

# Centrale del Latte d'Italia

## 2020 Financial Report

**Report on the remuneration of the members of  
the boards of directors and statutory auditors,  
general managers and other executives with  
strategic responsibilities**

## REPORT ON THE REMUNERATION OF THE BOARDS OF DIRECTORS AND STATUTORY AUDITORS, GENERAL MANAGERS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES. 2020:

### SECTION I

This section explains the policy of Centrale del Latte d'Italia S.p.A. (hereinafter "CLI" or the "Company") with respect to the remuneration of the members of the Board of Directors, the Board of Statutory Auditors, the General Manager and Executives with strategic responsibilities, functional to the pursuit of the sustainable success of the Company, taking into account the need to hire, retain and motivate people with the competence and professionalism required by the role held in CLI. The policy establishes the criteria based on which remuneration is determined and is the result of a clear, transparent process in which the Shareholders' Meeting, Board of Directors, Board of Statutory Auditors and Remuneration and Appointments Committee play a central role.

The Company is administered by a Board of Directors with no more than fourteen members as decided by the Shareholders' Meeting at the time of appointment. The Board in office since the meeting on 29 April 2020 is composed of seven members. Directors are elected on the basis of slates of candidates.

At the end of 2020, the Board of Directors, which will remain in office until approval of the 2022 financial statements, is composed as follows:

Angelo Mastrolia	Chairman of the Board of Directors
Giuseppe Mastrolia	Deputy Chairman of the Board of Directors
Edoardo Pozzoli	Chief Executive Officer
Stefano Cometto	Director (with proxies from 15 January 2021)
Benedetta Mastrolia	Non-executive director
Valeria Bruni Giordani	Independent non-executive director
Anna Claudia Pellicelli	Independent non-executive director

The current Board of Directors was appointed at the Shareholders' Meeting on 29 April 2020. Until that date, the Board of Directors was composed as follows:

Riccardo Pozzoli	Executive Chairman of the Board of Directors and Chief Executive Officer
Lorenzo Marchionni	Executive Deputy Chairman
Maurizio Macchiavello	Chief Executive Officer of the Rapallo Operations Unit
Edoardo Pozzoli	Executive Director and General Manager
Adele Artom	Non-executive director
Piera Braja	Independent non-executive director
Antonella Forchino	Non-executive director
Elsa Fornero	Independent non-executive director
Renato Giallombardo	Independent non-executive director
Angelo Mastrolia	Executive Director
Laura Materassi	Independent non-executive director
Lorenzo Petretto	Non-executive director
Alberto Tazzetti	Independent non-executive director

Note that on 16 July 2020 the Board of Directors coopted Anna Claudia Pellicelli pursuant to the Law and the By-laws, replacing the independent non-executive director Antonella Mansi, who resigned with immediate effect on 29 June 2020.

With regard to the three-year period 2020-2022, the policy on remuneration and the compensation paid is consistent with the policy adopted in the previous three-year period (2017-2019), based on the achievement of the economic, financial and strategic objectives identified in the 2020-2022 business plan, approved by the Board of Directors on 10 February 2020.

*a) The bodies or subjects involved in the preparation and approval of the Remuneration Policy, specifying their respective roles, as well as the bodies or subjects responsible for the correct implementation of this policy.*

The Ordinary Shareholders' Meeting (i) at the time of appointment determines the remuneration of the members of the Board of Directors and Board of Statutory Auditors; (ii) resolves with binding effect on Section I of the Report on Remuneration (hereinafter the "Report") on remuneration policy and (iii) expresses its non-binding vote on Section II of the Report which provides a representation of each of the items that make up the remuneration and a detailed illustration of the remuneration paid during the year.

