



Report on the 2023 remuneration policy and 2022 compensation paid

MARCH 14, 2023

ORSERO S.P.A.
FY 2022

(prepared in accordance with Article 123-ter Consolidated Law on Finance and Article 84-
quater of the Issuers' Regulation)



Shareholders,

As Chair of Orsero's Remuneration and Appointments Committee, I am pleased once again to present the Annual Report on the Remuneration Policy and Compensation Paid, which incorporates the regulatory changes introduced by Consob Resolution No. 21623 of December 10, 2020.

2022 confirmed, even in the face of a macroeconomic environment of increasing complexity characterized by significant inflationary pressures, the soundness of the Group's business model. In actual fact, there has been a consolidation of profitability and cash generation, which is reflected in a strengthening of

Orsero's capital and financial structure, also supported by the recent acquisitions of major companies operating in the sector.

In accordance with the recommendations of leading Proxy Advisors, this Report is introduced by an Executive Summary section, with the intention of making the constructive "dialog" established with all Group stakeholders more effective and stable.

The document is split into two Sections: i) Section One "Report on Remuneration Policy," which describes our approach to compensation and incentive systems for 2023; ii) Section Two "Report on Compensation Paid," which provides details of compensation paid in the previous year.

In structuring the Policy, the expiration of the board term with the approval of the financial statements at December 31, 2022 was taken into account. Without prejudice to the prerogatives of the Shareholders' Meeting and the future Board, to the extent of their respective competencies, in determining the emoluments for Directors and Statutory Auditors and for participation in Board committees, a proposal is formulated in the Policy to revise the compensation for non-executive Directors, members of the Control and Risks Committee and the Board of Statutory Auditors also based on extensive benchmarking activities supported by an independent advisor and with the aim of further strengthening the governance of the Group and aligning Orsero with market best practices.

The main changes contained in Section One of the Remuneration Report concern, on the one hand, the increase in the amount of fixed remuneration for the CEO and Deputy Chair and the CEO and CFO, their inclusion among short-term incentive (MBO) participants (replacing the up-front component of the previous LTI plan) and the revision of compensation for Non-Executive Directors, the Control and Risks Committee, and members of the Control Body, on the other hand, the launch of the new Long-Term Incentive Plan (Performance Share Plan 2023-2025) for the three-year period 2023-2025, the previous LTI plan having matured.

Once again for this year, we therefore fully confirm our desire to align the incentive systems of key management figures with the creation of value for shareholders and stakeholders over a medium- to long-term horizon, by linking incentives to corporate and Group performance

objectives, as well as - an element that is a novelty of the new Policy - to sustainability objectives linked to Orsero's Sustainability Plan.

The disclosure of compensation paid and achievement of financial goals during the previous year will be given within the Second Section of this Report.

The Committee, following its approval by the Board of Directors, delivers the Report on Remuneration Policy 2023 and Compensation Paid 2022 to you, the shareholders, who are called upon to cast a binding vote on Section One and an advisory vote on Section Two, in the hope that it has fully represented the Group's compensation system and its contribution to the generation of value for all stakeholders.

In concluding this brief note, I would like to thank you, the Shareholders, for the time and attention you have dedicated, reiterating the commitment of the Committee and the entire Board of Directors to continue to promote maximum transparency towards investors, inspired by principles of respect, ethics in doing business, fairness and responsibility, so as to continue to attract and motivate top-level resources.

Regards,

Armando Rodolfo de Sanna
Chair of the Remuneration and Appointments Committee

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Introduction

This Remuneration Report, approved by the Orsero S.p.A. Board of Directors on March 14, 2023, has been prepared in accordance with Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Issuers' Regulation and has been prepared in accordance with Annex 3A, Schedule 7-bis and Schedule 7-ter of the Issuers' Regulation.

The Report on Remuneration is divided into the following sections:

- Section I, prepared in accordance with Articles 123-ter of the Consolidated Law on Finance, which illustrates Orsero 's Remuneration Policy regarding the remuneration of Directors, other Managers with Strategic Responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, of the members of the Company's Board of Statutory Auditors, with an annual term, as well as the procedures used for the adoption, review and implementation of this Remuneration Policy.
In Section I, for the sake of a more extensive disclosure, certain selected information is also provided regarding the remuneration of Senior Managers, Key Managers and Key people, it being understood that such persons do not fall within the perimeter of relevant persons for the purposes of the aforementioned Article 123-ter TUF and without prejudice to the powers of the persons/organizations of Orsero or the Subsidiaries delegated/competent for this purpose to decide on such remuneration.
- Section II, which by name with regard to the remuneration attributed to the Company's Directors and members of the Board of Statutory Auditors, and in aggregate form for the other Managers with Strategic Responsibilities:
 1. provides, in Part One, an adequate, clear and comprehensible representation of each of the items that make up remuneration, including the benefits provided in the event of termination of office or termination of employment, highlighting their compliance with the Company's Remuneration Policy and the ways in which remuneration contributes to the Company's long-term results;
 2. provides, in Part Two, an analytical presentation of the remuneration paid in the Financial Year (2022) for any reason, and in any form, by the Company and by subsidiaries or associates, indicating any components of these fees that are related to activities carried out in years previous to the year in question, and also highlighting the fees to be paid in one or more subsequent years against activities carried out in the Financial Year, and possibly indicating an estimated value for the components that are not objectively quantifiable in that Financial Year.
 3. explains how the Company took into account the previous year's vote on the second section of the "2020-2022 Report on Remuneration Policy and 2021 Compensation Paid."

In addition, Section II (Part Two) contains information on the shareholdings held, in Orsero and its subsidiaries, by members of the Company's Board of Directors, the Board of Statutory Auditors and other Managers with Strategic Responsibilities, as well as by spouses who are not legally separated and underage children, directly or through subsidiaries, trust companies or third parties, in accordance with the provisions of Article 84-quater, paragraph 3, of the Issuers' Regulation.

The Remuneration Policy takes into account the recommendations and indications on remuneration set out in the Corporate Governance Code and is drawn up in compliance with the requirements of the Regulations and the Stock Exchange Instructions for issuers admitted to the STAR segment of the Euronext Milanmarket, organized and managed by Borsa Italiana S.p.A.

With regard to the information required by Articles 114-*bis* of the Consolidated Law on Finance and 84-*bis* of the Issuers' Regulation in relation to the incentive plan based on financial instruments in force during the reference period of the Remuneration Policy, please refer to the Information Document available on the Issuer's website www.orserogroup.it, "Governance" section, "Remuneration" subsection.

This Remuneration Report is made available to the public for at least ten years on the Issuer's website www.orserogroup.it, "Governance" section, "Remuneration" subsection.

Executive summary

Main elements of Orsero's remuneration policy

A summary of the 2023 Remuneration Policy is presented below.

Please note that the current Board of Directors and Board of Statutory Auditors will end their terms of office with the Shareholders' Meeting to approve the financial statements as of December 31, 2022 (the "**2023 Shareholders' Meeting**"). Emoluments for Directors and Statutory Auditors will be determined by the 2023 Shareholders' Meeting when appointing corporate bodies¹.

Components	Purpose and characteristics	Annual numerical summary	
REMUNERATION OF THE BOARD OF DIRECTORS BOARD COMMITTEES BOARD OF STATUTORY AUDITORS	<p>It is of an adequate level in order to remunerate the responsibilities of the Board of Directors, the relative committees and the Board of Statutory Auditors, taking into account the size of the Company, the commitment required and the necessary skills.</p> <p>As provided for by article 2402 of the Italian Civil Code in the form of a fixed emolument; no variable remuneration is envisaged.</p>	<p>Chair of the Board of Directors: Euro 140,000 (plus reimbursement of expenses and car for both business and personal use)</p> <p>Directors' fee: Euro 25,000 (plus reimbursement of expenses)</p> <p>Remuneration and Appointments Committee: Chair Euro 15,000 and members Euro 10,000²</p> <p>Related Parties Committee: Chair Euro 8,000 and members Euro 6,000 (see note 2)</p> <p>Control and Risks Committee: Chair Euro 15,000 and members Euro 10,000 (see note 2)</p> <p>Sustainability Committee: Chair Euro 8,000 and members Euro 6,000 (see note 2)</p> <p>Board of Statutory Auditors: Chair Euro 35,000, Statutory Auditors Euro 30,000</p>	<p>Page 24 (section 1)</p> <p>Page 24 (section 1)</p> <p>Page 24 (section 1)</p> <p>Page 24 (section 1)</p> <p>Page 24 (section 1)</p> <p>Page 24 (section 1)</p> <p>Page 25 (section 1)</p>
FIXED REMUNERATION OF EXECUTIVE DIRECTORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES	<p>Provides remuneration for the professionalism and skills required by the position held; determined in relation to periodically assessed market remuneration benchmarks.</p> <p>Provided in the form of employee compensation for Managers and directors who also have a management role.</p>	<p>CEO and Deputy Chair: Euro 425,000 gross annual remuneration (plus Board of Directors attendance fee)</p> <p>CEO and Chief Financial Officer: Euro 385,000 gross annual remuneration (plus Board of Directors attendance fee)</p> <p>Chief Commercial Officer: Euro 250,000 gross annual remuneration</p>	<p>Page 26 (section 1)</p> <p>Page 26 (section 1)</p> <p>Page 26 (section 1)</p>

¹ Please refer to Orsero's 2020-2022 Remuneration Policy for the compensation payable to Directors and Statutory Auditors until the 2023 Shareholders' Meeting and otherwise in effect until the approval and effective date of the 2023 Remuneration Policy.

² These indications assume that a resolution will be passed by the Board of Directors to be appointed by the 2023 Shareholders' Meeting to establish a Remuneration and Appointments Committee, a Related Parties Committee, a Control and Risks Committee, as well as a Sustainability Committee in line with the "Orsero S.p.A. Board of Directors' Guidelines to Shareholders on the Future Size and Composition of the New Board of Directors."

<p>SHORT-TERM VARIABLE REMUNERATION (MBO)</p>	<p>Beneficiaries: CEO and Deputy Chair, CEO and CFO, Managers with Strategic Responsibilities, Senior Managers and Group Key Managers. Objectives: Consolidated Annual Adjusted EBITDA or specific income targets on business or geographic areas Method of payment: cash payment.</p>	<p>CEO and Deputy Chair: payout 47% of fixed compensation (Euro 210,000) on Consolidated Annual Adjusted EBITDA target floor 85%, cap 110% of target³ This calculation system also envisages a more than proportional decrease in the event of a negative deviation (underperformance) and a proportional increase in the event of a positive deviation (overperformance).</p> <p>CEO and Chief Financial Officer payout 49% of fixed compensation (Euro 200,000) on Consolidated Annual Adjusted EBITDA target floor 85%, cap 110% of target (see note 3) This calculation system also envisages a more than proportional decrease in the event of a negative deviation (underperformance) and a proportional increase in the event of a positive deviation (overperformance).</p> <p>Managers with Strategic Responsibilities: payout 40% of fixed remuneration (Euro 100,000) on Consolidated Annual Adjusted EBITDA target floor 85%, cap 110% of target (see note 3) Senior Managers and Key Managers of the Group: payout from 10% to 40% of the fixed remuneration on Consolidated Annual Adjusted EBITDA target or on a specific geographic or business income benchmark floor 85%, cap 110% of target This calculation system also envisages a more than proportional decrease in the event of a negative deviation (underperformance) and a proportional increase in the event of a positive deviation (overperformance).</p>	<p>Page 29 (section 1)</p> <p>Page 29 (section 1)</p> <p>Page 29 (section 1)</p>
<p>LONG-TERM VARIABLE REMUNERATION 2023-2025 PERFORMANCE SHARE PLAN</p>	<p>Beneficiaries: Executive Directors, Managers with Strategic Responsibilities, Senior Managers, Group Key Managers, and Key People.</p> <p>Objectives: - Annual Adjusted EBITDA Consolidated (85%); - Sustainability Goals (15%). floor 85%, cap 110% of target This calculation system also envisages a more than proportional decrease in the event of a negative deviation (underperformance) and a proportional increase in the event of a positive deviation (overperformance).</p> <p>Gate: two gates are provided for the incentive linked to the achievement of economic/financial targets, (i)</p>	<p>Executive Directors: payout set at 56% of fixed compensation for CEO and Deputy Chair and 61% for CEO and CFO:</p> <ul style="list-style-type: none"> • CEO and Deputy Chair Euro 250,000 • CEO and CFO Euro 250,000 <p>Managers with Strategic Responsibilities: payout set 48% of fixed remuneration (Euro 120,000)(see note 4)</p> <p>Senior Managers: payouts set from 45% to 50% of fixed remuneration</p> <p>Key Managers: payouts set from 8% to 25% of fixed remuneration</p> <p>Key people: payouts set from 4% to 20% of fixed remuneration</p>	<p>Page 31 (section 1)</p> <p>Page 31 (section 1)</p> <p>Page 31 (section 1)</p> <p>Page 31 (section 1)</p> <p>Page 31 (section 1)</p>

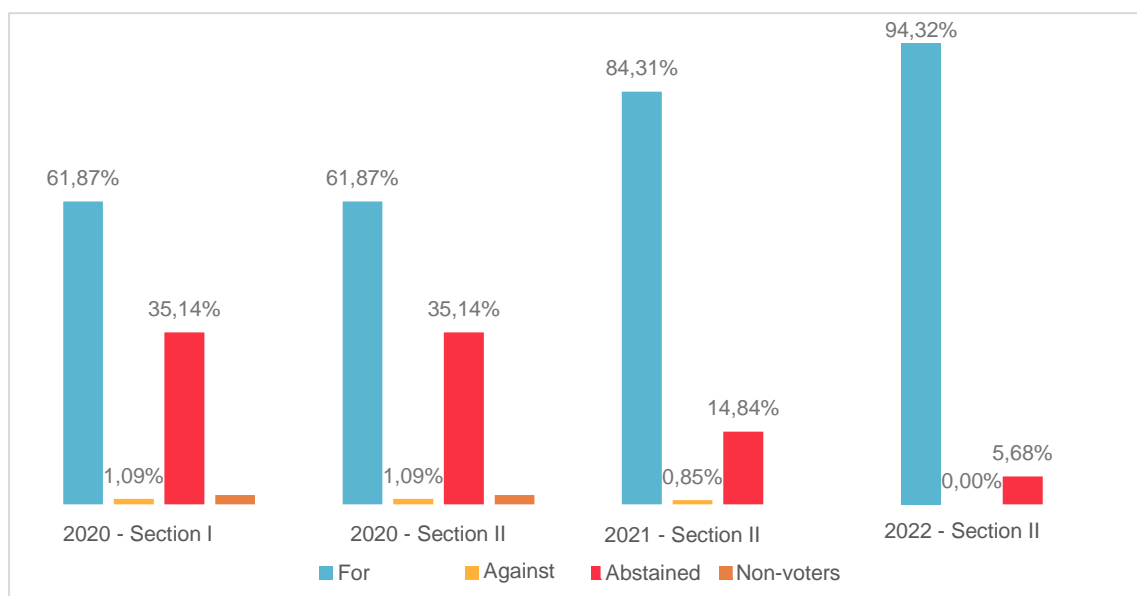
³ It should be noted that the percentage values shown assume the revision of emoluments proposed by the 2023 Remuneration Policy for which please refer to Section I.

