUNERATION POLICY, PRINCIPLES UNDERLYING IT, DURATION AND, IN THE EVENT OF REVISION, DESCRIPTION OF ANY CHANGES IN THE REMUNERATION POLICY COMPARED TO THE PREVIOUS FINANCIAL YEAR AND HOW SUCH REVIEW TAKES ACCOUNT OF THE VOTES AND OF THE EVALUATIONS BY THE SHAREHOLDERS DURING THE MEETING OR THEREAFTER**

The Company's Remuneration Policy is defined, also in line with the recommendations of the Corporate Governance Code, with the objective of (i) being functional to the pursuit of the Company's sustainable success by promoting the creation of value for Shareholders in the medium-long term, (ii) attracting, retaining and motivating people with the skills and professionalism required by the role covered in the Company and functional to the achievement of the business development objectives and aligning the interests of management with those of the Company and the Shareholders in the medium-long term.

The duration of this Policy is annual.

Substantially adhering to the recommendations of the Code, the Remuneration Policy is based on the following principles:

- a) a balance between the fixed component and the variable component of the remuneration of Key Managers, adequate and consistent with the Company's strategic objectives and risk management policy, also taking into account the characteristics of the business activity and the sector in which it operates, however, providing that the variable portion represents a significant part of the total remuneration; the Company believes that the fixed component is enough to remunerate the performance of the Directors and Key Managers even if, with reference to the latter, the variable component is not paid due to the failure to achieve the performance objectives indicated by the Board;
- b) maximum limits to the payment of the variable part (short and medium-long term) to Key Managers, differentiated according to the role played by the individual within the Company and his/her ability to affect the results of the Company and the Group. In particular, the short-term variable component represented by MBO 2022 (in this regard, refer to Paragraph F.1.1) cannot exceed 60% of the gross annual remuneration, while the medium-term variable component of the single incentive plan (in merit, see Paragraph F.1.2) cannot exceed 25% of the gross annual salary.  
As for the long-term variable component represented by the Challenge Plan (in this regard, refer to Paragraph F.1.2), this cannot exceed 7 times the gross annual salary;
- c) the performance objectives relating to both short-term and medium-term objectives are predetermined, measurable and consistent with the strategic objectives of the Company;
- d) the short-term objectives are aimed at promoting its sustainable success, including, where relevant, also non-financial parameters (such as, for example, the Net Promoter Score or the Employee Satisfaction Index).

The variable component of compensation comprises: (i) a portion tied to short-term criteria (Management by Objectives - MBO, based on the achievement of Group and individual annual results, including also the sustainability KPIs per individual area of competence) and (ii) a portion linked to medium-term criteria (LTIP and Challenge Plan).

The variable component in its entirety and at the minimum level represents approximately 60% of the gross annual global remuneration. The gross annual salary is the sum of the gross annual salary, plus the minimum access level of the MBO, the annual instalment of the LTIP at the minimum level and the annual accrual of the Challenge Plan at the minimum value (assuming, therefore, that the relative bonus is issued in 2025).

There is a deferral between the time of accrual of the right to, and the payment of, the variable component for both the short-term variable component and the assignment of the shares relating to the medium-term variable component. Payment of any premium: (i) relating to the short-term objectives occurs at least four months after the termination of the skills of the relative performance objectives; (ii) relating to the objectives referred to in the Challenge Plan (as *defined* below) takes place within four months of the approval of the consolidated financial statements for the year of achievement of the targets referred to in the Plan itself. The assignment of any shares relating to the medium-term objectives takes place at least six months after the end of the duties of the relative performance objectives. In all cases, the Key Managers must be working at the time of disbursement (and not only when the right is due) in order to receive the bonus.

For non-executive and independent Directors, remuneration is aimed at recognising the required effort and does not include performance-related variable components.

With respect to the remuneration policy approved by the Shareholders' Meeting of 5 May 2021:

- (i) with reference to the medium and long-term variable component:
  - the description of the new medium-term 2022-2024 incentive plan, which will be subjected to the approval of the Shareholders' Meeting called for the approval of the Financial Statements as at 31 December 2021 was added to Paragraph F.1.2 below. Compared to the medium-term incentive plans in place, the only new element referred to in the 2022-2024 Plan (if approved) is represented by the forecast, among the performance objectives, of the Cumulative Free Cash Flow - for the 2022- 2024 period (given by the sum of the Group Free Cash Flow of the three years included in the *vesting period*) - replacing the performance objective (as envisaged by the plans in place) consisting of the Technogym Share Value (given by the arithmetic average of the stock exchange for Technogym ordinary shares of the three months prior to the closing date of the *vesting* period);
  - the description of the new long-term incentive plan called “Challenge” was added to Paragraph F.1.3 below;
- (ii) with reference to 2022 MBO, the main difference compared to the 2021 MBO consists in the increase in the weight of Group KPIs from a maximum of 80% to a maximum of 90%, with a consequent reduction in the weight of individual KPIs from 20% to 10%. In addition, the bonus resulting from the 2022 MBO may not exceed 60% of the gross annual remuneration compared to the 64% cap set in relation to the 2021 MBO;

The Company recognises the importance of the indications and evaluations expressed by stakeholders regarding the remuneration policies. Also in order to take into account the indications of proxy advisors, in this Policy the

Company has: (i) provided a greater level of detail regarding the calculation criteria to be used, in application of the National Collective Labour Agreement (CCNL), for the determination of the amount of the indemnity for Key Managers in the event of termination of the employment relationship (in this regard, please refer in Paragraph M below); and (ii) clarified the cap of the bonus that can be awarded to Key Managers in implementation of the continuity plan (so-called *stability plan*), equal to 25% of the gross annual remuneration of the Manager concerned from time to time.

In addition, with regard to the choice of awarding a fixed amount only to the Chair and Chief Executive Officer, the Company stresses that it has determined this choice to be adequate: the provision, with respect to the latter, of incentive mechanisms aimed at retaining and motivating the Chair and Chief Executive Officer was deemed unnecessary as long as these offices are entrusted to Mr. Nerio Alessandri, in light of the fact that the proprietary relationship in place with the Company in itself guarantees the alignment of the latter's interests with the pursuit of the priority objective of the creation of value for all shareholders and stakeholders. Similar evaluations also apply to the office of Executive Vice-President, which is currently entrusted to Mr. Pierluigi Alessandri.

**F. DESCRIPTION OF THE POLICIES PERTAINING TO FIXED AND VARIABLE REMUNERATION COMPONENTS, WITH PARTICULAR REGARD TO THE INDICATION OF THE RELATIVE WEIGHT WITHIN THE SCOPE OF OVERALL COMPENSATION, AND DISTINGUISHING BETWEEN VARIABLE AND SHORT AND MEDIUM-LONG TERM COMPONENTS.**

Taking into account the criteria and aims pursued by the Policy, the compensation package comprises the following components:

- i) for Directors and Key Managers - fixed part, which has to remunerate the assigned responsibilities, experience and distinctive competencies held, and must be competitive on the market to assure an adequate *retention* level;
- ii) for Key Managers, the Non-Competition Agreement (PNC) is present as a fixed component, paid monthly during their collaboration with the Company; the PNC corresponds to a maximum of 25% of their fixed remuneration and covers up to a maximum of 5 years from the end of the collaboration with the Company;
- iii) for Key Managers - annual variable part, which has to ensure a direct connection between remuneration and performance results and is aimed at rewarding the achievement of corporate and individual objectives (MBO - Management by Objectives) and/or *one-off* bonuses linked to extraordinary results and/or specific non-recurring projects. The aforementioned *one-off* bonuses may not represent more than 25% of the gross annual remuneration of the individual Key Manager.
- iv) for Key Managers – medium-term variable part, which assures the growth of enterprise value and the attainment of results that are sustainable over time, also beyond those defined each year in the budget, the retention of key resources and the alignment of the management's objectives with those of the Shareholders;
- v) for some positions – among Key Managers – long-term variable part in order to align the interest of the Company with the achievement of certain financial results through the involvement and



commitment of top managers, thus aligning the interest of management with that of shareholders’, as well as in order to build loyalty and attract key resources for the business;

- vi) for some positions – among the Key Managers – a continuity plan (*stability plan*) can be defined which rewards longevity in the Company regardless of Company or individual performance indicators through the payment of monetary bonuses at predetermined deadlines which, in any case, cannot exceed 25% of the gross annual salary;
- vii) for Directors and Key Managers – an adequate offer of benefits, in accordance with reference market practices.

