



**LANDI RENZO S.p.A.**

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

provided pursuant to article 123-*ter* of the Consolidated Finance Act and article 84-*quater* of  
the Issuers' Regulations

Issuer: **Landi Renzo S.p.A.**

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## GLOSSARY

**Audit, Risk and Sustainability Committee:** means the audit, risk and sustainability committee created by and within the Board of Directors.

**Board of Statutory Auditors:** the Company’s Board of Statutory Auditors.

**Board or Board of Directors:** the Company’s Board of Directors.

**Borsa Italiana:** Borsa Italiana S.p.A.

**By-laws:** means the currently applicable by-laws of Landi Renzo S.p.A.

**Civil Code:** the Italian Civil Code.

**Consolidated Finance Act:** Legislative Decree No. 58 of 24 February 1998, as amended.

**Corporate Governance Code:** the corporate governance code for listed companies approved by the Corporate Governance Committee in January 2020 (and subsequent amendments) and promoted by Borsa Italiana S.p.A., Abi, Ania, Assogestioni, Assonime and Confindustria.

**Financial Year 2022:** the financial period ending on 31 December 2022.

**Group:** means the Landi Renzo Group.

**Instructions to the Market Rules:** the instructions accompanying the market rules applicable to the markets organised and operated by Borsa Italiana.

**Issuer or Landi Renzo or the Company:** Landi Renzo S.p.A.

**Issuers’ Regulations:** the Regulations issued by Consob under its Resolution No. 11971 of 1999 (as amended).

**Market Rules:** the market rules applicable to the markets organised and managed by Borsa Italiana S.p.A.

**Performance Shares Plan 2022-2024:** indicates the long-term incentive scheme known as the “*Performance Shares Plan 2022-2024*”, approved by the Shareholders’ Meeting on 29 April 2022, pursuant to article 114-*bis* of the Consolidated Finance Act.

**Plan Rules:** means the terms and conditions setting out the implementing regulations and rules for the Performance Shares Plan 2022-2024.

**Nomination and Remuneration Committee:** means the nomination and remuneration committee created by and within the Board of Directors.

**Report:** this report on the remuneration policy and the compensation paid, prepared pursuant to article 123-*bis* of the Consolidated Finance Act, and article 84-*quater* of Issuers’ Regulations.

**Shareholders’ Meeting:** the meeting of the shareholders of the Issuer.

## SECTION I

### 1. INTRODUCTION

The Company establishes and applies a general remuneration policy aimed at attracting, motivating and retaining human resources with the professional skills required for the successful pursuit of the objectives of the Landi Renzo Group.

The policy is the result of a well-defined and transparent process in which a central role is assigned to the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors, and the Nomination and Remuneration Committee.

### 2. CORPORATE BODIES INVOLVED IN THE DRAFTING, APPROVAL, IMPLEMENTATION AND REVIEW OF THE REMUNERATION POLICY

#### (a) *Shareholders' Meeting*

In respect of remuneration, the Shareholders' Meeting:

- at the time of their appointment, determines the compensation due to the members of the Boards of Directors (including by determining an overall amount pursuant to article 2389, third paragraph of the Civil Code) and to the Board of Statutory Auditors, pursuant to article 2364, first paragraph, part (3), of the Civil Code;
- pursuant to article 123-ter, third paragraph *bis*, of the Consolidated Finance Act, resolves on the first section of the Report concerning the remuneration policy for the members of the Board of Directors, general managers and other executives with strategic responsibilities, and without prejudice to the provisions of article 2402 of the Civil Code, the members of the audit bodies, as determined by the Board of Directors (on proposal of the Nomination and Remuneration Committee) for the following year, and provides its non-binding advisory opinion on the second section of the Report, setting forth an adequate description of each of the items that comprise the remuneration and analytical description of the compensation paid during the previous financial year; and
- approves by resolution any compensation schemes based upon shares or other financial instruments that are addressed to members of the Board of Directors, employees, including executives with strategic responsibilities, pursuant to article 114-*bis* of the Consolidated Finance Act.

#### (b) *Board of Directors*

In respect of remuneration, the Board of Directors:

- establishes a Nomination and Remuneration Committee from among its members, which must include at least one member with appropriate expertise and experience in financial matters or remuneration policies, the Board of Directors assess the relevant individual's knowledge upon appointment of same;
- determines, and reviews where suitable, upon proposal of the Nomination and Remuneration Committee, the policy regarding the remuneration of directors and executives with strategic responsibilities;

- determines the remuneration of those directors with special offices, having consulted with the Board of Statutory Auditors and upon proposal of the Nomination and Remuneration Committee;
- approves the Report prepared pursuant to article 123-ter of the Consolidated Finance Act;
- with the support of the Nomination and Remuneration Committee, draws up the terms of any compensation schemes based upon shares or other financial instruments, and puts them to the Shareholders' Meeting for approval pursuant to article 114-bis of the Consolidated Finance Act; and
- with the support of the Nomination and Remuneration Committee, implements any compensation schemes based upon shares or other financial instruments, in accordance with instructions delegated by the Shareholders' Meeting.

(c) ***Board of Statutory Auditors***

In respect of remuneration, the Board of Statutory Auditors has an advisory role, under which it provides those opinions required by relevant legislation, in particular opinions on proposals for the remuneration of executive directors, and more generally of directors with special offices in accordance with article 2389, third paragraph of the Civil Code; as part of that process, the Board of Statutory Auditors assesses the proposals that the Nomination and Remuneration Committee submits to the Board of Directors for consistency with the general remuneration policy.

(d) ***Nomination and Remuneration Committee***

Proposals for the remuneration policy for the directors with special offices, both in relation to fixed compensation and variable compensation, are submitted each year by the Nomination and Remuneration Committee for approval by the Board of Directors, after having received the favourable opinion of the Board of Statutory Auditors. Further information regarding the duties and the role of the Nomination and Remuneration Committee may be found in paragraph 3 below.

(e) ***Executive directors***

In respect of remuneration, the executive directors:

- submit any compensation schemes based upon shares or other financial instruments to the Nomination and Remuneration Committee, and if appropriate assist the Nomination and Remuneration Committee with the preparation of such schemes;
- provide the Nomination and Remuneration Committee with such information as it requires for the purpose of assessing the appropriateness and effective application of the general remuneration policy, with regard in particular to the remuneration of executives with strategic responsibilities; and
- implement the Company's remuneration policies in a manner consistent with this Report.

Finally, the Board of Directors, the Board of Statutory Auditors and the Nomination and Remuneration Committee are responsible for ensuring that the remuneration policy is properly implemented and correctly applied.

### **3. NOMINATION AND REMUNERATION COMMITTEE**

#### **3.1 Composition and functioning of the Nomination and Remuneration Committee (pursuant to article 123-bis, second paragraph, item (d) of the Consolidated Finance Act)**

As at the date of this Report, the Nomination and Remuneration Committee is composed of three directors, namely Pamela Morassi, chair of the Committee, and Anna Maria Artoni, both non-executive independent directors of the Company, as well as Massimo Lucchini, non-executive director.

The members of the Committee have suitable knowledge and experience on accounting and financial matters. Upon their appointment, the Board of Directors evaluated and deemed adequate the background and experience of the Nomination and Remuneration Committee's members.

The Nomination and Remuneration Committee has adopted its own internal rules, which were updated on 30 November 2022, which govern the composition, tasks and procedures for operation of the Committee.

#### **3.2 Duties and procedures of the Nomination and Remuneration Committee**

With regard to remuneration, the Nomination and Remuneration Committee is responsible for:

- helping the Board of Directors to prepare the remuneration policy;
- presenting proposals and providing opinions to the Board of Directors regarding the remuneration of the executive directors, directors with special offices and top management of the Company and the Group as well as the establishment of performance objectives in connection with the variable component of such remuneration,
- monitoring the application, in practice, of the remuneration policy, verifying especially the actual achievement of performance objectives; and
- periodically assessing the adequacy and overall consistency of the remuneration policy for the executives and for the top management.