⁴ It should be noted that the percentage values shown assume the revision of emoluments proposed by the 2023 Remuneration Policy for which please refer to Section I.

	<p>Consolidated Annual Adjusted EBITDA Threshold at or above 3.3% of consolidated revenues and (ii) Consolidated Annual Adjusted NFP/EBITDA Ratio < 3X.</p> <p>Method of disbursement: It is planned that the allotment of shares following the vesting of rights will take place in one lump sum at the end of the three-year reporting period.</p> <p>For Executive Directors, Managers with Strategic Responsibilities, and Senior Managers, there is a lock up restriction on 50% of the shares received until 12/31/2027.</p>	<p>Claw-back clauses as well as good leaver and bad leaver regulations are provided for all recipients, unless otherwise regulated by the local regulatory framework of the various Group companies.</p>	
NON-MONETARY BENEFITS	<p>Supplement the remuneration package in a total reward logic, to promote the loyalty of resources, taking into account market standards</p> <p><u>Beneficiaries:</u> Executive Directors, Managers with Strategic Responsibilities and Senior Managers and Group Key Managers.</p>	<p><u>Type:</u></p> <ul style="list-style-type: none"> - motor vehicle assigned for both personal and professional use; - insurance policy to cover the risk of accidents; - for some managers, supplementary health care insurance policy; - for some managers, temporary accommodation. 	<p>Page 38 (section 1)</p>
SEVERANCE INDEMNITY	<p>Promotes the retention of key resources and alignment with long-term interests.</p> <p><u>Beneficiaries:</u> Executive Directors and Managers with Strategic Responsibilities.</p> <p><u>Reasons:</u></p> <p>a) removal from office and/or dismissal without just cause;</p> <p>b) resignation due to:</p> <ul style="list-style-type: none"> - change of control of the Company following extraordinary transactions, - just cause. 	<p><u>Amount:</u> 2 years of gross fixed annual remuneration, including the provisions of the national collective bargaining agreement, and/or emolument for the office held.</p>	<p>Page 38 (section 1)</p>

Outcome of the meeting votes

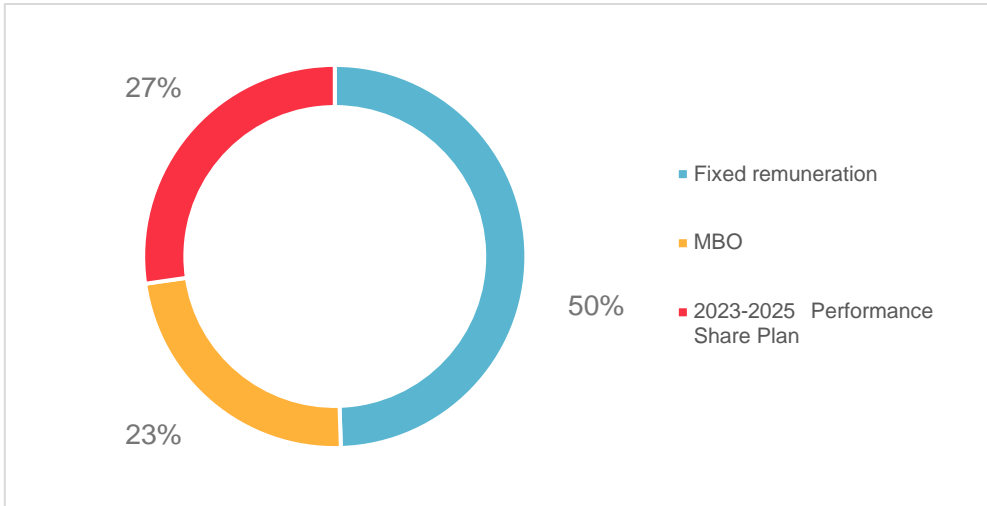
The Shareholders' Meeting held on April 28, 2022, in accordance with the provisions of the regulations in force at the time of the vote (Article 123-ter, sixth paragraph, of the TUF), by virtue of the transposition of SHRD II, cast an advisory vote on the Second Section of the "Report on 2020-2022 Remuneration Policy and 2021 Compensation Paid". The following is the binding vote on the First Section of the aforementioned Report, corresponding to the Remuneration Policy for the three-year period 2020-2022 that took place at the Shareholders' Meeting held on April 30, 2020, and a comparison of the advisory votes on compensation paid related to the years 2020-2021-2022.



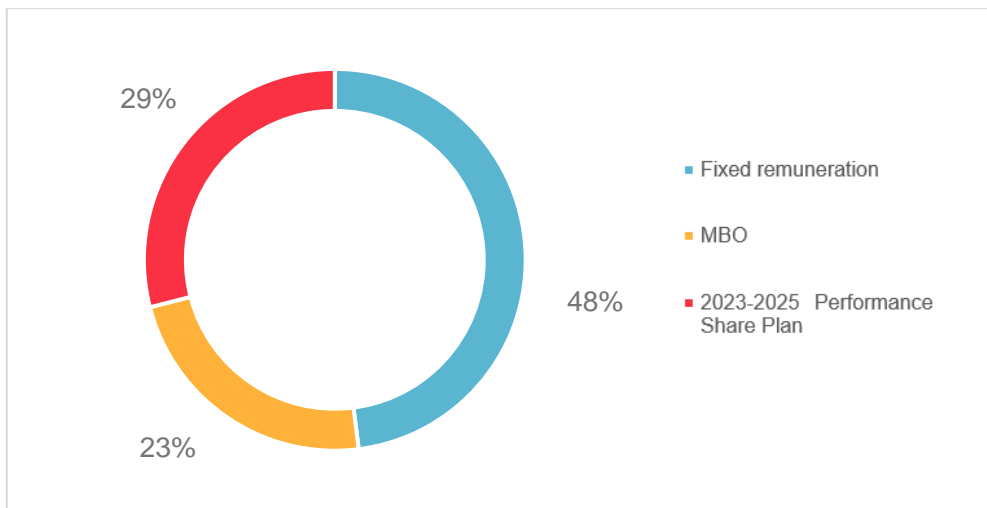
Pay mix

Below are the pay mixes of the CEO and Deputy Chair, the CEO and CFO, and the additional Manager with Strategic Responsibilities - MSR (CCO):

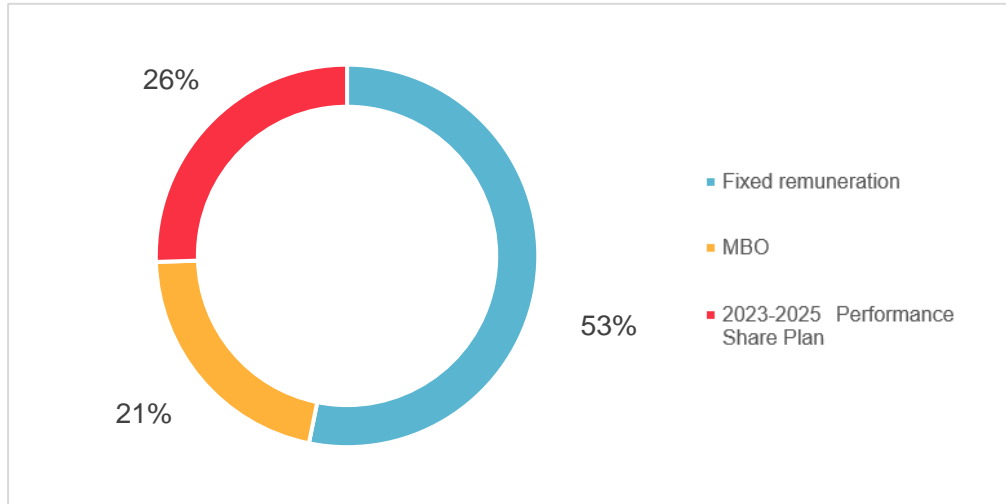
CEO AND DEPUTY CHAIR



CEO AND CFO



MANAGERS WITH STRATEGIC RESPONSIBILITIES (CCO)



Glossary

Independent Directors: The directors of Orsero who meet the independence requirements of Article 148 of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code (as defined below).

Shareholders' Meeting: The Shareholders' Meeting of Orsero S.p.A.

Corporate Governance Code: The Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee and brought into effect by Borsa Italiana S.p.A., available at www.borsaitaliana.it, in the section "Corporate Governance Committee" in force at the Report Date (as defined below, to which the Company adheres).

Civil Code: the Italian Civil Code.

Board of Statutory Auditors: The Board of Statutory Auditors of Orsero S.p.A.

Control and Risks Committee: The Orsero S.p.A. Board Committee responsible for control and risks.

Related Parties Committee: The Related Parties Committee of Orsero S.p.A.

Remuneration and Appointments Committee or Committee: The Remuneration and Appointments Proposals Committee of Orsero S.p.A.

Sustainability Committee: Orsero S.p.A.'s Board Committee responsible for Sustainability.

Board or Board of Directors: The Board of Directors of Orsero S.p.A.

Report date: The date of approval of this Report by the Board of Directors on March 14, 2023, subject to the favorable opinion of the Committee.

Senior Managers: Managers with functional responsibilities across the Group;

Key Managers: Managers with responsibility for subsidiaries or activities of particular importance to the Group;

Strategic Managers or Managers with Strategic Responsibilities: The persons identified by the Board of Directors who, pursuant to Annex 1 of the Related Parties Regulation (as defined below), have the power and responsibility, directly or indirectly, for the planning, management and control of Orsero S.p.A.'s activities.

Financial Year: The financial year covered by Section II of this Remuneration Report (as defined below) is 2022.

Euronext Milan: indicates the Euronext Market organized and managed by Borsa Italiana S.p.A.

The Group or the Orsero Group: The Orsero Group.

Key people: Group-level figures with key business relevance lacking management functions.

Orsero or the **Issuer** or the **Company**: Orsero S.p.A.

Performance Targets: indicates the financial performance targets to which the vesting of rights to receive shares according to the provisions of the Plan is subject to and parameterized, and thus the Consolidated Annual Adjusted EBITDA.

Sustainability Targets: indicates the sustainability targets defined on the basis of Orsero's performance against certain targets set forth in the Group's time-to-time Sustainability Plan to which the vesting of Rights in accordance with the Plan is subject.

LTI Plan, Performance Share Plan 2023 - 2025 or Plan: The incentive plan of Orsero S.p.A., called "*Share-Based Incentive Plan - Performance Share 2023-2025*" based on financial instruments, adopted by the Board of Directors on March 14, 2023, after the favorable opinion of the Committee.

The **Remuneration Policy** or the **Policy**: The Orsero S.p.A. policy on the remuneration of Directors, the other Managers with Strategic Responsibilities and members of the Board of Statutory Auditors, approved by the Board of Directors on March 14, 2023, subject to the Committee's favorable opinion, and illustrated in Section I of this Remuneration Report (as defined below).

Stock Exchange Regulation: The Regulation of Markets organized and managed by Borsa Italiana S.p.A. in force at the Report Date.

Issuers' Regulation: Consob Regulation no. 11971 of May 14, 1999 as subsequently amended, in force at the Report Date.

Related Parties Regulation: Consob Regulation no. 17221 of March 12, 2010 on related party transactions as subsequently amended, in force at the Report Date.

Remuneration Report or Report: This report on Orsero's remuneration policy and the compensation paid by the Company, prepared pursuant to Articles 123-ter of the Consolidated Law on Finance and 84-quater of the Issuers' Regulation.

Articles of Association: The Articles of Association of Orsero in force at the Report Date and available on the Issuer's website www.orserogroup.it, in the "*Governance*" section, "*Articles of Association*" subsection.

Consolidated Law on Finance or **TUF**: Italian Legislative Decree no. 58 of February 24, 1998 (Consolidated Law on Finance) as subsequently amended, in force at the Report Date.

SECTION I

Report on the Remuneration Policy



1. Sustainability and purpose of the Remuneration Policy

Our set of values is based on the concept of integrity, ethics and diversity as sustainable conditions for our business activity.

The Group has defined a Sustainability Strategy and developed a Strategic Plan with clear annual and multi-year goals (for more information see <https://www.orserogroup.it/strategia-sostenibile/>) reported as part of the Sustainability Report published annually.

Within the Sustainability Strategy, one of the macro thematic areas identified relates to the Value of People, starting first of all with employees and collaborators who are in fact the driving force behind the Orsero Group. The Group is committed to promoting a work-life balance and ensuring fair and stable working relationships based on respect for diversity and the promotion of talent.

People are the first ingredient of the Group's success, at the center of the work organization. The Group aims to enhance the abilities and aptitudes of each employee to achieve the best results for the Group and itself. This centrality of people is made concrete through a solid work culture based on fairness, professionalism and merit.