Below is a detailed description of the short, medium and long-term incentive policies implemented and/or expected to be implemented in 2022 by the Company, represented by a variable monetary component (MBO Plan), a variable monetary component long-term (Challenge Plan) and a variable component based on medium-term financial instruments.

### **F.1.1 MBO PLAN FOR KEY MANAGERS**

The annual variable component of remuneration is calculated according to procedures established in the 2022 MBO Plan; this plan is defined on the basis of targets to be achieved during the year and parameters (KPIs) against which the targets will be measured.

The 2022 MBO Plan has a short-term incentivising function and is based on achieving Group and individual annual results. The guidelines and policies for the bonus system are defined by the Chair of the Board of Directors in line with the Company’s Development Strategy. The financial indicators the assessment of corporate performance is based on in order to identify the variable compensation allotted to Key Managers are EBIT and the Free Cash Flow (“FCF”) of the Group.

In particular, the awarding of the bonus is subject to the achievement of both the Group’s minimum EBIT and FCF objectives (Gate). If these minimum objectives are achieved, the bonus awarded to each strategic manager will be determined on the basis of the achievement of further goals, both for the Group (also based on the achievement of certain EBIT and FCF values) and for the individual. Individual objectives may relate to the economic performance of the relevant unit/function, the implementation of specific projects, customer *satisfaction*, specific sustainability objectives for each area of competence, and, in general, efficiency objectives for the area of activity.

The bonus, if due, following approval of the Financial Statements for the 2022 financial year, and on the basis of the economic and financial indicators determined at the end of 2022, will be paid at the same time as the payment of earnings for April 2023 (if the final balance is not complete, the payment will occur in the subsequent months). In any case, the actual payment of the bonus depends on the continued service of the beneficiary as of 30 April 2023.

The main conditions of the Technogym MBO Plan are set out below:

<b>Recipients</b>	<b>Gate (system activation)</b>	<b>Weight of the Objectives</b>
<b>Key Managers</b>	Group EBIT and FCF	Group KPIs: max 90% Individual KPIs: min. 10%

If the access deadlines (Gate) are reached, the precise achievement of the Group and Individual KPIs is

calculated as described below.

The achievement of 85% of the pre-established targets allows a bonus to be given equal to the access level.

The achievement of 100% of the pre-established targets allows a bonus to be given equal to the minimum reference level.

The achievement of 150% of the pre-established targets allows a bonus to be given equal to the maximum level.

A score in the 85% -100% range and in the 100% -150% range allows a bonus to be given that is linearly proportional to the values relating to the individual Key Manager.

The value of the annual bonus has a lower weight than the gross annual earnings and, in the event of over-performance of the beneficiary, must be no higher than 60% of the earnings.

It should also be noted that in defining the final performance objectives, reference is made to the data in the Financial Statements, not as approved by the competent corporate bodies, but to “adjusted” results, i.e. net of extraordinary components.

### **E.1.2 MEDIUM-TERM INCENTIVE PLANS**

The Company implemented two medium-term incentive plans: the first for the 2019-2021 period and the second for the 2021-2023 period. For details of the plans, please refer to the information documents relating to the plans approved by the Shareholders’ Meetings on 8 May 2019 and 5 May 2021.

The meeting of 31 December 2021 will decide upon the approval of a new medium-term incentive plan also intended for Key Managers for 2022-2024, based on the attribution of the right to receive shares free of charge if certain performance objectives of the Company are met (the “**2022-2024 Plan**”).

The main characteristics of the 2022-2024 Plan are:

- (i) predetermined performance objectives, identified in the economic and financial performance of the Company, calculated with reference to:
  - the Cumulative Net Profit for 2022-2024, and
  - the Cumulative Free Cash Flow for the 2022-2024 period (i.e. the sum of the Group Free Cash Flow of the three years included in the *vesting period*);
- (ii) a three-year *vesting period* of the right to obtain the shares deriving from the vesting of the assigned right;
- (iii) non-transferability of the shares restriction (lock-up) for a period of 12 months from the date of assignment of the shares deriving from the Plan, without prejudice to the possibility of transferring the percentage of shares envisaged in the Plan in order to pay taxes on the bonus accrued <sup>(1)</sup>.

The beneficiaries of the 2022-2024 Plan will be identified by the Board of Directors from among the Key Managers as well as other employees or contractors of the Company or of the Group who hold positions deemed strategic by the Company.

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<sup>(1)</sup> With reference to the incentive plans already approved by the Shareholders' Meeting in previous years and still in place: (i) the vesting period is always three years and (ii) the restriction on non-transferability of the shares (so-called lock-up) is 6 months from the relative assignment for the 2019-2021 Plan and 12 months for the 2021-2023 Plan and for the 2022-2024 Plan (the latter if approved), again without prejudice to the percentage of shares envisaged in the individual plans in order to pay taxes.

The number of shares allotted by the Board of Directors at the end of the *vesting* period is determined according to the achievement of the performance objectives on the basis of the gross annual earnings predetermined by the Board of Directors and provided that 80% of the performance objective is achieved. The shares shall be assigned to the beneficiaries, subject to the fulfilment of the conditions set out in the Plan, no later than the 60th day after approval of the Group consolidated Financial Statements for the year that ended on 31 December 2024. At the time of the allocation, the Board of Directors will have the right to grant the beneficiary a sum of money equal to the value of the shares to which (s)he would have been entitled according to the criteria indicated in the Plan if, for reasons of a regulatory nature, the assignment of financial instruments to the beneficiary is not allowed.

Since the Plan is aimed at loyalty and *retention*, termination of the employment relationship for reasons other than those of a “good leaver” shall void all rights that beneficiaries would be entitled to under the plan.

The 2022-2024 Plan envisages a claw-back clause pursuant to which, if within the 24 months following the date of assignment of the Shares, it is ascertained that the achievement of the Performance Objectives was determined on the basis of data that proved to be incorrect, or if it is ascertained that the benefit was not due, the sum corresponding to the value of the shares at the time of their assignment must be returned, in a manner that neutralises any negative financial effects for the beneficiary in any case.

The variable remuneration component for the beneficiaries of the plan, at the end of the three-year cycle, cannot exceed 65% of the annual gross remuneration of the year of assignment of the Shares of the individual beneficiary, net of the capital gains (capital gains given by the difference in the sales price and the assignment price of the shares).

It should also be noted that in defining the final performance objectives, reference is made to the data in the Financial Statements, not as approved by the competent corporate bodies, but to “adjusted” results, i.e. net of extraordinary components.