The Board of Directors that (i) constitutes the Remuneration and Appointments Committee (hereinafter the "Committee"), which has at least one member with adequate knowledge and experience in financial matters or remuneration policies, whose competence is verified at the time of his/her appointment (ii) based on a proposal from the Committee prepares the remuneration policy, employing a transparent procedure, and (iii) ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the remuneration policy, in light of the results achieved and other circumstances relevant to its implementation, and (iv) approves this Report, pursuant to art. 123-ter of the TUF.

The Board of Statutory Auditors formulates the opinions required by law, and in particular expresses its opinion on the proposals for remuneration of Directors with special responsibilities, pursuant to art. 2389, paragraph 3 of the Civil Code, verifying the consistency of these proposals with the Remuneration Policy.

For the Remuneration and Appointments Committee, see paragraph b) below.

*b) Possible intervention of a remuneration or other competent Committee, describing its composition, its powers and its operating procedures.*

The Remuneration and Appointments Committee is composed of:

Anna Claudia Pellicelli	Independent non-executive director
Valeria Bruni Giordani	Independent non-executive director
Benedetta Mastrolia	Non-executive director

The Remuneration and Appointments Committee (i) submits to the Board of Directors proposals for the remuneration of the Chairman, Deputy Chairman, Chief Executing Officer and Directors holding particular positions, (ii) monitors the concrete application of the remuneration policy by verifying in particular that performance targets have been achieved, and (iii) periodically evaluates the application of the decisions taken by the Board of Directors and the criteria adopted for the remuneration of executives with strategic responsibilities, supervising their application on the basis of the information provided by the Chief Executing Officers and making general recommendations to the Board of Directors.

*c) Remuneration and working conditions of Company employees*

In determining the Remuneration Policy, account was taken of the remuneration and working conditions of the Company's employees, and specifically of the criterion for defining the economic package, based on:

- (i) Professional specialisation
- (ii) The organisational role held
- (iii) The responsibilities

Among other things, it aims to determine the remuneration of members of corporate bodies and Executives with Strategic Responsibilities in a harmonious manner, consistent with the working conditions of employees, avoiding generating situations of unjustified imbalance.

*d) Possible involvement of independent experts.*

There were no independent experts involved in determining the Remuneration Policy.

*e) Purposes pursued by the remuneration policy, the underlying principles and any changes in the remuneration policy with respect to the previous financial year.*

The Remuneration Policy aims to retain and motivate people with diverse professional skills and experiences who can guarantee useful contributions to the growth and control of the Company's business.

The Remuneration Policy illustrated in this Report seeks to:

- i) Establish the methods for determining the remuneration of Directors – and in particular Executive Directors – and Executives with strategic responsibilities, in compliance with applicable regulations and in accordance with national and international best practices,

also reflected in the principles of the Corporate Governance Code.

- ii) Identify in particular the persons and/or bodies involved in the implementation thereof, which – according to their respective competences – propose, deliberate and/or determine the remuneration of Directors and Executives with strategic responsibilities, express opinions on the matter, or are called upon to verify the correct implementation of what has been resolved or determined by the competent bodies.
- iii) Ensure greater transparency on remuneration for investors, both current and potential.

The Remuneration Policy was prepared by employing a clear, transparent process based on the following principles:

- i) The balancing of the fixed and variable remuneration components according to the strategic objectives, the sustainable success of the Company and the Group's risk management policy, also taking into account the sector it operates in and the characteristics of the business actually carried out.
- ii) The consistency of the overall remuneration with the applicable market benchmarks for similar positions or for roles of a similar level of responsibility and complexity.
- iii) Performance objectives – or the economic results and any other specific objectives that the disbursement of the variable component is linked to – as detailed below are measurable and linked to the purpose of creating value for the Shareholders over a medium- to long-term horizon.
- iv) The fixed component of the remuneration is sufficient to remunerate the performance of Executive Directors and Executives with strategic responsibilities in the event of failure to meet the objectives set for earning the variable component.