To this end, we aim, through appropriate remuneration and incentive mechanisms, to create a working environment that is inclusive of all forms of diversity and able to foster the expression of individual potential, attracting, retaining and motivating resources.

Orsero's goals - according to a programmatic approach - are to enhance its human resources by promoting, among other things, initiatives in the areas of:

- training, in order to strengthen the professional qualities of each employee, ensuring that its employees and collaborators have adequate skills and are professionally qualified and suitable to carry out the activities entrusted to them;
- diversity, both gender and age;
- work-life balance, offering benefits to all employees, regardless of the type of contract, in accordance with the requirements of the contractual regulations applicable over time.

The Company's Remuneration Policy is based on principles of meritocracy and fairness and aims to attract, motivate and retain key and strategic resources and, at the same time, align the interests of the management with the priority objective of creating value for the company and for Shareholders in the medium to long term by contributing to the achievement of sustainable results over time, enhancing the performance achieved and acknowledging the quality and effectiveness of the individual contribution.

2. Structure of the Remuneration Policy

The Company's Remuneration Policy, illustrated in this Report, is implemented, among other things, with the assistance of the Remuneration and Appointments Committee. The remuneration methodology and tools adopted to this end by the Company are fair, easily communicable and understandable, as well as consistent with the organizational culture of Orsero and the Group.

With regard to company and Group dynamics, the Company has carried out and plans to carry out periodic surveys of the external market through the use of comparative studies.

In particular, for the purposes of defining the Remuneration Policy and drafting this Report, Orsero availed itself of the support of the company *EY Advisory S.p.A.* as an independent expert with national and international expertise in the field of methodologies for the weighing of organizational positions, remuneration analysis, as well as the definition of incentive and corporate governance plans. To this end, this company supported Orsero in the benchmark analysis of the remuneration of directors, strategic managers and statutory auditors of comparable companies and in assisting the Company in identifying best practices regarding the representation of the remuneration policy.

The Orsero Remuneration Policy is divided into categories as it distinguishes a different remuneration policy for Executive Directors and Strategic Managers, Non-Executive Directors, other Strategic Managers, Senior Managers, Key Managers of the Group as well as Statutory Auditors of the Company and Key People.

Orsero adopts a Remuneration Policy for Executive Directors and Strategic Managers that provides for a fixed component and a variable component in the short and medium/long term, through forms of incentive remuneration linked to profitability and sustainability, and parameterized to the company's performance, taking into account the personal contribution to the same, and is particularly aimed at i) assuring the retention of management and ii) a correct alignment of management objectives with those of shareholders, based on measurable indicators and, in part, on financial instruments.

In particular, with reference to Executive Directors and Strategic Managers, the fixed and variable components of remuneration are adequately balanced taking into account their purpose and nature, as well as the alignment to the benchmarks of comparable companies. In this regard, please refer to paragraphs 5, 6, 7, 8, 8.1 and 8.2 below and, as regards the survey of the market, to paragraph 10.

The fixed and variable remuneration components, which differ according to the roles held by the recipients, are adequately balanced so that the fixed remuneration is sufficient to remunerate the performance of the person concerned if the variable component is not paid due to failure to achieve the objectives to which it is subject.

As regards the variable components (as explained in greater detail in this Report), it should be noted that, if the targets are not met, except for any margin of tolerance which will not in any case be such as to affect the underlying ratio of the targets and the value of the targets, the incentive remuneration will not be paid in full.

The Company's Remuneration Policy - and, in particular, the policy on variable components of long-term remuneration - therefore contributes to the Company's strategy and performance and to the pursuit of the long-term interests of the Company and the Group, which, as such, promote the alignment of interests between shareholders and management,

according to a vision that takes into account, among other things, stakeholders and aims to ensure sustainability in the medium term.

This contribution will be provided by:

- (i) a greater and more conscious involvement of the Shareholders, who are called upon to express their binding vote on this Section, which describes each of the items that make up the remuneration of Directors and other Managers with Strategic Responsibilities, as well as the Company's Statutory Auditors, and which therefore has a different and broader content than the resolutions on remuneration pursuant to Articles 2364, 2389 and 2402 of the Italian Civil Code;
- (ii) the pursuit of a policy of loyalty and incentives for the Directors and employees identified as key resources for the Group, through participation in a long-term incentive plan (the "Long-Term Incentive", duly described in the following paragraphs), which promotes and enables them to become more involved in the long-term in achieving performance objectives, in the appreciation of the share price and in remaining with the Group.

The Remuneration Policy is set by taking into account the compensation and working conditions of the Group's employees. This aspect is implemented through the adoption a sustainable Total Reward policy, a constant comparison with market practices in respect of comparable peers in terms of economic and operational dimensions and an adequate balance of fixed and variable remuneration components.

In view also of the fact that the terms of office of Orsero's Board of Directors and Board of Statutory Auditors expire with the approval of the financial statements as of December 31, 2022, the emoluments for directors, members of the Board committees, and statutory auditors will be determined by the 2023 Shareholders' Meeting and the newly elected Board, to the extent of their competence, at the time of and following the appointment of Orsero's corporate bodies.

3.Changes from the Remuneration Policy approved in FY 2020

The Remuneration policy presented in the following Report is for one year. In general, compared to the remuneration policy approved by the Shareholders' Meeting on April 30, 2020, the proposed changes include:

- an increase in the fixed component (gross annual salary) of the CEO and Deputy Chair (+15% or Euro 55,000) and the CEO and CFO (+13% or Euro 45,000), in view of the results of the remuneration benchmarking carried out with the support of a qualified independent advisor (EY);
- an increase in the emolument provided for the office of Director (+25% i.e., Euro 5,000), for the Control and Risks Committee (+15% for the Chair i.e., Euro 2,000 and +18% for the Members i.e., Euro 1,500) and for the Board of Statutory Auditors (+17% for the Chair i.e., Euro 5,000 and +50% for the Statutory Auditors i.e., Euro 10,000), in view of the results of the remuneration benchmarking carried out with the support of a qualified independent advisor (EY);
- the introduction of a Sustainability Committee with proposed compensation for the Chair Euro 8,000 and for members Euro 6,000;
- the extension of short-term incentive (MBO) participation to Executive Directors as well;
- the launch of the new "*Share-Based Incentive Plan - Performance Share 2023-2025*", the previous "*Long-term Monetary Incentive Plan 2020-2022*" having matured;
- provision of Sustainability targets in line with the Company's Strategic Sustainability Plan linked to the achievement of the medium- to long-term incentive.

4. Remuneration policy governance

In compliance with the provisions of the Related Parties Regulation, as implemented in the Orsero Related Party Transaction Procedure - available on the Company's website www.orserogroup.it, in the "Governance" section, "Corporate Policies" subsection - the approval of the Remuneration Policy by the Shareholders' Meeting exonerates the Company from applying the above procedure with regard to the resolutions of the Board of Directors concerning the remuneration of Directors and other Managers with Strategic Responsibilities.

This applies as long as:

- (i) the Company has adopted a Remuneration Policy approved by the Shareholders' Meeting;
- (ii) a committee composed exclusively of non-executive directors, the majority of whom independent, has been involved in its definition;
- (iii) the remuneration assigned is identified in compliance with said policy and quantified on the basis of criteria that do not involve any form of discretionary assessment;
- (iv) the remuneration assigned is consistent with such policy.

The main persons and bodies involved in preparing, approving and revising the Remuneration Policy are the Shareholders' Meeting, the Board of Directors and the Remuneration and Appointments Committee.

Shareholders' Meeting

As regards remuneration, the Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors pursuant to Article 2364, paragraph 1, point 3) of the Italian Civil Code and may determine the overall remuneration of the Board of Directors pursuant to Article 2389, paragraph 3, of the Italian Civil Code, all in accordance with Article 21 of the Articles of Association;
- expresses (i) a binding vote on Section I of the Report at the frequency required by the duration of the Remuneration Policy and, in any case, when the Policy is amended and (ii) a non-binding vote on Section II of the Report on an annual basis.

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

Board of Directors

The Board of Directors:

- establishes an internal Remuneration and Appointments Committee;
- defines, on the proposal of the Remuneration and Appointments Committee, the Remuneration Policy, as well as its possible revision, and approves the Report on the Remuneration Policy and compensation paid, pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-*quater* of the Issuers' Regulation to be submitted to the examination and resolution of the Shareholders' Meeting in accordance with the procedures and terms set out in the aforementioned provisions;
- pursuant to Article 21 of the Articles of Association, in accordance with the Remuneration Policy, determines the remuneration of Directors invested with specific duties, in compliance with any overall remuneration determined by the Shareholders' Meeting pursuant to Article 2389, paragraph 3, of the Italian Civil Code, subject to the opinion of the Board of Statutory Auditors, and on proposal of the Remuneration and Appointments Committee;
- prepares, upon proposal or after consulting with the Remuneration and Appointments Committee, any incentive remuneration plans, also based on shares or other financial instruments, for directors, employees and collaborators, including Managers with Strategic Responsibilities, submits them to the Shareholders' Meeting for approval in accordance with Article 114-*bis* of the Consolidated Law on Finance and ensures their implementation.

Remuneration and Appointments Committee

The Committee is appointed by the Board of Directors and is made up of at least three non-executive members of the Board of Directors who, for the majority, meet the independence requirements of the TUF. The Chair of the Committee is chosen from among the Directors with the Independence Requirements and at least one member of the Committee has adequate knowledge and experience in compensation policies, corporate organization, and financial matters to be evaluated by the Board of Directors at the time of appointment.

The Committee is called, with regard to the Remuneration Policy, to:

- make proposals to the Board for the remuneration of Directors and Other Managers with Strategic Responsibilities;
- periodically assess the appropriateness, general consistency and concrete application of the policy for the remuneration of the Directors and Managers with Strategic Responsibilities, availing itself, in this latter context, of the information provided by the CEOs. To this end, the Remuneration and Appointments Committee makes proposals to the Board of Directors in this regard;
- submit proposals to the Board of Directors and express opinions regarding the remuneration of the Executive Directors and other Directors holding specific offices and also concerning the determination of the performance targets correlated to the variable component of their remuneration;
- monitor the implementation of decisions taken by the Board of Directors, by verifying, in particular, the effective achievement of performance targets.

The Remuneration and Appointments Committee therefore plays a central role in the governance system relating to the Group's Remuneration Policy.

The functioning of the committee is governed by special regulations where it is provided, *inter alia*, that no Director shall take part in the meetings of the Committee in which proposals are made to the Board of Directors regarding their own remuneration.

For the sake of completeness, please recall that at the Reporting Date, in compliance with the Stock Exchange Regulation and the Corporate Governance Code, the Board of Directors of Orsero, has appointed some of its members to form a Committee, to which duties relating to remuneration, as well as those related to the appointment proposals of Directors, are attributed.

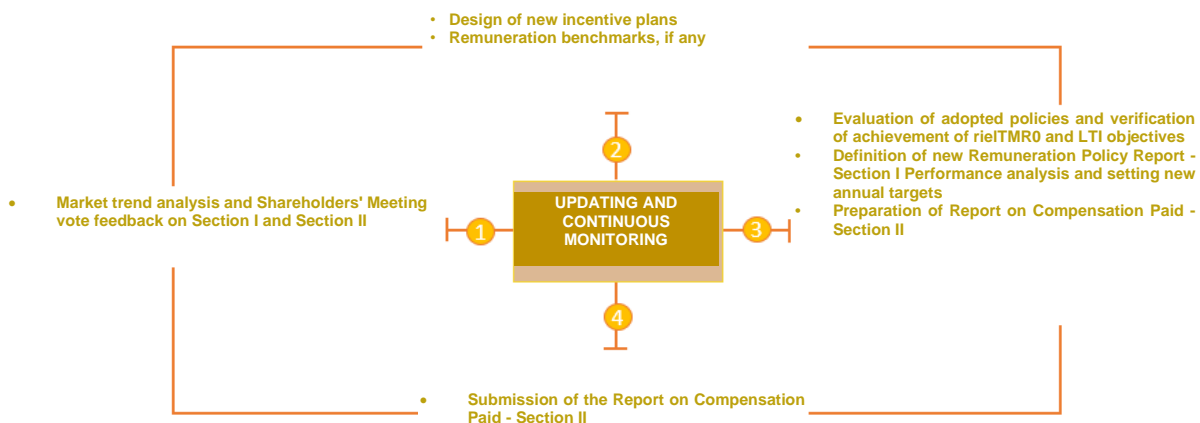
This Committee numbers three Directors, all non-executive and the majority of whom are independent:

ARMANDO RODOLFO DE SANNA	INDEPENDENT DIRECTOR	CHAIR
VERA TAGLIAFERRI	INDEPENDENT DIRECTOR	MEMBER
PAOLO PRUDENZIATI	NON-EXECUTIVE DIRECTOR	MEMBER

For more details on the members and operation of the Committee, reference should be made to the "Report on Corporate Governance and Ownership Structure" prepared pursuant to Article 123-bis of the Consolidated Law on Finance and published, as required by law, by the Company on its website www.orserogroup.it in the "Governance" section, "Corporate governance reports" subsection.

Please note that the 2023 Shareholders' Meeting will be called upon, among other things, to appoint the Board of Directors, and therefore, the newly elected Board will proceed to appoint the Board committees including the Committee in compliance with the above.

THE BUSINESS CYCLE OF THE REMUNERATION AND APPOINTMENTS COMMITTEE



5. Remuneration of the members of the Board of Directors

Pursuant to Article 21 of the Articles of Association, Directors are entitled to reimbursement of expenses incurred for reasons of their office.

In accordance with said Article of the Articles of Association, fees for the members of the Board of Directors shall be set by the Shareholders' Meeting; at their discretion, which may set a total fee for all Directors, thereafter, to be subdivided as required by law by the Board of Directors.

The same Article of the Articles of Association also foresees that the remuneration of the directors invested with specific duties shall be established by the Board of Directors after seeking the opinion of the Board of Statutory Auditors.