### **F.1.3 THE CHALLENGE PLAN FOR KEY MANAGERS**

During the year 2022, a new long-term monetary incentive plan called “Challenge” (the “**Challenge Plan**”) will be introduced for some of the Key Managers, aimed at certain beneficiaries who will be identified by the Board of Directors also among subjects other than the Key Managers, on the basis of their ability to affect the achievement of certain long-term results objectives of the Company (the “**Target**”).

The award of the bonus referred to in the Challenge Plan is subject to the achievement of the Group's Turnover, EBIT and Free Cash Flow Target, to be achieved in the 2024-2025 two-year period, which will be determined by the Board of Directors on the basis of economic-financial forecasts.

If the Targets were reached in the year 2024, the relative bonus will be paid to the beneficiaries in an amount equal to 100% of the same; if, on the other hand, the Targets were reached in the year 2025, the relative bonus will be paid to the beneficiaries in an amount equal to 75%. In any case, the premium cannot exceed 7 times the Gross Annual Salary (RAL) of the beneficiary concerned.

The bonus contingent on the achievement of the Targets will be paid within 12 (twelve) months of the approval of the consolidated Financial Statements for the year of achievement of the Targets themselves.

Since the Plan is aimed at loyalty and *retention*, the termination of the employment relationship for reasons connected to the circumstances that will be determined by the Board of Directors, determines the forfeiture of the beneficiaries of all rights due to them under the Challenge Plan.

The Challenge Plan provides for a claw back clause under which, if within the next 24 months from the date of awarding the bonus, it is ascertained that the achievement of the Targets has been determined on the basis of data that have proved to be incorrect or it is ascertained that if the bonus is not due, the sum corresponding to the bonus must be returned.

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

### **F.2.1 THE REMUNERATION OF THE CHAIRPERSON/CHIEF EXECUTIVE OFFICER**

#### Fixed part

The remuneration of the Chair and Chief Executive Officer is mainly represented by the fixed component in accordance with the limits set by the resolution of the Shareholders' Meeting, also considering the powers assigned to him/her. There is no provision for the allocation of attendance fees for participation in Board meetings.

#### Annual variable part

The Chairperson and Chief Executive Officer shall not participate in the annual variable incentive plans.

#### Medium/long-term incentives

The Chairperson and Chief Executive Officer shall not participate in medium-long term variable incentive plans.

#### Benefits

Non-monetary benefits include use of the company car and cellular phone as well as the stipulation, solely at the Company's expense, of all most adequate insurance policies to cover the civil liability of directors and officers, the D&O (Directors' and Officers' Liability Insurance) and insurance coverage for the reimbursement of medical expenses as well as for occupational and non-occupational accidents.

### **F.2.2 THE REMUNERATION OF THE DEPUTY CHAIRPERSON**

#### Fixed part

The remuneration of the Deputy Chair is represented by the fixed component in accordance with the limits set by the resolution of the Shareholders' Meeting, also considering the powers assigned to him/her. There is no provision for the allocation of attendance fees for participation in board meetings.

#### Annual variable part

The Deputy Chairperson shall not participate in annual variable incentive plans. Medium/long-

#### term incentives

The Deputy Chairperson shall not participate in medium-long term variable incentive plans.

#### Benefits

Non-monetary benefits include use of the company car and cellular phone as well as the stipulation, solely at the Company's expense, of all most adequate insurance coverage to cover the civil liability of directors and officers, the

D&O (Directors' and Officers' Liability Insurance) and insurance coverage for the reimbursement of medical expenses as well as for occupational and non-occupational accidents.

### **F.2.3 REMUNERATION OF EXECUTIVE DIRECTORS OTHER THAN CHAIR/CHIEF EXECUTIVE OFFICER AND VICE-CHAIR**

#### Fixed part

The fixed component of the remuneration of the executive Directors is resolved by the Shareholders' Meeting and by the Board of Directors in accordance with Art. 2389, Paragraph 3, of the Italian Civil Code and comprises a predetermined gross annual compensation for the entire period of the Director's permanence in office that is commensurate to the required effort and to be paid *pro rata temporis* as a function of the effective permanence in office. Attendance fees are also allocated for participation at board meetings.

#### Annual variable part

Executive Directors shall not participate in annual variable incentive plans. Medium/long-term incentives

Executive Directors shall not participate in medium-long term variable incentive plans.

#### Benefits

The non-monetary benefits generally recognised to Executive Directors include the insurance policy to cover the civil liability of directors and officers, the D&O (Directors 'and Officers' Liability Insurance).

### **F.2.4 REMUNERATION OF NON-EXECUTIVE DIRECTORS**

The remuneration of non-executive Directors and Independent Directors is determined on a fixed basis and, in compliance with Recommendation no. 29 of the Code, provides for remuneration appropriate to the skills, professionalism and commitment required by the tasks assigned to them within the management body and in the board committees; this remuneration is not linked to *performance* objectives. Attendance fees are also allocated for participation at board meetings.

The Company also stipulates, at its own expense and for the benefit of non-executive directors, insurance policies to cover the civil liability of directors and officers, D&O (Directors 'and Officers' Liability Insurance).

### **F.2.5 THE REMUNERATION OF KEY MANAGERS**

#### Fixed part

The fixed part of the compensation is consistent with the remuneration identified by the Company as being in line with the market and is broken down in such a way as to adequately remunerate the skills, effort and the activities performed by the Key Managers on a continuous basis.

The total fixed remuneration of Key Managers may include a *housing allowance* as well as, for Key Managers who serve as Directors in subsidiaries, additional compensation and indemnities specific to the office so as to adequately remunerate the effort required.

#### Annual variable part

Key Managers shall participate in the 2022 MBO annual incentive plan as described in Paragraph F.1.1 and/or *one-off* bonuses tied to extraordinary results and/or project commitments (bonuses).

For some positions - among the Key Managers - a continuity plan (*stability plan*) can be defined which rewards

the longevity in the Company regardless of Company or individual performance indicators through the disbursement of bonuses at predetermined deadlines which in any case do not may exceed 25% of the gross annual salary.

#### Medium/long-term incentives

To contribute to value creation in the medium-long term, Key Managers are also recipients of the medium-term incentive plans described in Paragraph F.1.2.

Some of the Key Managers will also be recipients of the new long-term incentive plan called “Challenge,” as described in Paragraph F.1.3 above.

#### Benefits

All Key Managers are also allocated a series of benefits, including, in particular, a Company car and mobile phone. All Key Managers also have the following insurance cover: D&O (Directors’ and Officers’ Liability Insurance), life insurance policies, and insurance coverage for the reimbursement of medical expenses as well as for occupational and non-occupational accidents.

### **E.2.6 REMUNERATION OF THE MEMBERS OF THE CONTROL BODIES**

The Chairperson of the Board of Statutory Auditors and the Standing Auditors are remunerated with a gross annual compensation resolved by the Meeting at the time of the appointment for the entire term in office, adequate for the skills, professionalism and commitment required in accordance with the importance of the role covered, the size and type of Company and its situation, to be paid *pro rata temporis*, based on the actual term in office. The Chairperson of the Board of Statutory Auditors and the Standing Auditors are also responsible for the reimbursement of expenses for the performance of the office.

The Company also stipulates, at its own expense and for the benefit of the Chairperson of the Board of Statutory Auditors and the Standing Auditors, insurance policies to cover the civil liability of directors and officers, D&O (Directors 'and Officers' Liability Insurance).

There are no variable remuneration components, bonuses, attendance fees or other incentives, or non-monetary benefits.