Among other things, the Remuneration Policy pursues an alignment between the interests of Directors and Executives with strategic responsibilities, and at the same time the sustainable success of the Company and the achievement of the priority objective of creating value for Shareholders over a medium- to long-term horizon. This also through the adoption of incentive forms of remuneration linked to corporate performance objectives, both quantitative linked to financial indicators and qualitative linked to corporate sustainability objectives.

More specifically, the Company's sustainable success affects the following sectors:

- i) Renewable sources. The Company uses containers composed exclusively of materials derived from renewable sources, able to best store the product, without negatively impacting the environment. The paper is certified by the international NGO Forest Stewardship Council, while the plastic is plant-based derived from sugar cane, a renewable resource.
- ii) Reduction of CO<sub>2</sub> emissions. On the one hand, the Company is carrying out a carbon footprint study in order to measure CO<sub>2</sub> emissions, while providing indicators for improving environmental performance, and on the other hand has launched a "sustainability project" aimed at offsetting CO<sub>2</sub> emissions through a tree-planting project in the three-year period 2020-2023.
- iii) Reduction of the use of plastic. The Company has also launched an important industrial investment aimed at eliminating plastic baskets and replacing them with secondary cardboard packaging.

*f) Description of the policies on fixed and variable components of remuneration, with particular regard to the indication of the relative weight in the overall remuneration and distinguishing between short- and medium-to-long-term variable components.*

The fixed component of the remuneration of the members of the Board of Directors was determined by the Shareholders' Meeting on 29 April 2020, which attributed to each member the amount of €12,000.00 gross per year.

Pursuant to art. 2389, paragraph 3 of the Civil Code and by reason of the tasks and activities performed, the meeting of the Board of Directors of 4 May 2020 resolved to attribute an annual gross remuneration (including the remuneration established by the aforementioned Shareholders' Meeting pursuant to art. 2389, paragraph 1 of the Civil Code and the sum paid for participation in board committees) to the Chairman of €60,000.00 and to the Deputy Chairman and the Chief Executive Officer of €30,000.00 each.

The fixed component of Executives with strategic responsibilities consists of the fixed annual gross remuneration envisaged in their individual signed contracts, in accordance with the applicable collective agreements.

The remuneration of Independent Directors is determined only to a fixed extent, being neither linked to economic results nor to specific Company objectives.

The variable component of the remuneration referred to in letter h) below of the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors, the Chief Executive Officer, non-executive Directors and the Financial Reporting Officer – in his/her capacity as Executive with strategic responsibilities – is defined by the Board of Directors based on a proposal of the Remuneration and Appointments Committee and is paid according to the achievement of particular performance objectives, which must be achieved over the three-year period of reference.

The consolidated performance targets established for the 2020-2022 period – identical for all the recipients of the variable component –

relate to economic (Production Value and EBITDA), equity (amount of Shareholders' Equity) and strategic parameters.

On the proposal of the Remuneration and Appointments Committee, the Board of Directors approved the parameters for defining the actual amount of monetary bonuses to be paid.

*g) Policy with regard to non-monetary benefits.*

With regard to non-monetary benefits, the Remuneration Policy is based on maintaining average market standards.

These benefits consist of a life/injury insurance policy in favour of the Directors, as well as the assignment of a company car and telephone to the CEO and Executives with strategic responsibilities.

*h) With reference to variable components, a description of the performance targets, on the basis of which short- and medium-to-long-term variable components are assigned, distinguishing between the term, and information on the link between the change in results and the change in remuneration.*

The Chairman, Deputy-Chairman, Chief Executive Officer, non-executive Directors and Executive with strategic responsibilities receive a variable component up to a maximum of 50% of their individual annual fixed remuneration and linked to the achievement of the three-year quantitative objectives enumerated in the 2020-2022 business plan, approved by the Board of Directors on 10 February 2020. Specifically:

a. Turnover in the years 2020, 2021 and 2022 (equal to 20% of the maximum payable variable component):