Without prejudice to the provisions set out herein, the emoluments for Board mandates, where established cumulatively by the Shareholders, are then distributed by the Board of Directors, after consultation with the competent internal advisory functions, taking into account the roles held, the offices assumed and the key roles identified in the figure of the Chair; they provide only for fixed components for the term of office and the various offices; it is also up to the Board of Directors to determine emoluments due for participating in board committees.

In view also of the expiration of the Board of Directors' term of office and the renewal of the office with the approval of the financial statements as of December 31, 2022, directors' emoluments will be subject to determination by the 2023 Shareholders' Meeting when the Board is renewed; following that meeting, the newly elected Board will make its own determinations regarding the emoluments of Board members, taking into account participation in board committees.

In line with the recommendations set forth in the January 2023 letter from the Chair of the Italian Corporate Governance Committee as well as Recommendation no. 29 of the Code, pursuant to which "*The policy for the remuneration of non-executive directors provides for compensation commensurate with the competence, professionalism and commitment required by the duties assigned to them on the board of directors and in the board committees; such compensation is not linked, except for an insignificant portion, to financial performance objectives,*" during the previous fiscal year, a benchmarking analysis was carried out - with the support of the external advisor EY - with reference to the compensation payable for the office of non-executive Chair, the fees provided for non-executive members of the Board of Directors, and the fees provided for participation in the Board committees.

In light of the benchmarking results, the Committee, subject to different resolutions by the Shareholders' Meeting, proposes for the next Board of Directors a compensation structure as specified below:

- Directors will be assigned annual compensation of Euro 25,000, plus reimbursement of expenses incurred for the office;

- the Chair, Paolo Prudenziati, will be assigned an annual fee of Euro 140,000 including attendance fees, plus reimbursement of expenses incurred for the office and a car for mixed personal and business use.

It is, in addition, planned for executive directors to participate in the short-term incentive system (MBO) and the medium- to long-term incentive system (Performance Share Plan 2023-2025), based on financial instruments. In this respect, please refer to Paragraph 8.2 below.

It should be noted that, where the position of Director is held by an executive, Orsero's Remuneration Policy provides for the fixed remuneration established for all Directors (in accordance with the above) by virtue of their position as Director; without prejudice to what is set forth in Paragraph 7 below (for executives that are also Directors).

Directors who perform the functions of Chair or member of the Remuneration and Appointments Committee, the Control and Risks Committee, the Related Parties Committee and the Sustainability Committee receive a special remuneration in addition to that of Director, in consideration of the commitment required for participation in these committees and also in compliance with the provisions of the Corporate Governance Code.

Also with reference to the findings of the benchmarking carried out, it is proposed to recognize the following fees for participation in Board committees:

- for the Remuneration and Appointments Committee, compensation of Euro 15,000 for the Chair and Euro 10,000 for each member;
- for the Control and Risks Committee, compensation of Euro 15,000 for the Chair and Euro 10,000 for each member;
- for the Related Parties Committee, compensation of Euro 8,000 for the Chair and Euro 6,000 for each member.
- For the Sustainability Committee, compensation of Euro 8,000 for the Chair and Euro 6,000 for each member.

Should a different composition of the committees be determined, compensation for each member is proposed to be between Euro 6,000 and Euro 15,000, depending on the responsibilities assigned to each committee and the role of each member.

6. Remuneration of members of the control bodies

In accordance with Article 22 of the Articles of Association, members of the Board of Statutory Auditors will be paid a fixed remuneration for their term of office, which shall be set by the Shareholders' Meeting at the appointment stage. There is no provision for variable remuneration.

In line with Recommendation No. 30 of the Code, pursuant to which "*The remuneration of the members of the supervisory body shall provide compensation commensurate with the competence, professionalism and commitment required by the importance of the role held and the dimensional and sector characteristics of the company and its situation,*" and with the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, the Company, with the support of EY, carried out a benchmarking analysis of the remuneration positioning of Statutory Auditors in the previous year compared to the main comparables in terms of size and/or industry profile.

In light of the findings of the benchmarking, from which a positioning at the lower end of the market emerges, it is suggested that the Shareholders' Meeting, which is called to elect the Company's new Control Body, may revise the amount of compensation for Chair and members as specified below:

- for the Chair of the Board of Statutory Auditors, compensation of Euro 35,000 and
- compensation of Euro 30,000 for each Statutory Auditor;

7. Remuneration of Managers with Strategic Responsibilities or Executive Directors

Orsero identifies in-house persons responsible for planning, management and control of core activities for the Company and the Group, who are directly involved in identifying the strategies that are most compatible with the Company's business objectives; they are here referred to as "Strategic Managers".

The importance of such persons is recognized for the planning and, as a result, remuneration is provided which takes due account of their significant role.

This remuneration - for the MSRs, whether they also hold the position of executive directors, or for those who have only a managerial position - is therefore composed of a fixed part, to which must be added a short-term variable part (MBO) and a medium-to-long-term variable component (Performance Share Plan 2023-2025).

For Managers with Strategic Responsibilities with only a managerial role, the remuneration consists of a fixed part, to which must be added a short-term variable part (MBO) and a medium/long-term variable part. All forms of deferred variable remuneration are linked to the achievement of Group targets.

The fixed remuneration is established by the relevant management contract and the medium-long term variable remuneration component is recognized through participation in plans based on financial instruments. In this respect, please refer to Paragraph 8.2 below.

The Board of Directors, upon proposal of the Committee, has the right to provide for possible forms of extraordinary recognition in favor of Executive Directors and Strategic Managers, strictly commensurate with their specific contribution in transactions of particular strategic importance or individual and/or collective results considered to be particularly important and positive for the Company or the Group.

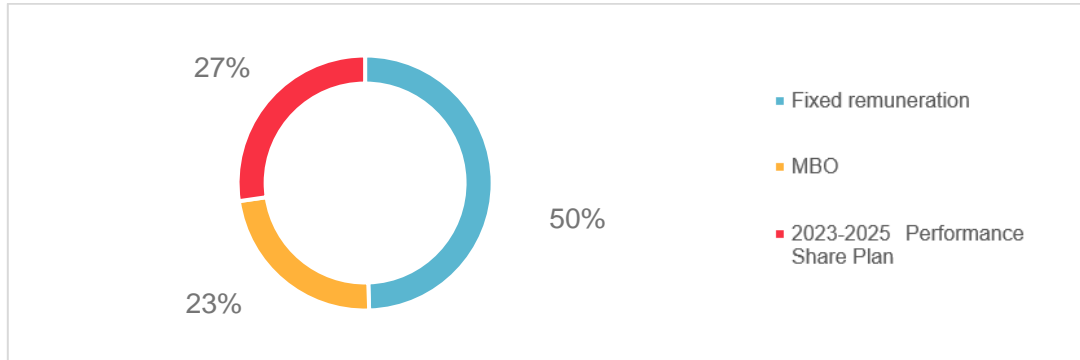
If the office of Director is held by a person who is also an executive, the remuneration component linked to particular offices and the short and medium-long term incentive component (including through participation in incentive plans) - provided for in compliance with the above - may be attributed to such persons in their capacity as executives.

Specifically, the following fixed gross annual compensation is provided, in addition to the emoluments provided for the position of director, by virtue of the respective executive position held:

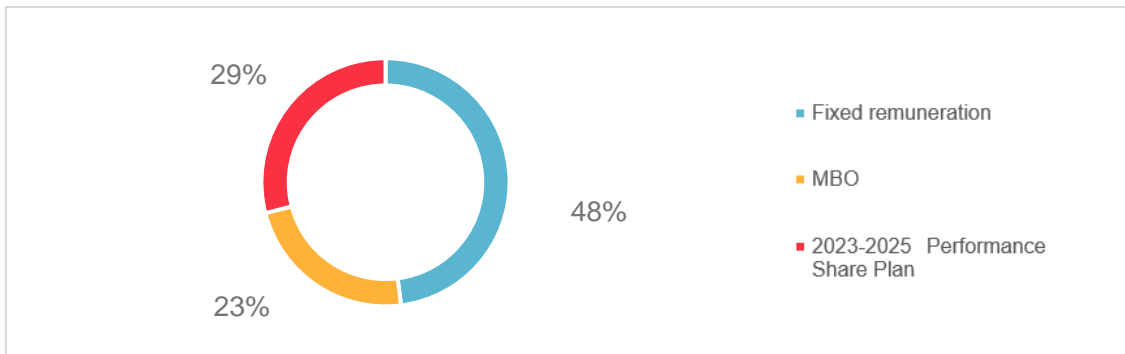
- for the Chief Executive Officer and Deputy Chair, fixed remuneration of Euro 425,000;
- for the Chief Executive Officer and CFO, fixed remuneration of Euro 385,000;
- for the Chief Commercial Officer, fixed remuneration of Euro 250,000.

Below is the pay mix of the remuneration package for Strategic Managers, including Executive Directors:

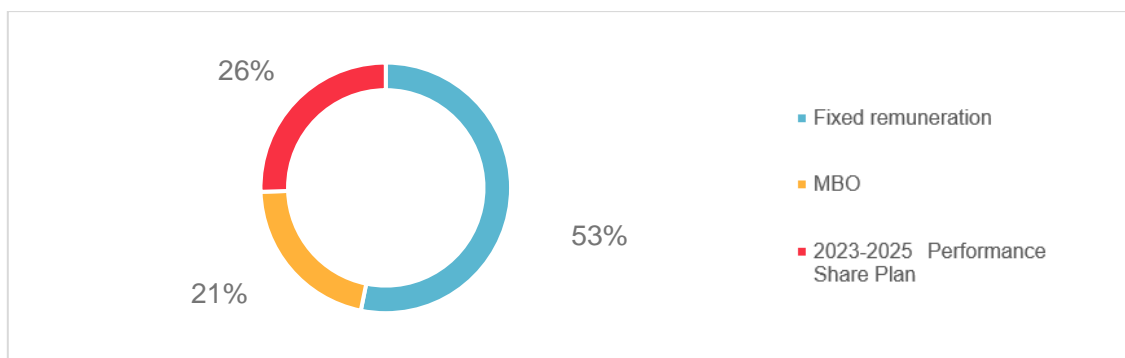
DEPUTY CHAIR AND CEO



CEO AND CFO



MANAGERS WITH STRATEGIC RESPONSIBILITIES (CCO)



8. Variable remuneration

The Group's management remuneration system is designed to attract, motivate and retain key resources and is defined in such a way as to align the interests of management with those of shareholders, pursuing the priority objective of creating sustainable value in the medium to long term, through an effective and verifiable link between remuneration on the one hand and individual and Group performance on the other.

Specifically, variable remuneration provides that:

- MSRs, whether they also serve as executive directors (CEO and Deputy Chair and CEO and CFO) or only hold an executive position, are entitled to short-term variable compensation (MBO) and medium- to long-term equity-type compensation. The objectives to which the recognition of the variable part is linked - also in consideration of the strategic role and responsibilities held - are measured at a consolidated level and are of an economic-financial nature for the short-term component, while for the medium/long-term component they are both of an economic-financial nature and also linked to sustainability targets;
- the Group's Senior Managers and Key Managers are recipients of short-term variable remuneration (MBO) and medium- to long-term equity-type remuneration. If the role held is considered relevant at Group level, the objectives to which the variable remuneration is linked are consolidated; in other cases, in which the Key Managers oversee specific geographical areas or businesses, economic and financial objectives measured at company, geographical or business level on which they have the management levers are used. The latter's participation in the creation of value for the Group and in the performance of the Orsero share - with a view to inclusiveness and consolidation - is guaranteed by means of medium-long term deferred variable remuneration in a similar manner to that described above for the Managers with Strategic Responsibilities.

8.1. Short-term variable remuneration

The Group provides for the recognition of a variable component of short-term remuneration in monetary form, linked to annual performance targets, referred to as MBO, in favor of the Deputy Chair and CEO, CEO and CFO, Strategic Managers, Senior Managers and Key Managers of the Group.

This is in line with the best practices of listed companies, in order to adequately balance the fixed and variable component of the remuneration of senior management, so that part of their remuneration is linked to the performance of the Company and the Group on the basis of predetermined and measurable performance objectives.

The annual target to which variable remuneration is linked is set annually by the executive directors through the Group's HR structure and the Boards of Directors of subsidiaries, where involved in respect of Group Senior Managers and Key Managers.

It is the Board of Directors, after consulting with the Remuneration and Appointments Committee, that defines the objective of the Managers with Strategic Responsibilities.

More specifically:

- the payment of the bonus provided for by the MBO is conditional on the achievement of the income objective defined and determined (depending on the case) on the basis of the Group budget approved by the Company's Board of Directors⁵ or the budget of the individual company of reference, geography or activity carried out by the Group Senior Manager or Key Manager. The benchmark indicator used as a target is the Consolidated Annual Adjusted EBITDA or the Annual Adjusted EBITDA of specific subsidiaries;
- there is a mechanism for calculating the variable remuneration to be paid to the person concerned, which provides for a minimum threshold for the payment of the bonus and a maximum remuneration payable in the event of over-performance. This calculation system also envisages a more than proportional decrease in the event of a negative deviation (underperformance) and a proportional increase in the event of a positive deviation (overperformance).

⁵"Consolidated Annual Adjusted EBITDA" calculated as "the Group's operating result (EBIT) net of amortization and depreciation, provisions and non-recurring costs/income, including of costs (notional or otherwise) of incentive plans" (net financial expenses, taxes, pro-rata profit/loss resulting from the application of the equity method for associates and joint ventures are therefore not considered). For the sake of clarity, the effect of accounting standard IFRS 16 is excluded.