In connection with the performance of its duties, the Committee may access to such information deemed necessary for the performance of its duties and may also rely on the Company's organizational functions as well as on external advisors at the expenses of the Company.

### **4. REMUNERATION POLICY**

#### **4.1 Policy, purpose and duration**

The remuneration policy implemented by the Company reflects the criteria set out in the Consolidated Finance Act and the Issuers' Regulations. In particular:

- (i) it contributes to the corporate strategy because it aims to attract, motivate and retain the human resources who have the professional skills required to profitably pursue the Group's objectives;
- (ii) it contributes to the pursuit of short to medium and long-term interests of the Issuer because (i): the variable part of the remuneration of the directors with special offices and of the executives with strategic responsibilities has a considerable percentage of incidence on the overall compensation also in relation to the fixed component, and (ii) a major portion of the variable component of the remuneration of the directors with special offices and of the executive managers with strategic responsibilities is linked to strategic, and highly challenging performance objectives, such as (a) for example revenues, Adjusted EBITDA, operating cash flow for the short-term variable compensation, and (b) Total Shareholder Return and Operating Cash Flow (OCF) for the Performance Shares Plan 2022-2024, all of this financial and performance data can be clearly appreciated by the market;
  - the consistency with the pursuit of **short- to medium-term interests** of the Issuer is also guaranteed by the terms of payment of the variable component, which is paid according to progressive thresholds based on the performance objectives reached.
  - the consistency with the pursuit of the **long-term interests** of the Issuer is also guaranteed by the Performance Shares Plan 2022-2024, *i.e.* by a remuneration plan based on the free assignment of ordinary shares of the Company, according to the level of achievement of the established performance targets, to be verified upon termination of a three-year vesting period;
- (iii) it contributes to the sustainability of the Company, because it provides for a large part of the remuneration to be dependent on the creation of long-term value for the shareholders and for the Company as a whole, thus promoting behaviour intended to increase the Company's overall value and to align the interests of the management to the interests of the shareholders, with a view of generating value over the medium to long term;
- (iv) it is determined by taking into account the compensation and work conditions of, the Company's employees, because it is based on the principles of fairness, equal treatment and meritocracy, taking into account the commitment and the responsibilities related to the role and the powers granted to each addressee, with the objective of not creating any unjustified imbalance between the compensation granted to the members of the corporate bodies and executives with strategic responsibilities and the compensation granted to employees.
- (v) it provides that all the directors be paid compensation as determined upon appointment of the Shareholders' Meeting, which determines the gross amount payable to each director or to the entire Board for the term of office. Such gross annual compensation is not based on the achievement of economic results, but on the skills, professionalism and efforts requested from each director to perform the duties of the office;



- (vi) it provides that the executive directors with special offices, in addition to the fixed compensation due to them as members of the Board of Directors as determined by the Shareholders' Meeting at the time of their appointment, may receive, upon proposal of the Nomination and Remuneration Committee, having heard the opinion of the Board of Statutory Auditors, additional compensation that includes a fixed component and a variable component, which are to be adequately balanced in light of the Company's strategic objectives and risk management policy, also taking into account the sector in which the Issuer operates:
- the **fixed component** of this compensation is sufficient to compensate the performance of the beneficiary should the variable component not be paid because of non-achievement of the performance objectives set by the Board for executive directors;
  - the **variable component** is a significant portion of the Executive directors' compensation and provides for an incentive compensation that is conditional upon the achievement of predefined, highly challenging, performance objectives (described in more detail below) that take into account the role of the executive directors, the commitment requested for performance of their duties, as well as the Company's position in the market, its size and prospects for development; moreover, the variable component is linked to the achievement of both the short and medium-long term performance objectives (Performance Shares Plan 2022-2024);
- (vii) it provides that the executives with strategic responsibilities receive compensation that is composed of a fixed component and of a variable component (the latter being a significant part of the overall compensation), similarly to what is provided for the executive directors with special offices, as described in more detail in paragraph 4.2 1(1)F below;
- the **fixed component** of this remuneration is sufficient to compensate the performance of the beneficiary should the variable component not be paid because of the non-achievement of the corporate or individual performance objectives;
  - the **variable component** is a significant portion of the compensation for executives with strategic responsibilities and is an incentive, providing for compensation that is conditional upon the achievement of predefined, highly challenging performance objectives (described in more detail below) that take into account the role of the executives with strategic responsibilities, the commitment requested for performance of their duties, as well as the Company's position in the market, size and prospects for development; moreover, the variable component is linked to the achievement of both short and medium-long term performance objectives (Performance Shares Plan 2022-2024);
- (viii) it provides that the Board of Directors has the right to adopt specific procedures intended to prevent any disputes and to limit the risk of litigation in the event of early termination of their directorship or employment for specific causes (for instance, resignation and/or revocation for cause or without cause, etc.).

This remuneration policy – approved by the Board of Directors’ meeting on 24 March 2023 – is consistent with the previous one. The amendments made, on the one hand, are aimed at a continuous improvement in the clarity of presentation and, on the other hand, were deemed necessary in light of the developments in the Company’s business and organization, and of the hiring and identification of executives with strategic responsibilities. In defining the remuneration policy, the votes cast during the Shareholders’ Meeting held on 29 April 2022, during which 100% of the Shareholders in attendance (equal to 79.511% of the overall voting rights) approved the first section of the Report, and expressed a favourable opinion on the second section of the Report were also taken into account.

The remuneration policy refers to an annual duration.

#### 4.2 The components of the remuneration

The remuneration policy adopted by the Company follows different principles and modalities in relation to the fixed component and to the short and medium-long term variable component for each type of addressee. The main features and aspects of the remuneration policy for directors with special offices and executives with strategic responsibilities are summarized in the table below.

Type of compensation	Features	Details
<b>Fixed remuneration</b>	It is sufficient to remunerate performance in the event that the variable component is not paid out due to failure to achieve the performance targets of the variable remuneration	<p><b><u>Chairman</u></b> Gross annual compensation: Euro 400,000 (of which Euro 100,000 as director and Euro 300,000 as director with special offices)</p> <p><b><u>CEO-GM</u></b> Compensation as CEO: Euro 100,000 annual gross (of which Euro 12,500 as director and Euro 87,500 as director with special offices) Compensation as GM: Euro 260,000 gross annually</p> <p><b><u>DSR</u></b> Appropriate to the role held and responsibilities assigned.</p>
<b>Short-term variable incentive (MBO)</b>	<p>Plan based on short-term results achieved within the annual time frame against set targets.</p> <p><b>Entry Gate:</b> financial covenant compliance as of 12/31/2023</p> <p><b><u>Economic and financial performance indicators</u></b></p> <ul style="list-style-type: none"> <li>○ Adjusted EBITDA</li> <li>○ Revenue</li> <li>○ Operating Cash Flow</li> </ul> <p>Chairman: 100% weight CEO - GM: weight 70% DSR: weight 50%</p> <p><b>Performance indicators related to specific assessments, responsibilities, and/or special projects</b></p> <p>CEO - GM: weight 30%</p>	<p><b><u>Chairman</u></b> Target incentive: 50% of fixed compensation</p> <p><b><u>CEO-GM</u></b> Target incentive: 60% Overperformance: 75% of fixed compensation as CEO and gross annual compensation as GM</p> <p><b><u>DSR</u></b> Target incentive differentiated according to assigned role up to 50% of fixed salary. In case of overperformance 120% of target incentive.</p>