- |                           |                   |
|---------------------------|-------------------|
| 1. <95% of the target     | no bonus          |
| 2. 95-100% of the target  | 50% of the bonus  |
| 3. 100-105% of the target | 100% of the bonus |
| 4. >105%                  | 110% of the bonus |

b. Group EBITDA for the years 2020, 2021 and 2022 (equal to 25% of the maximum payable variable component):

- |                           |                   |
|---------------------------|-------------------|
| 1. <95% of the target     | no bonus          |
| 2. 95-100% of the target  | 50% of the bonus  |
| 3. 100-105% of the target | 100% of the bonus |
| 4. >105%                  | 110% of the bonus |

c. Consolidated NFP/ EBITDA ratio excluding financial debt related to any equity investments and net of any disposals (equal to 25% of the maximum payable variable component):

- |                           |                   |
|---------------------------|-------------------|
| 1. <95% of the target     | no bonus          |
| 2. 95-100% of the target  | 50% of the bonus  |
| 3. 100-105% of the target | 100% of the bonus |
| 4. >105%                  | 110% of the bonus |

The bonus for the achievement of each of the above objectives shall be paid as follows:

- 50% in the year following the achievement of the target (e.g. target reached in 2020, the first 50% of the bonus shall be paid in 2021);
- 50% at the end of the three-year period (e.g. target reached in 2020, the remaining 50% of the bonus shall be paid in 2023).

In the event of an interrupted mandate:

- due to death or permanent disability, the bonuses earned will be paid to the beneficiaries immediately after the event;
- in other cases of early termination of the mandate, bonuses not yet paid shall not be paid.

Specifically, for the Chairman of the Board of Directors and the Chief Executive Officers, additional performance targets may be defined each year.

Recalling what was mentioned under letter e), on the proposal of the Remuneration and Appointments Committee the Company also identified qualitative performance targets related to environmental and social sustainability, which the Company aims to achieve. Specifically:

- a. The maintenance of ISO 14001 - Environmental Management System certification at the Florence, Vicenza, Turin and Rapallo sites.
- b. Reduction of CO2 emissions during the three-year period 2020-2023.
- c. Reduction of the use of plastic in packaging by 23% in 2021.

More specifically, the achievement of the aforementioned qualitative performance objectives represents 15% each of the maximum payable variable component.

Financial performance goals 70%	a. Turnover (20%) b. EBITDA (25%) c. Consolidated NFP/ EBITDA ratio excluding financial debt related to any equity investments and net of any disposals (25%)
Non-financial performance goals 30%	a. ISO 14001 certification (10%) b. Reduction of CO2 emissions (10%) c. Reuse of plastic (10%)

*i) The criteria used to assess performance objectives for the allocation of shares, options, other financial instruments or other variable components of remuneration.*

For the criteria for assessing performance objectives, refer to point h).

*j) Information to highlight the contribution of the Remuneration Policy, and in particular the Policy on variable components, to the business strategy, the pursuit of long-term company interests and sustainability.*

See the discussion in paragraphs e) and f) above.

*k) Vesting period, any deferred payment systems, with an indication of the deferral periods and the criteria used to determine these periods and, if applicable, ex-post adjustment mechanisms.*

Not applicable

*l) Information on any provisions for holding securities in the portfolio after their acquisition, indicating the retention periods and the criteria used to determine these periods.*

There are no clauses requiring holding securities because there are no incentive plans based on securities.

*m) The policy relating to procedures in the event of termination of office or employment relationship.*

There is no compensation in the event of termination of office or the employment relationship.

*n) Information on the presence of any insurance, social security or pension arrangements other than those required by law.*

As already indicated in letter g) above, the Company has taken out a cumulative insurance policy against accidents and for the legal protection of all Directors and Executives.