The calculation of the short-term incentive (MBO) is determined as explained below:

PERFORMANCE OBJECTIVES	PAYOUT
Result < 85% Consolidated Annual Adjusted EBITDA target	No incentive
85% ≤ Result < 90% Consolidated Annual Adjusted EBITDA target	5% reduction for each percentage point less than the result achieved
90% ≤ Result < 100% Consolidated Annual Adjusted EBITDA target	2% reduction for each percentage point less than the result achieved
Result = 100% Consolidated Annual Adjusted EBITDA target	100% of incentive
Result > 100% Consolidated Annual Adjusted EBITDA target	Proportional increase of 1% for each additional point of achievement with maximum cap at 110%

With reference to the target incentive opportunity for each of the target individuals, it is specified that:

- for the CEO and Deputy Chair corresponds to 47% of fixed compensation, and for the CEO and CFO corresponds to 49% of fixed compensation⁶;
- for the Strategic Manager, it corresponds to 40% of the fixed remuneration;
- for the Group's Senior Managers and Key Managers this value is in a range between 10% and 40% of fixed remuneration.

⁶ It should be noted that the percentage values shown assume the revised emoluments proposed by the Policy.

8.2 Long-term variable remuneration - 2023 - 2025 Performance Share Plan

In line with the best market practices adopted by listed companies at national and international level, the Company believes that remuneration plans linked to share performance are an effective incentive and loyalty tool for key players in order to assure a high level of performance and contribute to the growth and sustainable success of companies.

The adoption of share-based remuneration plans also responds to the recommendations of the Corporate Governance Code, Art. 5 of which recognizes that these types of plans represent a suitable instrument for aligning the interests of executive directors and managers with strategic responsibilities of listed companies with those of shareholders, allowing the priority objective of creating value over the medium to long term.

The provision of incentive remuneration mechanisms is expressly required by stock exchange regulation for companies belonging to the STAR segment of Euronext.

The "*2023-2025 Performance Share Incentive Plan*" therefore aims to stimulate the maximum alignment of Beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders in the medium-long term.

In particular, in line with that set out herein, through the Plan the Company intends to promote and pursue the following objectives:

- to encourage the retention of resources that can make a decisive contribution to the success of Orsero and the Group over a medium- to long-term time horizon;
- to develop attraction policies toward talented managerial and professional figures in order to continuously develop and strengthen the key and distinctive competencies of the Company and the Group;
- to foster the loyalty of Beneficiaries in the medium to long term through personal satisfaction and motivation and by developing their sense of belonging to the Company and the Group;
- to relate the variable remuneration of the Beneficiaries to the achievement of performance objectives, including in terms of sustainability goals, to be evaluated over a future multi-year time frame, with a view to pursuing the goal of value creation in a medium- to long-term perspective;
- to align - partly through the awarding of incentive compensation involving the Company's shares - the interests of the Beneficiaries with those of shareholders and investors within a framework of sustainability and sound and prudent risk management.

The Plan recognizes within the remuneration structure of the Beneficiaries a performance share-based economic incentive related to the achievement of certain performance, subject to the fulfillment of the access conditions ("**Gate**") and the continuation of employment with the Orsero Group.

For more information on the 2023-2025 Performance Share Plan, please refer to the relevant Information Documents prepared pursuant to Article 114-*bis* of the TUF and Article 84-*bis* of the Consob Issuers' Regulations and made available to the public on the Company's website, in the "Governance - Shareholders' Meeting" section

(<https://www.orserogroup.it/investor-relations/assemblea-azionisti/>). As of the date of the Report, the Plan has not yet been approved by the Shareholders' Meeting. The following have been identified as the beneficiaries of the Plan (the “**Recipients**”), who are entitled to different methods of payment of the bonus:



The Plan is share-based and provides each Beneficiary with rights to receive free shares of the Company's common stock, subject to the achievement of performance and sustainability targets-pre-determined and referring to a specific period of time-and further conditions of the Plan.

The amount of the annual variable remuneration, defined in consideration of the responsibility, criticality and strategic nature of the role held as well as the benchmarks of each role in terms of remuneration is fixed for each beneficiary for the entire period of the Plan. More specifically:

- for the CEO and Deputy Chair corresponds to 56% of fixed compensation, and for the CEO and CFO corresponds to 61% of fixed compensation⁷;
- for the Strategic Manager, it corresponds to 48% of the fixed remuneration;
- for Senior Managers, the payout is in a range between 45% and 50% of fixed remuneration;
- for Key Managers, the payout is in a range between 8% and 25% of fixed remuneration.
- for Key people, the payout is in a range between 4% and 20% of fixed remuneration.

The following describes how the 2023-2025 Performance Share Plan operates and how the incentive is disbursed:

⁷ It should be noted that the percentage values shown assume the revised emoluments proposed by the Policy.

Chief Executive Officer and Deputy Chair, Chief Executive Officer and CFO, Key Managers, Group Senior Managers and Key Managers and Key people

The 2023-2025 Performance Share Plan has a vesting period of three years (2023-2025), with annual verification of the achievement of set goals and subsequent vesting of rights to receive shares year by year and then delivery of all vested shares upon the approval of the financial statements for the last year of vesting.

For Executive Directors, Managers with Strategic Responsibilities, and Senior Managers only, there is a lock up restriction on 50% of the shares received until 12/31/2027. Thus, the Plan has a total duration of 5 years (until 2027).

Each of the beneficiaries is granted the number of rights to receive shares (the "**Rights**") at the end of the performance period, which will accrue due to the achievement of certain goals and under the additional conditions set forth in the Plan.

The Rights awarded will be divided into three tranches, each consisting of an equal number of Rights (the "**Tranche**"). Each Tranche will accrue with respect to the relevant performance period year, due to the achievement of economic-financial objectives and sustainability-related goals. Specifically:

- **Consolidated Annual Adjusted EBITDA.** Achievement of this target allows for the vesting of 85% of the Entitlement, with minimum access threshold equal to 85% of the target and cap equal to 110% of the target.
- **Sustainability goals related to the Group Sustainability Plan.** Achieving these goals allows for the accrual of 15% of Rights. If they are not reached, 15% cannot be recognized.

The mechanism for calculating the allocation of the Rights, for the part linked to the achievement of the Economic and Financial Goals (the "**Performance Goals**") to which the accrual of 85% of the Rights is related, to be paid to the interested party, provides for a minimum access threshold for the disbursement of the Rights equal to 85% of the goal and a maximum disburseable compensation equal to 110% of the Rights allocated, obtainable in the event of over performance, i.e., in the event of achieving or exceeding 110% of this goal.

PERFORMANCE OBJECTIVES	PAYOUT
Result < 85% Consolidated Annual Adjusted EBITDA target	No rights
85% ≤ Result < 90% Consolidated Annual Adjusted EBITDA target	5% reduction for each percentage point less than the result achieved
90% ≤ Result < 100% Consolidated Annual Adjusted EBITDA target	2% reduction for each percentage point less than the result achieved
Result = 100% Consolidated Annual Adjusted EBITDA target	Accrual of all Rights related to this goal (85%)
Result > 100% Consolidated Annual Adjusted EBITDA target	Proportional increase of 1% for each additional point of achievement with maximum cap at 110% (93.5%)

Also, with reference to the vesting of the Rights contingent on the achievement of the Consolidated Annual Adjusted EBITDA, there are two income and financial gates, which must be maintained throughout the duration of the Plan, which inhibit or enable the vesting of 50% of the Rights awarded regardless of whether or not the EBITDA Target is achieved:

- the threshold of **Consolidated Annual Adjusted EBITDA** (excluding the application of IFRS 16) of over 3.3% of consolidated revenues, both as per the Company's consolidated financial statements for the financial year in question approved by the Board of Directors, and
- the **ratio** between the **Net Financial Position** and the **Consolidated Annual Adjusted EBITDA** (excluding the application of IFRS 16) resulting from the Company's consolidated financial statements for the financial year in question approved by the Board of Directors, less than 3X.

In the absence of these requirements, 50% of the Rights linked to the Consolidated Annual Adjusted EBITDA (42.5%) will not be able to vest.

Regarding the **Sustainability Goals to which the vesting of 15% of the Rights** for each Performance Period exercise, there are **four** related annual goals established upon the achievement of which the vesting of all related Rights is contingent. If even one of the four Sustainability Goals is not met, the 15% cannot be recognized.

The four objectives, which are better described and detailed in the Regulations of the Performance Share Plan 2023-2025 (the "**Plan Regulations**"), are determined on an annual basis due to the following targets as of 2025 taken from the Orsero Group Sustainability Plan (the "**Sustainability Targets**") and are as follows:

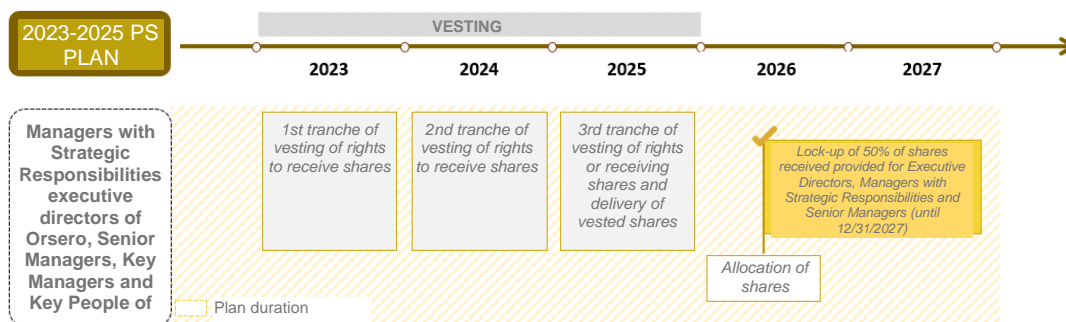
- GOAL 2: Reduction of energy consumption index to 77.01 kWh/m³ refrigerated by 2025⁸;
- GOAL 4: 100% of market stands involved in activities against food waste by 2025;

⁸ This indicator will be recalculated each year based on changes in the Group's perimeter or refrigerated volumes.

- GOAL 9: 100% of employees involved in sustainability training and information by 2025;
- GOAL 10: 100% of the Group's storage and processing warehouses certified for food safety by 2025.

For the vesting of Rights related to Sustainability goals, there is a reward compensation mechanism that will be applied at the end of the performance period. In the event of full achievement of all four Sustainability Goals at the end of the three-year period (2025), any Tranche not previously accrued will be recovered for the portion of the Rights related to the Sustainability Goals.

The method of vesting of Rights and allocation of Shares is depicted below:



It is at the discretion of the Board of Directors, with the advice of the Nomination and Remuneration Committee, if requested and appropriate, to extend the list of Beneficiaries in the first year of vesting only, with the right to vest the remaining two Tranches.

Subject to the more detailed provisions of the Plan Regulations, "claw back" clauses as well as "good leaver" and "bad leaver" assumptions and acceleration events in line with practice are provided for all recipients of the LTI Plan, unless otherwise regulated by the local regulatory framework of the various Group companies.

For a description of the Plan, please also refer to the Information Document available on the Issuer's website www.orserogroup.it, "Governance" section, "Remuneration" subsection.

9. Derogations to the Remuneration Policy

In the case of exceptional and non-recurring circumstances referred to in Article 123-ter paragraph 3-bis of the TUF - that is, situations in which a waiver of the Policy is necessary for the purpose of pursuing the long-term interests and sustainability of the Company and the Group as a whole or to ensure its ability to stay on the market - there is the possibility of a waiver, with reference to the recipients of this Policy, of the size of the fixed and variable components provided.

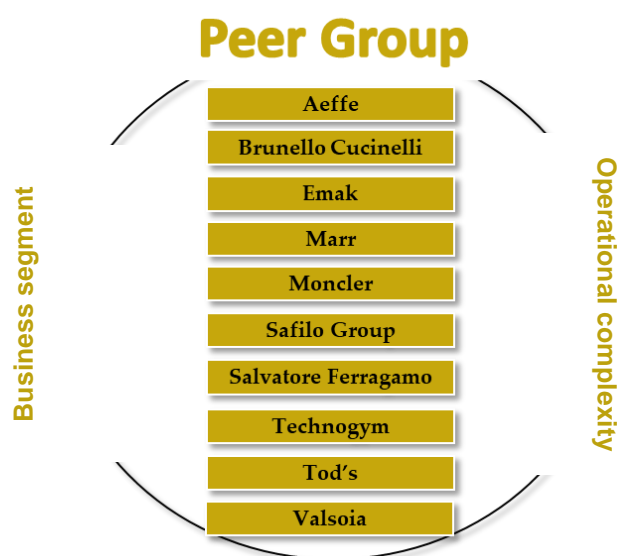
Exceptional circumstances include but are not limited to (i) the need to replace, due to unforeseen events, Executive Directors and the need to quickly negotiate a remuneration

package, where the constraints contained in the approved Policy could limit the Company's ability to attract managers with the most appropriate professional skills to manage the business; (ii) exogenous shocks of an unforeseeable nature and extraordinary magnitude; or and (iii) appreciable changes in the scope of the company's business during the Policy's term, such as the divestment of a business/branch of business on whose activities the Policy's performance objectives were based or the acquisition of a significant business not included in the Policy.

In cases of departure from the Remuneration Policy provided for in this paragraph, the Company will apply the process and obligations set forth in the Related Party Transactions Procedure. In any case, it is understood that exceptions must be determined by the Board of Directors with the opinion of the Committee and the need to obtain the prior opinion of the Board of Statutory Auditors pursuant to Article 2389, Paragraph 3 of the Civil Code where the waiver concerns the remuneration of directors holding special offices. As part of the subsequent report on compensation paid, information will be given about any waivers applied, with evidence of the items subject to waivers, the exceptional circumstances, and the functionality of these waivers with respect to the interests for the protection of which they were determined.

10. Survey of the Reference Market for the Remuneration of Executive Directors and Strategic Managers

In order to ensure the external competitiveness of its remuneration policies, Orsero has availed itself of the support of the independent advisory firm *EY Advisory S.p.A.* to monitor practices and trends in the sector. The adequacy of overall remuneration is verified through the use of role-based remuneration benchmarks, conducted with respect to specific selected peer groups, to compare roles and similar positions and assess competitive alignment with the most appropriate reference market.



In consideration of the reference panel for Executive Directors, selected taking into account size and economic operating parameters as well as sector parameters, the Company has defined a remuneration policy aligned to the first quartile of the market in line with the size positioning.