### **G. ADOPTED POLICY WITH REGARD TO NON-MONETARY BENEFITS**

The allocation of non-monetary benefits is provided for; these are defined in line with normal practice and consistently with respect to the office and role held. Non-monetary benefits include use of a car, life insurance policies, accident insurance policies and supplementary health coverage.

For a description of non-monetary benefits, please refer to the information provided for each position in Paragraph F.2 above.

### **H. WITH REFERENCE TO THE VARIABLE COMPONENTS, DESCRIPTION OF THE PERFORMANCE OBJECTIVES ON THE BASIS OF WHICH THEY ARE ALLOTTED, DISTINGUISHING BETWEEN SHORT AND MEDIUM-LONG TERM VARIABLE COMPONENTS, AND INFORMATION ON THE CONNECTION BETWEEN THE CHANGE OF THE RESULTS AND THE CHANGE OF REMUNERATION**

Please refer to the description in Paragraph F above.

**I. CRITERIA APPLIED TO ASSESS WHETHER THE PERFORMANCE OBJECTIVES ON WHICH THE ALLOTMENT OF SHARES, OPTIONS, OTHER FINANCIAL INSTRUMENTS OR OTHER VARIABLE REMUNERATION COMPONENTS ARE BASED HAVE BEEN MET, AND MEASUREMENT OF THE VARIABLE COMPONENT THAT WILL BE DISBURSED IN ACCORDANCE WITH THE LEVEL OF ACHIEVEMENT OF THE OBJECTIVES**

Please refer to the description in Paragraph F above.

**J. INFORMATION TO HIGHLIGHT THE CONTRIBUTION OF THE REMUNERATION POLICY AND IN PARTICULAR THE POLICY ON VARIABLE COMPONENTS OF REMUNERATION, TO THE COMPANY STRATEGY, TO THE PURSUIT OF LONG-TERM INTERESTS AND TO SUSTAINABILITY**

As described in Paragraphs E) and F) above, the Remuneration Policy pursues the creation of value for the Company and its Shareholders in a sustainable way.

In line with this purpose, the remuneration of Key Managers is structured in such a way as:

- i) to balance the fixed and variable remuneration with the goal of creating value for the Company in a sustainable way;
- ii) to relate the variable remuneration to the achievement of operating and financial objectives aligned with value creation and the actual results achieved by the Company;
- iii) to provide adequate remuneration in order to attract, motivate and retain persons who have the individual and professional qualities necessary to pursue and achieve the business development objectives of the Company and of the Technogym Group.

The LTIP and the Challenge Plan represent the maximum expression of the Company's medium and long-term variable remuneration policy, as they cover a multi-year time horizon and the KPIs on which these incentive mechanisms are based, represented by specific financial parameters, provide a clear representation of the Company's will to pursue the corporate economic sustainability in the medium and long term, and align the interests of managers with those of shareholders.

**K. TERMS OF VESTING OF THE RIGHTS (VESTING PERIOD), DEFERRED PAYMENT SYSTEMS, WITH INDICATION OF THE DEFERRAL PERIODS AND OF THE CRITERIA APPLIED TO DETERMINE THESE PERIODS AND EX POST CORRECTION MECHANISMS**

With reference to the terms for the vesting of remuneration rights under the medium-term incentive plans and the 2022-2024 Plan that will be submitted to the Shareholders' Meeting for approval, please refer to Paragraph F.1.2.

With reference to the medium-term variable component, the application of the claw-back is envisaged, as indicated, respectively in Paragraphs F.1.2. And F.1.3.

**L. INFORMATION ON THE CLAUSES FOR MAINTAINING THE FINANCIAL INSTRUMENTS IN**

## **THE PORTFOLIO AFTER THEIR ACQUISITION, WITH THE INDICATION OF THE MAINTENANCE PERIODS AND OF THE CRITERIA APPLIED TO DETERMINE THESE PERIODS**

Both the existing incentive plans and the 2022-2024 Plan that will be submitted to the approval of the ordinary shareholders' meeting called to approve the Financial Statements as at 31 December 2021 include lock-up commitments for the beneficiaries for a period of 6 months from the date of assignment of the shares in the 2019-2021 Plan and 12 months in the 2021-2023 Plan and in the 2022-2024 Plan, without prejudice to the percentage of shares provided for in the individual plans in order to pay taxes, as indicated in the Paragraph F.1.2.

### **M. POLICY PERTAINING TO DISBURSEMENT IN CASE OF CESSATION OF THE OFFICE OR TERMINATION OF THE EMPLOYMENT**

The Policy does not provide for the payment of indemnities to Directors and/or Statutory Auditors in the event of early termination of office.

With regard to Key Managers, in the event of termination of the employment relationship, the provisions of the National Collective Labour Agreement applicable to them shall apply, as summarised below.

In the event of unjustified dismissal<sup>2</sup>, the amounts due in addition to the notice are established according to seniority in the Company and precisely:

- 4 months' salary for employees with up to two years of seniority in the company;
- from 4 to 8 months' salary, for employees between two and up to six years of seniority in the company;
- from 8 to 12 months' salary, for employees with more than six and up to ten years of seniority in the company
- from 12 to 18 months' salary for employees with more than ten and up to fifteen years of seniority in the company;
- from 18 to 24 months' salary for employees with more than fifteen years of seniority in the company.

The provisions of the incentive plans (monetary and based on financial instruments) adopted by the Company in relation to the effects of the termination of the relationship on the rights assigned under them is applicable.

### **N. INFORMATION ABOUT INSURANCE, OR SOCIAL SECURITY OR PENSION COVERAGE, OTHER THAN THE MANDATORY ONES**

As indicated in the previous Paragraphs G) and, for each position, in the previous Paragraph F.2, the non-monetary benefits may include insurance policies covering the civil liability of Directors and Executives, or the D&O (Directors 'and Officers' Liability Insurance), life policies, accident policies, supplementary health insurance and other types of coverage.

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<sup>2</sup> Without prejudice to the different rules applicable in the case of collective lay-offs, pursuant to Art. 16 of Law no. 161 of 30 October 2014.



**O. REMUNERATION POLICY IMPLEMENTED WITH REFERENCE TO: (I) INDEPENDENT DIRECTORS, (II) PARTICIPATION IN COMMITTEES AND (III) THE PERFORMANCE OF SPECIFIC DUTIES**

As indicated in Paragraph E. above, for non-executive and independent directors, the remuneration is aimed at rewarding the required commitment and does not provide for variable components related to performance, as well as attendance fees for participation in meetings of the Board of Directors.

The Policy involves the assignment of additional compensation in a fixed amount for Non-Executive Directors and Independent Directors who are members of the Committees established within the Board, in order to adequately remunerate the additional work and effort made to the benefit of the Company.

For additional information and for information about the remuneration of Directors appointed to specific offices, please refer to the description in Paragraph F above.

**P. INFORMATION ABOUT ANY USE OF OTHER COMPANIES' REMUNERATION POLICIES AS A REFERENCE**

For the purposes of determining the Policy, the remuneration policies of specific companies were not used as a reference.

**Q. ELEMENTS OF THE REMUNERATION POLICY FOR WHICH, IN THE CASE OF EXCEPTIONAL CIRCUMSTANCES, EXCEPTIONS CAN BE MADE EXCEPTIONS AND ANY OTHER PROCEDURAL CONDITIONS WHICH WOULD JUSTIFY APPLYING EXCEPTIONS**

Upon the occurrence of exceptional circumstances pursuant to Art. 123-ter, paragraph 3-bis of Legislative Decree 58 of 1998, it is possible to make exceptions to this Policy, with particular reference to the provision and/or amount of benefits in the event of termination of office or termination of the employment relationship, in this case, the provisions of the procedure adopted by the Company on related party transactions shall apply.