	DSR: weight 50%	
<b>Long-term variable incentive (Performance Shares Plan 2022-2024)</b>	<p><b>CEO-GM and DSR</b></p> <p>Variable incentive plan providing for the assignment of rights to receive for free ordinary shares of the Company based on performance criteria over a medium to long term period.</p> <ul style="list-style-type: none"> <li>○ <b>Performance period:</b> three years</li> <li>○ <b>Entry Threshold (Entry Gate):</b> Total Shareholder Return (TSR) <math>\geq</math> 50% of TSR Target</li> <li>○ <b>Performance Indicators:</b> <ul style="list-style-type: none"> <li>- (50%) Monetary Flow from Operations.</li> <li>- (50%) Total Shareholder Return (TSR)</li> </ul> </li> <li>○ <b>Allocation of vested shares (at the request of the beneficiary)</b> <ul style="list-style-type: none"> <li>- Up to 50% by 12/31/2025</li> <li>- The remainder from 1/1/2026 to 12/31/2026</li> </ul> </li> <li>○ <b>Holding Period:</b> <p><b>CEO-GM:</b> 3 years for 30% of the shares delivered</p> <p><b>DSR:</b> 2 years 30% of the shares delivered</p> </li> <li>○ <b>Malus and clawback</b> clauses.</li> </ul>	<p><b>CEO-GM</b></p> <p>Target incentive:</p> <p>2.5 times the sum of fixed compensation as CEO and gross annual compensation as GM</p> <p><b>DSR</b></p> <p>Target incentive differentiated according to assigned role up to 2.5 times the fixed salary</p>
<b>Benefits</b>	Benefits represent a component of the compensation package. They differ according to the recipients in line with the relevant regulations.	<p>Main types:</p> <ul style="list-style-type: none"> <li>- supplementary pension plans;</li> <li>- supplementary health care;</li> <li>- insurance coverage (medical expenses, death, permanent disability);</li> <li>- mixed-use car;</li> <li>- housing.</li> </ul>
<b>Further elements</b>	<p><u>Special treatments in the event of termination of office/employment relationship:</u> recognized under certain conditions and upon execution of a settlement agreement containing extensive waivers in relation to the past relationship.</p> <p><u>Non-competition covenants.</u></p> <p><u>Only for DSR (no CEO-GM or Chairman):</u> extraordinary one-time bonus to strengthen attraction, retention, or in cases where it is deemed to reward the most distinctive performance, as well as to remunerate particularly significant efforts within operations or projects of an extraordinary nature</p>	<p><b>CEO-GM</b></p> <p>24 monthly payments in case of early termination</p> <p>12 monthly payments in case of non-renewal on expiry</p> <p>PNC: 12 months</p> <p><b>DSR</b></p> <p>24 monthly salaries in case of termination without cause</p> <p>PNC: 12 months</p>

## A Remuneration policy for the office as director

Pursuant to article 20 of the By-laws and article 2389 of the Civil Code, the compensation for all the members of the Board of Directors is determined by the Shareholders' Meeting at the time directors are appointed.

The Shareholders' Meeting on 29 April 2022 determined the annual gross compensation payable to the Board for the 2022-2024 mandate, as overall Euro 200,000, to be divided among all the members of the Board of Directors and to be on a *pro rata temporis* basis, and resolved that each director would receive an attendance fee of Euro

500 for each meeting of the Board he or she attends, which is inclusive of any expense or cost that the director may incur to attend the meeting.

On the same date, the Board of Directors approved the break-down among its members of the compensation approved by the Shareholders' Meeting, thus attributing an annual gross compensation of Euro 100,000 to the Chairman of the Board of Directors, Stefano Landi and an annual gross compensation of Euro 12,500 to each of the other directors, consistently with the precedent office.

## **B Remuneration policy for non-executive directors**

The compensation of the non-executive directors is commensurate on their skills, professionalism and the commitment required of each of them for the performance of their role. Non-executive directors are not entitled to any variable remuneration or to remuneration plans based on shares or other financial instruments.

## **C Remuneration policy in relation to membership in Committees**

Non-executive directors who are members of Committees within the Board of Directors receive further compensation for such role, in addition to the compensation for the office of director.

With resolution of the Board on 29 April 2022, the Company determined to pay a compensation equal to Euro 7,500, on an annual basis, to directors who are also members of an internal Committee within the Board of Directors, namely the Audit, Risk and Sustainability Committee and the Nomination and Remuneration Committee and an amount equal to Euro 15,000, on an annual basis, for the Chairman of the Committees.

Furthermore, each member of the Committee for transactions with related parties receive an amount equal to Euro 500 for each attended meeting of Committee.

## **D Remuneration policy for independent directors**

The remuneration of independent directors, like the one for other non-executive directors, it is commensurate with their skills, professionalism and the commitment required of each of them for the performance of their role. Independent directors are not entitled to variable remuneration or to remuneration plans based on shares or other financial instruments.

## **E Compensation policy for the executive directors**

Pursuant to the combined provisions of article 2389, third paragraph of the Civil Code and article 20 of the By-laws, the compensation for directors with special offices is determined by the Board of Directors, upon proposal of the Nomination and Remuneration Committee and after having heard the opinion of the Statutory Board of Auditors. The compensation is composed of:

- a **fixed component**, determined congruously in light of the special offices and mandates assigned;

- an **annual variable component**, up to a pre-defined maximum amount, based upon achievement of specific performance objectives and/or to the economic results achieved by the Company in the **short term**; and
- a **medium-long term variable component**, based on an assignment of shares and based upon achievement of specific performance objectives by the Company in the **medium-long term** (Performance Shares Plan 2022-2024).

The *fixed component* of the compensation is sufficient to compensate the activity of the beneficiary should the variable component not be paid because of the non-achievement of the performance objectives set by the Board for executive directors.

On 24 March 2023, the Board of Directors determined the fixed, annual, gross compensation payable in Financial Year 2023 to directors with special offices as Euro 387,500, divided as follows, consistently with the previous financial year: to Stefano Landi, in his capacity as Chairman of the Board of Directors, Euro 300,000; and to Cristiano Musi, in his capacity as Chief Executive Officer of the Company, Euro 87,500, in each case in addition to the compensation as directors mentioned above.

The Chief Executive Officer and General Manager also receives, as remuneration for the role as General Manager in the context of an executive employment relationship with the Company, a gross fixed annual remuneration of Euro 260,000.

The *variable component* provides for an incentive compensation that is conditional upon achievement of short and medium-long term performance objectives.

In relation to the *short-term variable remuneration*, the Board of Directors, upon proposal of the Nomination and Remuneration Committee and with the Board of Statutory Auditors' favourable opinion, determined the variable remuneration to be awarded in favour of each executive directors as follows.

With reference to the short-term variable remuneration:

- for the Chief Executive Officer and the General Manager, the amount of said variable remuneration will be equal to 60% of the gross fixed annual remuneration (inclusive of the fixed compensation earned as General Manager of the Company, as well as the fixed remuneration earned as Chief Executive Officer) in case of achievement of the objectives at target and 75% in case of over performance (as defined below);
- for the other executive directors, the maximum amount of said variable remuneration will be equal to 50% of the relevant fixed gross annual remuneration, both in the event that the objectives are achieved at target level and in the event of over performance;
- in the event that none of the objectives identified are achieved, the executive directors will not receive any variable component.

The award of short-term variable remuneration is first of all conditional upon compliance as of 31 December 2023 with the financial covenant under the pool loan agreement and the SACE-guaranteed loan agreement (so-called "**Entry Gate**"). In case

of non-compliance with the above, no variable remuneration will be paid, even against achievement of the assigned performance objectives.

Subject to the above condition, short-term variable remuneration is then conditional upon achievement of the following business objectives of an economic-financial nature, with a weight of 100% for the Chairman and 70% for the CEO-GM.

- Adjusted EBITDA
- Revenue
- Operating Cash Flow

The minimum achievement threshold will be 90% of the target performance objective to which corresponds the payment of 100% of the portion of the variable remuneration linked to the corporate objectives. In case of failure to reach the 90% threshold for even one of the three targets, no variable remuneration linked to corporate objectives will be paid.