*o) Remuneration policies concerning: (i) independent directors, (ii) participation in committees and (iii) the performance of special duties (chairman, vice-chairman, etc.).*

The right to the remuneration accrues upon appointment. Each of the independent Directors is only paid the fixed component equal to €12,000.00 gross per year, on a monthly basis, in addition to reimbursement of expenses incurred during the performance of their duties.

This remuneration also includes remuneration for participation in the individual internal Committees of the Company.

*p) Whether the remuneration policy has been defined using the remuneration policies of other companies as a reference and, if so, the criteria used to choose those companies.*

The Company's Remuneration Policy was defined without using remuneration policies adopted by other companies as a reference.

*q) Exceptions for exceptional circumstances.*

The Company does not intend to make any exceptions to the Remuneration Policy in exceptional circumstances.

## SECTION II

### PART I

#### *1.1 Remuneration items*

Below is an adequate representation of each item that makes up the remuneration of those who hold the position of member of the Board of Directors, the Board of Statutory Auditors or Executive with strategic responsibilities.

#### Board of Directors

- a) Chairman of the Board of Directors:
  - Fixed component of €60,000.00, approved by the Board of Directors on 4 May 2020.
  - Variable component as detailed in Section I - letter h) above.
  - Non-monetary benefits: cumulative insurance policy against accidents and for legal protection.
  - There is no provision for an end-of-service indemnity.
- b) Deputy Chairman of the Board of Directors:
  - Fixed component of €30,000.00, approved by the Board of Directors on 4 May 2020.
  - Variable component as detailed in Section I - letter h) above.
  - Non-monetary benefits: cumulative insurance policy against accidents and for legal protection.
  - There is no provision for an end-of-service indemnity.
- c) Chief Executive Officer:
  - Fixed component of €30,000.00, approved by the Board of Directors on 4 May 2020.
  - Variable component as detailed in Section I - letter h) above.
  - Non-monetary benefits: company car, company telephone and cumulative insurance policy against accidents and for legal protection.
  - There is no provision for an end-of-service indemnity.
- d) Non-executive directors:
  - Fixed component of €12,000.00, approved by the Shareholders' Meeting on 29 April 2020.
  - Variable component as detailed in Section I - letter h) above.
  - Non-monetary benefits: cumulative insurance policy against accidents and for legal protection.
  - There is no provision for an end-of-service indemnity.
- e) Independent Directors:
  - Fixed component of €12,000.00, approved by the Shareholders' Meeting on 29 April 2020.
  - No variable component.
  - Non-monetary benefits: cumulative insurance policy against accidents and for legal protection.
  - There is no provision for an end-of-service indemnity.

#### Board of Statutory Auditors

- a) Chairman of the Board of Statutory Auditors
  - Fixed component of €24,000.00, approved by the Shareholders' Meeting on 26 April 2018.
  - There is no variable component.
  - Non-monetary benefits: cumulative insurance policy against accidents and for legal protection.
- b) Standing Auditors
  - Fixed component of €18,000.00, approved by the Shareholders' Meeting on 26 April 2018.
  - There is no variable component.
  - Non-monetary benefits: cumulative insurance policy against accidents and for legal protection.

#### Managers with strategic responsibilities

- the fixed component consists of the fixed annual gross remuneration envisaged in their individual signed contracts, in accordance with the applicable collective agreements.
- Variable component as detailed in Section I - letter h) above.

- Non-monetary benefits: company car, company telephone and cumulative insurance policy against accidents and for legal protection.
- There is no provision for an end-of-service indemnity.

#### 1.2 Agreements providing for compensation in the event of early termination of the relationship

There are no agreements that envisage remuneration in the event of early termination of the relationship.

#### 1.3 Exceptions applied to the policy

No exceptions to the Remuneration Policy were applied in 2020.

#### 1.4 Application of ex-post adjustment mechanisms (clawbacks and/or penalties)

No ex-post adjustment mechanisms for the variable component were applied during the year 2020.