Exceptional circumstances include, but are not limited to (i) the need to replace the Chief Executive Officer due to unforeseen events and the need to quickly negotiate a remuneration package, where the restrictions contained in the approved Policy could limit the possibility for companies to attract managers with the most appropriate professional skills to manage the company; or (ii) significant changes in the scope of business of the company while the Policy is valid, such as the sale of a company / business branch on whose activities the performance objectives of the Policy of reference were based or the acquisition of a significant business not included in the Policy.

## SECTION II – INFORMATION ON THE IMPLEMENTATION OF THE REMUNERATION POLICY

### INTRODUCTION

This section consists of:

1. a first part, which provides a concise descriptive representation of the remuneration for 2021 of Directors, Statutory Auditors and Key Managers (for the latter the information is provided at an aggregate level as the conditions required by current legislation for *disclosure* on an individual basis are not met);
2. a second part, which shows the above-mentioned remuneration in Table form.

### I. PART ONE

#### Board of Directors

##### Fixed Remuneration

The Directors in office up to the date of the Shareholders' Meeting called to approve the Financial Statements as of 31 December 2020, or until 5 May 2021, received the fixed remuneration determined by the Shareholders' Meeting held on 8 May 2018 and by the Board of Directors. In particular:

- on 8 May 2018, the Company Shareholders' Meeting established the compensation of the Board of Directors, for the entire period of the term, up to a maximum of Euro 7,500,000.00 (seven million, five hundred thousand/00) before the deductions required by law as well as the reimbursement of expenses incurred on official business, including within this overall amount the compensation for directors with special duties determined by the Board of Directors according to Art. 2389, paragraph 3 of the Italian Civil Code, including with reference to the compensation for the appointment and participation in committees established within the Board of Directors, excluding from this overall amount any compensation to be paid in virtue of any future incentive arrangements. The same Shareholders' Meeting also decided on the minimum compensation for each Director, included in the above-mentioned maximum amount, of Euro 20,000.00 (twenty thousand/00) gross per year, notwithstanding the additional compensation for Directors with special duties;
- the Company's Board of Directors, held on 31 July 2018, resolved to:
  - (i) assign a gross annual compensation of Euro 25,000.00 (twenty-five thousand/00) to each Director, other than the Chairperson and Deputy Chairperson, for each year in office, to be paid *pro rata temporis*, based on the actual term in office, as well as an attendance fee of Euro 1,000.00 (one thousand/00) for participation in each Board meeting;
  - (ii) assign a gross annual compensation to the Chair of the Board of Directors of Euro 1,500,000.00 (one million five hundred thousand/00), for each year in office, to be paid *pro rata temporis*, based on the actual term in office;
  - (iii) assign a gross annual compensation of Euro 500,000.00 (five hundred thousand/00) to the Deputy Chair of the Board of Directors for each year in office, to be paid *pro rata temporis*, based on the actual term in office.

Following the new appointment of the Board of Directors by the Shareholders' Meeting, the Directors received

the fixed remuneration determined by the Shareholders' Meeting held on 5 May 2021 and by the Board of Directors. In particular:

- It should also be noted that the Shareholders' Meeting of 5 May 2021 has resolved on: (i) the remuneration of the Board of Directors, for the entire duration of the mandate, in a total yearly gross of € 9,500,000.00 (nine million five hundred thousand/00), in addition to the reimbursement of expenses incurred for office reasons, the compensation for Directors vested with particular offices being included in this total amount, which will be determined by the Board of Directors pursuant to Art. 2389, paragraph 3, of the Italian Civil Code also with reference to the remuneration for the appointment and participation in the committees set up within the Board of Directors itself, excluding from this total amount any remuneration to be paid by virtue of any future incentive plans; and, (ii) the minimum gross yearly remuneration for each Director, included in the aforementioned maximum amount, of Euro 25,000.00 (twenty five thousand/00) gross per year, without prejudice to the additional remuneration for the Directors vested with particular offices.
- the Company's Board of Directors, held on 30 June 2021, resolved to:
  - (i) assign a gross annual compensation of Euro 30,000.00 (thirty thousand/00) to each Director, other than the Chair and Deputy Chair, for each year in office, to be paid *pro rata temporis*, based on the actual term in office, as well as a gross attendance fee of Euro 1,000.00 (one thousand/00) for participation in each Board meeting;
  - (ii) assign a gross annual compensation to the Chair of the Board of Directors and Chief Executive Officer of Euro 1,500,000.00 (one million five hundred thousand/00), for each year in office, to be paid *pro rata temporis*, based on the actual term in office;
  - (iii) assign a gross annual compensation of Euro 500,000.00 (five hundred thousand/00) to the Deputy Chair of the Board of Directors for each year in office, to be paid *pro rata temporis*, based on the actual term in office.

#### Variable remuneration

No variable compensation or incentive plans based on financial instruments are arranged for members of the Board of Directors.

#### Non-monetary benefits

Non-monetary benefits paid to the Chair and the Deputy Chair of the Board of Directors of the Company include use of the company car and cellular phone as well as the stipulation, solely at the Company's expense, of all most adequate insurance policies to cover the civil liability of directors and officers, the D&O (Directors' and Officers' Liability Insurance), including civil liability from prospectus and insurance coverage for the reimbursement of medical expenses as well as for occupational and non-occupational accidents.

With reference to executive directors, the Company stipulated an insurance policy to cover the civil liability of directors and officers, (the D&O, Directors' and Officers' Liability Insurance).

### **Committee Members**

#### Fixed Remuneration

The Board of Directors' Meeting of 30 June 2021, agreed, with the favourable opinion of the Board of Statutory Auditors, to assign the following compensation:

- a gross annual compensation of Euro 15,000.00 (fifteen thousand/00) to the Director who holds the office of Chair of the Control and Risk and Sustainability Committee, to be paid *pro rata temporis*, based on the actual term in office, in addition to the annual fixed compensation for the office of Director and any compensation which (s)he may be entitled to as Chair, Deputy Chair or member of the Appointment and Remuneration Committee;
- a gross annual compensation of Euro 15,000.00 (fifteen thousand/00) to the Director who holds the office of Chair of the Appointment and Remuneration Committee, to be paid *pro rata temporis*, based on the actual term in office, in addition to the annual fixed for the office of Director and any compensation which (s)he may be entitled to as Chair, Deputy Chair or member of the Control and Risk and Sustainability Committee;
- a gross annual compensation of Euro 10,000.00 (ten thousand/00) to each Director who holds the office of Deputy Chair or member of the Control and Risk and Sustainability Committee, to be paid *pro rata temporis*, based on the actual term in office, in addition to the annual fixed compensation for the office of Director and any compensation which (s)he may be entitled to as Chair, Deputy Chair or member of the Appointment and Remuneration Committee;
- a gross annual compensation of Euro 10,000.00 (ten thousand/00) to each Director who holds the office of Deputy Chair or member of the Appointment and Remuneration Committee, to be paid *pro rata temporis*, based on the actual term in office, in addition to the annual fixed compensation for the office of Director and any compensation which (s)he may be entitled to as Chair, Deputy Chair or member of the Control and Risks and Sustainability Committee;
- an attendance fee to each Director who holds the office of Chair, Deputy Chair or member of the Committee for Transactions with Related Parties, determined from time to time by the Board of Directors based on the nature and number of transactions with related parties subject to assessment by the Committee itself.