For the CEO-GM, the remaining 30% of short-term variable remuneration is linked to the achievement of specific objectives as follows:

- 15% evaluation of overall performance by the Board of Directors;
- two specific objectives on strategic projects with a weight of 7.5% each.

For the CEO-GM only, in case of over performance and thus:

- of achievement of at least 105% of all three corporate objectives; and
- of achievement of 100% of specific individual objectives.

a variable remuneration equal to 75% of the fixed remuneration as determined above will be awarded.

With regard to the *medium to long-term variable remuneration*, see paragraph G below, which includes a description of the Performance Shares Plan 2022-2024.

## **F Remuneration policy for executives with strategic responsibilities**

From 1<sup>st</sup> January 2023, the Company identified no. 3 executives with strategic responsibilities, other than the Chief Executive Officer and General Manager, Mr. Cristiano Musi, *i.e.* the Chief Operating Officer, the Chief Financial Officer and the Chief Technology Officer.

The compensation for executives with strategic responsibilities who are not executive directors is composed of a fixed component and a variable component.

The *fixed component* is sufficient to compensate the activity of the executive should the variable component not be paid because of the non-achievement of the company and individual performance objectives. With respect to the remuneration paid to the General Manager of the Company, please see paragraph E above.

Also in this case, the *variable* component is linked to the achievement of short and medium-long term performance objectives.

With reference to short-term variable remuneration, the amount of remuneration payable upon achievement of 100% of the predetermined objectives (*i.e.*, target value) is determined on the basis of a percentage of the gross fixed annual salary differentiated on the basis of the role held and the responsibilities assigned: for executives with strategic responsibilities, a target value of up to 50% of the fixed annual salary is envisaged.

The award of the variable remuneration is first of all conditional upon compliance with the covenant as of 31 December 2023 (so-called Entry Gate) as identified above also for executive directors with special office. In case of non-compliance with the covenant, no variable remuneration will be paid, even against achievement of the assigned targets.

Subject to the above condition, short-term variable remuneration is then conditional upon achievement of the following corporate objectives of an economic-financial nature, with a weight of 50%.

- Adjusted EBITDA
- Revenue
- Operating Cash Flow

The minimum achievement threshold will be 90% of the target performance objective to which corresponds the payment of 100% of the portion of the variable remuneration linked to the corporate objectives. In case of failure to reach the 90% threshold for even one of the three targets, no variable remuneration linked to corporate objectives will be paid.

The remaining 50% of the short-term variable remuneration is conditional upon achievement of three objectives differentiated according to the role held, linked to specific responsibilities and/or special projects. Each of the objectives has a weight equal to 33% of the 50% of the short-term variable remuneration. In case of over performance and thus:

- of achieving at least 105% of all three corporate objectives; and
- of achieving 100% of the specific individual objectives

a variable remuneration equal to 120% of the variable remuneration at target will be awarded.

With reference to medium- to long-term variable remuneration, see paragraph G below containing a description of the 2022-2024 Performance Shares Plan.

With the specific purpose of strengthening the attraction, retention and loyalty of key resources for the Group's growth and development, or in the event that it is deemed necessary to reward the most distinctive performance, as well as to remunerate particularly significant efforts in the context of operations or projects of an extraordinary nature, the Company reserves the possibility of awarding extraordinary



forms of remuneration (so-called *bonus una tantum*) and subject to approval by the Board of Directors upon the proposal of the Nomination and Remuneration Committee, without prejudice to the safeguards on related party transactions, where applicable.

**G Stock-based incentive plans for executive directors and executives with strategic responsibilities**

On 29 March 2022 the Board of Directors and on 29 April 2022 the Shareholders' Meeting approved the "Performance Shares Plan 2022-2024" (the "**Performance Shares Plan 2022-2024**" or the "**Plan**") which provides for the assignment to beneficiaries of rights to receive ordinary shares in the Company (in the amount of one share assigned for each right allocated), free of charge, subject to fulfilment of the entry gate condition and achievement of performance objectives, upon termination of a three-year vesting period.

(a) *Addressees of the plan, reasons supporting adoption of the plan, and main characteristics*

The Plan represents a valid instrument for the purpose of retaining the loyalty of Beneficiaries, as persons who hold key roles for the achievement of the Company objectives and more in general, those of the Group, and of aligning the interests of key company resources with those of shareholders.

The Plan intends to:

- align the interests of beneficiaries with those of shareholders and investors;
- link the remuneration of beneficiaries, in consideration of their role and duties within the Company or its subsidiaries, to actual performance by the Company and to the creation of new value and the achievement of specific previously established medium-long term objectives;
- implement retention policies to generate loyalty amongst beneficiaries and incentivise them to remain with the Company or its subsidiaries;
- implement attraction policies for talented managers and professionals.

The Performance Shares Plan 2022-2024 provides – subject to fulfilment of the entry gate condition and conditional upon achievement of the performance objectives, at the terms and conditions set out in the Plan Rules – for the assignment of rights to receive for no consideration an aggregate of up to 1,963,001 ordinary shares of the Company (in the amount of one share assigned for each right allocated), to be assigned to the Chief Executive Officer and General Manager of the Company, executives with strategic responsibilities and other executives identified by the Board of Directors having heard the opinion of the Nomination and Remuneration Committee, on the basis of their contribution to the business, degree of autonomy and the complexity of their role. The value of the initial assignment of rights to receive shares does not exceed an amount equal to 2.5 times the gross fixed annual remuneration for the Chief Executive Officer and General Manager (including the fixed compensation received as executive and General Manager and the fixed emolument received as Chief Executive Officer) and 2.5 times the gross fixed annual salary for executives with strategic responsibilities.



The Board of Directors is competent for the implementation of the Performance Shares Plan 2022-2024 and is in charge of the management and implementation of the plan, availing itself of the procedural and advisory support of the Nomination and Remuneration Committee.

(b) **Performance objectives**

The assignment of Landi Renzo ordinary shares is subject to fulfilment of the entry gate condition and to achievement of the performance objectives set out below.

The achievement of these performance objectives will be assessed by the Board of Directors, having heard the opinion of the Nomination and Remuneration Committee, upon expiry of the vesting period on the terms provided by the Plan Rules.

The assignment of the shares is primarily conditional upon achievement - upon expiry of the vesting period - of the objective linked to TSR in an amount equal to at least 50% (entry gate). No shares will therefore be assigned if the entry gate condition is not fulfilled, even if, for example, the OCF is higher than the minimum accrual threshold.

Subject to fulfilment of the entry gate condition, the assignment of shares is further conditional upon the achievement of performance objectives, upon expiry of the vesting period, that have been identified as follows:

- Total Shareholder Return (weight 50%);
- Operating Cash Flow or OCF (weight 50%).

The achievement of the performance objectives will determine the assignment of shares as follows:

<b>TSR</b>	<b>Percentage of shares assignable</b>
Lower than 50% of Target TSR	0%
Equal to or higher than 50% and lower than 75% of the Target TSR	50%
Equal to or higher than 75% and lower than 100% of the Target TSR	75%
Equal to or higher than 100% of the Target TSR	100%

<b>OCF</b>	<b>% of Shares assignable</b>
Lower than 70% of Target OCF	0%
Equal to or higher than 70% and lower than 90% of the Target OCF	50%
Equal to or higher than 90% and lower than 100% of the Target OCF	75%

Equal to or higher than 100% of the Target OCF	100%
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Starting from the date in which the Company will communicate to the beneficiaries the achievement of the performance objectives and the number of assignable shares, the beneficiaries may request the assignment of all or part of the assignable shares as follows:

- a) up to 31/12/2025 the beneficiary may request the assignment of maximum 50% of the assignable shares;
- b) from 1/1/2026 to 31/12/2026 the beneficiary may request the assignment of all remaining assignable shares in respect of which they have not already requested assignment pursuant to point (a) above.