#### 1.5 Change in remuneration and comparison information

The comparison between the annual variable component is shown below:

i) the total remuneration of each of the parties for whom the information referred to in this section of the Report is provided by name

	2020	2019	2018	2017	2016
<b>Riccardo Pozzoli</b>	27.6%	0.6%	5.1%	1.8%	15.2%
<b>Luigi Luzzati</b>	-	-47.7%	14.8%	-3.1%	-10.5%
<b>Lorenzo Marchionni</b>	27.2%	-9.0%	14.2%	72.5%	-
<b>Maurizio Macchiavello</b>	-69.1%	0.5%	4.3%	-1.9%	-9.5%
<b>Adele Artom</b>	-66.7%	0.0%	0.0%	0.0%	0.0%
<b>Piera Baja</b>	-64.8%	5.9%	-8.9%	-	-
<b>Germano Turinetto</b>	-	-	-	--	18.8%
<b>Antonella Forchino</b>	-80.2%	-10.0%	-11.8%	21.4%	0.0%
<b>Elsa Fornero</b>	-68.6%	0.0%	-5.6%	12.5%	0.0%
<b>Renato Giallombardo</b>	-66.7%	-5.9%	-5.6%	350.0%	-
<b>Laura Materassi</b>	-81.0%	-3.4%	-19.4%	260.0%	-
<b>Luciano Roasio</b>	-82.8%	-6.5%	-16.2%	19.4%	10.7%
<b>Lorenzo Petretto</b>	-82.2%	0.0%	0.0%	66.7%	-
<b>Edoardo Pozzoli</b>	-33.9%	-	-	-	-
<b>Alberto Tazzetti</b>	-	5.9%	-41.4%	-6.5%	10.7%
<b>Nicola Codispoti</b>	-	-	-	-	-100.0%
<b>Angelo Mastrolia (*)</b>	-	-	-	-	-
<b>Giuseppe Mastrolia (*)</b>	-	-	-	-	-
<b>Stefano Cometto (*)</b>	-	-	-	-	-
<b>Benedetta Mastrolia (*)</b>	-	-	-	-	-
<b>Valeria Bruni Giordani (*)</b>	-	-	-	-	-
<b>Antonella Mansi (*)</b>	-	-	-	-	-
<b>Anna Claudia Pellicelli (**)</b>	-	-	-	-	-
<b>Deborah Sassorossi</b>	0.0%	0.0%	100.0%	-	-
<b>Giovanni Rayneri</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Francesco Fino</b>	0.0%	0.0%	-25.0%	0.0%	0.0%
<b>Vittoria Rossotto</b>	-	-	-	0.0%	0.0%

(\*) Date of assumption of office 29 April 2020

(\*\*) Date of assumption of office 16 July 2020



ii) of the Company's results (annual % change)

	2020(*)	2019	2018	2017	2016
<b>Value of production</b>	128.2%	-1%	2.3%	4.3%	1.3%
<b>Operating profit/(loss)</b>	374.4%	-450.1%	-18%	-224.2%	-100%
<b>Shareholders' equity</b>	-5.9%	-5%	0.8%	0.2%	53.0%

(\*) The change takes into account the merger by incorporation of Centrale del Latte di Vicenza S.p.A. and Centrale del Latte della Toscana S.p.A. into CLI.

iii) the average annual gross remuneration, based on full-time staffers, of employees other than those whose remuneration is represented by name in this section of the Report

	2020	2019
<b>Change</b>	-3.9%	6.5%

The average annual gross remuneration was calculated by dividing the total remuneration (used to calculate contributions) by the number of employees averaged over the months of actual work.

#### *1.6 Vote cast by the shareholders on this section II of the previous year*

The Shareholders' Meeting held on 29 April 2020 approved Section II of the Remuneration Report for the 2020 financial year with 6,983,005 votes in favour, 2,431 against and 2,678,784 abstentions.