It should be noted that the members of the internal board committees in office until 5 May 2021 received, *pro rata temporis*, the same remuneration listed above, as resolved by the Board of Directors on 31 July 2018.

## **Board of Statutory Auditors**

### Fixed Remuneration

On 8 May 2019, the Shareholders' Meeting appointed the new Board of Statutory Auditors, also establishing the annual gross remuneration for the Statutory Auditors of Euro 30,000.00 (thirty thousand/00) for the Chairperson of the Board of Statutory Auditors and Euro 20,000.00 (twenty thousand/00) for each Standing Auditor, in addition to the reimbursement of expenses incurred in connection with the appointment.

### Variable remuneration and non-monetary benefits

There is no provision for the payment of any variable remuneration or non-monetary benefits to the members of the Board of Statutory Auditors, with the exception of the D&O insurance policy.

## **Key Managers**

### Fixed Remuneration

The General Manager and Key Managers received the fixed part of the remuneration determined by their respective employment contracts, including the emoluments due in accordance with applicable legal and contractual provisions (holidays, travel indemnities, etc.).

### Variable remuneration

In line with the 2021 Remuneration Policy, Key Managers participated in the 2021 MBO annual incentive plan. Based on the draft Financial Statements as at 31 December 2021, the Group's minimum EBIT and Free Cash Flow targets, which constitute the access gate to the MBO 2021, have been met. Upon achieving these minimum objectives (Gate), the bonus awarded to each Key Manager, pursuant to the 2021 MBO, will be determined based on the achievement of additional individual but not Group objectives, since the latter have not been achieved. The relevant individual bonus will be paid no later than May 2022.

With regard to the 2019-2021 medium-term incentive plan, based on the draft Financial Statements as at 31 December 2021 and the value recorded by the share in the first two months of 2022, the minimum objectives of the Plan were not met; therefore, the rights to receive the shares to the extent envisaged by the aforementioned plan did not accrue.

For additional details on the variable component of Key Managers, please refer to the contents of attached Tables 3A and 3B.

### Non-monetary benefits

All Key Managers are also assigned the following benefits: company car, mobile phone, insurance policy covering the civil liability of directors and executives, (D&O, Directors' and Officers' Liability Insurance), including civil liability from prospectus, life policy, insurance coverage for the reimbursement of medical expenses as well as for occupational and non-occupational accidents.

## **Agreements providing indemnities in the case of early termination of employment**

In the course of the 2021 financial year, no agreements were entered into that provide for the payment of an indemnity in the event of early termination of Directors and Statutory Auditors, while an agreement was entered into that provided for the payment of an indemnity for early termination of a Key Manager.

## **Exceptions to the remuneration policy for the year 2021**

There were no exceptions to the remuneration policy for the year 2021.

## **Application of *ex post correction mechanisms***

During the 2021 financial year, with reference to the variable component of remuneration, no *ex post* correction mechanisms were applied.

### Change in remuneration and comparison information

The following information is provided and compared: (a) the annual change in total remuneration (including fixed remuneration, attendance fees, remuneration for participation in committees, non-equity variable remuneration, non-monetary benefits, other remuneration) of the members of the Board of Directors and of the Board of Statutory Auditors for the years 2019, 2020 and 2021; and, (b) the average remuneration, calculated on a full-time equivalent basis, of employees (managers and employees, excluding blue-collar workers) of the Company other than individuals pursuant to letter (a) above, as at 31 December 2019 (no. 536), December 2020 (no. 519) and December 2021 (no. 591). The remuneration amounts are in Euro.

First and last name	Office	2021 remuneration	Percentage change <sup>(1)</sup>	2020 remuneration	Percentage change <sup>(2)</sup>	2019 remuneration
NERIO ALESSANDRI	Chairperson and Chief Executive Officer	1,514,325	-	1,514,325	+0.32%	1,509,471.27
PIERLUIGI ALESSANDRI	Deputy Chair	512,352	+0.16%	511,522	+0.58%	508,585.38
ERICA ALESSANDRI	Director	36,301	+10%	33,000	+3.1%	32,000
FRANCESCA BELLETTINI	Director	32,301	+15%	28,000	+3.45%	29,000
CARLO CAPELLI	Managing Director	38,301	+16%	33,000	+3.1	32,000
MAURIZIO CEREDA	Director	47,301	+7.2%	44,102	+5%	42,000
CHIARA DORIGOTTI	Director	49,301	+12%	44,000	+4.7%	42,000
MELISSA FERRETTI PERETTI	Director (in office since 5 May 2021)	32,411	+100%	0	-	-
VINCENZO GIANNELLI	Director	53,301	+11%	48,000	+2.1%	47,000
CECILIA LA MANNAMARIA	Director	54,301	+7.3%	50,592	+7.6%	47,000
LUCA MARTINES	Director (in office since 5 May 2021)	33,411	+100%	0	-	-
RICCARDO PINZA	Director (in office until 5 May 2021)	15,985.66	-63%	43,000	+2.3%	42,000
ANDREA GIUSEPPE ZOCCHI	Director (in office until 5 May 2021)	15,985.66	-63%	44,035.40	+1.7%	43,289.90
FRANCESCA DI DONATO	Chairperson of the Board of Statutory	30,000	-	30,000	+54%	19,479.45 <sup>(3)</sup>

	Auditors					
CLAUDIA COSTANZA	Standing Auditor	20,218.05	+0.3%	20,147.20	-14.8%	23,448 <sup>(4)</sup>
CIRO PIERO CORNELLI	Standing Auditor	20,360	-3.4%	21,080	-3.8%	21,920

<sup>(1)</sup> During the financial year 2021, a greater number of meetings of the Board of Directors were held compared to the financial year 2020, which affected the increase in fees for attendance fees. Following the appointment of the new Board of Directors on 5 May 2021, the Board of Directors resolved to increase the gross annual remuneration of the Directors from Euro 25,000 to Euro 30,000, in addition to the award of Euro 1,000 in attendance fees for participation in each meeting of the Board.

<sup>(2)</sup> During the financial year 2020, a greater number of meetings of the Board of Directors were held compared to the financial year 2019, which affected the increase in fees for attendance fees.

<sup>(3)</sup> Compensation for the office of Chair of the Board of Statutory Auditors from 8 May 2019.

<sup>(4)</sup> Of which Euro 10,161 for the office of Chair of the Board of Statutory Auditors until 8 May 2019, Euro 12,986 for the office of Standing Auditor from 8 May 2019, and Euro 301 for the reimbursement of expenses.

	2021	Percentage change	2020	Percentage change	2019
AVERAGE EMPLOYEE REMUNERATION	53,080	-0.3%	53,263	+1.7%	52,348

The results of the Company are shown below and compared, based on the figures relating to the statutory Financial Statements, for 2019, 2020 and 2021. The values are in thousands of Euro.

	2021	Percentage change	2020	Percentage change	2019
REVENUES	438,838	+22.6%	358,069	-20.4%	450,107
NET PROFIT	66,363	+43.2%	46,339	-35.9%	72,332

### Vote expressed by the Shareholders' Meeting on this section of the previous year

The Ordinary Shareholders' Meeting held on 5 May 2021 approved Section II of the Report on remuneration and compensation paid with 230,827,911 favourable votes, representing 96.044% of those in attendance (5,336,477 unfavourable, representing 2.220% of those in attendance, 307,418 abstentions, representing 0.128% of those in attendance, and 822,000 non-voters, representing 0.342% of those in attendance).