Company	Macrosector	Sector	Turnover (€mln) December 31, 2021	Market Cap (€mln) October 31, 2022	No. employees December 31, 2021
Orsero	Food and tobacco	FOOD & BEVERAGE	1,070	253	1,674
Aeffe	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	333	135	1,287
Brunello Cucinelli	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	469	4,001	1,039
Emak	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	588	176	2,225
Marr	Personal care food and drug stores	RETAIL	1,456	711	917
Moncler	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	2,046	12,059	5,290
Safilo Group	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	970	594	4,545
Salvatore Ferragamo	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	1,136	2,513	3,887
Technogym	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	611	1,401	2,155
Tod's	Consumer products and services	PERSONAL & HOUSEHOLD GOODS	884	1,048	4,746
Valsoy	Food and tobacco	FOOD & BEVERAGE	91	102	130
		Q3	-2 %	-89 %	-62 %
		Median	13 %	-71 %	-24 %
		Q1	115 %	-10 %	52 %

11. Non-monetary benefits

Orsero provides for the possibility, for certain persons and by reason of their office and the performance of the related activities, for the payment of certain non-monetary benefits.

In particular, these benefits may consist of:

- (a) motor vehicle assigned for both personal and professional use on the basis of the Group car policy;
- (b) insurance policy covering the risk of work- and non-work-related injuries, including life risk;
- (c) in some particular cases, supplementary health care insurance policy;
- (d) in certain particular cases, temporary accommodation for managers.

12. Severance indemnity

The Remuneration Policy provides for severance indemnity at end of office/employment (as the case may be) in favor of Executive Directors and Strategic Managers, in the event of termination of the office of director or termination of employment, for the following reasons:

- (a) revocation of the office of Director and/or dismissal of the Strategic Manager (as the case may be) in the absence of just cause,
- (b) resignation of the Executive Director or the Strategic Manager due to (i) a change of control of the Company following extraordinary transactions on exercisable capital within a maximum period of 12 months after the change of control, or (ii) just cause.

If one of the above hypotheses occurs, the indemnity due shall be equal to two years, depending on the case, of the gross fixed annual remuneration at the time of the event and/or of the gross fixed annual remuneration for the office of Director provided for the financial year previous to the occurrence of the event, including any benefits provided for under the law and the applicable national collective bargaining agreement.

In addition, the effects of termination of the office of Director or termination of employment on the incentive remuneration paid and/or to be paid under the Company's short and/or medium/long-term incentive plans, in the event of bad leaver and good leaver, are regulated in line with market practice.

SECTION II

Report on compensation paid



This Section, by name for the remuneration attributed to Directors and members of the Board of Statutory Auditors and in aggregate form for the remuneration attributed to other Managers with Strategic Responsibilities:

- **in Part One:**

- provides an adequate, clear and comprehensible representation of each of the items that make up remuneration, including the benefits provided in the event of termination of office or termination of employment, highlighting their compliance with the Company's remuneration policy for the financial year in question and the ways in which remuneration contributes to the Company's long-term results;
- provides information on the allocation of financial instruments to directors, executives (including Strategic Managers) and other employees of Orsero and its subsidiaries;

- **in Part Two:**

- provides an analytical presentation of the remuneration paid in the Financial Year for any reason, and in any form, by the Company and by subsidiaries or associates, indicating any components of these fees that are related to activities carried out in years previous to the year in question, and also highlighting the fees to be paid in one or more subsequent years against activities carried out in the reference financial year, and possibly indicating an estimated value for the components that are not objectively quantifiable in the reference financial year;
- indicates, with the criteria established in Annex 3A, Scheme 7-ter of the Issuers' Regulation, the shareholdings held in the Issuer and its subsidiaries by Directors, Statutory Auditors and other Managers with Strategic Responsibilities, as well as by spouses who are not legally separated and underage children, either directly or through subsidiaries, trust companies or third parties, resulting from the register of shareholders, communications received and other information acquired by the same members of the management and control bodies and other Managers with Strategic Responsibilities.

It should be noted that, pursuant to the provisions of Annex 3A, Scheme 7-bis of the Issuers' Regulation, the information relating to the remuneration received by Managers with Strategic Responsibilities, other than Directors, is provided at an aggregate level as there are no Managers with Strategic Responsibilities who have received total remuneration (adding monetary and financial instruments-based compensation) during the Financial Year greater than the highest total remuneration attributed to the members of the administration and control bodies.

With reference to agreements providing for indemnities in the event of early termination of the employment relationship, again pursuant to Annex 3A, Scheme 7-bis of the Issuers' Regulation, the Company provides the relevant information also with reference to Managers with Strategic Responsibilities.

Please note that the independent auditors KPMG S.p.A. verified - in compliance with the provisions of Article 123-ter, paragraph 8-bis, of the Consolidated Law on Finance - that the Board of Directors had prepared this Section of the Remuneration Report.

1. Part one

Below is a representation of the items that make up the remuneration for the Financial Year (2022) of the members of the Board of Directors, Managers with Strategic Responsibilities and members of the Board of Statutory Auditors.

Remuneration of members of the management bodies

In accordance with the provisions of the Remuneration Policy, the Board of Directors receives the annual fees for the term of office approved by the Issuer's Shareholders' Meeting at the time of appointment (which took place on April 30, 2020), based on the proposals submitted to the Shareholders. Specifically, the above-mentioned Shareholders' Meeting resolved to award the following fees to members of the Board of Directors:

- to all other Directors an annual fee of Euro 20,000.00, by way of annual attendance fees, plus reimbursement of expenses incurred for the office;
- to the Chair, Paolo Prudenziati, an annual fee of Euro 140,000.00 including attendance fees, plus reimbursement of expenses incurred for the office.
- In addition, also in accordance with the provisions of the Remuneration Policy, the Board of Directors of May 6, 2020, by virtue of the resolution of the Shareholders' Meeting of April 30, 2020 - which attributed an additional compensation of a total of Euro 85,000 per year to be recognized to the members of the Committees established by the Board of Directors within the same and to be distributed by the Board itself - resolved to recognize the following emoluments in favor of members of the Board of Directors, *pro rata temporis* and in addition to the reimbursement of expenses incurred:
 - Euro 15,000.00 per year to the Chair of the Remuneration and Appointments Committee and Euro 10,000.00 per year to the other two members of this Committee;
 - Euro 8,000.00 per year to the Chair of the Related Parties Committee and Euro 6,000.00 per year to the other two members of this Committee;
 - Euro 13,000.00 per year to the Chair of the Control and Risks Committee and Euro 8,500.00 per year to the other two members of this Committee.

It should be noted that, in accordance with the provisions of the Remuneration Policy, if the office of Director is held by a person who is also an executive, the remuneration component linked to particular offices and the short and medium-long term incentive remuneration component (including through participation in incentive plans) has been attributed to such persons (i.e. to Executive Directors Raffaella Orsero, who also holds the office of Deputy Chair, and Matteo Colombini) in their capacity as executives.

Remuneration of Strategic Managers

During the Financial Year, the Company identified three Strategic Managers, including Executive Directors Raffaella Orsero and Matteo Colombini, in compliance with the provisions of the Related Parties Regulation.

In accordance with the provisions of the Remuneration Policy, the remuneration of the Strategic Executives consists of the following items:

- a) fixed remuneration, employed work;
- b) short-term annual variable remuneration, i.e. (i) up-front component - Up-Front Monetary Incentive of the 2020-2022 LTI Plan for managers with strategic responsibilities who are also Executive Directors, i.e. Raffaella Orsero and Matteo Colombini and (ii) MBO for one Strategic Manager. In this regard, please refer to Part II of this Section and the Information Document available on the Issuer's website www.orserogroup.it, section "Governance", subsection "Remuneration";
- c) non-monetary benefits, consisting of: (i) motor vehicle assigned for both personal and professional use on the basis of the Group car policy; (ii) insurance policy covering the risk of work- and non-work-related injuries, including life risk; (iii) supplementary health care insurance policy; and (iv) for the Executive Directors and Strategic Managers, as executives operating off-site, temporary accommodation.
- d) Medium/long-term variable remuneration, i.e. participation in the 2020-2022 LTI Plan.

Strategic Managers (including Executive Directors)

As previously reported, on March 11, 2020, the Board of Directors, in accordance with the provisions of the Remuneration Policy, having received the favorable opinion of the Committee, resolved to recognize to Strategic Managers and Executive Directors Raffaella Orsero and Matteo Colombini:

- (a) gross fixed annual remuneration, effective January 1, 2020, of Euro 370,000 and Euro 340,000, respectively, by virtue of the respective executive positions held and to be deemed also inclusive of the remuneration for the special offices of Deputy Chair and Chief Executive Officer (with the sole exception of the attendance fee established for all Directors) and
- (b) by way of variable incentive remuneration (short- and medium/long-term), for the entire period of the 2020-2022 LTI Plan, a total annual variable remuneration of up to 90% of the fixed remuneration above (in the event that 100% of the target is reached), of which 50% up-front (i.e., as short-term variable remuneration) and 50% deferred (i.e., as medium/long-term variable remuneration), all subject to the terms and conditions set forth in the LTI Plan itself and without prejudice to the indexation to the Total Shareholder Return as governed by the same.

With reference to the Financial Year, the target performance objective, i.e. the Consolidated Annual Adjusted EBITDA of Euro 55,000,000, "pro-forma" (i.e. without the application of

IFRS 16), determined by the Board of Directors - in accordance with the provisions of the Remuneration Policy - subject to the favorable opinion of the Committee and on the basis of the 2022 budget already approved by the administrative body, was achieved in a percentage equal to 113.28%. The level of achievement of the target was verified by the Board of Directors on the basis of the results set out in the draft consolidated financial statements for FY 2022, approved by the Board of Directors. The policy calls for maximum compensation of 110% of the base bonus, which can be obtained in the event of over-performance, i.e. if 110% of this objective is reached or exceeded.

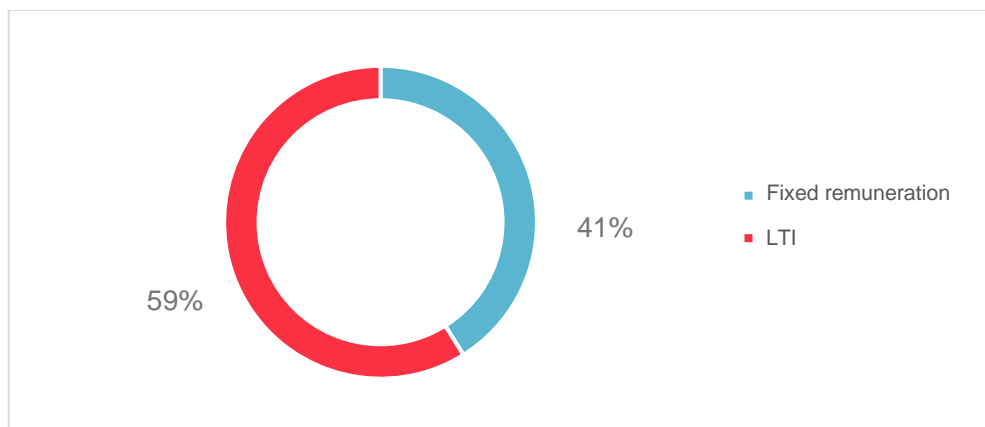
Following the conclusion of the vesting period of the 2020-2022 LTI Plan, upon verification of the parameters contained therein and the results achieved, after preliminary investigation by the Remuneration and Appointments Committee, Orsero's Board of Directors verified the full achievement of the performance indicators set forth in the aforementioned Plan. Therefore, as stipulated in the Plan Regulations, the amount due will be disbursed according to the conditions and timelines set forth in the relevant Regulations. For information on the remuneration payable under the LTI Plan, please refer to Table 3B below.

For the Financial Year, in accordance with the provisions of the Remuneration Policy, in light of the level of achievement of the performance targets as described above, the amount of variable remuneration (short term and medium to long-term) of Managers with Strategic Responsibilities who are also Executive Directors, corresponds to 99.00% of fixed compensation (excluding attendance fees for the office of Director).

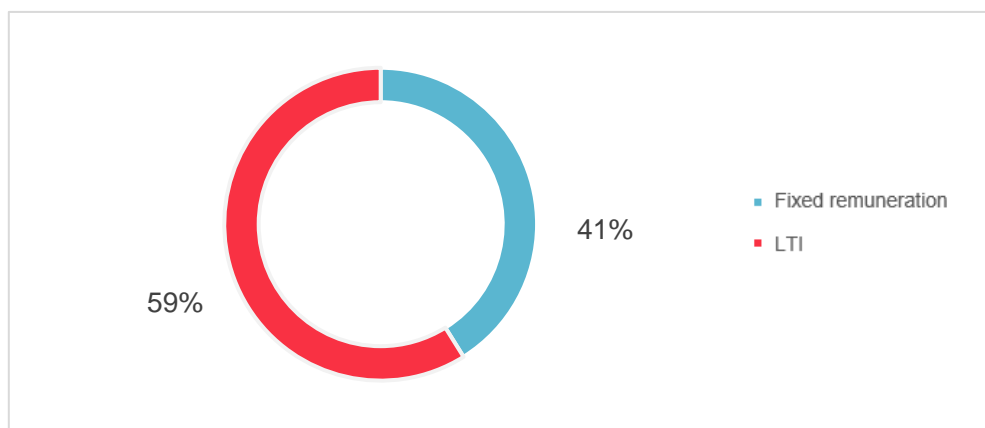
In addition, it should be noted that as stipulated in the Remuneration Policy and the 2020-2022 LTI Plan, the first tranche of the Deferred Monetary Incentive for each fiscal year of the performance period is paid in FY 2022. This tranche is indexed to the Total Shareholder Return calculated as per the LTI Plan and which in 2022 was 49% (with cap of 40%).

Below is the pay mix of Managers with Strategic Responsibilities who are also executive directors for 2022 considering over performance and the first Tranche of Deferred Monetary Incentive paid as per the LTI Plan:

CEO AND DEPUTY CHAIR



CEO AND CFO



Strategic Managers

The gross annual fixed remuneration of the Manager with Strategic Responsibilities amounts to Euro 250,000.00.