## **PART II**

Table 1 is annexed as envisaged in schedule no. 7-bis of the Issuers' Regulation

## **PART III**

Pursuant to the fourth paragraph of article 84-quater of the Issuers' Regulation, attached to this Report are the Company or subsidiary shares held by Directors and Statutory Auditors, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties resulting from the shareholders' register, communications received or other information acquired by the Directors and Statutory Auditors themselves (Table 2 as envisaged in Schedule 7-ter of the Issuers' Regulation).

Turin, 5 March 2021

Chairman of the Board of Directors  
Angelo Mastrolia

Table 1)

**REMUNERATION PAID TO BOARD MEMBERS TERMINATED DURING 2020**

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Riccardo POZZOLI</b>	<b>Chairman and Chief Executive Officer</b>	<b>(*) 2000</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				150,151	-	-	650,000	-	-	800,151	-	-
Remuneration from subsidiaries				50,000	-	-	-	-	-	50,000	-	-
<b>Total</b>				<b>200,151</b>	-	-	<b>650,000</b>	-	-	<b>850,151</b>	-	-

(\*) Quotation year

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Lorenzo MARCHIONNI</b>	<b>Deputy Chairman non-executive</b>	<b>Oct-16</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				29,333	-	-	198,508	-	-	227,841	-	-
Remuneration from subsidiaries				30,000	-	-	-	-	-	30,000	-	-
<b>Total</b>				<b>148,000</b>	-	-	<b>31,154</b>	-	-	<b>257,841</b>	-	-

(\*) Quotation year

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Adele ARTOM</b>	<b>Director</b>	<b>(*) 2000</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,667	-	-	-	-	-	2,667	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>2,667</b>	-	-	-	-	-	<b>2,667</b>	-	-

(\*) Quotation year

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Piera BRAJA</b>	<b>Director</b>	<b>2017</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,667	-	500	-	-	-	3,167	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>2,667</b>	-	<b>500</b>	-	-	-	<b>3,167</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Antonella FORCHINO</b>	<b>Director</b>	<b>2006</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,667	-	-	-	-	-	2,667	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>2,667</b>	-	-	-	-	-	<b>2,667</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Elsa FORNERO</b>	<b>Director</b>	<b>2014</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,667	-	-	-	-	-	2,667	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>2,667</b>	-	-	-	-	-	<b>2,667</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Renato GIALLOMBARDO</b>	<b>Director</b>	<b>Oct-16</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,667	-	-	-	-	-	2,667	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>2,667</b>	-	-	-	-	-	<b>2,667</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Laura MATERASSI</b>	<b>Director</b>	<b>Oct-16</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,667	-	-	-	-	-	2,67	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>2,667</b>	-	-	-	-	-	<b>2,667</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Maurizio MACCHIAVELLO</b>	<b>Director</b>	<b>Jul-05</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				66,000	-	-	210,398	-	-	276,398	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>66,000</b>	-	-	<b>210,398</b>	-	-	<b>276,398</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Lorenzo PETRETTO</b>	<b>Director</b>	<b>Oct-16</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,667	-	-	-	-	-	2,667	-	-
Remuneration from subsidiaries				3,500	-	-	-	-	-	3,500	-	-
<b>Total</b>				<b>6,167</b>	-	-	-	-	-	<b>6,167</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Edoardo POZZOLI</b>	<b>Director</b>	<b>Sep-19</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				20,167	-	-	-	-	-	20,167	-	-
Remuneration from subsidiaries				11,250	-	-	-	-	-	11,250	-	-
<b>Total</b>				<b>31,417</b>	-	-	-	-	-	<b>31,417</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Luciano ROASIO</b>	<b>Director</b>	<b>Jul-05</b>	<b>31/12/2019</b>									
Remuneration from CLI S.p.A.				2,000	-	500	-	-	-	2,500	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>2,000</b>	-	<b>500</b>	-	-	-	<b>2,500</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Antonella MANSI</b>	<b>Director</b>	<b>Apr-20</b>	<b>31/12/2022</b>									
Remuneration from CLI S.p.A.				-	-	-	-	-	-	-	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				-	-	-	-	-	-	-	-	-