As an alternative to the transfer of assignable shares, the beneficiary may request that all or part of the shares – at terms and conditions to be indicated in the Plan Rules – are sold on the market, enabling the beneficiary to receive an amount corresponding to the sale price for the shares, net of statutory withholdings, and subject to the settlement terms provided by market regulations, within the limits and at the terms provided by applicable regulations and by the Internal Dealing Code from time to time applicable (cash settlement).

Without prejudice to cash settlement provisions, beneficiaries will be required to retain at least 30% of the shares assigned (lock-up):

- (i) for the Chief Executive Officer and General Manager, for 3 years following the date of delivery of the shares; and
- (ii) for all other beneficiaries, for 2 years following the date of delivery of the shares.

In case of a cash settlement, the Plan Rules establishes suitable mechanisms to ensure that beneficiaries retain an investment in shares equal to 30% (thirty percent) of the shares delivered and/or of net income collected.

If, at the date of delivery of the Shares, the Beneficiary already holds shares, the beneficiary may provide evidence of this to the Company and those shares will be calculated for the purposes of compliance by the beneficiary with lock-up obligations, according to terms and procedures established in the Plan Rules.

(c) ***Effects due to the termination of directorship / employment relationship of the beneficiaries***

The Performance Shares Plan 2022-2024 provides, as a condition for participation in the plan, for the existence of an employment and/or directorship relationship between the beneficiary and the Company or the relevant subsidiary.

For this purpose, distinction is made between:

- the “**Bad Leaver**” scenario, *i.e.* any termination of employment relationship for reasons other than:

- if the beneficiary is an employee: (i) voluntary resignation for the purposes of retirement and admission to a pension scheme or (ii) dismissal without cause or justified reason;
  - if a beneficiary is a director: (i) voluntary resignation without cause or (ii) expiration of the legal term of office and failed renewal of the mandate (in the absence of circumstances that would have entitled removal for cause) or (iii) illness or any other impediment that involves the inability and/or impossibility for the beneficiary to continue to perform the directorship.
- the “**Good Leaver**” scenario, *i.e.* all termination scenarios other than the Bad Leaver scenarios

In case of termination in a Bad Leaver scenario before the shares are delivered, the beneficiary will fully and irrevocably lose the right to receive shares.

In case of termination in a Good Leaver scenario, the beneficiary will retain the right to participate in the Plan, however if termination occurs:

- during the course of the vesting period, the rights to receive shares will accrue *pro-rata temporis*, proportional to the duration of the relationship during the vesting period, without prejudice to verification of fulfilment of the entry gate condition and achievement of the performance objectives, upon expiry of the vesting period;
- subsequent to expiry of the vesting period the beneficiary may request the assignment all assignable shares in a single instalment.

The above is without prejudice to the right for the Board of Directors to regulate particular cases, from time to time establishing the number of rights to receive shares that may still be assigned and the related terms and conditions.

(d) ***Claw-back***

The Plan includes claw-back clauses. In particular if, within the 3<sup>rd</sup> (third) year following notification of accrual of the rights to receive shares, it is found on the basis of objective conditions that the entry gate and performance objectives have been calculated by the Board of Directors on the basis of data that has been revealed to be clearly erroneous or that the Beneficiary has engaged in conduct in breach of legal provisions and/or company rules (breach of Organisational, Management and Control Model and/or Code of Ethics pursuant to Legislative Decree 231/2001 or internal procedures for the Company or its Subsidiaries) and/or the Rules – the Company may exercise the right of claw-back, requiring the beneficiary to return all or part of the shares delivered or to transfer to the Company an amount equal to their value at the time of notification of accrual of the rights, or in case of a cash settlement, the return of all or part of the sums collected by the beneficiary.

Moreover if, within the 12<sup>th</sup> (twelfth) month following the date of expiry of the Plan:

- (a) the Beneficiary has been dismissed or removed for cause; or

- (b) the Company finds, in relation to a beneficiary whose employment or directorship has terminated following the date on which notification of accrual of the rights to receive shares was made, that there are circumstances which, if known, would have entitled the Company to terminate the relationship for cause prior to the date of notification of accrual of the rights to receive shares,

the Company may exercise the right of claw-back, requiring the Beneficiary to return all or part of the shares delivered, or to transfer to the Company an amount equal to their value at the date of delivery of the shares or, in case of a cash settlement, the return all or part of the sums receive by the Beneficiary for that purpose.

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For further information on the Plan, please refer to the information document prepared pursuant to article 84-*bis* and Scheme 7 of Annex 3A to the Issuers' Regulations, and to the communication pursuant to article 84-*bis* (5) of the Issuers' Regulations, available on the Company website at <http://www.landirenzogroup.com/it/>, Investors section.

## **H Benefits in kind**

Under the Company's remuneration policy, some members of the Board of Directors and the executives with strategic responsibilities receive benefits in kind.

In particular, benefits in kind are provided such as a company car and mandatory insurance, the accommodation, life and health insurance policies additional to the mandatory ones. The terms of such arrangements are agreed with the human resources department.

The Company's remuneration policy does not provide for any insurance or pension provision in addition to those mandatory by law compared to those mentioned above.

## **I Lock-up agreements regarding financial instruments**

As at the date of this Report, the Company has not entered into any agreements with provisions that restrict the sale or disposal of financial instruments following their acquisition, save for provisions relating to the lock-up period under the Performance Shares Plan 2022-2024.

## **J Policy relating to the remuneration provided for in the event of termination of office or employment relationship and non-competition agreements (including indemnities for directors in the event of resignation, dismissal or termination of employment following a tender offer, pursuant to article 123-*bis*, first paragraph, letter i) of the Consolidated Finance Act**

Certain treatments for the Chief Executive Officer and General Manager of the Company are provided in the event of termination of his office and/or his executive employment relationship with the Company (i) upon initiative of the Company without just cause, or (ii) in the event of resignation of the Chief Executive Officer for cause, imputable to the Company, if after written notice of the Chief Executive Officer this is not remedied in the following 60 days and provided that the resignation is given in the 70 days following such notice, as well as, (iii) in the event of resignation of the Chief Executive Office within 180 days of the completion of an extraordinary transaction that

results in a change of control of the Company affecting the position of the Chief Executive Officer resulting in a situation of actual professional detriment.

Specifically, if one of the above hypotheses of early termination occurs, the Chief Executive Officer and General Manager will be entitled to a total lump sum of 24 months of the fixed remuneration (including (i) the fixed salary received as General Manager, and (ii) the fixed remuneration received as Chief Executive Officer) and the short-term variable remuneration (calculated at the target value).

In addition, in case of revocation and/or non-renewal of the office or of the powers assigned at the natural expiry date of the mandate, the Chief Executive Officer and General Manager will be entitled to a total lump sum of 12 (twelve) months of fixed remuneration (including (i) the fixed remuneration received as a manager and General Manager, and (ii) the fixed emolument received as Chief Executive Officer) and the short-term variable remuneration (calculated at the target value).

The indemnities indicated above will be paid subject to execution of a settlement agreement, to be formalised in the manner and forms indicated by the Company, concerning termination of office and of the employment relationship, providing for broad reciprocal waivers relating to the relationship and its termination, in the context of a general and novative settlement.

Non-compete and non-solicitation obligations for a period of 12 months from the date of termination are also contemplated for the Chief Executive Officer and General Manager. The Chief Executive Officer and General Manager is entitled to receive as consideration for those commitments a gross amount equal to 12 months of the fixed remuneration (including (i) the fixed remuneration received as manager and General Manager, and (ii) the fixed compensation received as Chief Executive Officer), and the short-term variable compensation (calculated at target value) at the date of termination, payable in 12 deferred monthly instalments starting from the date of termination.