## II. SECOND PART

This second part analytically reports on the remuneration paid in the financial year 2021 for any reason and in any form, to subjects who during the financial year held, even for a fraction of the period, the office of member of the Administrative and Control bodies, General Manager or Key Managers.

In the course of 2021, in line with the 2021 Remuneration Policy, Key Managers as of the beginning of the

2021 financial year participated in the annual 2021 MBO incentive plan and were the recipients of the share incentive plans.

This part also includes Table no. 1 and Table no. 2 envisaged by Annex 3A, Scheme 7-ter, of the Issuers' Regulation, which detail the equity investments held in the Company and its subsidiaries by the Directors, Statutory Auditors and Key Managers, in compliance with Art. 84-*quater*, fourth paragraph, of the Issuers' Regulation.



**Table 1: Compensation paid to members of the administration and control bodies and key managers.**

**I. Compensation paid to members of the administration and control bodies**

All compensation is paid by the company that prepares the financial statements. Values expressed in Euro.

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
First and last name	Office	Period for which the office was held in the 2021 financial year	Expiry of the office	Fixed Compensation	Compensation for participation in committees	Non-equity variable compensation	Non-monetary benefits	Other compensation	Total	Fair Value Equity compensation	Indemnity when leaving office or terminating employment
Alessandri Nerio	Chair and Chief Executive  Deputy Chair	01/01/2021 -  31/12/2021	Approval of the financial statements as at 31 December 2023	1,500,000 <sup>(1)</sup>			14,325		1,514,325		
Alessandri Pierluigi	Deputy Chair	01/01/2021 -  31/12/2021	Approval of the Financial Statements as at 31 December 2023	500,000 <sup>(2)</sup>			12,352		512,352		

(1) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* compensation established by the Shareholders' Meeting of 8 May 2018 and 5 May 2021, respectively, and the *pro rata* compensation established by the Board of Directors pursuant to Art. 2389, paragraph 3, of the Italian Civil Code, when allocating the compensation set, respectively, by the Shareholders' Meeting of 8 May 2018 and 5 May 2021.

(2) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* compensation established by the Shareholders' Meeting of 8 May 2018 and 5 May 2021, respectively, and the *pro rata* compensation established by the Board of Directors pursuant to Art. 2389, paragraph 3, of the Italian Civil Code, when allocating the compensation set, respectively, by the Shareholders' Meeting of 8 May 2018 and 5 May 2021.

Cereda Maurizio	Director	01/01/2021 - 31/12/2021	Approval of the Financial Statements as at 31 December 2023	37,301 <sup>(3)</sup>	10,000 <sup>(4)</sup>				47,301		
Bellettini Francesca	Director	01/01/2021 - 31/12/2021	Approval of the Financial Statements as at 31 December 2023	32,301 <sup>(5)</sup>					32,301		
Pinza Riccardo	Director	01/01/2021 - 05/05/2021	Approval of the Financial Statements as at 31 December 2020	12,561 <sup>(6)</sup>	3,424.66 <sup>(7)</sup>				15,985.66		
Alessandri Erica	Director	01/01/2021 - 31/12/2021	Approval of the Financial Statements as at 31 December 2023	36,301 <sup>(8)</sup>					36,301		
Capelli Carlo	Director	01/01/2021 - 31/12/2021	Approval of the Financial Statements as at 31 December 2023	38,301 <sup>(9)</sup>					38,301		

(3) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* remuneration established by the Shareholders' Meeting, respectively, of 8 May 2018 and 5 May 2021, (ii) Euro 9,000 for attendance fees.

(4) Compensation for participation in the Control and Risk Committee.

(5) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* remuneration established by the Shareholders' Meeting, respectively, of 8 May 2018 and 5 May 2021, (ii) Euro 4,000 for attendance fees. .

(6) Of which: (I) *pro-rata* remuneration established by the Shareholders' Meeting of 8 May 2018; (ii) Euro 4,000 for attendance fees until 5 May 2021. .

(7) Compensation for participation in the Nomination and Remuneration Committee until 5 May 2021.

(8) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* remuneration established by the Shareholders' Meeting, respectively, of 8 May 2018 and 5 May 2021, (ii) Euro 8,000 for attendance fees.

(9) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* remuneration established by the Shareholders' Meeting, respectively, of 8 May 2018 and 5 May 2021, (ii) Euro 10,000 for attendance fees.

Giannelli Vincenzo	Director	01/01/2021 - 31/12/2021	Approval of the Financial Statements as at 31 December 2023	38,301 <sup>(10)</sup>	15,000 <sup>(11)</sup>				53,301		
Dorigotti Chiara	Director	01/01/2021- 31/12/2021	Approval of the Financial Statements as at 31 December 2023	38,301 <sup>(12)</sup>	11,000 <sup>13</sup>				49,301		
Zocchi Andrea  Giuseppe	Director	01/01/2021- 05/05/2021	Approval of the Financial Statements as at 31 December 2020	12,561 <sup>(14)</sup>	3,424.66 <sup>(15)</sup>				15,985.66		
La Manna Maria  Cecilia	Director	01/01/2021 - 31/12/2021	Approval of the Financial Statements as at 31 December 2023	37,301 <sup>(16)</sup>	17,000 <sup>(17)</sup>				54,301		
Melissa Ferretti Peretti	Director	05/05/2021 – 31/12/2021	Approval of the Financial Statements as at 31 December 2021	25,808 <sup>(18)</sup>	6,603 <sup>(19)</sup>				32,411		

Luca Martines	Director	05/05/2021 – 31/12/2021	Approval of the Financial Statements as at 31 December 2021	25,808 <sup>(20)</sup>	7,603 <sup>(21)</sup>				33,411		
TOTAL				2,335,845	74,055.32		26,677		2,435,550.32		

(10) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* remuneration established by the Shareholders' Meeting, respectively, of 8 May 2018 and 5 May 2021, (ii) Euro 10,000 for attendance fees

(11) Compensation for participation, as Chair, in the Appointment and Remuneration Committee.

(12) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* remuneration established by the Shareholders' Meeting, respectively, of 8 May 2018 and 5 May 2021, (ii) Euro 10,000 for attendance fees.

(13) Of which Euro 10,000 for the participation in the Control and Risk Committee and Euro 1,000 for attendance fees for the participation in the Committee for Transactions with Related Parties.

(14) Of which: (I) *pro-rata remuneration* established by the Shareholders' Meeting of 8 May 2018; (ii) Euro 4,000 for attendance fees until 5 May 2021. (15) Compensation for participation in the Appointment and Remuneration Committee until 5 May 2021.

(16) Of which: (i) fixed remuneration as resulting from the sum of the *pro rata* remuneration established by the Shareholders' Meeting, respectively, of 8 May 2018 and 5 May 2021, (ii) Euro 9,000 for attendance fees.

(17) Of which Euro 15,000 for participation, as Chair, in the Control, Risks and Sustainability Committee, and Euro 2,000 for attendance fees, as Chair, for participation in the Committee for Transactions with Related Parties.

(18) Of which: (I) *pro rata* remuneration established by the Shareholders' Meeting of 5 May 2021; (ii) Euro 6,000 for attendance fees from 5 May 2021.

(19) Compensation for participation in the Appointment and Remuneration Committee.

(20) Of which: (I) *pro rata* remuneration established by the Shareholders' Meeting of 5 May 2021; (ii) Euro 6,000 for attendance fees from 5 May 2021.

(21) Of which Euro 6,603 for participation in the Control and Risk Committee starting from 5 May 2021, and Euro 1,000 for attendance fees for the participation in the Committee for Transactions with Related Parties.