With regard to the short-term variable component relating to the Financial Year, in line with the provisions of the Remuneration Policy, the Board of Directors' meeting of March 11, 2020, having obtained the Committee's favorable opinion, resolved to pay this person a variable incentive fee of up to 28% of the fixed remuneration, provided that the budgeted

Consolidated Annual Adjusted EBITDA target, approved by the Board of Directors, was achieved and also establishing a mechanism for calculating the variable remuneration to be paid to the person concerned that provides for a minimum access threshold for the disbursement of the bonus and a maximum payable remuneration obtainable in the event of over-performance, as described in the following scheme.

Performance objectives	Payment of bonus
Result < 90% Annual consolidated Adjusted EBITDA target	No incentive
90% < Result < 100% Consolidated Annual Adjusted EBITDA target	2% reduction for each percentage point less than the result achieved
Result = 100% Consolidated Annual Adjusted EBITDA target	100 %
Result > 100% Consolidated Annual Adjusted EBITDA target	Proportional increase with cap set at 110%

With reference to the Financial Year, as regards the short-term variable remuneration, in accordance with the above and with the provisions of the Remuneration Policy, the target performance objective, i.e. the Consolidated Annual Adjusted EBITDA, of Euro 55,000,000, "pro-forma" (i.e. without the application of IFRS 16), determined by the Board of Directors, with the favorable opinion of the Committee, on the basis of the 2022 budget already approved by the administrative body, was achieved in a percentage equal to 113.28%, as verified by the Board of Directors on the basis of the results shown in the consolidated financial statements as at December 31, 2022 approved by the Board of Directors.

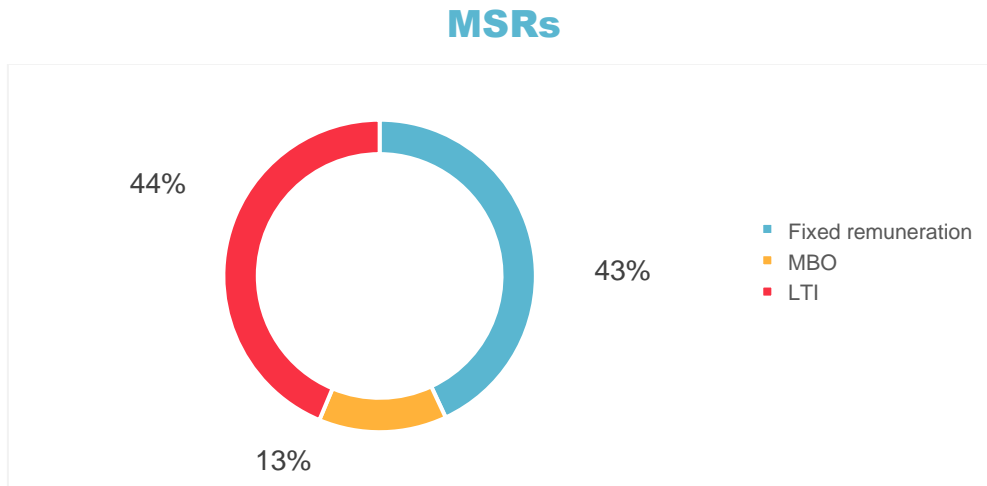
For information on the compensation due by way of the MBO short-term variable remuneration, please refer to Table 3B below. The policy calls for maximum compensation of 110% of the base bonus, which can be obtained in the event of over-performance, i.e. if 110% of this objective is reached or exceeded.

The Board of Directors meeting held on March 11, 2020, in accordance with the provisions of the Remuneration Policy and subject to the favorable opinion of the Committee, resolved, as medium-long term variable incentive remuneration, the Strategic Manager's participation in the Plan and, therefore, the recognition, for the entire period of the LTI Plan (2020-2022), a variable incentive remuneration of up to 45% of the fixed remuneration paid to them (as described above), to be paid subject to the conditions and in accordance with the terms and conditions set out in the 2020-2022 LTI Plan, and therefore in full on a deferred basis and without prejudice to the indexation of the bonus to the Total Shareholder Return. With reference to the Financial Year, as regards the medium/long-term variable remuneration, in accordance with the above and with the provisions of the Remuneration Policy, the target performance objective, i.e. the Consolidated Annual Adjusted EBITDA, of Euro 55,000,000, "pro-forma" (i.e. without the application of IFRS 16), determined by the Board of Directors, with the favorable opinion of the Committee, on the basis of the 2022 budget already approved by the administrative body, was achieved in a percentage equal to 113.28%, as verified by the Board of Directors on the basis of the results shown in the draft consolidated financial statements for FY 2022, approved by the Board of Directors. Pursuant to the Plan, the related remuneration will be recognized in accordance with the terms and conditions set forth in the related Regulation, subject to the terms and conditions set out in

the LTI Plan, and therefore, inter alia, without prejudice to indexation to the Total Shareholder Return as governed therein.

It should be noted that as stipulated in the Remuneration Policy and the 2020-2022 LTI Plan, the first tranche of the Deferred Monetary Incentive for each fiscal year of the performance period is paid in FY 2022. This tranche is indexed to the Total Shareholder Return calculated as per the LTI Plan and which in 2022 was 49% (with cap of 40).

Below is the pay mix of Managers with Strategic Responsibilities considering over performance and the first Tranche of Deferred Monetary Incentive paid as per the LTI Plan:



For information on the compensation payable under the LTI Plan, please refer to Table 3B below. The policy calls for maximum compensation of 110% of the base bonus, which can be obtained in the event of over-performance, i.e. if 110% of this objective is reached or exceeded.

It should be noted that during the Financial Year no *ex post* correction mechanisms were applied to the variable component of the remuneration of any of the three Strategic Managers (including the two Executive Directors).

Remuneration of members of the control bodies

The remuneration of the Chair of the Board of Statutory Auditors and the Standing Auditors was defined by the Shareholders' Meeting on April 30, 2020 at the time of their appointment, on the proposal of the Shareholders as Euro 30,000.00 gross per year for the Chair and Euro 20,000.00 gross per year for each Standing Auditor.

Severance indemnity

During the year, no severance or termination indemnities were awarded to Executive Directors or to the other Managers with Strategic Responsibilities.

There are no allowances for non-competition undertakings.

There are no provisions for assigning or retaining non-monetary benefits to individuals who have ceased to hold office, nor are there provisions for entering into consultancy contracts for a period subsequent to the termination of the relationship.

As regards, instead, the effects of the termination as beneficiary of the LTI Plan, which did not occur during the Financial Year for any of the beneficiaries, please refer to the description of the Plan in the previous Remuneration Report.

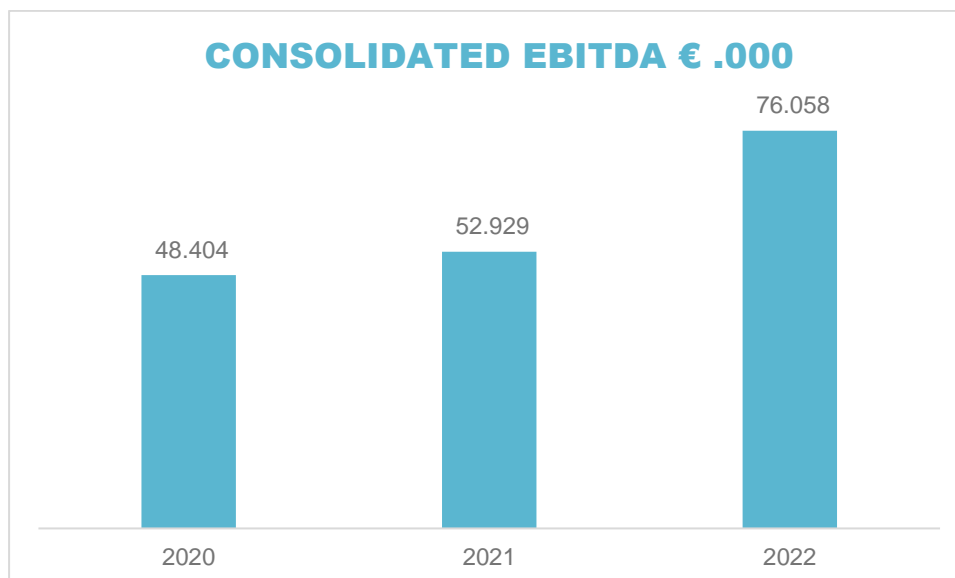
Applications of exemptions under the remuneration policy

It should be noted that there were no exceptional cases that necessitated or resulted in exceptions to the remuneration policy during 2022.

Information on the comparison between the change in the Company's results, total remuneration of Directors and Statutory Auditors and the average gross annual remuneration of the Company's employees

In line with the requirements stipulated in the Consob Issuers' Regulations, the following provides the comparison guidance, considering FY 2020, FY 2021 and FY 2022.

In 2022, the Orsero Group achieved solid financial results, up from the previous year. Specifically, the chart below shows the company's results expressed in terms of EBITDA:



The following is additional comparative information, for FYs 2020, 2021 and 2022 relating to the annual change:

- In the total compensation of each of the individuals for whom the information included in this Section of the Report is provided by name;
- In the average gross annual remuneration, measured on an employee basis, of full-time employees and employees other than those whose compensation is represented by name in this section of the Report.

Total remuneration of each of the individuals for whom information is provided by name						
Board of Directors						
Name and surname	Position	2020*	2021*	2022*	Share of first Tranche 2020-2022 LTI plan	Total compensation 2022**
Paolo Prudenziati	Chair	€ 150,000.00	€ 150,000.00	€ 150,000.00	- €	€ 150,000.00
Raffaella Orsero	Chief Executive Officer and Deputy Chair	€ 560,165.00	€ 573,150.00	€ 573,150.00	€375,526.00	€ 948,676.00
Matteo Colombini	Chief Executive Officer Chief Financial Officer	€ 516,368.00	€ 528,300.00	€ 528,300.00	€345,077.65	€ 873,377.65
Armando De Sanna	Independent Director	€ 43,500.00	€ 43,500.00	€ 43,500.00	- €	€ 43,500.00
Laura Soifer	Independent Director	€ 28,000.00	€ 28,000.00	€ 28,000.00	- €	€ 28,000.00
Vera Tagliaferri	Independent Director	€ 49,000.00	€ 49,000.00	€ 49,000.00	- €	€ 49,000.00
Carlos Fernandez	Director	€ 70,000.00	€ 95,000.00	€ 95,000.00	- €	€ 95,000.00
Elia Kuhnreich	Independent Director	€ 26,000.00	€ 26,000.00	€ 26,000.00	- €	€ 26,000.00
Riccardo Manfrini	Independent Director	€ 28,500.00	€ 28,500.00	€ 28,500.00	- €	€ 28,500.00

*Amounts include all compensation except non-cash benefits and deferred LTI.
**The amounts of the CEO and Deputy Chair and the CEO and CFO refer to the compensation paid for 2022, both with reference to the portion accrued in the year and the compensation deferred in previous years and accrued (1st tranche LTI plan). Non-monetary benefits remain excluded.

Board of Statutory Auditors				
Name and surname	Position	2020*	2021*	2022*
Giorgio Grosso	Chair of the Board of Statutory Auditors	€ 30,000.00	€ 30,000.00	€ 30,000.00
Michele Paolillo	Standing Auditor	€ 20,000.00	€ 20,000.00	€ 20,000.00
Elisabetta Barisone	Standing Auditor	€ 20,000.00	€ 20,000.00	€ 20,000.00
*Amounts including all compensation except expense reimbursements				

Average gross annual remuneration of full-time employees other than those whose remuneration is shown by name			
	2020*	2021*	2022*
Average gross annual remuneration of Group employees	€ 31,261.97	€ 31,705.20	€ 32,332.77
*Amounts comprising the Gross Annual Remuneration and the variable part			

Pursuant to Article 84-*quater* of the Issuers' Regulation, in compliance with the provisions of Annex 3A, Schedule 7-*bis* of the same Regulation, the compensation paid during the Financial Year to the members of the Board of Directors and the Board of Statutory Auditors and of the other Managers with Strategic Responsibilities is shown below. In this regard, it should be noted that the remuneration paid during the Financial Year is consistent, in its amount and its constituent items, with the Remuneration Policy approved by the Shareholders' Meeting of April 30, 2020.

Remuneration paid in accordance with the provisions of the Remuneration Policy enables the Group to pursue its long-term objectives; in fact, the Policy itself, through, in particular, (i) an appropriate balance of fixed and variable remuneration components in the short and

medium-long term, (ii) the provision of an incentive remuneration that is attractive to beneficiaries in the event of the achievement of predetermined and measurable performance objectives, (iii) the definition of long-term performance indicators such as to align the interests of key resources of the Group with those of the shareholders in the medium-long term as well as (iv) the deferral for retention purposes of part of the variable incentive remuneration, is aimed at attracting and motivating resources that can perform the assigned responsibilities through excellent performance, by balancing the variable and fixed components, as well as retaining such resources in order to benefit from them for a period of time that optimizes their return in terms of their contribution to the Group's medium/long-term results.