In the event of termination of the relationship with the Company, regardless of the relevant reasons for that termination, the Chief Executive Officer and General Manager shall remain available in the best interests of the Company, for a reasonable period of time to be agreed and in any case for maximum 6 months, to perform the activities required in connection with the handover to his successor.

With regard to the effects deriving from the termination of the directorship and/or employment relationship of the beneficiaries of the Performance Shares Plan 2022-2024, please refer to section G (c) above.

With regard to certain the executives with strategic responsibilities, agreements are in place providing for, in the event of termination of employment not supported by just cause (*giusta causa*), the payment of an agreed severance, including the indemnity in lieu of notice and any other indemnity provided for by the national collective labour agreement (CCNL) in the event of termination of employment (with the sole exception of the mandatory severance pay (TFR) and other termination payments provided for by law) in an amount equal to 24 months' remuneration. This treatment is awarded upon execution of a settlement agreement in a protected setting containing extensive waivers in relation to the employment relationship and any intervening corporate positions.

For certain executives with strategic responsibilities, a 12-month non-compete agreement is also in place with a consideration equal to, approximately, 30% of the gross annual remuneration in the event that the executive is simultaneously paid, upon termination of employment, the agreed treatment referred to in the previous paragraph, and equal to, approximately, 60% of the gross annual remuneration in the event that such treatment is not paid.

In any case, it is possible to enter into non-compete agreements with executives with strategic responsibilities of a maximum term of 12 months and with a maximum consideration equal to one year's gross fixed remuneration.

Assignment or retention of benefits in kind for a period subsequent to termination of their relationship is not contemplated.

Consulting agreements may be entered into for a period subsequent to termination of the office of director.

**K Remuneration policies of other companies potentially used as reference and criteria used for the choice of such companies. Independent experts who have contributed to the definition of the remuneration policy**

In defining the remuneration policy, the Company has not used as reference the remuneration policies of other companies.

For the definition of the long-term policy, the Company has not been assisted by independent experts in the field.

**L Remuneration of the Board of Statutory Auditors**

Pursuant to article 2402 of the Civil Code the annual compensation of all members of the Board of Statutory Auditors is determined by the Shareholders' Meeting, for the entire term of their office, upon their appointment.

For the 2022-2024 period, the Shareholders' Meeting on 29 April 2022 determined annual, gross compensation, *pro rata temporis*, as follows: Euro 35,000 for the Chair of the Board of Statutory Auditors, Euro 25,000 for the standing members of the Board of Statutory Auditors, for the financial years ending on 31 December 2022, 2023 and 2024, plus reimbursement of documented expenses incurred during exercise of their office, in accordance with the By-laws. The compensation was determined taking into account criteria such as the professional skills and experience of each member and of the commitment, in terms of time, required to perform the duties of the office.

**M Exceptional circumstances**

As provided by paragraph 3-*bis* of article 123-*ter* of the Consolidated Finance Act, upon exceptional circumstances (*i.e.*, situations in which deviation from the remuneration policy is necessary to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay on the market) the Board of Directors, upon favourable opinion of the Nomination and Remuneration Committee and of the Board of Statutory Auditors, and without prejudice to the safeguards on related parties transactions, may deviate from the following elements of the short-term variable compensation policy: (i) the Revenue target; (ii) the adjusted EBITDA target; (iii) the Operating Cash Flow target; and (iv) the portion of the short-term variable

compensation to be attributed upon the achievement of, respectively, the Revenue target, the Operating Cash Flow target and the of adjusted EBITDA.

## SECTION II

### FIRST PART

#### 1. COMPENSATION OF THE BOARD OF DIRECTORS

##### **Stefano Landi, Chairman of the Board of Directors and executive director**

During the Financial Year 2022, the Chairman of the Board of Directors, Mr. Stefano Landi, received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 400,000, non-monetary benefits for Euro 3,915 and Euro 7,500 as attendance fees for his attendance at the meetings of the Board of Directors.

With regard to short term variable remuneration, no compensation was paid as the relevant prerequisites were not verified.

The table below sets out and compares information for the financial years started as from 1<sup>st</sup> January 2019 and shows, for each financial year: (i) the overall compensation of Mr. Stefano Landi, (ii) the Group’s results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section<sup>1</sup>:

<b>Financial Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total compensation for Mr. Stefano Landi</b>	526,326	407,305	408,249	411,415
<b>Group revenues</b>	191,851,965	142,454,705	241,994,319	306,297,000
<b>Annual average gross remuneration for full-time employees other than the persons listed in this section</b>	41,367	42,719	42,391	44,917

##### **Cristiano Musi, executive director, chief executive officer and general manager**

During the Financial Year 2022, the Chief Executive Officer, Mr. Cristiano Musi, received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 100,000, non-monetary benefits for Euro 4,294, and Euro 7,500 as attendance fees for his attendance at the meetings of the Board of Directors.

During the Financial Year 2022, Mr. Cristiano Musi received a gross compensation of Euro 260,000, for his role as executive and General Manager of the Company.

With regard to short term variable remuneration, no compensation was paid as the relevant prerequisites were not verified.

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<sup>1</sup> The values set in the table are in Euro.



With regard to the Performance Shares Plan 2022-2024, of which Mr. Cristiano Musi is a beneficiary in his capacity as General Manager, no. 562,500 rights were assigned to receive ordinary shares of the Company without consideration (in the amount of one share for each assigned right). No shares were assigned since the vesting period has not yet been concluded.

The table below sets out and compares information for the financial years started as from 1<sup>st</sup> January 2019 and shows, for each financial year: (i) the overall compensation of Mr. Cristiano Musi, (ii) the Group's results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section<sup>2</sup>:

<b>Financial Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total compensation for Mr. Cristiano Musi</b>	582,287	367,874	368,613	371,794
<b>Group revenues</b>	191,851,965	142,454,705	241,994,319	306,297
<b>Annual average gross remuneration for full-time employees other than the persons listed in this section</b>	41,367	42,719	42,391	44,917

#### **Silvia Landi, non-executive director**

During the Financial Year 2022, non-executive director Silvia Landi received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 12,500 and Euro 6,500 as attendance fees for her attendance at the meetings of the Board of Directors.

The table below sets out and compares information for the financial years started as from 1<sup>st</sup> January 2019 and shows, for each financial year: (i) the overall compensation of Ms. Silvia Landi, (ii) the Group's results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section<sup>3</sup>:

<b>Financial Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
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<sup>2</sup> The values set in the table are in Euro.

<sup>3</sup> The values set in the table are in Euro.

<b>Total compensation for Mrs. Silvia Landi</b>	14,500	16,000	16,500	19,000
<b>Group revenues</b>	191,851,965	142,454,705	241,994,319	306,297,000
<b>Annual average gross remuneration for full-time employees other than the persons listed in this section</b>	41,367	42,719	42,391	44,917

### **Sara Fornasiero, independent and non-executive director and Lead Independent Director**

During the Financial Year 2022, independent director Ms. Sara Fornasiero received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 12,500, Euro 7,500 as fees for attendance at the meetings of the Board of Directors, as well as Euro 12,534 as compensation for her role as Chairman of the Audit, Risk and Sustainability Committee and Euro 1,500 for her role as member of the Related Parties Committee. By virtue of her previous office, Ms. Fornasiero received an amount equal to Euro 2,425 as a member of the Nomination and Remuneration Committee and the Audit and Risk Committee, as well as Euro 1,681 for her role as member of the Supervisory Body of the Company.

Furthermore, during the Financial Year 2022 Ms. Sara Fornasiero received compensation of Euro 5,000 as member of the Supervisory Body (*Organismo di Vigilanza*) of the controlled company Safe S.p.A.