## II. Compensation paid to members of the Board of Statutory Auditors

All compensation is paid by the company that prepares the financial statements. Values expressed in Euro.

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
First and last name	Office	Period for which the office was held in the 2021 financial year	Expiry of the office	Fixed Compensation	Compensation for participation in committees	Non-equity variable compensation	Non-monetary benefits	Other compensation	Total	Fair Value Equity compensation	Indemnity when leaving office or terminating employment
Di Donato Francesca	Chair of the Board  of Statutory Auditors	01/01/2021 – 31/12/2021	Approval of the Financial Statements as at 31 December 2021	30,000 <sup>(22)</sup>					30,000		
Costanza Claudia	Chair of the Board  of Statutory Auditors until 07/05/2019 and Statutory Auditor in office from 08/05/2019	01/01/2021 - 31/12/2021	Approval of the Financial Statements as at 31 December 2021	20,218.05 <sup>(23)</sup>					20,218.05		

Cornelli Ciro Piero	Statutory Auditor Auditor	01/01/2021 - 31/12/2021	Approval  of the Financial Statements as at 31 December 2021	20,360 <sup>(24)</sup>					20,360		
TOTAL				70,578.05					70,578.05		

(22) Compensation for the office of Chair of the Board of Statutory Auditors, as resolved at the Shareholders' Meeting of 8 May 2019.

(23) Of which: (i) fixed remuneration for the office of Statutory Auditor as established by the Shareholders' Meeting of 8 May 2019, and (ii) Euro 218.05 for the reimbursement of expenses. (24) Of which (i) fixed remuneration for the office of Standing Auditor as established by the Shareholders' Meeting of 8 May 2019, and Euro 360 for the reimbursement of expenses.



### III. Compensation paid to Key Managers.

All compensation is paid by the company that prepares the Financial Statements. Values expressed in Euro.

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number	Office	Period for which the office was held	Expiry of the office	Fixed Compensation	Compensation for participation in committees	Non-equity variable compensation	Non-monetary benefits	Other compensation	Total	Fair value of remuneration equity	Indemnity when leaving office or upon employment termination
5 <sup>(3)</sup>				1,422,381	0	90,000	33,297	50,855	1,896,533	0	300,000

(1) Remuneration relating to: gross annual remuneration, retention plan for participation in the Boards of Directors of subsidiaries. The values relating to 2 Key Managers were measured pro quota with respect to the actual period of employment at the Company.

(4) Euro 16,986 as taxable car benefits. Euro 7.530 as taxable non-occupational accident policies, life insurance policies and reimbursement of medical expenses.

(5) Compensation relating to housing allowances and travel allowances

(7) Relating to the impact of the costs of individual plans in 2021.

<sup>(3)</sup> The values relating to 2 Key Managers were measured on a *pro-rata basis*, with respect to the actual period of employment in the Company during 2021. One of the two pro-rata Executives ended his employment relationship with the Company during the year 2021.

**Table 3A: Incentive plans based on financial instruments, other than stock options, to members of the Board of Directors, General Managers and other Key Managers.**

Values in Euro.

(A)	(B)	1	Financial instruments assigned in the previous years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and assignable		Financial instruments accrued in the year
			2	3	4	5	6	7	8		9	10	
Given name and surname	Office	Plan	Number and type of financial instrument	Vesting Period	Number and type of financial instrument	Fair value at the date of Assignment	Vesting Period	Allotment Date	Market price at allotment	Number and type of financial instrument	Number and type of financial instrument	Value at the vesting date	Fair Value
Key Managers		Long-Term Incentive Plan (30/06/2021)			43,900	473,812.7	June 2021 - June 2024	June-21	10.793				
		TOTAL			43,900	473.81,27			10.793				0

(5) To calculate the Fair Value at the grant date, the market price of the grant was multiplied by the number of financial instruments.

**Table 3B: Incentive plans based on financial instruments, other than stock options, in favour of members of the board of directors, general managers and other Key Managers.**

Values in Euro.

Name and Surname	Office	Plan	Bonuses for the year			Bonuses from previous years			Other bonuses
			Payable / Paid	Deferred	Deferral period	No longer payable	Payable / Paid	Still deferred	
Key Managers	5	Management by Objectives 2021	- 4	N/A	N/A				- 5
Total									

<sup>4</sup> Based on the draft financial statements as at 31 December 2021, the Group’s minimum EBIT and Free Cash Flow targets, which constitute the access gate to the MBO 2021, have been met. Upon achieving these minimum objectives (Gate), the bonus awarded to each Key Manager, pursuant to the 2021 MBO, will be determined based on the achievement of additional individual but not Group objectives, since the latter have not been achieved. The relevant individual bonus will be paid no later than May 2022.

<sup>5</sup> As of the date of this Report, any one-off bonuses relating to the 2021 financial year have not yet been defined which, if applicable, would be paid in accordance with the Remuneration Policy approved by the Shareholders' Meeting of 5 May 2021 (i.e., up to a maximum equal to 25% of the gross salary of each Key Manager that should result as a beneficiary). In addition, it should be noted that, during 2021, a gross total of Euro 90,000 gross was paid out as a *one-off* bonus for the 2020 financial year.

**Table 1 envisaged in Annex 3A, Schedule 7-ter, of the Issuers' Regulation**  
**Information on the participation of the members of the administration and control bodies**

FIRST AND LAST NAME	OFFICE	INVESTEES	NUMBER OF SHARES HELD AT THE END OF THE YEAR PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE YEAR IN 2021
NERIO ALESSANDRI	Chairperson and Chief Executive Officer	Technogym S.p.A.	156,725	0	0	156,725
PIERLUIGI ALESSANDRI	Deputy Chairperson	Technogym S.p.A.	0	0	0	0
ERICA ALESSANDRI	Director	Technogym S.p.A.	0	0	0	0
FRANCESCA BELLETTINI	Director	Technogym S.p.A.	0	0	0	0
CARLO CAPELLI	Managing Director	Technogym S.p.A.	0	0	0	0
MAURIZIO CEREDA	Director	Technogym S.p.A.	0	0	0	0
CHIARA DORIGOTTI	Director	Technogym S.p.A.	0	0	0	0

VINCENZO GIANNELLI	Director	Technogym S.p.A.	0	0	0	0
MARIA CECILIA LA MANNA	Director	Technogym S.p.A.	0	0	0	0
RICCARDO PINZA	Director	Technogym S.p.A.	0	0	0	0
ANDREA GIUSEPPE ZOCCHI	Director	Technogym S.p.A.	0	0	0	0
FRANCESCA DI DONATO	Chairperson of the Board OF Statutory Auditors (from 8 May 2019)	Technogym S.p.A.	0	0	0	0
CLAUDIA COSTANZA	Standing Auditor (Chairperson of the Board of Statutory Auditors until 8 May 2019)	Technogym S.p.A.	0	0	0	0
CIRO PIERO CORNELLI	Standing Auditor	Technogym S.p.A.	0	0	0	0

**Table 2 provided for in Annex 3A, Schedule 7-ter, of the Issuers' Regulation  
Information on the shareholdings of Key Managers<sup>(1)</sup>**

NUMBER OF KEY MANAGERS	INVESTEE	NUMBER OF SHARES HELD AT THE END OF THE YEAR PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF 2021
5 <sup>(2)</sup>	Technogym S.p.A.	75,985	0	1500	74,485

<sup>(1)</sup>data processed on the basis of information available to the Company and provided by the concerned parties.

<sup>(2)</sup>One of whom ended his employment with the Company during 2021.