2 Analytical index

Section One		
A	The bodies or persons involved in the preparation, approval and possible revision of the remuneration policy, specifying their respective roles, as well as the bodies or persons responsible for the correct implementation of this policy.	Page 20-22
B	Any intervention by a remuneration committee or other committee competent in this regard, describing its members (distinguishing between non-executive and independent directors), competences and operating procedures and any other measures aimed at avoiding or handling conflicts of interest.	Page 21-22
C	How the company has taken into account the compensation and working conditions of its employees in the determination of the remuneration policy.	Page 17-18
D	The names of any independent experts involved in the preparation of the Remuneration Policy.	Page 17
AND	The purposes pursued with the remuneration policy, the underlying standards, the duration and, in the event of audits, the description of changes in respect of the remuneration policy last submitted to the shareholders' meeting and how such a revision takes into accounts the votes and assessments expressed by the shareholders during said shareholders' meeting or thereafter.	Page 16-19
F	The description of the policies on the fixed and variable parts of remuneration, with a particular focus on indicating the relative proportion in terms of overall salary and with a distinction between short-term and medium-/long-term variable parts.	Page 23-25
G	Policy on non-monetary benefits	Page 38
H	With reference to the variable components, a description of the financial and non-financial performance objectives, where appropriate taking into account criteria relating to corporate social responsibility, on the basis of which they are assigned, distinguishing between short and medium to long-term variable components, and information on the link between the change in results and the change in remuneration.	Page 28-35
I	The criteria used to assess the achievement of the performance objectives underlying the granting of shares, options, other financial instruments or other variable components of remuneration, specifying the extent of the variable component to be paid according to the level of achievement of the objectives.	Page 31-35
J	Information aimed at highlighting the contribution made by the remuneration policy and, in particular, the policy on variable components of remuneration, corporate strategy, the pursuit of long-term interests and the company's sustainability.	Page 28
K	Vesting periods, deferred payment systems, if any, with an indication of the deferral periods and the criteria used to determine those periods and, if envisaged, the mechanisms for <i>ex post</i> correction of the variable component (malus or claw-back of variable compensation).	Page 33-35

L	Information on whether there is any provision for retaining the financial instruments in the portfolio after their acquisition, with an indication of the retention periods and the criteria used to determine those periods.	Page 33
M	The policy on treatment provided in the event of termination of office or termination of employment, under the terms of the Issuers' Regulation.	Page 35-36
O (ii)	Any remuneration policy applied in relation to participation in committees.	Page 24
O (iii)	Any remuneration policy applied with regard to the performance of particular duties (chair, deputy chair, etc.).	Page 24
P	Whether the remuneration policy has been defined using the remuneration policies of other companies as a benchmark, and if so, the criteria used to select these companies.	Page 37-38
Q	The elements of the remuneration policy from which, in the presence of exceptional circumstances, it is possible to make exceptions and, without prejudice to the provisions of Regulation no. 17221 of March 12, 2010, any further procedural conditions under which the exception may be applied.	Page 36
2	With reference to the members of the control bodies, without prejudice to the provisions of Article 2402 of the Italian Civil Code (...) any criteria for determining compensation. If the outgoing control body, in view of the formulation by the shareholders of proposals to the shareholders' meeting regarding the remuneration of the control body, has provided the company with detailed information on the quantification of the commitment required to carry out the appointment, (...) summary of such information.	Page 25
Section Two		
Part one		
1.1	It provides an adequate, clear and comprehensible representation of each of the items that make up remuneration, including the benefits provided in the event of termination of office or termination of employment, highlighting their compliance with the Company's remuneration policy for the financial year in question and the ways in which remuneration contributes to the Company's long-term results. With regard to the variable components, information is provided on how the performance targets of the benchmark remuneration policy have been applied. In particular, (...) an indication shall be provided of the targets achieved in comparison with those planned, without prejudice to the right of companies to omit such information where necessary for the protection of the confidentiality of commercially sensitive information or unpublished forecast data, stating the reasons for this. The proportion between compensation of a fixed and variable nature within total remuneration is also provided, specifying the elements included in the calculation also by referring to the Tables in the second part of this Section.	Page 41-48
1.2	If awarding compensation and/or other benefits for termination of office or termination of employment during the fiscal year, companies indicate: -the circumstance that justifies its accrual; -the compensation at the end of the term of office or termination of employment, distinguishing the part -paid immediately from that which may be subject to deferral mechanisms and also distinguishing the components attributed by virtue of the office of director from those relating to any employment relationships as well as the components for any non-competition commitments; -the possible presence of performance criteria to which the assignment of the compensation is linked -any effects of the termination of the relationship on the rights assigned under incentive plans based on financial instruments or to be paid in cash; -any existence of agreements that provide for the assignment or maintenance of non-monetary benefits in favor of individuals who have terminated their office or the stipulation of consulting contracts for a period subsequent to the termination of the relationship, specifying the amount;	Page 47

	-any other compensation awarded for any reason and in any form; -the compliance of the indemnity and/or other benefits with the indications contained in the reference remuneration policy.	
1.5	Companies shall provide comparison information, for the last five fiscal years or the shorter period that the company has been listed or the individuals have been in office, between the annual change: - of the total remuneration of each of the individuals for whom the information in this section of the Report is provided by name; - of the company's performance; - of the average gross annual remuneration, parameterized on full-time employees, of employees other than individuals whose remuneration is represented by name in this section of the Report.	Page 49-51
Part two		
1.2	An analytical explanation is given of the compensation paid in the reference financial year for any reason and in any form by the Company and by subsidiaries or associated companies.	Page 54-60

3 Part two

TABLE1: Remuneration paid to members of the Board of Directors, members of the Board of Statutory Auditors and Managers with Strategic Responsibilities

The year of appointment and payment of compensation is considered to be from 04/30/2022 to 04/30/2023.

Fees paid to the members of the Board of Directors

Name Surname	Position	Period in which office was held	Expiration date of office	Type of compensation	Fixed compensation	Compensation for participation in committees		Non-equity variable compensation		Non-monetary benefits**	Other compensation	Fair value equity compensation	Total	Severance indemnity
								Bonuses and other incentives	Profit sharing					
PAOLO PRUDENZATI	Chair	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a)-b)	140,000	1)	10,000			4,615			154,615	
				Total	140,000									
RAFFAELLA ORSERO	Deputy Chair and CEO		4/30/2021 - 4/30/2022 approval of the financial statements December 31, 2022	a) c)	20,000 370,000			*402,930		12,651			805,581	
				Total	390,000									
MATTEO COLOMBINI	Chief Executive Officer	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a) c)	20,000 340,000			*370,260		9,658			739,918	
				Total	360,000									
ARMANDO DE SANNA	Independent Director	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a)	20,000	1)-2)	23,500						43,500	
LAURA SOIFER	Independent Director	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a)	20,000	3)	8,000						28,000	
VERA TAGLIAFERRI	Independent Director	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a)	20,000	1)-2)-3)	29,000						49,000	
CARLOS FERNANDEZ	Director	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a) d)	20,000 75,000								95,000	
				Total	95,000									
ELIA KUHNREICH	Independent Director	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a)	20,000	3)	6,000						26,000	
RICCARDO MANFRINI	Independent Director	4/30/2021 - 4/30/2022	approval of the financial statements December 31, 2022	a)	20,000	2)	8,500						28,500	

Type of compensation

- 1) compensation for the office Issuing company
- 2) compensation for offices pursuant to art.2389 paragraph 3 Civil Code Issuer Company
- 3) employee remuneration Issuing Company, please note that Executive Directors are also Strategic Managers and are paid as Managers in accordance with the Remuneration Policy
- 4) employee compensation from subsidiaries and associates

Types of committees

- 1) REMUNERATION AND APPOINTMENTS COMMITTEE
- 2) CONTROL AND RISKS COMMITTEE
- 3) RELATED PARTIES COMMITTEE

Types of bonuses and other incentives

*) Up Front Monetary Incentive as per 2020-2022 LTI Plan accrued and disbursed after the Shareholders' approval of the 2022 financial statements + Accrued Part in 2022 of Tranche 1 of the LTI incentive settled as per the TSR-indexed Incentive Plan+ Deferred Part of the LTI incentive accrued in the year (non-indexed). This value corresponds to the sum of the amounts shown in Table 3B, columns 2A, 2B and 4, as provided in Annex 3A of the Issuers' Regulation.

Non-monetary benefit characteristics:

- **) Non-monetary benefits: for Paolo Prudenziati consist of: i) insurance policy covering risk from occupational and non-occupational accidents, including life risk; ii) supplementary health care insurance policy.
 **) Non-monetary benefits: for Raffaella Orsero and Matteo Colombini consist of: i) housing assignment for executives operating out-of-office; ii) motor vehicle assigned for mixed use, based on the values assigned socially and fiscally (ex-forecast ACI tables), because of the executive relationship; iii) insurance policy to cover the risk from professional and extra-professional accidents, including life risk; iv) supplementary health care insurance policy.

Compensation paid to members of the Board of Auditors

Name Surname	Position	Period in which office was held	Expiration date of office	Type of compensation	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Fair value equity compensation	Total	Severance indemnity
							Bonuses and other incentives	Profit sharing					
GIORGIO GROSSO	CHAIR OF THE BOARD OF STATUTORY AUDITORS	from 4/30/2021 to 4/30/2022	Approval of the financial statements December 31, 2022	a)	31,165							31,165	
MICHELE PAOLILLO	STANDING AUDITOR	from 4/30/2021 to 4/30/2022	Approval of the financial statements December 31, 2022	a)	20,000							20,000	
ELISABETTA BARISONE	STANDING AUDITOR	from 4/30/2021 to 4/30/2022	Approval of the financial statements December 31, 2022	a)	20,581							20,581	

Fixed compensation type:

- a) Fixed compensation including lump-sum expense reimbursements from Issuer

Compensation paid to Other Managers with Strategic Responsibilities

No.	Position	Period in which office was held	Expiration date of office	Type of compensation	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits**	Other compensation	Fair value equity compensation	Total	Severance indemnity
							Bonuses and other incentives	Profit sharing					
1.	Strategic Manager	from 01/01/2021 to 12/31/2021		c)	250,000		*	225,500		5,662		481,162	

Type of compensation

- a) compensation for the office Issuing company
- b) compensation for offices pursuant to art.2389 paragraph 3 Civil Code Issuer Company
- c) salary from employment Issuing company
- d) employee compensation from subsidiaries and associates

Types of bonuses and other incentives

*) MBO incentive accrued and disbursed after the Shareholders' approval of the 2022 Budget + Accrued portion in 2022 of Tranche 1 of the LTI incentive settled as per the TSR-indexed Incentive Plan + Deferred portion of the LTI incentive accrued in the year (non-indexed). This value corresponds to the sum of the amounts shown in Table 3B, columns 2A, 2B and 4, as provided in Annex 3A of the Issuers' Regulation.

**) Non-monetary benefits: consist of: i) motor vehicle assigned for mixed use, based on the values assigned socially and fiscally (ex-forecast ACI tables); ii) insurance policy covering risk from occupational and non-occupational accidents, including life risk; iii) supplementary health care insurance policy.

TABLE 2: STOCK OPTIONS ASSIGNED TO MEMBERS OF THE MANAGEMENT BODY, GENERAL MANAGERS AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

not applicable.

TABLE 3A: INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS, OTHER THAN STOCK OPTIONS, FOR MEMBERS OF THE BOARD OF DIRECTORS AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

not applicable.

TABLE 3B: INCENTIVE PLANS FOR MEMBERS OF THE MANAGEMENT BODY AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

This table provides guidance regarding the 2020-2022 LTI Plan.

A Name and Surname	B Position	1 Plan		2 Year bonus (Euro) (ref. FY 2022)			3 Bonuses from previous years 2020-2021			4 Other bonuses
				Payable/Paid	Deferred***	Deferral period	No longer for disbursement	Payable/Paid	Still deferred*****	
Raffaella Orsero	Deputy Chair and CEO	2020/2022 LTI approved 3/11/2020	Up-Front Monetary Incentive	183,150						
			Deferred Monetary Incentive	128,205**	91,575	Approval of the financial statements 2023		247,321	176,658	
Matteo Colombini	CEO	2020/2022 LTI approved 3/11/2020	Up-Front Monetary Incentive	168,300						
			Deferred Monetary Incentive	117,810**	84,150	Approval of the financial statements 2023		227,268	162,334	
No. 1	Strategic Manager	2020/2022 LTI approved 3/11/2020	Deferred incentive	86,625**	61,875	Approval of the financial statements 2023		167,109	119,364	
		MBO 3/11/2020	Annual MBO*	77,000						
Total				428,450						
N°11*****	Key Manager and Group Manager	2020/2022 LTI approved 3/11/2020	Deferred incentive	222,667	159,048	Approval of the financial statements 2023		420,963	300,688	

*) MBO from Issuing Company

**) Part accrued in 2022 of Tranche 1 of the LTI incentive settled as per the Incentive Plan indexed to TSR

**) Deferred portion of LTI incentive accrued in 2022 (not indexed)

****) Accrued portion in previous years of the 1st Tranche of LTI incentive settled as per the Incentive Plan indexed to TSR

*****) Deferred part of LTI incentive accrued in previous years (not indexed)

*****) Disclosure made pursuant to Article 84-bis, paragraph 5, of the Issuers' Regulation *****) In 2022, a manager terminated employment

SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

SCHEDULE 7-TER: Schedule giving information on the shareholdings held by members of the management and control bodies, and Managers with Strategic Responsibilities

Administrative body members Investments in the issuer Orsero S.p.A.

Name and surname	Investee company	Number of shares held at end of fy 2021	Number of shares purchased/assigned in fy 2022	Number of shares sold/assigned in fy 2022	Number of shares held at end of fy 2022
Paolo Prudenziati	Orsero SpA	33,522 ordinary shares	0	3,259	30,263 ordinary shares
Raffaella Orsero	Orsero SpA	64,000 ordinary shares	0	64,000	0
Matteo Colombini	Orsero SpA	90,614 ordinary shares	0	0	90,614 ordinary shares
Alessandro Piccardo*	Orsero SpA	32,000 ordinary shares	0	0	32,000 ordinary shares

*) Alessandro Piccardo left as Director on 04/30/2020, listed as the spouse of Raffaella Orsero

Other investments in Group companies

Not applicable.

**Control body members
Equity investments in the issuer Orsero S.p.A.**

Not applicable.

Other Managers with Strategic Responsibilities

Equity investments in the issuer Orsero S.p.A.

Number	Investee company	Number of shares held at end of fy 2021	Number of shares purchased in fy 2022	Number of shares sold in fy 2022	Number of shares held at end of fy 2022
1 Strategic Manager	Orsero SpA	32,000 ordinary shares	0	0	32,000 ordinary shares