The table below sets out and compares information for the financial years started as from 1<sup>st</sup> January 2019 and shows, for each financial year: (i) the overall compensation of Ms. Sara Fornasiero, (ii) the Group’s results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section<sup>4</sup>:

<b>Financial Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total compensation for Sara Fornasiero</b>	40,000	43,500	42,000	43,140
<b>Group revenues</b>	191,851,965	142,454,705	241,994,319	306,297,000
<b>Annual average gross remuneration for full-time employees other than the persons listed in this section</b>	41,367	42,719	42,391	44,917

<sup>4</sup> The values set in the table are in Euro.

**Sergio Iasi, non-executive director**

During the Financial Year 2022, the non-executive director, Mr. Sergio Iasi, received – consistently with the remuneration policy adopted by the Company – compensation equal to Euro 8,425, as well as Euro 5,500 as attendance fees for participation in the Board of Directors’ meetings and an amount equal to Euro 5,055 as remuneration for attendance at the Audit, Risk and Sustainability Committee.

**Massimo Lucchini, non-executive director**

During the Financial Year 2022, the non-executive director, Mr. Massimo Lucchini, received – consistently with the remuneration policy adopted by the Company – compensation equal to Euro 8,425, as well as Euro 5,500 as attendance fees for his participation in the Board of Directors’ meetings and an amount equal to Euro 5,055 as remuneration for attendance at the Nomination and Remuneration Committee.

**Andrea Landi, non-executive director**

During the Financial Year 2022, the non-executive director, Mr. Andrea Landi, received – consistently with the remuneration policy adopted by the Company – compensation equal to Euro 8,425, as well as Euro 5,000 as attendance fees for participation in the meetings of the Board of Directors.

**Pamela Morassi, independent non-executive director**

During the Financial Year 2022, the independents non-executive director, Ms. Pamela Morassi, received – consistently with the remuneration policy adopted by the Company – a compensation equal to Euro 8,425, as well as Euro 5,500 as attendance fees for participation in the meetings of the Board of Directors, Euro 10,110 as remuneration as Chairman of the Nomination and Remuneration Committee and Euro 1,500 as member of the Related Parties Committee.

**Anna Maria Artoni, independent non-executive director**

During the Financial Year 2022, the independent non-executive director, Ms. Anna Maria Artoni, received – consistently with the remuneration policy adopted by the Company – a compensation equal to Euro 8,425, as well as Euro 5,500 as attendance fees for participation in the meetings of the Board of Directors, Euro 10,110 as remuneration as attendance fees for participation in the meetings of the Audit, Risk and Sustainability Committee, the Nomination and Remuneration Committee, and the Related Parties Committee.

During Financial Year 2022, the following compensations were paid up to the end of the previous office, consistently with the policy adopted by the Company, to the members of the board of directors who were not re-elected, namely:

- Giovanna Domenichini, honorary Chairman and non-executive director: remuneration equal to Euro 4,890, and no attendance fees for attending board meetings;

- Vincenzo Russi, non-executive and independent director: remuneration equal to Euro 4,040, an amount equal to Euro 2,000 as attendance fees for participating in the Board of Director’ meetings and an amount equal to Euro 4,850 as attendance fees for participating in the Audit and Risk Committee and the Remuneration Committee’s;
- Dario Patrizio Melpignano, non-executive director: remuneration equal to Euro 4,040 and an amount equal to Euro 2,000 as attendance fees for participating in the Board of Directors’ meetings;
- Angelo Iori, non-executive director: remuneration equal to Euro 4,040, an amount equal to Euro 2,000 as attendance fees for participating in Board of Directors’ meetings, and an amount equal to Euro 4,850 as attendance fees for participating the Audit and Risk Committee and the Nomination and Remuneration Committee;
- Paolo Emanuele Maria Ferrero, non-executive director: remuneration equal to Euro 4,040, as well as an amount equal to Euro 2,000 as attendance fees for participating in the Board of Directors’ meeting.

## 2. COMPENSATION TO THE BOARD OF STATUTORY AUDITORS

### **Fabio Zucchetti, Chair of the Board of Statutory Auditors**

During the Financial Year 2022, Mr. Fabio Zucchetti received – consistently with the remuneration policy adopted by the Company – compensation of Euro 35,000 and Euro 1,000 as reimbursement for expenses.

The table below sets out and compares information for the full period during which Mr. Fabio Zucchetti was in office and shows, for each financial year: (i) the overall compensation of Mr. Fabio Zucchetti, (ii) the Group’s results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section<sup>5</sup>:

<b>Financial Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total compensation for Mr. Fabio Zucchetti</b>	23,685	35,744	35,652	36,000
<b>Group revenues</b>	191,851,965	142,454,705	241,994,319	306,297,000
<b>Annual average gross remuneration for full-time employees other than the persons listed in this section</b>	41,367	42,719	42,391	44,917

### **Diana Rizzo, Standing Statutory Auditor**

<sup>5</sup> The values set in the table are in Euro.

During the Financial Year 2022, Ms. Diana Rizzo received – consistently with the remuneration policy adopted by the Company – a compensation of Euro 25,000.

Furthermore, Diana Rizzo received, by virtue of her role of auditor for the subsidiary Metatron S.p.A., a compensation equal to Euro 3,397 (*pro rata temporis*).

The table below sets out and compares information for the financial years started as from 1<sup>st</sup> January 2019 and shows, for each financial year: (i) the overall compensation of Ms. Diana Rizzo, (ii) the Group’s results and (iii) the annual average gross remuneration, for full-time employees, of the subordinate employees other than the persons whose remuneration is described in this section<sup>6</sup>:

<b>Financial Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Total compensation for Diana Rizzo</b>	25,000	25,000	25,000	28,897
<b>Group revenues</b>	191,851,965	142,454,705	241,994,319	306,297,000
<b>Annual average gross remuneration for full-time employees other than the persons listed in this section</b>	41,367	42,719	42,391	44,917

### **Luca Aurelio Guarna**

During the Financial Year 2022, Mr. Luca Aurelio Guarna received– consistently with the remuneration policy adopted by the Company – a compensation equal to Euro 16,849.

### **Domenico Sardano, Standing Statutory Auditor**

During the Financial Year 2022 until the end of the prior term in office upon which he was not re-elected, Mr. Domenico Sardano received– consistently with the remuneration policy adopted by the Company – compensation of Euro 8,082, as well as Euro 5,000 as fees for his attendance at the meeting of the Supervisory Body (*Organismo di Vigilanza*) of the Company.

Furthermore, Mr. Domenico Sardano for his role as standing statutory auditor in the subsidiaries Safe S.p.A. and Safe&Cec S.r.l. has received compensations of, respectively, Euro 10,000 and Euro 5,000 and Euro 5,096 (*pro rata temporis*) for his role of Chairman of the Board of Statutory Auditors in the subsidiary Metaron S.p.A.

<sup>6</sup> The values set in the table are in Euro.

### **3. COMPENSATION TO GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES**

During Financial Year 2022, has not appointed any executive director with strategic responsibilities other than the Chief Executive Officer and General Manager, Mr. Cristiano Musi.

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For the Financial Year 2022, there was no deviation from the remuneration policy adopted by the Company and no *ex post* correction mechanisms were applied to the variable part of remuneration.

Moreover, during the Financial Year 2022, no indemnities and/or other benefits were assigned due to termination of office or of employment contracts.

The Company took into account the favourable opinion expressed by the Shareholders' Meeting held on 29 April 2022 on the second section of the remuneration policy and the compensation paid in the Financial Year 2021, and used the same criteria used to award compensation for the Financial Year 2022.

## **SECTION II**

### **SECOND PART**

The following tables set forth details of remuneration paid in Financial Year 2022, on any basis and in any form, by the Company or subsidiaries and affiliates of the Issuer.