**REMUNERATION PAID TO BOARD MEMBERS CURRENTLY IN OFFICE**

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Angelo MASTROLIA</b>	<b>Chairman</b>	<b>Apr-20</b>	<b>31/12/2022</b>									
Remuneration from CLI S.p.A.				40,333	-	-	-	-	-	40,333	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>40,333</b>	-	-	-	-	-	<b>40,333</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Giuseppe MASTROLIA</b>	<b>Deputy Chairman</b>	<b>Apr-20</b>	<b>31/12/2022</b>									
Remuneration from CLI S.p.A.				20,167	-	-	-	-	-	20,167	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>20,167</b>	-	-	-	-	-	<b>20,167</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Benedetta MASTROLIA</b>	<b>Director</b>	<b>Apr-20</b>	<b>31/12/2022</b>									
Remuneration from CLI S.p.A.				8,000	-	-	-	-	-	8,000	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>8,000</b>	-	-	-	-	-	<b>8,000</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Stefano COMETTO</b>	<b>Director</b>	<b>Apr-20</b>	<b>31/12/2022</b>									
Remuneration from CLI S.p.A.				8,000	-	-	-	-	-	8,000	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>8,000</b>	-	-	-	-	-	<b>8,000</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Valeria Bruni GIORDANI</b>	<b>Director</b>	<b>Apr-20</b>	<b>31/12/2022</b>									
Remuneration from CLI S.p.A.				8,000	-	-	-	-	-	8,000	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>8,000</b>	-	-	-	-	-	<b>8,000</b>	-	-

Director	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing				
<b>Anna Claudia PELLICIELLI</b>	<b>Director</b>	<b>Jul-20</b>	<b>29/04/2021</b>									
Remuneration from CLI S.p.A.				5,420	-	-	-	-	-	5,420	-	-
Remuneration from subsidiaries				-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>5,420</b>	-	-	-	-	-	<b>5,420</b>	-	-



Table 2)

**REMUNERATION PAID TO STATUTORY AUDITORS**

Standing Auditor	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Non-monetary benefits	Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing					
<b>Deborah SASSOROSI</b>	Chairman	2012	31/12/2020										
Remuneration from CLI S.p.A.				24,000 <b>24,000</b>							24,000 <b>24,000</b>		

Standing Auditor	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Non-monetary benefits	Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing					
<b>Francesco FINO</b>	Chairman	2012	31/12/2020										
Remuneration from CLI S.p.A.				18,000 <b>18,000</b>							18,000 <b>18,000</b>		

Standing Auditor	Position	First year of office	Expiry of office	Fixed remuneration	Salary	Remuneration for committee participation	Non-variable equity remuneration		Non-monetary benefits	Other fees	Total	Equity compensation fair value	End-of-service indemnity accrued
							Variable remuneration	Profit-sharing					
<b>Giovanni RAYNERI</b>	Statutory Auditor	2009	31/12/2020										
Remuneration from CLI S.p.A.				18,000 <b>18,000</b>							18,000 <b>18,000</b>		

**SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS**

<b>Name and Surname</b>	<b>Position</b>	<b>Investee company</b>	<b>Shares held as at 31/12/2019</b>	<b>Acquired in 2020</b>	<b>Sold in 2020</b>	<b>Shares held as at 31/12/2020</b>
Angelo Mastroia	Chairman of the BoD	Centrale del Latte d'Italia S.p.A. (*)	187,120	9,276,582	-	9,463,702

(\*) indirect shareholding held through Newlat Group S.A. and Newlat Food S.p.A.

No other member of the Board of Directors or Board of Statutory Auditors holds shares in Centrale del Latte d'Italia S.p.A.