**TABLE 1 (Form 7-bis): Compensation paid to members of the Board of Directors, Board of Statutory Auditors, the General Manager and other executives with strategic responsibilities.<sup>7</sup>**

(A)	(B)	(C)	(D)	-1	-2	-3		-4	-5	-6	-7	-8
Full name	Office held	Period for which office is held	Expiry of term of office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or upon termination
Sergio Iasi	Vice Chair	29/04/2022 - 31/12/2022	Approval of financial statements 2024		5,055	Bonus and other incentives	Profit sharing			5,055		
	Compensation from the company preparing the financial statements			8,425 (emoluments)						8,425		
				5,00 (attendance fees)						5,500		
	Compensation from subsidiaries and affiliates											
	Total			13,925	5,055				0	18,980		
Stefano Landi	Chairman of the Board of Directors	01/01/2022 - 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			100,000 (emoluments for his role as Chairman of the Board)								
				300,000 (emoluments for his role as director with special office)				3,915		411,415		

<sup>7</sup> Figures shown in the tables are in Euro. During Financial Year 2022 no other executives with strategic responsibilities have been identified.



				7,500 (attendance fees)								
	Compensation from subsidiaries and affiliates											
	Total			407,500				3,915		411,415		
<b>Cristiano Musi</b>	Chief Executive Officer and General Manager	01/01/2022 – 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			12,500 (emoluments per la carica di Consigliere)								
				87,500 (emoluments for the office of executive director)				4,294		371,794		
				260,000 (emoluments as an employee)								
				7,500 (attendance fees)								
	Compensation from subsidiaries and affiliates											
	Total			367,500				4,294		371,794		
<b>Silvia Landi</b>	Director	01/01/2022 – 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			12,500 (emoluments)								
				6,500 (attendance fees)						19,000		
	Compensation from subsidiaries and affiliates											
	Total			19,000						19,000		
<b>Massimo Lucchini</b>	Director	29/04/2022 – 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					

	Compensation from the company preparing the financial statements			8,425 (emoluments) 5,500 (attendance fees)	-					18,979		
	Compensation from subsidiaries and affiliates											
	Total			13,925	5,055					18,979		
<b>Sara Fornasiero</b>	Independent director	01/01/2022– 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			12,500 (emoluments) 7,500 (attendance fees) -	18,140					38,140		
	Compensation from subsidiaries and affiliates				5,000					5,000		
	Total			20,000	23,140					43,140		
<b>Andrea Landi</b>	Director	01/01/2022 – 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			8,425 (emoluments) 5,000 (attendance fees)	-					13,425		
	Compensation from subsidiaries and affiliates											
	Total			13,425						13,425		
<b>Pamela Morassi</b>	Independent director	29/04/2022 – 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			8,425 (emoluments) 5,500 (attendance fees)	11,610					25,534		
	Compensation from subsidiaries and affiliates											
	Total			13,925	11,610					25,534		
<b>Anna Maria Artoni</b>	Independent director	29/04/2022 – 31/12/2022	Approval of financial									

			statements 2024									
	Compensation from the company preparing the financial statements			8,425 (emoluments) 5,500 (attendance fees)	11,610					25,534		
	Compensation from subsidiaries and affiliates											
	Total			13,925	11,610					25,534		
<b>Fabio Zucchetti</b>	Chairman of the Board of Statutory Auditors	01/01/2022– 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			35,000 (emoluments) 1,000 (attendance fees)						36,000		
	Compensation from subsidiaries and affiliates											
	Total			36,000						36,000		
<b>Diana Rizzo</b>	Statutory Auditor	01/01/2022– 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			25,000 (emoluments)						25,000		
	Compensation from subsidiaries and affiliates			3,397						3,397		
	Total			28,397						28,397		
<b>Luca Aurelio Guarna</b>	Statutory Auditor	29/04/2022 - 31/12/2022	Approval of financial statements 2024			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			16,849 -						16,849		
	Compensation from subsidiaries and affiliates											
	Total			16,849						16,849		
<b>Giovannina Domenichini</b>	Honorary Chairman	10/01/2022 - 29/04/2022	Approval of financial			Bonus and other incentives	Profit sharing					

			statements 2021								
	Compensation from the company preparing the financial statements			4,890					4,890		
	Compensation from subsidiaries and affiliates										
	Total			4,890					4,890		
<b>Vincenzo Russi</b>	Director	10/01/2022 - 29/04/2022	Approval of financial statements 2021			Bonus and other incentives	Profit sharing				
	Compensation from the company preparing the financial statements			4,040 2,000 (attendance fees) -	4,850				10,890		
	Compensation from subsidiaries and affiliates										
	Total			6,040	4,850				10,890		
<b>Paolo Emanuele Ferrero</b>	Director	10/01/2022 - 29/04/2022	Approval of financial statements 2021			Bonus and other incentives	Profit sharing				
	Compensation from the company preparing the financial statements			4,040 2,000 (attendance fees) -				60,671	66,711		
	Compensation from subsidiaries and affiliates										
	Total			6,040	0			60,671	66,711		
<b>Angelo Iori</b>	Director	10/01/2022 - 29/04/2022	Approval of financial statements 2021			Bonus and other incentives	Profit sharing				
	Compensation from the company preparing the financial statements			4,040 2,000 (attendance fees) -	4,850				10,890		
	Compensation from subsidiaries and affiliates										
	Total			6,040	4,850			0	10,890		

<b>Dario Melpignano</b>	Director	10/01/2022 - 29/04/2022	Approval of financial statements 2021			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			4,040 2,000 (attendance fees)						6,040		
	Compensation from subsidiaries and affiliates											
	Total			6,040	0				0	6,040		
<b>Domenico Sardano</b>	Statutory Auditor	10/01/2022 - 29/04/2022	Approval of financial statements 2021			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			8,082 (emoluments)	5,000					13,082		
	Compensation from subsidiaries and affiliates			20,763						20,763		
	Total			28,845	5,000					33,845		

**TABLE 3 A (Form 7-bis): Incentive plans based on financial instruments other than stock options for the Executive Director and for the General Manager and other Executives with Strategic Responsibilities.<sup>8</sup>**

A	B	Financial instruments granted in the previous years not vested during the fiscal year			Financial instruments assigne during the financial year					Financial Instruments vested during the financial year and not granted	Financial instruments vested during the financial year and grantable		Financial instruments within the financial year
		-1	-2	-3	-4	-5	-6	-7	-8		-9	-10	
Full name	Office held	Programme	Number and kind of financial instruments	Vesting period	Number and kind of financial instruments	Fair value as of the assignment date	Vesting period	Assignment date	Market price as of the date of assignment	Number and kind of financial instruments	Number and kind of financial instruments	Value as of the vesting date	Fair value
Cristiano Musi	Chief Executive Officer and General Manager	Performance Shares Plan 2022-2024			562,500 Units-rights to potentially receive shares		2022-2024	22-dec-22	0.57 Euro				

<sup>8</sup> Please note that the other executives with strategic responsibilities have been identified starting from 1st January 2023.

**TABLE 1 (Form 7-ter): Shares owned by members of the Board of Directors and the Board of Statutory Auditors and by general managers.**

<b>FULL NAME</b>	<b>OFFICE HELD</b>	<b>COMPANY IN WHICH SHARES ARE HELD</b>	<b>NUMBER OF SHARES HELD AT END OF PREVIOUS FINANCIAL PERIOD</b>	<b>NUMBER OF SHARES PURCHASED</b>	<b>NUMBER OF SHARES SOLD</b>	<b>NUMBER OF SHARES HELD AT END OF CURRENT FINANCIAL PERIOD</b>
Angelo Iori <sup>9</sup>	Director	Landi Renzo S.p.A.	1,000	3,100	0	4,1000
Cristiano Musi	Chief Executive Officer and General Manager	Landi Renzo S.p.A.	20,000	0	0	20,000

<sup>9</sup> Data updated as of 29 April 2022, when the office was terminated.